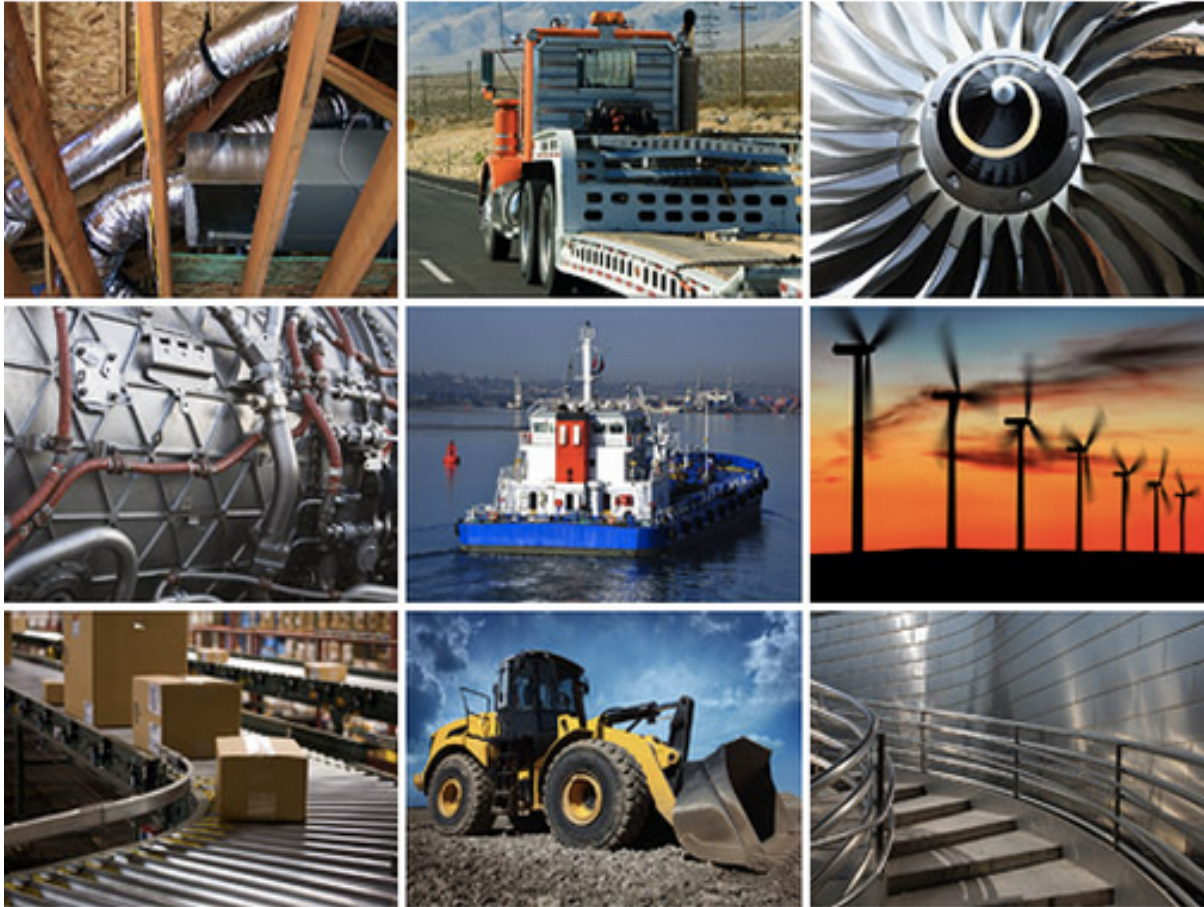


The Health Project Application
2015 C. Everett Koop National Health Awards
O'Neal Industries | Birmingham, AL



LIVESMART

ONI
O'NEAL INDUSTRIES

Submitted by Mark Jones
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In partnership with Element Health, Inc.

Table of Contents

Section I.

Letter from Craft O'Neal, Chairman and CEO of O'Neal Industries.....3

Executive Summary of
Program Evaluation Highlights.....4

Section II.

Program Description
and Evaluation Results.....5

A. O'Neal Industries and its family of companies 5

B. Health Management Strategy/Programs.....5

C. Evaluation Methodology and Results..... 9

Section III.

Supplemental Documentation
Appendix A: ONI LIVESMART Brochure..... 17



May 25, 2015

The Health Project
Attention: Dr. Ron Goetzel

Dear Board of Advisors,

I am writing today to express our company's sincere commitment to the health and well-being of O'Neal Industries (ONI) employees and their family members. Since our beginning as O'Neal Steel in 1921, ONI has grown to become the nation's largest family-owned full line metals service centers. Our commitment is to our customers as well as our employees – our greatest asset. At O'Neal Industries, we believe that healthy employees lead fuller and more productive lives. Our goal is to help employees perform their best - at work, at home, and into retirement. Since our beginnings, O'Neal Industries has been committed to providing a healthy and safe work environment.

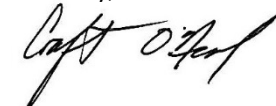
By living healthier lives, ONI employees have the advantage of leading safer and more productive lives and controlling personal health care costs, as well as the company's bottom line. Our health and wellness program, **LIVESMART**, was launched from the ONI Human Resources Department and engages our employees as well as integrates with the areas of safety, absence, and disability. This program provides employees and their families with health information, health screenings, and motivation to live happier and healthier lives. In addition, communications and health management programs and services are available to the families of employees, supporting and positively impacting them as well.

Doing the right thing is important to us. We are pleased to see the impact of the **LIVESMART** health and wellness program on our employees and family members and the many benefits and cost savings that we have received. However, we are more grateful that this program continues to assist in achieving our goal of enriching and engaging the lives of our employees.

I hope our story will benefit other organizations who want to gain a better understanding of how companies can create life-changing and life-saving programs for their employees and family members. Each year, we learn from many employees who share their stories of how our health benefit programs and services have enriched and extended their lives, made them more productive, and given them greater goals and purpose in life. It is difficult to quantify the cost benefit and savings of these programs – but we have done our best for this application.

Again, thank you for offering this recognition so that we can explore ways to improve our programs, while sharing our story with others.

Sincerely,



Craft O'Neal
Chairman

Section I: Executive Summary of Program and Evaluation Highlights

O'Neal Industries (ONI) is the nation's largest family-owned, full line metals service centers with annual sales of more than \$2.3 billion, with headquarters in Birmingham, Alabama, and more than 90 locations in North America, Europe, and Asia. The O'Neal family of companies, comprised of more than nine companies and approximately 3,000 employees worldwide, provide products and services across the spectrum of the metals industry, ranging from carbon and stainless steel, aluminum, and specialty alloy products to complex manufactured components, and supply chain management solutions.

In 2011, ONI introduced the **ONI LIVESMART (LIVESMART)** program as its signature health and wellness program. This comprehensive health and wellness program was built upon the organization's existing culture of health and safety. The **LIVESMART** program, designed using best practices and evidence-based research, provides employees and family members with opportunities to support healthy lifestyles by maintaining or improving their health risk status. The inclusion of dependents in the program in 2012 added an opportunity to positively impact overall family health status. The resulting culture of health has proven to be a foundational component of program success. The **LIVESMART** program was designed and is delivered in partnership with Element Health, Inc.

LIVESMART key program components and attributes:

- Senior executive and mid-level management support.
- Comprehensive tailored wellness program design focused on improving the overall health of employees and their families.
- Comprehensive health communication strategy using print, electronic, social media and a network of **LIVESMART** Ambassadors (volunteer employees) at each location.
- Program integration with internal departments, Ambassadors, employee leaders, vendors and community resources.
- Highly visible contracted wellness team comprised of a full-time program manager, operations coordinator, as well as registered dietitians/health coaches and diabetes educators.
- Integrated health assessment, biometric and preventive health screening and coaching program.
- Individual health coaching sessions with multiple delivery opportunities (on site, online, telephonic).
- Innovative health improvement campaigns engaging employees, teams, and families with a focus on nutrition, physical activity, financial wellness, happiness, and family health.
- Electronic access to screening results and coaching goals via wellness portal.
- On-site fitness facilities at select locations.

Since its inception in 2011, the **LIVESMART** program has sustained high levels of engagement, with over 82% employee participation and 52% participation among spouses with health benefits. Since 2011, more than 100 employees have quit tobacco, 400 have initiated/improved their exercise levels, 100 have lowered their body weight, 60 employees lowered their blood glucose levels, and over 200 have lowered their blood pressure levels. In the last four years these high levels of participation have sustained health improvements resulting in a significant health risk migration to a lower risk category by 33% (n=484) of the employee population. Based on an evaluation of repeat health measures between 2011–2014, risk reduction was demonstrated in all areas of health risk, and most notable in the areas of body mass index, blood pressure, blood glucose, physical activity, triglyceride levels, and tobacco use.

To measure the financial success of the program, a program evaluation was conducted to include a four year review of repeat measures of participants in the LIVESMART program, along with corresponding health care cost claims to include both medical and pharmacy costs. The overall health care cost savings was **\$1,656,000** (Table 7). ONI invests **\$1,089,900** annually - including all wellness program expenses as well as the rich financial cash incentives. Therefore the overall net cost savings was estimated at **\$556,100**. This net cost savings results in a return of investment ratio of 1.52:1 based solely on health care costs.

Section II: Narrative Description and Evaluation Results

A. O'Neal Industries – The Organization

ONI began as O'Neal Steel in 1921 in Birmingham, Alabama and is now the parent company of fourteen leading brands in over 90 locations worldwide. Kirkman O'Neal, founder, started a small steel fabricating business and quickly gained a reputation for dependability and performance. Emmet O'Neal, Kirkman's son and former Chairman of O'Neal Steel, joined the company in 1946. During the next sixty years, through corporate planning and acquisitions, O'Neal greatly expanded its operations with the addition of more than a dozen companies throughout the U.S. and the world – making it the largest family-owned metals service center in the nation. In 1984, Emmet's son Craft O'Neal joined the company, representing the third generation of family involvement in the business. Craft currently serves as Chairman and CEO of ONI.

Built upon the solid foundation of O'Neal Steel, Inc., the Southeast's first full-line metals service center, ONI has assembled a global family of companies that provides customers exceptional breadth and depth of inventory - unprecedented product and processing expertise - and strategically positioned facilities for fast, efficient distribution, as well as full-scale manufacturing. ONI offers the combined purchasing power of multiple U.S. companies to include O'Neal Steel, Aerodyne Alloys, Leeco Steel, O'Neal Flat Rolled Metals, Supply Dynamics, Stainless Tubular Products, TW Metals, Plus 10, and United Performance Metals. ONI serves a spectrum of customers from job shops to original equipment manufacturers, and industries ranging from heavy equipment manufacturers to aerospace.

ONI's demographics include 81% male, 78% Caucasian, 10% African-American, 9% Hispanic/ Latino and 3% Asian, American Indian, and Pacific Islander. Labor makes up 54% of the workforce. The average age of employees is 44.3 years with an average service length of approximately 9 years. Annual turnover is less than 5.1%. Of the approximately 3,000 employees, 2,500 employees and 4,500 dependents are covered by the ONI health benefits plan.

B. Health Management Strategy/Programs

The health management strategy at O'Neal Industries begins with Craft O'Neal, Chairman and CEO of O'Neal Industries – engaged with executive leadership and all levels of management. Under the direction of human resources, a dedicated contract wellness team provides onsite, telephonic and online programming in all areas of behavior change including nutrition, weight loss, lifestyle management and physical activity for all employees and family members. With a high touch, hands-on approach, the wellness team and corresponding LIVESMART Ambassadors coordinate and deliver health and wellness services and programming in all the offices and manufacturing areas in the United States to maximize visibility, participation and impact.

Table 1. O'Neal LIVESMART Program Campaigns and Services

WELLNESS: Assessment and Coaching Campaigns	NUTRITION: Resources and Campaigns	MOVEMENT: Resources and Campaigns	ADDITIONAL RESOURCES: Integrated Programs and Services
<ul style="list-style-type: none"> ● LIVESMART health assessment including onsite screening and health coaching ● Disease management including diabetes education ● Tobacco Free coaching and programs ● LIVESMART Signature Health Enhancement Programs such as LIVE Happy ONI, Strive for Five, Summer Family Makeover, Holiday Trio ● Health Contingent Financial Incentive ● Onsite Ambassador Program 	<ul style="list-style-type: none"> ● Nutrition for Lifestyle Conditions ● Nutrition education counseling and materials ● Individualized weight management coaching and menu development ● Healthy Vending at select locations ● Healthy Meeting Guidelines ● Farmer's Market at select locations ● Nutrition focused programs ● LIVESMART Website and Health Portal ● LIVESMART Communication Boards ● Quarterly Newsletter to the home 	<ul style="list-style-type: none"> ● On-site fitness center at select locations and walking trails at select locations ● Onsite recreation offerings at select locations such as ping pong and basketball ● Individualized exercise prescription ● Walking programs ● Coordination of community walking events and special interest fitness groups ● Subsidized entry fees for fitness walks/runs ● Fitness reimbursement for gym memberships, fitness classes, sporting leagues, and other approved fitness activities ● AHA Fit Friendly Award ● Stairwell Campaigns 	<ul style="list-style-type: none"> ● Free preventive exams, mammograms and flu shots ● Employee Assistance Program ● LifeMap- Diabetes education program coordinated with Roche® ● Health Plan and state tobacco cessation quit lines ● Baby Yourself – healthy prenatal care program ● Ergonomics, safety and training and apprentice programs ● Partnerships with local health professionals for onsite services including yoga and massage. ● SaveSmart- financial planning and debt avoidance counseling ● Safety and ergonomics program ● Weight Watchers® ● Health plan wellness portal ● Dental benefits ● Health Advocacy Program

Program Sample and Participation Rates

Participation in the LIVESMART program is monitored using a customized online data system. Health care claims data, along with additional health, wellness, safety, and disability data is integrated into a data warehouse. Participation rates are included in Table 2.

Table 2. Overall LIVESMART Wellness Program Demographics and Participation by year.

Program Year	2011	2012	2013	2014
Eligible Employees (n)	2756	2761	2691	2772
Health Screening/Coaching (n)	2081	2171	2196	2260
Overall employee participation in LIVESMART program (%)	75%	79%	82%	82%
Eligible Spouses (n)	N/A	890	867	847
Overall spouse participation in LIVESMART program (%)	N/A	52%	54%	52%

Note: Data was drawn from the 2011-2014 LIVESMART health database and Human Resources census file. Participation numbers include employees working for ONI Companies (U.S.) offering LIVESMART, as well as spouses on the ONI health plan.

Program Longevity and Participation

Launched in 2011, employee participation in the LIVESMART program has averaged 82% in the last two years through proactive outreach and continued engagement strategies. This sustained participation has allowed for significant improvements in health knowledge and skills, behavior change, and cost containment.

Program Design

Since 2011 employees have participated in a voluntary health assessment and coaching program, as well as multiple health improvement campaigns. The LIVESMART contract wellness team provides biometric health screening, coordinated goal setting, and lifestyle management coaching. This program is available to all employees and spouses at each work location annually as part of their LIVESMART Go Platinum health screening and coaching campaign. Based on the results of the health risk assessment and biometric screening, participants are scored and placed into four health clubs: Platinum, Gold, Silver, or Bronze. Platinum Club carries the lowest health risk and Bronze Club carries the highest. High-risk employees are referred to a medical provider. Participants that complete the coaching program, receive a financial incentive determined by the amount of their club status, i.e., Platinum (low-risk) participants receive \$300 annually. Employees and spouses participating in the ONI health plan are also eligible for a health care premium discount. All employees and spouses can also receive a financial reimbursement of up to \$400 annually for participating in recreation and fitness activities and centers. Further information regarding the programs, services, financial incentives, and resources offered are included as Appendix A.

Program Sample and Participation Rates

Due to the high level of commitment by the executive leadership, employees and their spouses are able to participate in onsite health screening at all locations each year. Individuals who are unable to participate during the time of their annual event can participate by having their health care provider complete and sign the wellness medical qualification form and submitting it to LIVESMART. Participation rates by company and employee status are included in Table 3.



Table 3. LIVESMART Wellness Program Demographics and Participation by Company

Company	Employee participation				Spouse Participation		
	2011	2012	2013	2014	2012	2013	2014
Aerodyne Alloys	60%	59%	60%	66%	25%	6%	27%
Leeco Steel	80%	84%	82%	89%	44%	44%	67%
TW Metals/Stainless Tubular Products/Supply Dynamics	78%	87%	85%	84%	36%	65%	40%
O'Neal Steel/ ONI	75%	77%	82%	77%	57%	57%	55%
O'Neal Flat Rolled	69%	77%	76%	79%	54%	45%	61%
United Performance Metals (2015) & Plus 10 (2014)				71%			50%
Totals	75%	79%	82%	82%	52%	54%	52%

Note: Data was drawn from the 2011-2014 LIVESMART health database and Human Resources census file. Participation numbers include employees working for ONI Companies (U.S.) offering LIVESMART, as well as spouses on the ONI health plan.

Addressing Workforce Disparities: O’Neal is not only a long-time industry leader in the products it supplies, but was one of the earliest innovators in human resources and benefits for employees and their families. O’Neal is truly committed to the well-being of its people. With a predominantly male workforce, aging workforce, locations in all areas of the country with a concentration in the Southeast, the population has a characteristically high rate of chronic diseases including hypertension and diabetes. O’Neal has successfully addressed these health disparities by providing excellent health and medical benefits, onsite flu vaccinations, health screenings, ongoing health coaching and health and safety programs. The LIVESMART programs are open to all employees and spouses on varying shifts. **Each year, health coaches conduct onsite health screening and coaching on location to each of the over 80 locations dispersed over 40 states – with an 82% participation rate among employees.** The effectiveness of the LIVESMART program in addressing workplace disparities is evidenced by the consistently high rates of participation and engagement across all employees throughout the U.S.

Health Management Scorecard Data

The HERO Scorecard results are indicative of a best practice approach in all parameters as evidenced in Table 4. ONI’s score of 180 is well above the national average of 89. No significant deficiencies or limitations were determined. Significant strengths were noted in areas of strategic planning, organizational and cultural support, program integration, participation strategies, and measurement and program evaluation.



Table 4. ONI HERO Scorecard Results, April 2015

Section	ONI Score	National Average	Maximum Points
Section 1: Strategic Planning	19	10	20
Section 2: Organizational & Cultural Support	42	23	50
Section 3: Programs	35	22	40
Section 4: Program Integration	14	5	16
Section 5: Participation Strategies	46	21	50
Section 6: Measurement and Evaluation	24	8	24
Total Score	180	89	200

Source: <http://hero-health.org/scorecard/>

Comprehensive Communication Strategy

A communication strategy is set forth each year by the wellness team in concert with the departments of human resources, communications, and safety. Multiple channels of communication are used to assist in the promotion of the program including quarterly newsletters to the home, quarterly brochures and postcards announcing the wellness programs and services with success story features, twice monthly email communications, onsite volunteer employee LIVESMART ambassadors, monthly health awareness posters, YouTube channel, digital computer displays, quarterly manager's update, integration of social media including Facebook, twitter, instagram, as well as the program website. Craft O'Neal has also participated in an annual video promoting ONI benefits and the LIVESMART program.

C. Evaluation Methodology and Results

ONI measures the success of the LIVESMART program by evaluating employee satisfaction, participation, active and ongoing engagement, risk factor change, health status change, and impact on health care claims and absenteeism. Results of biometric screening and health coaching are integrated into a data warehouse management system with an online participant portal. The types and frequency of evaluating are as follows:

- Monthly activity report: utilization and participation numbers for many wellness activities
- Monthly status reports: participation of internal teams and average health status levels and changes
- Quarterly manager reports to include participation statistics, program benefits, success stories, and strategies to promote health
- Annual participation reports at numerous levels: corporate, departmental and unit
- Annual health/club status report: risk levels and changes over time
- Health care claims (medical, pharmacy and dental) report

Ongoing surveys and focus groups have demonstrated favorable satisfaction with the LIVESMART program. In addition, sustained participation by over 80% of participants demonstrates high engagement of employees fueled by the continued commitment of senior leadership.

Table 5. Population-level Overall Risk Category and Average Risk Change among ONI Employees

Variable Measured	Change in risk category	
Study Design Structure	Pre-experimental Design Pre and Post Only	
Sample Size for Treatment & Comparison Groups	1455	
Participation Selection Method	Employees participating in LIVESMART with baseline 2011-12 and repeat measures in 2013-14	
Data source	LIVESMART Health Screening with completed Club Status	
Outcome Result	15% overall reduction in health risk from high/very high risk to low/moderate health categories (35% high/very high risk at baseline, as compared to 20% high/very high risk at follow-up)	36% percent reduction in overall point risk. Average number of risks (from 2.7 to 1.98 in 3.7 years)
Analysis (statistical procedure)		T-Test
Relevant Statistics		P<.0001

Note: LIVESMART employee wellness data including baseline and follow-up repeat measures (n=1455).

Population Health Improvement.

Between 2011 to 2014, over 80% of the ONI employee population participated in the LIVESMART program on an annual basis. For purposes of evaluation, data from a cohort of 1455 employees (53% of the population) who completed the LIVESMART health screening and coaching in baseline year 2011-12 and again in 2013-14 was evaluated. Table 5 shows the improvements in overall risk category and risk change. Of note, there was a 15% reduction in high/very high-risk category at baseline as compared to follow-up (35% to 20%). Based on average number of risk factors, there was a 36% reduction in overall point risk scores from 2.7 at baseline to 1.98 at follow up.

Health Risk Factor Improvements:

As compared to the baseline health factors, the LIVESMART results in 2013-14 showed significant improvements in clinical indices as well as improvements in lifestyle related health behaviors (Table 6). Since 2011, more than 100 employees have quit tobacco, 400 have initiated/improved their exercise levels, 100 have lowered their body weight, 60 employees lowered their blood glucose levels, and over 200 have lowered their blood pressure levels. In the last four years these high levels of participation (82%) have sustained health improvements resulting in a significant health risk migration to a lower risk category by 33% (n=484) of the employee population. Based on an evaluation of repeat health measures between 2011–2014, risk reduction was demonstrated in all areas of health risk, and most notable in the areas of body mass index, blood pressure, blood glucose, physical activity, triglyceride levels, and tobacco use.

Table 6: Population Health High Risk Changes among ONI employees

Variable Measured	Body Mass Index	Blood Glucose	Diastolic Blood Pressure	Systolic Blood Pressure
Study Design Structure	Pre-experimental Design Pre and Post Only	Pre-experimental Design Pre and Post Only	Pre-experimental Design Pre and Post Only	Pre-experimental Design Pre and Post Only
Participant Number	1455	1444	1455	1455
Participation Selection Method	Employees participating in LIVESMART with baseline 2011 & repeat measures in 2013-4			
Measurement Tool	LIVESMART health screening	LIVESMART health screening	LIVESMART health screening	LIVESMART health screening
Risk Definition	Body Mass Index >30 kg/m ²	Blood glucose level of >110 mg/dL or hemoglobin A1c >6.5	Diastolic BP values > 89 mmHg	Systolic BP values > 139 mmHg
Outcome Result	5.5% point reduction in BMI (obesity) risk (from 71% to 65.5%) after 3.7 years	4% point reduction in risk management of diabetes (from 13.8% to 9.8%) after 3.7 years	10% point reduction in diastolic blood pressure risk (from 32% to 21.5%) in 3.7 years	13% point reduction in systolic blood pressure risk (from 43% to 23%) in 3.7 years
Analysis	Chi-square test	Chi-square test	Chi-square test	Chi-square test
Relevant Statistics	P<.0001	P<.0001	P<.0001	P<.0001

Table 6 Continued: Population Health High Risk Changes among ONI employees

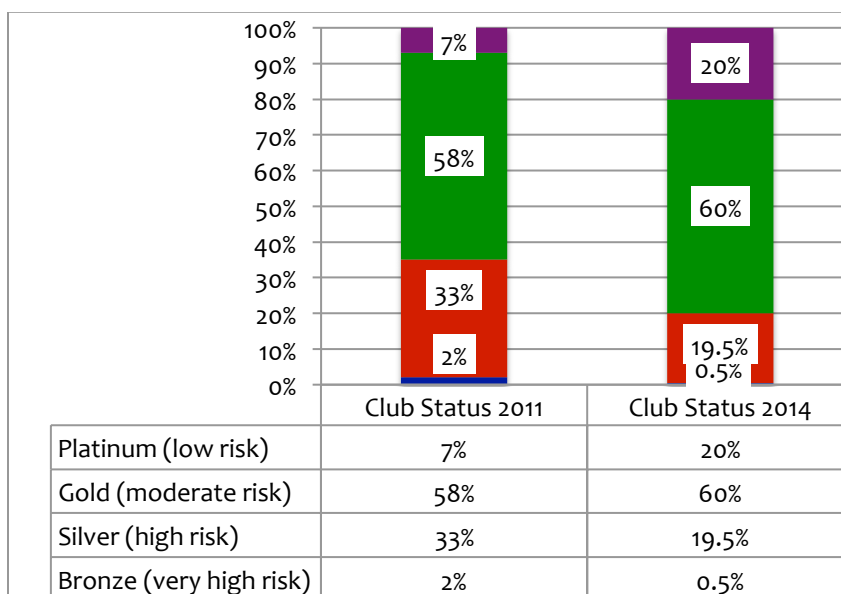
Variable Measured	Blood Lipids: Triglycerides	Physical Activity	Tobacco Use
Study Design Structure	Pre-experimental Design Pre and Post Only		
Participant Number	1445	1455	1455
Participation Selection Method	Employees participating in LIVESMART with baseline 2011 and repeat measures in 2013-4		
Measurement Tool	LIVESMART health screening	LIVESMART health screening	LIVESMART health screening
Risk Definition	Total triglyceride >150 mg/dl	Exercise of < 5 days per week of moderate or 3 days of vigorous	Use of cigarettes, cigars or smokeless tobacco
Outcome Result	3% point reduction in triglyceride risk (from 36% to 33%) in 3.7 years	30% point reduction in physical activity risk (from 76% to 46%) in 3.7 years	7.5% point reduction in tobacco risk (from 32.5% to 25%) in 3.7 years
Analysis	Chi-square test	Chi-square test	Chi-square test
Relevant Statistics	P<.0001	P<.0001	P<.0001

Note: LIVESMART employee wellness data including baseline and follow-up repeat measures.

Overall Risk Stratification and Reduction

Trend data from the past 4 years has demonstrated the impact of a healthy workplace culture among ONI employees. Most notable is the risk reduction from baseline risk stratification levels in 2011 as compared to risk stratification levels in 2014 (Figure 1). Each year, Individuals are placed in one of four health risk categories (clubs). This risk stratification is based on seven variables including blood pressure, body mass index, blood cholesterol, triglyceride and glucose levels, as well as tobacco use and exercise status. Based on the review of club/risk levels at baseline, 7% of the employee population was considered low-risk (Platinum), 58% at moderate-risk (Gold), 33% at high-risk (Silver) and 2% very high-risk (Bronze). Each club level corresponds to both a health status and determines the wellness financial incentive amounts, i.e. individuals placed in Platinum (lowest risk) receive \$300 annually, followed by Gold at \$150, Silver at \$75, and Bronze at \$50 annually. Improvements in club status results in additional financial incentives for making progress. Four years later, the total risk profile for the ONI population participating in the LIVESMART program has improved to 20% low-risk, 60% moderate-risk, 19.5% high-risk and 0.5% very high risk (Figure 1).

Figure 1. LIVESMART Health Risk Stratification Changes 2011 to 2014



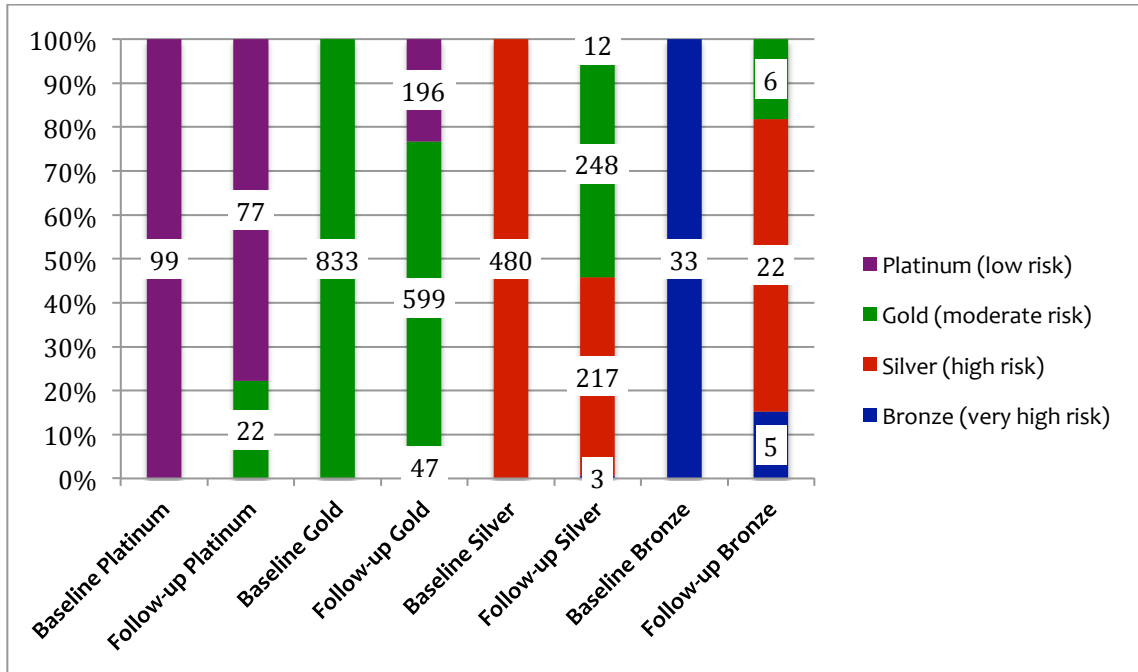
Note: n=1455 employee participants with baseline and follow-up repeat measures.

Risk Stratification and Reduction 2011 - 2014

From 2011 to 2014, 80% of the ONI employee population participated in the LIVESMART program. Results have been reviewed and analyzed each year from 2011 to 2014. For purposes of evaluation, data from a cohort of 1455 employees (53% of the population) who completed the LIVESMART health screening and coaching in baseline year 2011-12 and again in 2013-14 was evaluated. The four-year period was selected to allow for greater participation numbers. Health care cost data was annualized to reflect 2014 health care expenses. Individuals aged 65 and older and Medicare eligible were removed from the data analysis. Workers' compensation claims were not included in the analysis.

Participants were classified based on risk stratification levels established in 2011. Based on the review of club/risk levels risk migration was favorable towards healthier status. The overall change of health can be viewed by actual change of participant number (Figure 2).

Figure 2. LIVESMART Health Risk Stratification & Migration Changes 2011 to 2014



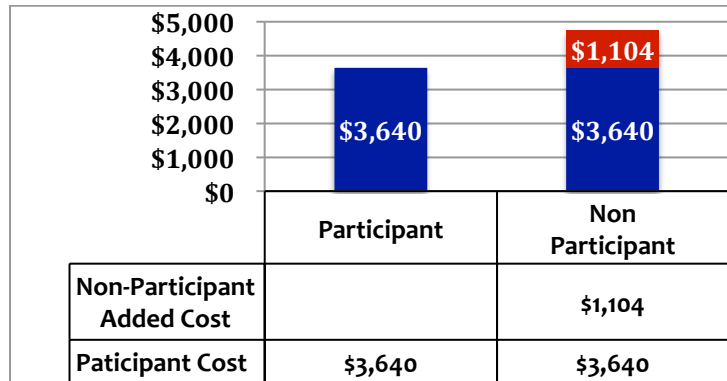
Note: n=1455 employee participants with baseline and follow-up repeat measures.

Overall positive changes were noted between baseline and follow-up repeat measure. In 2011, Platinum, the low-risk group, sustained 78% at low risk, with a small migration of 22% (n=22) to the Gold club, the moderate-risk level. The Gold club had noted improvements with a 23% migration to Platinum (n=196) and less than a 6% (n=47) migration to Silver, the high-risk level. Those employees in the Silver club, the high-risk group, experienced a 55% (n=260) migration to a lower-risk club (Gold or Platinum). **Additional significant improvements were seen with Bronze, the highest-risk group, with an 85% migration (n=28) to a lower risk club levels.** Thus, more than 484 (33%) of individuals improved their overall club status to a lower risk category.

Cost Saving and Financial Impact

The financial impact of the LIVESMART program was evaluated by using direct medical and pharmacy claims between 2010 and 2014. Cost data was annualized to reflect 2014 health care costs. Outliers were noted in both participant and non-participant data sets, yet all cost data was retained, as this was actual employer claims and cost data. Significant differences were noted between the participant and non-participant means - with and without outliers. Of note, removing outliers more favorably improved (lowered) the overall participant health care costs over non-participant costs.

Figure 3. Average Annual Health Care Cost Trend from 2010 to 2014 for LIVESMART participants and non-participants



Health care cost savings were measured comparing participants to non-participants. Mean health care costs for both participants and non-participants were not significantly different at baseline (2010-2011). Based on this review of data, it was demonstrated that individuals who participate in the wellness program have lower health care costs and lower rates of increase than non-participants. This analysis revealed a \$1,104 savings per participant annually with an overall projected savings of \$1,052,112 annually for the 953 participants in the wellness program. Non-participant health care costs almost tripled in the same time interval– with a noted 9% increase in health care costs for participants from baseline years to follow-up, as compared to a 26% increase in health care costs for non-participants (2010-2014). Table 7 provides additional analysis details.

Table 7. Five-Year Total Health Care Costs Comparison of Participants to Non-Participants

Variable Measured	Medical and Pharmacy Costs
Study Design Structure	Quasi-experimental study design comparing the sum of medical and pharmacy costs for five years (2010-2014) for non-participants and participants.
Sample Size for Treatment & Comparison Groups	Participant number of 953 enrolled in wellness program with five years of health care cost reported as compared to 217 non-participants.
Participation Selection Method	Participants with repeat participation as compared to non-participants.
Data source	Health Plan data combined with wellness participant data. All employees are full time employees at ONI companies. All health care costs were annualized to 2014 dollars.
Outcome Result	\$1,104 savings per participant per year with an overall projected savings of \$1,052,112 annually for the 953 participants. Participants expended on average \$1,104 fewer dollars annually over the course of the five-year cost analysis. The cost trend for participants was 9% increase from baseline years of 2010-11 to follow-up of 2012-14. Non-participants increased at 26% in the same time interval, thus almost tripling the rates of increase.
Analysis (statistical procedure)	Regression analysis comparing participant and non-participant total health care costs while controlling for age and gender. Regression adjusted health care costs were calculated by using the difference in the health care costs and multiplying the by the 953 participants.
Relevant Statistics	P<.005

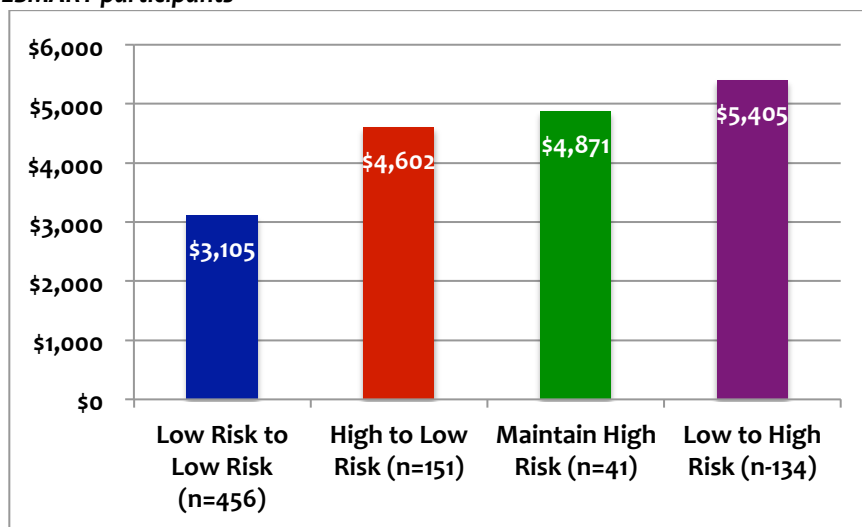
Overall Financial Impact

The overall cost savings of both medical and pharmacy costs has resulted in a total health care costs savings of \$1,052,112 for the 953 LIVESMART participants (Table 7). As more than 953 individuals participated in the wellness program and are included in the health plan, this number can be extrapolated to include 1,500 employee participants. **Thus, the updated estimate of costs savings for 1,500 employees at an estimated costs savings of \$1,104 annually per participant is \$1,656,000 annually.** Of note, there are approximately 2,500 employees currently enrolled in the ONI health plan. However, this number (1,500) was selected as a conservative measure based on removing non-participants, as well as excluding employees who were new to the health plan, over the age of 65, and/or had less than three years of health plan coverage. Additionally, this cost analysis does not include spouses as only three years of health and wellness data was available at the time of the analysis.

The annual program cost for employees including staffing, programs, services, travel, financial cash incentives, fitness reimbursements, additional incentives such as t-shirts, program materials, communication platform and data warehouse averaged \$1,089,900 over the last two years (2013-14). **Therefore, the overall net cost savings was estimated at \$566,100. This net cost savings results in a return of investment (ROI) ratio of 1.52:1, similar to other reported measures in recent literature.** Of note, the financial cash incentive and fitness reimbursement expenditures were approximately \$450,000 annually. These expenses were included in the original ROI calculation. If they had been removed, the investment would have yielded a significantly higher return (2.58:1).

Another method of looking at health care costs was to compare the costs of participants who maintained or moved from a club/category of low and high (Figure 4).

Figure 4. Five Year Average Annual Health Care Cost Comparison of Baseline to Follow-up Risk from 2010 to 2014 for LIVESMART participants



N=782 participants with health care cost measures (medical and pharmacy) over a five year period, as well as club status measures at both baseline and follow-up. +Significant difference between baseline means and comparison of five-year health care costs for low-risk remaining low-risk as determined by analysis of variance test with post hoc measures. *p* <.001

Based on this review of data, it was demonstrated that individuals who maintained a low risk status had \$2,300 lower annual health care costs as compared to individuals who moved to a higher risk level. Additionally, when individuals improved their health from a high-risk club (Bronze to Silver) to a low risk club (Gold or Platinum), they saved \$270 annually or \$40,770 annually for these 151 individuals. Of note, the overall migration of risk between 2011 to 2014 improved significantly towards lower risk health categories. Further cost analysis using this information was not conducted, as cost data for participants and non-participants was available and determined to be the preferred method.

Conclusion. Overall, the financial impact of the program exceeds far beyond total health care costs. Ongoing analysis has included the impact of health improvements in the areas of absence, safety and employee performance evaluation scores. O'Neal Industries is committed to providing their employees and family members with excellent health benefits, resources and services. In addition to the LIVESMART wellness program, O'Neal Industries continues to be a leader in employee and family benefits with an ongoing pursuit of the business value of a healthy workforce.

2015

LIVESMART

A better way of living



Live Smart · Live Healthy · Live Happy

ONi
O'NEAL INDUSTRIES

LIVESMART REWARDS FOR A LIFETIME

LIVESMART, O'Neal Industries' signature health and wellness program provides employees and spouses with comprehensive health screenings, health information, programs and motivation to live happier and healthier lives - at home and at work.



1 GET SCREENED AND COACHED- Annual Health Screenings can be completed at your worksite by LIVESMART or by your health care provider. Your coach is available to review your screening results, set goals and confirm your club status. Health screening and coaching must be completed by November 30th each year to be eligible for rewards.

2 COMPLETE YOUR HEALTH RISK ASSESSMENT (HRA)- The HRA is an annual lifestyle questionnaire to be completed on your LIVESMART Health Portal (a hardcopy of the form is available). The HRA assists LIVESMART with coaching and developing beneficial programs to meet your needs.



3 PARTICIPATE IN FOLLOW-UP HEALTH COACHING- To gain motivation and follow-up on your goals, up to two sessions will be scheduled with your health coach.

4 PARTICIPATE IN PROGRAMS- Complete at least two (2) LIVESMART approved wellness programs each year.



5 EARN REWARDS- By completing the above steps, You and your spouse can earn up to \$300 per year for reaching Platinum Club, \$150 for Gold, \$75 for Silver, and \$50 for Bronze. Employees and spouses on O'Neal Health Insurance that participate in LIVESMART will receive a 12.5% premium reduction.

LIVESMART Go! Platinum 2015 Health Screening Rewards



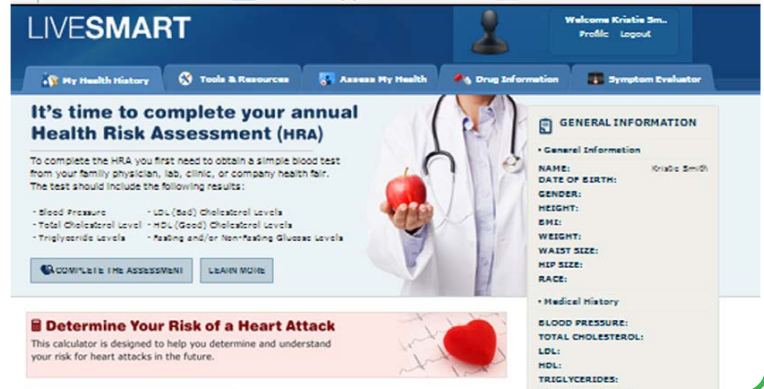
[^]Employees of TW Metals receive \$25 incentive in year 1 of participation and \$50-\$300 in year 2.

Notice of Reasonable Alternative Standard: Your LIVESMART program is committed to helping you achieve your best health. Rewards for participating in a wellness program are available to all employees. If you think you might be unable to meet a standard for a reward under this wellness program, you might qualify for an opportunity to earn the same reward by different means. Contact the LIVESMART Ambassador at (888) 501-1252 or livesmart@onealind.com and we will work with you (and, if you wish, with your doctor or nurse practitioner) to find a wellness program with the same reward that is right for you in light of your health status.

LIVESMART ONLINE HEALTH PORTAL

YOUR LINK TO:

- Access to your LIVESMART Health Information
- Complete your Annual Health Risk Assessment (HRA)
- Healthy Recipes, Tips, Health Calculators, and more...
- Visit www.livesmartoni.com and select the LIVESMART Portal Icon



LIVESMART SUCCESS STORIES



LOSING WEIGHT, LOSING INCHES, & FEELING GREAT

**Jeremy McDonough – O'Neal Flat Rolled
Brighton, CO**

After starting LIVESMART in 2012, Jeremy decided to make changes to improve his health. He started watching his portion sizes at meals, bringing healthier foods from home for lunch everyday, and exercising on an elliptical machine. With all of the positive changes, Jeremy has lost 35 pounds and 5 inches off of his waist and feels great! He plans to continue these healthy habits with a goal to compete in a Tough Mudder event next year with his co-workers.

ACTIVE AT WORK

Leeco Steel Headquarters- Lisle, IL

Nearly 95% of employees at Leeco's corporate headquarters participate in LIVESMART. The employees at Leeco Lisle are a competitive and active group. They motivate and challenge one another to step it up and live healthier lives. Many employees wear a Fitbit® to track and challenge each other on daily exercise and steps. Some employees maximize their lunchtime and go to the gym to play basketball, lift weights, or get in some more cardio for at least a half hour. More and more employees are changing their lifestyle and increasing their activity at work at Leeco Steel's Headquarters.

Be the change today! Motivate others through your healthy actions!



LIVESMART BENEFITS

O'Neal Industries' LIVESMART program offers you and your spouse support and guidance as you strive to live the kind of life that improves your chances of being healthy and staying well. Complete two programs a year as part of your LIVESMART participation. All programs are voluntary and confidential.

SAVE SMART FINANCIAL WELLNESS

1-800-967-9948

- Group & Personalized One-on-One Financial Planning
- Understanding your 401(K)
- Personal Finance Health Savings Account
- Basics of Investing
- Retirement Needs



LIFEMAP® DIABETES PROGRAM:

LifeMap is an individualized telephonic diabetes education/coaching program to assist participants with achieving glycemic control and preventing complications. LifeMap is available to employees and families at no charge. **Call 1-888-444-1174 to get started.**

TOBACCO CESSATION



1. Select and enroll in a tobacco cessation program of your choice.
2. Resources can be accessed for all employees and spouses at www.smokefree.gov as well as your State Tobacco Quit line at **1-800-QUIT-NOW (800-784-8669)**.
3. Members of O'Neal's **Blue Cross & Blue Shield of Alabama Plan** can also access the **Quit for Life program - at no charge.**

This telephone-based tobacco cessation counseling program includes five counseling sessions plus nicotine replacement therapy to include patches, gum or lozenges. For more information: **(888) 768-7848.**

For more information on any of the tobacco cessation programs, contact your LIVESMART health coach or check out our website for more information.



- LIVESMART will cover 50% of the cost of Weight Watchers Online for the first 6 months.

- Additional expenses may be submitted through the LIVESMART fitness/recreation reimbursement program.
- For enrollment instructions and additional information: www.livesmartoni.com



SUMMER FAMILY MAKEOVER

Join us for the Summer Family Makeover—BINGO edition. This 4 week program begins in June. Register in May online or with your LIVESMART Ambassador.

FITNESS & RECREATION REIMBURSEMENT

Eligible employees may receive reimbursement for 50% of cost, up to \$250-\$400* total per family annually toward fitness and recreation activities. Fitness reimbursement applications are due by June 30, 2015 for January-June Activities. *amounts differ by company

LIKE US ON



For more information or to get started:
LIVESMART Health & Wellness
www.livesmartoni.com | (888) 501-1252
livesmart@onealind.com



Visit our website.