

Ericsson 2019 Koop Award Press Release

September 2019

Background:

Ericsson offers a comprehensive and competitive health and welfare benefits package (E-Care) for our employees and their families. A key component of the benefits package is the E-Health wellness program which supports the physical, financial, emotional and social wellbeing of Ericsson's employees and their families. Since 2012, E-Health has been backed by an innovative wellbeing platform provided through our vendor partner, The Vitality Group. Eligible members use this mobile-enabled platform to complete Health Risk Assessments, review biometric results, track physical activity, set and complete goals, and much more. Members can earn points for completing activities that can be redeemed for incentives on the Vitality platform.

In collaboration with Willis Towers Watson, Ericsson developed an integrated multi-year strategic plan for E-Health in 2016 centered on these key objectives:

- Create a culture of highly engaged employees who seek to optimize their wellbeing and foster a strong sense of belonging
- Provide a robust portfolio of programs that help employees be successful in all parts of their work and personal life
- Ensure a positive experience for employees utilizing benefits that encourage and enable them to make informed choices Strengthen employee perceptions that they work for an employer of choice

Ericsson's population health management priorities include increasing preventive screening compliance and managing clinical cost drivers like metabolic syndrome and musculoskeletal conditions. To support the integrated strategy, Ericsson offers a rich suite of resources designed to support employees and their spouses/domestic partners across the spectrum of health needs. These programs include – a Health Risk Assessment (Vitality Health Review), Biometric Screening (Vitality Check), Health Content, Trackers and Tools to support physical activity, nutrition and emotional health, Disease and Nurse Case Management, and a Financial Wellbeing Program (E-Wealth) supported by Ayco.

Ericsson uses a purely rewards-based approach to wellness incentives - employees and spouses can earn up to an estimated \$1,400 in wellness incentives in the form of gift cards and a fitness subsidy program for achieving progressive milestones in their wellbeing journeys.

Koop Award Application Methodology and Results:

In collaboration with Willis Towers Watson, Ericsson deployed a two-part approach to measure the outcomes of the E-Health program:

- **Part I:**
 - **Objective**
 - A Review of aggregate program reporting to demonstrate year-over-year increases in program engagement and corresponding improvements in health and business metrics
 - **Results**
 - Key E-Health participation and engagement metrics have increased beyond benchmarks since 2012. Here are a few examples:
 - In 2018, 74% of all employees, and 47% of all spouses, registered for the E-Health program and completed at least 1 E-Health activity
 - Ericsson's monthly activities per employee increased from 0.36 in July 2012 to 7.81 in 2018 (Vitality's benchmarks were 1.48 and 7.81 for both time periods)
 - A 3,626 participant cohort analysis conducted by Vitality revealed sizeable member transitions to lower health risk levels - A comparison of first measurement and last measurement for "highly engaged" and "lower engaged" members revealed that the former showed significant risk transitions to lower risk levels (high risk decreased by 5 points, medium risk decreased by 1 point, while low risk increased by 6 points), while the latter group's risk stratification remained relatively stable
 - From a Value on Investment (VOI) perspective, engaged E-Health participants have lower turnover and absence rates, and higher rates of job performance and job satisfaction, based on 2018 Vitality Member Survey

- **Part II:**
 - **Objective:**
 - Willis Towers Watson performed a 3 year (2016 -2018) matched case cohort analysis to assess the differences in E-Health participants vs. non-participants across key health care costs and utilization metrics
 - Participant cohort of 4,377 was selected based on Silver, Gold and Platinum status on E-Health program while a non-participant matched cohort of 4,377 (matched on gender, age and health risks) was selected based on Bronze or unenrolled status on E-Health program
 - **Results Financial outcomes:**
 - Participant cohort's per member per year (PMPY) medical and RX costs were \$385 lower than the non-participant cohort for the three years in the analysis. The analysis also revealed that the cost increases per member per year (PMPY) were far more significant for the non-participant cohort based on the difference-in-difference analysis
 - **Health Care Utilization and Consumerism Behaviors:**
 - Participants had higher preventive care rates and fewer emergency visits
 - Participants had fewer hospital admissions and shorter lengths of inpatient stay

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Vendor(s), if applicable: Willis Towers Watson, The Vitality Group, Artemis Health, Quest Diagnostics, Blue Cross Blue Shield of Texas, Aetna, Express Scripts, and Ayco