



CASE STUDY: MYRON STRATTON

Situation:

The Myron Stratton Home provides assisted and independent living, supportive services, and grants to improve the quality of life for older people with a limited income. This not-for-profit organization has a self-funded medical plan and was experiencing an escalation in healthcare costs.

Challenge:

Myron Stratton wanted to contain healthcare costs without negatively impacting employees with increased co-pays, deductibles or premiums. Although the company has made proactive changes to their healthcare program, for example making medications for common ailments available at zero co-pay, they did not have a wellness program in place nor the in-house expertise to develop a comprehensive program geared toward achieving their goals.

Solution:

Myron Stratton partnered with Health Promotion Management, Inc. (HPMI) to develop an incentive-based wellness program that offers employees reduced deductibles for participation in ongoing activities and educational seminars. Each January, HPMI develops a customized year-long string of events that includes new and fun group challenges and healthy living presentations that address specific risks Myron Stratton employees face. By participating in three out of six program offerings plus the annual health screening, employees are able to cut their deductibles in half and earn valuable paid time off.

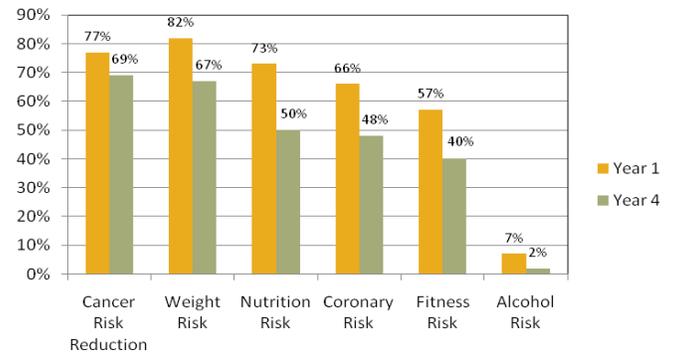
In addition, HPMI conducts annual health screenings to track progress, offers individualized health coaching and solicits feedback from participants about their experience. Based on the results, HPMI makes targeted changes that further increase the success of the program.

Results:

Myron Stratton has now worked with HPMI for four years and has experienced an improvement in several risk areas as well as a dramatic decrease in turnover and annual medical care costs.

Results include:

- ✓ Total medical/dental cost claims increased only 4.7% per year the last six years after starting the program compared to 15% annual increases for the four years prior to the program start
- ✓ The total number of risk factors decreased by 20% (average of 3.2 risks per person in the first year of the program; 2.7 risks per person three years later)
- ✓ 77% of employees reduced their deductibles by fulfilling participation requirements
- ✓ 40% exceeded the level of participation necessary to receive the reduced deductible
- ✓ 85% of employees have participated in the program and 48% have participated in the health assessment all four years
- ✓ 23% increase in the number of employees that exercise at least 3 days per week



"People are getting tuned into their health who weren't before. We had one person who hadn't seen a doctor for 12 years. We worked in partnership with HPMI to develop a program that would encourage people to be accountable for their health status. As a result, we've been able to contain health-care costs without increasing contributions or changing our benefit design. In addition, we've experienced a positive impact on employee morale. We're more than halfway through the year and have had zero turnover. Our experience with HPMI has been excellent."

-Mark Turk, Executive Director, Myron Stratton