C. Everett Koop
National Health Award

WellBody Program
AMERICAN Cast Iron Pipe Company

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Corporate Headquarters and Production Facilities
Birmingham, Alabama
Celebrating a century of service

Listed on FORTUNE Magazine’s list of

“The 100 Best Companies to Work For in America”

Nine times!

Rising health costs provide incentive to promote healthier employee lifestyles

By Julie Appleby
USA TODAY

BIRMINGHAM, Ala. — To get a glimpse into the future of workplace health care, spend a day at American Cast Iron Pipe Co., where worker costs are cut into 3,000-pound pipes.

Next door to the machine shop, workers in the company fitness center run on treadmills, do yoga or lift weights. Others step by to weigh themselves on a giant scale in the gym's lobby. Across the parking lot, employees and their families head into the company's full-service primary care clinic for doctor or dentist appointments.

Health consciousness pervades the ACIPPC culture that employees proudly compare cholesterol levels and weight-loss efforts. Those who keep their results within healthy levels qualify for an annual bonus.

Blacksmith Leo Nebra had 184 high cholesterol when he began exercising in the company gym in 1996, and could only do about 15 minutes in an aerobics class before tiring. But he became so much of a regular at the gym that he now teaches an aerobics class one day a week, and his cholesterol is down.

"You get so much from working out that money can't buy," says Nebra, 51. "You can buy medicine, but not health."

Employers nationwide, stung by five years of health care costs that have grown at several times the rate of inflation, are searching for ways to slow spending increases. Three-quarters of the 100 top executives at large U.S. firms surveyed by PricewaterhouseCoopers this spring say they may raise workers' payments for health care, but a growing number also want employees to take more responsibility for both costs and health choices. Eight of 10 in the survey said the best option for reducing costs is financial incentives to encourage healthier lifestyles.

"Employers can't afford for employees to make unhealthy choices. It hits them on the bottom line," says Sue Willen at Mercer, a benefit consulting firm. About 41% of companies have incentives aimed at encouraging healthy behavior, up from 34% in 1996, according to benefits firm Hewitt Associates. For some, that may simply be passing out health brochures and testing blood pressure at annual health fairs. At others, it is a health-risk assessment that employers ask workers to fill out. Some use the results to steer at-risk workers to special diet, exercise or disease-management programs.

While improving health is something few fail to see with, some say the workplace wellness movement could eventually go too far.

"Where we're headed is essentially lifestyle monitoring," says Washington, D.C.-based privacy consultant Robert Gellman. While many of the programs are well motivated, he wonders where the line will be drawn. "Are you not allowed to ride a bike or a motorcycle or skydive?"

Employers already can impose such requirements as wearing seatbelts in company cars or not smoking anywhere on a work site.

"Who is going to pay your health costs if you get sick?" asks Dee Edington, director of the Health Management Research Center at the University of Michigan, who has studied and helped develop wellness programs for 25 years. "A company does have a right to protect its investment in some sense. Research has shown that healthy employees make a significant contribution to lowering health care costs and higher productivity."
Points to share

- C. Everett Koop National Health Award
- A Journey
- Our High Five
The Health Project and the C. Everett Koop National Health Award

- George H. W. Bush Administration – 1992
- The US could not sustain its rate of increase in health costs indefinitely.
- Dr. Roger Porter – reduce nation’s health care costs by keeping people healthy
- Dr. C. Everett Koop – Surgeon General
- The Health Project Mission – recognize private and public health initiatives which have improved measurably the health status of Americans
Criteria

• Must employ **comprehensive and evidence-based** population health management strategies

• Designed to improve the health of the eligible population **across the health continuum**.

• The program(s) must have been in place for a **minimum of three years**.

• Program must be **well integrated** into the organization

• Yielded significant improvement in **population health** and **net financial savings**.

• Documented ability to improve health and reduce costs through traditional and innovative methods. **70% of application is focused on evaluation methodology and results**

*Might include fitness, nutrition, tobacco use cessation, stress management, weight control, medical self-care, and disease management components.*
Visionary Leadership
Visionary Leadership

- Founded in 1905 in Birmingham, Alabama.
- John J. Eagan was the first president and later sole proprietor of the company.
- Eagan’s business philosophy: the Golden Rule – treat others the way you want to be treated.
- When Eagan died in 1924, he willed ownership of the company in a trust to the employees.

John J. Eagan
Before Eagan’s death in 1924, AMERICAN Cast Iron Pipe Co. had established the following benefits...

- Annual Bonus
- Overtime Wages
- Onsite Medical and Dental Services
- Savings Plan
- Life Insurance
More than 70 Years Later

2002

WellBody
A good health movement
• Zero lost time accidents
• Zero absences due to illness
• 100% participation in WellBody
Key Components

1. Visionary Leadership
2. Creative and Innovative Programs
WellBody Club Program

- Voluntary, completed on company time with cash incentives
- Targeted to reach 80% of employees
- Risk screening: body composition, cholesterol, triglycerides, blood glucose, blood pressure, exercise, lower back flexibility and tobacco use status
- Follow-up assessments annually

<table>
<thead>
<tr>
<th>Club Category</th>
<th>Annual Award</th>
<th>Advancement Award</th>
<th>Follow-Up</th>
</tr>
</thead>
<tbody>
<tr>
<td>200</td>
<td>$200.00</td>
<td></td>
<td>2 Years</td>
</tr>
<tr>
<td>50</td>
<td>$50.00</td>
<td>$100.00</td>
<td>1 Year</td>
</tr>
<tr>
<td>25</td>
<td>$25.00</td>
<td>$150.00</td>
<td>1 Year</td>
</tr>
<tr>
<td>10</td>
<td>$10.00</td>
<td>$200.00</td>
<td>6 Months</td>
</tr>
</tbody>
</table>
Evaluation - prevalence of participating workforce qualifying as “Club 200” has favorable trending over a 17-year timeframe.
Key Components

1. Visionary Leadership
2. Creative and Innovative Programs
3. Communication and Engagement
Key Components

1. Visionary Leadership
2. Creative and Innovative Programs
3. Communication and Engagement
4. Meaningful Results
Continued measurement (n = 778)

- Club 25 (high risk)
  - Baseline Year (2008-09): 11%
  - Follow-up Year (2011-12): 9%

- Club 50 (moderate risk)
  - Baseline Year (2008-09): 51%
  - Follow-up Year (2011-12): 44%

- Club 200 (low risk)
  - Baseline Year (2008-09): 47%
  - Follow-up Year (2011-12): 38%
Risk Migration

Baseline Club 200
Follow-up Club 200
Baseline Club 50
Follow-up Club 50
Baseline Club 25
Follow-up Club 25

- Club 25 (high risk)
- Club 50 (moderate risk)
- Club 200 (low risk)
Health Care Costs Trend Between 2008 and 2012 based on Risk (club levels) and Improvement

- Low to moderate risk category – 6% increase over 5 years
- High risk category – 9% increase over 5 years
- Non-participants – 12% increase over 5 years
Absenteism Comparison of Baseline and Follow up

<table>
<thead>
<tr>
<th>Category</th>
<th>Average Days Absent</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIGH Risk or movement to HIGH Risk</td>
<td>13.5 days</td>
</tr>
<tr>
<td>LOW/MODERATE Risk or movement to LOW/MODERATE Risk</td>
<td>5.5 days</td>
</tr>
<tr>
<td>NON-PARTICIPANTS</td>
<td>10.25 days</td>
</tr>
</tbody>
</table>
## Documented lifestyle improvement from 1996-2013

<table>
<thead>
<tr>
<th>Health Improvement</th>
<th>Number</th>
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<tbody>
<tr>
<td>Quit Smoking</td>
<td>&gt;412</td>
</tr>
<tr>
<td>Lowered Blood Pressure to Normal</td>
<td>685</td>
</tr>
<tr>
<td>Lowered Cholesterol to Normal</td>
<td>1275</td>
</tr>
<tr>
<td>Improved their Blood Glucose (Sugar)</td>
<td>&gt;225</td>
</tr>
<tr>
<td>Began an Exercise Program</td>
<td>1325</td>
</tr>
<tr>
<td>Were diagnosed with Diabetes</td>
<td>100</td>
</tr>
</tbody>
</table>
Key Components

1. Visionary Leadership
2. Creative and Innovative Programs
3. Communication and Engagement
4. Meaningful Results
5. Collaborative Alignment
Perspective - from prevention to chronic disease management

• Diabetes Education Program
• Recognition from ADA - 1997
• 10 years – Average of a 1 point reduction in Hgb1C
• Equates to $1900 cost savings per participant
  – .9 average reduction in 2013
  – ~$104,000 cost savings
Productivity and return to work

Onsite physical therapy and rehab

- Fosters the attitude to return to work quickly
- Employees (work comp, other)
- Reduction in time – 2.5 to 1 hour off the job
- Work conditioning/work hardening
- Focus on treating the person – not the injury
- Prevention – work description and job site analysis

Paid for Eagan Center for Wellness in 3 years
PT Outcomes – Return to Full Duty

<table>
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<tr>
<th>Year</th>
<th>Outcome</th>
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<tbody>
<tr>
<td>2010</td>
<td>83.52%</td>
</tr>
<tr>
<td>2011</td>
<td>84.88%</td>
</tr>
<tr>
<td>2012</td>
<td>93.18%</td>
</tr>
<tr>
<td>2013</td>
<td>95.65%</td>
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</tbody>
</table>
Savings – Off-Site Clinic

- **Patient Visits Savings**
  - 2010: $1,172,155
  - 2011: $834,100
  - 2012: $745,250
  - 2013: $959,065

- **Productivity Savings/Patient** (6.5 hours \(\times\) $25)
  - 2010: $118,536
  - 2011: $82,128
  - 2012: $80,133
  - 2013: $95,760

- **Total Yearly Savings**
  - 2010: $1,290,691
  - 2011: $916,228
  - 2012: $825,383
  - 2013: $1,054,825
Decreased visits per patient

Achieved Through:

- Early treatment (1-2 days vs. 15–30 days)
- Focus on hands-on soft tissue treatment & manual therapy
- Job specific treatment & exercises
- Aggressive treatment with a focus on Return To Work
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