



State of Arkansas

11.13.14



Our Conversation Today



- Introductions and presentation agenda
- State of Arkansas and U.S. Trends and Challenges
- General Wellness Trends and Essential Program Components
- Need of a State Strategy
- Arkansas and WebMD – Synergies that Make Sense!
- Questions and Closing

State of Arkansas and U.S.

Trends and Challenges



- According to the Kaiser Family Foundation:
 - In 2012, 11.3% of Adult Arkansans were told they have Diabetes
 - In 2012, 25% of Adults Arkansans reported they smoke every day or some days
- According to the United Health Foundation:
 - In 2014, smoking remains high at 25.0 percent of the adult population, with more than 550,000 adult smokers in the state.
 - 760,000 adults are obese, and more than 690,000 adults are physically inactive.
 - There are almost a quarter-million adults with diabetes in Arkansas
 - The percentage of children in poverty, at 29.6 percent of persons younger than 18 years, is the highest since the rankings started in 1990.
- According to the State of Obesity 2014 Report, by the Robert Wood Johnson Foundation:
 - Arkansas now has the 3rd highest Obesity rate in the nation at 34.6 percent of Adults
 - This rate is up from 25.0 percent in 2004 and from 17.0 percent in 1995
 - In 2013, the Adult Diabetes rate was 11.5 percent and the hypertension rate was at 38.7 percent
- According to the National Conference of State Legislatures and Health Affairs, in the U.S.:
 - More than 133 million Americans had one or more chronic conditions in 2005
 - By 2030, that number is expected to grow to 171 million
 - Chronic diseases drive U.S. health care spending, accounting for up to 78 percent of all health care costs
 - An estimated 96 percent of Medicare spending and 83 percent of Medicaid spending are for people with chronic diseases.

UHF data collected from the national Centers for Disease Control and Prevention, the American Medical Association, the FBI, the U.S. Department of Education and the U.S. Census Bureau.

Wellness Trends – Silver Bullet?



- According to the CDC:
 - Nationwide, declining workforce health contributes to an increase in health-related expenses, both in direct medical payments and indirect costs resulting from absenteeism and presenteeism.
 - The health of the modern workforce is changing. The aging of the labor force contributes to the complexity of health needs; chronic disease has become a significant concern for employers, due to escalating health care costs.
 - Wellness programs have been shown to save money; however, **such programs are underused.**
 - One reason may be that the future benefits of healthy employees are significantly undervalued relative to the cost. Despite this, many organizations are taking a holistic approach to health by offering wellness programs to their employees.
 - With the passage of the Affordable Care Act (ACA), worksite wellness programs will become part of a national public health strategy to address the increase in chronic diseases, **which are predicted to cost the US health care system an estimated \$4.2 trillion annually by 2023.**
 - Evidence suggests that worksite wellness programs are cost-beneficial, saving companies money in health-care expenditures and producing a positive return on investment (ROI). Baicker et al **calculated an average return of \$3.27 in medical costs for every dollar spent on worksite wellness programs.**
 - Organizations that have reported cost savings or positive ROI ratios include Johnson & Johnson, Citibank, Procter & Gamble, Chevron, California Public Retirement System, Bank of America, DuPont, Duke University, and Highmark.

Promoting Prevention Through the Affordable Care Act: Workplace Wellness : References

Laura Anderko, RN, PhD; Jason S. Roffenbender, MS; Ron Z. Goetzel, PhD; Francois Millard; Kevin Wildenhaus, PhD; Charles DeSantis; William Novelli, MA

Insights...

Health & Wellness is a Top Priority

Top Health Care Outcomes Organizations Would Like to Achieve in 2013



Health & Wellness is the
single most important
health care outcome

Source: Aon Hewitt 2013 Health Care Survey

Poll: What is the Biggest Barrier to Engagement?

1

Awareness

Do members know about the services?

2

Access

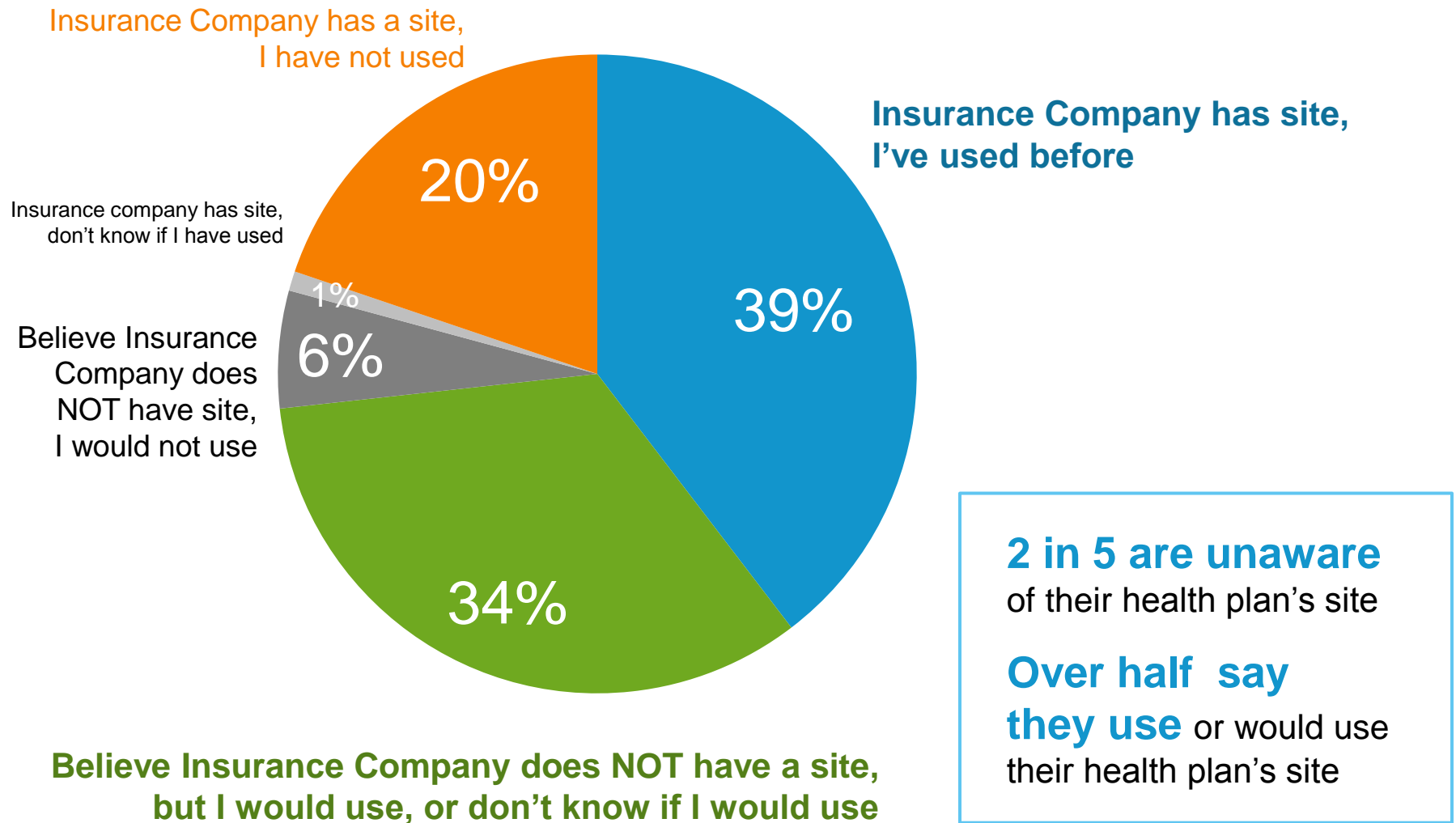
Can members easily get to them?

3

Useful Tools

Do these services help members manage health?

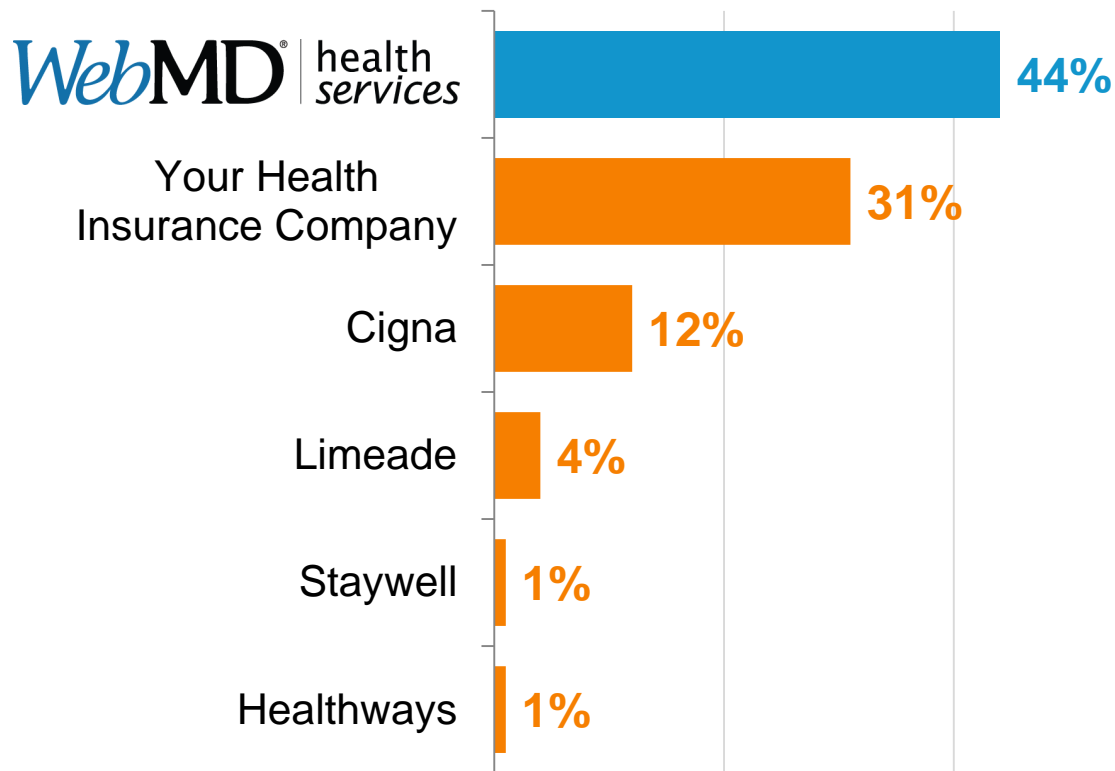
Awareness is a Key Barrier for Health Plans



Source: 2014 Blue Research® End User Insights Panel

2 in 5 Rank WebMD Health Services as the Brand that Would Entice Them Most

Most Attractive/Enticing Company to Offer Website



WebMD Health Services is by far the preferred brand against competitors, and overshadows health insurance brand preference.

Source: 2014 Blue Research® End User Insights Panel

Trust – An Essential Piece of the Framework

- Trust is not unique to healthcare
- You can't have trust without culture, commitment, clear intentions
- 7 out of 10 End Users eligible for health management programs first think of webmd.com¹

¹Source: 2014 Blue Research® End User Insights Panel



Key Ingredients of Successful Wellness Programs

To achieve both retention and drive engagement you need a trusted, integrated solution



1 in 3

consumers say
“a single website
for all health
information” is
the most enticing
benefit to drive
them to visit a
site¹

Awareness campaigns aimed at engagement

Relevant **incentives** matched to the audience

Robust **communication** around wellness
throughout the program year

Personalized messages tied to healthy actions

Source: 2014 Blue Research® End User Insights Panel

Doesn't Happen by Chance – Need a State Strategy

Caution!

What Could Be Holding Back Arkansas?

- Fragmented Wellness Programs Means Impacting Fewer Members Lives
- Communication City-Wide is Nearly Impossible
- Uniform Wellness Activities Across the Population are Impossible
- Creating Awareness Across Multiple Health Plans Challenging
- Members Have Different Experiences Between Health Plans
- ROI Measured in Multiple Ways
- Retiree Changes Between Health Plans Means Re-Starting the Wellness Clock
- Unified and Real-time Reporting is Lost



Why WebMD?

Arkansans Know and Trust WebMD!



- Most Trusted Brand Name – #1 Trusted Consumer Brand 4 years in a row (Millward Brown BrandZ 2010 & 2011 Study. Custom studies in 2012 & 2013)
- Arkansans Use WebMD! - WebMD has significant reach in Arkansas with more than **1.704 million adult Arkansans** (aged 18+) coming to the site in 2013!
- Arkansas Physicians Count on WebMD! – There are **25,928 registered Arkansas physician providers** statewide leveraging WebMD!
- Integrated User Experience - Deliver integrated health and transparency solutions from a single platform
- Industry-Leading Flexible Architecture - Offers flexible, configurable architecture that gets the right programs, to the right people, at the right time
- Put the Power of WebMD.com's Platform to Work for Arkansas!
WebMD's targeting capabilities allow for the state-level delivery of messaging across our platforms, including desktop and mobile.
 - What other statewide medium already has nearly 2 million Arkansans who use and trust them today?

WebMD Health Services' Footprint

- In 2013, WebMD Health Services had **167 clients**, representing approximately **68 million** Eligible Users.
- There were **8 million** Active Registered Users in 2013.
- Registered Users visited an average of **14.4 pages** in 2013.



About the data:

All data reflects 2013 activity

'Eligible' and 'Registered' Users should be considered approximate in that a large proportion of WebMD's clients do not provide eligibility files

An Integrated Health Management Approach

KNOWING YOUR RISKS

Health Assessments
Biometric Screenings
Medication & Health Alerts

GUIDANCE & COACHING

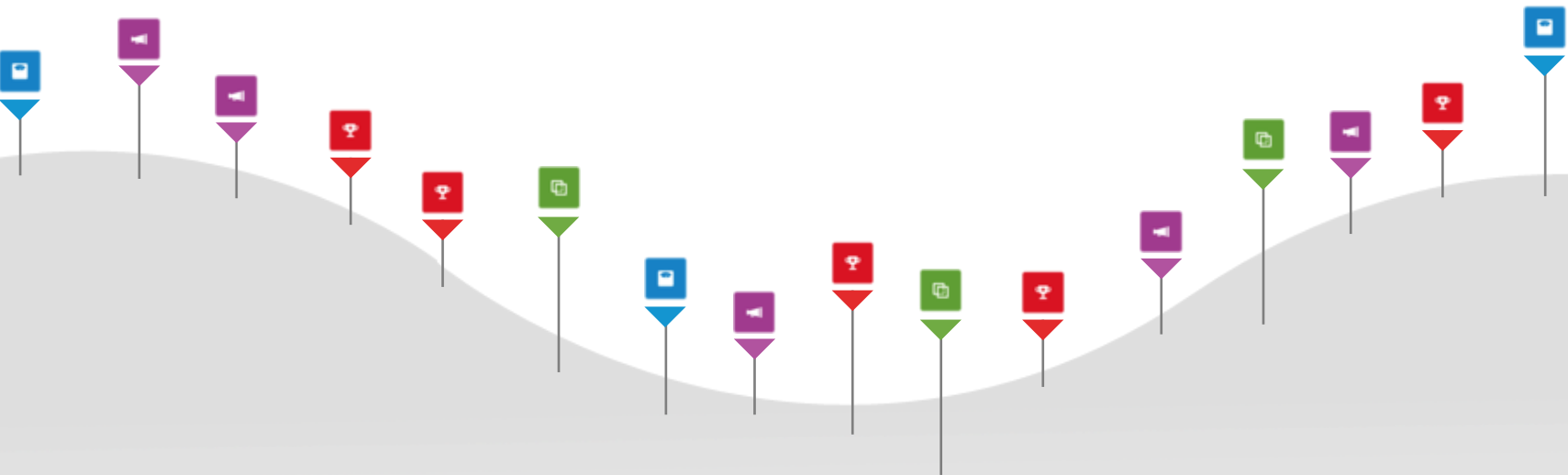
Health Coaching
Condition Coaching
Onsite Coaching
Digital Health Assistant

INFORMING SMART CHOICES

Treatment Cost & Quality
Plan & Provider Selection
Personalized Decision Support
Personal Health Record

KEEPING PEOPLE ENGAGED

Wellness Challenges
Mobile Apps
Rewards
Personalized Messaging



MAKING IT YOURS

Flexible Architecture
Data Integration
Reporting
Custom Communications



Lifestyle FirstSM Coaching

- Health Coaching
- Tobacco Coaching
- Weight Management
- Condition Coaching
- Onsite Coaching
- Pregnancy Assistant

Insights...

Integrated Member Experience Drives Engagement





Communication is Key

Timely

- At the teachable moment

Relevant

- Aligned with culture/generation
- Using all we know about you (HP, Biometrics, EAP)

Convenient

- Interactive
- Available when & where you are

72% of employers with effective employee communication saw a positive impact on medical cost trend

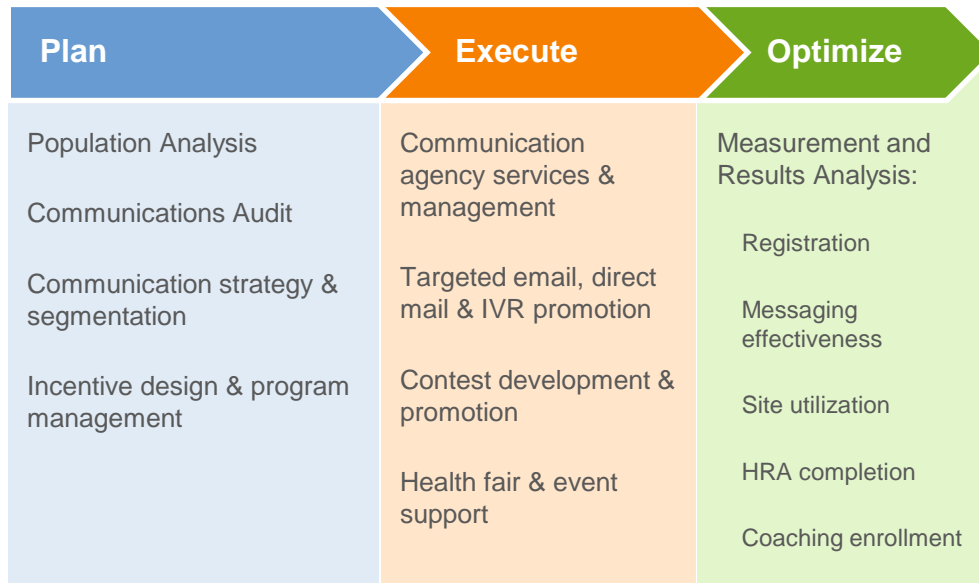
HERO, Best Practices Scorecard, 2012

Communication Services

Drives Industry-Leading Engagement Rates & Outcomes

- Strong employee engagement driven by
 - > Direct-response marketing model
 - > Deep consumer expertise
- Extend your staff & strategy with
 - > WebMD's certified staff trained in
 - Wellness communication
 - Incentive design

Use our proven model to maximize participation



57% of employers surveyed named employee engagement as the biggest obstacle to changing health behaviors.¹

According to HERO, employers who use branded communications see average **HRA completion rates of 54%.**²

In 2012, clients using WebMD Engagement Services had an average **HRA completion rate of 69%.**³

1. Source: Towers Watson, "Purchasing Value in Health Care," 2012
2. Source: HERO Employee Health Management Best Practice Scorecard, 2012
3. WebMD Health Services book of business Sept 2011 – 2012

Don't Listen to Us!

Leveraging Program Engagement Data to Tell the Story

2013 Book of Business Results

Engagement

Portal Usage

1.7 million HRA completions

95% HRA completion rate

53 million emails sent

21% open rate

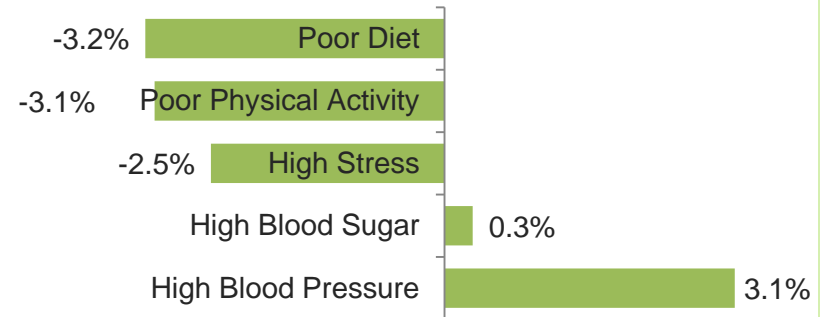
Health Coaching:

38% coaching engagement rate

3 coaching calls per participant average

Behavior Change

Risk Prevalence



13 of 15 preventative care screenings showing net improvement

4.8% improvement in readiness to change

Delivering Value

Total population:

\$210 Savings per person per year

Coaching participants:

\$505 Savings per person per year

Please see slide notes to view calculation details

Health Coaching Outcomes

WebMD Coaches have a Positive Impact

High/Moderate Risk Lifestyle Coaching Participants



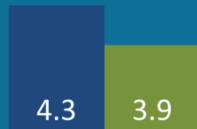
Consumed 13 more fruits & veggies each month



Increased weekly exercise by 24 minutes



Improved stress risk by 14%



Reduced their average number of risks by 0.4

Weight Management Participants

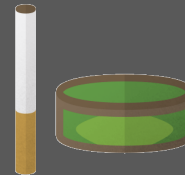


Lost a total of 12,626 pounds



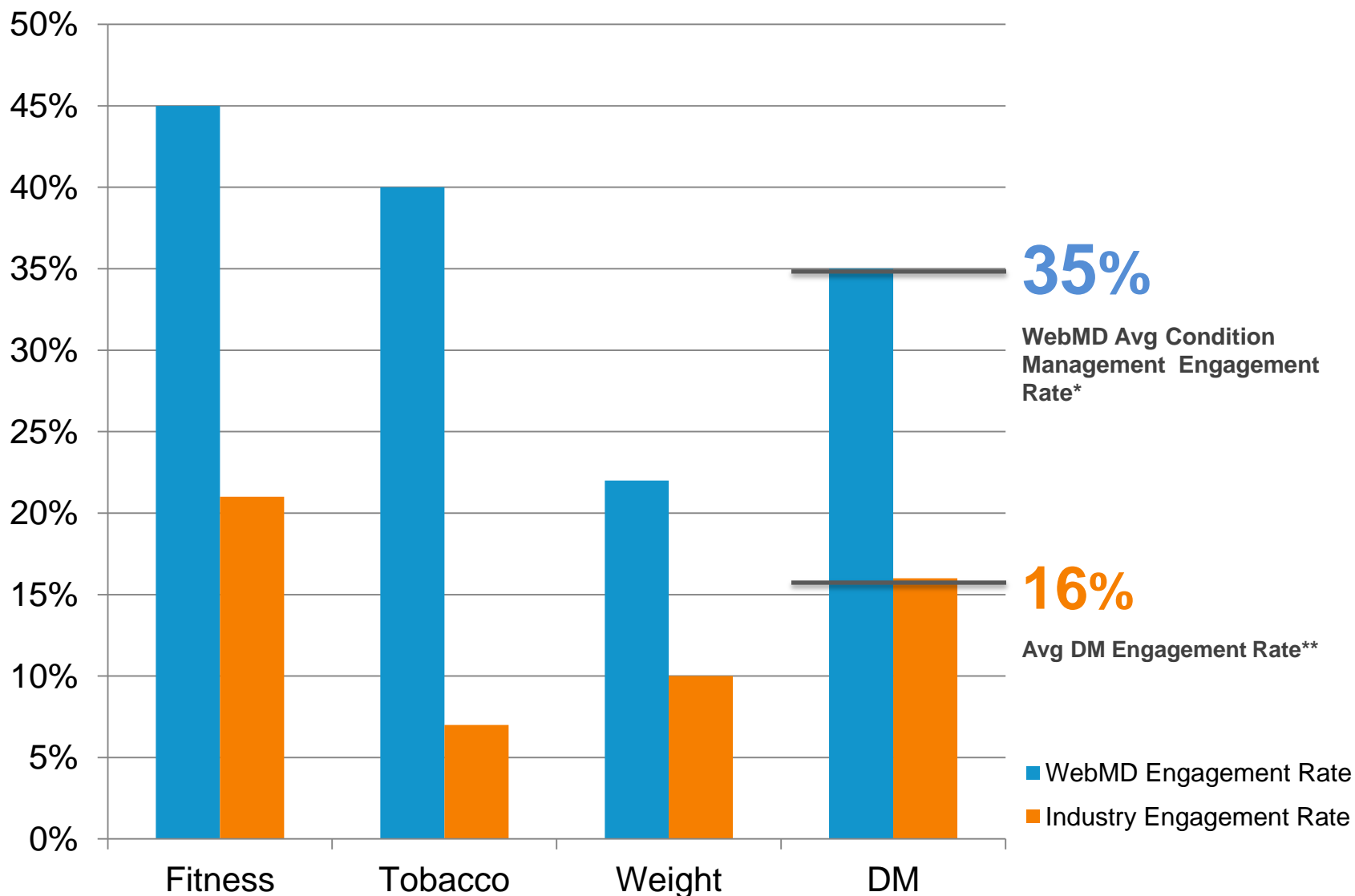
Reduced their BMI by 1.73% on average

Tobacco Cessation Participants



Had a 57.7% quit rate at follow-up

Program Engagement: Beating Industry Averages



*WebMD book of business data from Nov. 2012 to Feb. 2014.

Questions?



Wellness works better with

WebMD[®] | *health
services*