Worksite Wellness At MillerCoors

“BEER IS PROOF THAT GOD LOVES US”
– BEN FRANKLIN

June 2012
Who MillerCoors Is

- Second largest beer brewer in the United States
- The result of a July 1, 2008 joint venture between Molson Coors and SABMiller PLC
- 8500 employees
  - Operating facilities in eight states (average size approximately 550 employees)
  - Sales and marketing in all 50 states
- Both union and non-union employees
- Approximately $122 million in annual health care spend for both active and retired employees
Wellness Defined

• An active process through which people become aware of, and make choices towards, a more successful existence.

- Jessica Sapp – LiveStrong.com
1981 – Coors opens the Golden Medical & Wellness Centers

1994 – Miller opens the Corporate Fitness Center

2001 – Coors extends the wellness program to incorporate health improvement programs and health care premium incentives

2006 – Miller opens the Miller Health & Fitness Center

2009 – Wellness incentive program expanded to all non-union employees of MillerCoors

Joint Venture 7/1/08
National Recognition

- 1990 – WELCOA Gold Well Workplace Award
- 1990 – Kelly Communications – Most Effective Strategy For Employee Health
- 1992 – Human Resource Benchmark Company for Employee Wellness
- 1992 – Club Industry’s “Titan of Corporate Fitness” Award
- 1993 & 1995 – C. Everett Koop National Health Award
- 1994 – Well Workplace Award from Worksite Wellness Council of Illinois
- 2002 – WELCOA Platinum Well Workplace Award
- 2006 – Corporate Health and Productivity Management Award
- 2006 – Quality Leadership Award
- 2006 – Institute of Health and Productivity Management Award
Disappointing Results

- In spite of its history of wellness, the percentage of employees completing the Coors wellness incentive program declined from 70% when first introduced to less than 30% in 2009.

- The Miller Health and Fitness center failed to generate enough utilization to break even over its first 4 years.
Wellness Program Myths and Reality

**Myth**
- People want to be healthy
- If you build it they will come
- ROI is easily measured

**Reality**
- People don’t want to be sick
- Unlike horses, you need to lead people to wellness and make them drink – again and again
- As long as you believe the numbers, so will I
Why Employers Care

• Employees with health risks cost money*  
  - High cholesterol $ 892/year  
  - High blood pressure $1,278/year  
  - Obesity $2,347/year  
  - High glucose $2,851/year  

• A 2011 Gallup poll of 11,000 employees estimated that unhealthy workers cost US employers $153 billion/year in lost productivity

*Health Enhancement Research Organization
Compelling reasons exist for employers to seek innovative solutions to actively engage employees in their health care

Market forces

- The aging workforce is increasingly less healthy
- Primary care physician shortages will increase as 33 million individuals enter the insured “system”
- Cost shifting will continue to the private sector
- The excise tax is looming for 2018

Clinical Pathway of Attrition

<table>
<thead>
<tr>
<th># of persons with a chronic disease</th>
<th>Aware of their condition</th>
<th>Prescribed the right treatment</th>
<th>Compliant after one year</th>
<th>Treated to target</th>
</tr>
</thead>
<tbody>
<tr>
<td>N = 100</td>
<td>N = 76</td>
<td>N = 42</td>
<td>N = 25</td>
<td>N = 9</td>
</tr>
</tbody>
</table>

24% attrition due to a gap in knowledge

People are not receiving the right care or complying with treatment guidelines

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2 Rand Corporation *U.S. Health Care: Facts About Cost, Access, and Quality*
4 CDC: National Health and Nutrition Examination Survey (NHANES)
MillerCoors Occupational Health and Wellness Program
Goals of the MillerCoors Wellness Program

• Create an infrastructure that puts the employee’s health and well-being first
  – Organizational Structure
  – Leadership

• Engage employees in their own health
  – Know your numbers
  – Incentives (and disincentives) work
  – Communication is key

• Reduce long-term health care costs and increase productivity through a reduction in lost work time
Employee Centric Model for Occupational Health and Wellness
Detailed Structure

Corporate Team

- Sets WC & wellness program goals & model for processes
- Establishes policies & standards for entire system
- Provides resources & support (i.e. training, funding, legal, payroll, communications, systems, regulatory compliance)
- Selects, contracts & manages national vendors
- Audits locations to assure compliance with policies/standards

Local Team

- Implements corporate policies, processes & standards
- Handles day-to-day processes for WC & wellness program
- Provides input & feedback to Corporate Team
- Manages local vendors within corporate guidelines
- Provides reports to local & corporate resources
Wellness Program Components

Wellness incentive program provides $600 reduction in 2013 health care premiums if employees complete:

1) Biometric Screen (know your numbers)
2) On-line Health Risk Assessment
3) One out of three health improvement programs accomplished between April 1 and August 31:
   1) Walk this Way -735,000 steps (5,000 per day)
   2) Workout for Wellness - 80 thirty minute workouts (4 per week)
   3) Health Coaching (accomplish 3 individualized goals)
Wellness Program Support

- Onsite Medical & Fitness Centers in Golden and Milwaukee as well as smaller facilities at most breweries
- $500 per annum fitness club reimbursement for employees not able to access onsite fitness center
- Infant Care Support Program
  - Child Seats
  - Breast Pumps and onsite lactation rooms
- Various individual programs mainly designed (and funded) locally
  - Weight Watchers/Biggest Loser
  - Boot camp
  - Flu shots
2011 Wellness Participation Results

• Approximately 80% of our eligible population has participated in at least one wellness activity but very few actually completed all the requirements to achieve our wellness incentive.

• In 2011, 2056 employees (37% of eligible population) earned the $480 annual incentive for 2012, an increase of 31% from 2010.
  – 1106 completed the Walk This Way Program
  – 968 completed Workout for Wellness
  – 206 completed Health Coaching

• Employees who completed the health assessment & biometric screenings in both 2010 and 2011 have shown a 12.6% reduction in their number of health risks.
# Estimated Financial Results

<table>
<thead>
<tr>
<th>Program Component</th>
<th>Estimated Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Golden Medical Center</td>
<td>$1.45/$1.00</td>
</tr>
<tr>
<td>Milwaukee Medical Center</td>
<td>$1.00/$1.00</td>
</tr>
<tr>
<td>Wellness Program Administration</td>
<td>$1.00/$1.00</td>
</tr>
</tbody>
</table>

Program savings at this point does not effectively measure our reduction in absenteeism nor reduction in health care trend.
<table>
<thead>
<tr>
<th></th>
<th>Best Companies</th>
<th>MillerCoors Non-Union</th>
<th>MillerCoors Union</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Risk Assessments</td>
<td>90% employee participation</td>
<td>50% employee participation</td>
<td>Not offered</td>
</tr>
<tr>
<td>Biometric Screenings</td>
<td>90% employee participation</td>
<td>50% employee participation</td>
<td>Not offered</td>
</tr>
<tr>
<td>Tobacco Use Rate</td>
<td>10% or less</td>
<td>9% of employees taking HRA</td>
<td>Unknown</td>
</tr>
<tr>
<td>Modifiable Risk Factors</td>
<td>50% of employees have 2 or fewer</td>
<td>78.5% of those taking biometric screenings</td>
<td>Unknown</td>
</tr>
</tbody>
</table>

Source: Towers Watson
Where MillerCoors Is Going

• Work environment is part of the solution – leverage our Advocacy Model to create a new social norm for health and safety
• Expand wellness to our unionized employees
• Find ways to better leverage our onsite medical clinics to engage people in their own health
• Create better measurement techniques for ROI
• Consider competition among senior leaders and employees
  – Competition is fun and motivational
  – Consider linking facility based financial incentives to facility health improvement
• Focus on work performance and the link between health, absenteeism, productivity and individual long term wealth
• Nothing stays the same, launch, learn, repeat