

Fact Sheet



myhealthIQSM: Award-Winning Wellness from Healthways

myhealthIQ is the only corporate health risk management program that gives financial rewards based on quantifiable, improved biometrics. Employees participate in a wellness assessment which consists of a blood sample and a health history and lifestyle questionnaire. The blood test checks 11 lifestyle biomarkers, including nicotine levels, blood pressure, body fat and total cholesterol levels. The questionnaire deals with issues such as emotional health and work/life balance.

Once the test is taken, employees receive a myhealthIQ score, between 0 and 100. If an employee successfully maintains a healthy score or raises his/her score in the span of 12 months, there are additional financial rewards in year two of the program, such as an even greater premium reduction, a contribution to a health savings account or other financial incentives.

Companies using myhealthIQ and effective incentives have found that more than 80% of their employees participate. myhealthIQ also offers self-guided online health coaching and one-to-one telephonic health coaching. These programs provide targeted and customized support to aid in lifestyle changes and health improvement.

As a result of myhealthIQ, companies are seeing real behavior changes in employees – such as improved diet or smoking cessation – and real prevention of costly healthcare conditions. With objective data at their fingertips, companies are also able to make meaningful, informed decisions on what additional health support to provide based on the specific needs of their workforce. With high participation and quantifiable results, myhealthIQ is proving that companies can win the fight against rising healthcare costs.

PROGRAM BENEFITS:

- Monitors physical changes in health status year-to-year
- Detects at-risk populations before they become chronic and costly
- Complements any health plan design
- Improves health and productivity, and lowers average medical claims
- Provides English or Spanish exams to any worksite anywhere in the U.S.
- Rewards those who are healthy, prompts early treatment for those with undetected risk factors and improves compliance among those with chronic illness
- Ongoing support retains employee participation year-to-year
- On average, costs less than 1.5% of annual premiums with valid ROIs in the first year

*Healthways named
“Best Organization
Initiative to Promote
Employee Wellness and
Improve Healthcare”*



2006 Consumer Directed Health Care Conference (CDHCC) Award



HEALTHWAYS
The Health/Care Trust ChannelSM

Healthways, Inc.
3841 Green Hills Village Drive
Nashville, Tennessee 37215
615/665-1122
www.healthways.com
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WHO IT BENEFITS:

Patients and payers, whether an employer or a health plan

HOW IT WORKS:

Improves employee health using:

- Health risk assessments
- Worksite medical screenings
- Self-directed online health coaching
- One-to-one telephonic health coaching

WHAT IT DOES:

Reduces health risks and improves health status among employees

WHAT IT DELIVERS:

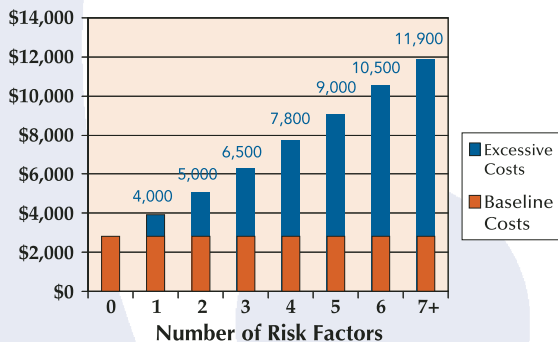
- Return on investment
- Reduced medical claims
- A healthier workforce
- Dramatic savings

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HOW BIG IS THE PROBLEM?

- **Health insurance expenses are the fastest growing cost component for employers.** Unless something changes dramatically, health insurance costs will overtake profits by 2008. (*McKinsey and Company, "Will Health Benefit Costs Eclipse Profits?"*, September, 2004)
- **In 2004, healthcare spending in the United States reached \$1.9 trillion,** and was projected to reach \$2.9 trillion in 2009. (US Department of Health and Human Services)
- **An estimated 129.6 million Americans (64%) are overweight or obese.** (U.S. Department of Human Services "Study Shows Poor Diet, Inactivity Close To Becoming Leading Preventable Cause of Death", 2004)
- **Direct medical costs associated with obesity have soared to \$93 billion.** (*Forbes, "Obesity's Huge Hidden Costs"*, 2006)
- According to the Surgeon General, **7 of 10 Americans develop diseases linked to preventable high-risk behaviors** such as:
 - Tobacco/Alcohol
 - Stress
 - Insufficient Exercise
 - Poor Diet

FACT: HIGHER RISKS DRIVE HIGHER CLAIMS

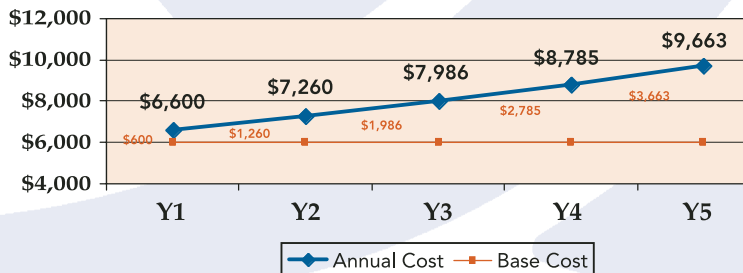


Source : Dee Edington, PhD, Health Management Center
University of Michigan

According to a study conducted at the University of Michigan, healthcare costs increase, on average, by \$1,200 for each additional risk factor.

THE COST OF DOING NOTHING

5 Year Premium at Trend of 10%



Employees who do nothing to try and control their risk factors can expect average premium costs to go from \$6,600 to nearly \$10,000 in five years.

The Fallibility of Health Questionnaires

From a random sample of 12,000 participants who completed the *myhealthIQ* Health Risk Assessment and Worksite Medical Screening:

- 74% did not know their cholesterol, blood pressure or body fat measurements.
- 42% more participants tested positive for nicotine than reported they smoked.
- 33% reported "good or excellent" health but unknowingly had three or more clinical risk factors.
- 28% reported "good eating habits" but had dangerous blood fat levels.

Proven Results

12 months after initiating the program, a *myhealthIQ* client saw:

- 83% employee participation.
 - 52% reduction of participants with extreme risk status.
 - 47% reduction of participants with high risk status.
- Year-over-year reduction in average medical claims of \$1,440 per employee.