Enhancing the Wellbeing of Employees

American Medical Group Association Conference

March 14, 2013
Outline

- L.L.Bean History
- Employee Wellness at L.L.Bean
- Critical Components of Wellness
- How to Engage your Employees
- Measurement & Evaluation
- Impact
L.L.Bean - Company Heritage

- Founded in 1912 by Leon Leonwood Bean
- Maine Hunting Shoe
- Product Quality & Customer Service
- 24 hours a day, 365 days a year
- Core Values – Outdoor Heritage, Integrity, Service, Respect, Perseverance, Safe and Healthy Living
L.L.Bean - Corporate Information

- Freeport, Maine
  (headquarters)

- Global Organization

- $1.5 billion annual sales

- 5,000 year round employees
  (10,000 employees during peak)
L.L.Bean - Corporate Information

- $30,000,000 annual health costs
- Self-insured
- Average Age – 49
- 66% Female
Employee Wellness at L.L.Bean

A business is in a unique and responsible position to effectively enhance the well-being of its employees”

- Leon Gorman, 1982
We believe healthy people lead fuller, more productive lives. Our employees and other stakeholders should feel their association with L.L.Bean contributes to their health and well-being.
Wellness Offerings

- Onsite Fitness Centers
- Health Education Classes
- Activity Classes
- Comprehensive HRA Program
- Tobacco Free Campuses
- Healthy Foods in Cafeteria and Vending
- Employee Outdoor Club
- Employee Assistance Program
Critical Components of Wellness

• **Health improvement programs**
  Onsite fitness centers, Health Education & Activity Classes, Health Risk Assessments, Employee Assistance Programs

• **Corporate Environment**
  Tobacco Free Campuses, OSHA-VPP Certification, Healthy Cafeteria/Vending offerings

• **Corporate Culture**
  Outdoor oriented company, core value supporting Health & Safety, strong leadership support and employee involvement
Critical Components of Wellness

- Leadership Support/Commitment
- Strategy/Focus
- Employee Engagement
- Communication & Marketing … Branding
- Incentives
- Measurement & Evaluation
Employee Engagement

- Create a partnership
- Communicate everything – transparency
- Be in it for the right reasons
- Variety of programming
- Keep it fresh … make it fun
- Provide incentives
Program evaluation is critical

- To show whether or not your programs are working
- Help direct your efforts/resources
- Evaluate program impact
- Gain program support
- Provide momentum for continual growth
Participation - Fitness Room Use

Fitness Room Visits

Yearly Visits

Annual Fitness Room Visits

Year | Fitness Room Visits
---|---
1986 | 18,361
1987 | 17,441
1988 | 20,772
1989 | 26,289
1990 | 30,901
1991 | 27,246
1992 | 27,320
1993 | 25,093
1994 | 27,156
1995 | 27,875
1996 | 25,213
1997 | 28,773
1998 | 29,559
1999 | 28,536
2000 | 28,895
2001 | 25,711
2002 | 22,221
2003 | 18,610
2004 | 10,947
2005 | 18,833
2006 | 20,982
2007 | 38,042
2008 | 48,405
2009 | 49,710

Participation - Fitness Room Use
Fitness Room Usage

Fitness room usage increased dramatically after our 2005 update. Approximately 30 - 40% of our employees take advantage of our fitness rooms and onsite classes.

These improvements have had a significant impact on increasing the activity levels of our employees as seen in the HL data.
Survey Data - Smoking Rates

In addition to Wellness programs, the environment and culture within an organization play critical roles in successful behavior change.

- **Smoking rooms eliminated**: Result - 25% reduction
- **Tobacco free campuses**: Result - 40% reduction

<table>
<thead>
<tr>
<th>Year</th>
<th>% who smoke</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986</td>
<td>24</td>
</tr>
<tr>
<td>1993</td>
<td>23</td>
</tr>
<tr>
<td>1995</td>
<td>22</td>
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<tr>
<td>1998</td>
<td>21</td>
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<tr>
<td>2000</td>
<td>20</td>
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<td>2002</td>
<td>19</td>
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<td>2004</td>
<td>18</td>
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<tr>
<td>2007</td>
<td>17</td>
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<tr>
<td>2009</td>
<td>16</td>
</tr>
<tr>
<td>2010</td>
<td>15</td>
</tr>
<tr>
<td>Maine 2010</td>
<td>10</td>
</tr>
</tbody>
</table>
### Projected Cost Savings - Smoking

<table>
<thead>
<tr>
<th>L.L. Bean has 16% fewer smokers today than in 1985</th>
<th>Translates to 800 fewer smokers today than in 1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yearly health costs for a smoker average $1,700 more than a non-smoker</td>
<td></td>
</tr>
<tr>
<td><strong>Annual savings</strong> in health costs for L.L. Bean due to fewer people smoking is $1,360,000</td>
<td></td>
</tr>
</tbody>
</table>
Healthy Lifestyles Program Goals

- Help employees and their families achieve and maintain good health
- Help manage health cost increases to keep healthcare affordable for both L.L.Bean and employees
- Identify current health risks in an effort to prevent future illness and disease
Healthy Lifestyles
Key Program Elements

Onsite Health Screenings
Height, Weight, Blood Pressure, Cholesterol, Glucose

Health Questionnaire
WebMD

Health Coaching
Telephonic - WebMD

- 90% of employees electing medical coverage participate
- 4,000 employees and spouses/domestic partners enrolled
- 98% met all program requirements
- The majority of the participants report a positive program experience
Self-reported vs. Measured Data

- Self-reported data is easier to obtain
- Commonly known information is reported more accurately (smoking, weight, exercise)
- Blood Pressure and blood values are often significantly misreported.
- Measured data is most accurate
Self-reported vs. Measured Data

Health Risk Comparison
2007 - 2010

% at risk

Smoking  Blood Pressure >140/90  Cholesterol >240  Glucose >125  Obesity  Sedentary Lifestyle

2007 Health Screening Data - 2008 & 2009 Self-Reported Data - 2010 Health Screening Data
## Health Risk Improvement & Projected Cost Savings

<table>
<thead>
<tr>
<th>Health Risk</th>
<th>2007</th>
<th>2010</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smoking</td>
<td>12%</td>
<td>7%</td>
<td>↓ 42%</td>
</tr>
<tr>
<td>Cholesterol (240 or &gt;)</td>
<td>14.4%</td>
<td>11.3%</td>
<td>↓ 22%</td>
</tr>
<tr>
<td>Glucose (125 or &gt;)</td>
<td>5.6%</td>
<td>4.6%</td>
<td>↓ 18%</td>
</tr>
<tr>
<td>Sedentary Lifestyle</td>
<td>19.4%</td>
<td>6.6%</td>
<td>↓ 66%</td>
</tr>
<tr>
<td>High Blood Pressure (&gt;140/90)</td>
<td>21%</td>
<td>21.8%</td>
<td>↑ 4%</td>
</tr>
<tr>
<td>Obesity (BMI&gt;30)</td>
<td>31.7%</td>
<td>34.5%</td>
<td>↑ 9%</td>
</tr>
</tbody>
</table>

Yearly health costs for someone who smokes average more than $1,700 higher than a non-smoker

Source: Center for Disease Control
Return on Investment

• Often difficult to measure

• Can be cost prohibitive ($$)

• 25 years into our program we obtained actual ROI data

• Utilized WebMD, Aetna & Everett James
## Return on Investment 2007 – 2011

<table>
<thead>
<tr>
<th></th>
<th>Year 1: 2007-08</th>
<th>Year 2: 2008-09</th>
<th>Year 3: 2009-10</th>
<th>Year 4: 2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Cost Avoidance</td>
<td>-$480,683</td>
<td>-$536,019</td>
<td>-$1,259,560</td>
<td>-$890,398</td>
</tr>
<tr>
<td>Coaching Program Cost</td>
<td>$284,818</td>
<td>$229,650</td>
<td>$235,812</td>
<td>$203,428</td>
</tr>
<tr>
<td>Net Cost Avoidance</td>
<td>-$195,865</td>
<td>-$306,369</td>
<td>-$1,023,748</td>
<td>-$686,970</td>
</tr>
<tr>
<td>Benefit: Cost Ratio (Medical Cost Only)</td>
<td><strong>1.7:1</strong></td>
<td><strong>2.3:1</strong></td>
<td><strong>5.3:1</strong></td>
<td><strong>4.4:1</strong></td>
</tr>
</tbody>
</table>

- Did not anticipate positive ROI in first year of the program, goal was to break even
- Improvement in ROI values is validated by improvement in health risk and decreases in health costs
L.L.Bean continues to compare very favorably vs. total medical cost per enrolled employee.
Bill DeBray of our Hunting & Fishing Store found motivation through the Healthy Lifestyles Program to lose an impressive 45 pounds. One year later, Bill has not only kept the weight off, he’s dropped an additional 55 pounds, bringing his total weight loss to 100.

“I was tired of fighting with my weight. I decided to get fit, once and for all,” says Bill. So, armed with advice from his health coach, he embarked on a journey that has transformed his life.

“The health coaches gave me ideas on everything from working out to eating well,” he recalls. “I cut out ‘bad foods’ and opted for healthier choices — and healthier portions.

-- Bill DeBray, Hunting & Fishing Store
Connect the Data

- Participation
- Health Risks
- Return on Investment
- Health Costs
- Personal Impact
Use Your Data!

- Identify areas within your company where the greatest risk exists
- Use the data to determine what programs are needed
- Share the information with leaders to gain their support
- Share the information with employees to create partnerships in addressing health risks
### 2010 Corporate Health Risks by Area

<table>
<thead>
<tr>
<th>Health Risk</th>
<th>LLB 2010</th>
<th>CS NP</th>
<th>CS Peck</th>
<th>CS W’ville</th>
<th>CS Bangor</th>
<th>BR Mfg</th>
<th>OFC</th>
<th>Returns</th>
<th>Facilities</th>
<th>Office</th>
<th>Finance</th>
<th>LS</th>
<th>HR/HSW</th>
<th>Retail</th>
<th>Outlets</th>
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<tbody>
<tr>
<td>Total Participants</td>
<td>3,530</td>
<td>324</td>
<td>226</td>
<td>129</td>
<td>112</td>
<td>166</td>
<td>640</td>
<td>203</td>
<td>142</td>
<td>495</td>
<td>125</td>
<td>324</td>
<td>125</td>
<td>413</td>
<td>114</td>
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<tr>
<td>Smoking</td>
<td>7.3</td>
<td>6.4</td>
<td>8.3</td>
<td>7.1</td>
<td>10.5</td>
<td>12.7</td>
<td>11.2</td>
<td>9.6</td>
<td>4.0</td>
<td>10.8</td>
<td>4.0</td>
<td>4.3</td>
<td>1.7</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>Hypertension</td>
<td>21.8</td>
<td>18.3</td>
<td>28.8</td>
<td>20.2</td>
<td>19.8</td>
<td>22.4</td>
<td>28.9</td>
<td>22.2</td>
<td>32.4</td>
<td>17.0</td>
<td>16.0</td>
<td>22.7</td>
<td>16.0</td>
<td>17.0</td>
<td>14.9</td>
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<tr>
<td>Pre-Hypertension</td>
<td>51.6</td>
<td>52.5</td>
<td>46.5</td>
<td>55.8</td>
<td>55.0</td>
<td>54.6</td>
<td>50.3</td>
<td>55.2</td>
<td>47.9</td>
<td>49.1</td>
<td>54.4</td>
<td>51.9</td>
<td>56.0</td>
<td>53.8</td>
<td>50.0</td>
</tr>
<tr>
<td>Cholesterol 240 or &gt;</td>
<td>11.3</td>
<td>12.4</td>
<td>11.2</td>
<td>14.1</td>
<td>11.6</td>
<td>12.9</td>
<td>12.1</td>
<td>13.8</td>
<td>6.4</td>
<td>8.1</td>
<td>12.1</td>
<td>10.6</td>
<td>9.7</td>
<td>13.8</td>
<td>8.8</td>
</tr>
<tr>
<td>Cholesterol 200 - 239</td>
<td>30.9</td>
<td>31.0</td>
<td>36.8</td>
<td>31.3</td>
<td>28.6</td>
<td>35.6</td>
<td>30.5</td>
<td>30.0</td>
<td>33.3</td>
<td>30.2</td>
<td>25.8</td>
<td>29.2</td>
<td>27.4</td>
<td>31.6</td>
<td>32.5</td>
</tr>
<tr>
<td>BMI &gt; 30</td>
<td>34.4</td>
<td>36.3</td>
<td>44.7</td>
<td>51.2</td>
<td>64.3</td>
<td>47.6</td>
<td>35.0</td>
<td>36.9</td>
<td>34.5</td>
<td>18.2</td>
<td>40.0</td>
<td>31.2</td>
<td>28.8</td>
<td>29.3</td>
<td>36.0</td>
</tr>
<tr>
<td>BMI 25 - 30</td>
<td>35.8</td>
<td>38.2</td>
<td>35.8</td>
<td>30.2</td>
<td>21.4</td>
<td>31.7</td>
<td>35.6</td>
<td>37.5</td>
<td>41.6</td>
<td>35.8</td>
<td>36.0</td>
<td>35.2</td>
<td>40.0</td>
<td>37.5</td>
<td>34.2</td>
</tr>
<tr>
<td>BMI &lt; 25</td>
<td>29.8</td>
<td>25.5</td>
<td>19.5</td>
<td>18.6</td>
<td>14.3</td>
<td>20.7</td>
<td>29.4</td>
<td>25.6</td>
<td>23.9</td>
<td>46.0</td>
<td>24.0</td>
<td>33.6</td>
<td>31.2</td>
<td>33.2</td>
<td>29.8</td>
</tr>
<tr>
<td>Poor Diet</td>
<td>44.4</td>
<td>41.6</td>
<td>48.6</td>
<td>60.3</td>
<td>57.3</td>
<td>48.4</td>
<td>41.2</td>
<td>50.7</td>
<td>34.7</td>
<td>36.7</td>
<td>43.9</td>
<td>37.7</td>
<td>43.1</td>
<td>44.0</td>
<td></td>
</tr>
<tr>
<td>Exercise &lt; 90 min./wk.</td>
<td>22.1</td>
<td>21.6</td>
<td>31.7</td>
<td>34.0</td>
<td>28.2</td>
<td>25.0</td>
<td>25.3</td>
<td>16.4</td>
<td>13.2</td>
<td>16.7</td>
<td>18.9</td>
<td>15.2</td>
<td>22.2</td>
<td>22.0</td>
<td></td>
</tr>
<tr>
<td>Glucose &gt; 125 (Diabetic)</td>
<td>4.6</td>
<td>6.5</td>
<td>4.9</td>
<td>6.25</td>
<td>10.7</td>
<td>3.7</td>
<td>4.6</td>
<td>6.4</td>
<td>5.0</td>
<td>3.3</td>
<td>4.8</td>
<td>4.4</td>
<td>0.8</td>
<td>4.1</td>
<td>0.9</td>
</tr>
<tr>
<td>Glucose (100-125 - Impaired)</td>
<td>15.7</td>
<td>14.0</td>
<td>17.0</td>
<td>15.6</td>
<td>17.9</td>
<td>17.8</td>
<td>18.3</td>
<td>23.7</td>
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<td>13.7</td>
<td>11.5</td>
<td>17.7</td>
<td>16.8</td>
<td>15.8</td>
</tr>
<tr>
<td>Emotional Health</td>
<td>12.1</td>
<td>15.2</td>
<td>14.1</td>
<td>16.7</td>
<td>11.3</td>
<td>14.4</td>
<td>12.9</td>
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<td>8.5</td>
<td>12.3</td>
<td>13.2</td>
<td>16.5</td>
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</tr>
<tr>
<td>Stress</td>
<td>43.6</td>
<td>44.6</td>
<td>49.7</td>
<td>47.4</td>
<td>37.1</td>
<td>47.2</td>
<td>40.6</td>
<td>41.8</td>
<td>36.6</td>
<td>43.3</td>
<td>42.7</td>
<td>49.3</td>
<td>43.1</td>
<td>41.3</td>
<td></td>
</tr>
<tr>
<td>Alcohol Use</td>
<td>4.9</td>
<td>5.1</td>
<td>5.5</td>
<td>3.8</td>
<td>7.3</td>
<td>6.3</td>
<td>9.4</td>
<td>4.1</td>
<td>2.5</td>
<td>1.7</td>
<td>4.6</td>
<td>1.4</td>
<td>4.5</td>
<td>7.3</td>
<td></td>
</tr>
</tbody>
</table>

Green – company average;  Yellow – above company average;  Pink – highest risk in category
What does the future hold?

Continual evolution.

Our programs have succeeded over time because we have adapted to the needs of our participants. No one program will work for everyone … we need to be open to doing things differently and taking advantage of opportunities as they arise.
Bill DeBray is on a four year leave of absence from L.L.Bean.

After losing 100 lbs. he was able to enlist in the army, something he always wanted to do but was not able to due to his weight.

He is currently serving as a medic.
It’s about the people …
Questions?

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