



# Global Rewards

Your Benefits – Total Health

# Medtronic, Inc.

## Our Business, Our People, Our Mission

- World's leading medical technology company, providing life-long solutions for people with chronic disease
- Over \$14 billion in annual sales
- 38,000 employees worldwide
  - 26,000 U.S. & PR
  - Average age: 42
  - Average length of service: 7 years
- Established in 1949 by Earl Bakken, inventor of first external pacemaker
- Patient focused and driven by the Mission



# A Mission that Supports a Culture of Health



To contribute to human welfare by application of biomedical engineering in the research, design, manufacture and sale of instruments or appliances that alleviate pain, restore health and extend life.

# Evolution of Medtronic's Culture of Total Health

Prior to 2001 2001-----2011 2012

**Wellness Activities**

- Fitness Centers in all U.S. and Puerto Rico locations + Tolochez
- Health Risk Questionnaires (HRQ)
- Wellness Screenings (On-site and Off-site reimbursed)
- On-site Wellness Classes

**Consumerism**

- Early adopter Consumer Driven Health Plan (HRA)
- Self-Care Resources
- Provider searches and quality measures

**Advanced Resources**

- WebMD Wellness Website
- On-line HRQ with incentive to complete
- Healthy Incentives Program
- Health Coaching
- Healthy Eating Choices
- Wellness Challenges

**Innovate and Globalize Wellness**

- Global implementation of Wellness Websites, HRQ, and Health Coaching
- Accolade & Alex (US Launch, assess other countries)
- On-site Minute Clinic (Mounds View)
- On-line Care Anywhere Health Care (WHQ, Rice Creek, Sullivan Lake)
- Outcomes based incentives

Total Rewards

# Principles Guiding Total Health

## Comprehensive, integrated wellness approach

- Invest in health rather than cost of treatment
  - Prevention, Early detection
- Increase awareness for employees and dependents
  - Communication of tools, resources and programs
- Improve health through behavior change
  - Health questionnaire, health coaching, financial incentives
- Reduce inappropriate use of health care
- Increase productivity
- Limit health care costs secondary to a healthy population

FACT: 70% of health care costs are driven by lifestyle behaviors

# Total Health – Building a Culture of Health

- **Visible Senior Management Support**
  - Brand Sponsor of the Medtronic Twin Cities Marathon – Kids Marathon
  - Medtronic Foundation that supports health in the community
  - American Heart Association Heart Walk
- **On-site Wellness Centers, Wellness Screenings, Flu Vaccinations, Massage**
- **Open staircases, attractive stairwells, windows – “Do” Campaign**
- **Healthy cafeteria and vending options**
- **Walking and bike paths**
- **On-site clinics**
- **“Total Health” website and Health Risk Questionnaire**
- **Lifestyle Health Coaching**
- **On-site and phone based classes**
- **Wellness Challenges**
- **Accolade Health Assistants**
- **Healthy Pregnancy Programs**
- **Health Club Discounts and Frequent Fitness Reimbursement**
- **Mother’s Rooms**
- **Smoke-Free Environments**
- **100% Coverage for Preventive Care**
- **Employee Assistants Programs**



# Total Health Engaging the Population

## ■ Participation

- > 91% of employees on health plan completed HRQ 2010
- > 10,134 wellness screening participants
- > 8,000 flu vaccinations
- > Over 14,000 engaged with a health coach to date
- > 34% return to website 4+ times during the year, 67% return two or more times
- > 3,100 Live Healthy Medtronic program 2010
- > 17,000 earned Healthy Incentive contributions 2010

### Participation

# 91%

# of employees on health plan who completed HRQ in 2010

### Participation

# 14,000+

# of employees engaged with health coach to date.

### Participation

# 10,134

# of wellness screening participants

# Wellness Impact Scorecard

## Outcomes

### ■ Risk Reduction

- > Top risks: diet, weight, stress, blood pressure, activity
- > 66% eliminated or reduced at least one health risk
- > 15% reduction in smoking, 95% non-smokers
- > 67% reduction in at risk cholesterol 2008 to 2010
- > 50% reduction in at risk glucose 2008 to 2010
- > 24% increase in low risk population (84%)
- > 2% decrease in high risk (3%)
- > 8,200 pounds lost from Live Healthy Medtronic 2010
- > 1,182 pounds lost in Minnesota Biggest Loser Challenge 2011 – average 2.16%

#### Risk Reduction

# 66%

Eliminated or reduced at least one health risk.

#### Risk Reduction

## Diet, Weight, Stress Blood Pressure

Top Health Risks  
at Medtronic

#### Risk Reduction

# 8,200

# of pounds lost from Live  
Healthy Medtronic 2010



# Wellness Impact Scorecard

## Healthy Population

### ■ Healthy Practices

- > 95% non-smokers
- > 73% physically active
- > 50% exercise 30+ min. 5 or more times per week
- > 77% healthy cholesterol
- > 84% low risk
- > Over 100% increase in weekly fruit sales
- > New turkey burger = 21% decrease in hamburger sales
- > Overall wellness items sold increased 130% in 2010
- > Cookie sales decreased 112% in 2010

#### Healthy Practices

# 130%

Increase in the number of wellness items sold in 2010

#### Healthy Practices

# 77%

# of employees with healthy cholesterol

#### Healthy Practices

# 100%

Increase in weekly fruit sales

# Wellness Impact Scorecard

## Outcomes – Over \$6 Million Annual Savings

### ■ Utilization and Cost Reduction

- > \$3,266,000 cost avoidance from reduced risks in 2010
- > \$1.5M annual savings from screening costs vs. doctor's office
- > \$366K cost avoidance from flu vaccination program
- > 20% increase in preventive screenings
- > 12.75% decrease in excess medical claims from population engaged in health coaching
- > \$1.4M cost avoidance due to prevented preterm births from Healthy Pregnancy Program participants
- > 54% decrease in ER visits due to diabetic conditions
- > 72% increase in diabetic preventive visits
- > 7.5% increase in breast cancer screening rates
- > Decrease in health care cost trend – maintaining 4%
- > ROI 2.5:1

#### Utilization and Cost Reduction

**\$3,266,000**

cost avoidance from reduced risks in 2010

#### Utilization and Cost Reduction

**\$1.5M**

annual savings from screening costs vs. doctor's office

#### Utilization and Cost Reduction

**2.5:1**

Program ROI

# Looking Ahead ...2012

## Global Total Health

- Global roll-out of website, health assessments and health coaching: 2011 Switzerland, Ireland, UK, Canada, Australia/NZ, Germany, France, Spain, China, India, Portugal, Brazil. 2012 Netherlands, Italy and Japan
- **Shape Up Medtronic Global Wellness Challenge**
  - Team competition
  - Focus on physical activity, nutrition and weight loss
  - Social networking

## Outcomes based incentives

- Cholesterol Ratio, Blood Pressure, Glucose, Triglycerides, BMI, Waist Measurement, Smoking Status

