



## McKesson Case Study:

# C. Everett Koop Award Winner 2015

### About Vitality:

We see the wellness industry from every angle, providing solutions that turn shared risks into shared value. As pioneers in our industry, our commitments to the advancement of the health and well-being of our clients' workforces have continued to make significant strides. Our success has been measured and recognized, and includes clients that have been recognized for their successful programs through the prestigious C. Everett Koop Award: two winners and one honorable mention within the last five years.

Vitality delivers a solution that encompasses:

- An evidence- and actuarial-based approach directly targeting major health risk factors. The proven impact of Vitality on health risk reduction and reduced medical spend has been acknowledged by leading business, health and investment leaders.
- An engaging and interactive program, built on behavioral models, which puts members on a path toward improved self-esteem and greater rewards.
- Technological savvy that includes our integrated, instantly accessible wellness network and a flexible platform that meets both members' and employers' needs.
- Robust employer support, including insightful reporting on actionable metrics, implementation through ongoing strategy development, a fully-supported Champ program, numerous communication modalities and more.

### About McKesson:

Founded in 1833, McKesson is the oldest and largest healthcare services company in the nation and plays an integral role in healthcare. McKesson serves more than 50 percent of American hospitals, 20 percent of physicians and 100 percent of health plans, and as the largest pharmaceutical distributor in North America, they deliver one-third of all medications used there every day. Today, McKesson ranks in the top 15 of the FORTUNE 500 list of companies, with more than \$137.6 billion in annual revenue, employing more than 37,000 workforce members across the country.

### McKesson Members (2012 - 2014)

 **51 billion** steps and more than 25.6 million miles

 **6.3 million** total activities recorded (2011-2014)

 **85 more** healthy events in 2014 than in 2011

 **159,994** Weight Watchers meetings and a net weight loss of **24,759 lbs**

“The culture at McKesson has always been about health”

- Gerri Burrue, VP, Benefits

## Action

In 2011, McKesson partnered with Vitality to enhance their existing wellness offering by integrating into Vitality's comprehensive program, which utilizes behavioral economic strategies to drive member engagement in physical activity and improve other modifiable health behaviors. Vitality works with McKesson on an ongoing multiyear strategic plan that has continued to motivate and engage members in healthier lifestyles, leading to better health outcomes and reduced cost. This included moving to an incentivized and tier-based wellness approach and a migration to the Vitality comprehensive online portal and mobile platform.

Vitality's dynamic platform allowed integration with existing partner vendors as well as inclusion of customized communications to further enrich the member experience.

McKesson worked closely with their Vitality **Wellness Strategy Manager** (WSM), a designated resource who works side by side with - and empowers - clients to maximize the health and productivity of their workforce. Vitality's WSM worked with McKesson to continually find ways to encourage engagement in the program.

McKesson leveraged monthly, quarterly and annual actuarially driven reporting from Vitality to gain a comprehensive view of their Vitality program's current state. In collaboration with their Vitality account team, McKesson was able to define and maximize ongoing strategic planning and program management.

McKesson created powerful strategies, incentives and rewards to drive engagement, leveraging Vitality's expertise in behavioral economics to keep members engaged. These strategies, incentives and rewards consisted of:

- **Vitality Points™**: McKesson leveraged Vitality's ability to administer participatory and outcomes-based incentives to encourage engagement. Members were awarded Vitality Points through a wide array of activities and challenges, including (but not limited to) completion of the health risk assessment, verified workouts, biometric screenings, corporate challenges, healthy eating and health education courses/modules. Vitality Points are converted into **Vitality Bucks®** which McKesson members can redeem for Amazon.com, Whole Foods and iTunes gift cards as well as fitness devices. This allows for immediate gratification resulting from engagement in the wellness program.

- **Vitality Status® as an incentive**: More points means higher status. Starting at Bronze and moving up to Silver, Gold and Platinum, McKesson used Vitality Status to incentivize members and provide them easy insight into their own health progress. McKesson used compelling incentives at every step, this included receiving incentives for reaching higher levels of Vitality Status.
- **Vitality HealthyFood Program™**: McKesson offered this one-of-a-kind healthy food program to their members through Vitality, whereby they are able to achieve up to 10 percent savings or Vitality Points on healthy food purchases at participating stores.
- **Vitality Champ® Network**: In collaboration with Vitality, McKesson established a Vitality Champ network of more than 200 employees, whereby Champs at McKesson ignite and maintain a culture of wellness at each worksite and inspire others to do the same. Vitality Champs at McKesson are provided ongoing support on how to effectively organize, communicate, engage and execute ongoing health competitions and challenges to continue to engage members in the McKesson program.
- **Subsidized Activity Tracker**: Administered through Vitality, McKesson offered subsidized pedometers to their members and partners allowing for verifiable activity tracking integrated with the Vitality web and mobile platforms.
- **Vitality Challenges**: McKesson leveraged Vitality's Challenges Platform to run 85 more corporate fitness challenges in comparison to their program in 2011. These challenges have resulted in significant increases in the percent of active days members experienced and the average daily steps taken. These challenges focused on activities integrated into the Vitality program, igniting increased interest and commitment to McKesson's wellness offering.

Additional strategies, incentives and rewards included: weight loss programs, smoking cessation programs and gym membership rebates and subsidies.

## Results

The impact of McKesson's "You. Even better" program in collaboration with Vitality on healthcare expenditure was evaluated by an independent third-party research group at Harvard University's T.H. Chan School of Public Health.

Throughout the three years of the program offering, McKesson experienced improvement across several impactful health categories. These included:



**\$4.7** million dollars in medical cost savings



**9%** risk reduction for lifestyle and biometric-driven risks



**92%** increase in engaged adult participant levels



**23%** increase in verified workouts



**39%** of members in 2014 reaching Gold or Platinum Vitality Status compared to **12%** in 2012



**31%** registered for the Vitality HealthyFood Program in 2014



**3.65%** increase in on the job performance, from **81.69%** to **85.34%**

McKesson's strategies and results have been nationally recognized by their winning the prestigious **C. Everett Koop National Health Award**, which is in recognition of outstanding worksite health promotion and improvement programs. The C. Everett Koop National Health Award required employers to be able to document results, both in terms of health improvement and economic impact.

Although McKesson's focus is on improving health, they are pleased to see from independent assessments that early savings exceed program investment, without monetizing performance improvements. Third-party focus group results showed McKesson's wellness initiatives significantly enrich the overall benefits offering and corporate culture.

“ I love setting challenging goals and working toward them. **Vitality allows me to do that** to improve my health, so it's very **motivating and addictive.**”

- Doris, McKesson Employee