



Safeway Health's Retail Biometrics Program *Powered by BioIQ*

About Our Company

Safeway Inc. is a \$41 Billion food and drug retailer that operates nearly 1,700 grocery stores containing 1,300 pharmacies and has over 185,000 employees in the U.S. and Canada – we are incorporated in the State of Delaware. At Safeway we have transformed our approach to healthcare by *focusing on what matters most* – initiatives driven by a holistic approach to improving the health, wellness and fitness of our employees and their families. This “whole person” approach motivates participants to not only improve their health, but to become accountable and cost-conscious consumers of quality healthcare.

In 2009 we formed a subsidiary company, Safeway Health Inc., through which we translate Safeway's solution into a comprehensive program to help other employers improve the quality of their benefits programs while reducing their healthcare costs. Our approach creates personal accountability for individual health through market forces and principles, leveraging technology, health assessments, biometric testing, health coaching, individually-tailored risk-targeting programs and performance incentives.

In 2005, Safeway revamped its approach to delivering employee healthcare, which was costing the company nearly \$1 billion a year and rising by around 8.5% annually. Safeway is delivering a holistic approach to health, wellness and fitness to our employees and their families with initiatives that improve their health and motivate them to be cost-conscious healthcare consumers. Over the past 5 years we have dramatically improved the health of our population. We've reversed the national trend of rising obesity within our population and are reducing the weight of our population year over year. In 2010, we also helped approximately 30% of our smokers to stop smoking and we assisted 40% of our members with dangerously high blood pressure to get their blood pressure under control. So far, Safeway has limited the increase in all-inclusive per-capita healthcare cost for its non-union population to approximately 2% per year and has simultaneously seen tremendous results in the adoption of healthy behaviors and improved health outcomes. Safeway is extending the program to cover its union workforce as well. This unprecedented approach became part of the national conversation on healthcare reform, and was a driver in launching Safeway Health, our vehicle for bringing our success to others.

Safeway Health is a small and growing B2B company that was founded in 2009 and is focused on providing innovative solutions to employers in the marketplace that reduces the effective healthcare cost of their population. Our headquarters are co-located with our parent company in Pleasanton, CA. We currently employ 7 full time employees and have 7 additional shared resources, including 2 dietitians, 1 epidemiologist, 1 nurse practitioner, 2 medical doctors and 1 health education and research specialist, on Safeway's Health Innovation team.



Safeway Health partners with its clients help keep employees healthier and mitigating healthcare cost trends. Our approach increases personal responsibility and utilizes market forces to create incentives for healthy behaviors. We provide complete analysis, plan designs and employee communication roadmaps and templates for our programs. We work with our clients from implementation through continuous development and improvements.

Our Mission

Safeway Health's Mission: Deliver transformative healthcare solutions to our clients with a focus on achieving optimal health for members; generate long term value and exceptional service, with a devotion to lasting partnerships.

Our guiding purpose is to inspire and enable positive change in the personal health of people everywhere.

We make the complex simple, enable smarter choices, and deliver sustainable improvement that creates long-term value.

Safeway Health's Objectives:

To transform healthcare delivery through applying three guiding principles:

- Health care costs are concentrated
- Behavior drives costs, but the correct incentives change behavior
- Markets are critical; information enables consumer choice

We strive to deliver a holistic approach to health, wellness and fitness to our client's employees and their families through initiatives that improve their health and motivate them to become accountable, quality- and cost-conscious health care consumers.

We consistently utilize rigorous analytics to develop proven solutions that deliver measurable results.

What Differentiates Us

Safeway Health has a proven track record of producing unprecedented results with a business model that creates a true partnership with our clients. Safeway's success with targeted incentives has been powerful. In only two years, through our biometric incentive program, Safeway members have dramatically reversed bad behaviors and adopted good ones – 73 percent improved their blood pressure, 43 to 45 percent improved for those with high cholesterol or glucose levels, 35 percent of former smokers quit, and 21 percent of our obese population reduced their BMI to appropriate levels. Our Market Priced Drug Program (RxTE), Medical Reference Based Pricing Program (Choicepoint) and Outcomes Based Incentives Program (Healthy Measures) are all the first of their kind, developed and tested internally then successfully deployed in the market.



Safeway also has a proven track record in delivering superior health & wellness and pharmacy services in our retail pharmacies in North America. Safeway's ambition is to create the BEST Pharmacies in America, be they located in retail groceries, closed-door or on-site pharmacies of hospital or academic health system environments. Safeway Inc. has made significant investment in our people, processes and properties to enhance and expand our Pharmacy operations. Over the next 12-36 months, we will make significant advances in the delivery of Superior Patient Care in the most professional environment in the industry, a counseling and treatment space unprecedented in the retail channel. Our wellness environment and outstanding Pharmacy talent will drive a superior patient experience in all respects, centered on core services in Rx fulfillment and counseling, but rapidly expanding the range of Pharmacy & Wellness services we offer to our patients. Our philosophy is "patient at the heart" and "best in class Pharmacists and staff," a combination that will serve our clients and patient's in our shared mission to support a healthy, vibrant, productive population.

Why Retail Biometrics

Retail pharmacies provide the most accessible health care resources in the community. Now, more than ever, retail pharmacists are looked to for guidance in managing the total health of their patients.

Our pharmacists are part of a community where they know their patients by name. With a holistic approach to health care management, our pharmacy staff provides a full complement of pharmaceutical services in a community pharmacy setting with a workflow model to allow world-class patient care.

In each of our stores, we have re-designed our pharmacies to include Wellness Centers. The Wellness Centers include complete testing facilities for confidential and private screening in a comfortable environment. In addition to biometric screenings our Wellness Centers offer a host of additional services, including diabetic counseling, nutritional shopping tours (both generally focused and targeted for specific health conditions) and immunizations

Our results have shown an increase in participation in biometrics programs when the convenience of testing at a retail pharmacy is offered.

Our Retail Solution

Safeway Health's biometrics-based behavioral health change program is designed to encourage participants to identify and understand their major health risks via heightened awareness of key biometrics and their relation to disease. With this knowledge, participants are proactively engaged by our physician-based healthcare management solution to help lower risks. A key feature with the Safeway Health program is the excellent area footprint of Safeway stores with complete testing facilities, making it easy for participants to find a convenient location for private screening. Other ways to screen can include routine doctor visits, testing partners such as preferred laboratories, and client sponsored workplace events supported by Safeway pharmacy. Safeway Health can handle

any combination of standard biometrics such as body mass index (BMI), blood pressure, glucose, cholesterol, lipids, A1C, and nicotine.

The Member Experience

Participants can schedule appointments either by phone or online. We can also provide specific windows when extra staff is on hand to handle walk-ins. Additionally, we are willing to open our Wellness Centers early, to accommodate individuals that may be fasting and would like to test prior to going to work.

For online scheduling, the participant would log into the system, choose a location for their testing and pick a day and time that works for them.



Upon arriving, the participant proceeds to the Wellness Center, located next to the pharmacy and checks in with the pharmacist or pharmacy tech. Once they enter the screening room with the pharmacist/tech they have their blood pressure taken, weight and height taken. Next they will have a mouth swab taken to measure nicotine, finally a finger prick to measure glucose and cholesterol levels. The screening takes between 12 to 15 minutes. The participant is provided with their results and further instructions, depending on the program.

We have the capability to provide health coaching at the conclusion of the screening wherein our Pharmacists are trained to direct individuals to the appropriate resource within their health plan for follow up. We also have the capability to provide in-depth follow-ups designed to our client's specifications for positively affecting the way healthcare takes place with a population.

Safeway takes a patient centric approach to providing pharmacy services. Our philosophy is to provide the highest level of "quality care" to address each patient's needs. Every patient is provided personal attention to help them know and understand their therapy to get the most value from the medications their physician has prescribed. In addition to educating the patient on their therapy, we provide wellness services for the patient, from nutrition information to comprehensive immunization services and Medication Therapy Management consultation. Safeway Pharmacy has developed processes for pharmacists to interact with patients during their normal daily workflow and to send documentation and billing to a central location so as to keep the pharmacy staff patient-facing.

Telephone interactions and wellness calls can be easily added as a broad based healthcare management solution that works for all 22,000 medical conditions, all pharmaceuticals, and all chronic conditions. The depth and follow-up can be tailored to the client’s needs.

Our Specific Risk-Targeting Programs are designed in accordance with the client’s desired parameters. All follow-up and customized shared decision support will be predicated on assessment results. The assessment results will shape the initial conversations and also serve as a stepping stone to discover other opportunities for assistance. All areas of significant concern will be addressed with a view toward highly personalized and effective ongoing support.

Our web based resources include a wide range of condition related content and guidance including a personalized health dashboard. Safeway Health provides management for lifestyle issues and wellness across the entire spectrum, including such matters as smoking cessation, weight control, and stress management—in short, on any issue for which reported data exist.

Health Dashboard



Program Incentive Tracking



Wellness Activity Tracking



Implementation

Our implementation process is a collaborative effort that begins with confirming a select set of key decisions with each client that become the catalyst for identifying and securing the appropriate resources and making project assignments. We capitalize on our experience in operationalizing new protocols in a retail environment and execute a detailed work plan that is reviewed weekly with all key stakeholders.

Below is a high level overview of our key implementation milestones:

- Develop key program design elements (documented program rules, development of communications plan, determination of on-site testing locations and timing)

- Review key elements and communications with the city
- Final approval of key program elements and communications
- Communications launch (brochure, posters, newsletter inserts, etc.)
- Website launch
- Testing start
- Testing end
- Reporting and Ongoing Wellness Coaching

We work jointly with our clients during implementation and are committed to supporting all aspects of implementation. Our client teams leverage a proven four-phase process that delivers superior results and ensures the solution is tailored to your organization's specific needs. Upon completion of design confirmation and a cultural assessment, we design a communication strategy and execution plan to realize the wellness improvements desired.

Customer Service

Safeway's top priorities are customer service and member satisfaction. As a result, our customer service helpdesk is open 7am to 7pm, including holidays, for live customer service support, live pharmacist/clinical support to members, and administrative and technical support (e.g., system/eligibility issues, vacation overrides), etc. The primary responsibilities of the customer service helpdesk are to support the clients and members with superior account information and problem-solving skills. The focus is on knowledge, courtesy and support for all of our business relationships.

HIPAA

Our systems and processes have been designed from the ground up to be in strict compliance with all HIPAA regulations. Furthermore, we anticipate and proactively comply with new regulations and regulatory revisions prior to compliance deadlines. Because our business depends on meeting or exceeding privacy and security standards—in terms of both human processes and physical security—we regularly review and, as necessary, implement standards exceeding procedures and plant security to ensure absolute compliance with these standards. Furthermore, we retain special counsel on HIPAA and privacy matters to advise and inform regarding this realm. This counsel continually screens policy rulings for possible action in advance of implementation; we share this ongoing research and proposed compliance solutions with clients as the information becomes available. In addition to our own compliance team members and regular reviews, we also retain the active advice and counsel of a leading commenter and renowned expert in HIPAA/HITECH compliance, Attorney Rachel Nosowsky of the international law firm, Miller Canfield in Ann Arbor, MI.