



# ONE COMPANY'S RESPONSE

# MICHELIN NORTH AMERICA SITUATION 2006

- Healthcare costs were spiraling out of control
- This was happening despite raising deductibles and co-pays
- Employee demographics were unfavorable for controlling costs in the future
- Short term disabilities were increasing and more lengthy
- Mental and emotional health as well as the cost of “presenteeism” was increasingly a concern

# OUR RESPONSE

- Two year study using experts and consultants in many fields
- Resulting recommendation was a complete remake of the benefits plans of the company but it would be very expensive to implement, and the savings, although massive, were based on changes that no company had done at that time
- Cost of implementation would be millions of dollars – the communications plan alone would cost \$1 million

## PHILOSOPHY – REDUCE OUR COSTS COMPARED TO MEDICAL INFLATION TO PAY FOR THE ENTIRE CHANGE BY:

- Keep healthy people healthy
- Improve the health of those at risk
- Ensure that those with chronic conditions receive recommended treatment
- Increase the ease of accessibility for both mental and physical care
- Excellent treatment for health events

# KEEPING HEALTHY PEOPLE HEALTHY

- Annual biometrics for employee and spouse required to meet targets to get \$2000 contribution to HRA
  - Blood pressure
  - Waist size
  - Cholesterol level
  - Glucose level
  - Fill out an annual health risk assessment

# KEEPING HEALTHY PEOPLE HEALTHY

- Insurance covers annual full physical with no deductibles or co-pays
- Insurance covers twice per year preventive dental visits with no deductibles or co-pays
- Company EAP available for all family members. First 8 visits per person are no charge.

# KEEPING HEALTHY PEOPLE HEALTHY

- Company clinics built at all major sites. Staffed by a supervising physician, PA's, and RN's. Available to all employees, retirees, and their families

# KEEPING HEALTHY PEOPLE HEALTHY AND IMPROVING THE HEALTH OF THOSE AT RISK

- Health care advisor to help each person set annual goals
- Subsidized Weight Watchers
- Subsidized wellness and exercise facilities
- Free smoking cessation programs
- Monthly Nutrition and Wellness letters
- Cafeteria menu changes\*\*\*

# ENSURE THAT THOSE WITH CHRONIC CONDITIONS RECEIVE RECOMMENDED TREATMENT (75% OF HEALTHCARE COST)

- Free coverage of all services and medications to control and improve 5 chronic conditions
  - Diabetes
  - COPD
  - Cardiovascular
  - Asthma
  - Arthritis

# ENSURE THAT THOSE WITH CHRONIC CONDITIONS RECEIVE RECOMMENDED TREATMENT (75% OF HEALTHCARE COST)

- Healthcare coach who follows up with each person to ensure that recommended care is received

# INCREASE THE EASE OF ACCESSIBILITY FOR BOTH MENTAL AND PHYSICAL CARE

- Michelin clinics available to all employees, retirees, and their families
- EAP available to all employees and families

# EXCELLENT TREATMENT FOR HEALTH EVENTS

- Michelin clinics available to all employees, retirees, and their families
- Excellent insurance coverage is part of the plan



RESULTS – OBJECTIVE WAS  
MET AND EXCEEDED