

CASE STUDY

The Challenge

In 1999, most businesses were preoccupied with the impact of Y2K on their information systems as the calendar edged closer to the new millennium. In Savannah, Georgia, the leadership team at Chatham Steel Corporation, a provider of metal products and processing, was instead trying to get a handle on the company's rising health care expenses. Fortunately, Chatham Steel leaders recognized the correlation between managing its employees' health and the impact that it made on the company's health care costs.

In September 1999, Chatham Steel partnered with INTERVENT^{USA}, (which was acquired by Nationwide Better HealthSM in 2007) to pilot a lifestyle management program that would improve the habits of its Savannah-based truck drivers. The company sought to address the sedentary lifestyle and poor eating habits often associated with its long-distance truck drivers' schedules.

Chatham Steel collaborated with INTERVENT^{USA} at the time to track traditional chronic risk factors such as obesity, smoking and high blood pressure, cholesterol and blood glucose levels. Then the company provided lifestyle management programs to its truck drivers to modify those risk factors. Once the results were realized, this successful pilot grew into a corporate-wide program. It was first expanded to the employees at the Savannah location of Chatham Steel and later delivered to the other Chatham Steel locations in Birmingham (AL), Orlando (FL), Columbia (SC) and Durham (NC), with the vision of improving the health and well-being of all company employees and their families.

The Solution

Chatham Steel's leadership team views employees as the company's most valued asset. Leadership sought to help its workforce lead healthier, more productive lives, and vowed to make wellness services easily accessible by bringing them to the workplace.

From the top down, Chatham Steel's leaders are committed to building wellness into their health plans. Leaders and managers participate in quarterly wellness meetings to review milestones and illustrate the progress being made within the employee and spousal population.

Chatham Steel's leaders attribute the success of the wellness initiatives to several key actions:

- > Setting specific, measurable and achievable goals with the use of supporting data
- > Having company leaders visibly and vocally engaged in health and wellness initiatives
- > Providing strategic communications and attractive rewards

Because Chatham Steel places a high priority on risk factor identification, it is required that employees and their spouses utilize a health risk assessment tool that immediately triages them into lifestyle and disease management programs via an Internet portal. As a result, employees and their spouses who are participating in the Steel Fit Wellness Program enjoy reduced out-of-pocket expenses and lower premiums.

Chatham Steel provides communications and rewards through wellness competitions and on-site services, a tobacco-use policy, drug/alcohol free program and employee assistance programs. Healthy food choices are readily available in vending machines, and healthy meals are required at all company meetings. Wellness is kept in front of employees through personal mentoring (coaching), ongoing Lunch and Learn educational sessions, and ongoing cookouts at which company leaders serve healthy foods and present prizes to celebrate employees' wellness achievements.

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CASE STUDY

The Solution *(continued)*

The company sponsors both employee and spousal participation in all health- and wellness-related programs. Chatham Steel covers wellness benefits at 100 percent, with no charge to employees and their dependents. It is required that the employee and spouse (if primary under the health care plan) complete certain wellness requirements to receive greater health care savings:

- > Employee and spouse complete an annual health risk assessment (HRA)
- > Complete two biometric screenings scheduled throughout the year
- > Complete annual routine lab screenings (all dependents covered under the health care plan)
- > Get routine immunizations (all dependents covered under the health care plan)
- > Complete an adult routine exam
- > Participate in community walk/run or participate as a volunteer with a community agency
- > Participate in educational seminars
- > Complete up to 20 one-on-one coaching sessions with a health professional via phone
- > Sign waiver of co-payments for prescribed medications on the Chatham Steel formulary

Taking a “benefits-oriented approach” to wellness, Chatham Steel offers progressive health care and pharmaceutical plan benefits. Proactive and passive health care plans are also available. Tobacco users pay higher premiums, but are offered incentives to quit. These incentives eliminate co-pays for purchasing tobacco deterrents and tobacco-free incentive reimbursements. Chatham Steel also sponsors free tobacco cessation programs and provides discounted insurance premiums the following year to those individuals who successfully “kick the habit.” The company’s tobacco-use policy reinforces this message through elimination of tobacco use in offices, warehouses, and company vehicles.

Other incentive-based programs include:

- > Health and safety awareness training tied to quarterly incentives
- > 100 percent of wellness benefits paid for all eligible family members
- > 100 percent paid on-site services (lab screenings, mobile mammography, immunizations)
- > Free prescriptions for up to four chronic conditions

The Results

As of 2007, Chatham Steel’s:

- > Total annual average health care cost per active employee is 33 percent below the industry average.
- > Prescription drug expenses are below industry norm, thanks in part to a corporate initiative. (Generic drugs are used for 63 percent of all prescriptions.)
- > PPO utilization was discounted \$1.4 million. Most importantly, Chatham Steel has been able to modify and improve risk factors among employees displaying atypical biometric baseline values.

Today, Chatham Steel continues working closely with Nationwide Better HealthSM to provide the resources needed to implement and achieve outstanding wellness initiatives.

More About Nationwide Better Health:

Nationwide Better Health, a subsidiary of Nationwide, is a leading provider of health and productivity management solutions, aimed at improving the health and productivity of America’s workforce. Nationwide Better Health is the first company to truly integrate the best collection of health and productivity services available

today, including health and wellness, and disease, disability, absence, medical and maternity management.

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