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Kansas City Employers Launch National Effort to Promote Employee Health and Wellness and Manage Longer-Term Health Care Costs

17 employers join forces to help ensure that employees receive high-quality, cost-effective, evidence-based health care

WASHINGTON — November 10, 2008 — Employers fund almost 60 percent of health care in the United States,¹ often without understanding how to fully measure the return on their health investments. To establish the rationale and best practices for employers to adopt high-value health benefits, the Mid-America Coalition on Health Care (MACHC) today announced a two-year national pilot project — the Kansas City Collaborative (KC²). KC² will use Value Based Benefits concepts to develop data-driven tools and resources to help employers improve the health of employees and their families, promote employee wellness, and manage longer-term health care costs.

Consisting of 17 Kansas City employers and other key stakeholders, KC² will collect insights from participating employers on Value Based Benefits concepts and share learnings with other employers nationwide. The project, developed by MACHC, in collaboration with Pfizer Inc, which is providing technical and financial assistance, aims to educate employers on the value of aligning incentives and removing health care barriers for their employees. The learnings will be disseminated across the country by the National Business Coalition on Health (NBCH).

“We know Value Based Benefits strategies work because we have seen the results,” said Collier Case, Sprint’s director of health and productivity, and chairman of MACHC. “But too many employers do not fully understand the value of evidence-based health care. We want to work with employers, through KC², to apply Value Based Benefits concepts across a wide range of workforces and corporate cultures to highlight the impact on employee wellness and health care costs.”

Value Based Benefits — Manage Costs and Improve Health Care

The concept of Value Based Benefits is to utilize evidence-based health strategies and health improvement programs to allow employers to better manage their health care costs by delivering high-quality care to improve employee health outcomes. Medical costs are a significant portion of the total health and productivity-related expenditures faced by employers. Promoting employee health to increase productivity and reduce unnecessary health care utilization and insurance costs is a critical step for employers seeking to manage their health costs. A recent study from the Integrated Benefits Institute suggests that chief financial officers in the United States recognize the impact poor health has on their companies' productivity and economic stability.² Yet, most employers lack the tools and understanding to implement Value Based Benefits concepts.

“Value Based Benefits will only be adopted and sustained if employers have access to practical, evidence-based tools and tested concepts that can be implemented across an organization,” said William L. Bruning, president and CEO of MACHC. “This effort is a prime example of the private sector working together to develop innovative policies and practices to improve health outcomes and manage health care costs. By embracing Value Based Benefits concepts, employers will strengthen our health care system.”

Information on the KC² baseline data tools will be presented today by Mike Heckman, director of global benefits for Cerner Corporation, at NBCH's annual conference, being held November 9-11 in Washington.

What KC² Will Accomplish

Prior to its launch, KC² developed program content for participating employers based on detailed employer surveys and personal interviews with key executives. The content offers a series of educational sessions designed to support employers in executing future Value Based Benefits initiatives during the second year of the project. KC², in collaboration with MACHC and NBCH, also will create an Employer Guide that captures both the informational content created through the project plus the experience of the coalition members in applying these strategies within their organizations.

Beginning in 2009, NBCH will use its education channels to spread the strategies developed by MACHC to its member coalitions, representing 60 communities across the country. “NBCH will serve as the national forum for publicizing the findings of the KC² project, and provide

actionable, step-by-step assistance,” noted Andrew Webber, president and CEO of NBCH. “This amplification should be a major factor in spreading Value Based Benefits’ penetration into the regional and local employer markets.”

Technical directors for KC² are Dr. Bruce Bagley, medical director of quality improvement, American Academy of Family Physicians; Barbara Kaplan-Machlis, Pharm.D., senior director, global medical, employer medical liaison, Pfizer Inc; Dr. Jack Mahoney, consultant, strategic health initiatives for Pitney Bowes; and Thomas Parry, Ph.D., president of the Integrated Benefits Institute.

“We are excited to partner in and sponsor this important collaboration,” said Chris Altizer, vice president of Pfizer’s human capital policy department. “Value Based Benefits can be a source of competitive advantage for employers. Through Value Based Benefits, employers can help improve the health and productivity of their workforce. This project will provide valuable learning for other employers interested in providing cost-effective, high-quality health care for their employees.”

Participating KC² Employers — More Than 450,000 Lives Covered

- American Academy of Family Physicians
- American Century Investments
- Blue Cross & Blue Shield of Kansas City
- BlueScope Steel NA
- Cerner Corporation
- Children’s Mercy Hospitals & Clinics
- City of Kansas City, Missouri
- H&R Block Inc.
- Hallmark Cards Inc.
- JE Dunn Construction Group
- Kansas State Employee Health Benefit Plan
- Lockton Companies
- Missouri Consolidated Health Care Plan
- MO-KAN Sheet Metal Workers’ Welfare Fund
- Saint Luke’s Health System
- Sprint
- The University of Kansas Hospital Authority

About the Mid-America Coalition on Health Care

The Mid-America Coalition on Health Care is one of the oldest and largest health care business coalitions in the country, representing over 400,000 covered lives. MACHC is an employer-driven, non-profit collaboration of all health care stakeholders in the bi-state Kansas City region, seeking to improve the health and wellness of employees, their families and their community,

and to develop strategies to reduce health care costs. Members include major employers, health plans, physicians, hospitals, brokers and consultants, academic institutions, public health, government, and pharmaceutical companies. www.MACHC.org

About Pfizer Inc

Founded in 1849, Pfizer is the world's largest research-based pharmaceutical company, taking new approaches to better health. Pfizer discovers, develops, manufactures and delivers quality, safe and effective prescription medicines to treat and help prevent disease for both people and animals. Pfizer also partners with healthcare providers, governments and local communities around the world to expand access to our medicines and to provide better quality health care and health system support. At Pfizer, more than 80,000 colleagues in more than 90 countries work every day to help people stay happier and healthier longer and to reduce the human and economic burden of disease worldwide. www.pfizer.com

About the National Business Coalition on Health

NBCH is a national, non-profit, membership organization of 60 business and health coalitions, representing over 7,000 employers and 34 million employees and their dependents across the United States. NBCH and its members are dedicated to value based purchasing of health care services through the collective action of public and private purchasers. www.nbch.org

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¹ DeNavas-Walt, Carmen; Bernadette D. Proctor; and Jessica C. Smith, U.S. Census Bureau, Current Population Reports, P60-235, *Income, Poverty, and Health Insurance Coverage in the United States: 2007*, August 2008.

² Integrated Benefits Institute. The business value of health: Linking CFOs to health and productivity. May 2006. <http://ibiweb.org/do/loginlogout/Welcome;jsessionid=7A93E97D258CDDF074C4043B84B43563>