

HIGHMARK, INC.

Moderator: Leilyn Perri
August 22, 2013
3:00 p.m. ET

Operator: Ladies and gentlemen, thank you for standing by. At this time, I would like to welcome everyone to the Highmark Penn State and Wellness Call. All lines have been placed on mute to prevent any background noise. After speaker's remarks, there will be a question and answer session. If you would like to ask a question during that time, simply press star one on your telephone keypad. To withdraw your question, press the pound key. Thank you. Mr. Perri, you may begin your conference.

Leilyn Perri: OK. Well, thank you. Thanks everyone for joining us. And again, this is the Penn State Wellness Program Call. And just a couple of logistics we're going to have the four speakers that you can see in the media advisory, David Gray and Susan Basso from Penn State, Dr. Fisher from Highmark, and then Dr. (inaudible) will be our last speaker. They'll each speak for a couple of minutes and then we'll open it up the question. So I'll turn it over to David Gray, Senior Vice-President at Penn State. David?

David Gray: Thank you very much Leilyn. I want to share several key points that really have driven Penn State's decision to implement our Take Care of Your Health Initiative at this particular time. Penn State assumes responsibility for 80 to 85 percent of the healthcare cost for the institution. Our current target really is to take care of the institution 82.5 percent on average while expecting our employees to shoulder 17.5 percent of the burden.

In the current fiscal year that just started July the 1st, our annual healthcare spend on the university side is projected to be \$217 million. (Absent) any

intervention on our part that would represent a 13 percent increase over the prior year. And we would expect, again, without any intervention, without any changes in our program that double digit rate of increase would – we would expect to continue (inaudible) into the foreseeable future.

We believe that the university has a clear fiduciary responsibility to its employees, to our students and alumni and other stakeholders to manage the healthcare cost of the institution.

Certainly, one popular strategy to reduce our cost would be to push more cost on the employee to bear. But, we believe that is a sole strategy that is both (unsustainable) and also irresponsible. The simple fact of the matter is that most industries and employees that are engaged their employees and their members in Wellness programs appear to us to be more successful in managing their healthcare cost. And as proof we will cite two Highmark studies. The author of which is on this call will talk more in detail about his participation in the study.

I would also like to point out that planning for this initiative at the university began in the 2008-2009 academic year in conjunction with the five-year strategic planning cycle for the university and the basic (tenets) of this wellness initiative were cemented at that particular time.

It was first discussed with the faculty senate by Ms. Basso in October of 2011, which I might point out was before the Sandusky crisis hit the university. So, in fact, all the key elements of this plan were in motion well before the crisis, the Penn State has (reconstructed) which is the point that I think has been missed both some of our employees as well as some of the members of the media.

Based on all of the above points, on July 10th of this year, we introduced to the Penn State community our new Take Care of Your Health Initiative. And as the Penn State family is becoming familiar with our program details, we thought it would be advisable and a good time to provide some additional facts to interested media and also to answer any questions you might have.

So at this point, I'd like to turn the call over to Susan Basso, our Vice-President of Human Resource here at Penn State. Susan is going to walk you

through the basics of the program and also report on some of the success that we've had today with faculty and staff. We're beginning to join the program and embrace it. Susan.

Susan Basso: Thank you David. Good afternoon everyone. As Senior Vice-President David Gray just indicated, we did begin preparing a three-year healthcare strategy in (earnest) in the fall of 2011. The strategy actually have three primary goal, affordability, choices and plan design, and healthcare consumerism which involved encouraging our employees to be more accountable and have greater responsibility and control over decisions affecting their health.

The primary motivation for this specific initiative is to ensure our employees and their families, know their health risk and have the best care and resources readily available in order to manage those risks. We believe that by managing those risks early, we ultimately can reduce cost and more importantly, save lives.

The overall strategy includes four major components. The Take Care of Your Health Initiatives, value-based designs, offering low-cost options, a tobacco surcharge, and (spousal) surcharge. The Take Care of your Health Initiative actually has three elements which are necessary (in order for) individuals to avoid the \$100 financial surcharge. We are asking that individual to complete a wellness profile, complete a biometric screening, and fill out an attestation that they will have a physical examination.

We see the wellness profile as a useful personal tool in leaning and overall wellness score. And it will also provide individual strategies to improve or maintain their health status. It will not be used for any type of punitive action under any circumstances such as denying healthcare coverage or raising (raise) for anyone.

And I'm very please to report that as of this call 6,262 individuals have completed the wellness profile. The second element of the Take Care of your Health Initiative is a required biometric screening. Penn State has invested millions of dollars over the last decade in voluntary Know Your Numbers

wellness program. There have been never more than 1,400 participants and unfortunately there has been no positive change in the cost curve.

All results of the biometric screenings are confidential and nothing would be shared with Penn State. Employees do not need to complete a screening at any specific locations. They can download a form from the OHR website and take it to their personal physician for completion and submission to Highmark. I'm also happy to report that as of this call 7,387 individuals have either completed or made an appointment for screening.

The third and final element of the Take Care of your Health Initiative is an attestation. We are asking that employees and spouses and same sex domestic partners attest that they have had or will have a preventive exam. We understand there are costs associated with these preventive measures. But claims regulated to prevention are significantly lower than those related to disease management over the long-term. Early detection of a health issue has been shown to cost significantly less.

Again, as of today, I'm happy to report that 5,652 individuals have completed the attestation. Another component of our strategy is to afford employee's value-based design with lower cost option. If an employee has a chronic disease such as diabetes, high blood pressure, high cholesterol, diseases that we know are preventable, copays and deductibles will be eliminated for any medical care or durable medical equipment that is needed related to those conditions, assuming they follow Highmark medical protocols for their particular disease.

Additionally, we are pleased to be adding a qualified high deductible plan. The university will actually seed a health savings account. Individuals that opt in will receive \$400 and \$800 for a family to help defray deductibles and copays. These health savings account dollars are pre-tax, will accumulate year-to-year, and they would be portable.

Because we know that smoking is the leading cause of preventable death in the United States, one in every five deaths each year, we are implementing a smoker surcharge of \$75 a month per employee, spouse, same sex domestic

partner that chooses to use tobacco. However, we are offering free tobacco cessation programming to assist our employees and their dependents. By enrolling in a tobacco cessation program they can actually avoid the surcharge.

Another element of the strategy is spousal insurance surcharge of \$100 per month. If a spouse or same sex domestic partner has an option for coverage through his or her employer, we want to encourage them to take that coverage. But if they choose to stay on Penn State's plan which they may, the monthly surcharge will apply.

The National Healthcare Trends since the mid 2002 is certainly moderated in the single digit. Largely due to an increasing number of employers that manage these costs by emphasizing employee accountability and investment in programs that support a healthy and productive workforce. This has not happened for Penn State and we believe it's for several reasons. Our plan design is richer than the average national plan design. Our \$250 deductibles compares to an average Central Pennsylvania deductibles of about \$1,500. And we have (lack of) comprehensive wellness effort.

We believe this plan is aimed mitigating this issue. We believe this is a journey but in addition to reducing our healthcare spend overtime, we see this as a significant investment in our employee. We know we have lots of communication that we need to do in the coming months. We will be producing a webinar that would be housed on the Human Resources website. We will be producing a very comprehensive and detailed (actual) mailing that will help employees make informed decisions. And we will be holding face-to-face meetings with all employees throughout the beginning of the fall semester. So with that, I like to introduce Dr. Donald Fisher, who's Highmark's Senior Vice-President and Chief Medical Officer.

Donald Fisher: Thank you Susan. As the senior vice-president for health affairs at Highmark Health Services, I have responsibility for supporting our members who have a variety of clinical problems. And my team of physicians and nurses and other clinicians is focused on facilitating the right care for the right member at the right time, and we know that wellness and prevention is key to that strategy.

We're very happy to partner with Penn State on this initiative to embed wellness in their culture. And the reality is that comprehensive wellness programs do work. At least 70 percent of the chronic conditions in our population are preventable according to the Centers for Disease Control. Wellness programs are focused on early identification of risks, so that behavior change can occur to prevent progression of these risks to serious disease. A comprehensive wellness program is focused on the needs of employees to help them live longer, healthier and more productive lives. And we know that healthier employers are indeed happier and more engaged in their work.

I want to just to talk a little bit about the health risk assessment. This is been I think somewhat confusing to some individuals and they misinterpret how this is being used. The health risk assessment is a useful tool for several reasons. Number one, it's been shown just simply answering the questions raises consciousness about risks and begins the educational process. Number two, there's immediate feedback to the individual about their relative risk for various conditions, and suggestions about ways that they could impact those risks. Third, the information is available then to Highmark Health Services, health coaches who are available to help individuals with high risks access appropriate programs and coordinate their care.

So, a very limited number of individuals who were there to help the employee or the member with their care plan. And lastly, no specific individual information is ever accessible to an employer from these health risk assessments. What the employer receives is aggregated information to give them some better sense of the risk of their population so that they can then design programs to meet the needs of their employees in the future.

Highmark Health Services has nearly 400 clients with structured wellness program representing over half a million members. These clients all have wellness profiles as part of their program, and approximately 50 percent include biometric screening as part of their wellness program. I emphasize, these programs are not new. They've been adopted by forward-thinking employers for over five years as long as eight years ago.

For our own employees here at Highmark Health Services, we've had an (incentive) program in place since 2005. Prior to the first year as a program, we had only 11 percent of our employees have a preventive exam. In the first year after instituting a program with an incentive, we have 56 percent have both preventive exam and all of their screenings.

As this program is evolved and the incentives have grown, in 2012, 88 percent of our Highmark covered employees completed the health insurance premium incentive by completing their wellness profile, getting the screenings, and certifying to receiving a preventive exam.

I can tell you that both our CEO and I have resumed – received numerous unsolicited testimonials from employees who are grateful that the program led early identification of serious health problems that could be treated effectively. And I can tell you that preventing serious health problems is a win for everybody. It can be associated as well with significant cost savings for the employer.

Also in 2012, 19 percent of Highmark's covered employees attested to using tobacco. If an employee is tobacco-free or is a tobacco user but chooses to participate in tobacco-cessation programs, they're eligible for the company's tobacco-free incentive just like Penn State. And this has had a significant impact and we had hundreds of individuals who enrolled smoking cessation and have gradually seen a decrease in our smoking rates.

Penn State like many other customers we served has been faced with escalating healthcare cost, but simply aren't sustainable of a long-term basis. The key to help the employees is to provide affordable health benefits and wellness programs that are sustainable.

To prove this point, we conducted and published a study of our own corporate wellness program, and the wellness program (or a book) of business, and discover the savings for our own company of \$1.3 million during the four-year period. That study entitled the "The Impact of the Highmark Employee Wellness Programs on 4-Year Healthcare Costs" was published in 2008 by the Journal of Occupational and Environmental Medicine.

We're fortunate today to have Dr. Ron Goetzel from Emory University Rollins School of Public Health on the call. He's nationally recognized expert in Health and Productivity Management, Data Analysis and Applied Research. He's led numerous projects to document the health and productivity cost burden of disease condition, and the return on investment for health management programs. Dr Goetzel is the coauthor study that I mention and like to pass the program onto Dr. Goetzel.

Ron Goetzel: Thank you Don. I appreciate the opportunity to present. First, in terms of my affiliation, I'm both research professor at the Emory University Rollins School of Public Health, I'm also a vice-president at Truven Health Analytics. I'm in the (inaudible) Maryland area. And the study that I'm referenced was supported and funded by Highmark.

I've been involved in the (evaluation), the workplace health promotion programs for about 30 years. And some of the companies that I've done those evaluations for include Johnson & Johnson, Credential, Citibank, Dow Chemical, PPG, Chevron, IMB, (Peak) University, Procter & Gamble, office of personal management. So that's the business that we're in is to conduct these kinds of evaluation studies to look at this wellness programs, otherwise known as health promotion programs. It determines whether they improve population health and also save money.

The study we did with Highmark looked at the effectiveness of the program. One of the challenges in doing this kind of research in the real world setting is the issue of self-selection bias. What that means is that people self-select (these) programs. Typically those people are healthier although in many cases including the one here, the vast majority of the population for the (speed of) the program.

So the challenge in doing this kind of evaluation research is to find non-participants essentially identical twins of people who are participating in the program and exposed to interventions, find people who are not participating not exposed and we use a very sophisticated advanced method (all depends to

the) score matching in order to find the twins of participants and (all) participants overtime.

We looked at their demographic characteristics, their baseline healthcare expenditures, their disease severity, a baseline, 1,890 participants, 1,890 non-participants not significantly different at baseline. And then we followed them over a multi-year period. (Essentially) we had a 2001 baseline and then we tracked their overall healthcare cost through 2005. And after we conducted our analysis where we controlled for (confounders), we found that the program did save money at about \$176 per person per year, which ended up being about \$1.3 million in savings versus the program cost which is about \$800,000 and so the ROI or the Return on Investment was calculated to be approximately \$1.65 (say) for every dollar invested.

And so these findings were published in the journal of Occupational and Environmental Medicine back in 2008, and it's one of the better studies out there and cited as a landmark study (in doing) this kind of program evaluation. So back in conjunction with other studies that have been done of well-designed comprehensive evidenced-based programs indicates these programs do have a potential if they're structured properly to improve population health and save money. And with that I will turn it back to the moderator.

Leilyn Perri: Thanks doctor, this is Leilyn Perri and we'll open it up now for questions. And, operator I would ask the media too if they're going to direct the question to a specific person that they – do that please.

Operator: Thank you. At this time, I'd like to remind everyone in order to ask a question you may do so by pressing star 1 on your telephone keypad. Again, that's star 1. We will pause for just a moment to compile the Q&A roster.

As a reminder if you like to ask a question you may do so by pressing star 1 at this time.

And we do have a question from the line of Debra Erdley.

Debra Erdley: This is Debra Erdley with Tribune Review. This is for Mr. Gray and Ms. Basso. In one of the releases you referenced the success of similar program at

Penn State Hershey Medical Center over several years, but I understand that the program at Penn State Hershey Medical Center had an incentive for participation as supposed to a surcharge for non-participation. Can you talk about at all about that difference and why we're going with the surcharge in this case as supposed to the incentive? If I'm correct on that, was that the case?

David Gray: Yes that's – this is David Gray. That is generally the case. What we felt here for the, you know, the rest of the university with the exception of the Hershey Medical Center which is a quasi-separate employer that our experience with, you know, voluntary programs, incentive-based programs is that there simply wasn't much uptake on them, and did it had – that are program as we redesigned it really needed to be a carefully balance blend of both incentives and disincentives which we think that the program as we've rolled it out clearly offers.

There are both incentives and disincentives. There are mechanisms by which (induced) and alluded to those that employees can make choices that will actually, you know, for program designed to actually reduce potentially their cost or their out – their personal outlays for health insurance programs. And, you know, if they choose otherwise then, you know, they can – then obviously there are some repercussions to that or disincentives if you will but again it's based upon our past experience here that we needed a balanced approach with both incentives and disincentives to really drive the behavioral change to really fully, you know, appreciate the possibility of the take up on the wellness aspect of the program and that we believe the program has design will secure that objective and will help us get to, you know, one of our key goals here that was presented by President Erickson and me to Susan Basso which was to lower our long term rate of healthcare escalation from, you know, the double digits from, you know, current projected rate of 13 percent growth down to CPI plus 2 percent or more on the neighborhood of 5 percent escalation, which is still well in excess of the rate of our general budget increase which is closer to 3 percent.

So that's – again, we decided to depart from the method chosen by the medical center and embarked on what we believed to be a balanced program that would work in this environment.

Susan Basso: And Debra this is Susan. In addition, because I do believe it's a fair question, we've had a lot of question along this line. The reality is does the – in our view incentives and the financial disincentives are the surcharge, there really is not that much different? If you really do the deeper dive into how employers are to charge or providing the incentives, we looked at whether we should do an incentive. And to do so, we would have had to artificially inflate the premiums for everyone then in order to discount.

So our primary goal was to drive participation and we believe we are achieving that result and the surcharge, again, we feel was an effective approach and we saw that was the most transparent way to call it what it was.

Debra Erdley: Thank you.

Operator: Thank you. Our next question is from the line of Colleen Flaherty.

Colleen Flaherty: Hi, this is Colleen from Inside higher Ed. I have heard from numerous people, faculty members at Penn State that they had no idea this panel is coming and even some of the immediate past leaders of the faculty senate say that the faculty senate had very little – if any involvement (in achieving of) this plan. So, I was wondering if you kind just go over exactly how, (if ever) what sort of faculty input, you know, the administration thought when choosing this plan and (if the) faculty (inaudible) a whole (or the rest) to vote on it?

Susan Basso: Yes, this is Susan and the question was about the involvement of the faculty (senate) and how much consultation and involvement they've had. You know, we can certainly debate how much consultation there was whether there was enough but we believe that we did follow the appropriate governance in our institution.

As David Gray indicated earlier, I made a full presentation to the full faculty senate on October 11th, 2011. And it contained very many of the same elements that are in this initiative. In addition, in 2009, elements of this plan

were actually laid out in the strategic plan in almost identical fashion. We began after that 2011 faculty senate meeting, meeting with various constituencies on campus including the faculty senate benefits committee, the joint committee on insurance and benefits and the university staff advisory council.

They (saw) the details of this plan including the surcharges, including all the different elements of the plan they were asked to comment. They in fact did give us feedback. We did make modifications along the way. This first initial communication that was rolled out in July, we sought their feedback on it. They made some recommendations, some good feedback and we modified the publication with their suggestions in mind.

Operator: Thank you.

Susan Basso: You're welcome.

Operator: Once again, press star 1 if you like to ask a question. Our next question is from the line of (Kate Shatner).

(Kate Shatner): Hi, I'd like to ask a question for – I guess it could be for Susan Basso or Donald Fisher. You sited that Highmark Health wellness program as evidence of savings. But it looks like the Highmark program has a bunch of key differences such as incentives towards – there's 10,000 step walking program incentives towards vacation days and the fully stuff, fitness centers open in Pittsburg. So far, we're not hearing any of this in Penn State. So my question is do you have any other studies that are no funded by Highmark or other evidence that show that Penn State will really save money doing this program?

(Shaw): Well, this is Dr. (Shaw). I'll start just with your question about the incentives. We have many programs that we offer to help people respond to their need to change the behaviors, things like 10,000 steps. Many of these programs are used by many of our clients when we put in place wellness programs, (but the incentive is not to use 10,000 steps. Our incentive is very much like Penn State's incentive. The current incentive is around having your biometric screenings, getting your preventive exam and doing the health risk

assessment, OK? The other part of your question, I'm – do you want to repeat that?

Female: My question was do Penn State have other studies that are not funded by Highmark that show that this will actually save money?

(Shaw): Yes, I think that's probably better answered by Ron Goetzel. He knows the literature in this space quite well. And I would ...

Female: No, let me ask a – sorry, all right, Susan Basso and David Gray who really needs – I'm guessing where (inaudible) making this decision, what were the studies that you can consulted? Penn State itself consulted before making this decision?

Susan Bass: Well, you know, we relied very heavily on our third party administrator, Highmark. They are the experts in this area. And so, you know, they were providing us with all the feedback. They have obviously had a very successful initiative and, you know, (in the) real world, it's something that we rely very heavily on. And we've been talking with other employers and organizations that have seen success as a result of this type of programming as well.

Donald Fisher: Yes, so this is Donald Fisher again. I mean, clearly we have been driving wellness programs for many accounts and it's our information and our work with folks like Ron Goetzel that is – we have brought to Penn State to make this decision. In another article from the American Journal of Health Promotion, lead author Chapman from 2008 reinforces that. But the reason I deferred to Ron Goetzel is he is in fact, you know, helped us, you know, guide our programs overtime along with many other people. But since Ron is on the phone, he is the first who's most expert at the literature.

Ron Goetzel: Sure. Thanks Don. And there have been two important literature reviews that I can refer you to, one is conducted by the Community Guide to Preventive Services, Robin Soler, S-O-L-E-R, is lead author and this was a review published in the American Journal of Preventive Medicine in 2010 looking at many, many different health promotion workplace, health promotion programs, wellness programs over the last 20 to 30 years and looking at the

behavioral changes, biometric changes, and also the health and productivity impacts of these programs on the workforce.

The other important review was done by (Fred Harvard), economist (Baker Cutler and sons), and that review was (published) in health affairs. We've looked at the savings from these kinds of programs and return on investments from these programs. So, these are kind of the two most prominent literature reviews of workplace wellness programs looking at the last couple of decades research in this area.

Operator: Thank you. Our next question is a follow-up from the line of Debra Erdley..

Debra Erdley: Yes, I'm curious when that (figure is) cited that either Dr. Goetzel or Dr. Fisher, that \$1.3 million in savings over four years, what was the total expenditure on that, on the healthcare over that four years, what percentage savings are we looking at?

Donald Fisher: This is Donald Fisher. I don't recall that number, you know, percentage wise, it would be relatively small but it's still is the significant savings and those savings have actually increased overtime. I would also point out that the expenses included in that study were fully loaded. So, for instance, we do have fitness centers in our two main office locations, the expenses of those fitness centers were included as part of the expense in the study. So, many people who would do these kinds of studies would not fully load those expenses and would get an even higher ROI or Return on Investment.

We were very conscious to the fact that we did not want to overestimate and so – but even with that, there was \$1.65 return on investment for every dollar spent. And, you know, anybody in business they're going to say, "If you can give me a \$1.65 every time I spend a dollar I'll do it, I don't care how much the absolute value savings is." Besides which, you get people happier and healthier so it's a win.

Ron Goetzel: And let me briefly comment on that. The health promotion wellness programs are not the solution to the problems that are being addressed nationwide, which is rising healthcare cost, there are many different factors that are driving healthcare cost including just the expense of medical care, just the cost

of procedures, utilization of services, and so forth. So, this is not the end (of the) solutions solving healthcare problems. However, it's part of the solution that (inaudible) the extent to which you can keep people out of the healthcare system in the first place which is very, very expensive, you're going to be ahead of the game and that's the intent of these (pension) programs.

Operator: Thank you. Once again, that's star 1 for a question and we do have a follow-up from the line of (Kate Shatner).

(Kate Shatner): Hi. This question is for Donald Fisher again. We heard that Penn State employees who has filled out the wellness profiles and received results that are confusing, for example, I've heard this for a number of people (that) one friend who exercise everyday, eat lots of fruits and vegetables and little dairy and not so much meat was told she's high at high risk nutritionally.

She was so upset that she called the health number to talk to someone at Highmark and was told not to worry about it. So, for – if this is – what are the (main) ways to bring about savings which you give people awareness of their health? And, what do you say to those who are frustrated by the results of their profile?

Donald Fisher: Well, you know, this is the WebMD tool that's being used is one that has been carefully validated over time and continues to change over time based on new science. But, you know, many people when they do these health risk assessment do learn that what they presumed has been very healthy may not in fact be very healthy.

I think as you answer the questions about how many servings of fruits and vegetables you have during the day for instance, people are surprised, or how many service of grains do you have during the day, people are surprised but you know what? I thought I ate pretty healthfully but, you know, I could do better, and I think all of us have opportunities. You know, I think I'm pretty healthy. I get exercise, I – but my risk – and I eat healthfully but, you know, when I do this, and I do it every year, I do continue to find ways that I can continue to do better. And certainly as you age, you find that you need to pay

even more attention to these kinds of feedback tool to be able to improve your health risk.

Leilyn Perri: Operator, hold those questions for one moment. And Dr. Fisher, this is Leilyn Perri. Dr. Fisher, a couple of reporters couldn't make it but they did e-mail in some questions. One of them was addressed in one of the blogs. Is this information kept confidential or it passed on?

Donald Fisher: No, the information – you know, I think this is very important to reinforce. These questions are very personal, but they are only for the use of the individuals. So, the feedback goes back to the individual in real time. They get finished and there is feedback, you know, about things they could work on to improve their health.

The only other access is by nurses who work at Highmark who are dedicated to the Penn State membership who can then help counsel those members if they are engaged with a health coach, taking all that information together to help them access the appropriate programs to improve their health and coordinate their care where they need help in that manner. There is no information that is not – there's no information that's going back to the employer. It's highly confidential from that standpoint and this is, you know, adherence to all the privacy rules and (its protected issue) as any other information is at a – in a provider's office or any other place where you have privacy concerns.

Leilyn Perri: And one other question that was e-mailed into us Dr. Fisher, with more people actually getting a physical, could this program actually cost money rather than save money?

Don Fisher: There's clearly an upfront investment to have more people getting appropriate screening and appropriate preventive exams. But the savings come from stopping the risk from continuing to escalate. And I think I read on a blog, somebody said, "Well, you know, it's only going to be a 100 people with chronic disease or they're only going find and prevent 100 people from having a problem." But I can tell you, some of those 100 people have extraordinary expenses.

These are the ones, the time bombs, who can cost – you know, they could cost hundreds of thousands or millions of dollars and have serious issues with a related disability with, you know, related to being able to return to work and even (death). And, you know, those hundred lives, and I don't know if 100 is the right number or if its 50. But if its 50, it's incredible savings and benefit to those individuals and to the employer.

David Gray: This is David Gray. Quite frankly, if these programs saved even one life because a, you know, a medical condition is uncovered as a result of this program it will have been worthwhile from Penn State's perspective. But, you know, the 100 that has been suggested, we'll have to let our experience play out, but we're not regarding this as a program that we're putting into place simply to solve a one-year problem. We have a, you know, a multiyear commitment to improving the health and wellness of our employee population and we have a multiyear commitment to lower the runaway escalating cost of – or health programs for the university. Both of those are going to be measured, our success will be measured in years not in just a few months.

Leilyn Perri: Operator, we have time for a couple more questions if there are any.

Operator: Our next question is from the line of (Sharon Begley).

(Sharon Begley): Hi, thanks everyone. One of the messages from Dr. Goetzel's research over the year is the importance of creating an overall culture of wellness as an employer. So, I was wondering about a couple of elements of life on Penn State campuses, one is I understand that (spouses) in order to use your fitness facilities have to pay a fee. So, I was wondering if that was under, you know, consideration for change. And the other has to do with the food served at – (by) food services, an e-mail going around talks about a wider variety or desserts and ice cream from our very own Penn State bakery and creamery. So, are there other elements of the wellness programs or of wellness that you are thinking at instituting that would create again what's called the overall culture of wellness especially on these two points?

Susan Basso: Yes (Sharon). This is Susan Basso. We are looking at other elements of (fixed) physically to the issue of the fitness. You should know probably right

upfront that our employees have access, ready access to our fitness facilities and they pay a very modest sum. However, we are looking at – because of feedback that we received that employees would like to see that a lot less or even nothing. So we are looking at how we might be able to subsidize that, whether they use a Penn State fitness facility or whether they choose to use a facility of their choice around the Commonwealth.

So, we definitely see that there are opportunities to create more of the culture of wellness that you're talking about. We also have – again, just to reiterate the smoking cessation programming, the weight management programming, many of these programs are offered free of charge or for a very small subsidy. So, that's, you know, basically the things we're looking at right now, I can't really honestly speak to the food situation. I don't know if Senior Vice-President David Gray could speak to that, but that's not something certainly from an HR perspective that we're looking at.

Male: I really think that's clearly an element of individual choice people (just here) at the university (inaudible) campus for instance can avail themselves a broader array of food options they can bring. They can bring lunches from home, they can go downtown. I will offer a personal example, I was over at the Hetzel Union Building this afternoon for lunch and I visited the salad bar and that was pretty much it. So, people clearly have healthy choices that they can avail themselves of, right here on campus, or right across the street downtown, or by taking advantage of their, you know, their – the food stock on their own refrigerator. I think what we're trying to do is alert people to the need to make healthy choices and then provide them (inaudible) what to do.

Operator: Thank you. Once again, that's star 1 for your question. And at this time (inaudible) well, we do have a question from the line of (Kate Shatner).

(Kate Shatner): We've heard that it requires an investment to see it return in employee health. May I ask, how much Penn State has invested in its partnership with WebMD and Highmark for this (launch) initiative? That's for David Gray.

David Gray: We'll have – honestly, I don't have any answer ready for that. Well, it's something we can certainly look into and get back to you on directly. I don't

think it's a very (appreciable) sum at all, but we'll certainly dig into that and get a number for you.

(Kate Shatner): OK, thank you very much.

Operator: Once again, that's star 1 for a question.

Leilyn Perri: Operator, if there are no more questions then we're going to wrap up because I did tell everyone we try to keep this to about 45 minutes or so. Do we have a last question or no?

Operator: No further question in the queue at this time.

Leilyn Perri: OK. We certainly thank everyone for joining us and you have the media contacts as you put your stories together. If you have another question please let us know. Thanks everyone.

Male: Thank you.

Operator: Ladies and gentlemen, that concludes the conference call for today. We thank you for your participation and I ask you to please disconnect your lines.

END