

Safeway's Consumerism Journey



Presented by Shawn Leavitt
at the SCBCH Annual Meeting
Purchasing Health Care in a New Decade

May 10, 2011

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Agenda

- Safeway Background
- Our Challenge
- Our Journey
- Tools of the Trade

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Creating a Healthier Safeway

Enable employees and families to improve health and quality of life



Create business advantage for Safeway

We have a strong belief in the efficiency of markets and the power of pricing...

And the confidence that employees can be informed consumers of health care and are willing to be held accountable for their actions.

"At Safeway, we are building a culture of health and fitness... we believe that personal responsibility and financial incentives are the path to a healthier America"

Steve Burd, Wall Street Journal, June 2009

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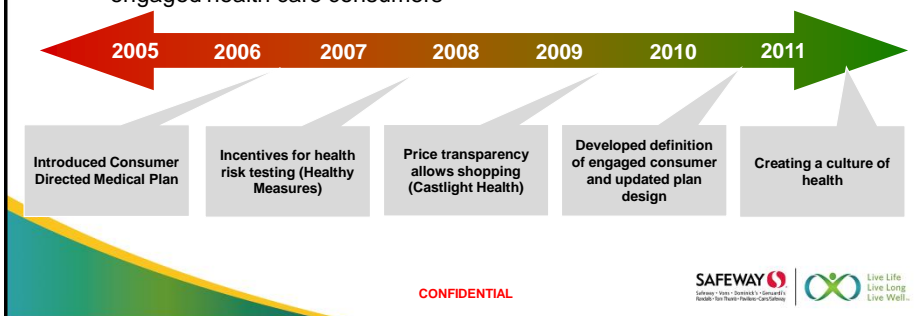


Our Challenge



Our Challenge

- **Goal:** Safeway seeks to provide high-quality, competitive health care benefits as part of enabling employees to improve health and quality of life
- **Challenge:**
 - Rapidly escalating health care costs during the first part of this decade posed a threat to this objective
 - Health care expenditures threatened to be twice as much as net income
- **Solution:** Shifting medical plan focus to encourage employees to become engaged health care consumers



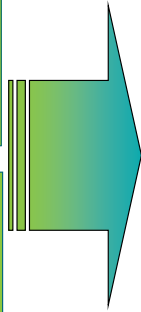
Our Journey



Solution: Creating a “culture of health”

Culture =
“How things
get done
around
here”

Health =
“Physical,
emotional
and financial
wellbeing”



- Attributes of a “culture of health”
 - Corporate values reflect belief that workforce well-being is a business advantage
 - Managers demonstrate consideration for employee health, well-being and safety in operational management and planning
 - Employees believe leadership authentically cares about their well-being
 - Employees take accountability for achieving good health

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A Total Health Mindset

- *Live Life, Live Long, Live Well*: a brand and culture of well-being Safeway employees can believe in
- A mindset about taking care of “total health” and well-being
 - Physical health
 - Emotional health
 - Financial health



Live Life
Live Long
Live Well™

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What Is an Engaged Health Care Consumer?

- Takes personal responsibility for understanding and optimizing healthy behaviors
- Are smart buyers of health care products and services
- Participates in a transformational consumer-focused health plan



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 Live Life
Live Long
Live Well.

Takes Personal Responsibility

- Optimizing healthy actions
 - Completes an annual Health Assessment
 - Takes the Health and Consumerism Training
 - Participates in Healthy Measures
- Optimizing healthy behaviors
 - Eats a healthy diet
 - Exercises 30 minutes a day on most days of the week
 - Is within 5 lbs of desired BMI
 - Non-smoker/non drug user
 - Consumes two or fewer alcohol drinks a day

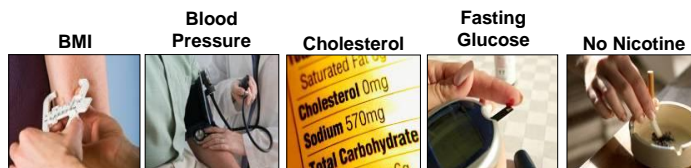
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 Live Life
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Live Well.

Healthy Measures

- Introduced Healthy Measures to help members know their numbers and identify their health risks
 - Voluntary, free, easy and confidential testing
 - Encourages identification and understanding of major health risks
 - Reduction in medical plan premiums
- Expanded after first year success to five incentive and retroactive rebate opportunities:



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Member: Health | Rewards | Community
 Retail | Top Treats | Fresh | Car Centers

Live Life
 Live Long
 Live Well.

Supporting Members' Health: Naturally Slim

- Naturally Slim is a weight management program that supports employees in eating healthy and expanding daily exercise activities
- Program successes:
 - 88% of participants achieved weight loss
 - Average weight loss 11.5 lbs
 - 42% of participants with BMI of 25+ improved to no longer have Metabolic Syndrome



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Member: Health | Rewards | Community
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Live Life
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Supporting Members' Health: JumpStart

- JumpStart is a wellness program designed to help employees improve all aspects of their health by competing in teams for prizes and recognition
- Program successes:
 - 70% of participants completed program
 - Average weight loss of 6.4 lbs/participant
 - 60% of participants lost 10 or more lbs
 - 627 participants lowered BMI category
 - Average exercise: 38 minutes/day/participant



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Healthy Eating

- We have redesigned our Caf e's:
 - Healthy meal offered every day at subsidized price
 - All menu items include nutrition facts for calories, fat, fiber, and cholesterol
- Results:
 - 46% of total meals purchased are "Healthy Selection"
 - 65% decrease of purchase of fries and onion rings as sides
 - 1,700 pieces of whole fruit a month



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Smart Purchasers of Health Care

- Recognizes accountability for health care and knows how to maximize health benefits
- Shops for providers and goods based on value
- Knows the appropriate medical facility for relevant medical conditions and emergencies
- Has a collaborative relationship with a health care provider
- Uses quality hospitals and doctors that offer e-visits and online scheduling
- Understands the financial impact of health care choices and the lifetime cost trend

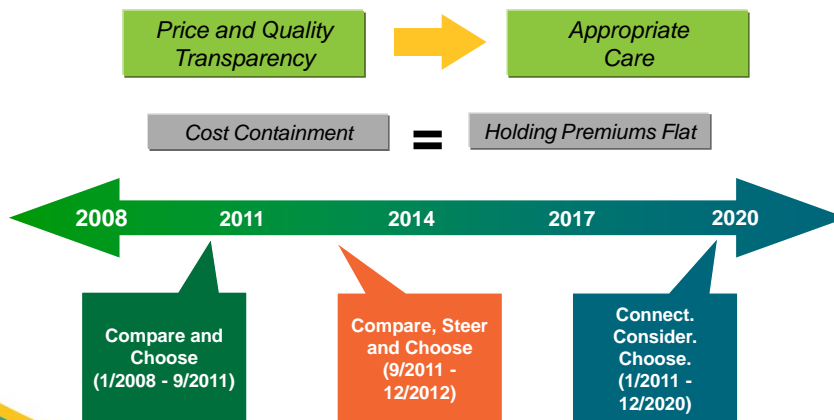


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Our Roadmap

To the Engaged and Medically Literate Employee of 2020



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Participates in a Transformational Consumer-Focused Health Plan

- Makes community connections
- Anticipates needs based on life events (e.g., birth of a child, health event)
- Works with providers to navigate health care
- Prepares for complex social issues (e.g., health care proxy and end-of-life directive)
- Plans for health care financing throughout life



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2011 Safeway Plan Design

Preventive care services are 100% covered		
1 Annual Deductible	2 Traditional Coverage	3 Out-of-Pocket Maximum
Up-front Deductible		
Spend from HRA	Coinsurance	100% Covered
Deductible after HRA		

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Personal Health Team

- Health and disease prevention information
- Outreach regarding health risks
- Coaching and condition management:
 - Active and structured collaboration
 - Holistic bio-psycho-social approach
 - Culturally aware
 - Reportable outcomes

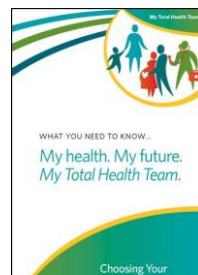
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My Total Health Team

- My Total Health Team offers an integrated team of health care providers
- Partner with the Cigna Medical Group on Maricopa County, AZ
- Creating a “virtual” medical home



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Enhanced Care Management

- Focus on the top 1,000
- Case management teams assigned
 - Specialty Case Nurse
 - Health Coach
 - Behavioral Health Specialist
 - Customer Service Representative
 - Claims Processor
- Goals
 - Reduce re-admissions
 - Remove barriers to recovery

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Medical Decision Support

- Health education, resources and guidance to members in any medical decision-making process
- Members skills for purchasing health care services
- Coordination of care throughout members' health care experiences
- Safety and avoidance of inappropriate or harmful care
- Quality of treatment plans
- Evidence-based utilization of specialist and sub-specialist services

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Tools of the Trade



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Safeway AisleONE Benefits Portal

- AisleOne creates a personalized experience
- Dashboard tracks completion of tasks, biometric scores, attainment of incentives
- Includes configurable avatar that reflects BMI

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Health and Consumerism Training Modules

- Online training modules to help our employees and covered spouses/domestic partners make the most of Safeway benefits
- Learn how best to use their Safeway Benefits to manage their health and well-being and save money

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Questions?

