

# Building a Culture of Wellbeing at Merck

**September 2019**  
**Virginia Peddicord**  
**Director, Employee Population Health**

PROPRIETARY ICONS HERE



# FOR MORE THAN A CENTURY, MERCK HAS BEEN INVENTING TO SOLVE SOME OF THE GREATEST CHALLENGES TO PEOPLE'S HEALTH AND WELL-BEING AROUND THE WORLD



**HEADQUARTERS**  
Kenilworth, NJ, U.S.A. operating in more than 140 countries



Merck & Co., Inc. is our legal name and is listed on the New York Stock Exchange under the symbol "MRK."



**EMPLOYEES**  
approximately 69,000 worldwide (as of 12/31/17)



**BUSINESSES**  
Prescription medicines, Vaccines, Biologic therapies, Animal Health products



**2017 REVENUES**  
\$40.1 billion, 57% of sales come from outside the United States



**2017 R&D EXPENSE**  
\$9.98 billion; 20+ product pipeline programs in late-stage development



**MERCK**

# Population Health

*Requires managing care across the continuum*

80% members = 20% cost\*

20% members = 80% cost\*



\*Based on Merck Data, Truven 2017 Calendar Year  
Adapted from *Population Health; Creating a Culture of Wellness*, 2<sup>nd</sup> edition, Jones & Bartlett Learning, Burlington, MA, Raymond Fabius, MD edited by David Nash, MD, 2016

# What is Health?

## PHYSICAL



Awareness and Prevention  
Nutrition, Exercise and Sleep  
Managing Chronic Conditions

*>85% of health care costs are due to non-communicable diseases and conditions, including chronic conditions<sup>1</sup>*

## EMOTIONAL



Stress Management  
Resilience and Mindfulness  
Social Engagement

*36% of employees report losing an hour or more of productivity per day at work due to stress<sup>2</sup>*

## FINANCIAL



Security  
Life Planning  
Retirement

*Financial issues are one of the most common sources of stress in people's lives<sup>3</sup>*

## SAFETY



Safe and  
Healthy  
Workplace

*Association between lifestyle risks and medical conditions, and workplace safety<sup>4</sup>*

## PURPOSE






Work with  
a Purpose

*Purpose boosts employee motivation, productivity, morale and overall satisfaction<sup>5</sup>*

1. "National Center for Chronic Disease Prevention and Health Promotion", Centers for Disease Control and Prevention p1A
2. "Business Management 75 years of sound business advice daily", ComPsych StressPulse<sup>SM</sup> Survey, 2012 p1A
3. ComPsych StressPulse<sup>SM</sup> Survey, 2016 p1A, p4B
4. Integrating Health and Safety in the Workplace, JOEM May 2015, p4A
5. Global Talent Trends Study, 2018 by Mercer

# 6 Data Sets Analyzed to Answer 3 Questions

	WHAT IS OUR HEALTH? 		HOW MUCH DOES IT COST? 		HOW DO WE FEEL? 	
	Personal Health Assessment	Data Warehouse	Disability Data	IBI Full Cost Model	Internal Survey	Engagement Survey
Objective	Better understand the health status of US active employees & spouse/partner	Better understand the health status & cost of US active employees & spouse/partner	Better understand what conditions are causing disability in our workforce	Estimates total cost of health care including absence, disability, performance & productivity	Assess attitudes & beliefs of Merck's current culture of wellbeing	Assess Global employees perception of Merck's culture of wellbeing
Population	US Employees & Spouse/Partner	US Covered Active Employees & Spouse/Partner	US Eligible Employees	Draws on national surveys, disability, compensation & FMLA claims	US Employees	Global Employees 80% Response Rate
Challenges	Self Reported Voluntary	Data base difficult to query	Productivity cost estimated	Limitations in inputs; may not exactly represent our	Sample size may not be representative; directionally informative	Results may be influenced by last few years of
Questions to Answer	<ul style="list-style-type: none"> <li>How does Merck's lifestyle risk factors compare to benchmarks?</li> <li>What are areas of health risk and opportunity for improvement?</li> </ul>	<ul style="list-style-type: none"> <li>How does Merck's health status and costs compare to benchmark?</li> <li>What are areas of health risk and opportunity for improvement?</li> </ul>				

## A reasonably healthy workforce, but could improve:

- Lifestyle – nutrition and activity
- Screenings
- Vaccinations
- Stress
- Alcohol
- Weight
- Pre-diabetes, diabetes

# Data-Informed Goals



## 1. Improve health in targeted areas

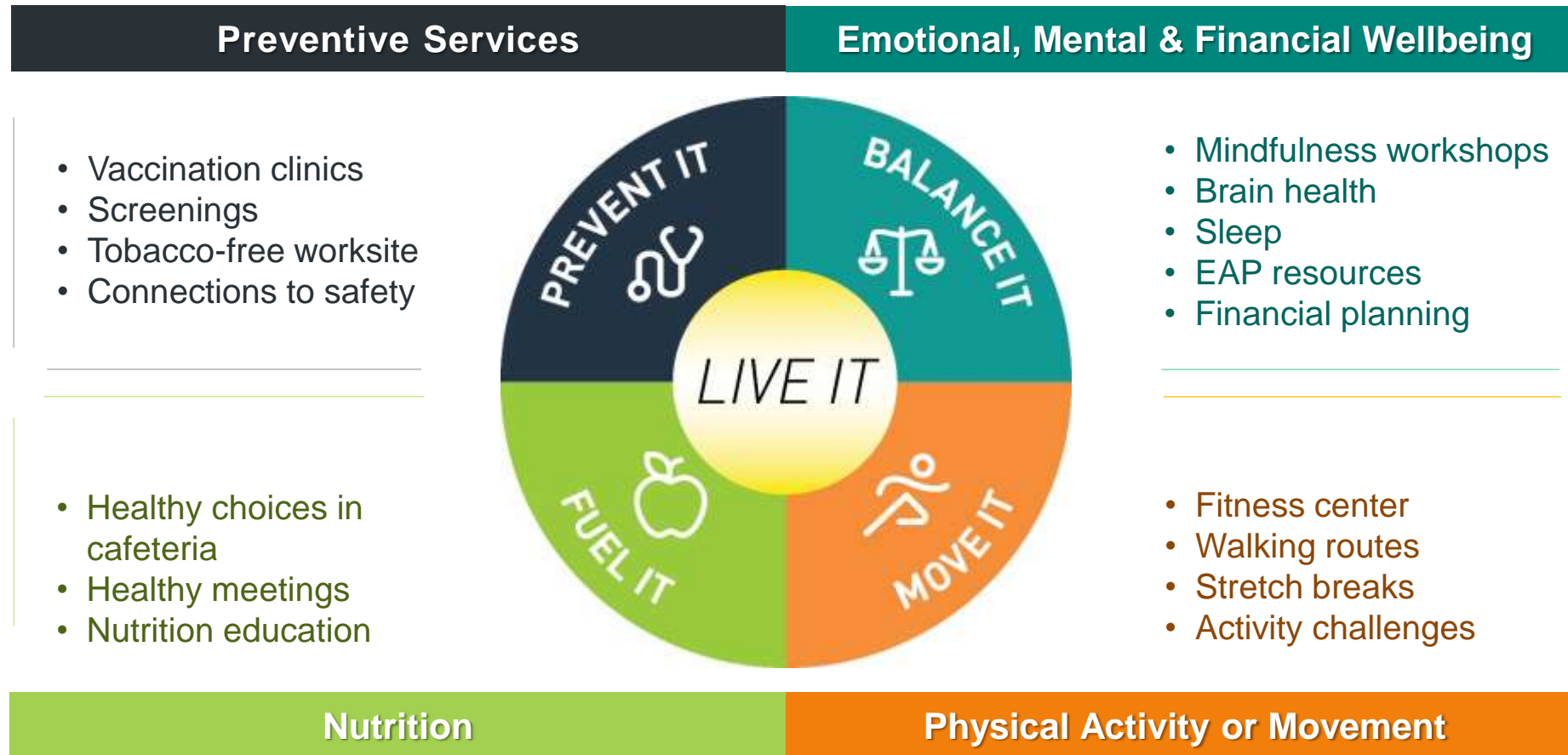
- Cardiometabolic risk
- Vaccinations
- Cancer screening & prevention
- Stress



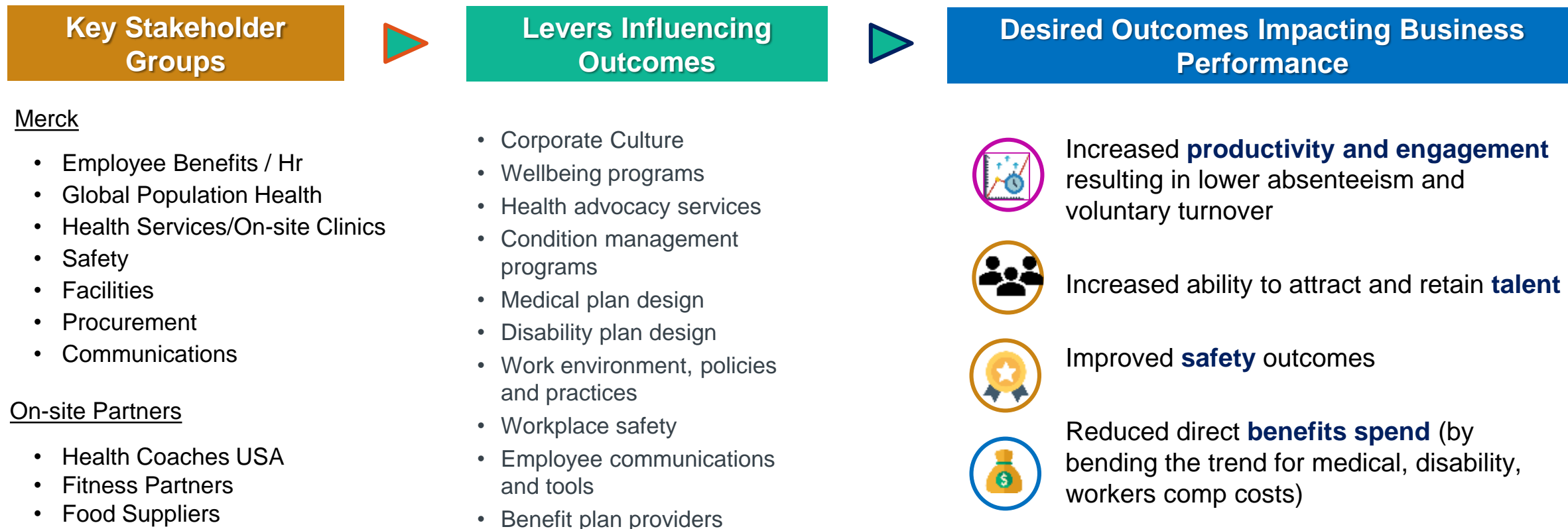
## 2. Establish a workplace that promotes health and wellness and is focused on daily habits

- Movement / Activity
- Nutrition
- Mindfulness
- Tobacco Free Campuses
- Safety
- Champion's Network

# A Holistic Approach



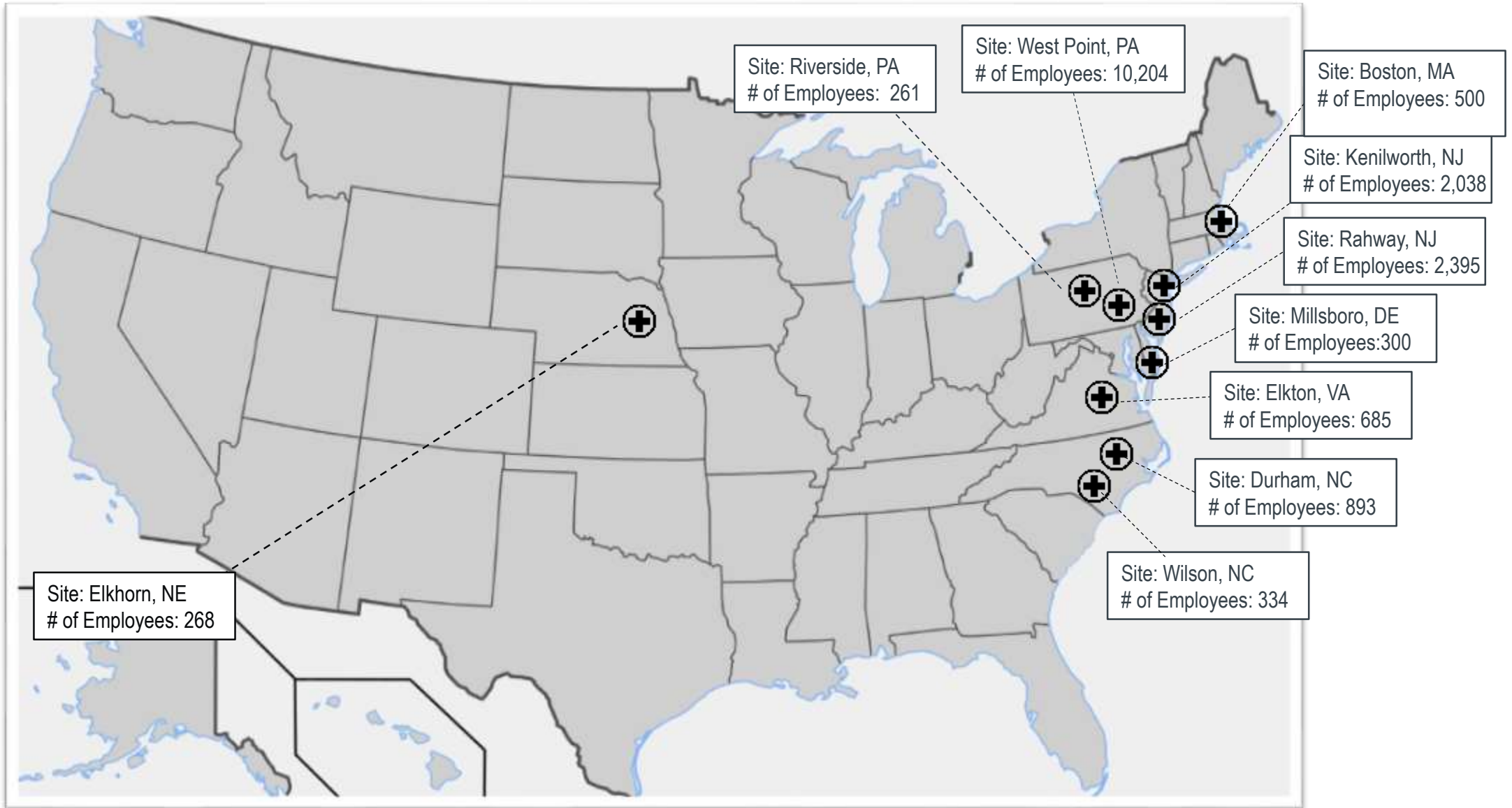
# Ecosystem Approach to Business Impact





# Global Employee Health On-site US Clinics\*

On-site US Staff  
2 MDs  
6 NPs  
10 Nurses



\*Approximately 80 clinics outside the US



# Global Employee Health Services

## Occupational Health Services

- Emergency care for individuals suffering a serious injury or illness while at work
- Assessment of potential workplace health hazards
- Regulatory and work area-mandated medical surveillance programs
- Evaluation of an employee's capability to perform job tasks
- Medical clearances for job placement
- Treatment and rehabilitation of employees who become injured or ill in the performance of their job
- Business travel health consulting and administration of travel-related vaccines

## General Health Services

- Treatment of acute episodic personal illnesses or injuries

### ***Biometric Screening***

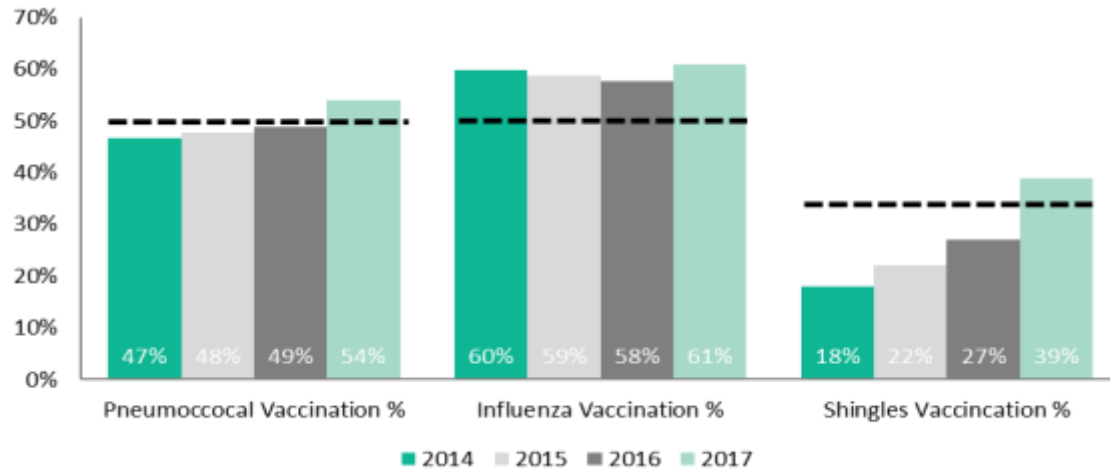
- Cholesterol (Total, HDL, LDL, Triglycerides)
- A1C
- Body Mass Index (BMI)
- Blood Pressure
- Height
- Weight

### ***Onsite Lab Services***

### ***Onsite Routine Vaccinations***

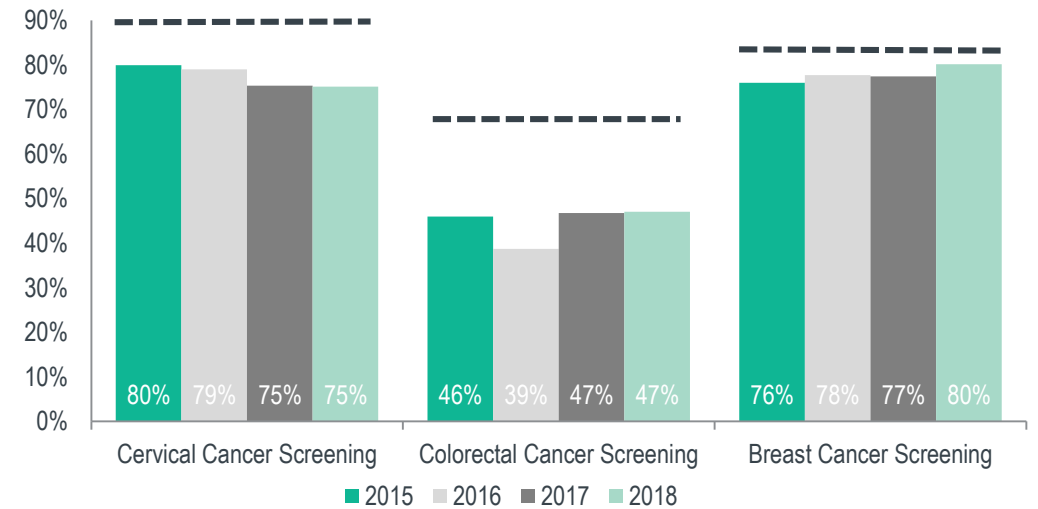
### ***Onsite Mammograms***

*Vaccination rates increased for all routine vaccinations due to on-site clinics*



Note. Dotted lines indicate **target** (HealthyPeople 2020)

*Screening adherence increased for breast, and remained the same for cervical and colorectal*



Note. Dotted lines indicate **internal goals** (revised annually)

Sources:

1. Vaccination performance: Merck HRA data Risk and PHA – 2017 results. Due to low participation and change in questions due to new health risk assessment vendor in 2018, data is shown through 2017 only; Vaccination targets: Healthy People 2020 goals. Healthy People is a government led initiative that provides science based, 10 year national objectives for improving the health of all Americans. Objectives are selected by experts from federal agencies, and released for public comment. All objectives must have a reliable data source, baseline measure, and target for specific improvement. <https://www.healthypeople.gov/>; Pneumococcal vaccination goal and performance is based on high risk adults 18-64
2. Screening performance: claims from Truven data warehouse; Screening targets: HealthyPeople2020 goals
3. WebMD personal health assessment- Risk and PHA – 2017 results. Due to low participation and change in questions due to new health risk assessment vendor in 2018, data is shown through 2017 only

# Who are we?



- Global manufacturer headquarters in Utah
- Family owned and operated for more than 50 years
- Owned by Private Equity since Feb 2019



## Headcount:

- 255 employees
- 80% health plan participation
- 200 employees on health plan
- 630 members

## 3 health plans offered:

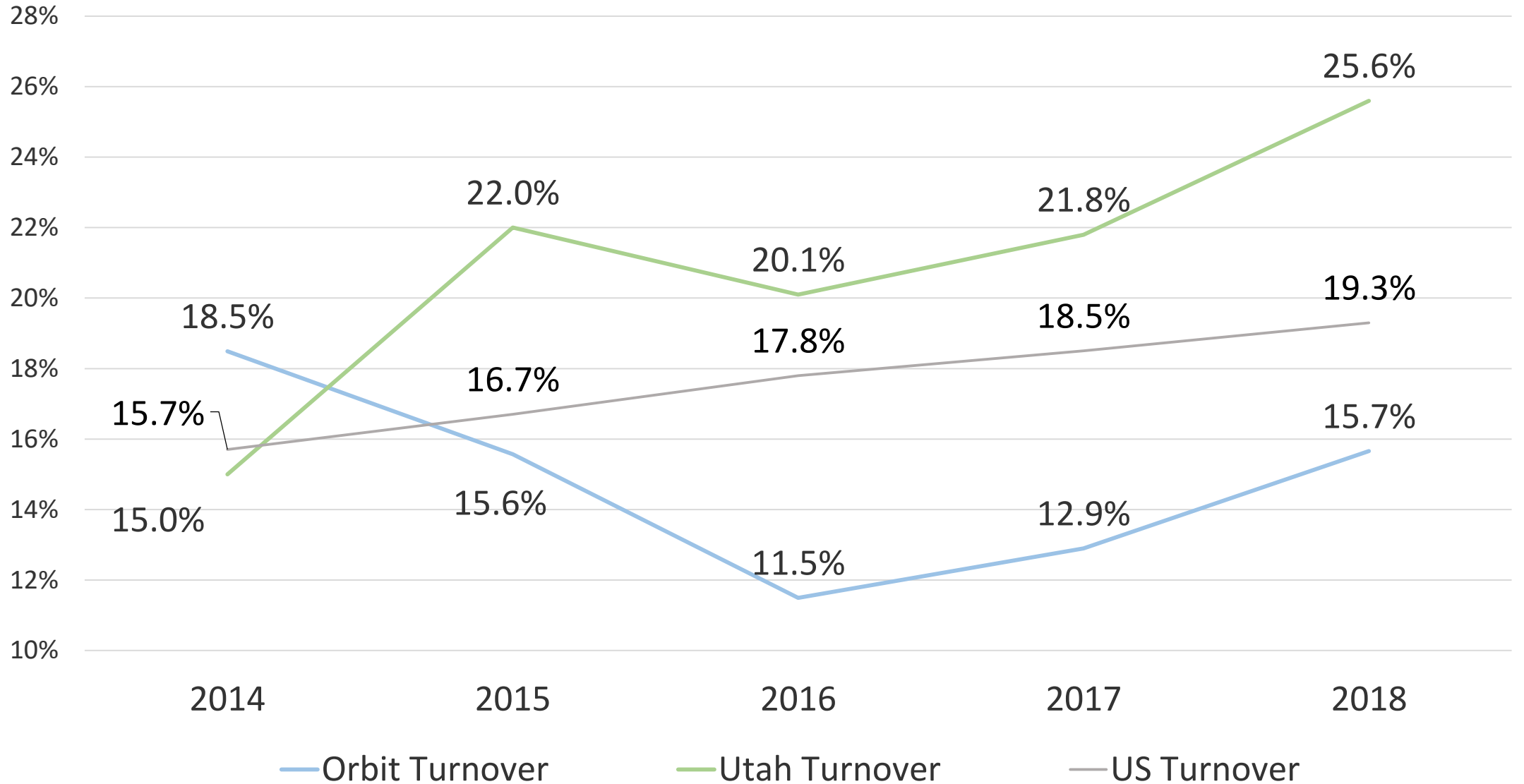
- Basic w/ \$5,000 deductible and MOOP of \$6,850
- Mid-level w/ \$1,500 deductible and MOOP of \$5,500
- Buy-up w/ \$1,000 deductible MOOP of \$3,000

## Clinic Access:

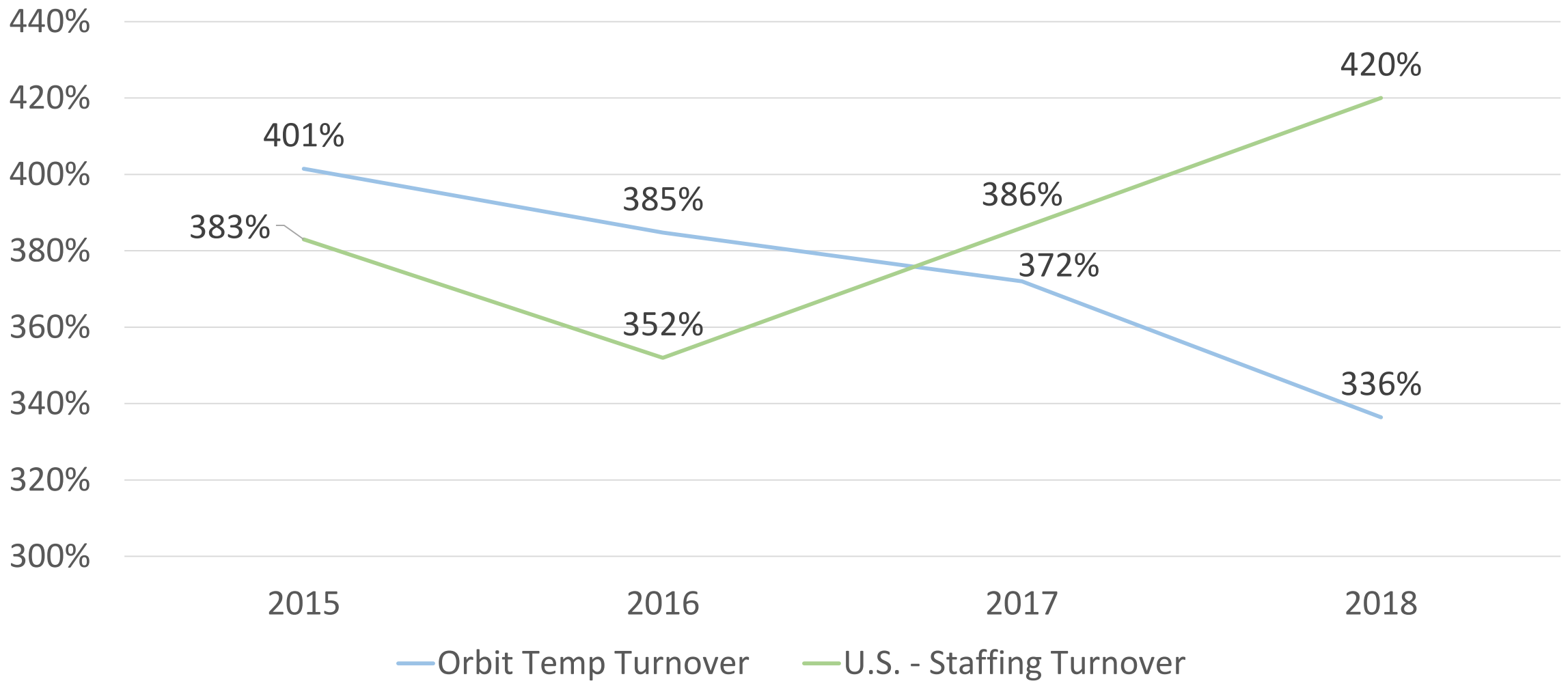
- All employees & seasonal workers after 1 month of service
- Hours and Provider Level:
- Monday, Wednesday, & Thursday 6 hours per day with NP
- Tuesday 4 hours with MD



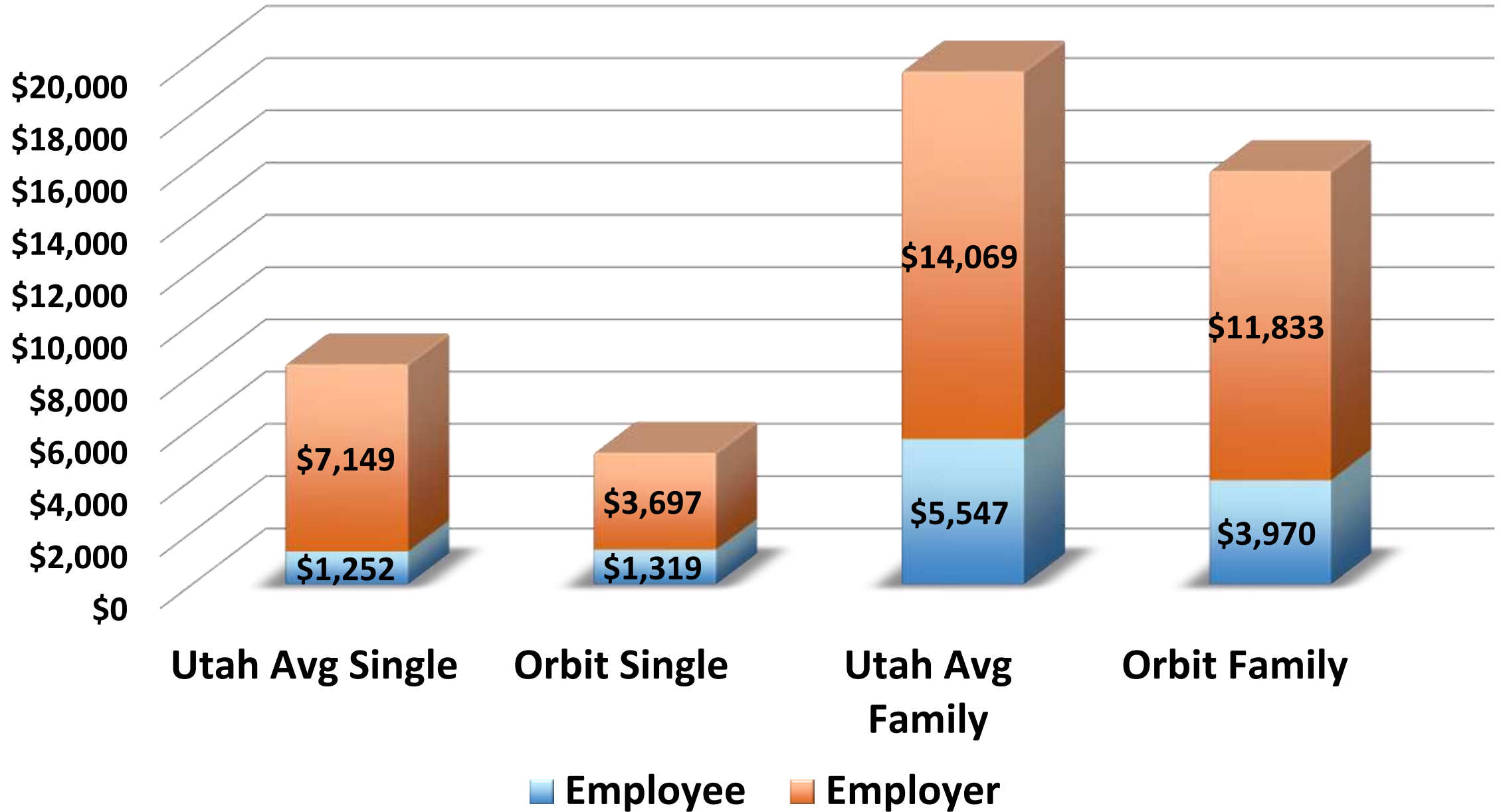
# Employee Turnover



# Seasonal/Temporary Worker Turnover



# 2018 Orbit vs. Utah Premium Cost





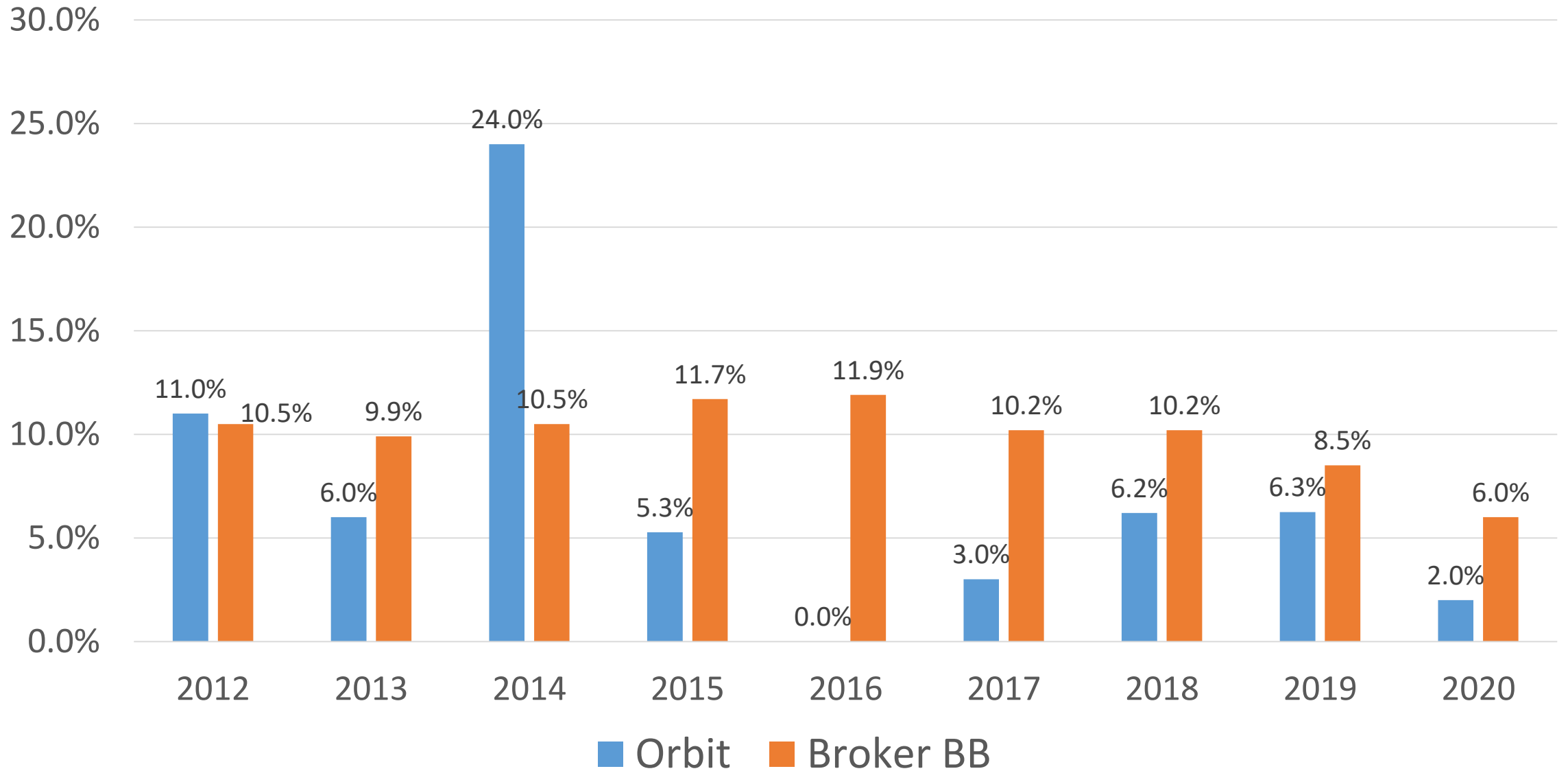


# Clinic Journey

- Opened March 2014
  - Fully insured
- Added Wellness 2015
- Added Pharmacy 2016
- Partially Self-funded 2017
- Diabetic Supplies 2018/2019



# Orbit vs. Broker Book of Business Annual Premium Increases



# Wellness

- Requirements:
  - Biometric Screening
  - Health Risk Assessment
- Associates given a health score
  - High Risk- quarterly visit w/ Provider
  - Moderate- twice a year w/ Provider
  - Low Risk- annual physical
- 2020 shift to gaps in care

Biometric Screening Form

Patient Name: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Age: \_\_\_\_\_

Gender: M / F

Home Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Work: \_\_\_\_\_

Home: \_\_\_\_\_

Cell: \_\_\_\_\_

Email: \_\_\_\_\_

Please have the patient return this form directly to the Orbit OnSite Care clinic or Fax form to (801) 951-5899

**Orbit**  
OnSite Care Clinic

Test	Orbit Clinic Standard	Patient Result
Glucose	<100	
Total Cholesterol	<200	
HDL	>40	
LDL	<130	
Triglycerides	<150	
Total:HDL Ratio	<4.6	
Systolic BP	<140	
Diastolic BP	<90	
BMI	<25	
Body Fat %	Male: <24% Female: <31%	
Waist Circumference	Male: <37 Female: <31	

# Pharmacy Ride

- Change Utah Law
- Top 20 Generics for free
- Where can we save money and what does our population data suggest?

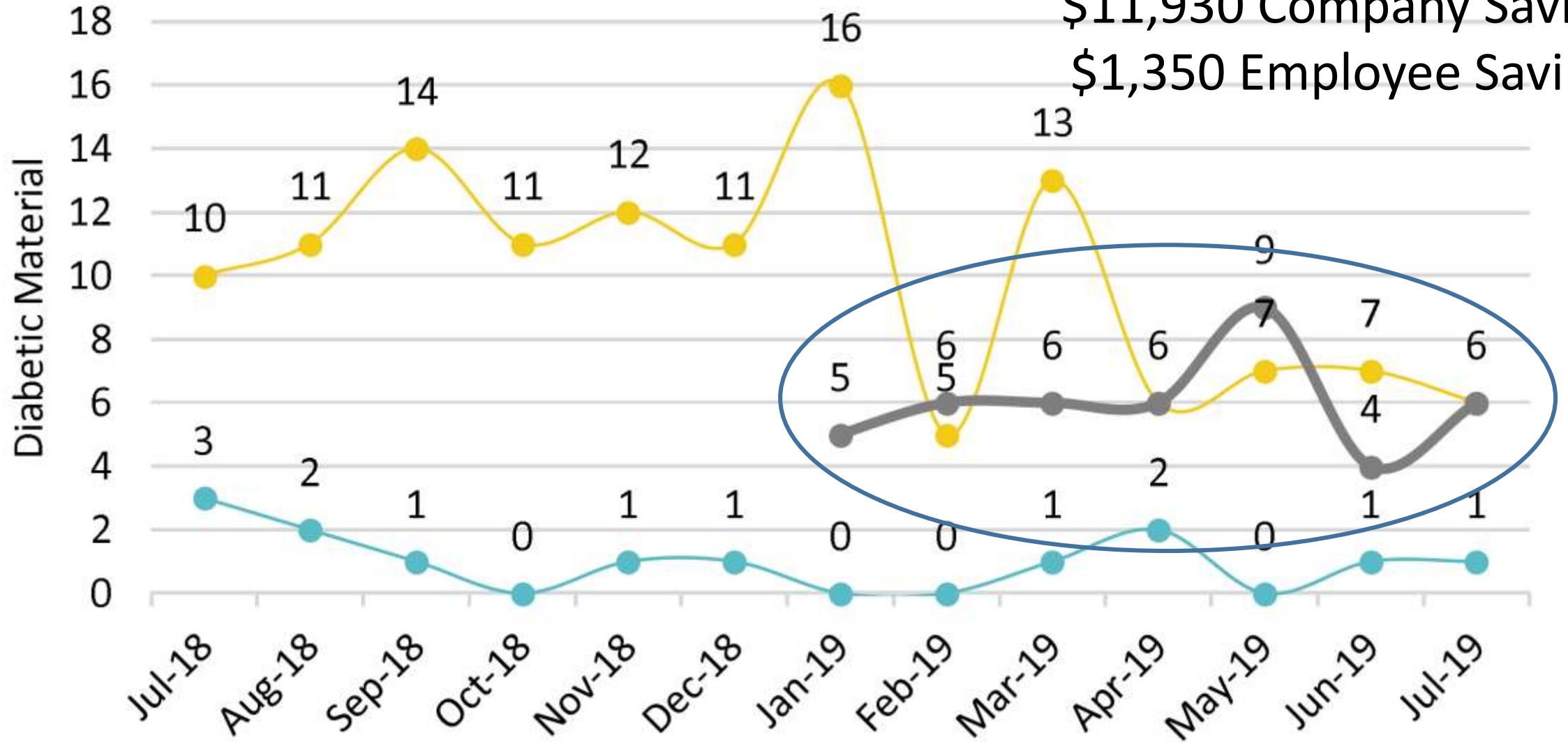


# Brand Names of Generics Available

- Aller-tec
- Amoxicillin
- Augmentin
- Celexa
- Cipro
- Claritin
- Cormax
- Cozaar
- Diflucan
- Flexeril
- Flonase
- **Glucophage**
- **Humalog**
- Hydrochlorothiazide
- Ibuprofen
- Keflex
- Lipitor
- Metoprolol Tartrate
- Mobic
- Norvasc
- Prednisone
- Prilosec
- Prinivil
- Proair HFA/Ventolin HFA
- Protonix
- Prozac
- Pulmicort Flexhaler
- Septra DS
- Tessalon Perle
- Triderm
- **True Metrix Air Glucose Meter**
- **True Metrix Glucose Test Strip**
- Zestril
- Zetia
- Zithromax
- Zocor
- Zoloft

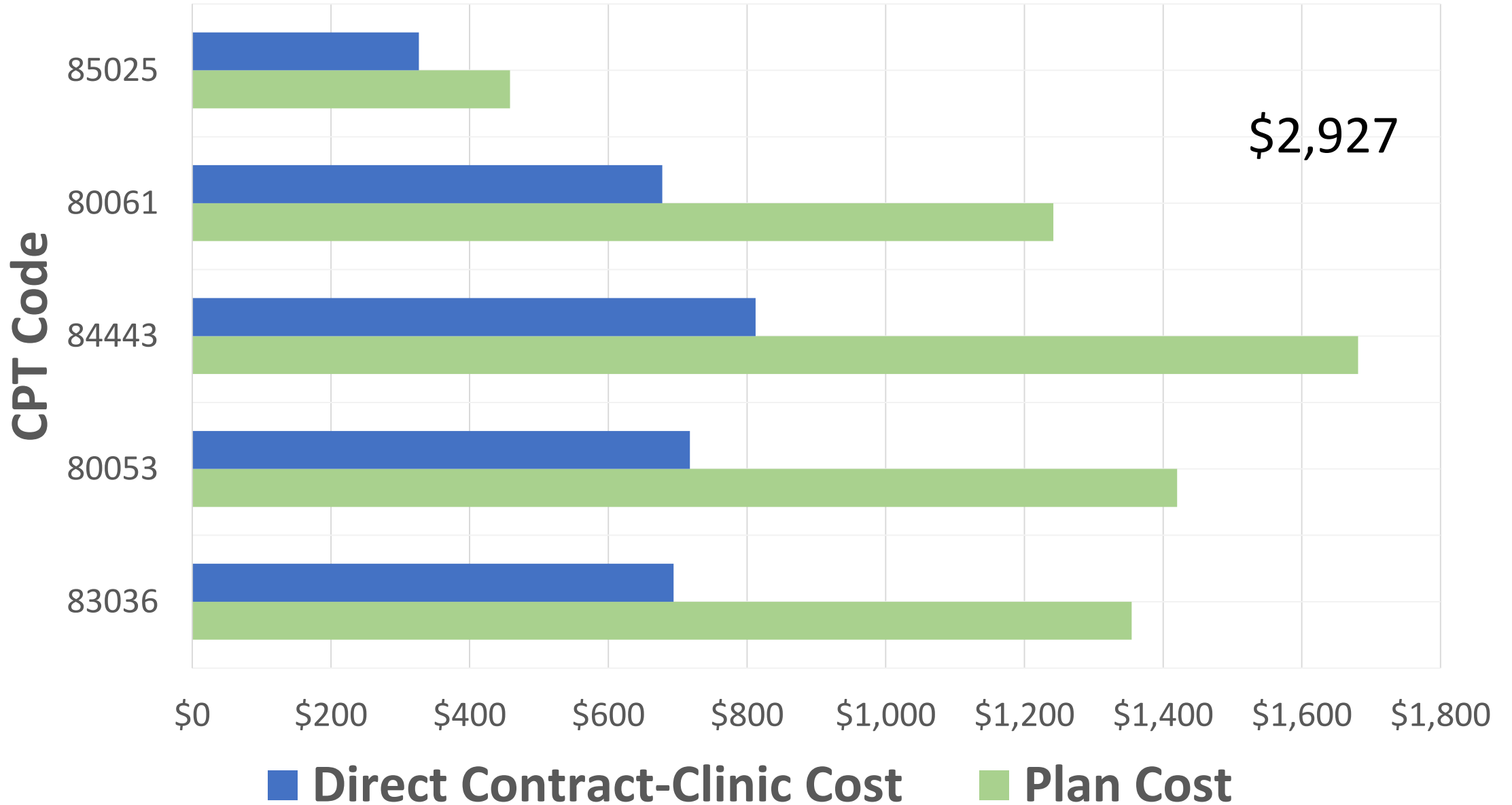
Meter      Test Strips Box      Insulin

**\$11,930 Company Savings**  
**\$1,350 Employee Savings**





# 2018 Lab Costs for Top 5 CPT Codes



# Direct Contracting: Radiology

## Benefits:

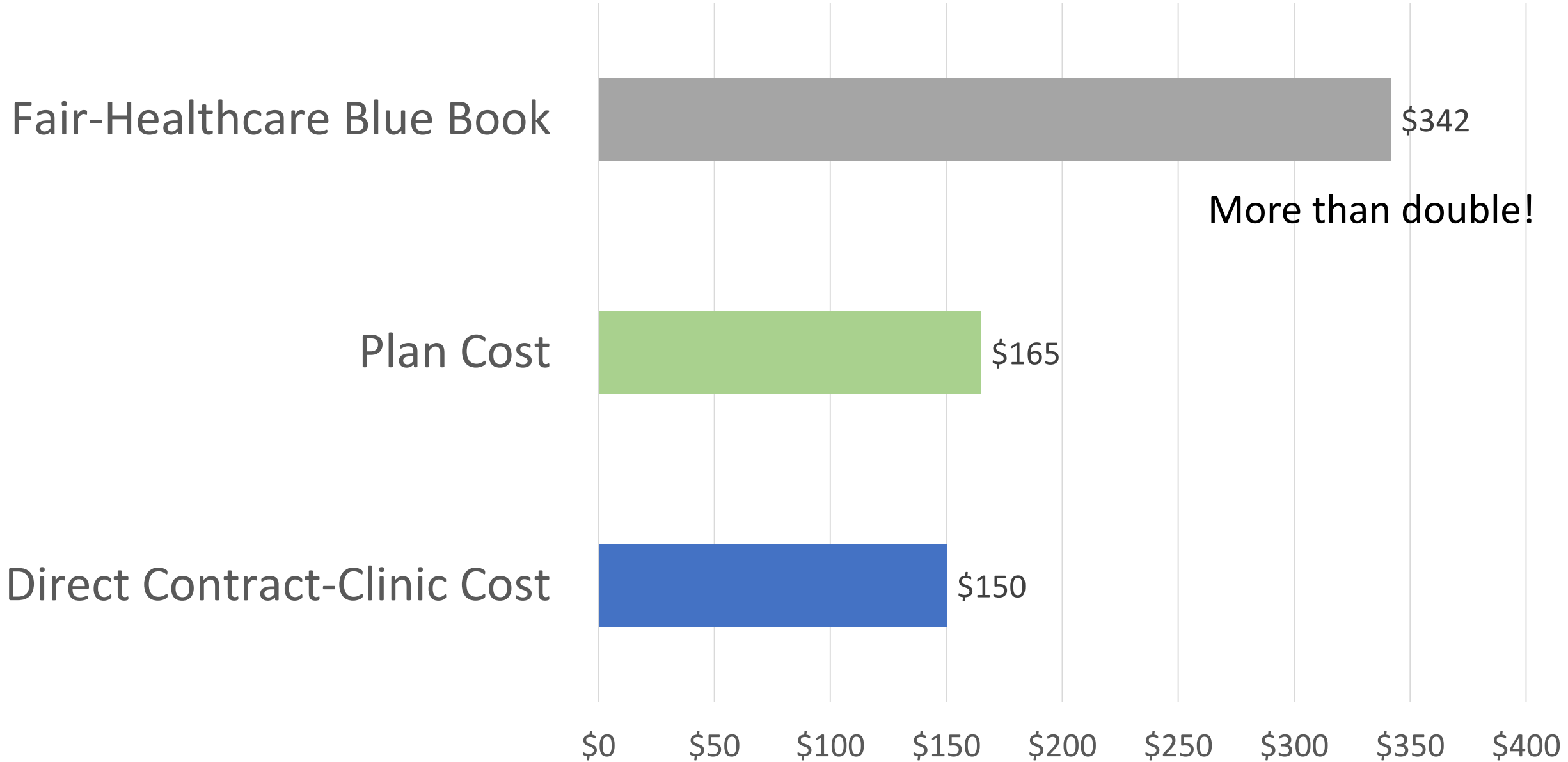
- Access to care
  - Mammobile
- Full cost transparency
- Company and Associate Savings
  - Agreement with an area hospital system
  - One example of a mid section CT scan 25% less and the lower price includes reading of the film by a radiologist



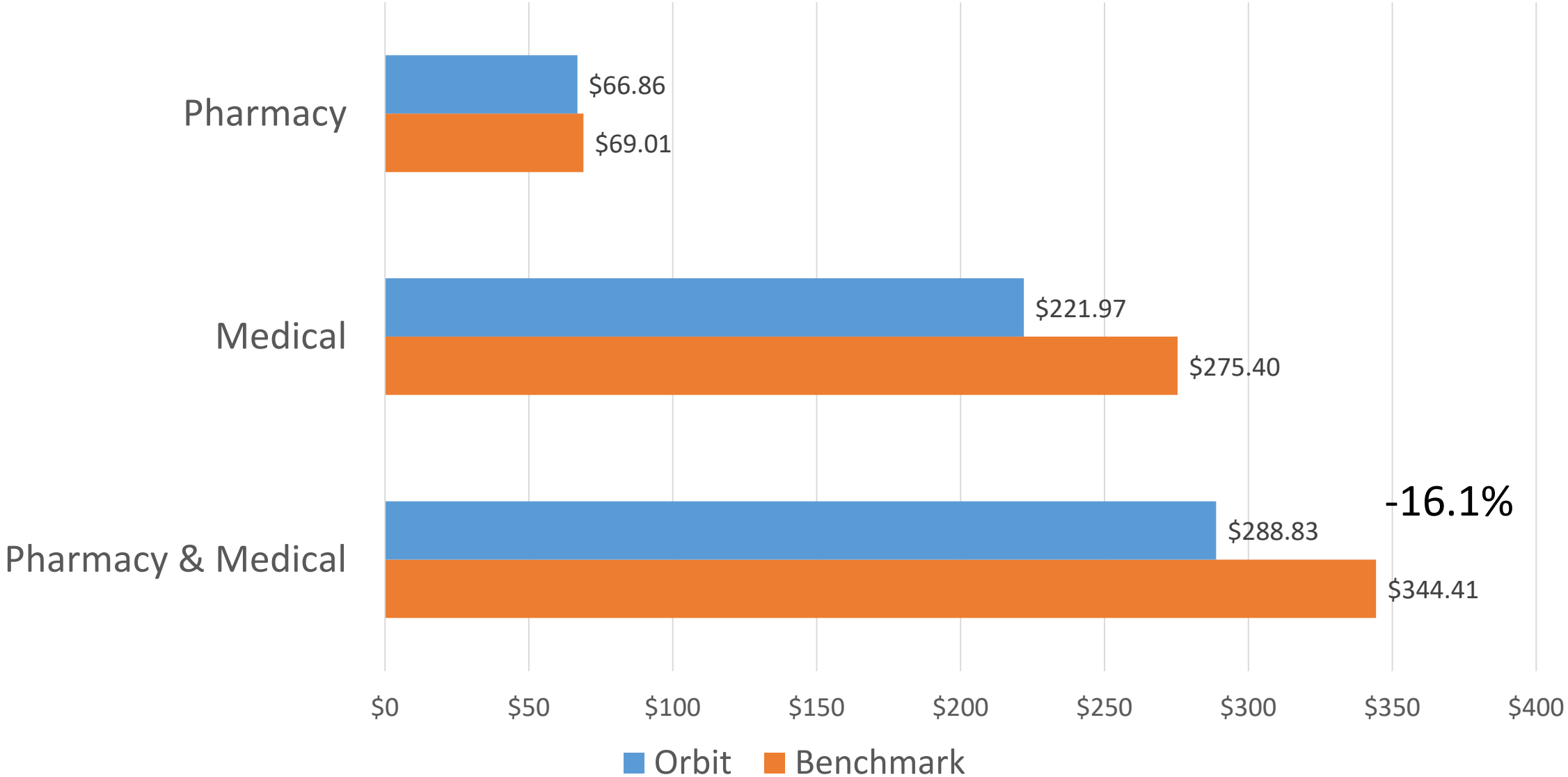




# 2019 Radiology Average Cost Comparison



# 2018 Orbit Paid PMPM vs. Regence Utah Book of Business of Utah Manufacturers

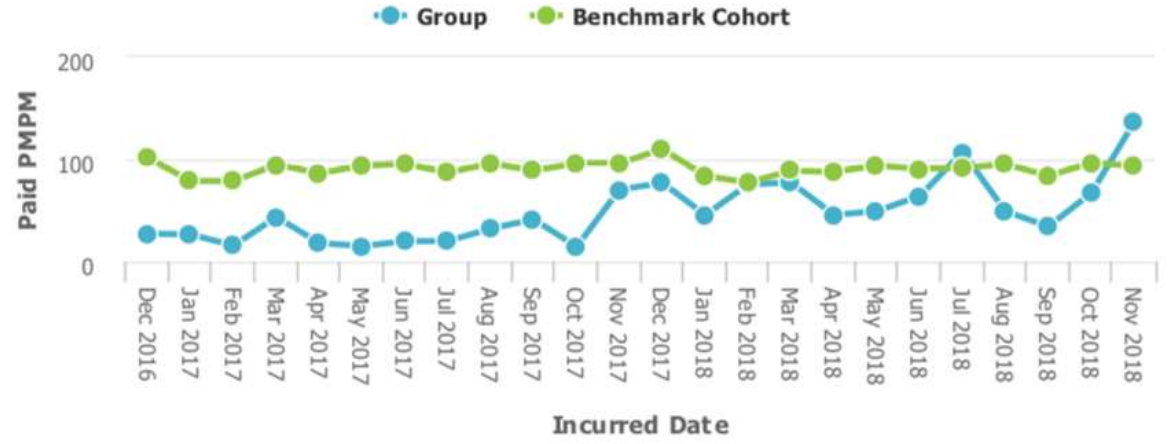


# Clinic Performance Metrics

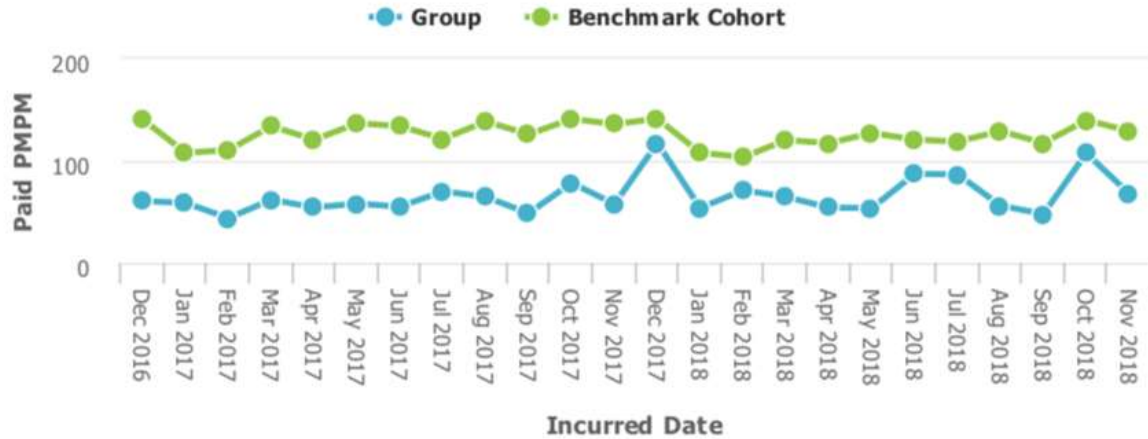
## Inpatient Paid PMPM



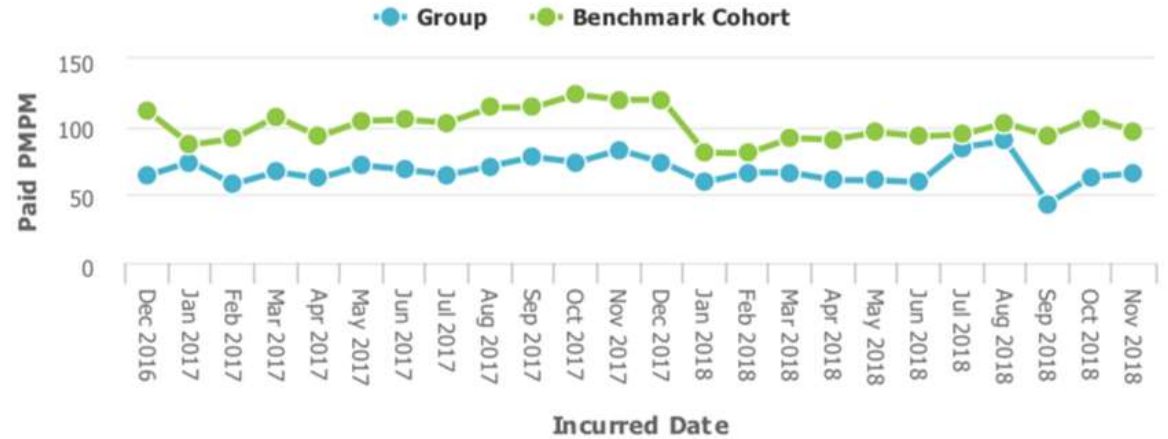
## Outpatient Paid PMPM



## Professional Paid PMPM



## Pharmacy Paid PMPM



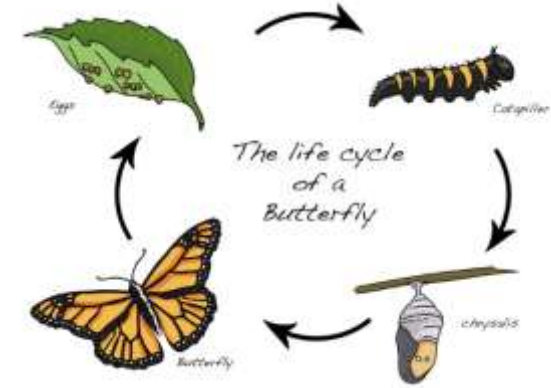
# Conclusion



An onsite clinic can  
work for small  
employers



Choose the right  
partners



Expect Change and  
Evolution of your  
clinic

Thank you!

[stevenm@orbitonline.com](mailto:stevenm@orbitonline.com) 801-299-5486