Worksite Healthcare at Target Corporation

“Using an Onsite Health Center to Integrate Worksite Programs”

Presenter:
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Senior Benefits Consultant- Clinical Delivery & TM Support
• Brief Target Overview
  – Healthcare at Target
    • Worksite Healthcare at Target

• Target’s rationale for worksite healthcare

• What Target is doing in the worksite clinic space
  – Target’s Health & Well-being Center
  – Performance
  – How the worksite health center integrates with other worksite programs
  – What makes Target’s approach unique
Target Overview

• Celebrating 51 years
• $72 billion in annual sales in 2012
• 365,000 team members
• More than 1,800 stores and over 40 distribution centers
• 1,650 pharmacies, 300 optical shops and 50 retail clinics
• Recently expanded internationally
• 5% of our profits go to our community
Healthcare “Buckets” & Organization

1. Merchandising
   - Target Pharmacy
   - Target Retail Clinics
   - Professional Services
     - Vaccinations
     - MTM
     - Med Adherence
   - Business To Business

2. Human Resources
   - Pay & Benefits
     - Health Benefits
       - Healthcare
       - Prevention, Wellness & Clinical Strategy
         • Clinical Delivery
       - Benefits & Well-being Engagement
       - Compliance
     - Financial Benefits & Analysis
       - Disability
       - Time Off
       - Life Insurance
       - Benefits Analysis
       - Benefits Admin.
       - Retirement

3. Finance
   - Risk
     - DC & Store Safety
       - On-site relationship
     - Liability Insurance
     - Worker's Compensation
     - Ergonomics
<table>
<thead>
<tr>
<th># of TMs per location</th>
<th>Stores</th>
<th>Headquarters</th>
<th>Distribution Centers</th>
</tr>
</thead>
<tbody>
<tr>
<td>~300-500 TMs</td>
<td></td>
<td>Varies:</td>
<td>~200-400 TMs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Downtown: 10k Other sites: 1-2k</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% on TGT-sponsored coverage</th>
<th>Stores</th>
<th>Headquarters</th>
<th>Distribution Centers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td></td>
<td>High</td>
<td>High</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>On-site Resource(s)</th>
<th>Stores</th>
<th>Headquarters</th>
<th>Distribution Centers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target Clinics</td>
<td></td>
<td>Health &amp; Well-being Center</td>
<td>On-site LPN/EMT</td>
</tr>
<tr>
<td>Target Pharmacy</td>
<td></td>
<td></td>
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</tbody>
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<table>
<thead>
<tr>
<th>Scope &amp; Worksite Program Integration</th>
<th>Stores</th>
<th>Headquarters</th>
<th>Distribution Centers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinic</td>
<td></td>
<td>Primary care</td>
<td>Focused on:</td>
</tr>
<tr>
<td>• acute/episodic</td>
<td></td>
<td>• Acute/episodic</td>
<td>• Pre-employment testing</td>
</tr>
<tr>
<td>• Pre-employment tests</td>
<td></td>
<td>• Physicals</td>
<td>• Hearing tests</td>
</tr>
<tr>
<td>• Flu &amp; vaccinations</td>
<td></td>
<td>• Chronic mgmt.</td>
<td>• Safety</td>
</tr>
<tr>
<td>• Biometric screens</td>
<td></td>
<td>• Maint. Allergy shots</td>
<td>• Worker’s Comp</td>
</tr>
<tr>
<td>Pharmacy:</td>
<td></td>
<td>• Flu &amp; vaccinations</td>
<td>• Flu Immunizations</td>
</tr>
<tr>
<td>• Script fills</td>
<td></td>
<td>• Work travel visits</td>
<td>• Biometric screens</td>
</tr>
<tr>
<td>• Flu &amp; vaccinations</td>
<td></td>
<td>• Biometric screens</td>
<td></td>
</tr>
<tr>
<td>• Small MTM program</td>
<td></td>
<td>• Process integration</td>
<td></td>
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</tbody>
</table>
Health Benefits- GOALS

- Be a leader in employee health & well-being

- Manage Healthcare costs for the company
  - Help TM’s be healthy and live their best lives
    - Improve Team Member Health & Choices
      - ↑ healthy TM behavior & engagement in health
        - Programs
        - Incentives
        - Access
  - Drive utilization to high quality, cost-effective providers
  - Cost-effective
    - Drive price transparency
    - Enable TMs to make value choices

- Foster a culture of well-being for the Target team
Benefits’ Framework for Managing Health

Program Focus:

- Maintenance
- Continue to encourage healthy behaviors
- Ongoing info support (education & awareness)
- Culture and environment

Program Focus:

- Early detection
- Risk modification
- Behavior change
- Instrumental support

Program Focus:

- Maximize quality of life
- Treatment adherence
- Disease management
- Emotional support

Wellness/Prevention Initiatives

- Health Status
- Need
- Tactic
- Program Focus

Chronic Condition/High Cost

Clinical Approach

Prevention

Healthy

At Risk
Target’s Rationale for TM Worksite Health

1. Increase health engagement
   • Better health (PCP, prevention, wellness, adherence, etc.)
   • Drive proactive, healthy behavior
   • Health risk mitigation and management

2. Investment in employment brand & reputation
   (health & wellness as a priority)
   • Great place to work
   • Commitment to well-being
   • Target wants to make it easy (and affordable) to take care of yourself

3. Healthcare Expense Savings
   • Shift community volume into worksite Center
     • Avoid market mark-up
       • Costs Target less
       • Costs Team Members less
     • Affordable option in the world of consumer-driven health plans
       • Incentivizes use of quality, low cost, convenient provider

4. Soft Savings
   • Absenteeism & Presenteeism
   • Estimated Cost Avoided- prevent people from becoming chronically ill
Inside the Health & Well-being Center

- **5,500** square feet
- **13** medical exam rooms
- Procedure room
- Lab draw & lab area
- Physical therapy room
- **2** office consult rooms
- Full pharmacy
The purpose of the HWC:
- Support TMs to get/stay healthy & well
- A primary care clinic at its core
- Provides Target-specific programs
- Integrates with other health well-being efforts

**Current Services**

**Baseline Providers**
- Primary care
  - Family Medicine MD
  - PAs
  - Support team
- TMLR/EAP (Counselor)
- Pharmacist (Full Target Rx)

**Baseline Programs**
- Biometric screenings
  - *Health Well-being Rewards
- Flu shots and immunizations
- Travel vaccinations
- Lab services
- Exec physical labs

**Future Services**

**Providers**
- Physical Therapist
- Specialists
- Massage Therapist
- Acupuncturist
- Chiropractor
- Nutritionist/Dietitian
- Health Coaches

**Future Programs**
- At-Risk Mgmt. Programs
**Core: Primary Care (Medical Home)**

**Baseline Providers**
- Family Medicine MD
- Family/Internal Med PAs
- TMLR/EAP
- Pharmacist (Full TGT Rx)

**Other Worksite Programs**
- Weight Watchers
- Onsite Group Fitness
- Smoking Cessation Program
- Exec. Physical Labs
- Biometrics
- Skin Cancer (Screenings)-no longer do
- Flu
- Colon Cancer Screening Kits
- Travel
- Worker’s Comp & Ergo
- Low Back Protocol
- Health Care Cost Estimator
How has it been received (performance)

- Average of 187 appointments/week (daily average of 37.4)
- Volumes 44% higher than LY YTD & 66% higher vs. 2011 YTD
What is Unique in Target’s Model?

• **Selected a partner:**
  – Allowing for full integration with the healthcare community
  – That is an expert in medical home

• **Full Consumer-Driven Health Plans (account-based)**
  – Seed account dollars (need to earn all in 2014)
  – HC Consumerism & “skin in the game” for Team Members

• **Bill medical services out under 3rd party tax ID, & apply a Target-specific benefit at the TPA level for Target-enrolled**
  – Flat, transparent pricing levels
  – TMs can use account dollars for visits to the HWC
  – Enables ability to compare users vs. non-users in claims

• **Allow the full Target team to visit**
  – Target-enrolled TMs (special pricing- preferred provider/site)
  – Non-Target enrolled TMs (regular pricing for a PN site)
  – Contractors & vendors (regular pricing for a PN site)
HWC Services Philosophy:
HWC should provide services/programs along the Health Continuum

Healthy

Program Focus:
• Maintenance
• Continue to encourage healthy behaviors
• Ongoing info support (education & awareness)
• Culture and environment

Healthy Programs & Services:

At Risk

Program Focus:
• Early detection
• Risk modification
• Behavior change
• Instrumental support

At-Risk Programs & Services:

Chronic Condtn/High Cost

Program Focus:
• Maximize quality of life
• Treatment adherence
• Disease management
• Emotional support

Chronic Programs & Services:
- Maintenance
- Allergy Shots

All Population Programs & Services:
Primary Care Vaccinations Biometric Screens Acute Care
Pharmacy Lab Services TMLR/EAP Travel Visits

Health & Well-being Center
Clinic. Pharmacy. Wellness.
What should be next for Target?

- Development of At-Risk programming
  - Incorporate Health Coach & Nutritionist/Dietician
    - Refer into specific programs
    - Self-pay if not referred

- ROI Methodology

- Scorecard/Reporting that shows:
  - Basic volume & operational stats
  - Metrics for Users of the Center vs. Non-Users
    - PMPM
    - ER Utilization
    - Risk Score
  - Quality Metrics for Attributed Patients
QUESTIONS?