Win-Win Strategies for Containing Health Care Costs

Ron Inberg, Executive Vice President
McGriff, Seibels & Williams
(866) 807-2262 • (503) 943-6624
rinberg@mcgriff.com

Shawna Larson, Vice President Employee Benefits
McGriff, Seibels & Williams
(866) 807-2262 • (503) 943-6630
slarson@mcgriff.com

Tom Kempa, Consultant
(623) 581-7634
tomkempa@cox.net

Wendy Sullivan, Vice President Project Implementation,
Health and Safety Consultative Services
Precision Pulmonary Diagnostics
(281) 714-7614
wsullivan@precisionpulmonary.com
Health Care Cost Containment Strategies for Trucking Companies

Shawna Larson, Vice President
McGriff, Seibels & Williams
(866) 807-2262 • (503) 943-6630
slarson@mcgriff.com
www.mcgriff.com

ATA Conference
Orlando, Florida
October 23, 2007
Companies continue to face the challenge of rising health care costs

- For the past five year period, health care costs overall rose by 63% while the CPI was only 15%*
- Employers are paying 50% more than they spent five years ago ($4,342 in 2002 vs. $6,924 in 2007) and employees are paying 79% more ($1,044 in 2002 vs. $1,872 in 2007)*
- Healthcare costs nationally projected to decline in 2007 with the medical/Rx PPO trend at 11.7% from 12.7% in 2006**

What strategies should trucking companies consider to help mitigate future health care cost increases?

*Towers and Perrin 2007 Health Care Cost Survey
**2007 Segal Health Plan Cost Trend Survey
Our Focus Today

- Key cost containment components in your health plan – Making the most of your health care dollar

- Getting your drivers engaged in their healthcare – Promoting wellness and consumerism

- Finding the right broker/consultant that can help
Key Areas of Focus for Cost Containment

Administrative costs are a small component of your health care dollar compared to the $.80 cents on the dollar which are your claims cost.

- Partner with an administrator or carrier with strong results in claims cost management and reports to educate you on your claims cost drivers.
- Invest in disease management programs and a strong national provider network.
- Explore alternative funding mechanisms to maximize your health care dollars.
- Promote wellness and consumerism.
Implement a Disease Management Program

- For trucking companies, generally 10-15% of the population is driving 85-90% of your claims costs.
- The top three disease management programs that trucking companies have implemented are; Diabetes, Heart Disease and Asthma*.
- Effective programs have early identification – Predictive Modeling, Fully Integrated Data with; medical, prescription drug, lab, mental health, health risk assessment and a nurse line.
- Typically disease management programs are an additional cost however you can expect to see a return on investment.
- CIGNA one of the recognized leaders in Disease Management Programs receiving recognition by DMMA** estimates a general 2 to 1 return and the following typical results (will vary) related to health care costs:
  - Overall medical cost savings
  - Diabetes – 7% to 9%
  - Cardiac – 8% to 12%
  - Asthma – 5% to 7%
  - Reduction in hospital admissions
  - Diabetes – 8%
  - Cardiac – 15%
  - Asthma – 9%

* Mercer National Survey of Employer-Sponsored Health Plans 2006
** DMMA Disease Management Association of America recognized CIGNA with the 2005 Health Plan/Managed Care Organization Disease Management Leadership Award
Partner with a Strong National Network

- Truckers will access care across the United States
- Claims costs can be decreased by your employees accessing care at a network provider
  - Lower out of pocket to employee
  - Discounts on the claims costs
- Network discounts can vary locally, regionally and nationally and the difference in discounts can be as great as 10% or more
- Get the data on where your employees access care and who the vendor is that can provide the greatest discounts with a vast network of providers
Explore Alternative Funding Mechanisms

- Whether you’re looking at fully insuring or self insuring your health plan, the objective is to maximize your cash flow throughout the year and establish a financial strategy to provide you with long-term rate stability.

- For many companies self insuring is an option and can provide some advantages:
  - Increased cash flow
  - Flexibility in plan design
  - Savings on administrative costs
  - Underwriting profit
  - Access to data
  - Control of catastrophic coverage level
Promoting Wellness / Consumer Engagement

A 2005 Hewitt Survey, *Health Care Expectations: Future Strategy and Direction* (and its follow up 2006 survey) found that employers now plan to control costs with long-term strategies that go further in addressing the actual causes of rising costs. The primary strategies involve:

- Introducing more consumer-driven plans
- Improving employee education
- Influencing positive employee behavior changes through condition management and wellness programs
- Improving the amount and quality of data available on health care costs and quality
Promoting Wellness / Consumer Engagement

- Health Risk Assessments – 53% of large employers offer
- 24/7 Nurse line – 67% of large employers offer
- EAP – 76% of large employers offer
- Smoking Cessation Program – One of the key areas of targeted behavior change that 30% of large employers are implementing
- Weight Management / Loss – One of the key areas of targeted behavior change that 30% of large employers are implementing
- Consumer Driver Health Plans – projecting 19% of large employers implementing in 2008

Source: Mercer National Survey of Employer-Sponsored Health Plans 2006
Promoting Wellness / Consumer Engagement

Getting the Return on Investment

- Health Risk Assessments (HRAs) for employees \textbf{and} dependents that \textbf{integrate} with your health plan and create outreach to members
  - Provides individual health reports to members
  - Provides aggregate reports for you the employer

\textit{HRA participants cost an average of $212 less in health care costs annually than eligible non-participants}

Study compared 13,048 participants with 13,363 non-participants

Getting Your Drivers Engaged

Promoting Wellness / Consumer Engagement

Getting the Return on Investment

- **24/7 Nurse line**
  - Reduced ER visits / Triage appropriate care
  - Minimize unnecessary care / treatment
  - Peace of mind for drivers on the road – getting the appropriate care at the right time and with the right provider

- **EAP (Employee Assistance Program)**
  - Companies have reported a savings of $116.00 annually per employee in health care related costs as a result of EAP utilization*
  - Research shows a 20-30% increase in chemical dependency treatment and mental health intervention effectiveness as a result of comprehensive screening through an EAP**

---

*Source: EAPA Facts, 2000
**Source: EAP Association Exchange, 2001
Smoking Cessation Programs
- An economic assessment found that a health care plan’s cost of covering treatment to help people quit smoking ranged from $0.89 to $4.92 per smoker, whereas the annual cost of treating smoking-related illness ranged from 6.00 to $33.00 per smoker*

Weight Management / Loss
- Excess weight is a risk factor for a large number of diseases and chronic conditions; including but not limited to diabetes, coronary heart disease, stroke, asthma, and sleep apnea / respiratory problems
- Overweight individuals can reduce the risk for some chronic disorders by losing as little as 5-15% of their weight
- It is suggested that obesity accounts for as much as 36% increase in costs for inpatient and ambulatory care for individuals**

*Centers for Disease Control and Prevention, Preventing Tobacco Use
**The Surgeon General’s call to action to prevent and decrease overweight and obesity / Office of Disease Prevention and Health Promotion; Centers for Disease Control and Prevention
Promoting Wellness / Consumer Engagement

Getting the Return on Investment

- A survey shows that a high percentage of individuals with the following conditions (common to trucking) are reported as likely being lifestyle related and avoidable!
  Stroke 70%, Heart Disease 82%, Diabetes 91%, Cancer 71%*

- SUMMARY**
  - 72% of employers were satisfied with the ROI on their disease management programs
  - 72% of employers were satisfied with the ROI on the nurse advise lines
  - 63% of employers were satisfied with the ROI on the targeted behavior modification

*Source: The Culprit and the Cure, By Dr. Stephen G. Aldana 2006 Wellness Council of America
**Source: Mercer National Survey of Employer Sponsored Health Plans 2006

Getting Your Drivers Engaged
Consumer Driver Health Plans (CDHP’s)

The goal of CDHP’s is to make consumers more aware of true costs of healthcare, encourage them to make better use of their healthcare dollars and ultimately lower cost trends.

- CDHP can include either an HRA or HSA. These plans have spending accounts that employees access for routine first dollar expenses, then non-routine expenses are covered by traditional insurance after a high deductible is met.

- Survey reports the primary employer objectives for implementing
  - HRA
    - 70% reducing cost over time
    - 63% promoting consumerism
  - HSA
    - 54% reducing cost over time and promoting consumerism
    - 38% provide tax advantage savings vehicle

Source: Mercer 2006 employer sponsored healthcare survey
CDHP’s Continue to Grow Among Large Employers

- CDHP’s initially grew fast and although the trend has slowed, it continues to grow in popularity with CDHP offerings by large employers predicting to increase from 11% in 2006, to 14% in 2007 and 19% in 2008
- When asked to think five years ahead, 60% of large employers plan to offer one or more CDHP along side another plan, with 10% looking to only offer a CDHP

THE COST (nationally)
- CDHP cost averaged $5,968 per employee per year compared to $7,004 for HMOs and $7,029 for PPOs
- Keeping in mind the difference in plan design with a higher deductible and most employers having dual option offerings, it is likely that those with lower than average health risk are selecting the CDHP

Source: Mercer 2006 employer sponsored healthcare survey
CDHP’s and Wellness in the Trucking Industry

CHALLENGES
- Non traditional plan(s)
- Driver trust / engagement
- Concern of employer access to personal health information
- Driver turn over
- Communication demands

ADDRESSING THOSE CHALLENGES
- Educate your employees – help them understand they have a direct impact on the health care costs for the company and ultimately their paycheck
- Engage a key internal driver(s) to help promote your wellness initiatives, the disease management programs, and if offered the consumer driven health plans
- Consistent communication and senior level support
Finding the Right Broker / Consultant

- Experience in working with Trucking Companies
- An understanding of the different businesses within Trucking – LTL, short haul, long haul, regional, intrastate, warehouse
- Awareness of the challenges a trucking company faces relative to increased health care costs
- Familiar with the marketplace and vendors nationally that have the resources and tools to meet the needs of a trucking company
- Technical underwriting background to help establish the best financial funding mechanism for your healthcare program
- Ability to provide you custom, actionable reports monitoring those factors impacting your actual claims costs
Summary

- Health care in many cases is one of the top three expenditures for a trucking company.
- Driver attraction and retention is key – and providing the right health care option and getting them engaged can make a financial difference in your health care costs, create a healthier and productive pool of drivers and increase your driver retention.
- Develop a long term strategy – there are things you can do to help mitigate your future health care cost increases.
Case Study on a Large Truckload Carrier

Tom Kempa, Consultant
(623) 581-7634
tomkempa@cox.net

ATA Conference
Orlando, Florida
October 23, 2007
Case Study on a Large Truckload Carrier

A mobile workforce with high turnover and double digit increases in medical plan cost

• Driver lifestyle created a very unhealthy high risk population (*heart disease 30% above U.S. average*)
• 60% of annual medical cost was driven by only 5% of the group
• Standard wellness programs didn’t work
• Launched a conventional disease management program with predictive modeling of claims data targeting heart disease, diabetes and asthma but only got 15% driver participation *

*Two of the high risk truck drivers who were identified but refused to participate died of heart attacks later that same year*
That made us realize:

It’s not just about saving money…
it’s about saving lives!

So we tried a new strategy…

Using our quality process methods to identify the barriers to success.
Drivers don’t read home mailings & are difficult to reach by phone

Outreach out of synch with driver readiness to change

High stress, fatigue, junk food, no exercise, “The Guy Syndrome”

Carved out, bureaucratic, confusing

No sustained communication or reinforcement
We retrained the insurance company nurses to help them better understand the special needs of a truck driver
The nurses got into the driver’s seat… and into the driver’s shoes
Result… a new Disease Management program just for truck drivers

• Dedicated nurse coaches specially trained about DOT regulations that can be leveraged to convince a reluctant driver to change behavior

• Empathic coaching model to assess readiness to change and build an ongoing relationship where the nurse is a trusted advisor

• Nurses warn the highest risk candidates that their decision to quit smoking or lose weight is literally a matter of life or death (“scared straight” tactic)

• Scope is expanded beyond wellness training to include consumer counseling to avoid unnecessary or overpriced treatments

• In-truck satellite system deployed to remind drivers to call nurse hotline

• Medical Plan enrollment wording changed allowing nurses to speak to spouse in general terms if driver is not available by phone
A groundbreaking idea... Identify those drivers actively at work who are using legal prescription drugs prohibited by the DOT

Public Safety can trump HIPAA Privacy... but only if the process is very carefully structured for federal compliance

- DOT “Knock-Out Drugs” are unsafe to drive with but covered by the Medical Plan (this includes heavy pain pills, anticonvulsants, barbiturates, muscle relaxants, psychotropics)

- The benefit claim database identifies only those truck drivers who are using the unsafe prescriptions while actively at work

- This information is confidentially sent to the occupational health nurse for “Disease Management” counseling (which is HIPAA compliant)

- The nurse works with the driver and the prescribing physician to educate them on the DOT rules and help find a safer treatment alternative

- If there is still no DOT compliance or if drug abuse is indicated, the driver can be taken out of service and the drug benefit can be frozen
A new occupational health strategy... selectively manage above the minimum DOT standards for new hire physicals

Gain a competitive advantage on health and safety costs by eliminating the highest risk drivers from the applicant pool (those who are normally hired by other trucking companies)

• The protocol developed by Dr. Hartenbaum, a transportation industry expert, defines more up-to-date clinical guidelines to recalibrate hiring standards for drivers with histories of heart disease, back injuries and psychiatric treatments

• A favorable U.S. District Court ruling allows trucking companies to avoid EEOC penalties provided the new evaluation process is consistently applied and the job requirements (physical and mental) are clearly documented

• Those high risk drivers who get the conditional job offer and still survive the medical review will receive an earlier referral to the Disease Management program which can set them up for a better health outcome
Medical screening extended to Obstructive Sleep Apnea

Driver fatigue is a critical safety problem for truckload companies

- OSA prevents restful sleep which significantly contributes to driver fatigue – it is also a risk factor for heart attacks
- Wendy Sullivan will provide program details in next segment
The case study results were outstanding!

- Driver DM participation tripled from 15% to 46%
- Identified 35% more high risk cases for total of 2,750
- ROI tripled from 5:1 to 16:1 on the Medical Plan (not even counting Life, Disability, Worker Comp or Safety savings)
- Saved $8 million in one year on Medical Plan alone
- 30% less accidents in OSA group improved safety results
- Cut in half the annual fatalities from heart attacks and strokes (17 down to 8)
However, the old PPO benefit model still didn’t provide enough incentive for everyone to change behavior

It was disappointing that half of the high risk truck drivers still refused to participate in the improved Disease Management program

Employees had a sense of benefit entitlement and most didn’t know or even care what healthcare services really cost

Old tactics like managed care and provider discounts were not enough to control rising medical costs anymore

The next strategic step...

A Consumer Driven Health Plan

NOT more cost shifting to employees… but a new way to remove some avoidable claim costs from the plan experience
The Consumer Plan incentive taps into human nature

Now that your own HRA account money is at stake, you are much more careful about how you spend it (example: shopping for prescription drugs)

Five Plan Design Components:
1. **HRA** paid by the company with popular annual rollover feature
2. **Bridge** (personal responsibility)
3. **Medical Coverage** (80% in-network up to $1,800 annual out-of-pocket maximum then 100% to year-end)
4. **Preventive Care** paid in full
5. **Consumer Decision Support**

* Single coverage. For family coverage the HRA, bridge and out-of-pocket amounts are double
Decision support tools help employees (and more typically spouses) learn how to assert their health consumer rights.

Web tool literacy is increasing in the general population for other types of consumer shopping (Travelocity, Amazon, etc.)

Nurse coaches use phone counseling to redirect existing consumer skills and help people navigate the confusing healthcare system.
“If you make the personal effort to be a better healthcare consumer and lower your health risk factors, you can save money with the new plan, but if you don’t, you may have to pay a little more*…the choice is yours”

ONE TRUCK DRIVER OBSERVED THIS IS LIKE CAR INSURANCE:

“Someone who decides to buy the most expensive car or who is a reckless driver should pay more than the rest of us who choose wisely by shopping for the best value and driving safely”

*The drivers who decline to participate in Disease Management and refuse to change their high risk behavior will tend not to have rollover dollars left in their account, but if they get seriously ill, they still have excellent catastrophic protection (true purpose of insurance)
How To “Bend the Trend” in the Truckload Industry To Gain a Competitive Advantage on Medical Costs

Annual Medical Plan Cost Percentage Increase

Trend line flattens out

saved $25 million without benefit cuts
Wendy Sullivan, Vice President Project Implementation, Health and Safety Consultative Services
Precision Pulmonary Diagnostics
(281) 714-7614
wsullivan@precisionpulmonary.com

ATA Conference
Orlando, Florida
October 23, 2007
SLEEP APNEA
Sleep Apnea

- In susceptible individuals, the upper airway periodically is blocked by redundant and relaxed soft tissue in the neck, causing complete obstruction (apnea) or incomplete obstruction (hypopnea) in airflow.
- These obstructions or pauses in breathing occur repeatedly about every 12 minutes and in severe cases as frequently as every 30 seconds.
- The pauses are followed by gasping and snoring sounds.
Sleep Apnea
### Symptoms of Sleep Apnea

- Loud Snoring
- Witnessed Apneas
- Excessive Daytime Sleepiness
- Depression
- Heart Burn at Night
- Insomnia
- Erectile Dysfunction
Risk Factors for Sleep Apnea

- Male
- Post-menopausal Female
- Increasing Age
- Obesity
- Hypertension
- Adult-Onset Diabetes
- Crowded Back of Throat
- Heart Disease
- Small Jaw
- Small/Recessed Chin
Continuous Positive Airway Pressure (CPAP)

*With CPAP, a mask over your nose gently blows air into your throat to keep your air passage open.*
Prevalence of Sleep Apnea

• Affects around 4% of U.S. adults
• Affects 28% of commercial drivers
• Severe sleep apnea is present in at least 600,000 U.S. truck and bus drivers
Your Drivers

- 92% male
- Average BMI is 31 (obese)
- High prevalence of co-morbidities
  - hypertension
  - diabetes
  - cardiovascular disease
- Lifestyle
### Your Drivers

#### Medical Examination Report
FOR COMMERCIAL DRIVER FITNESS DETERMINATION

649-F (6045)

1. **DRIVER'S INFORMATION**
   - Driver completes this section
   - Driver's Name (Last, First, Middle)
   - Social Security No.
   - Birthdate
   - Age
   - Sex: [ ] M [ ] F
   - New Certification: [ ] Recertification: [ ] Follow-up
   - Date of Exam
   - Address
   - City, State, Zip Code
   - Work Tel: ( )
   - Driver License No.
   - Home Tel: ( )
   - License Class: [ ] A [ ] B [ ] C [ ] D [ ] Other
   - State of Issue

2. **HEALTH HISTORY**
   - Driver completes this section, but medical examiner is encouraged to discuss with driver.
   - Yes No
   - Any illness or injury in the last 5 years?
   - Head/Brain injuries, disorders or illnesses
   - Seizures, epilepsy
   - Medication
   - Eye disorders or impaired vision (except corrective lenses)
   - Ear disorders, loss of hearing or balance
   - Heart disease or heart attack, other cardiovascular condition
   - Medication
   - Heart surgery (valve replacement/bypass, angioplasty, pacemaker)
   - High blood pressure
   - Medication
   - Muscular disease
   - Shortness of breath
   - Lung disease, emphysema, asthma, chronic bronchitis
   - Kidney disease, dialysis
   - Liver disease
   - Digestive problems
   - Diabetes or elevated blood sugar controlled by:
     - [ ] diet
     - [ ] pills
     - [ ] insulin
     - Nervous or psychiatric disorders, e.g., severe depression
     - Medication
     - Loss of, or altered consciousness
   - Fainting, dizziness
   - Sleep disorders, pauses in breathing while asleep, daytime sleepiness, loud snoring
   - Stroke or paralysis
   - Missing or impaired hand, arm, foot, leg, finger, toe
   - Spinal injury or disease
   - Chronic low back pain
   - Regular, frequent alcohol use
   - Narcotic or habit forming drug use

For any YES answer, indicate onset date, diagnosis, treating physician's name and address, and any current limitation. List all medications (including over-the-counter medications) used regularly or recently.

I certify that the above information is complete and true. I understand that inaccurate, false or missing information may invalidate the examination and my Medical Examiner's Certificate. 

Driver's Signature: __________________________ Date: __________

Medical Examiner's Comments on Health History (The medical examiner must review and discuss with the driver any "yes" answers and potential hazards of medications, including over-the-counter medications, while driving. This discussion must be documented below.)
Under-Reported

- Driver unaware of symptoms
- Driver conceals/denies symptoms
- Screening still imprecise – often subjective
- Testing/treatment perceived as expensive
- Often complicates the DOT certification
- Gaps in FMCSA guidance/regulation interpretation
FACTS:

- Un-treated sleep apnea is an independent risk factor for stroke
  - Yaggi; et al. (2005). NEJM; 353: 2034-41

- Sleep apnea may be a cause for hypertension

- Untreated sleep apnea increases the risk for fatal and non-fatal cardiovascular events

- There is a greater prevalence of diabetes in subjects with increasing severities of sleep apnea
  - Reichmuth et al. AJRCCM; 172: 1590-1595
Corporate-Driven Sleep Apnea Program

VALUE
Corporate-Driven Sleep Apnea Program

- Health Costs
- Safety Costs
- Productivity
- Driver Retention
• Metabolic Syndrome
  – Diabetes, cardiovascular disease, and hypertension represent 3 of the most costly health expenditures in the commercial driver population
FACTS

• There is a **2 to 7 times greater risk** for a motor vehicle accident in a driver with un-treated sleep apnea

• Estimated that at least **30%** of large truck crashes are fatigue-related

• **Average cost of a truck crash** was **$3.6 million** in 2006
  - FMCSA.(2006). Cost of Large Truck and Buss Involved Crashes
A Employer Driven Sleep Initiative- Occupational Health
SOMNI-SAGE Health Screening Survey

Step 1 of 3

Company Information
- Company: [Blank]
- Driver #: [Blank]
- Classification: [Blank]
- Location: [Blank]
- Date of Hire: [Blank]
- YES; I am an applicant!

Personal Information
- Last Name: [Blank]
- First Name: [Blank]
- MI: [Blank]
- DOB: [Blank]
- SSN: [Blank]
- Sex: [Blank]
- Height: [Blank]
- Weight: [Blank] (lbs.)

Continue to Step 2
### SOMNI-SAGE Health Screening Survey

**Step 2 of 3**

For each question below, please choose the response that best fits your answer for that question.

<table>
<thead>
<tr>
<th>Question</th>
<th>Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Do you have high blood pressure?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>2. Do you have diabetes?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>3. Have you been treated for heartburn?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>4. Do you have heart problems?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>5. Have you ever undergone a heart operation or procedure?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>Do you take any of the following medications: Isordil, Ismo,</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>nitroglycerin, Cardarone, or Amiodarone?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>7. Do you have sleep apnea?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>Do you take ANY of the following medications: Glucophage,</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>Glucotrol, Actos, or Avandia, or any other diabetes medications?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>9. Do you have COPD (emphysema)?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>10. Do you have asthma?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>11. Have you been treated for depression?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>12. Do you snore louder than talking?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>13. Does your snoring bother other people?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>Do you take ANY of the following medications: Plavix,</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>Trental, or Persantine?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>Do you take ANY of the following medications: Protonix,</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>Prevacid, Nexium, Pepcid, or Tagamet?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>16. On average, do you urinate more than once per night?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>17. Do you become drowsy while driving?</td>
<td>☐ Never ☐ Sometimes ☐ Often</td>
</tr>
<tr>
<td>18. Does head, back, neck, or joint pain affect your sleeping?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>Do you take ANY of the following medications: Vasotec,</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>Cozaar, Lotril, Norvasc, Enalapril, Lisinopril, Hydrochlorothiazide, or Lasis?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>20. Do you take ANY of the following medications: Inderal,</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>Toprol, Metoprolat, Coreg, or Lopressor?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>21. Do you take ANY of the following medications: Digoxin,</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>Gournadin?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>22. Do you sleep restlessly or find the blankets on the floor in the morning?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>Has anyone noticed that you quit breathing during your sleep?</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>24. Have you awakened from sleep with gasping breaths?</td>
<td>☐ Yes ☐ No</td>
</tr>
</tbody>
</table>

[Continue to Step 3]
SOMNI-SAGE Health Screening Survey Results:
Positive, Positive P

Personal Information

Name: Positive, Positive P
(Change)
SSN: 987-65-4321

Company: Example Company
Classification: N/A
(Change)
Location: Location B
(Change)
Driver #: 76543
(Change)
Applicant: No
(Change)
Date of Hire:

Sex: Male
Age: 54 yrs. (DOB: 10/31/1953)
Height: 6", 0'
Weight: 275 (lbs.)
Comments: (Edit)

Scoring
Risk Level: (High)
Odds Ratio: N/A
Probability Score: N/A
WA, EDS, BMI: 37.3
Sleep Test

A sleep test was recorded for this individual on 9/7/2006.

AH1 O2 Nadir ODI PLMs
63 64% 12

Download the Sleep Test Report

Follow Up

This individual has been emailed, contacted, scheduled and completed.
### SOMNI-SAGE Health Screening Survey

#### Legend
- **Hours usage per night (hrs)**
- **Leak (L/sec)**
- **AI (e/hr)**

#### Symbol Legend
1. **The patient is compliant and the leak is less than or equal to the leak threshold.**
2. **The patient is compliant but the leak is greater than the leak threshold.**
3. **The patient is not compliant but the leak is less than or equal to the leak threshold.**
4. **The patient is not compliant and the leak is greater than the leak threshold.**
5. **The flow generator was not used.**
6. **Days remaining in monitoring schedule.**

#### Data Table

<table>
<thead>
<tr>
<th>Patient</th>
<th>Hours</th>
<th>Leak (L/sec)</th>
<th>AI (e/hr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>05:38 hrs</td>
<td>0.4 L/sec</td>
<td>0.7 e/hr</td>
</tr>
<tr>
<td>2</td>
<td>04:23 hrs</td>
<td>0.7 L/sec</td>
<td>0.9 e/hr</td>
</tr>
<tr>
<td>3</td>
<td>09:39 hrs</td>
<td>0.7 L/sec</td>
<td>0.3 e/hr</td>
</tr>
<tr>
<td>4</td>
<td>03:08 hrs</td>
<td>0.7 L/sec</td>
<td>0.9 e/hr</td>
</tr>
<tr>
<td>5</td>
<td>03:12 hrs</td>
<td>0.6 L/sec</td>
<td>0.2 e/hr</td>
</tr>
<tr>
<td>6</td>
<td>04:51 hrs</td>
<td>0.5 L/sec</td>
<td>0.2 e/hr</td>
</tr>
<tr>
<td>7</td>
<td>09:12 hrs</td>
<td>0.6 L/sec</td>
<td>0.2 e/hr</td>
</tr>
<tr>
<td>8</td>
<td>07:21 hrs</td>
<td>0.7 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>9</td>
<td>07:13 hrs</td>
<td>0.5 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>10</td>
<td>03:16 hrs</td>
<td>0.8 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>11</td>
<td>04:44 hrs</td>
<td>0.7 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>12</td>
<td>00:05 hrs</td>
<td>0.7 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>13</td>
<td>00:05 hrs</td>
<td>0.1 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>14</td>
<td>00:05 hrs</td>
<td>0.5 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>15</td>
<td>00:05 hrs</td>
<td>0.5 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>16</td>
<td>00:05 hrs</td>
<td>0.5 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>17</td>
<td>00:05 hrs</td>
<td>0.5 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>18</td>
<td>00:05 hrs</td>
<td>0.5 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>19</td>
<td>00:05 hrs</td>
<td>0.5 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>20</td>
<td>00:05 hrs</td>
<td>0.5 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>21</td>
<td>00:05 hrs</td>
<td>0.5 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>22</td>
<td>00:05 hrs</td>
<td>0.5 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>23</td>
<td>00:05 hrs</td>
<td>0.5 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>24</td>
<td>00:05 hrs</td>
<td>0.5 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>25</td>
<td>00:05 hrs</td>
<td>0.5 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>26</td>
<td>00:05 hrs</td>
<td>0.5 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>27</td>
<td>00:05 hrs</td>
<td>0.5 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>28</td>
<td>00:05 hrs</td>
<td>0.5 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>29</td>
<td>00:05 hrs</td>
<td>0.5 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>30</td>
<td>00:05 hrs</td>
<td>0.5 L/sec</td>
<td>0.1 e/hr</td>
</tr>
<tr>
<td>31</td>
<td>00:05 hrs</td>
<td>0.5 L/sec</td>
<td>0.1 e/hr</td>
</tr>
</tbody>
</table>
Health Cost Savings
Health Cost Reduction
Summary of Definity (United) Reports

- **August 2005 Report 1**
  - 337 drivers analyzed
  - intervention 1/03 - 7/05
- **March 2006 Report 2**
  - 339 drivers analyzed
  - intervention 1/03 - 12/05
- **March 2007 Report 3**
  - 143 drivers analyzed
  - intervention 1/03 – 12/04
- **March 2007 Report 4**
  - 205 drivers analyzed
  - intervention 1/05 – 12/05

- **Average PMPM costs**
  - Reduced by $667 PMPM
  - Reduced by 61%
- **Average PMPM costs**
  - Reduced by $538 PMPM
  - Reduced by 57%
- **Average PMPM costs**
  - Reduced by $780 PMPM
  - Reduced by 64%
- **Average PMPM costs**
  - Reduced by $622 PMPM
  - Reduced by 52%
## Health Cost Reduction

**Summary of Definity (United) Reports**

### Pre - CPAP Intervention Costs

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-CPAP</td>
<td>$1,093.85</td>
<td>$937.46</td>
<td>$1,218.67</td>
<td>$1,199.66</td>
</tr>
</tbody>
</table>

### Post - CPAP Intervention Costs

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post-CPAP</td>
<td>$427.33</td>
<td>$399.60</td>
<td>$438.45</td>
<td>$577.84</td>
</tr>
</tbody>
</table>

![Bar chart showing cost reduction](chart.png)
Data Collection (through 12/2006)

Group 3 – Intervention in 2003/04

Group 4 – Intervention in 2005
Pre vs. Post CPAP Admissions

n = 265

n = 37
Summary: Health Cost Savings

• There is a robust and enduring savings in global health care expenditures realized from sleep apnea treatment

• Global health costs drop by at least 50% PMPM

• Health cost savings continue and increase over time (Group 3 versus Group 4 post-intervention values)
Summary: Health Cost Savings

- PMPM global health cost savings range from $538 to $780 PMPM
- Return on Investment is between 5 and 8 months from health care savings alone
- Return on Investment after 12 months is approximately 35% from health care savings alone
Preventable Accident Data
Preventable Accident Analysis

- 365 days before CPAP intervention
- 365 days after CPAP intervention
- 358 CPAP-treated drivers analyzed (cohort)
- Measures:
  - Accidents per driver per month
  - Median costs of accidents before and after CPAP
- Raw data is proprietary – results reported as “percent change”
Effect on Preventable Accidents

<table>
<thead>
<tr>
<th>Accident Rate</th>
<th>Median Cost per Accident</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% Reduction</td>
<td>48% Reduction</td>
</tr>
</tbody>
</table>
Driver Retention Rates
• Retention data collected for 2004 – 2006
• Raw data is proprietary
• Results reported as relative to entire fleet
  – Fleet retention data normalized to 1.0
  – Yearly and cumulative 3 year results reported
Driver Retention Rates

RED – Entire Fleet
BLUE – CPAP Drivers
Summary: Tangible Benefits

- Preventable accidents are reduced by 30%
- Median costs of accidents are reduced 48%
- CPAP treated driver retention was 60% greater than the fleet norm for 2004 – 2006
- Health costs of CPAP-treated drivers were reduced at least 50%
- Provides a Return on Investment that can exceed 100%
Performance Measures
Measuring Performance

• Turn-around time on reading and reporting sleep study
  – Same day
• Time until CPAP is dispensed
  – Same day
• CPAP compliance reporting
  – To be determined, but is web-based
• Screening Tool’s positive predictive value
  – With SNI, currently at 87%
• Average number of drivers PPD helps daily
  – With SNI, currently ~25 drivers daily
### Measuring Performance

- Monthly and YTD accounting of sleep study results

**Schneider National Sleep Apnea Project - 2006**

<table>
<thead>
<tr>
<th></th>
<th>Severe</th>
<th>Moderate</th>
<th>Mild</th>
<th>Negative</th>
<th>Men</th>
<th>Women</th>
<th>Subtotal</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>13</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>May</td>
<td>16</td>
<td>15</td>
<td>13</td>
<td>3</td>
<td>44</td>
<td>3</td>
<td>47</td>
</tr>
<tr>
<td>June</td>
<td>22</td>
<td>24</td>
<td>14</td>
<td>6</td>
<td>60</td>
<td>6</td>
<td>66</td>
</tr>
<tr>
<td>July</td>
<td>24</td>
<td>35</td>
<td>15</td>
<td>8</td>
<td>76</td>
<td>6</td>
<td>82</td>
</tr>
<tr>
<td>Aug</td>
<td>22</td>
<td>35</td>
<td>28</td>
<td>14</td>
<td>94</td>
<td>5</td>
<td>99</td>
</tr>
<tr>
<td>Sept</td>
<td>16</td>
<td>22</td>
<td>23</td>
<td>16</td>
<td>73</td>
<td>4</td>
<td>77</td>
</tr>
<tr>
<td>Oct</td>
<td>34</td>
<td>27</td>
<td>12</td>
<td>25</td>
<td>88</td>
<td>10</td>
<td>98</td>
</tr>
<tr>
<td>Nov</td>
<td>10</td>
<td>15</td>
<td>11</td>
<td>14</td>
<td>40</td>
<td>10</td>
<td>50</td>
</tr>
<tr>
<td>Dec</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>7</td>
<td>21</td>
<td>1</td>
<td>22</td>
</tr>
<tr>
<td>TOTAL</td>
<td>153</td>
<td>182</td>
<td>124</td>
<td>95</td>
<td>509</td>
<td>45</td>
<td>554</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>%</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>100.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>28.0%</td>
<td>33.0%</td>
<td>22.0%</td>
<td>17.0%</td>
<td>92.0</td>
<td>8.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
PPD’s Corporate-Driven Sleep Apnea Program

CLIENT

PPD
(Administrator)

Screening

Testing

Equipment

Monitoring/
Troubleshooting

Policies

Outcomes

20% Fleet @ High-Risk

85% High-Risk have sleep apnea

Auto-Titrating CPAP
Heated Humidifier
Mask/Transmitter

Phone Contact w/in 48 hrs
14 – 60 day wireless monitor
3 month and as needed datacard

ResMed

Others
| **Ronald L. Inberg**  
*Executive Vice President* |
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Yrs. Experience:</strong></td>
</tr>
<tr>
<td><strong>Education:</strong></td>
</tr>
<tr>
<td><strong>Licenses/Certifications:</strong></td>
</tr>
<tr>
<td><strong>Areas of Expertise:</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
| **Specific Client Experience:** | CNF/Con-way/Emery  
Consolidated Freightways  
U.S. Freightways  
SCS (Saia & Jevic)  
Arkansas Best  
AAA Cooper  
Southeastern Freightways  
Ruan Transport  
Yellow Corp.  
Central Freight  
Fleet Solutions Group Captive |
| **Career Highlights/ Accomplishments:** | Executive Board Member of the American Trucking Association (ATA) Finance Council for past 12 years (the only insurance broker ever appointed to that position) |
| | Vice Chairman of ATA’s Risk Management Committee |
| | Speaker & Panelist at Numerous ATA Conventions |
| | Selection by Risk & Insurance Magazine as one of their “Power Brokers” for the Transportation Industry (2006) |
| **Experience History:** | **McGriff, Seibels & Williams, Inc.**  
*Executive Vice President*  
2006 – Present |
| | **Marsh USA**  
*Transportation Practice Leader*  
1980 – 2006 |
| | **CNA Insurance Co.**  
*Multilines Adjuster/Supervisor*  
1975 – 1980 |
| | **Crawford & Co.**  
*Multi-lines Adjuster*  
1972 – 1975 |
# Biographies

## Shawna Larson

*Vice President, Benefits Division*

<table>
<thead>
<tr>
<th>Yrs. Experience:</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>License:</td>
<td>Life and Health</td>
</tr>
</tbody>
</table>

### Areas of Expertise:
- Understanding and knowing your business
- Strategic planning to develop benefit philosophies and strategies
- Benefit plan performance analysis
- Claims experience / utilization reviews
- Vendor renewal and marketing negotiations
- Network disruption / discount analysis
- Benchmarking and survey analysis’s
- Industry marketplace developments
- Employee communication strategies
- Wellness and Disease management programs
- Consumer driven plans
- 1099 benefit plans
- Voluntary benefits
- Due Diligence review of mergers and acquisitions
- Legislation interpretation relating to health and welfare plans

### Industry Experience(s):
- Transportation/Distribution
- Manufacturing
- Forest Products
- Financial / Banking
- Engineering / Construction
- Retail
- Technology
- Healthcare Facilities
- Hospitality
- Entertainment Management

### Experience History:

<table>
<thead>
<tr>
<th>Employer</th>
<th>Position</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>McGriff, Seibels &amp; Williams, Inc.</strong></td>
<td><strong>Vice President</strong></td>
<td>2006 – Present</td>
</tr>
<tr>
<td><strong>Mercer Health and Benefits</strong></td>
<td><strong>Business Development Consultant</strong></td>
<td>2004 – 2006</td>
</tr>
<tr>
<td><strong>LifeWise Health Plan</strong></td>
<td><strong>Large Group Sales Executive</strong></td>
<td>2003 - 2004</td>
</tr>
<tr>
<td><strong>Marsh Employee Benefits</strong></td>
<td><strong>Employee Benefits Consultant</strong></td>
<td>1999 - 2003</td>
</tr>
<tr>
<td><strong>Willis</strong></td>
<td><strong>Senior Account Manager</strong></td>
<td>1997 - 1999</td>
</tr>
</tbody>
</table>
Tom Kempa
Consultant

Tom Kempa worked as a consultant with CIGNA over this last year as a member of the newly formed Innovations Team dedicated to making CIGNA an industry leader in Consumer Driven Health Plans. He also worked to develop an innovative program of best practices to control healthcare costs and improve safety results for transportation companies.

Tom has over 30 years of Human Resources experience with major employers, having worked for Quaker Oats, Stanley Tools and Schneider National. He has held a series of leadership positions in labor relations, risk management, quality, occupational health, compensation and benefits.

Tom is a recognized thought leader for the trucking industry where he worked for 13 years. He was the first to successfully convert a large group of truck drivers to a full replacement Consumer Medical Plan integrated with a customized Disease Management program that saved millions of dollars while cutting the driver death rate in half.

With a psychology degree from Loyola University in Chicago, Tom began his career as a mental health counselor for delinquent teenagers. His healthcare credentials also include serving on the board of directors for the Connecticut Health Systems Agency, New Britain General Hospital, Connecticare (a Blue Cross HMO) and the Touchpoint Health Plan which won a national award for quality of care. He and his wife, Linda, have six children and six grandchildren and currently live in Phoenix, Arizona.
Biographies

Wendy Sullivan RN

Graduated 1972 Lincoln High School- 4.0 GPA, National Honor Society, DAR Award, numerous academic scholarships
Graduated 1975 Holy Family School of Nursing and Silver Lake College, Manitowoc WI
Diploma in nursing- licensed RN in the state of Wisconsin. 3.75 GPA

1975- 1990
Worked in numerous county hospitals, nursing homes, medical outpatient clinics while raising three sons.

1990-2000
Employers Health Insurance – later purchased by Humana Inc.
Medical Underwriter, Medical/ Transplant/ and Mental Health Case Management Supervisor.
Claims and Subrogation Manager.
Responsible for first Asthma Disease Management Program from Humana business.

2000-2007
Bellin Memorial Hospital
Staff RN and Triage Nurse (telemedicine)

Schneider National Inc. (Leadership role 2004-2007):
Fall of 2003 to present- built Schneider Sleep Apnea program
January 2005- Safety Presidential Award- Disease Management Team
August 2006- Vendor contracts with significant savings to organization
January 2006- Presidential Award- Occupational Health/Sleep apnea team
January 2006- Presidential Award- Customer Service to SNI Legal Dept
Responsible for Enterprise Safety Solutions team joining Operations/Loss Prevention/Benefits/Work Comp/ Occupational Health together to address key issues- Spring 2006
June 2006 – Certificate of Nomination- Safety Award
December 2006- Certificate of Nomination- Safety Award
January 2007- National Sleep Foundation Award
March 2007- Development of Leadership Training (Disability/FMLA)
May 2007- Implementation of Pre Work Screen at Schneider
August 2007- Bellin Hospital Sleep Apnea Presentation
- Moved Schneider National Inc. to mandatory sleep apnea testing

Ongoing support to local college of nursing students
Ongoing support to Human Resource personnel dealing with performance, disability and productivity issues.
Key witness in several legal depositions
September 2007- Winner of the Sleep Apnea Association Award Pittsburgh Human Resources and Safety Forum
October 2007- Vice President of Project Implementation and Health and Safety
Consultative Services- Precision Pulmonary Diagnostics, Houston TX

Speaker:
- Truck and Bus Symposium
- Owner/Operator Retention Forum
- TN Trucking Association
- ATA (American Transportation Association)
- NCFCA- division of ATA
- Society of Human Resource Management

Published articles/interviews:
- Transport Topics
- CHEST magazine
- Associated Press
- Local / state newspapers
- The Trucker
- XM Radio
- Society of Human Resource Mgt