

Caterpillar, Inc.

BUSINESS DESCRIPTION: Based in Peoria, Illinois, Caterpillar is a Fortune 50 company specializing in forestry, construction and mining equipment, and energy solutions, with 80,000 employees and 120,000 covered lives.

INITIATION OF VBID PROGRAM/STRATEGY: January, 2005.

PROGRAM OBJECTIVE: To develop a risk management strategy to identify those at highest risk for coronary, diabetes or stroke events. These conditions were not only contributing to claims costs, but also to disability and unscheduled absences. Direct health care costs had increased 20 percent over four years.

PROGRAM COMPONENTS: According to Michael Taylor, M.D., medical director for health promotion at Caterpillar, the program, although not yet entirely founded on value, encompasses:

- One hundred percent coverage for well-women and well-baby care; zero copayments for drugs for diabetes and its associated co-morbidities, and free colorectal screenings for those at high-risk for colon cancer.
- Tracking of both financial and clinical outcomes over time.
- Health Risk Assessment (HRA), which earns employees, spouses and retirees under 65 a \$900 reduction on their yearly insurance premium. Disease management programs to reflect HRA information.
- Risk stratification by cardio-metabolic indicators for diabetes, such as blood pressure, lipids, triglycerides and fasting glucose, in order to target members most at-risk for an adverse event.
- A Healthy Lifestyle index to encourage employees to make behavioral changes.
- Onsite nurse coaches who schedule one-on-one meetings with program participants, offer classes, and coordinate awareness and screening campaigns.

PROGRAM RESULTS: Caterpillar's diabetes program has rendered positive results:

- Fifty percent of enrollees experience HbA1c reduction, from 8.7 to 7.2, on average, over the course of a year;
- Ninety-six percent of enrollees measure their HbA1c levels.
- Seventy-two percent meet activity recommendations promoted by the Surgeon General.