

Driving Good Health at Chrysler Employee Success Stories

Presented to

Keeping America Healthy through Worksite Health Promotion

A Congressional Lunch Briefing

July 10, 2008

Kate A. Kohn-Parrott

Director- Integrated Health Care & Disability



CHRYSLER

Chrysler is a major worldwide automobile manufacturer



- Provides over one million jobs in North America directly and through dealers, partners, and suppliers
- Offers comprehensive health care and other benefits (e.g., disability)
- Spent \$2B in 2007 to provide health care to 350,000 people
- Health care costs will double in eight years



Myriad factors drive continued increases in health care costs



Lifestyle Today



- 1954
202 calories
- Improper diet
 - Lack of exercise
 - Instant gratification
 - Avoiding check-ups
- 310 calories

U.S. Health Care Costs

Broken Business Model

Patients not connected to the real cost of health care

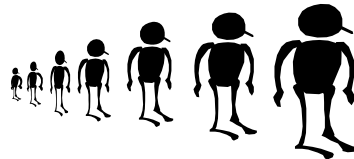
- Irrational market model
- Providers are paid for the wrong things
- Uninsured / Underinsured
- Excessive administrative cost
- Inflated non-transparent prices
- Inappropriate care
- Waste and fraud

Inefficient Delivery

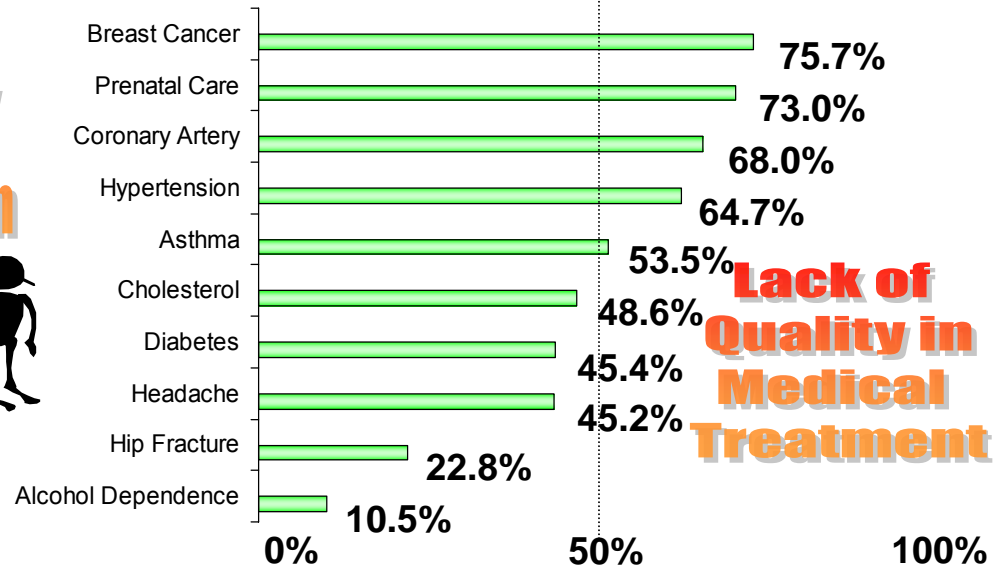


- Curative Instead of Preventive
- Over/ Under/ Mistreatment
- Technology
- Prescription Drugs

Demographics/ Aging Population



Evidence-based medicine practiced only 50% of the time



Lack of Quality in Medical Treatment

Chrysler has an aggressive strategy to attack rising health care costs



Basic Strategies

Plan Design

- Types of offerings
- Deductible, coinsurance, co-pay
- Pharmacy benefits

Contributions

- Common tier factors
- Premium sharing
- Awareness of plan cost
- The more you make, the more you are asked to contribute

Expanded Coalitions

- 3 Company initiatives
- Regional networks (GDAHC, Economic Alliance, Governors' Task Force)
- National networks (HR Policy Association, Leap Frog, Corporate Executive Board)
- Legislative initiatives

Vendors

- Renewal/contract negotiations
- Vendor evaluation selection (RFP)
- Network optimization
- Performance management

Advanced Strategies

Healthy workforce

- Health promotion/education
- Self-care assistance
- Enhanced wellness program/health risk management

Informed consumers

- Raise cost awareness
- Consumer directed health plans
- Health promotion and education
- Incentives promoting healthy lifestyles
- Advocate IT enablers

Care Management

- Disease management
- Care management
- Patient advocacy
- Integrated data

Performance Focus

- High performance networks
- Collective purchasing
- Transparency of real cost and quality measures
- Champion evidence-based care

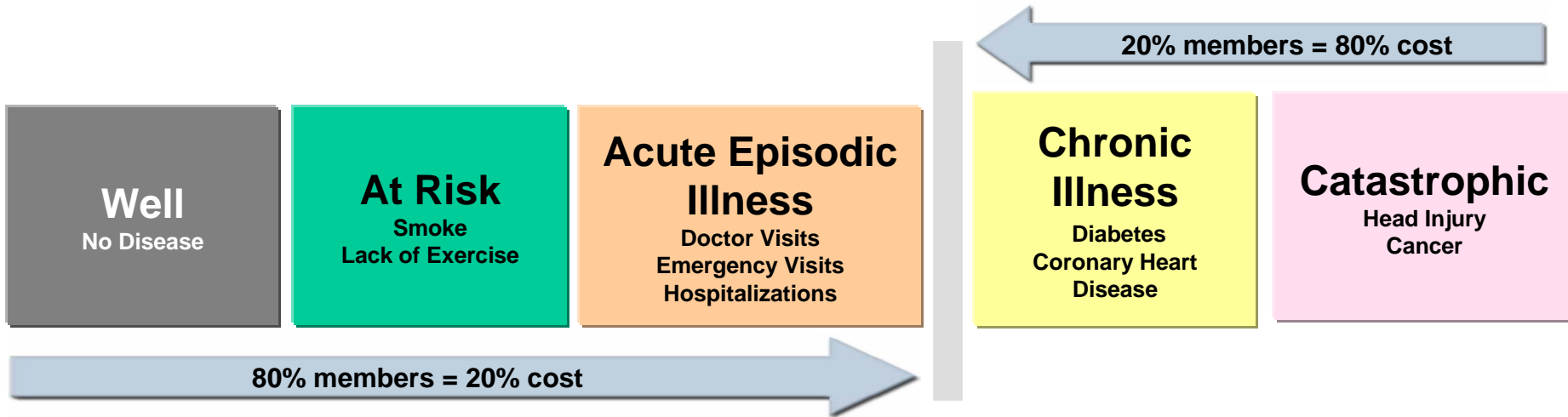
Analysis and Diagnosis

- Business and HR priorities
- Enrollment, costs and demographics
 - Union, non-union, active, retiree, new-hire and dependent
- Cost drivers and savings opportunities

2008

2010

Chrysler knows the importance of investing in health vs. spending on illness



Goals

- Develop a company-wide community of informed health care consumers
- Keep healthy people healthy
- Increase awareness of employees personal risk factors
- Provide tools for people to learn how to take care of themselves
- Avoid and/or delay onset of illness and disease

Chrysler's award-winning wellness programs create a healthier workforce



Driving DCX

bringing diabetes care to the workplace



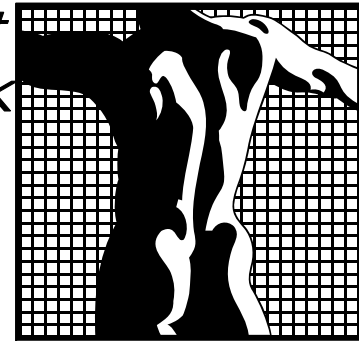
Screenings
Workshops
Education
Training



Ask the Doc



We've Got Your Back



NutriSum

Chrysler's wellness programs have changed lives



“It was Oct. 7, 2004,” Everling said of the day he decided to change his life. “The StayWell folks were at the plant doing their screenings. They gave me the news: my blood sugar was at 360, about three times the amount of a normal person. They asked me if I was diabetic, and I said, ‘No, but I guess I am now.’ ”

Since then:

- Lost 100 lbs and 9 inches in less than 1 year**
- Eliminated foot and knee pain**
- Became a role model for Winsor Pilates and inspiration to countless others**



Employee Lew Everling

Making a difference for employees and their families



Basic dieting and exercise helped Linda Walleman (left), a customer service representative at the Hamlin Road Office Center in Auburn Hills, lose 85 pounds and co-worker Karen Hoeft to lose about 67 pounds. Both are now enrolled in the NutriSum program.

Ken Berlin—Chrysler Photo Imaging



Ken Berlin—Chrysler Photo Imaging

Plymouth Road Office Complex employee Kimberly Neely-Anderson has maintained a consistent weight loss of between 55 pounds and 60 pounds since 2000 by following the Weight Watchers' plan, and eating more fruits and vegetables.

Company wellness programs help manage weight, lifestyle

Since 1985, the Chrysler-UAW national wellness program has offered employees a variety of corporate-approved and administered wellness services, with a special focus on weight management. It's a part of the workday that Chrysler LLC does not—pardon the pun—take lightly.

"We recognize that being obese and overweight drives so many other health issues, like type 2 diabetes, high cholesterol and high blood pressure," Neil Levins, Manager—Healthy People Initiatives, said. "So it's important that we have healthy employees, not only for the quality of their work but for the quality of their lives."

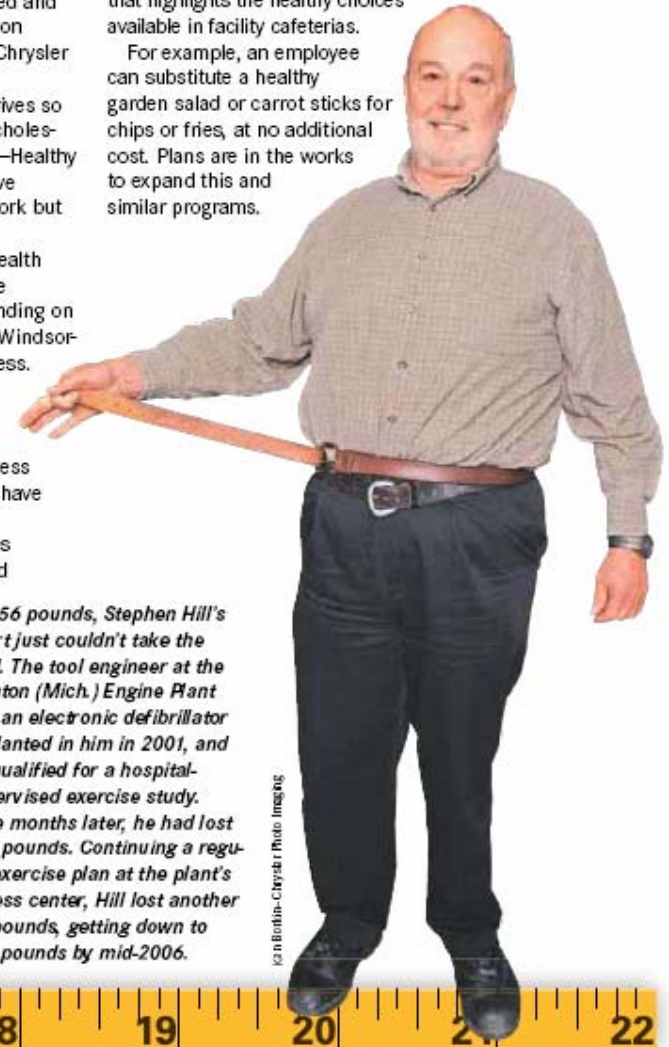
Today, those services are provided by StayWell Health Management or the American Institute of Preventive Medicine (the HealthyLife Wellness Program), depending on the location. In Canada, Chrysler partners with the Windsor-Essex County Health Unit as Working Toward Wellness.

In addition to weight management, employees are encouraged to look into programs that concentrate on cholesterol management, smoking cessation, fitness activities and more. Some sites also offer fitness centers. All U.S. plants with 500 or more employees have on-site wellness professionals.

Chrysler also works with vending and dining services providers to offer healthy food choices. The "Fresh and

Healthy Program" is an education and awareness campaign that highlights the healthy choices available in facility cafeterias.

For example, an employee can substitute a healthy garden salad or carrot sticks for chips or fries, at no additional cost. Plans are in the works to expand this and similar programs.



Ken Berlin—Chrysler Photo Imaging



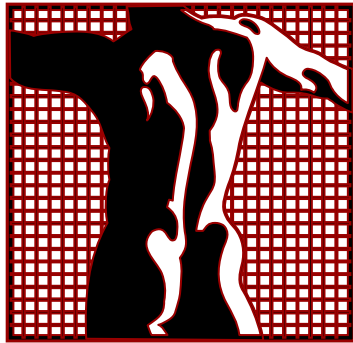
At 456 pounds, Stephen Hill's heart just couldn't take the load. The tool engineer at the Trenton (Mich.) Engine Plant had an electronic defibrillator implanted in him in 2001, and he qualified for a hospital-supervised exercise study. Nine months later, he had lost 200 pounds. Continuing a regular exercise plan at the plant's fitness center, Hill lost another 73 pounds, getting down to 183 pounds by mid-2006.



Non-conventional programs deliver positive, radical results



*We've
Got
Your
Back*



- Somatic muscle relaxation
- Over 200 pilot participants
- >55% eliminated chronic back pain
- Other benefits: improved sleep, less stress, more energy

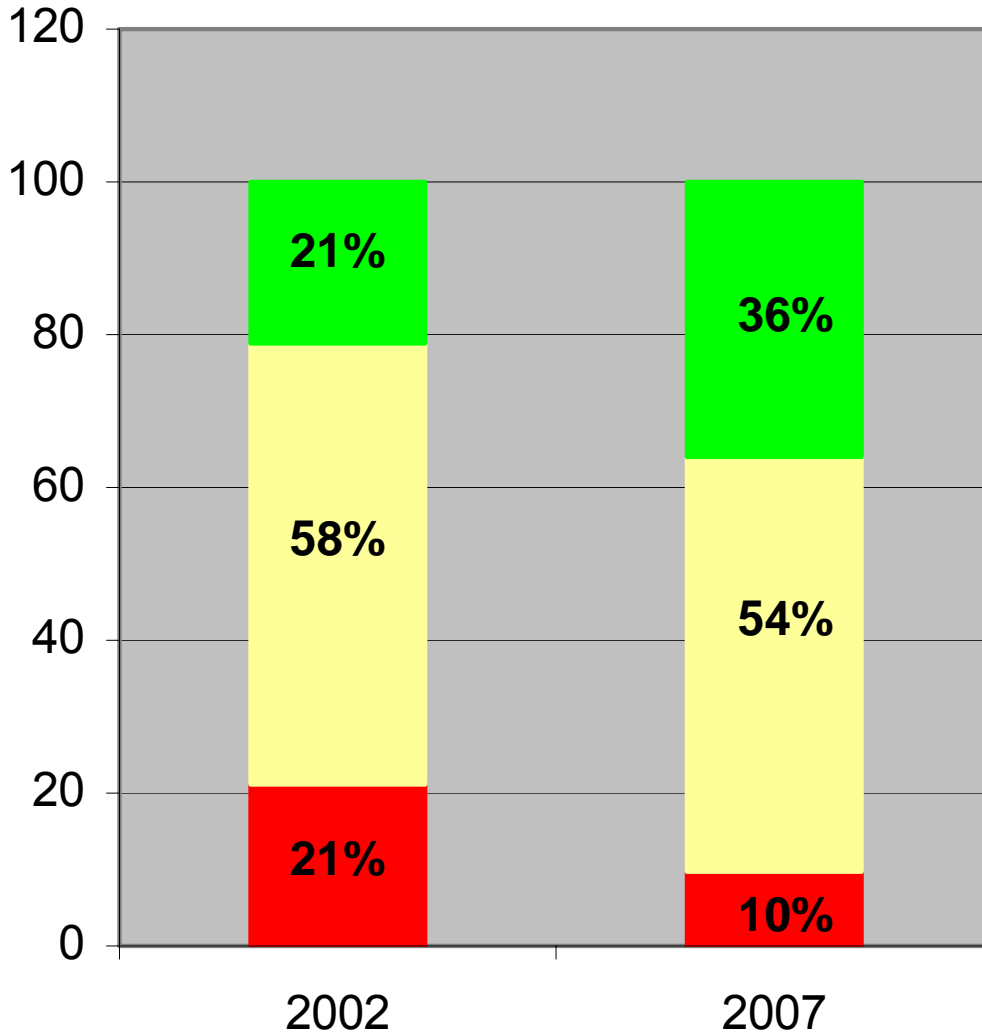
*As
featured in*

Chrysler
Times
A NEWSPAPER FOR EMPLOYEES AND THEIR FAMILIES

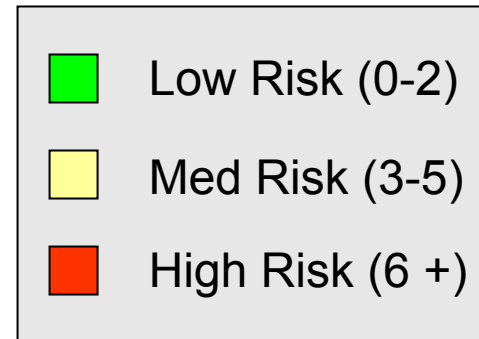


Employee Pamela Tsiokanos uses guided relaxation and somatic movements to eliminate back pain that plagued her for nearly a decade.

Our wellness programs are clearly a win/win for employees and the Company



Resulting in statistical improvements in employee health risks



And delivering a 2.6:1 financial return for the Company

**We believe and we're committed; because
we're Chrysler**



Where . . .

HEALTHY PEOPLE
DRIVE
OUR FUTURE!