

Communicating the Value of Employee Health Benefits

March 27, 2019

Arrival, Breakfast, Networking: 8:00 – 8:30 am

Employer-Only Roundtable: 8:30 – 9:30 am

Program: 9:30 – 11:15 am

Sponsored by:





Barbara Gniewek
Principal, GHRS
PwC



Carolyn Kennedy
Vice President, Employee Benefits
Chubb



Virginia Peddicord
Director, Global Employee
Population Health
Merck

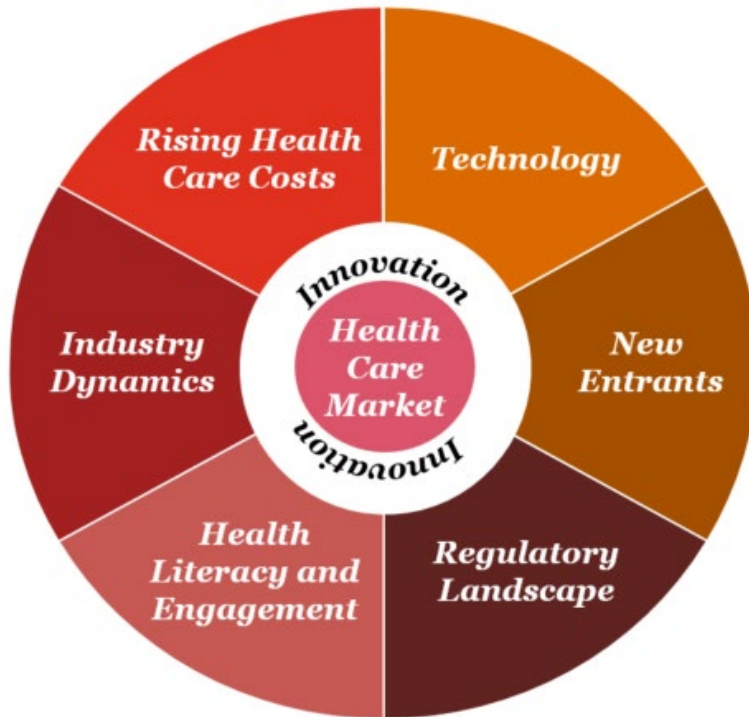


Shelley Sinclair
Assistant Director, Total
Rewards-Benefits
EY

NEBGH



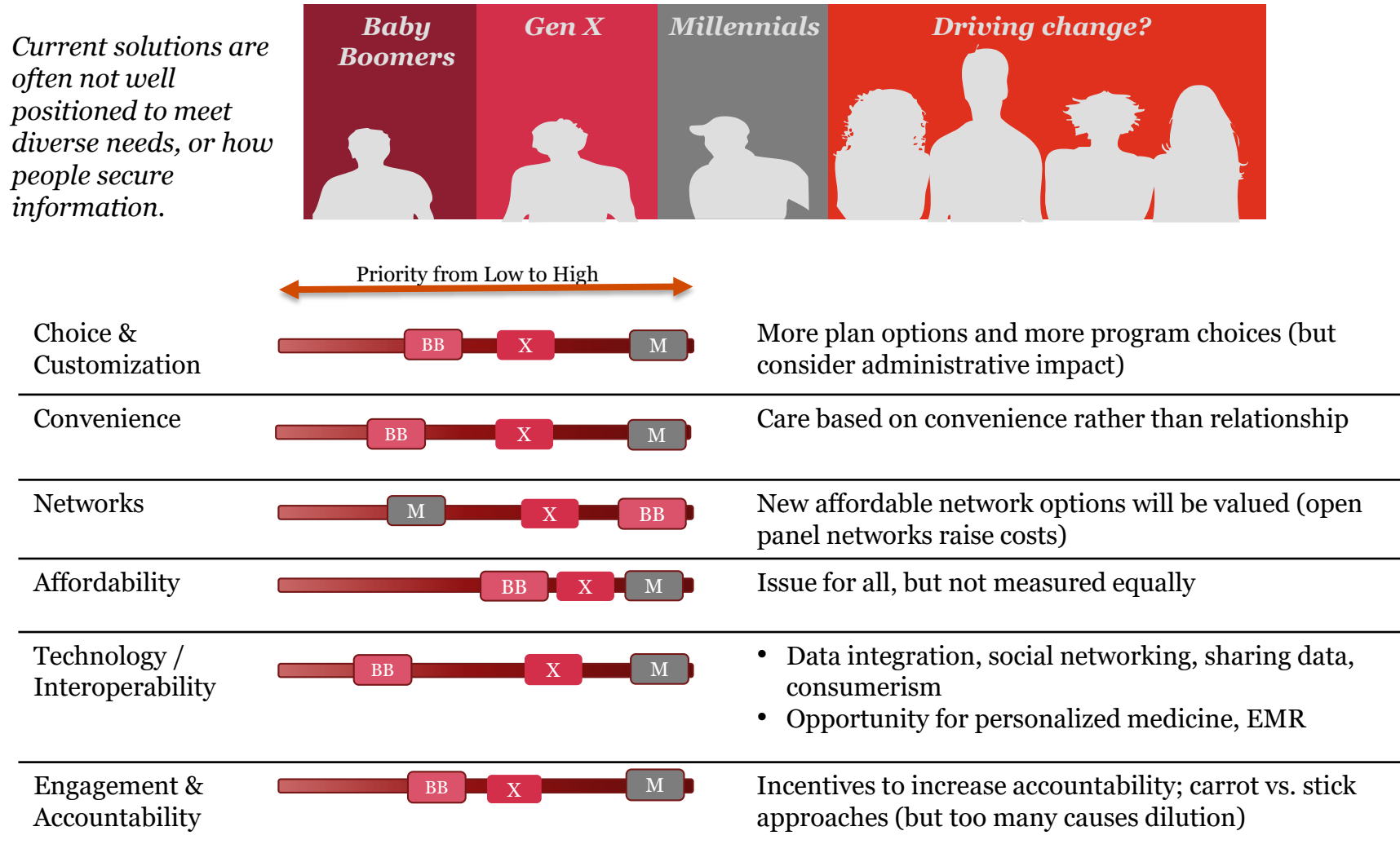
Key market factors driving change in health care and health benefits



- Leveraging technology and innovation to improve convenience and engagement
- New entrants will improve the user experience and / or be disruptive
- Protecting from irrational regulatory change that will drive costs up
- Changing delivery models have the potential to bend the cost curve
- Misaligned provider, payer, or advisor incentives continue to perpetuate the status quo and drive up health care costs
- **Educating is critical to improve personal accountability and create efficient consumers**

The evolving dynamics of the workforce are accelerating the pace of change.

The internal challenge of a multi-generational population adds complexity when considering health care needs



Health literacy and engagement

Health Literacy undermines engagement

More than obesity, heart disease and mental health, our collective lack of informed understanding of how the U.S. health system works is costly and threatens our future.

Consumer engagement is the elusive holy grail when it comes to health care, with the root cause for lack of engagement being health illiteracy. Specifically:

- 14% of adults have Basic or Below Basic Health Literacy*,
- 53% have intermediate health literacy skills.
- 21% have basic and
- 12% have proficient health literacy skills

Unfortunately a person's health literacy is directly correlated to their personal usage of the health care system.

★ (National Assessment of Health Literacy, U.S. Department of Education, 2003 Institute of Education Sciences, 2003)

However, the changing workforce, technology and the new entrants are beginning to shift this trend, with the most dramatic shift starting with millennials:

- Millennials care about convenience and data
- New entrants are creating apps with the information / access that millennials crave

Engagement will be easier with the right products, choices and technology, starting with the tech savvy generations forcing a transformation.

Thank you

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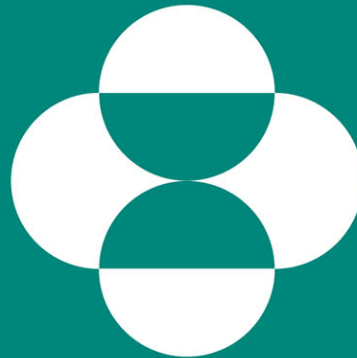
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GLOBAL
POPULATION HEALTH

HEALTH PROMOTION AND PREVENTION AT MERCK

Virginia Peddicord
Director, Global Employee Population Health
March 27, 2018



INVENTING
FOR LIFE

What Is Merck?

- A global health care company with a 125-year history of working to make a difference in global health
- Inspired by a shared vision and a mission to save and improve lives
- Focused on innovation and scientific excellence to deliver vaccines, medicines, and animal health products that can help millions around the world



CORE AREAS OF FOCUS

Diabetes
Hospital Acute Care
Oncology
Vaccines
Animal Health

HEADQUARTERS

Kenilworth, NJ, USA

Operating in more than 60 countries

EMPLOYEES

Worldwide

Approximately **69,000**



In the US

Approximately **24,000**

46.5 YEARS OLD

steady, incremental increase in average employee age since 2014



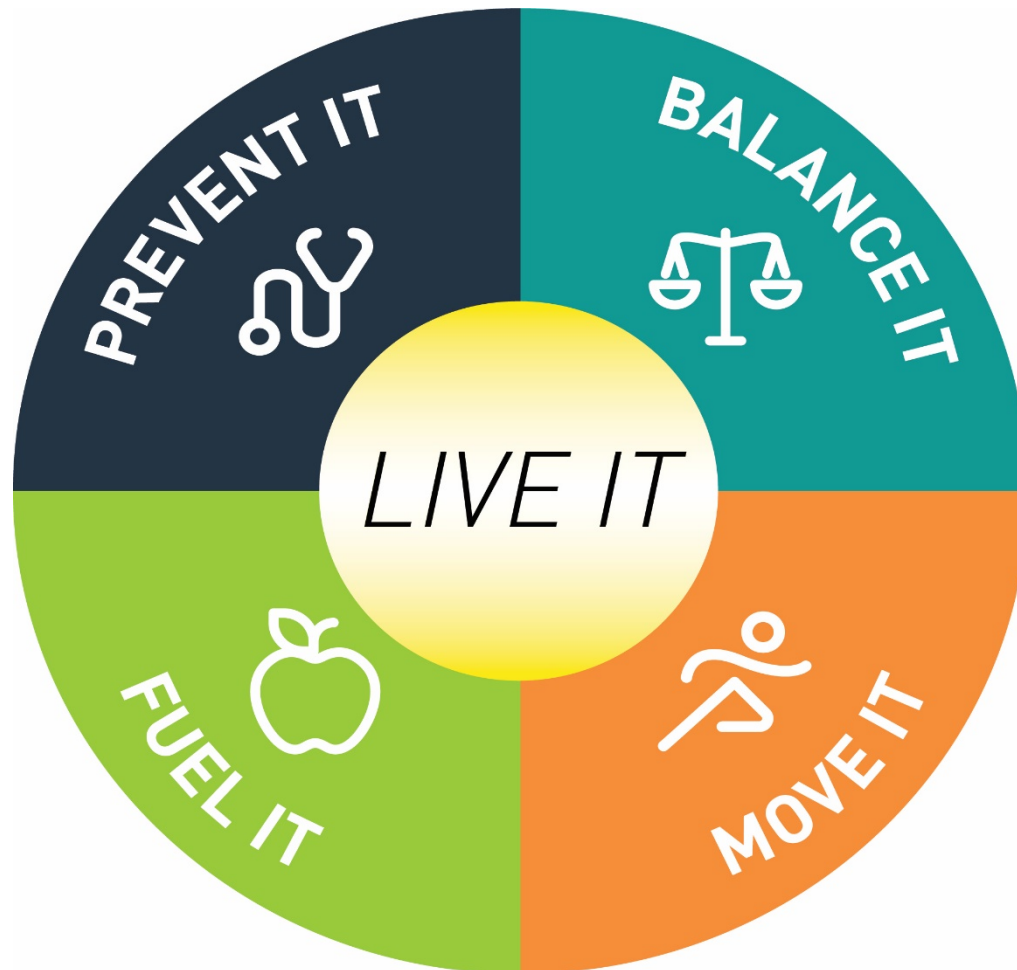
51% FEMALE

increase in % of female employees increasing annually since 2014

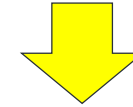


INVENTING
FOR LIFE

LIVE IT - A Holistic Approach to Wellbeing Designed by and for Merck Employees & Their Families

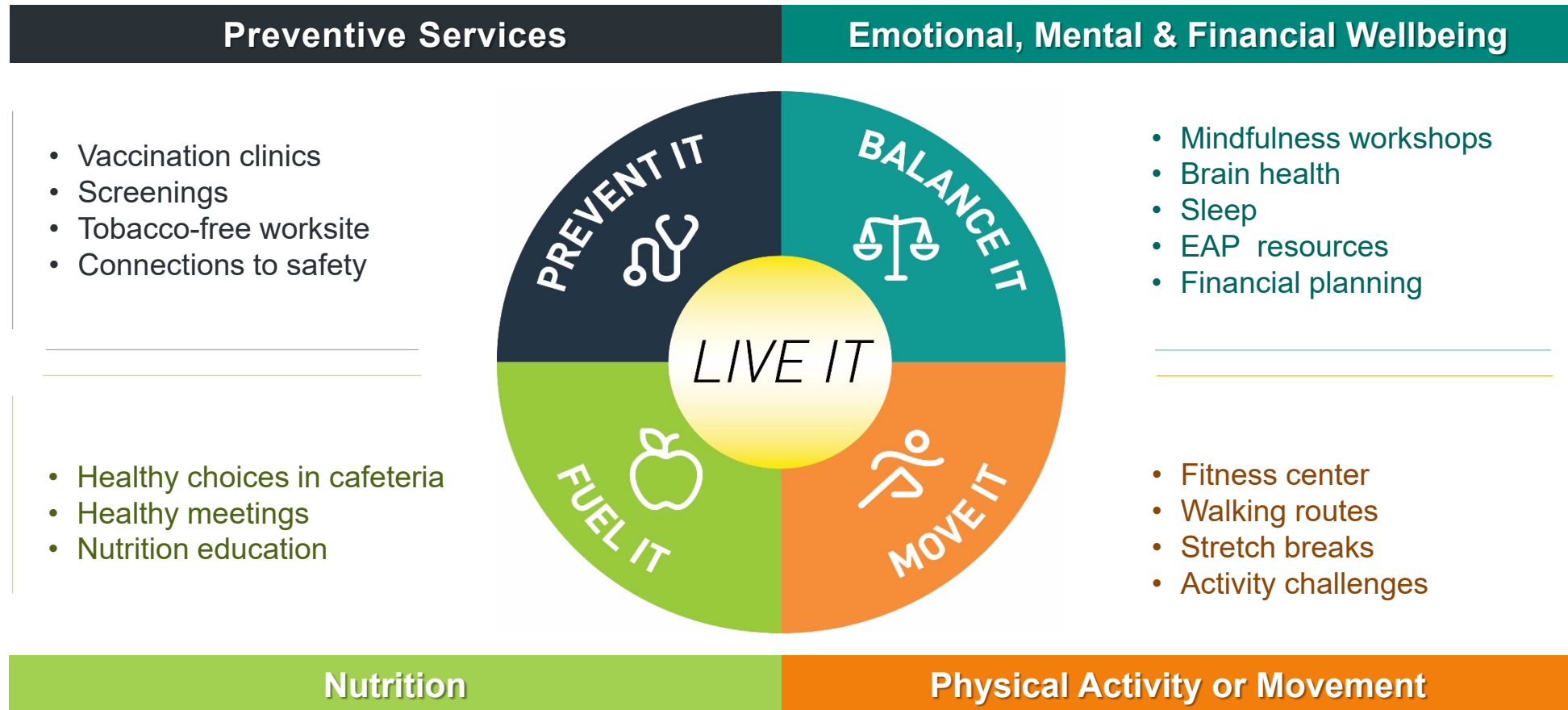


Introduced in the US in
Sept. 2011 to bring
together the health &
wellness offerings under
one branded program



LIVE IT has launched to
over 68,000 employees in
65 countries, representing
99% the workforce

LIVE IT - A Holistic Approach to Wellbeing Designed by and for Merck Employees & Their Families



Health Promotion and Prevention



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



