

Driving Health Engagement at Honeywell

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October, 31 2013

Honeywell

Honeywell's Businesses

Honeywell

- \$38 billion in revenues, about 55% of sales outside of U.S.
- Morris Township, NJ global corporate headquarters

Aerospace



Automation and Control Solutions



Performance Materials and Technologies



Transportation Systems



Our Employees

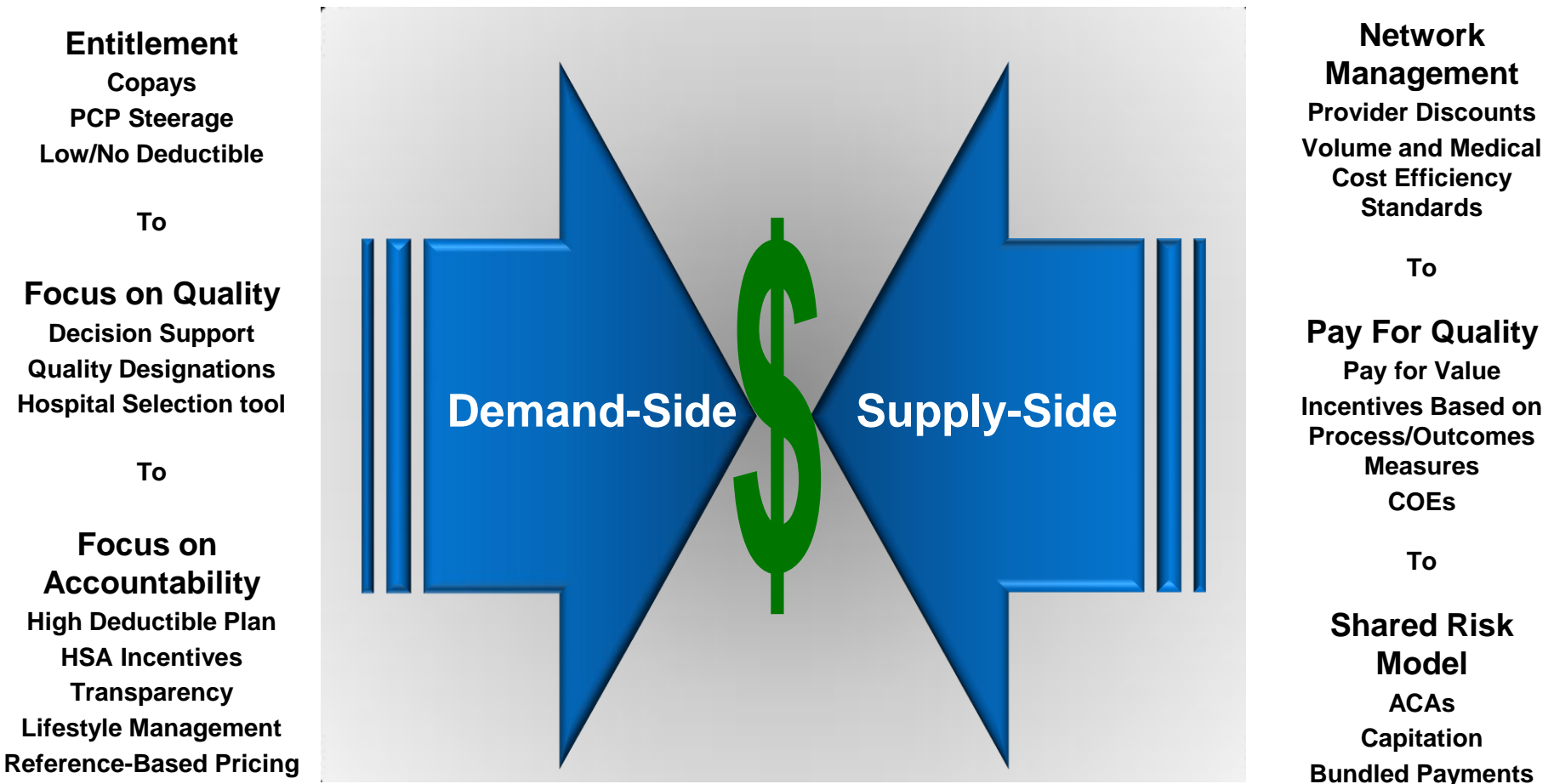
Honeywell

- **135,000 employees and close to 1,300 sites in more than 70 countries**
- **58,000 US employees**
 - Average age of 47
 - 74% male
- **Research, Development and Engineering is the growth engine for Honeywell**
- **Nearly 21,000 scientists and engineers worldwide**
- **97 research and engineering facilities**
- **\$500M US health care spend**



Demand-Side vs. Supply-Side

Incentives need to be realign for people who provide care, consume it and pay for it

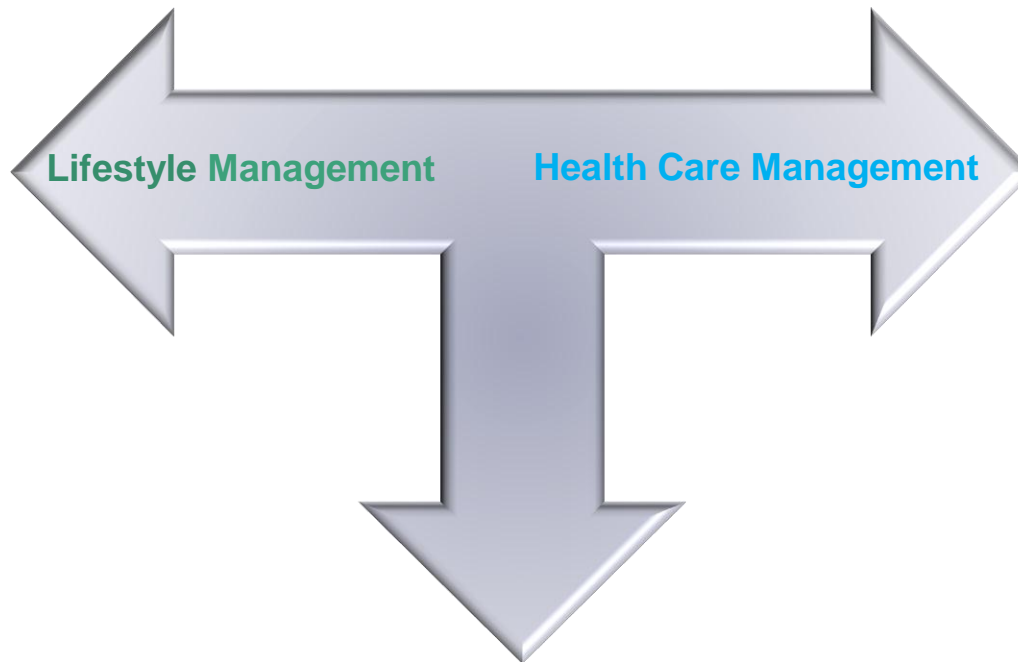


Attacking the Demand-Side

Honeywell

Honeywell's Strategy is to Drive Employee Engagement Two Ways...

To improve employee and family health status to keep them out of the health care system



To make informed health care decisions when accessing the health care system



A fully integrated solution for Honeywell families delivered through trusted partners



Shift from just offering health care as a benefit to engaging and equipping our population to lead healthier and productive lives

Shift to Increase Employee Engagement

- 2012 Full-replacement CDHP
- Health assessment and biometric screenings
- Castlight health care shopping tool
- Significant engagement incentives
- Consumer-centric communications

80+%

70%

75%

76%

Honeywell **CASTLIGHT HEALTH**

Sore throat Search

Dr. Jones
\$125, ★★★★★

Dr. Hsu
\$183, ★★★★★

Dr. Smith
\$205, ★★★★★

KNOW BEFORE YOU GO

REGISTER at mycastlight.com/honeywell
OR through the Compensation, Benefits, and Career Development portal

* Subject to eligibility for an HSA contribution.

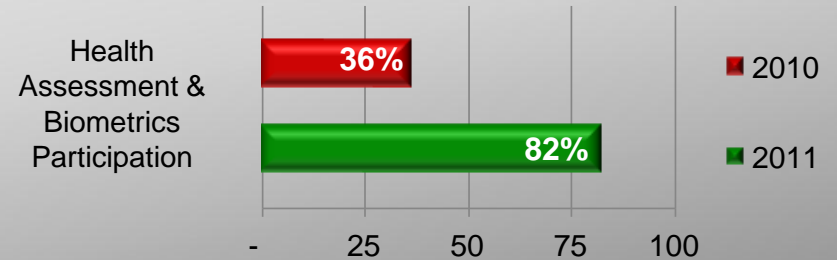
2014 total per capita cost will still be lower than 2011

Demand-Side: Improving Employee Engagement

“Know Your Numbers”

- Health Assessment and Biometric Screening Campaign
- Targeted Employees and Spouses
- Shifted from \$250 payroll incentive in 2010 to \$500-\$1,500 HSA incentive in 2011 for 2012

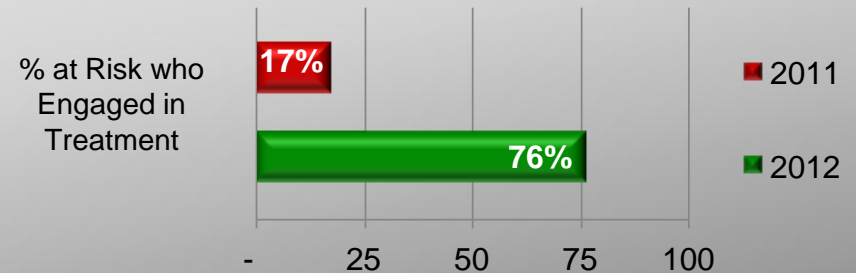
“Know Your Numbers”



“Improve Your Numbers”

- Targeted “At Risk” population for HBP and HC
- Had to engage with physician and health coach and follow treatment
- \$500-\$1,500 HSA incentive

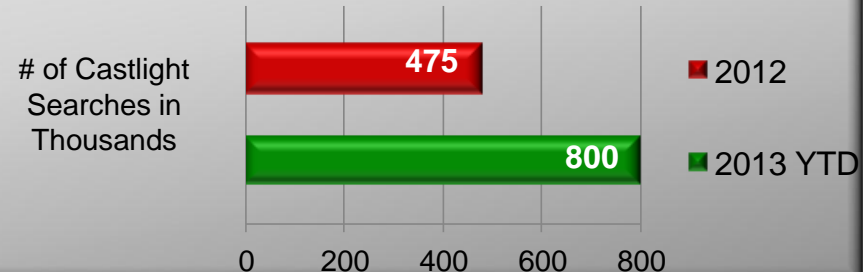
“Improve Your Numbers”



“Know Before You Go”

- Castlight Price & Quality Transparency Campaign
- \$50 HSA incentive for Registering on Castlight
- 70% of households registered
 - 75% repeat user rate

“Know Before You Go”



HSA funding has proven effective in driving engagement

Demand-Side: Surgery Decision Support (SDS)

- Patient's values and preferences are not primary in surgery decisions
- Various options exist for a given surgery without compromising patient outcomes
- Surgery decisions often reflect local market/region supply-side variations in practice patterns
- Honeywell implemented SDS in 2006 to focus on the following 4 conditions

Condition/Diagnosis	Procedure
Uterine Fibroids Endometriosis	Hysterectomy
Osteo or Rheumatoid Arthritis	Knee Replacement
Osteo or Rheumatoid Arthritis	Hip Replacement
Lumbar Spine Condition	Low Back Surgery

Each have more than one effective treatment option



- **SDS Proven Track Record**

- 1 in 4 elect not to have surgery
- 100% that elect surgery go to a COE
- 98% satisfaction; great testimonials

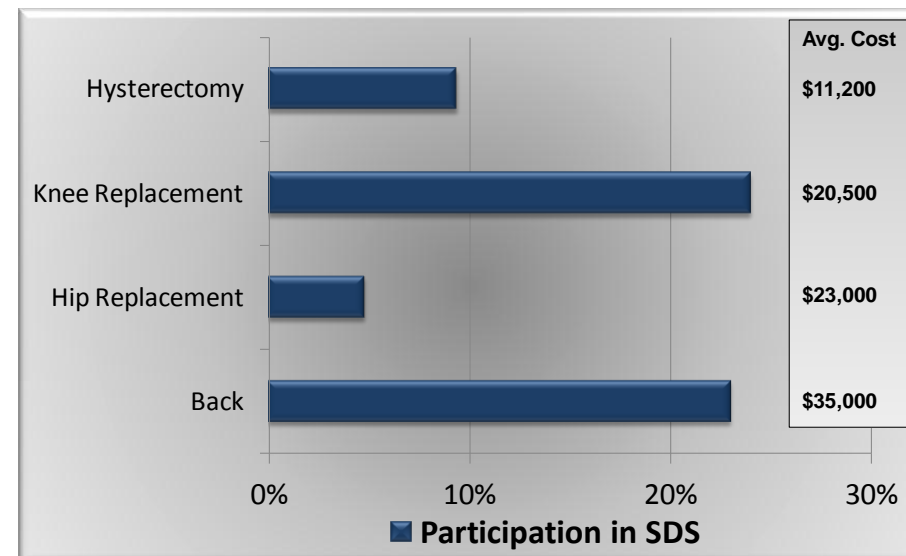
From 2006 – 2010 86% of participants who avoided surgery or had less invasive procedures maintained their original treatment decision (average 2.6 years later)

- **Low Participation Despite \$500 incentive**

- Difficult to maintain “just in time” awareness of program
- No process for early identification
- Catch some too late in the process

Challenged to keep SDS in front of employees at time of need

Surgical Decision Support Participation



2013 Surgery Decision Support (SDS) Changes

- **“Know Before You Go” communications campaign**
- **Developed predictive model to identify early “likelihood of surgery”**
- **Just-in-time outreach from third party reminding employees of SDS**
- **“Fail Safe” process with Health Plans to remind employees when scheduling surgery**
- **Employee or covered spouse/DP must participate or pay \$1,000 more when claim processes**
 - Does not apply to emergency situations



Know Before You Go.

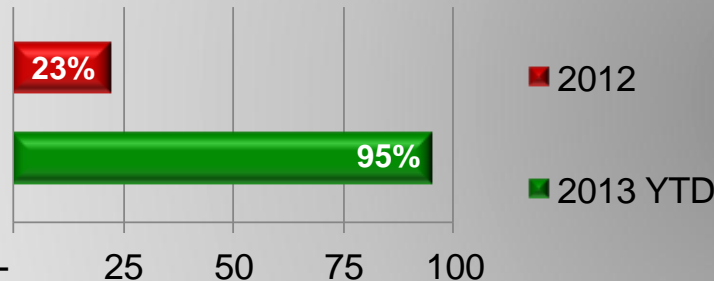
We hope by now you have heard about the new *Surgery Decision Support (SDS™)* program, designed to ensure you have all the information you need to make an informed decision if you are facing knee replacement, hip replacement, a hysterectomy, or low back surgery.

For more information, [click here](#) or call us at 1-888-644-1640 (toll free) Monday through Friday, 8:30 a.m. to 5:00 p.m. ET

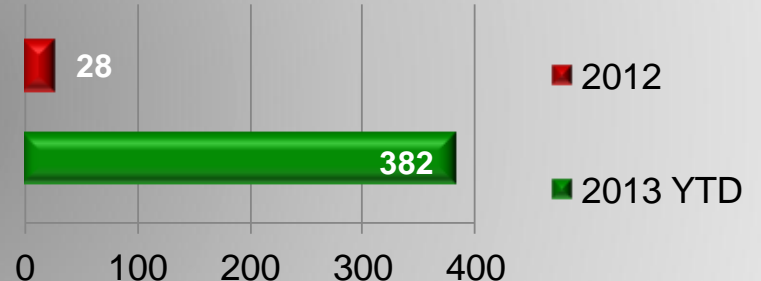
If you have a recommendation for one of the four procedures listed above, you must participate in SDS or you will pay \$1,000 more at the time of your claims. If you complete all the steps of the program, you will not be subject to the penalty even if you undergo the procedure.

Understand your diagnosis • Explore all of your treatment options • Make the treatment decision that's right for you

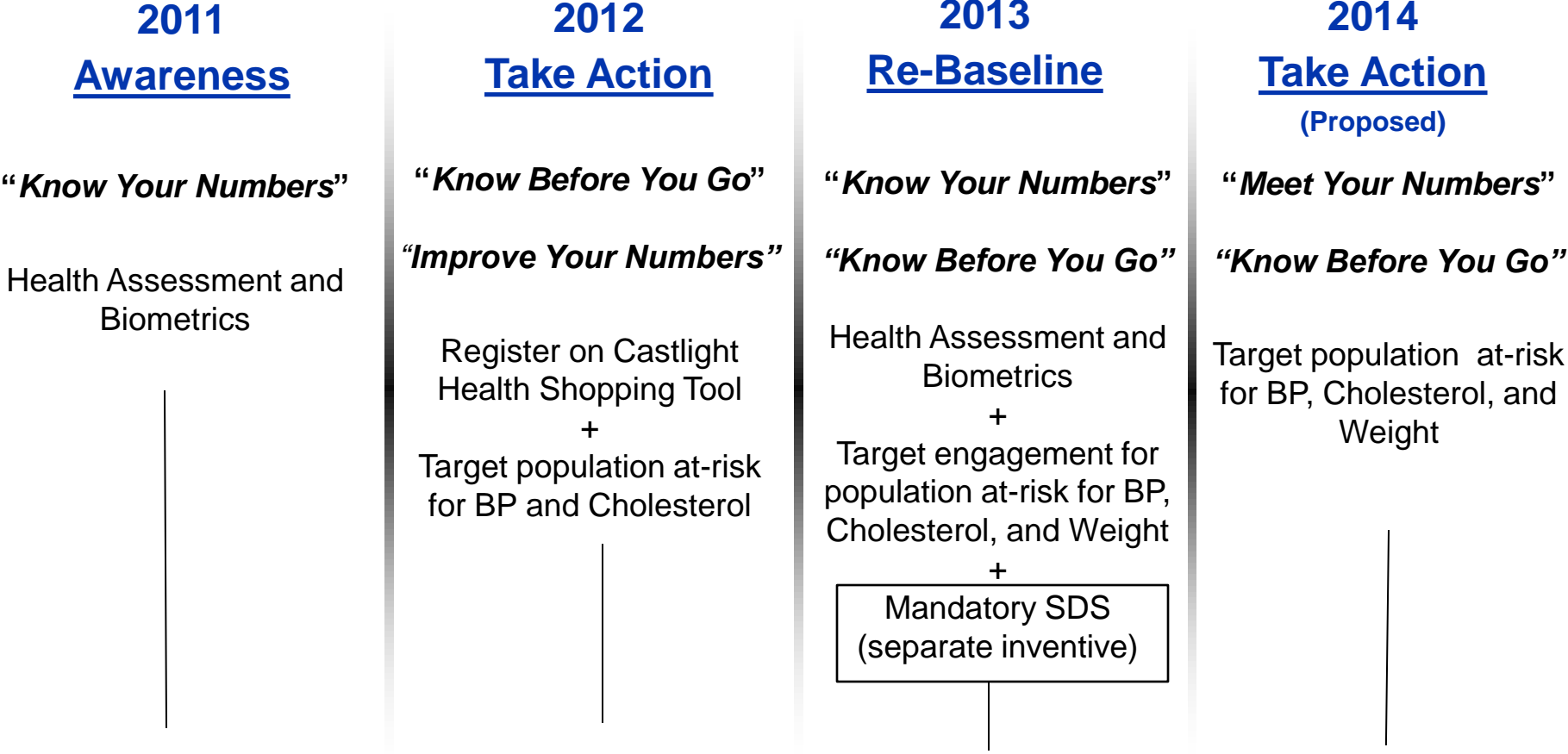
Percentage Participating in SDS



Number Participating in SDS



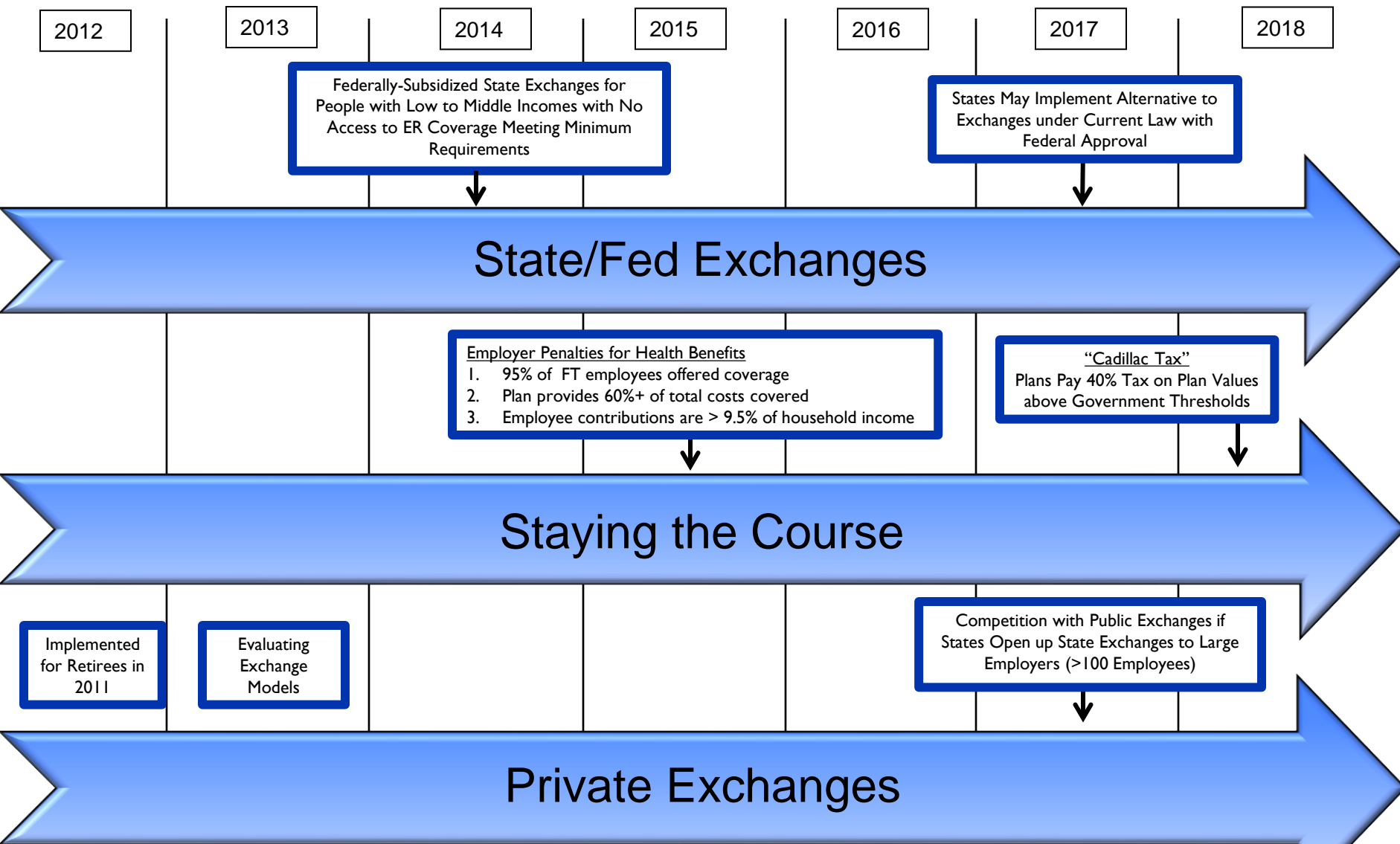
Building Engagement Strategy Over Time



Actions required to earn HSA* funding for the following year

* Base Pay > \$50K: \$500 for individual or \$1,000 for family coverage
 •Base Pay < \$50K: \$750 for individual or \$1,500 for family coverage
 •\$50 HSA contribution for Castlight registration

For the C-Suite: Need to Explore All Options



Employees must be able to purchase comparable coverage at the same or better price and it is sustainable over time