

# Health Club Reimbursement: Fit Choices<sup>SM</sup> by Medica

## EXECUTIVE SUMMARY

Regular exercise is essential to good health – and lower health costs. Regular physical activity reduces people's risk for heart attack, colon cancer, diabetes and high blood pressure, and may reduce their risk for stroke. It is also associated with fewer hospitalizations, physician visits and medications. But despite the proven benefits of physical activity, more than 50% of U.S. adults do not get enough exercise to provide health benefits.<sup>1</sup>

To help get people off the couch and moving in a healthy direction, Medica pioneered a program in 2003 that offers eligible members a financial incentive to exercise regularly. The result – the Fit Choices by Medica health club reimbursement program improves participants' health and reduces health care costs.

## KEY RESULTS<sup>†</sup>

- Medica members who began a new, regular program of exercise at Life Time Fitness® centers saw a 9% decrease in claim costs after just 2 years in the program while a matched control group experienced an increase of 65%<sup>2</sup>
- 94% of surveyed Fit Choices participants report their overall health has improved since enrolling in the program<sup>2</sup>

## THE IMPACT OF PHYSICAL INACTIVITY

### Prevalence

- Twenty-four percent of U.S. adults are not active at all in their leisure time<sup>1</sup>
- Activity decreases with age, and sufficient activity is less common among women than men and among those with lower incomes and less education<sup>1</sup>
- During the past 20 years, obesity among adults has risen significantly in the U.S. The latest data from the National Center for Health Statistics show that 30% of the U.S. adults 20 years of age and older – more than 60 million people – are obese<sup>3</sup>

### Costs

- Physical inactivity contributes to obesity and a number of chronic diseases, including some cancers, cardiovascular disease and diabetes<sup>1</sup>
- In 2000, health care costs associated with physical inactivity topped \$76 billion<sup>3</sup>
- The Centers for Disease Control estimates that direct medical expenditures are \$330 less per year for physically active people
- If 10% of adults began a regular walking program, \$5.6 billion in heart disease costs could be saved<sup>3</sup>

**THE MEDICA SOLUTION**

Fit Choices by Medica provides a \$20 monthly credit in return for exercising at least 8 times a month at participating health and fitness centers. The program was originally developed in collaboration with Life Time Fitness and has since expanded to include hundreds of health and fitness facilities in Minnesota, eastern North Dakota and western Wisconsin.

In 2006, Medica conducted a study with Life Time Fitness to see if the Fit Choices program contributes to improved health and lower medical care spending. The researchers also wanted to know if a \$20 monthly incentive successfully motivates enrollees to exercise, and if the threshold of 8 times per month was adequate to improve health outcomes. (Some other health plans require 12 visits per month to qualify for a reimbursement.)

**MEDICA OUTCOMES<sup>†</sup>**

The Medica/Life Time Fitness study found that a reimbursement on fitness center membership does encourage people to exercise regularly: 43% of the enrollees in Fit Choices by Medica qualify for the \$20 monthly membership credit at participating health centers and gyms. It also found that 8 times a month is enough to reward members with improved health and impressive savings.

**Financial**

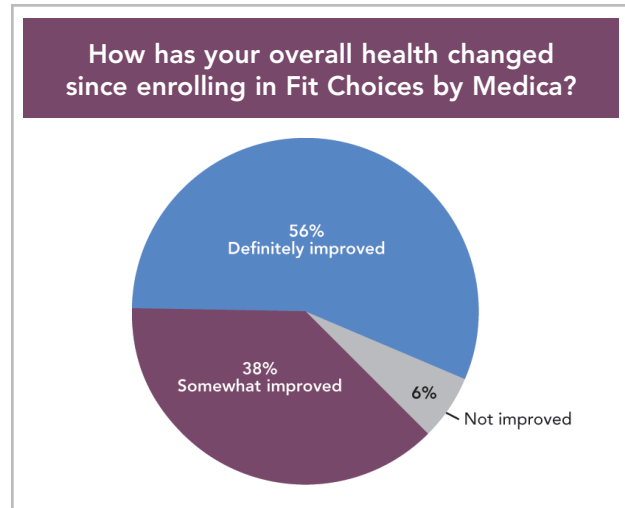
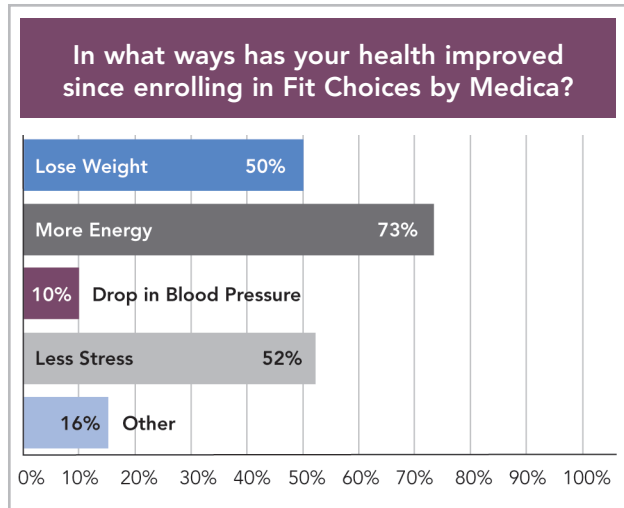
- Medica members who began a new, regular program of exercise at Life Time Fitness centers saw a 9% decrease in claim costs after just 2 years in the program while a matched control group experienced an increase of 65%
- People not enrolled in the Fit Choices program and who did not exercise at least 8 times a month were 1.5 to 2 times more likely to have been to a hospital or emergency room for care or services than those who actively participated in the program for 2 years

<p style="text-align: center;"><b>Intervention Group</b> Financial Benefits for New/High Exercisers*</p> <ul style="list-style-type: none"> <li>■ 9% decrease in claim cost after 2 years</li> <li>■ Significantly less likely to use ER and inpatient care</li> </ul>	<p style="text-align: center;"><b>Control Group<sup>4</sup></b> Higher Costs from Higher Claims Non-participants in Fit Choices by Medica</p> <ul style="list-style-type: none"> <li>■ 1.5 – 2 times more likely to use ER and inpatient care</li> <li>■ 65% increase in total costs</li> </ul>
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\*Exercising at least 8X/month; enrolled in Fit Choices by Medica.

The study found dramatic differences in visits to clinics, hospitals and emergency rooms between the matched control group and the intervention group of people who exercise eight times per month.

**Participant Experience**



In participant surveys, Fit Choices participants say that they feel better and healthier since joining the program. In fact, 94% of those surveyed report their overall health has improved since enrolling in the program.

**NEXT STEPS**

Currently, about 40,000 Medica members are signed up for the Fit Choices program, and nearly half qualify for the reimbursement each month. In addition, Medica’s turnkey health and wellness programs make it easy for you to create a health-centered culture that boosts member awareness and participation. For example, you’ll find everything you need to send a wellness newsletter, plan a simple activity or sponsor a health challenge on the Wellness Resource Center, Medica’s one-stop wellness planning and promotion Web site. (Go to [www.medica.com](http://www.medica.com) then follow these links: Employers>Wellness Resource Center, use the password “wellness.”)

To learn more about how Medica’s health management programs can make a difference for you and your employees, please contact your broker or Medica representative.

Any reference to material developed by companies other than Medica does not imply endorsement of Medica’s program.

<sup>1</sup> Centers for Disease Control. “Physical Activity and Good Nutrition: Essential Elements to Prevent Chronic Diseases and Obesity,” At a Glance 2007.  
<sup>2</sup> The Medica/Life Time Fitness Study: The Health and Financial Benefits of Exercise; The Value of Incentives for Healthy Ways-of-Life, 2006. Available online at [www.medica.com](http://www.medica.com).  
<sup>3</sup> Centers for Disease Control. “Preventing Obesity and Chronic Diseases Through Good Nutrition and Physical Activity. Revised July 2005.  
<sup>4</sup> Control group was randomly selected after being filtered to provide one-on-one matches against the test group for 1) gender; 2) age bands; 3) same ACG codes; 4) resource utilization band; and 5) presence/absence of each of the following conditions: asthma, congestive heart failure, chronic ischemic heart disease, and low back pain.

<sup>†</sup>The outcomes information is provided for your information only, and is based upon aggregate data, rather than group specific data. It illustrates the potential results associated with purchasing certain disease management programs. No outcome guarantees are made as a result of providing this information.

Life Time Fitness, Inc. (NYSE:LTM) operates distinctive and large sports and athletic, professional fitness, family recreation and resort/spa centers. The company is headquartered in Eden Prairie, Minnesota, and may be accessed on the Web at [www.lifetimefitness.com](http://www.lifetimefitness.com) <<http://www.lifetimefitness.com/>> . LIFE TIME FITNESS is a registered trademark of Life Time Fitness, Inc.

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