



Achieving What Matters Through Improving Health

SAMPLE Vitality Proposal
for ABC Company, a Mercer VSP
Client with 4,000 Employees

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WHY VITALITY

Everyone benefits from better health — from individuals to employers to insurers, but healthy is hard. Because healthy is hard, we've seen a transition in focus throughout our industry, from an emphasis on comprehensive health to an emphasis on engagement, culture or tech platform solutions. The industry is leaving employers to have to pick and choose between the various focus areas.

That's where Vitality comes in. We're experts in blending smart tech, incentives, data, and consumer behavioral science to improve health and, in doing so, unlock the outcomes that matter to you. We leverage our certified wellness experts, actuaries, and highly-rated client support team to create strategies that work. Vitality combines this expertise with a cutting-edge technology platform and a program tailored to the specific needs of our clients and members. What we offer the member is an intuitive experience that through behavioral incentives, personalization, and the most effective innovations, drives both engagement for the member and

outcomes for the employer. Meanwhile — “under the hood” — every aspect of the program is deeply rooted in clinical, financial and behavioral economic principles proven to drive real behavior change.

Our tradition of innovation — from leading the integration of wearable tech into wellness programs to our cutting-edge collaboration with Apple — sets us apart from others in the industry. For 20+ years, we've focused on one enduring core purpose: making people healthier and enhancing and protecting their lives. This has led us to tremendous recognition and partnership with some of the smartest companies and insurers around the globe, through which we now touch the lives of 7 million people every day across operations in 15 countries.

At Vitality, we're focused on optimizing our clients' investment in improved health, while remaining grounded in consumer behavioral and clinical science, data, and outcomes that prove Vitality works.

INCREASED ENGAGEMENT

78%

Increase in population reaching high level of Vitality Status*

CLAIMS

12-15%

Claims cost savings per highly engaged member per year**

CULTURE

91%

Of members say Vitality improves their workplace culture***

OVERALL HEALTH & WELL-BEING

92%

Of members say Vitality improves aspects of their health and well-being***

*Three-year Status analysis

**Three-year claims analysis, includes 12 groups between 21,000 and 52,000 members, highly engaged measure as Gold and Platinum Status

***2017 Happiness Calibrator Vitality Member Survey

PERSONALIZE

We present each individual Vitality member with clear, contextualized health information — along with personalized and actionable resources — to make members' health status easy to understand and to provide direction in a nonthreatening, yet effective, way.

Our proprietary HRA, known as the **Vitality Health Review™**, gathers information about each of the 14 modifiable health risk factors and conditions targeted by Vitality, as well as members' readiness to change, perceived health status and productivity. We also offer many ways to seamlessly integrate member biometric screening data, including a pre-integrated screening partner network, ability to receive data from a partner of ABC Company's choice, and/or member submission via physician form.

Information from the Vitality Health Review, along with biometric screening data (if available) is analyzed and the member is presented with their age, adjusted to reflect his or her lifestyle behaviors and biometric outcomes. This **Vitality**

Age serves as an “aha” moment and addresses typical overconfidence regarding health status; there is no positive in living older than you are and many individuals don't realize how drastically their choices are affecting their lifespan. The Vitality Age is a powerful visual tool; in fact, 84% of members surveyed indicated Vitality Age motivated them to participate in the program.

Along with the Vitality Age, members are presented with their **Health Profile**. Risk factors are broken out clearly into categories: healthy, needs to improve or unknown. Each health attribute is accompanied by **Recommended Resources** and suggested **Goals**, pointing members toward program interventions that are meaningful to them during an important teachable moment, when they are most likely to act. Providing recommendations and suggestions based on health risks, readiness to change and interests gives each member the autonomy to start their engagement with the things that are important to him or her, leading to broader engagement over time.

84%

of members say their Vitality Age motivates them to improve their lifestyle habits¹



¹ 2017 Happiness Calibrator Vitality Member Survey

COMMUNICATE

Communication is key in any well-being initiative (our data shows that having strong communications can increase the size of the high-engaging population by 25%); however, communications need to be strategic and well-supported to truly reach and resonate with all members. While others in the industry rely on generic messaging, we've structured sophisticated and personalized communication mechanisms both native to the Vitality program and customizable by the employer, all with the support and guidance of your Wellness Strategy Manager.

The member messaging created by Vitality is built to be tailored, familiar, engaging and consistent — presenting pertinent information at a time that makes the most sense for each individual member. Dynamic content, including congratulatory messages, surveys, links to articles, videos and more are presented to members multiple times daily via the homepage **Newsfeed**, a powerful communication channel for both Vitality and our clients. The Newsfeed drives sustained engagement through messages tailored to the individual's health profile, readiness to change, activity in the program interests, while also featuring interactive content for all Vitality members. Along with the Newsfeed, members receive messages through their **Message Center inbox, homepage alerts, smartphone push notifications, email** and more, ensuring each member has access to information in the way that is most comfortable and effective for him or her.

For ABC Company-specific messaging, we provide guidance, strategy and robust and user-friendly tools, to deliver a wide variety of communications for all stages of your Vitality program. We will work with you to map out intended focus,

goals, challenges and even messaging from your executive suite to develop a detailed communication calendar.

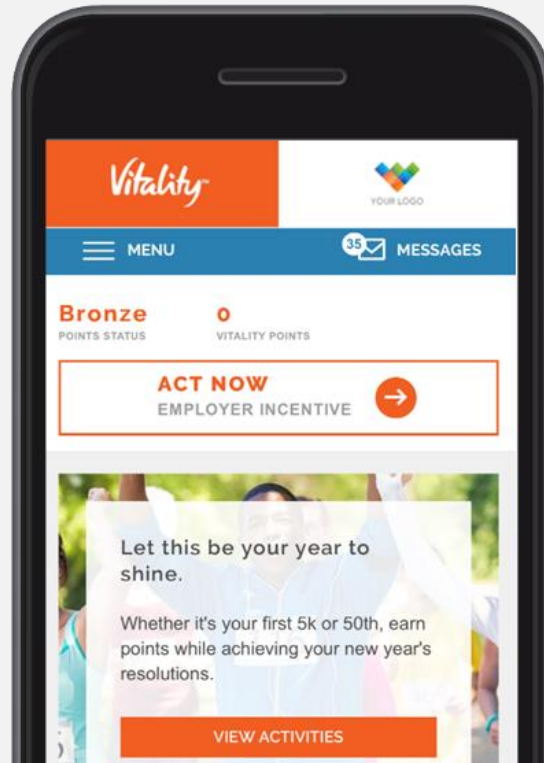
ABC Company administrators will have a distinct form of access to Vitality through the **Employer Portal**, which includes:

- **The Communications Center**, where ABC Company can find professionally created, on-demand Vitality program marketing templates for quick and easy distribution. The templates are available in a variety of formats (email, flyer, posters, etc.) to support program engagement on all fronts (e.g., pre- and post-launch material, program feature information, C-suite toolkit and support, social campaign information, program year transitions) and can be easily customized to reflect ABC Company's voice, tone and branding.
- **Targeted member messaging** can be configured directly and immediately through the Employer Portal. ABC Company-specific member messages are given prime real estate on the website (custom homepage alerts, Newsfeed posts, inbox messages). Push notifications can also be sent directly to members' smartphones. Many portal communications can be designated by employee subgroup, location or specific risk factors to ensure that they are reaching the appropriate audience. As part of our Gateway integration platform, we also provide ABC Company with a customized resources page to share information on company-specific programs, benefits, and more.

At a grassroots level, your WSM will also offer assistance and guidance in building and supporting your **Vitality Champ** program. Vitality Champs are selected employees of ABC Company who ABC Company and Vitality arm with resources, training, tools and support to successfully promote and help administer the Vitality program. Data shows that social networks and connections can have a profound impact on an individual's health and behavior; the best-practice guidance, setup and support of the Vitality Champs program has been proven to increase engagement and overall perception of the program by creating a culture of health within the workplace.

26%

Increase in long-term engagement
through strong levels of
communication²



² 2017 Vitality Engagement Study – by measure of progression into higher Vitality Status

CHOICE

Members can create a personalized plan to achieve success in the program by adding healthy activities to their Personal Pathway. The Personal Pathway, including activities, Recommended Resources and Goals, acts as a guide to help members understand what they can do to reach their objectives, and gives them a way to tailor their experience by focusing on what is important and personal to them. By providing recommendations and a clear path to well-being, while also allowing members a variety of ways to engage, we remove participation barriers and create an optimal user experience for each member and his or her preferences.

1.5^x

INCREASE IN ACTIVITIES PER MEMBER PER MONTH³

Vitality offers a broad range of activities and programs, all of which are native to our platform and/or leverage our numerous integrated partnerships.

PHYSICAL ACTIVITY

- Daily Workouts
- Athletic Events and Sports Leagues
- Physical Activity Review

EDUCATION

- Health FYI Monthly Webinar
- Health Resources (8,000+ Articles)
- Interactive Tools

LIFESTYLE AND NUTRITION

- Nutrition Courses
- HealthyFood Grocer Discounts
- Living Smoke Free Program
- Optional Telephonic Coaching

MENTAL HEALTH

- Mental Well-being Review
- HealthyMind (sleep, meditation, stress)

SOCIAL INTERACTION

- Challenges
- Vitality Champs
- Social Media Campaigns

FINANCIAL HEALTH

- Financial Resources and Goals
 - Monetary Rewards
-

³ 2017 Vitality Engagement Study – by measure of Vitality Status-based incentive design vs. activity only

In addition to providing the member choices in activities and programs, we offer many ways for the member to participate. User experience is first and foremost in our platform development. Vitality leverages behavioral economic theory through game mechanics, subtle nudges and more, using cutting-edge technology to make engaging easy and fun for members. In addition to our platform's responsive design, members can engage how, when and through the technology they want with the support of our free **Vitality Today smartphone app**, which features unique, smartphone-enabled functionality such as the ability to:

- Snap a photo of proof of verified activity (e.g., athletic events, CPR certification, flu shot) for Vitality Points
- Locate gyms and earn workout points by "Checking in," verified using GPS and Foursquare technology

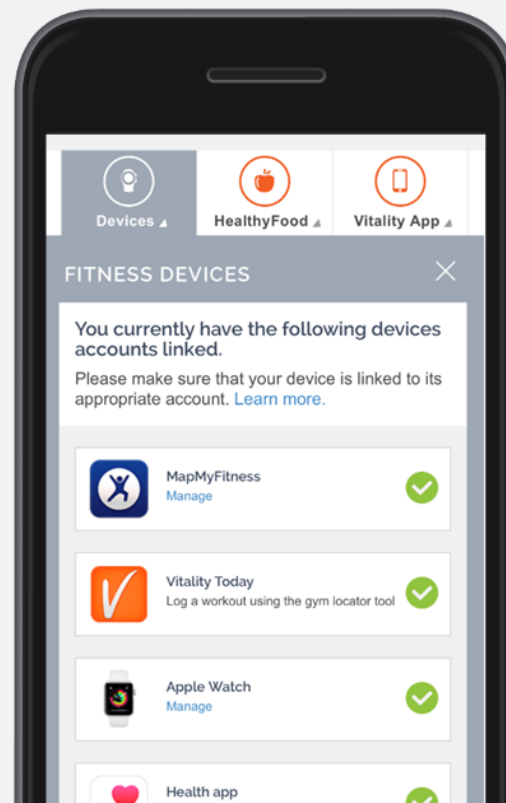
- Securely and quickly log in using Touch ID and navigate between the app and responsive website via built-in, single sign-on links
- Access Vitality HealthyMind: our mental well-being feature native to the app, which focuses on **the avoidance of smartphone use prior to a full night's sleep**, and on **mindfulness meditation** through integration with **top-rated, user-friendly, scientifically grounded apps** like Headspace™, Calm™ and Apple® Breathe™.⁴

89%

OF MEMBERS SAY THE VITALITY TODAY SMARTPHONE APP IS A HELPFUL TOOL TO ACHIEVE THEIR WELLNESS GOALS⁵

85%

Of members surveyed say Vitality is personalized to them⁶



⁴ All third-party product names, trademarks, and copyrights are the property of their respective owners and are not intended as endorsements or any other affiliation with Vitality. All such product names and trademarks are used solely to identify examples of products currently compatible with Vitality Wellness Program.

⁵ 2017 Happiness Calibrator Vitality Member Survey

⁶ 2017 Happiness Calibrator Vitality Member Survey

INCENTIVIZE

Incentives, monetary or otherwise, play a critical role in tapping into peoples' need for recognition and gratification for actions they take. We have been recognized around the globe as pioneers of the use of financial incentives within a well-being program, including by the **most recent Nobel Prize winner in behavioral economics, Richard Thaler**, who said about Vitality:

"[A] clever effort to combine health insurance with nudges designed to get people to live healthier lives."

- Thaler, R. H., & Sunstein, C. (2008).

Nudge: Improving decisions about health, wealth, and happiness.
New Haven, CT: Yale University Press.

As members complete health-related activities, they are awarded **Vitality Points**. Through the **Points Planner** tool, we use gamification mechanisms to give the member a clear view of points they have earned and where they are able to continue earning. The points system is familiar and fun for members and satisfies the need for instant gratification; each point assigned is also intentionally calibrated to lead to habit-forming behavior and is closely linked to the most important factors that determine health risks and outcomes.

Vitality Points earned through health-promoting activities and outcomes accumulate throughout each year, earning members higher **Vitality Status**. An important market differentiator, Vitality Status serves as both an aspirational tool for members and an extremely powerful engagement metric for employers. Status measures meaningful, ongoing program engagement, as year-long participation is required to reach higher levels of status (e.g., it takes an average of 3.5 months to reach Silver Status and 7.2 months to reach Platinum each year). Status unlocks a variety of incentives, further motivating initial and long-term engagement.

With regard to client-specific incentive strategy, the **Vitality Contribution Manager** (VCM) incentive tool allows ABC Company to set your own requirements and provide rewards (premium reductions, HSA contributions, vacation days, etc.) for members. It is also an excellent opportunity to help offset the cost of — and possibly create a surplus from — funding of the wellness program. The tool is highly flexible and configurable, giving ABC Company a vast range of options that can vary for new hires, benefit enrollment status and more. VCM criteria can be tied to:

- Activity completion (Vitality or ABC Company-specific);
- Biometric outcomes; or
- A combination of the two (blended approach through Vitality Status and/or specific activities and outcomes).

Vitality will provide member-level reporting to ABC Company on who has met your specific criteria, which ABC Company may use to fulfill the incentive of your choosing.

93%

OF MEMBERS UNDERSTAND WHAT'S REQUIRED OF THEM THROUGH THE VITALITY CONTRIBUTION MANAGER⁷

Reward options include:

- **The Mall** gives members the opportunity to spend their Vitality Bucks (earned through Vitality Points) on products and gift cards from some of the leading consumer brands in the world (Amazon.com, Fitbit, Hotels.com and many more), ensuring that each member can work toward a reward that is meaningful to them. Bucks can be spent immediately upon being awarded, addressing the need for instant gratification.
- **Earn Apple Watch** is the result of a groundbreaking global partnership between our ultimate parent company, Discovery, and Apple, in which the amount members pay for the Apple Watch is solely based on their level of engagement in physical activity. Targeting loss aversion (not engaging = literal loss of money), the desire for the latest and greatest technology, gamification and the global epidemic of physical inactivity, Vitality has seen tremendous results in both increased physical activity and overall program engagement across all health risk groups.

THROUGH EARN APPLE WATCH + ACTIVE REWARDS, MEMBERS HAVE EXPERIENCED A

110%

INCREASE IN MONTHLY PHYSICAL ACTIVITY

⁷ 2017 Happiness Calibrator Vitality Member Survey

- **Active Rewards**, accessed through our free smartphone app, gives members dynamic weekly physical activity goals and a spin of an online wheel for Vitality Points or e-gift cards each week an activity goal is met.
- **Gym and Wellness (weight loss and smoking cessation) Rebates** improve members' access to the well-being resources available to them.
- **Fitness Device Subsidies and Mall Gift Card Coupons**, which can be tied to specific engagement criteria.

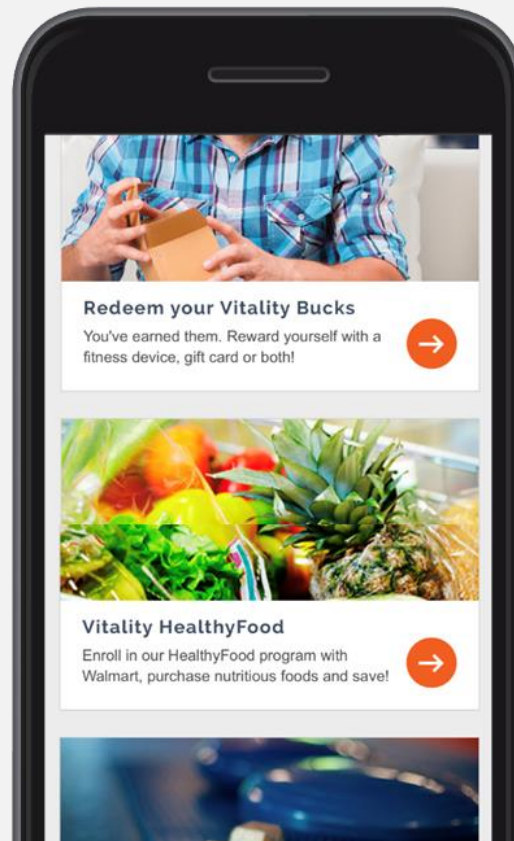
As a best practice, we recommend offering the mall, Earn Apple Watch and Active Rewards combined, as these options together drive weekly, monthly and year-over-year engagement, as well as target both physical activity and overall program engagement.

Included at no additional fee are Vitality Squares and HealthyFood. **Vitality Squares**, a monthly online game similar to a virtual scratch-off jackpot, has been proven to cause spikes in program activity at the beginning of each month, driving members back to the website (gift cards won through Vitality Squares are funded by Vitality). Additionally, our **HealthyFood** program provides discounts on healthy purchases through **Walmart** (funded by Vitality), as well as Vitality Points for healthy purchases at over **70 grocers nationwide**.

Our experience and research allow us to understand how to leverage incentives better than anyone in the industry. With a variety of reward options and configurable incentive structure, Vitality can help ABC Company create an incentive design that aligns with your overall budget and goals, while also targeting specific population characteristics and engagement objectives.

34%

Increase in long-term member engagement through use of best-practice incentive strategies⁸



⁸ 2017 Vitality Engagement Study - by measure of progression into higher Vitality Status

CONNECT

Gateway Integration Platform

While employers may offer a variety of resources for their employees to utilize, there often isn't an approach that meaningfully connects employees to the offering that will benefit them most. Inevitably, this creates confusion and lack of program awareness.

So how do employers optimize their investments in these benefits, and connect employees to the right resources at the right time? By delivering more than a technology solution. Our Gateway solution makes health personal, connecting employees to the right resources at the right time.

Employers can choose from our breadth of curated resources and vendors or can feature their own benefits and program offerings. Gateway will seamlessly integrate these offerings, supported by our expertise in behavioral science to drive deeper engagement. Gateway will meet the employee where he or she is, and when he or she is ready, based on the employee's individual health status, personalized pathway, lifestyle decisions and engagement activity with us.

Gateway is offered at an additional PEPM fee, added on to the core administration fee quoted in this proposal; we are happy to work with you to better understand your third-party vendors and provide a quote.

Vitality Gateway can incorporate ABC Company's third-party vendors and other employee benefits/initiatives into our platform in the following ways:

- **Promote:** Details on and/or links to ABC Company offerings can be promoted through the dynamic homepage promotion tiles, Points Planner, newsfeed and in-app mobile notifications.
- **Steer:** In addition to general promotion, at-risk members' Health Results Report and targeted messaging further guide members to relevant program offering details.
- **Motivate:** Points and/or other rewards can be awarded to members for participation with the offerings. Participation can be tracked through Employer-uploaded files in Vitality's standard format, a member self-submission mechanism with documentation, or a direct data exchange with the third party.
- **Connect:** Through the mobile app, Guide to Vitality and Employer Resources page, members can access program details, links and single sign-on capabilities that can easily connect them to the relevant programs and assist in managing their health risk or condition.

Partner Ecosystem

In addition to the ability to incorporate ABC Company's vendors, Vitality also has a curated ecosystem of pre-established partners. These include prominent names in **physical activity tracking** (e.g., Fitbit, Garmin, Polar, Apple, MapMyFitness), industry-leading **biometric screening networks** (e.g., Quest Diagnostics, Clinical Reference Laboratory, eHealthScreenings, Wellness Corporate Solutions), **mindfulness meditation apps** (Headspace, Calm, Apple Breathe), **games and activities for stress and anxiety** (Happify), **telephonic coaching** (TrestleTree, U.S. Preventive Medicine), **virtual coaching** (Vida), **reward partners** (e.g., Amazon, Nike, Fandango), **corporate nutrition** (Zipongo), as well as **Walmart and 70+ grocery store chains** around the country for healthy food purchases.



ANALYZE

A well-intentioned well-being program will not have the desired impact without strong initial setup, program support and a tailored approach for each employer. As such, we leverage data and resources in a way that is unmatched in the industry. We use our findings to help build a program aligned with achieving the outcomes our clients desire, and therefore ensuring every dollar invested with Vitality is better spent than with any other well-being company.

Our Certified Corporate Wellness Specialist **Implementation Managers** are solely dedicated to launching new clients and are therefore experts in the logistics involved in successfully implementing Vitality. Your designated Implementation Manager will create structure, offer guidance and manage all activities in preparation for launch. He or she will work with you, internal systems departments and other vendors to ensure all file feeds, data integration and incentive decisions are implemented smoothly. Most importantly, he or she will go to great lengths to understand: your specific needs and goals, any past successes and areas for improvement, additional programs and/or benefits you leverage for your employees and what you're looking to accomplish through our partnership. Your Implementation Manager will work with you to build a program that is tailor-made to fit your unique population.

Your **Wellness Strategy Manager (WSM)** will be involved in your program implementation from day one, allowing him or her to get the full picture of your organization and goals prior to launch. As more than an account manager, your Wellness Strategy Manager is also a Certified Corporate Wellness Specialist and will serve as a true, ongoing consultative resource for ABC Company to proactively and carefully strategize on all wellness initiatives year-over-year. Your WSM will:

- **Consult:** Hold monthly calls, relay best practices, train the trainer
- **Develop:** Create engagement plans, identify focus areas, collaborate with HR team
- **Coordinate:** Liaise between you and internal support teams and partners
- **Execute:** Follow through on service deliverables, make on-site visits
- **Evaluate:** Review aggregate results, make recommendations

9/10

AVERAGE RATING CLIENTS GIVE THEIR WELLNESS STRATEGY MANAGERS⁹

Vitality reporting is in a class of its own in the industry, as it comes from an actuarial product shop for well-being — built by, run by and reported by actuaries with a focus on data and proven results. We use over **35 million member years of Vitality data** to design a product that appropriately weighs activities and outcomes to enhance the financial and motivational success of the Vitality program for our clients. We then leverage this research to uncover what truly leads to behavior change (specific communications, incentives, etc.) and provide codified best-practices to support.

ABC Company's program goals. We use **ABC Company data** — including behavior change, risk transitions and engagement down to the location and/or subgroup-level — to help drive strategy and to determine the most effective ongoing program for your unique population. We use **external data** — such as best-in-class industry research and geographic statistics on health risks — to analyze challenges that face your population from outside the walls of your organization.

We pride ourselves on our steadfast dedication to the science and validity of our program and our research-focused approach, as evidenced by our collaborative research with behavioral science leaders around the world.

⁹ 2017 Wellness Strategy Manager Vitality Client Survey

Data is analyzed early and often. Our reports include **early insights** from pre-launch through the first two months after launch, which equip all parties with the key information needed to develop an appropriate, strategic roadmap from the outset of the program. Our comprehensive, client-specific reporting suite provides an in-depth and frequent view into metrics such as:

- member engagement and verified activity completion
- member health risks and transitions over time
- behavior change milestones
- claims savings
- incentive management

Your Wellness Strategy Manager, coming from a team of experts certified in the field of corporate wellness or health education, leverages these reports on an ongoing basis and will proactively work with you to adjust your program strategy as the evidence and data dictate, guiding the strategy of your program in real-time and optimizing your investment. We create shared value based on what is important for each individual client, supported by our core purpose of improving your population's health.

92%

Increase in activity levels in 3 years at our client, McKesson¹⁰



¹⁰ 2015 C. Everett Koop Award winner

Vitality®

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