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For Immediate Release

**Leading Organizations Combine Forces to Create
Initiative for Value-Based Health Benefits**

Intelligent Health Benefit Programs for Employers the Goal

SCOTTSDALE, Ariz. and STAMFORD, Conn., December 20, 2005 – With more and more companies struggling to compete, or even survive, amidst alarming increases in the cost of employee health benefits, two leading organizations have combined forces to pioneer new thinking about long-term solutions.

The new entity, known as the Initiative for Value-Based Health Benefits, will sponsor field research and symposia, publish the latest studies from leading employers, and serve as a clearinghouse for ideas that have been proven to lower employer health care costs while improving employee health and performance. The Initiative is based in Scottsdale, Arizona, and is part of the Institute for Health and Productivity Management. The Initiative will draw support from foundations, large employers, and the insurance and pharmaceutical industries.

“The seemingly out-of-control upward spiral of health care costs has led too many employers to focus on short-term fixes for their immediate needs,” said Sean Sullivan, President and CEO of the Initiative and the Institute for Health and Productivity Management (IHPM). “In fact, these measures typically compound problems for the employer and the employee over the long term and end up costing more in medical dollars and lost productivity in the workplace.”

“The term ‘value-based health benefits’ refers to programs that encompass the total cost of providing health benefits to employees over the entire span of their career at a company,” said David Hom, Vice President for Employee Benefits at Pitney Bowes Inc. and a special advisor to the Initiative. “We believe that employers – and the benefit programs they provide -- should focus on these longer-term measures.”

Sullivan and Hom cited the example of employers who have lowered the total cost of managing chronic illnesses like diabetes and asthma by making it less expensive for their employees to obtain the drugs that contain these conditions. While companies pay a little more up front to subsidize the medicine, they rapidly recoup these costs through fewer hospitalizations and better productivity from the affected employees.

“Every single day, companies make decisions about how to invest scarce funds for greater returns,” said Sullivan. “Our goal is to encourage them to apply this same

discipline to their investment in health care benefits. They will see bottom line results, their employees will be healthier, and the nation will benefit by lowering the total health care bill we pay.”

Dr. Jack Mahoney, Medical Director of Pitney Bowes Inc., will chair the Initiative’s Advisory Board, which will include representatives from sponsoring health care companies as well as other national employers.

About the Initiative for Value Based Health Benefits

The Initiative for Value Based Health Benefits, as part of the nonprofit IHPM, is dedicated to establishing the full value of employee health and maximizing its impact on business performance. It helps employers determine the total cost of employee illness for the business, identify the best opportunities to reduce illness and improve performance, and measure the success of these efforts. The Initiative was formed in 2005 as an outgrowth of the Institute for Value-Based Health Management’s collaboration with the Institute for Health and Productivity Management, and operates as part of IHPM. More information is available at www.ihpm.org.

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