



News from Prairie States Enterprises...Health Coaches Slash Medical Spending, Improve Lifestyle Habits at Sargento Foods

CHICAGO—(BUSINESS WIRE)—Aug. 16, 2005—One-on-one coaching for employees improves lifestyle behaviors, reduces medical claims costs and delivers a dramatically positive return on investment. These results were confirmed by a first-of-its-kind actuarial analysis of a health management initiative designed and implemented by Chicago- and Sheboygan, Wisconsin-based Prairie States Enterprises, which also administers health benefit programs for self-insured companies.

According to the analysis performed by the actuarial consulting firm Donlon & Associates, the medical claims costs were **34** percent below Fiscal 2004 projections for the participating group. Health care costs for program participants dropped 10.3 percent during the period 2002 through 2004, while those of non-participants rose 20.7 percent. According to the actuarial calculations, Sargento, a Wisconsin cheese packager and marketer, avoided more than \$573,200 in health claims cost during 2004. The study found that compared to the cost of the program, the computed return on investment was more than 13 to 1.

“This result was a winning combination of stopping health care inflation and actually decreasing costs,” said Prairie States CEO Felicial Wilhelm. “The results of the new program struck both Prairie States and Sargento executives as almost being too good to be true”.

“To say the least, we were extremely gratified when the results of the actuarial study were even better than our initial estimates,” Ms. Wilhelm said.

Under the program, called Optimal Health, participants fill out a health risk assessment, undergo blood pressure and cholesterol screening and ultimately receive a personalized health report which they review with a Prairie States personal health coach. The participants then work with the coach to establish their health goals.

“They often expect us to tell them what to do, but we want to know what they are thinking as a result of the health report and what they want to do,” said Dawn Kind, Director of Optimal Health at Prairie States. “We’re non-threatening and non-punitive. The goal is to help people become more independent – to take responsibility for their own care. We help them to set goals, but the goals they set are their own.”

For example, Kind said that while an array of health materials are made available to employees through seminars, printed materials and the Prairie States Web site, coaches rarely discuss diet with overweight participants or those with high cholesterol.

“We look at the individual, not the disease,” she said. “We want to know the root causes of weight problems. Are they depressed or not sleeping well? The truth is we sometimes don’t talk about health at all, but instead about where they are today.”

“One-on-one coaching in person and by phone might seem like a high-cost approach, but we believe it is the only way to go,” Wilhelm said. “As a former nurse, as are many of our staff, we knew going in that human touch succeeds where medicine and regimens alone often fail. On the behavioral front, we knew we were right, but I have to admit that Sargento’s cost savings exceeded even our most optimistic projections.”

Karri J. Neils, Sargento senior vice president of human resources and a participant in the Optimal Health program, said the low-key, personal approach works and that it specifically motivated her to lose weight. Laughing, she said, “I made a promise to my coach and every time she called me the little guilt bug would bite.”

Neils said that while the program’s human-touch elements are important, it’s success traces to its linkage to the third-party-administrator -- Prairie States – that has access to participants’ medical records, which are held in strict confidence.

Of Sargento Food’s current workforce of over 1100 employees, 780 are enrolled with Prairie States, and 376 participated in the program in 2004. Neils said that in response to positive feedback, enrollment has been reopened so that more employees and spouses can join.

About Prairie States: Prairie States was founded in 1989 by registered nurses who believed insurance company decisions were not always in their patients’ best interests. The company’s guiding principle is that people deserve quality health care and that quality health care can be made affordable. Today, Prairie States is a fast-growing company that remains unique because of its experienced clinical staff, which reviews diagnoses, treatments and after-care plans. This proactive, personalized service combined with meticulous claims-cost management has helped companies offer benefit plans at prices both they and their employees can afford. Prairie States has offices at 101 W. Grand Avenue, Chicago, IL and 516 Pennsylvania Avenue, Sheboygan, WI.

About Sargento: Sargento Foods Inc. Is a family-owned company comprised of three business divisions: Consumer Products, Food Service and Food Ingredients. The company operates in four Wisconsin facilities: Plymouth, Keil, Hilbert and Elkhart Lake. Sargento is a leading manufacturer, packager and marketer of natural shredded, sliced and snack cheeses, cheese appetizers, ingredients and sauces. Owned and operated by the Gentine family for more than 50 years, Sargento has demonstrated its passion for providing the best in cheese through innovation in products, packaging and merchandising.

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