

The Life Time Fitness / Medica Study

The Health and Financial Benefits of Exercise
The Value of Incentives for a Healthy Way of Life



MEDICA®
Everyone Benefits.

Executive Summary

In 2003 Life Time Fitness and Medica pioneered a program that offers eligible members a financial incentive to exercise regularly. Fit ChoicesSM by Medica provides a \$20 monthly credit in return for exercising at least eight times a month at participating health and fitness centers.

In 2006 Medica conducted a study to see if there is evidence that the Fit Choices program contributes to improved health and to lower spending for medical care. The researchers also wanted to know if a \$20 monthly incentive successfully motivates enrollees to exercise, and if the threshold of eight times/month was adequate to improve health outcomes.

The study did find that a financial incentive towards a Life Time Fitness membership does encourage people to exercise regularly: 43% of the enrollees in Fit ChoicesSM by Medica qualify for the \$20 monthly membership savings. It also found that eight times a month is enough to reward you with improved health and impressive savings.

Key Findings

After two years, people **who began a regular program of exercise and met the threshold of eight times a month** had significantly lower costs for prescriptions, doctor appointments, and care at clinics and hospitals. The study found:

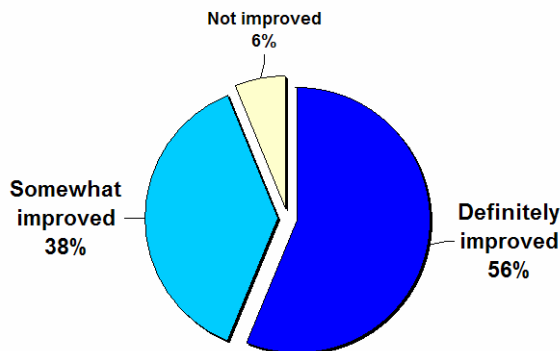
The average monthly medical costs of these enrollees in Fit ChoicesSM by Medica were 33.6% lower than those in a matched control group.

People not enrolled in the Fit Choices program and who did not exercise eight times a month were 43% to 105% more likely to have been to a clinic, hospital or emergency room.

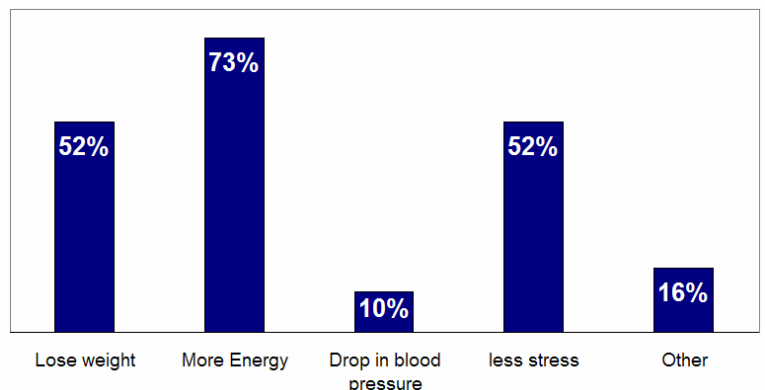
How Fit Choices Members See Their Health

In participant surveys, Fit Choices members say that they feel better and healthier since joining the program.

How has your overall health changed since enrolling in Fit ChoicesSM by Medica?



In what ways has your health improved?



The Study, In Depth

The study analyzed claims data for 3,249 enrollees in Fit Choices by Medica (the test group) and a matched set of 3,249 non-participants (the control group). The researchers took into account differences in age, gender, health status and health care utilization in order to provide “one-to-one matches” between the test and control groups.

In addition, the researchers looked for differences between “new” and “established” exercisers, and for differences between enrollees with “low” and “high” rates of visits to Life Time Fitness facilities.

Important health and financial benefits can be achieved by members who are motivated by the Fit Choices incentive to begin exercising regularly.

1. Helping maintain health for “established” exercisers
2. Helping improve health, and lower medical spending, for “new” enrollees who exercise eight or more times a month

Compared to the control group, the study found that participants who began a new program of exercising eight or more days a month had significantly lower medical bills — *an average of 33.6% less, per member per month* — after two years in the program. The study also found dramatic differences in visits to clinics, hospitals and emergency rooms between the control group and the test group of people who exercise eight times per month.

Test Group	Control Group
Financial Benefits for New/High Exercisers (Exercising at least 8X/month; enrolled in Fit Choices SM by Medica)	Higher Costs from Higher Claims for non-participants in Fit ChoicesSM by Medica.
<ul style="list-style-type: none">• 64.3% decrease in facility claims.• 13.0% decrease in physician claims.• 9.2% decrease in RX claims.	<ul style="list-style-type: none">• 43.3% more outpatient visits• 63.6% more inpatient visits• 105% more emergency room visits

Methodology

The study's test group was 3,249 members who were enrolled in a commercial, fully-insured Medica health plan and who had participated in the Fit ChoicesSM by Medica program for at least two years.

Data for the test group was compared to a control group of the same size — 3,249 members enrolled in a medical fully-insured commercial health plan but not participating in the Fit Choices program. The control group was randomly selected after being filtered to provide one-to-one matches against the test group for five criteria:

- 1) Gender
- 2) Ten-year age bands (18-29; 20-29; 30-39, etc.)
- 3) Johns Hopkins Adjusted Clinical Groups (ACG) code. Members with the same ACG code have similar underlying morbidity, and are therefore likely to utilize similar resources.
- 4) Resource utilization band
- 5) The presence/absence of each of the following conditions: asthma, congestive heart failure, chronic obstructive pulmonary disease, chronic renal failure, depression, diabetes, hyperlipidemia, hypertension, ischemic heart disease, and low back pain.

Medical claims for the test and control group members were analyzed to compare differences in utilization of and spending for inpatient and outpatient facility claims, physician claims and Rx claims, and total combined expenditures for these categories. Allowed amounts (paid + reserved + copay + deductible) were used for all computations. For purposes of analysis, January 2004 was used as the “start date” for all test and control group members. Thus, calendar year 2003 was the baseline year, calendar year 2004 was Year 1, and calendar year 2005 was Year 2.

In addition to the aggregate Life Time Fitness participant versus non-participant comparisons, the study looked for differences that might be related to frequency of exercise.

1) “Established” versus “New” exercisers. Test group members were considered “new” if they had joined Life Time Fitness within 60 days of enrolling in Fit ChoicesSM by Medica. Participants were considered “Established” if they had joined Life Time Fitness more than 60 days prior to enrolling in Medica’s program.

2) “Low” versus “High” exercisers. Members who had fewer than 96 visits to a Life Time Fitness center during the first year were classified as “Low” exercisers. Members who had 96 or more visits were classified as “High” exercisers. Ninety- six visits was used as the threshold after a preliminary analysis suggested that 96 visits was the point at which statistically significant differences in health care utilization/spending were apparent.