

MEDIA RELEASE

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HCF reports encouraging data from first six months of groundbreaking chronic disease program, *My Health Guardian*

- *My Health Guardian proves extremely popular with members*
- *Approaching 20,000th member registration for chronic disease support program*
- *Analysis suggests poor health literacy a key issue for high-risk members*

Sydney, Friday, 5 March 2010 – Leading not-for-profit health private insurer HCF today released encouraging early data from *My Health Guardian*, its personalised wellbeing and chronic disease support program launched last May, and said such programs would in future play an important role improving the health of an ageing Australian population.

HCF reported a strong member response to *My Health Guardian*, revealing it would shortly enrol its 20,000th member in the chronic disease support component, which assists sufferers of illnesses including diabetes, heart condition and chronic pain. HCF now accounts for 35% of all investment in chronic disease support programs by Australian private health insurers.

“Federal Finance Minister Lindsay Tanner last week called on private health insurers to be more proactive in managing risk and improving health outcomes,” HCF Chief Executive Officer, Terry Smith, said.

“Early results from *My Health Guardian* show HCF is well advanced on that path. We are punching above our weight,” he said.

“HCF has taken the lead in pioneering *My Health Guardian*. It’s now up to other private health insurers to make a similar investment in preventive health to ease the pressure that an ageing population will inevitably place on our healthcare system.”

At the 12th Annual Health Congress in Sydney, HCF released data covering more than 6,200 chronically ill members who had been participating in *My Health Guardian* for six months or more. The data showed the program was helping these members self-manage their condition and, in doing so, was reducing the time they had to spend in hospital.

The reductions in hospitalisation being recorded among program participants put HCF on track to reach long-term targeted reductions of 15%. HCF’s intention, as a not-for-profit insurer, is to use savings generated by *My Health Guardian* to put downward pressure on premiums for the benefit of all members.

“While preliminary and unaudited, the results are very encouraging and justify our investment in *My Health Guardian* as a key strategy for improving the health of members with chronic illness. It’s a great outcome, not only for the participants but also other HCF policyholders and the wider healthcare system,” Mr Smith said.

Representing a \$100 million investment by HCF over five years, *My Health Guardian* is the largest integrated chronic disease support program operated by a single health insurer in Australia. Delivered on behalf of HCF by global population health company Healthways Australia, it allows chronically ill HCF members to get help from qualified nurses and health coaches over the phone to improve behaviours affecting their health. HCF and Healthways are on track to reach the target of 25,000 HCF members with chronic disease participating in *My Health Guardian* by mid-2010.

The program also includes an online health and wellbeing portal allowing HCF’s 1.1 million members to tailor a healthy living plan incorporating diet, exercise and lifestyle. As at the end of January more than 5,000 HCF members had registered on this portal.

According to Healthways Australia Managing Director, Tim Morphy, the early *My Health Guardian* data pointed to a link between poor health literacy and increased risk of hospitalisation.

“Global studies show that people with good health literacy - the ability to read, understand and use healthcare information - are generally healthier than those with poor health literacy,” Mr Morphy said.

“When participants with diabetes at high risk of hospitalisation were interviewed, 45% did not know their weight and 93% did not know their blood sugar level. There is an important message for policymakers here - improving health self-awareness is an important step in improving population health generally,” he said.

Healthways reported that *My Health Guardian* had a significant impact on participants’ willingness to rate their own health as positive, a leading clinical indicator of reduced hospitalisation risk. From August to February, the percentage of participants at high risk of hospitalisation who rated their own health as “positive” rose from 50% to 61%. The percentage of participants with stable chronic conditions who rated their health as “positive” increased from 71% to 84%.

Pam, from Central West NSW, is one HCF member who has benefited immensely from *My Health Guardian*. “I feel better because I can regularly talk about my health issues and at the same time get great advice,” Pam said.

Diagnosed with Type II Diabetes, Pam was suffering with chronic low back pain and generally found coping difficult when she was contacted last year by the *My Health Guardian* registered nurse. Six months later her Blood Sugar level has fallen from 25 to 5.5; her Blood Pressure from 140/90 to 125/80; she now walks an hour a day and does hydrotherapy at least once a week; and has cut her cigarette intake from 15 per day to 5.

“In my condition it takes a lot of physical and emotional strength to keep going, strength I thought I’d lost a long time ago. I’m really appreciative of *My Health Guardian* and what HCF is doing,” Pam said.

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About HCF

HCF is Australia’s third-largest, and largest not-for-profit, health insurer, currently extending coverage to 1.3 million Australians. HCF has exceeded the industry growth rate each year for the past five years, consistently pays back more in benefits from earned contributions than the industry average and has the best medical no-gap coverage of any major health fund in Australia. The financial strength of HCF is supported by its strong capital backing, and the lowest management expenses of the major funds. HCF members benefit from an extensive branch network and access to HCF’s expanding network of dental and eye care centres and Oral Health Program (for members outside metropolitan Sydney). HCF Life offers innovative add-on insurance protection for illness and accidents. Visit www.hcf.com.au for more information about HCF.

About Healthways

Healthways is a population health company providing personalised wellness, prevention and disease management programs. Since its foundation in 1981, Healthways has been working with and assisting governments, employers, health insurers, hospitals, doctors and above all, individuals; to improve the effectiveness of healthcare, enhance the fundamental care experience and reduce healthcare costs through large-scale health programs adapted and tailored for the local health system. Globally one of the largest providers of population health management, Healthways provides ongoing health analysis and services for over 35 million individuals worldwide in Australia, Europe, North and South America. Visit www.healthways.com for more information about Healthways.