

Gap Inc.

U.S. Health & Wellness

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- **Founded in 1969, with a single store in San Francisco**
- **Gap Inc. is a specialty retailer offering clothing, accessories and personal care products for men, women, children and babies.**
- **With more than 134,000 employees and about 3,100 company-operated stores and about 200 franchise stores, our presence is felt around the world.**
- **Customers in more than 90 countries can order from our brands' U.S.-based websites, and those in Canada and the UK are served by dedicated websites.**

Mission Statement:

Gap Inc. provides benefit programs, tools and resources that engage employees in maximizing their quality of life, well being, goals and future.

We design and deliver benefits in ways that create an advantage for our businesses, foster shared responsibility, manage costs effectively, and attract and keep the great people we need to be successful.

Strategy:

We deliver benefit programs that maximize the employee value proposition and strengthen Gap Inc.'s position as an employer of choice while effectively managing costs.

- **Approximately 25,000 U.S. employees are eligible for full health care benefits**
- **Employees classified as part-time or seasonal are eligible for National Health Access program.**
- **Approximately 70% of our employees are women**
- **Three distinct groups of employees with very different demographics, health needs and challenges:**
 - **HQ (located in SF, NY, Los Angeles and Albuquerque)**
 - **Field (all 50 states + Puerto Rico)**
 - **Distribution Centers (KY, TN, OH, NY, AZ)**

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Consumer Driven Health Plans

- **Early adopter of full replacement HRA health plans, with 95% of participants enrolled.**
- **Key Features of custom program (pre-PPACA):**
 - Free preventive care, no limits
 - First dollar coverage with generous HRA account / unlimited rollover
 - 80% in network /60% out of network coverage
 - Separate prescription benefits
 - Reasonable out of pocket maximums
 - No lifetime maximum
- **Over half of participants have rollover dollars and are spending less on healthcare than with traditional PPO plan**
- **Preventive care is still under-utilized**

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Specific Wellness Initiatives

•Onsite initiatives:

- WeightWatchers with reimbursement
- Wellness Fairs with Flu Shots and Biometrics Screenings
- Bootcamp and Yoga
- Healthy Menu Options
- DirectLife Activity Monitor Pilot (virtual coach + social networking)

•Targeted communications and programs:

- Reminders about *FREE* preventive care
- Importance of taking medication for chronic conditions
- Pregnancy management program (over 2,000 babies every year!)
- Disease management
- ROWE (balance/stress reduction/increased productivity/lower turnover)

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Health and Wellness Approach

5 years ago...

- Engage employees to take care of themselves
- Implement consumer driven health plan, encourage prevention & wellness
- Educate about self-funded medical plan and impact on business
- Provide tools and resources – make it easy and fun!

Today...

- Always “explore” new ideas
- Health cost and quality transparency tools; total rewards portal
- Discounts for non-smokers
- Conjoint analysis to hear from our customers – what do they value?
- Onsite nurse / medical care at distribution centers
- Can we take the wellness culture global??