McCormick, established in 1889 and based in Hunt Valley and Sparks, Maryland, is commonly known as a company that sells jars of spices and seasonings. The company is actually a global manufacturer, distributor and marketer of flavoring products to both consumers and the food industry.

Globally, McCormick employs nearly 10,000 people, with 3,400 of them in the United States. Sixty-eight percent of McCormick’s U.S. workforce is located in Maryland, while the remaining 30 percent is in five other states: Texas, Georgia, California, Indiana and Louisiana. The average employee is 45 years of age and has been with the company for 12.7 years.

In 2008, the company had a robust, but inconsistent focus when it came to health benefits, according to James Downing, Director of Global Benefits. At that time, the company had four health plan carriers (four HMOs, one PPO), various wellness programs, and a divided internal administration of health and wellness plans, managed by both the corporate human relations department and the company medical department.

This structure created a number of challenges for developing a systems approach to health benefits. This included design inconsistency due to having several different plans and carriers, an inability to provide focused communications about wellness benefits, and poorly defined roles and responsibilities for key staff.

In addition, the company faced an increasing burden on its system due to the aging workforce, rising healthcare costs, regulatory changes, decen-

**McCormick at a Glance:**

- **Type of Business:** Global manufacturer and distributor of spices, seasonings, and flavors
- **Headquarters:** Sparks, Maryland
- **Other Locations:** TX, GA, CA, IN, LA
- **What Worked:** Centralizing medical plans through one vendor, consolidating management of wellness programs, improving employee communications.
-ralization of providers and increased utilization of healthcare services.

In 2010, McCormick decided to confront its challenges head on and redesign its benefits program in order to strengthen and enhance their employer-paid health benefits. They planned to achieve this goal by:

- Simplifying administration
- Creating renewed interest among employees through communications
- Better aligning with employee needs and preferences
- Taking a holistic and integrated approach to delivery of services
- Centralizing medical programs through one vendor

The first step in this process was to issue a request for proposals (RFP) for all of the company’s health and wellness program needs, including medical, dental, life, disability, and vision. In order to make the system uniform and benefits easier to manage, the company created a branded benefits program and website, McCormickandme.com. An employee newsletter was developed so that timely benefits information could be communicated to employees. To simplify administration and improve accountability, management of the medical department was shifted to the corporate benefits group.

By July, 2011, the company had successfully achieved many of their objectives. The company now has one main medical plan provider, a voluntary vision program, and a new life insurance carrier. In 2012, they added consumer driven health plans with a health spending account.

In addition, under the management of the corporate benefits group, the company medical department’s focus has shifted to being a true onsite medical facility. In addition to providing wellness programs for Hunt Valley based employees, wellness programs now also focus on employees at other locations. In the fall of 2011, the company moved the medical department to a more central location to provide better access for all employees to medical care and improved wellness facilities.

McCormick was successful in making dramatic changes to its benefits programs in a very compressed timeframe: less than a year. This was necessary due to the need to meet regulatory requirements, improve employee satisfaction, attract and retain employees, and to establish an employee comfort level with the new providers and processes.

These types of radical changes are not easy to achieve in any corporation and McCormick was especially challenged because of employee culture at the time. There were mixed emotions about change, and employees had to accept and process many changes in a short period of time. Ultimately, the employees’ ability to adapt and change led to a greater satisfaction with the entire health benefits program.

"Our desire is for Healthiest Maryland to lead a successful, statewide initiative creating a culture of wellness—an environment where we naturally make the healthiest choice."

—Alan D. Wilson, CEO, McCormick and Company

The addition of a health spending account to McCormick’s employee benefits allows families to plan for and manage health expenses more efficiently.