

Developing and Executing Employer-Based Action Plans for Demonstrated Organizational Results

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EMPLOYER LEADERSHIP SUMMIT

buyers health care action group
BHCAG

Learning objectives

- Discuss the purpose, scope and rationale for a workforce health and performance improvement analysis
- Understand the importance of integration in analysis and strategy development
- Examine tools and techniques for performing an effective workforce health and performance improvement assessment
- Identify critical considerations required for an effectively integrated employee health and performance improvement strategic plan

Purpose, scope and detail

- **Purpose:**
 - identify opportunities to improve workforce health, performance, and engagement
 - goal to guide management of both the process and the outcomes
- **Scope:**
 - look broadly to find opportunities – any aspect of employee experience that can have a potential impact
 - a broad approach ensures a more consistent employee message
- **Detail:**
 - involved enough to find cost drivers that can be managed
 - too deep is just a data management exercise

You can't manage what you can't measure.

Factors affecting health and performance

Health-related factors

Physical health issues

Chronic disease

Acute illness

Lifestyle issues

Health risks

Preventive care compliance

Behavioral health

Other factors:

Sociocultural issues

Caregiving

Work/life balance

Financial concerns

Health benefit design

Performance-related factors

Absenteeism

STD and LTD programs

FMLA policies

Sick leave policy

Workers' Compensation

Presenteeism

Work relationships

Health issues

Work issues

Training and education

Job satisfaction

Job security and control

Employee relationships

Safety concerns

Rationale for analysis

- HR is evolving into a more strategic role – asset management rather than cost containment
- Health and performance are becoming core HR competencies
- Effective management can enhance employee engagement
- Analysis will help to focus investment strategies to maximize value generation – and improve performance

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The value of an integrated approach

- Eliminate silos
- Align interests to better reflect organizational goals
- Maximize the effectiveness and benefit of programs/services
- Enhance cost-effectiveness

Shift from a siloed, program-focused approach...

PROGRAM GOAL	Disability mgmt.	Disease mgmt.	Health promotion	Occ. health	Onsite clinic/pharma
Manage absenteeism	X	X		X	X
Lower health care costs	X	X	X		X
Lower WC costs				X	
Improve productivity	X	X	X		X
Increase engagement			X		X

...to an integrated, strategic approach

GOAL PROGRAM	Manage absenteeism	Lower health care costs	Lower WC costs	Improve productivity	Increase engagement
Disability mgmt.	X	X		X	
Disease mgmt	X	X		X	
Health promotion		X		X	X
Occupational health	X		X		
Onsite clinic / pharmacy	X	X		X	X

The parallel: individual and organizational health

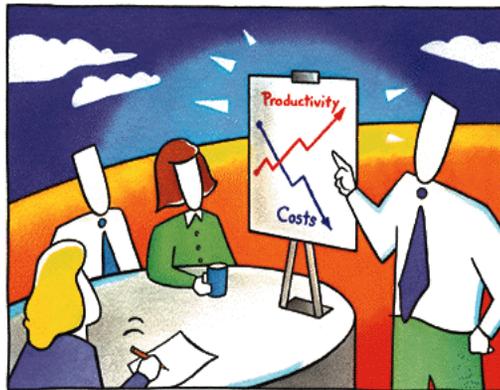
- Make a diagnosis – prioritize management plans
- Integrate delivery of healthcare services
- Manage outcomes; ensure follow-up
- Incorporate performance incentives
- Ongoing collaboration is essential

Health and performance improvement (HPI)

An integrated process

Phase IV
Measurement

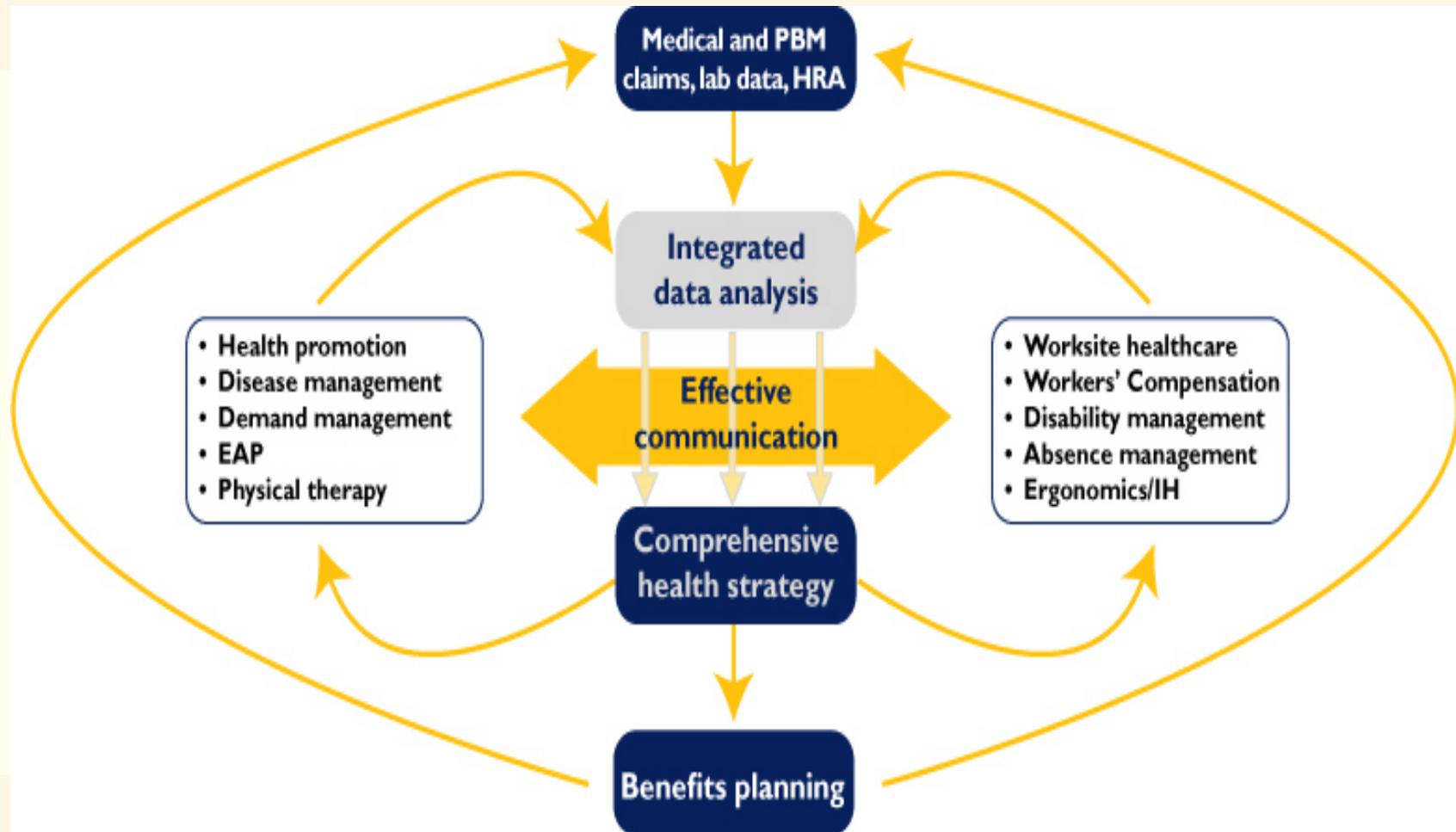
Phase I
Diagnosis



Phase III
Intervention

Phase II
Strategic and
Tactical
Planning

One vision of integration



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How is this different from usual practices?

- HR has traditionally not managed risk
- Not different from managing risk elsewhere in the organization
- Other assessments typically ‘siloed’ – different focus
- This approach involves managing investment in an asset – not simply a business cost

Who should perform the analysis?

- All stakeholders involved with managing the health and performance of the workforce
 - Includes:
 - HR
 - Benefits
 - Safety
 - Workers Compensation
 - Health promotion/wellness
 - Worksite medical
 - Disability management

The analysis process

- Gather data from available sources
- Review for patterns and trends
- Compare with benchmarks
 - Best practices
 - Process and outcomes metrics
- Identify problem areas and prioritize based on potential benefit

The objective: actionable information to develop an effective, value-based health and performance improvement strategy

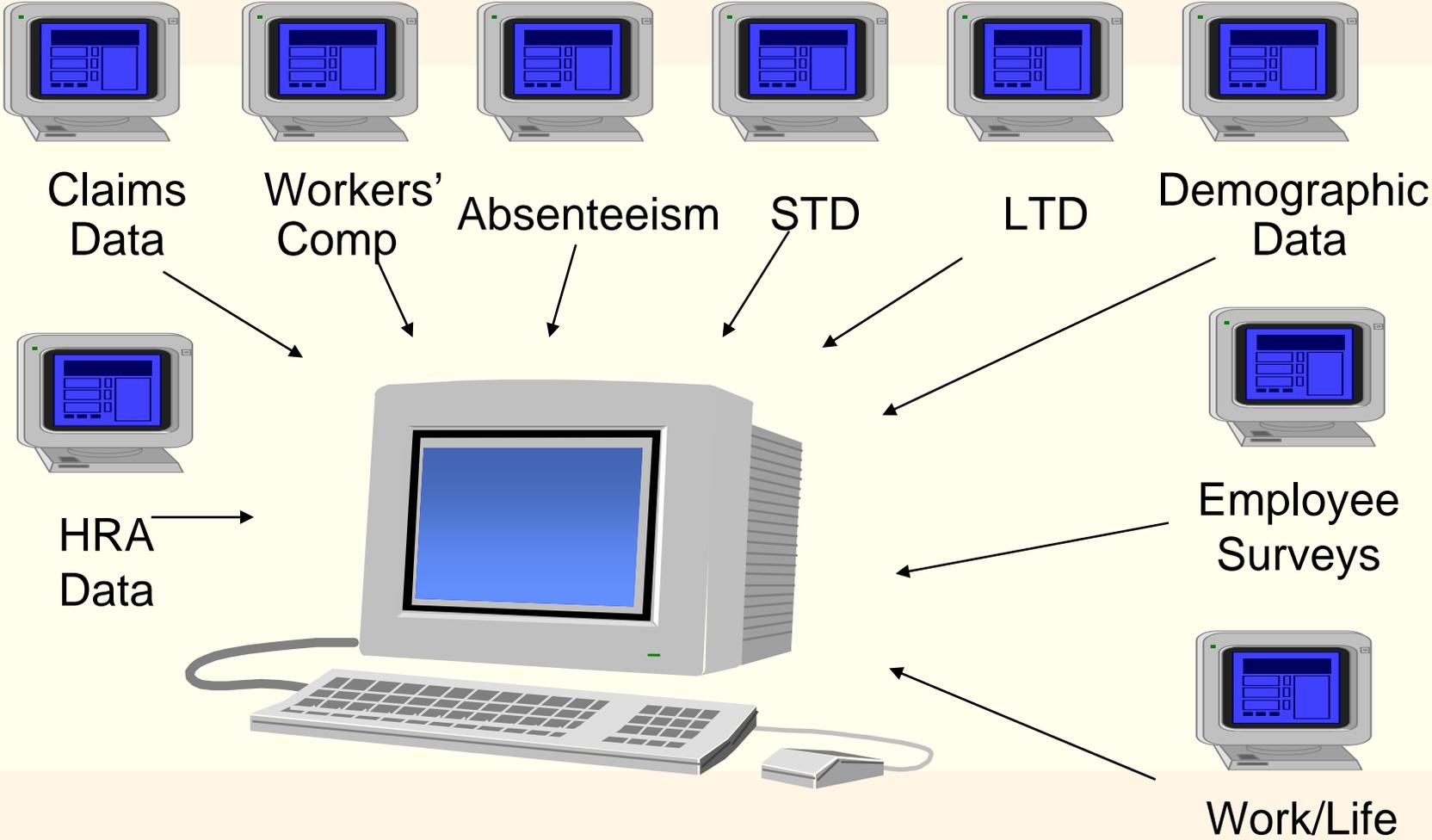
Qualitative and quantitative analysis

- Qualitative:
 - Are programs, policies and practices in place?
 - Are they effectively implemented?
 - Are they consistent with organizational goals?
 - Are they incorporated throughout the organization?
- Quantitative:
 - Process measures
 - Participation levels
 - Drop-out rates
 - Outcomes measures
 - Productivity outcomes (absenteeism, WC claims)
 - Healthcare costs
 - Return on investment

Finding data may be easier than you think –

- Medical claims data
 - group health
 - pharmacy
 - mental health
 - health risk assessments
 - disease management
 - EAP
- Lost time claims data
 - STD
 - LTD
 - FMLA
 - PTO/sick leave
- WC/Safety data
 - OSHA illness/injury reporting
 - WC claims data
 - return to work program data
- HR/payroll
 - employee demographics
 - time reporting
 - employee surveys
 - turnover data
 - benefits costs

Comprehensive data yields the greatest benefit



The results tell a unique “story”

Identification of key issues:

- Prevalence of health conditions
- Workforce perceptions, concerns and needs
- Health and safety measures
- Resource utilization patterns
- Estimated costs associated with poor health
- Work environment in relation to desired health messaging

Available self-assessment resources

- American Cancer Society – Workplace Solutions
- American College of Occupational and Environmental Medicine – Corporate Health Achievement Award self-assessment
- Healthy People 2000/2010
- Health Enhancement Research Organization – self-assessment tool
- Partnership for Prevention
- National Safety Council
- Wellness Councils of America

Understanding the data – medical/pharmacy claims

- For what conditions and services are healthcare dollars being spent?
- What is the quality and efficiency of care that is provided?
- Are preventive care services being used wisely?
- What are the most commonly prescribed medications?
- Do individuals take medications as prescribed?
- How does organizational data compare with others?

Understanding the data – health-related programs

For each program, consider:

- How well is the program managed?
- Are employees participating?
- Are employees satisfied with the program?
- What does the program cost?
- Can I measure the results?
- Does it provide measurable value?

Example: EAP utilization

- Company using local EAP vendor
 - 4,150 eligible employees
 - Annual fee: \$1.50 PEPM (\$75,000)
 - Annual utilization rate 0.1%
 - Total counseling hours provided: 105

Cost per counseling hour: \$714

Vendor management is essential.

Understanding employee perceptions & needs

Qualitative data from employee surveys

Sample of prioritized employee focus group responses

Top Health Issues	Health Information Sources	Preferred Way to Learn	Barriers	Motivators
Accidents/injuries Asthma Cancer Second-hand smoke Diabetes Drug / alcohol abuse High blood pressure Lack of exercise Medical errors Obesity Stress / mental illness Unhealthy food choices	Internet Printed materials, books Family / friends with health background Doctor's office Health plan	Group setting, workshops One-on-one Working with a "buddy" Internet/online resources Reading printed materials	Lack of motivation and/or desire Lack of willpower No time, competing priorities Peer pressure Lack of support Facilities too far away and inconvenient hrs Limited resources (financial, educational)	Being there for the family - kids, grandkids Quality of life, long life Look good, feel good Energy that comes from being healthy Having a "buddy" to share the experience Fear of ill health or health crisis

Health condition prevalence

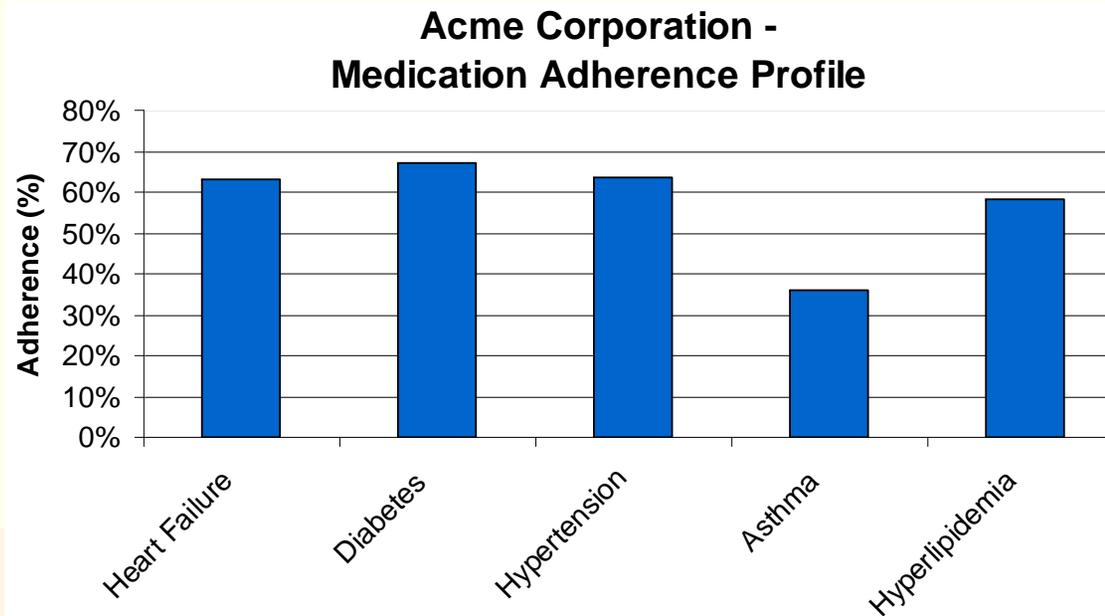
Self-reported or claims experience

Representative prevalence data report

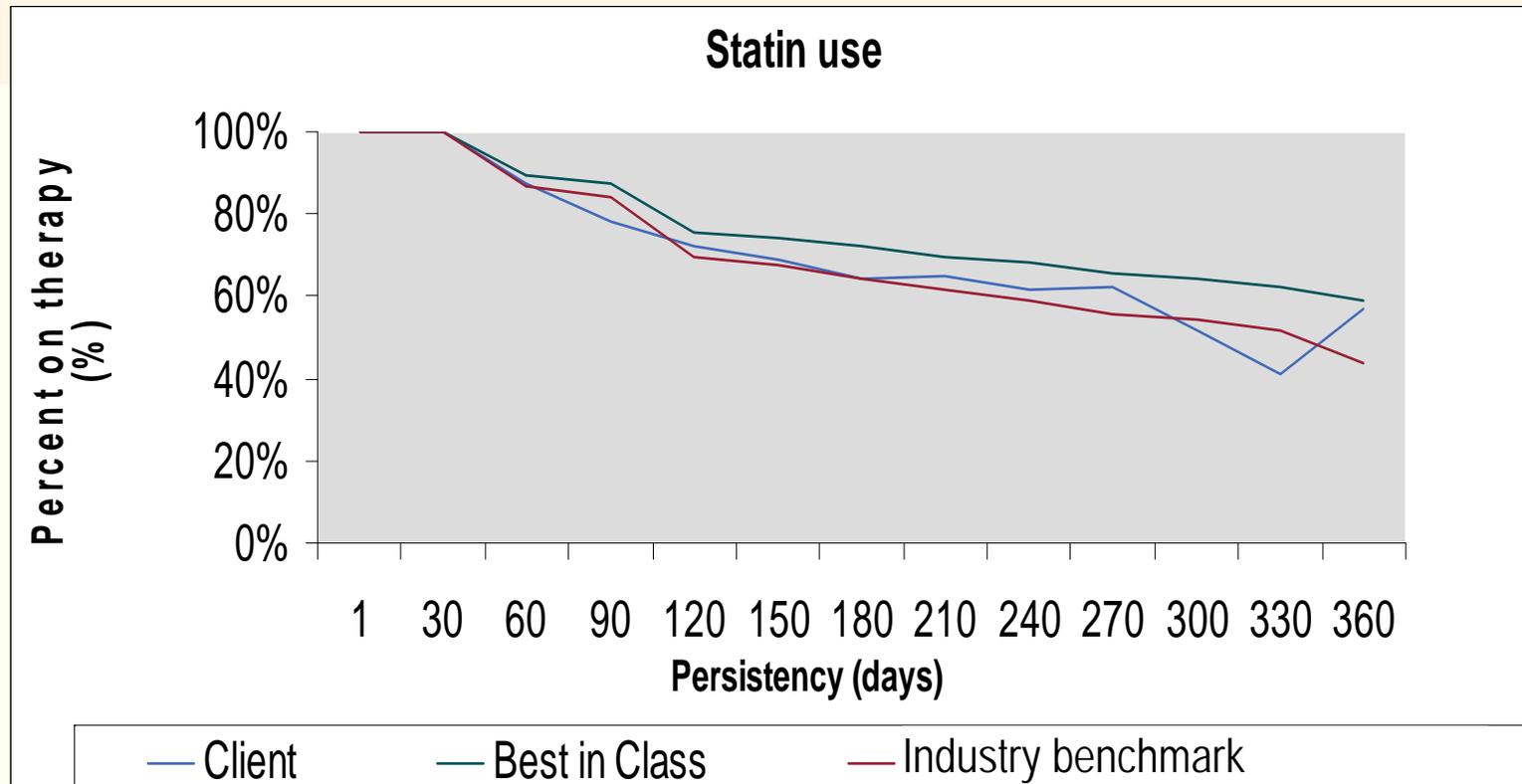
<u>Health Condition</u>	<u>Prevalence</u> (%)	<u>Avg Days Lost</u> <u>/ Ill Employee</u>	<u>Total Annual Cost</u>
Depression	12.7	8.2	\$4,750,930
Back/neck pain	23.1	2.7	3,130,380
Allergies (seasonal)	44.0	1.4	3,123,380
Hyperlipidemia	17.4	3.0	3,019,270
Hypertension	13.7	3.1	2,256,790
Irritable bowel disorder	6.8	4.5	1,451,690
Other chronic pain	7.0	3.3	1,188,830

Medication adherence profiling

- Pharmacy claims data used to identify poorly compliant individuals
- Low adherence associated with increased cost of care and intensification of treatment
- Goal to promote compliance with prescribed medication



Medication adherence – a significant barrier to effective treatment



Key points:

- 30% of statin users have <80% adherence
- Of new users, 20% stop statin medication after first prescription

Benchmark health data sources

- Medical and pharmacy cost data
 - Medical Expenditure Panel Survey (www.meps.ahrq.gov)
 - National Health Care Survey (www.cdc.gov/nchs/nhcs.htm)
 - Kaiser Family Foundation (www.statehealthfacts.org)
 - Various consultant/vendor-managed surveys
 - Health plans and PBMs – book of business
- Condition and health risk prevalence data
 - Kaiser Family Foundation (www.statehealthfacts.org)
 - National Health Information Survey (www.cdc.gov/nchs/nhis.htm)
 - National Health and Nutrition Examination Survey (<http://www.cdc.gov/nchs/nhanes.htm>)

Representative benchmark data

Program costs as a percentage of hourly wages, 2005

Compensation component	Cost (\$)	Percent
Wages and salaries	24.05	68.8
Total benefits	11.97	33.2
Paid leave	3.15	8.8
Supplemental pay	1.20	3.3
Insurance	3.04	8.4
Health	2.80	7.8
Life	.07	.2
Short-term disability	.09	.3
Long-term disability	.07	.2
Retirement and savings	1.91	5.3
Legally required benefits	2.67	7.4
Workers compensation	.43	1.2
Social Security and Medicare	1.64	4.6
Unemployment insurance	.18	.5
Total compensation	\$36.02	100%

Benchmark productivity data sources

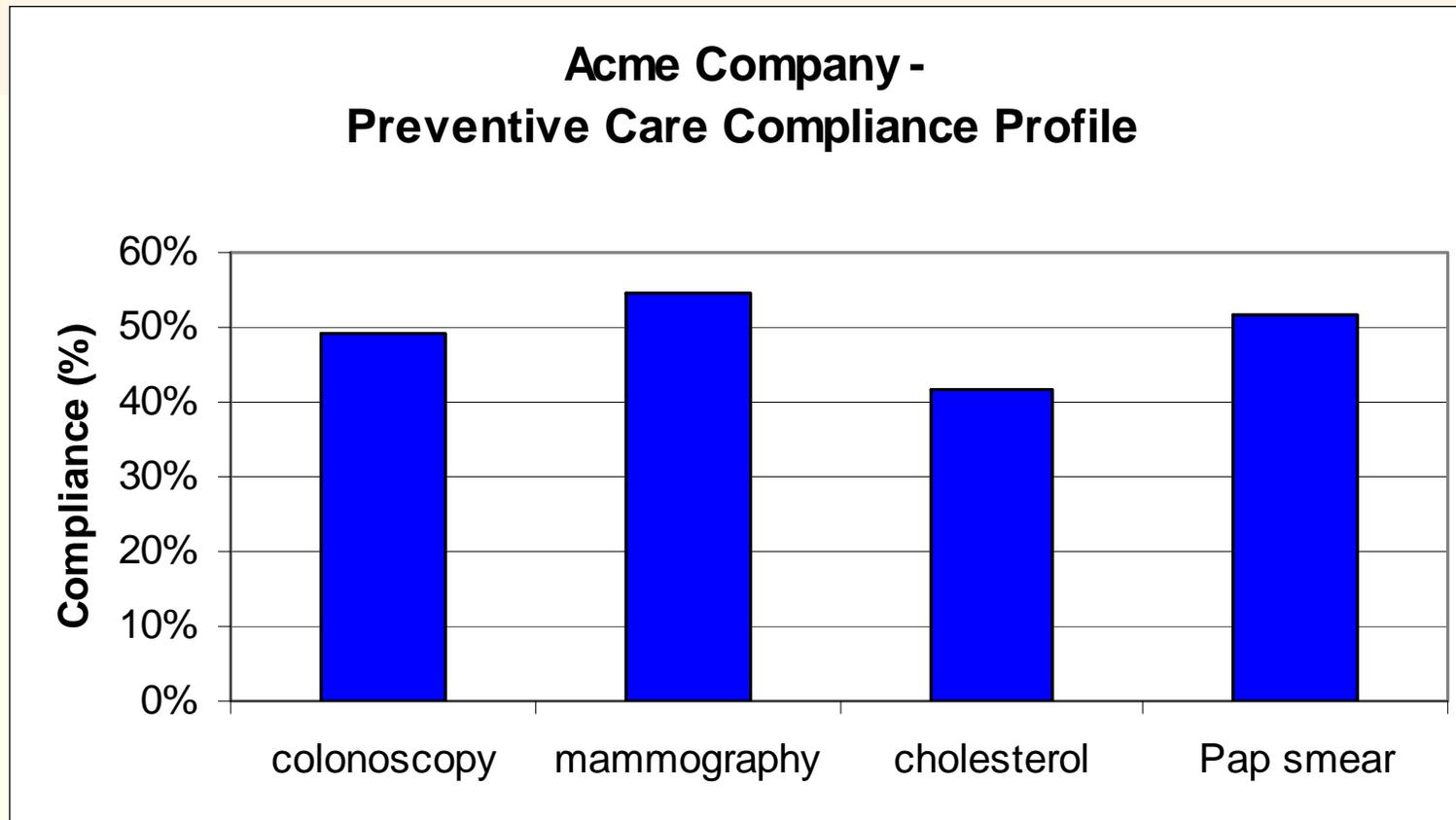
- Lost-time data
 - Workers' Compensation:
 - Bureau of Labor Statistics (www.bls.gov)
 - Workers Compensation Research Institute (www.wcrinet.org)
 - California Workers' Comp Institute (www.cwci.org)
 - National Council on Compensation Insurance (www.ncci.com)
 - IBI (www.benefitsintelligence.org)
 - Short / long-term disability:
 - Most STD/LTD carriers can provide book of business benchmark data
 - IBI (www.benefitsintelligence.org)

Focus: preventive care

- Breast cancer:
 - current screening rates: 50-75% of eligible females
 - \$20,000 for early diagnosis; \$80,000 for delayed diagnosis (and potential mortality)
- Colon cancer:
 - current screening rates: 47-52% of eligible adults
 - \$30,000 for early diagnosis; as much as \$120,000 for delayed diagnosis (and potential mortality)

There is a significant opportunity for improved quality and lower costs.

Focus: preventive care



Why is compliance so low???

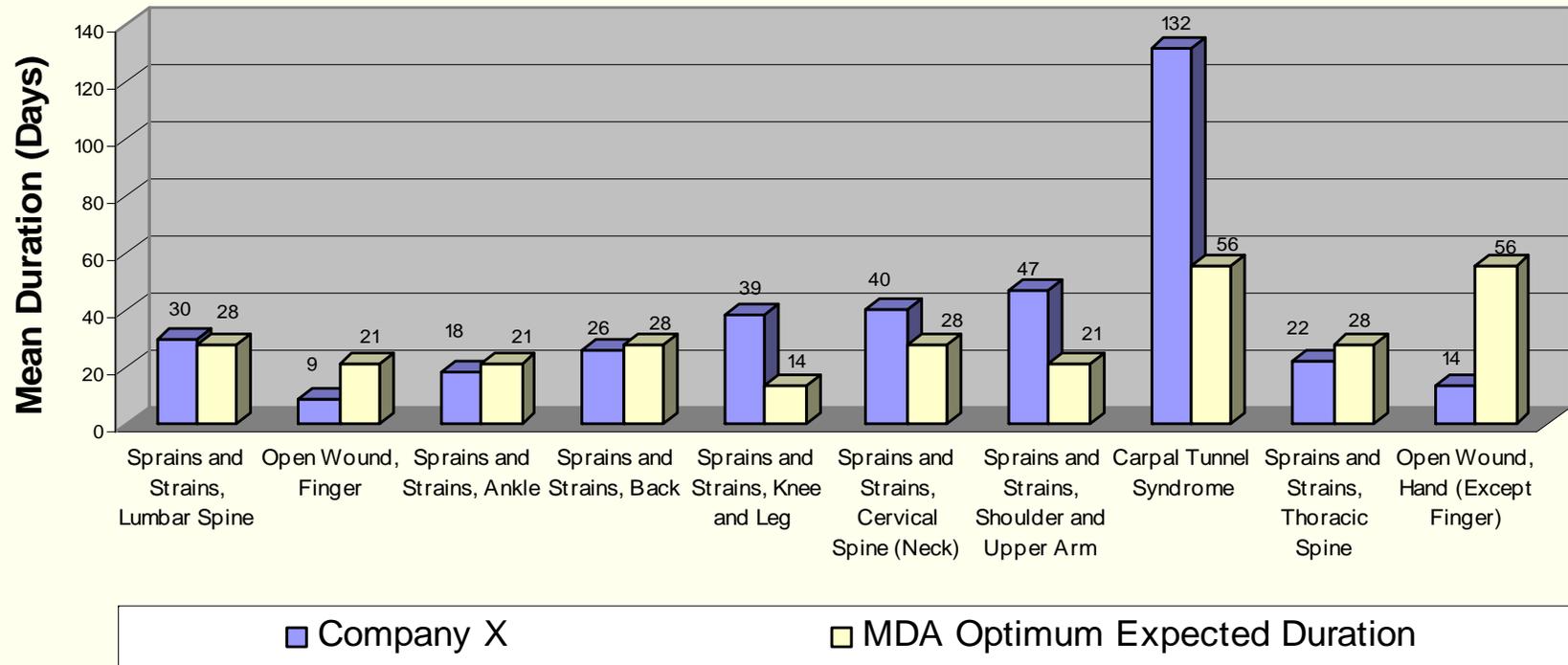
Focus: preventive care

- Many employers:
 - have a co-pay or do not cover preventive care services
 - fail to appreciate the difference in the cost of early vs. late diagnosis of cancers and heart disease
 - do not promote use of preventive care benefits

Cost or investment???

Disability management data example

Company X East Plant
Top 10 Illnesses/Injuries Comparison with MDA Benchmark
Optimum Expected Duration, Closed Claims - 2005



Even disability durations can be effectively managed.

Medical Disability Advisor, 2004, Reprinted with permission.

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Critical considerations

- Health and performance management cannot be commoditized
- Ensure that a consistent message is being provided to the workforce – aligned interests
- Effective communication is key
- Planning for implementation is as important as strategy development

Steps

- Engage workforce in the process
- Develop comprehensive, communications strategy
- Promote integrated vendor services
- Define performance metrics and monitor regularly
- Incorporate incentives to promote utilization
- Ensure program visibility

The workplace health value proposition

Quality Care

- Metric Driven
- Clinical Excellence
- Operational Excellence
- External Accreditation

Cost Savings

- Direct Medical
- Reduced Lost Time
- Health Advocacy
- Measurable ROI

Employer of Choice

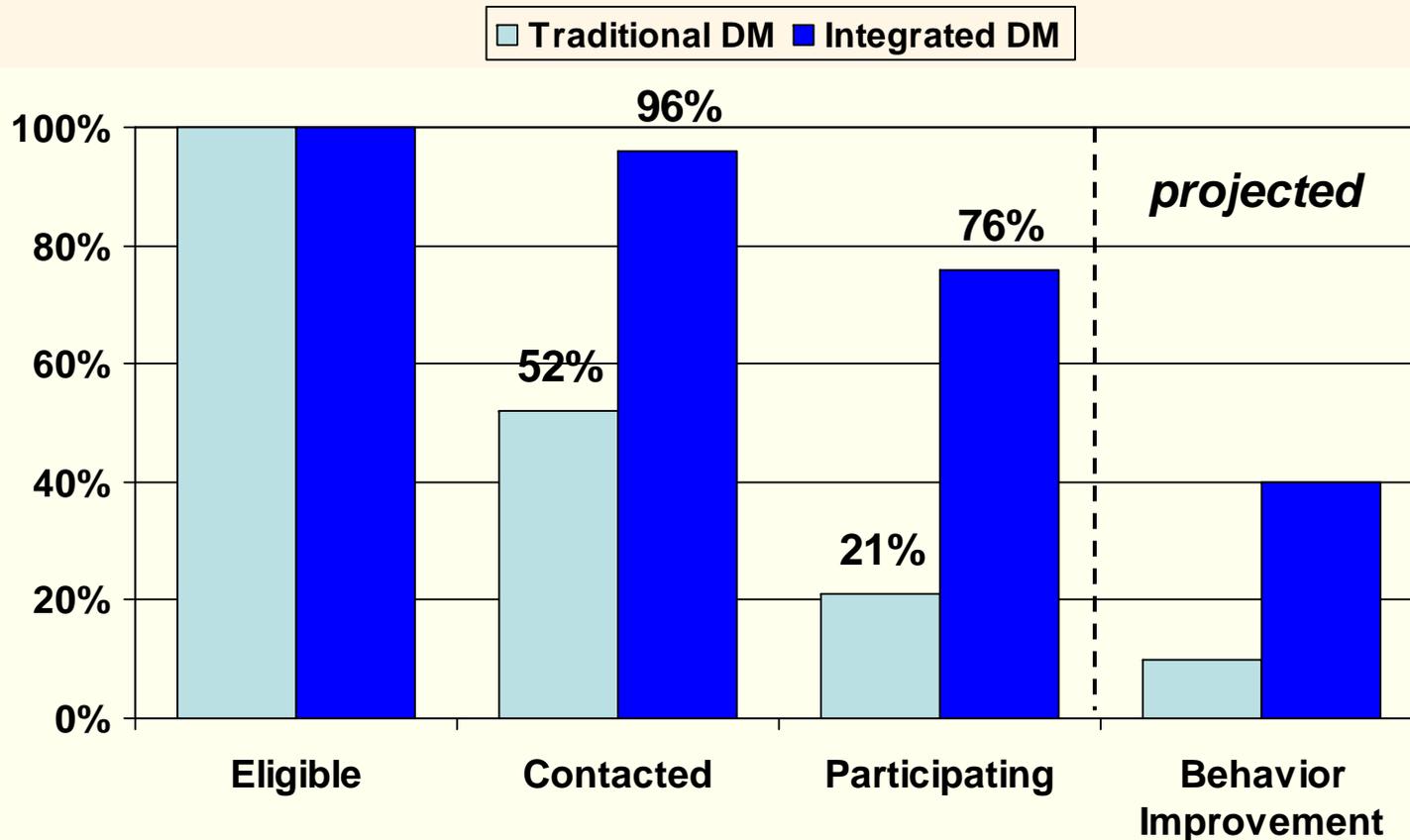
- Patient Satisfaction
- Access
- Availability
- Health Effects
- Trusted Relationship

Workplace Safety

- Travel Medicine
- Injury & Illness
- Return to Work
- Occupational Health
- Emergency Preparedness

Adapted from CHD Meridian, 2007. Used with permission.

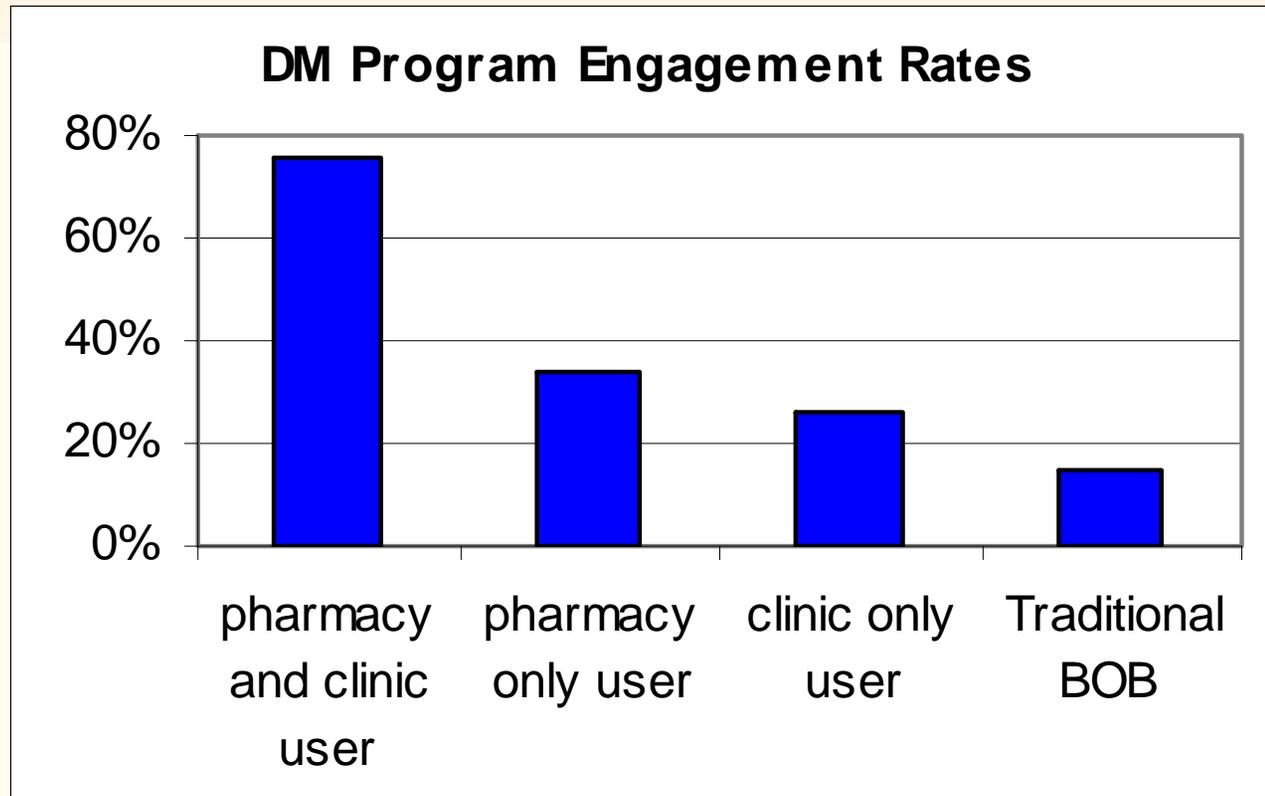
Integrated worksite services – demonstrated effectiveness at patient engagement



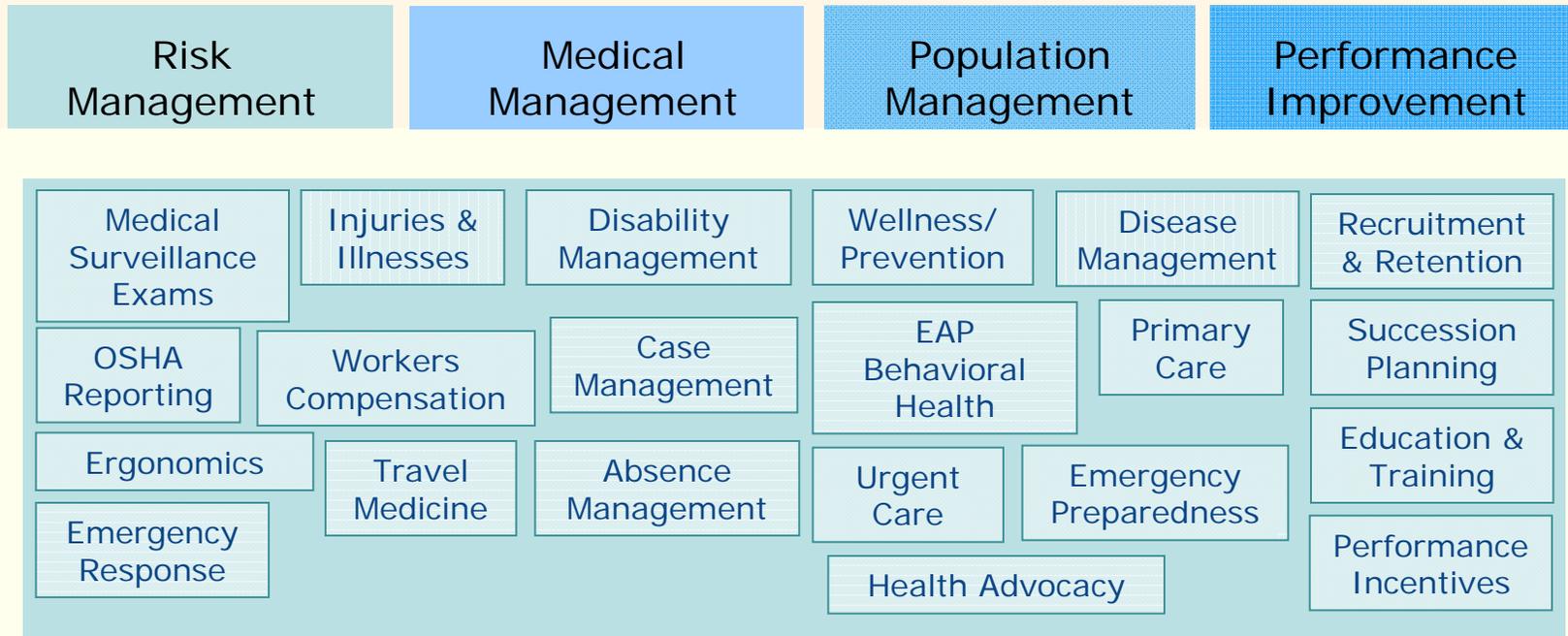
Traditional – telephonic, mail outreach

Integrated – telephonic, worksite outreach

Engagement correlates to extent of contact with on-site healthcare personnel



The scope of integration



A comprehensive, integrated health and performance improvement strategy increases value of investments in the workforce.

Conclusions

- Use all available data sources for analysis
- Findings will generate more focused questions
- Goal is to identify the primary cost drivers – and develop effective solutions
- Collaborative efforts will likely result in greater alignment of interests with business goals
- While individual health-related programs may provide benefit, integration maximizes value
- There is no single ‘right’ place to start your efforts!

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