

HPM at a Crossroad: Where to Next?

By Les C. Meyer, MBA

There's no disputing the value of health and productivity management (HPM) programs. More than 30 academic studies have been published showing that for every \$1 employers spend on HPM, \$3.5 dollars on average are returned in health care cost savings alone. Factor in returns from the absenteeism area and the ROI can be as high as a 6:1.

Sounds great. So why hasn't the HPM industry taken off?

Something is amiss. HPM, long hoped to be the silver bullet to contain runaway health care costs and positioned as the harbinger of value-based health benefits, is now at a critical crossroad that has as much to do with semantics than anything else. The acronym isn't widely used and, in fact, various market segments call HPM by different names. It also doesn't easily roll off the tongue of employees, many of whom resent being told just how healthy or productive they should be in a climate of substantive cost-shifting and work-life imbalance.

One would think market visionaries learned their lesson the hard way when, years ago, they coined the term "managed care." Consumers don't like to be managed or contained by inefficient and manipulative systems of care.

Even HPM proponent David Hunnicutt, Ph.D., president of the Wellness Councils of America, recently griped in a blog entry on his Web site that the moniker favors employers and is too uninspiring for hard-working Americans who've been forced to be better health care consumers with or without the tools needed to make more informed decisions. The larger suggestion was that these programs lack backbone and heart, and that the time has come to call them something else.

Healthy performance business strategy

The next-generation of HPM programs should be built around value-based benefits design that pinpoints healthy living and working strategies, as well as designates healthy performance best practices to improve individual and corporate performance. Employers must focus in order to foster a caring corporate culture that enables employees to achieve these results, regardless of personal health status or multiple risk factors.

With the emphasis on consumerism and the associated cost and risk shifting to the employee, the idea is to embrace a business approach that satisfies what matters most across each diverse talent pool: employee health, job satisfaction and pay-for-performance. These employee-centric, health improvement initiatives also must recognize that the cost of lost days and lost productivity, including impaired performance on the job, is much bigger than the cost of health benefits in terms of having an impact on organization-wide results.

Next generation initiatives require a collaborative effort that includes an employer-employee partnership, array of providers, value-focused vendors and community resource groups. The role of the employee is vital in terms of creating health and performance-based talent management programs since these are the very people who need to be engaged in order to live healthier and to personally perform at optimal levels at work and home.

The key to success in an increasingly competitive global economy will be integrating a model with performance-focused talent-management strategies that lay the groundwork for a

wiser investment in people (human capital). What attracts employees to jobs and keeps them from looking elsewhere also results in improved health outcomes and optimized job performance. It's more than healthy people equating to healthy bottom lines. It's recognizing that people should be paid for better performance. And when they feel better, they perform better. When they perform better, everybody wins.

The thinking behind this new strategy is to implement a built-in benefits design and integrated employee health interventions that include a performance-driven focus on the recruitment, retention, engagement, deployment and optimization of all involved. Employee health and optimal performance has more to do with a conducive environment, healthy behaviors, beliefs, attitudes, job satisfaction, compensation and work-life balance than solely affordable access to health insurance benefits.

Industry experts and researchers agree that today's number one critical business issue is the ability to recruit and retain people who meet or exceed both pay-for-performance and personal objectives — thus, creating aligned incentives for employee and employer, alike. Any organization's healthy performance strategy requires a strong commitment from the senior leadership team to optimize the total economic impact of employee health, as well as clinical and functional outcomes.

Employees, patients, families and communities deserve meaningful prevention and treatment strategies that work. The overarching goal is to foster the vision that keeping people healthy is a community-based, collaborative business strategy for employers, employees, government and taxpayers alike. Employers must step up to protect, sustain and promote the health and well being of their employees, as well as reward healthy behaviors and optimal performance. As a result of consistently taking care of their people, employers will benefit from higher retention rates, lower recruitment costs and improved profits for the company. In order for this new thinking to really pay off, employees must also benefit from their investment in their improved personal performance.

What exactly should this new initiative be called?

How can current programs be retooled to inspire healthier living and peak performance to yield both personal and corporate gain? There are no easy answers. The time has come, however, to acknowledge that HPM is not the silver bullet as was once hoped. Rather, some of its components may be included in a foundation that, according to the market, must also embrace strategies to recruit and retain qualified people in the workforce.

Your opinion, please.

We ask you to provide your feedback on this subject with the intent of coalescing programs that are siloed, modifying environments to complement behavior change, reconfiguring price-based benefits models and moving toward a high performance health care delivery system. The problems at hand are much larger than a super subset of the industry can possibly address. It'll take a nation to raise health care to the next level. Please join us in leading the charge.

Les C. Meyer is a seasoned health care strategist and CEO of HPI Advisors, LLC, a Denver, Colo.-based think tank and creator of community-based, collaborative health and performance improvement projects with employers and stakeholders worldwide. He can be reached at 303-757-6756 or Les.Meyer@HealthAndPerformance.info. For additional information: www.healthandperformance.info