



# **Healthier People Cost Less**

## ***Even Old Ones***

***Bob Stone***  
***Co-Founder***  
***Healthways***

***Population Health and Disease***  
***Management Colloquium***

***March 2, 2010***

# Why Should You Care?



- It's Personal
- It's Expensive

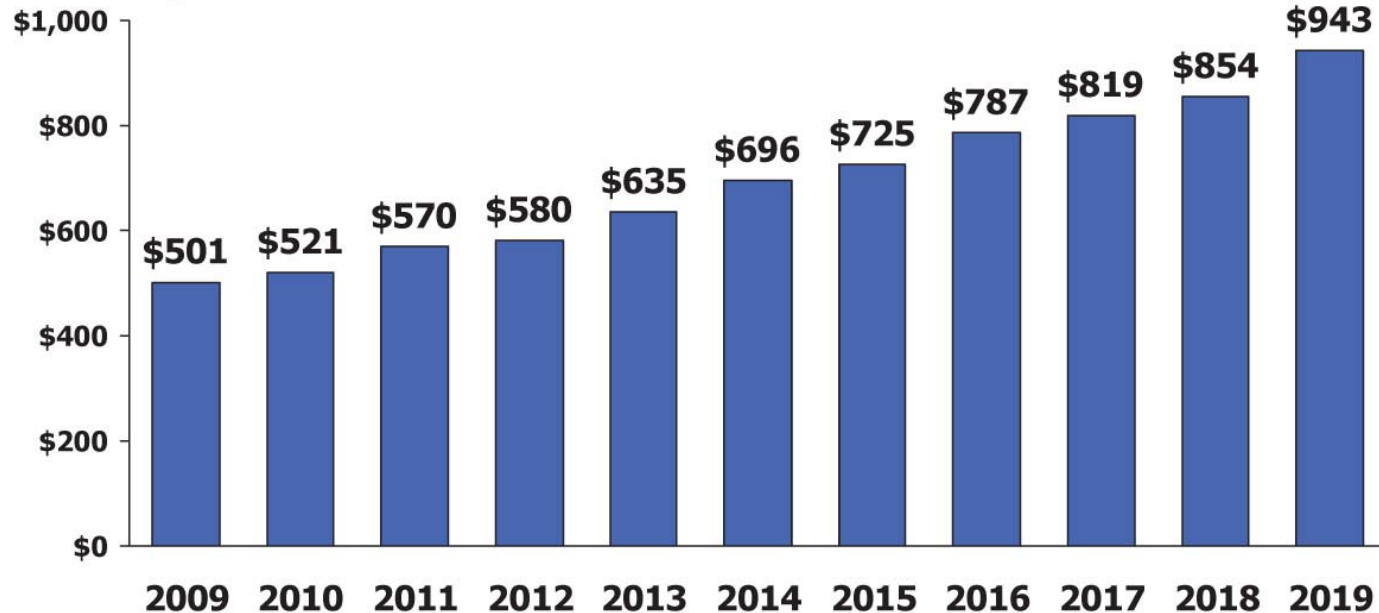


# Why Should You Care About Medicare?



## Projected Medicare Outlays, 2009-2019

*Total outlays in billions:*



*Share of:*

*Federal  
Outlays  
Gross  
Domestic  
Product*

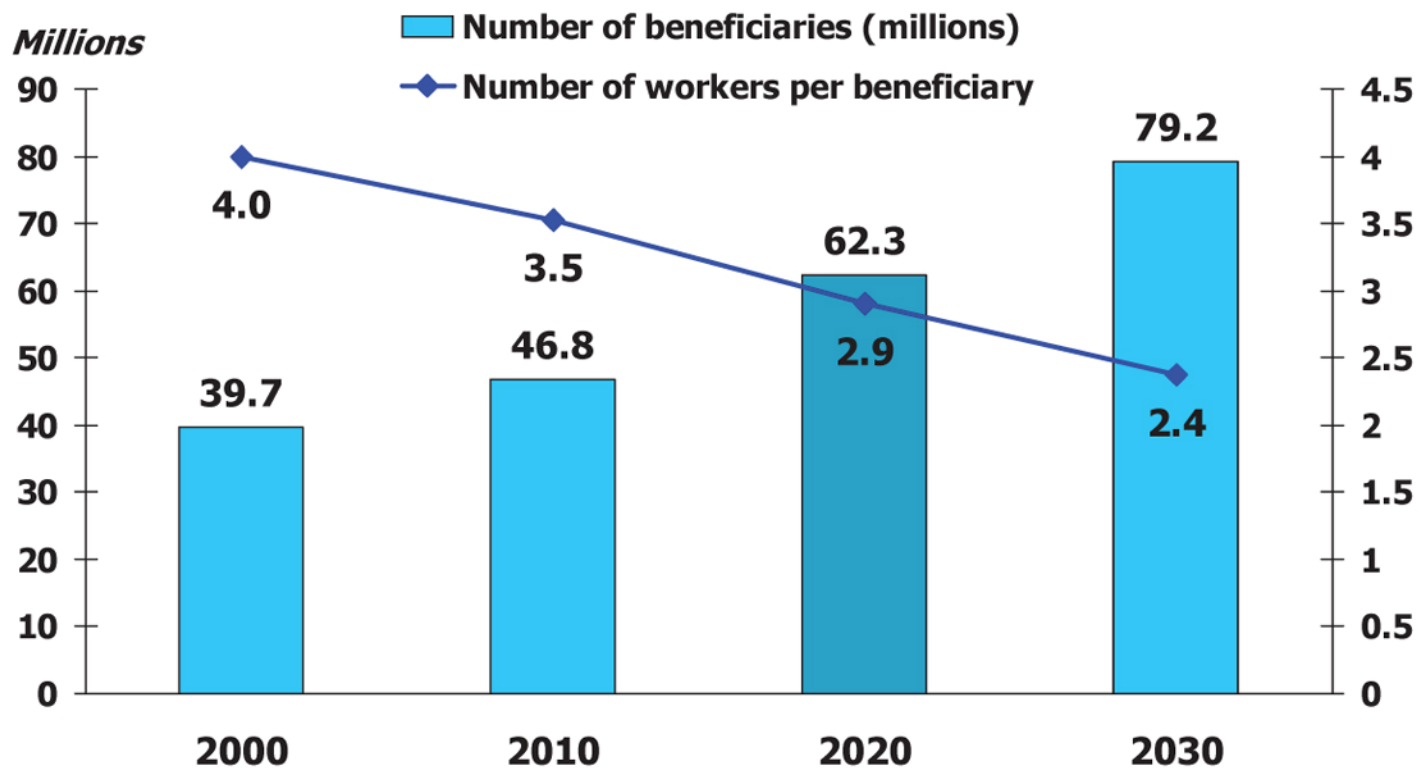
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
13%	15%	16%	17%	18%	19%	19%	19%	19%	19%	20%
3.6%	3.6%	3.8%	3.7%	3.8%	4.0%	4.0%	4.2%	4.2%	4.2%	4.5%

SOURCE: Kaiser Family Foundation based on data from Congressional Budget Office, March 2009.

# Why Should You Care About Medicare?



## Change in the Medicare Population and the Number of Workers per Beneficiary



SOURCE: Kaiser Family Foundation based on the 2009 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds.

# Why Should You Care?



- It's Personal
- It's Expensive
- **It's Our Money**
- **It's a Significant Business Opportunity**
- **We Can Make a Difference**



# Health Defined



# WHO

## PREAMBLE TO THE CONSTITUTION

The STATES parties to this Constitution declare, in conformity with the Charter of the United Nations, that the following principles are basic to the happiness, harmonious relations and security of all peoples:

Health is a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity.

The enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being without distinction of race, religion, political belief, economic or social condition.

The health of all peoples is fundamental to the attainment of peace and security and is dependent upon the fullest cooperation of individuals and States.

The achievement of any State in the promotion and protection of health is of value to all.

Unequal development in different countries in the promotion of health and control of disease, especially communicable disease, is a common danger.

Healthy development of the child is of basic importance; the ability to live harmoniously in a changing total environment is essential to such development.

The extension to all peoples of the benefits of medical, psychological, and related knowledge is essential to the fullest attainment of health.

Informed opinion and active cooperation on the part of the public are of the utmost importance in the improvement of the health of the people.

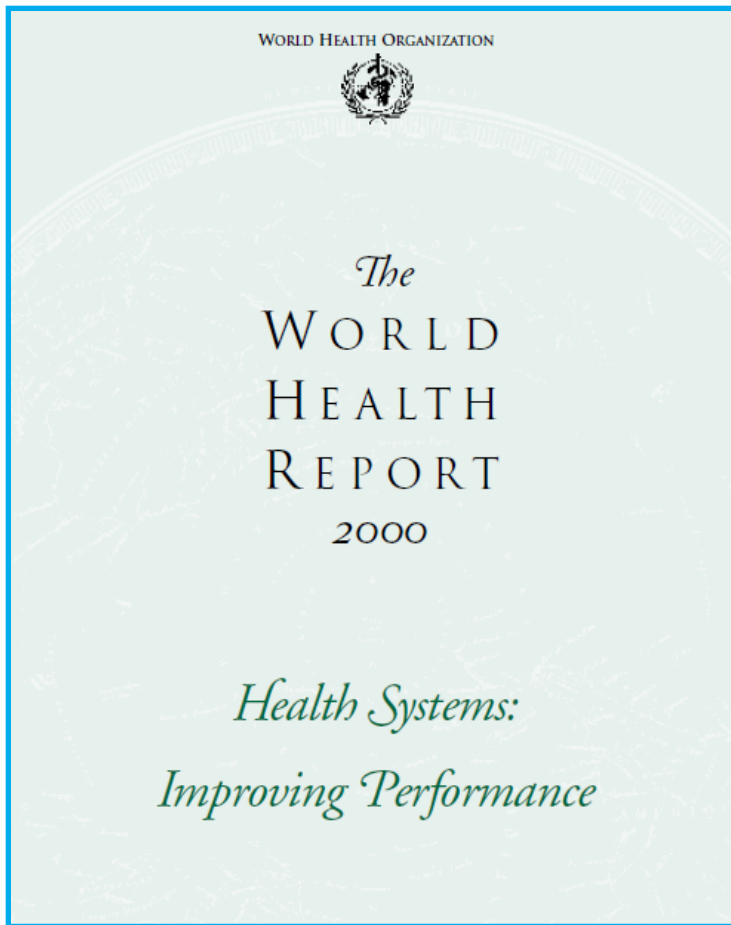
Governments have a responsibility for the health of their peoples which can be fulfilled only by the provisions of adequate health and social measures.

ACCEPTING THESE PRINCIPLES, and for the purpose of cooperation among themselves and with others to promote and protect the health of all peoples, the contracting parties agree to the present Constitution and hereby establish the World Health Organization as a specialized agency within the terms of Article 57 of the Charter of the United Nations.

“Health is a state of complete physical, mental and social **well-being** and not merely the absence of disease or infirmity.”

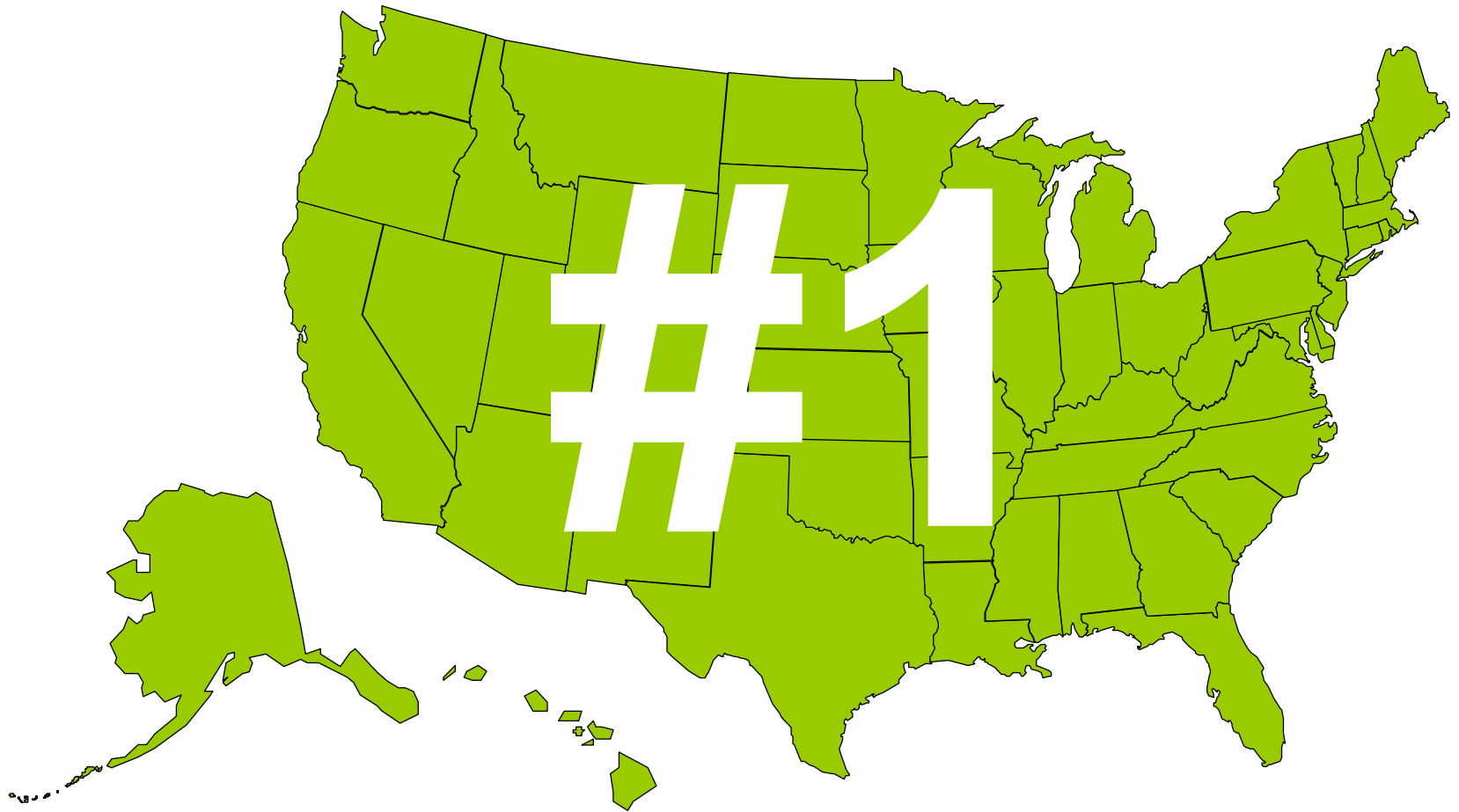
*-Preamble to the Constitution of the World Health Organization as adopted by the International Health Conference, New York, 19-22 June, 1946*

# Where the United States Stands



#37

# Where We Should Aim





# Single Objective



**“A system is a network of interdependent components that work together to try and accomplish the aim of the system. A system must have an aim. Without the aim, there is no system.”**

W. Edwards Deming

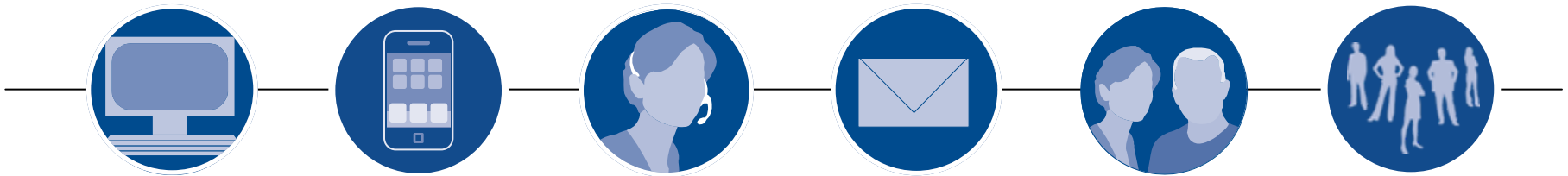
**“We succeed only as we identify in life, or in war, or in anything else, a single overriding objective, and make all other considerations bend to that one objective.”**

Dwight D. Eisenhower

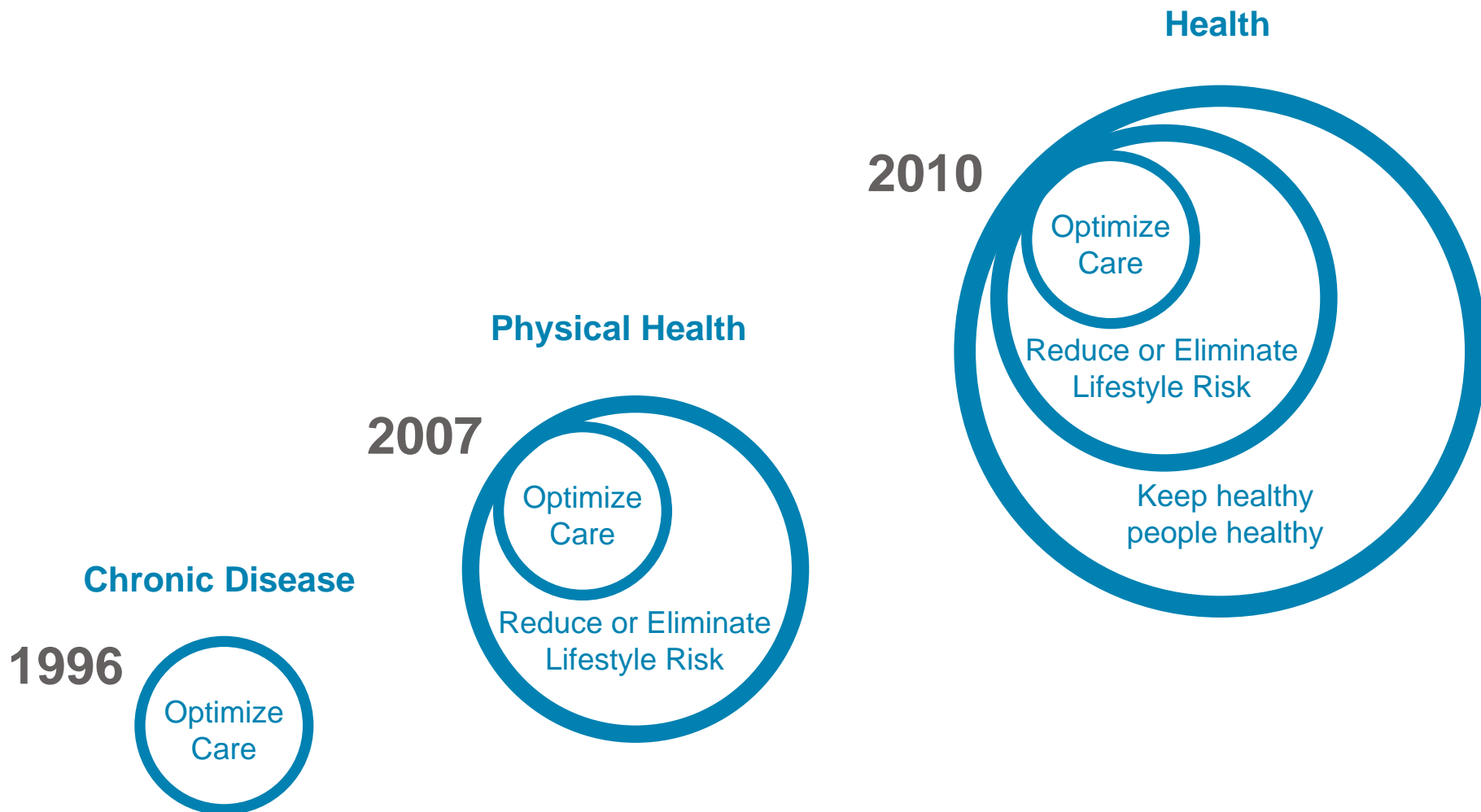
# Moving from Point **A** to Point **B**



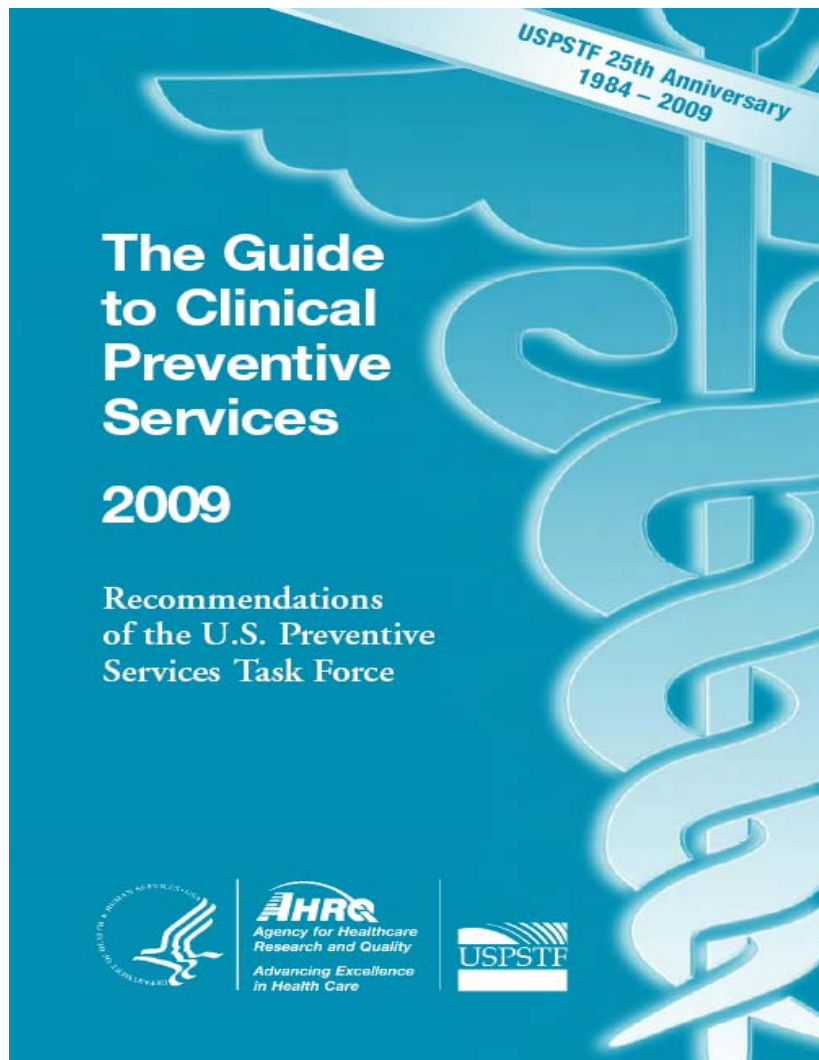
- Help Keep Healthy People Healthy
- Reduce or Eliminate Risk from Lifestyle Behavior Choices
- Optimize Care for those with Chronic Disease or Condition



# Evolving Industry Model



# Prevention vs. Detection

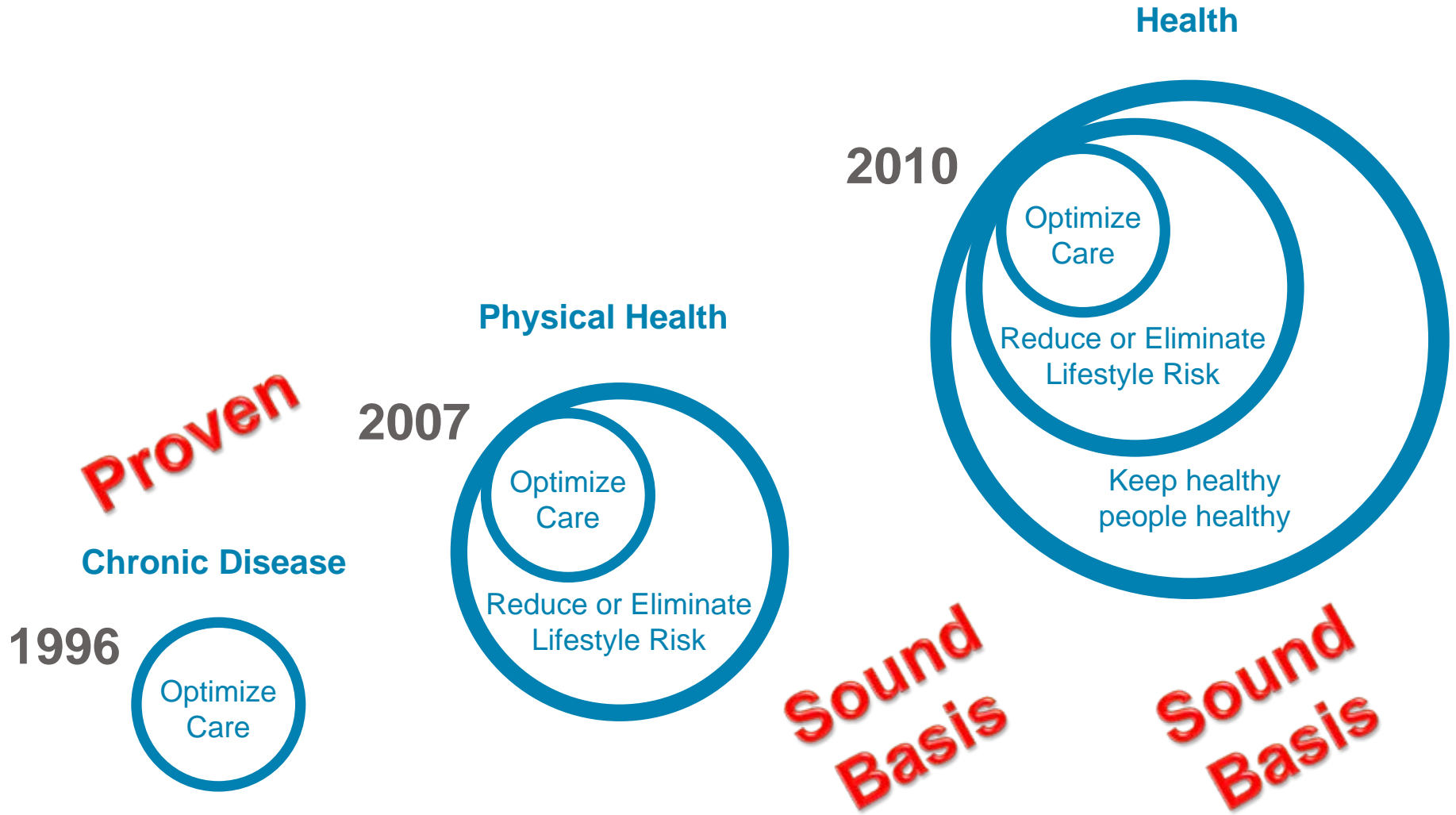


Only six of the 34 US Preventive Services Task Force recommendations for adults are actually preventive; the rest relate to screening for early detection of disease

# No Passed Balls



# What We Can Do; What We Have Done

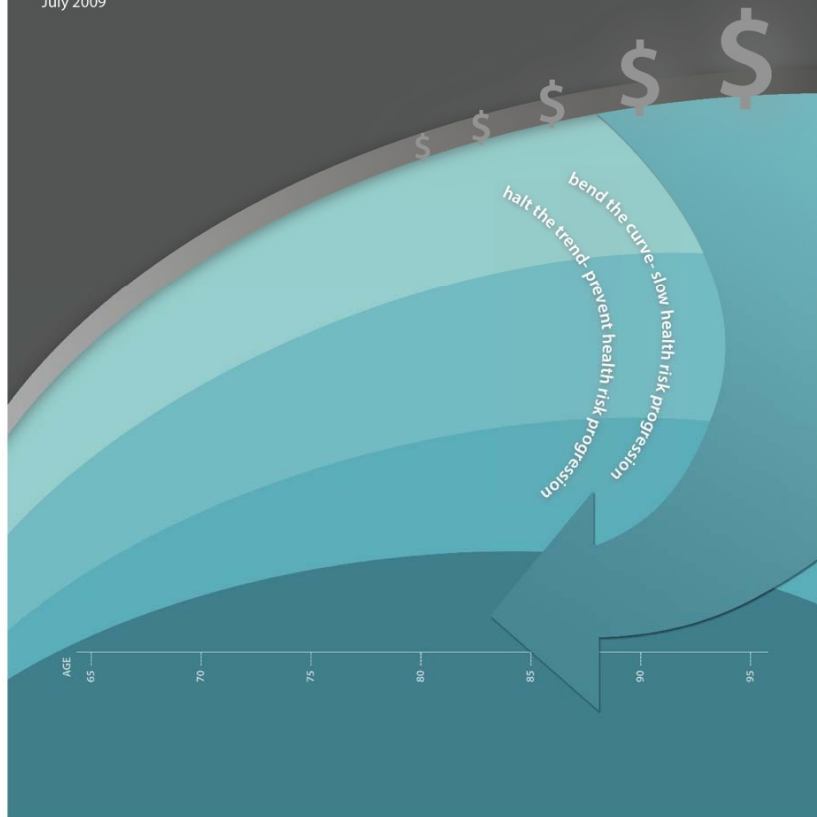


# Risk Reduction Pays



## POTENTIAL MEDICARE SAVINGS THROUGH PREVENTION & HEALTH RISK REDUCTION

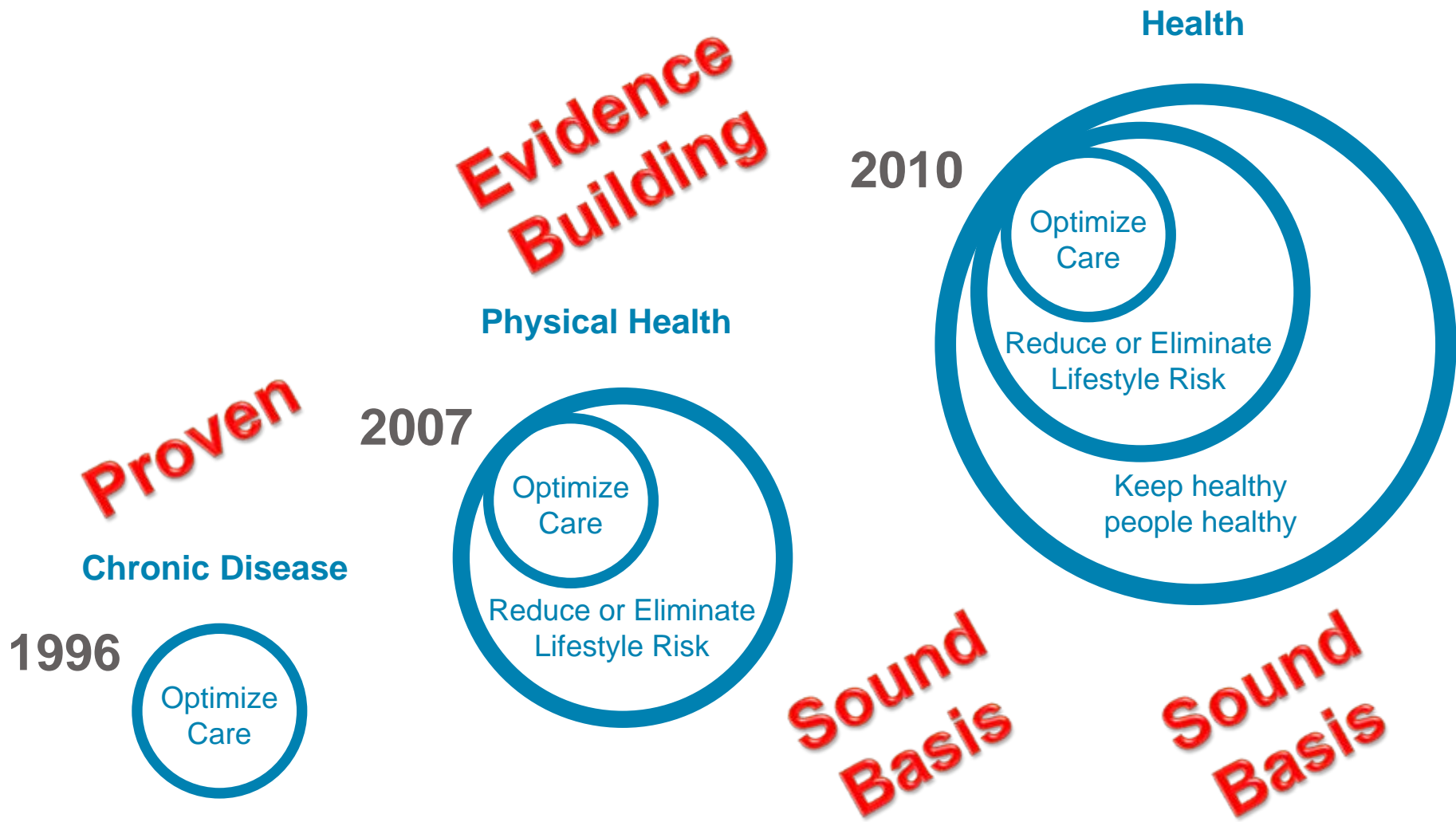
A Report from The Center for Health Research  
July 2009



- Two part Medicare solution
  - Slow >65 disease progression
  - Reduce disease severity at Medicare entry
- **\$652 billion - \$1.4 trillion**



# What We Can Do; What We Have Done





# SilverSneakers: Published Studies of Financial Savings



## Highmark Blue Cross Blue Shield Case Study (2004)



### Key Findings

#### Lower Medicare costs

- Medicare beneficiaries participating in SilverSneakers at least eleven out of twelve months had **30% lower** health care costs in the first year of program implementation

#### Favorable Impact on Trend

- Health care cost increases from 2003 to 2004 were lower for SilverSneakers members than similar health plan members not participating in the program

# SilverSneakers: Published Studies of Financial Savings



## Medica Health Plan Case Study (2006)

MEDICA.

### Key Findings

#### Lower Medicare costs

- SilverSneakers participants had **11% lower health care costs** in the first year after program implementation than similar health plan members not participating in the program

#### Favorable Impact on Trend

- Participants with diabetes had significantly lower adjusted **total health care costs (\$1,633)** one year after their start date
- Trended toward lower adjusted **total health care costs (\$1,230)** two years after their start date compared with similar health plan members with diabetes not participating

# SilverSneakers: Published Studies of Financial Savings



## Managed-Medicare Health Club Benefit and Reduced Health Care Costs Among Older Adults (2008)



### Key Findings

#### Lower health care costs

- **\$500 lower** adjusted health care costs per member after two years
- Members participating an average of twice a week incurred **\$1,252 lower health care costs**

#### Benefits of participation

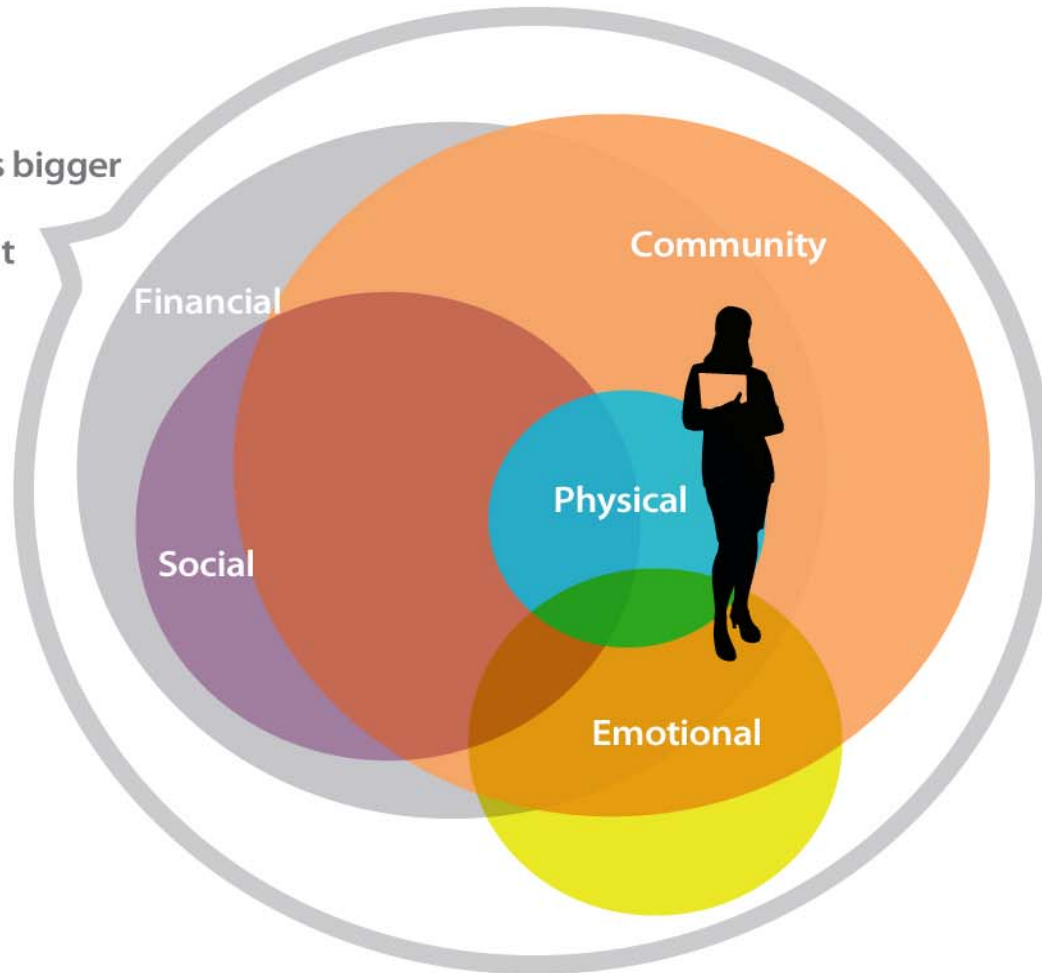
- Correlation demonstrated between more fitness center visits per week and smaller increases in total health care costs from baseline to year two

Nguyen H.Q., Ackermann R.T., Maciejewski M., Berke E., Patrick M., Williams B., LoGerfo J.P. (2008). Managed-Medicare Health Club Benefit and Reduced Health Care Costs Among Older Adults. *Preventing Chronic Diseases*, 5(1): 1-10.

# Improve Well-Being



Well-being is bigger  
than Health  
Management



**Individuals - Experts - Environments - Relationships**



- 25-year commitment, initiated January 2, 2008
- Telephonic-based for “community” survey
- 1,000 completed surveys per day/7 days/week
- 750,000+ completed surveys to date
  - For results based on this sample of respondents, the maximum 95% CI margin of sampling error is  $\pm 0.3$  percentage points
- Design support and oversight from leading behavioral economists, psychologists, and experts in psychometric survey design and statistical analysis

## Six Domains:

1. Life Evaluation
2. Emotional Health
3. Physical Health
4. Healthy Behavior
5. Work Environment
6. Basic Access

# Measuring Well-Being: Community, Organization and Individual Level

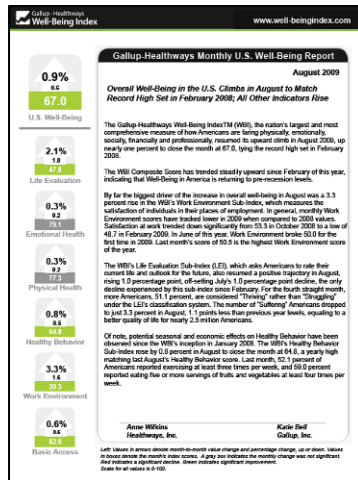


(WBI)

## Population Sampled-Based Survey

### Gallup-Healthways Well-Being Index

- Life Evaluation
- Healthy Behavior
- Work Quality
- Emotional Health
- Basic Access
- Physical Health

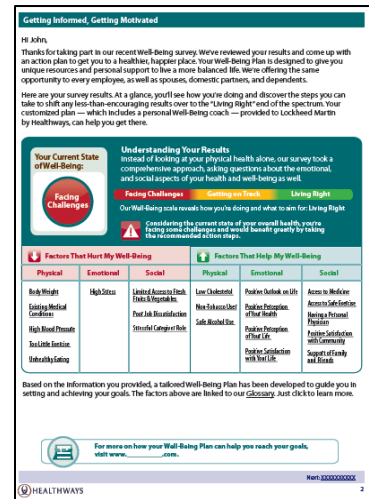


(WBA)

## Organization-Wide Survey with Individual Interpretation

### Well-Being Plan

- Health Risk Assessment
- Life Evaluation
- Healthy Behavior
- Work Quality
- Emotional Health
- Basic Access
- Physical Health
- Productivity



### Partnership benefits:

Research insights, brand development, community baseline and comparison, oversampling, sponsorships, consulting, community interventions

### Partnership benefits:

Establish linkage to performance, replace the HRA, workforce engagement opportunities, Well-Being improvement interventions

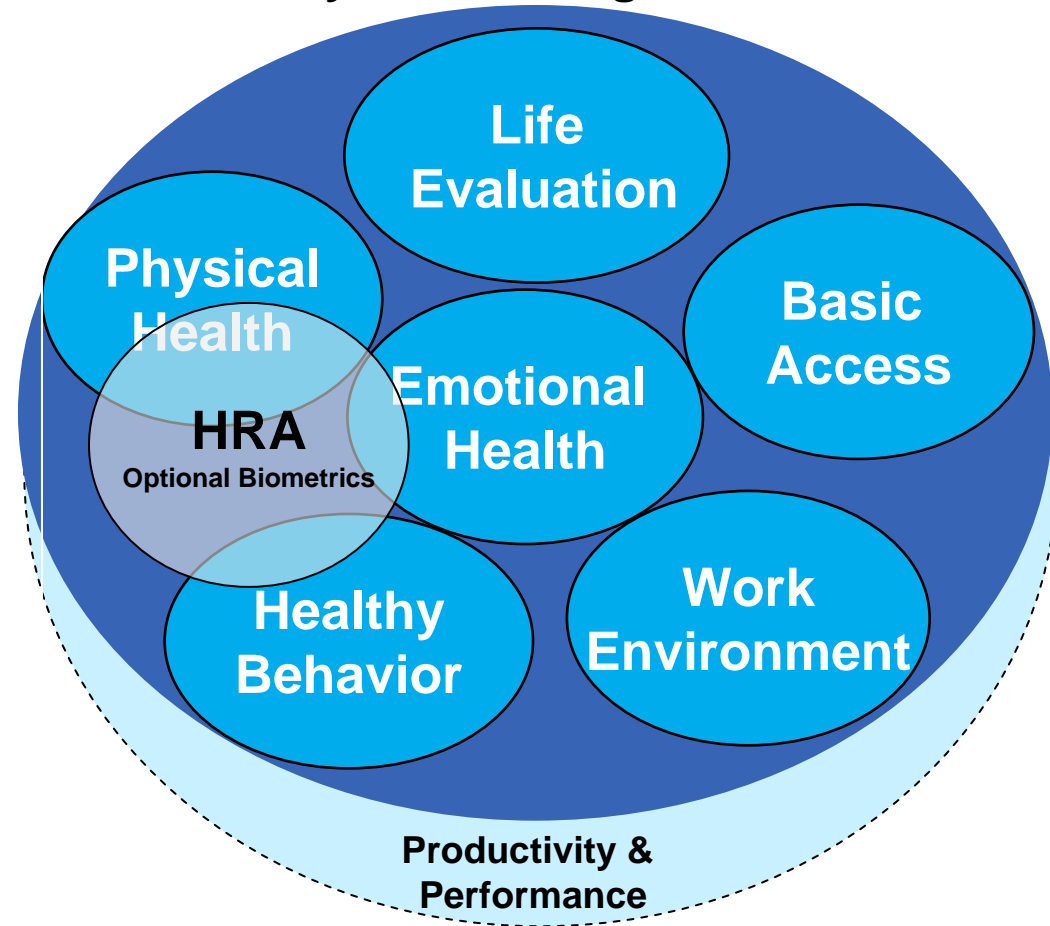
# Well-Being Assessment (WBA)

*(as a replacement for HRA) resonating in the marketplace*



- Complete Measure of Well-Being
- Well-Being Reports and Benchmarking
- Prioritize Investments to Improve Productivity and Reduce Healthcare Costs
- Single Survey
- Personalized Individual Report

## Healthways Well-Being Assessment



**Sponsors representing >500,000 lives already signed up**

# Science Linkages Confirming the Value



## ***Examples of research underway to publication:***

*Impact Of Smoking On The Well-being Of American Population*

*Well-being In The Senior American Population*

*Interaction Of Work Environment And Health On Well-being In Working Population*

*Impact Of Care-giving On Well-being In The Working Population*

*Case Study On Well-being In An Employer Setting*



# The Path Forward...



# Where We Should Aim

