

# How Employers are Addressing Health and Wellness



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Population Health & Care Coordination Colloquium  
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***March 14, 2011***

# Northeast Business Group on Health

- 175 member business coalition
- New York City, Westchester, Rockland and Orange Counties, Northern NJ and Western CT and MA
- Members include: Starwood Hotels, American Express, Verizon, MetLife, Pitney Bowes, Unilever, Con Edison, Goldman Sachs, Pepsico, City of New York, etc.
- Focused on quality measurement and improvement, and educating business community

# Business of the Past

- Historically the business community was just a payer of bills
- Increasing recognition that we can influence what we end up with
- Focus has been on tackling the sickest patients because they are the most expensive, with little attention to preventing the healthy from being sick

# Business Problem

- Currently, healthcare costs & most other costs associated with workplace & workforce performance are growing at a rate faster than is sustainable
- How are we going to be successful in this increasingly competitive world without a health and high performing workforce?
- How can we turn costs into an investment?

*Adapted from Dee Edington, University of Michigan Health Management Research Center*

- Recognition that if I can prevent illness and keep the healthy people healthy, workforce will be more productive and cost less

“To improve the bottomline, it’s easier to actively manage healthcare than to sell more products in such a competitive market”

» Michael Critelli, Former Chairman & CEO, Pitney Bowes

# Workforce as Classic Population Health Management

- Businesses have a defined population
- Determine the health risks of that population
- Target interventions to those at risk
- Provide incentives to participate
- Measure behavior change and program impact

# A little more complicated than that

- Five Pillars of a Population Health Management System
  - Senior Leadership
  - Operational Leadership
  - Self Leadership
  - Rewards
  - Quality Assurance

*Adapted from Dee Edington, PhD, University of Michigan Health Management Research Center*

# Senior Leadership

- Create the Vision
  - Commitment to healthy culture
  - Connect vision to business strategy
  - Engage all leadership in vision

*Source: Dee Edington, PhD, University of Michigan Health Management Research Center*



# Operational Leadership

- Align workplace with the vision
  - Brand health management strategies
  - Integrate policies into health culture
  - Engage everyone

*Source: Dee Edington, PhD, University of Michigan Health Management Research Center*

# Self Leadership

- Create Winners
  - Help employees not get worse
  - Help healthy people stay healthy
  - Provide improvement and maintenance strategies

*Source: Dee Edington, PhD, University of Michigan Health Management Research Center*

# Reward Actions

- Reinforce the Culture of Health
  - Reward champions
  - Set incentives for healthy choices
  - Reinforce at every touch point

*Source: Dee Edington, PhD, University of Michigan Health Management Research Center*

# Quality Assurance

- Outcomes Drive the Strategies
  - Integrate all resources
  - Measure outcomes
  - Make it sustainable

– *Source: Dee Edington, PhD, University of Michigan Health Management Research Center*



# Examples of Employer Health and Wellness Programs

# Hannaford Brothers

- Healthy behavior credit (\$20 per week)
  - Complete HRA
  - Tobacco Free
  - Required disease management and health promotion
- Only paying for minimally invasive surgeries
- Medical Tourism: Singapore

# Pitney Bowes: Value-Based Benefit Design

- Value equals the clinical benefit for the money spent.
- Value-based benefit packages adjust patients' out-of-pocket costs for health services on an assessment of the clinical benefit to the individual patient, based on population studies.
- Thus, the more clinically beneficial the therapy for the patient, the lower that patient's cost share will be. Higher cost sharing will apply to interventions with little or no proven benefit.

# Value-based benefit design example

- Lowering co-pays for medications that treat chronic diseases like diabetes, heart disease and depression...regardless of whether the medication is a brand or generic



# Lowe's

- \$700 million in medical spend
- Selected Cleveland Clinic as Designated “Travel Surgery Partner” For Cardiac Surgery

## Lowe's Employees Get World Class Surgery...free

*"In one innovative stroke, Lowe's has assured employee access to the nation's best surgical care and challenged all US hospitals to accelerate their pursuit of surgical excellence."*

*-A. Milstein, M.D., M.P.H.*

- Shift from good community hospitals to best available care nationally
- Disruptive message to local hospitals, and the nation
  - Healthcare is no longer local
  - Quality trumps convenience and price



# Lowe's Health Screening Units



# Health Screening Units (HSUs)



- Fully equipped mobile health screening units
- Four screening stations
- Waiting area
- Full of information on various health topics, and all Life Track programs
- Two kiosks to complete Health Risk Assessments (HRAs)



# PSEG

1. Determine Health Risks
  - Health Risk Assessment
  - Health Screenings
2. Build Health Into Routine
  - Lifestyle Management Program
  - Fitness Centers
  - Online tools & help line
  - Weight Watchers/Nutrisystem
  - Flu Vaccine
3. Get the Right Care at the Right Time
  - EAP
  - Prevention Works
  - Care Bridge
  - Health Plan Resources
4. Manage Chronic Health Conditions
  - Disease Management Program

# DOW

## Vision

Prevention

Quality & Effectiveness

Healthcare System Management

Advocacy

# Dow Interventions

- Health screening & consultation
- Health education & group programs
- Smoke-free workplace
- Health/risk focused campaigns
- Self-care & consumer education
- Strong benefit plan prevention coverage
- Electronic personal health record
- Positive health culture
- Community partnerships
- Healthy workplace index
- And more...

# American Express

- Wellness Program
  - Health screenings
  - Health assessment
  - Telephonic Health Coaching
  - Condition Management
  - Wellness Centers
  - Activity Centers (health coaches, registered dietitians, fitness staff)
  - Incentives
  - Free preventive prescription drugs and vitamins



# Is it Working?

- According to National Business Group on Health\*
  - A mature, comprehensive health management program with a highly engaged population can expect to see a minimum \$3 return for every \$1 invested (3:1) after 3 to 5 years.

\*National Business Group on Health, (2008) Improving Employee Health-Planning, Implementing and Achieving Targeted Outcomes, p.5

# PSEG results

- Employees who are engaged in their health by participating in PSEG's health & wellness programs are showing lower health care and absenteeism/disability costs and trends
  - Program participation shows a does effect with more medical & productivity cost moderation associated with higher levels of participation (2+ program vs. 1 program vs. never participants)
- Cost-benefit analysis demonstrates an overall program ROI of 1.1 (medical costs only) and 1.46 (medical and productivity) after the second year of the program (reasonable for earlier years of program implementation)

# Dow Results

- Employees are active
  - Approximately 85% global & 75% US participate in health assessments
  - About 75% global workforce (90% of US) participate in one or more internal Dow health programs/services each year
- Health is Improving
  - For top 3 risk targets of tobacco use, physical activity & obesity, Dow has seen a 23% reduction in high risk people & a 17% increase in low risk people since 2004
- Employees feel positive about the company
  - The percent of Dow people who believe Dow sincerely cares about their health and wellness is strong and increasing
- Leaders are engaged
  - Local worksite environments are more supportive of health-as indicated by the number of sites using Healthy Workplace Index use and score improvement by site.
  - HR has retained funding and leadership support for health despite challenging economics