National Business Group on Health

• Non-profit membership organization of large public and private employers
• 300 members; 63 of Fortune 100; roughly half of Fortune 500
• Members provide healthcare coverage for 55 million.
• Members also include health plans, healthcare consultants, and healthcare industry companies
Institute on Health, Productivity and Human Capital

**Key Objectives**

- Create practical tools and actionable solutions that address the quantitative and qualitative aspects of employee health and productivity, population health and organizational performance
- Provide a secure forum where members can share and access best practices and benchmark programs
- Facilitate a meaningful dialogue between large employers and national policymakers regarding population health, employee health and productivity and organizational performance
- Be the national voice for employers on issues related to employee health and productivity
- Be the leading data and information repository addressing population health and organizational performance (EMPAQ is one example)
- Develop and maintain integrated population health and organizational performance models that align with member capabilities
What is Health Promotion?
• Any prevention initiative aimed at changing lifestyle behaviors associated with greater risk of disease
• These initiatives actively encourage health activities:
  • substance abuse control
  • weight management
  • smoking cessation,
  • stress management
  • physical activity
  • or the like.
Broader Definition

- All aspects of traditional health promotion, but with larger goal of total health.
  - Employees take responsibility for their own health
  - Physically and emotionally prepared
  - Built resilience
Health Management in the Workplace

Healthier Person → Better Employee → Gains for The Organization

1. Health Status
2. Life Expectancy
3. Disease Care Costs
4. Health Care Costs
5. Productivity
   a. Absence
   b. Disability
   c. Worker’s Compensation
   d. Presenteeism
   e. Quality Multiplier
6. Recruitment and Retention
7. Company Visibility
8. Social Responsibility

Health Management Programs

Environmental
1. Leadership Vision
2. Policies/Procedures
3. Benefit Plans
4. Health Plans
5. Job Design
6. Incentives

Lifestyle Choices

Health Management Programs

Rethinking Current Approaches

Primary cost drivers are chronic disease and serious acute conditions

- 80% of Costs
- 20% of claimants
- 50% of costs
- Have a behavioral Root cause (CDC 2005)

For a typical employer, 15-30% of costs are driven by controllable health risks
Rethinking Current Approaches

Causes of Death in the United States

- **Diseases of the heart**: 30.4%
- **All cancers**: 23.0%
- **Stroke**: 7.0%
- **Chronic obstructive pulmonary disease**: 5.2%
- **Unintentional injuries**: 4.0%
- **Diabetes mellitus**: 2.9%
- **Influenza and pneumonia**: 2.7%
- **Alzheimer's disease**: 1.9%
- **Nephritis and nephrosis**: 1.5%

Source: CDC

*All data are adjusted to 2000 U.S. population
Rethinking Current Approaches

Actual 2005

- Tobacco use: 19%
- Poor diet/lack of exercise: 14%
- Alcohol use: 5%
- Infectious agents: 4%
- Pollutants/toxins: 3%
- Firearms: 2%
- Illicit drug use: 1%
- Motor vehicle crashes: 1%
- Illicit drug use: 1%

Source: CDC, McGinnis, JM, Foege, WH. Actual causes of death in the United States, CDC, 2005
Projected U.S. Population through 2050, by age group

<table>
<thead>
<tr>
<th>Year</th>
<th>20-44 years</th>
<th>44-64 years</th>
<th>65 years or older</th>
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<tbody>
<tr>
<td>2000</td>
<td>104.1</td>
<td>62.4</td>
<td>35.1</td>
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<tr>
<td>2010</td>
<td>111.6</td>
<td>68.0</td>
<td>39.5</td>
</tr>
<tr>
<td>2020</td>
<td>118.2</td>
<td>73.6</td>
<td>43.4</td>
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<tr>
<td>2030</td>
<td>124.8</td>
<td>79.2</td>
<td>47.3</td>
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<tr>
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<td>131.4</td>
<td>84.8</td>
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<tr>
<td>2050</td>
<td>130.9</td>
<td>90.4</td>
<td>55.1</td>
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</table>

Costs Associated with Risks
Medical Paid Amount x Age x Risk

Annual Medical Costs

Total Medical and Pharmacy Costs Paid by Quarter for Three Groups

High Cost

Medium Cost

Low Cost

Lifestyle Scale for Individuals or for any Population

Premature Sickness, Death & Disability

Chronic Signs & Symptoms

Feeling OK

High-Level Wellness, Energy and Vitality

Edington. Corporate Fitness and Recreation. 2:44, 1983
Employee Functioning

ADAPTIVE CAPACITY
- Structure
- Organization Know-how
- Culture
- Leadership
- Change Capacity
- Benefits
- Health Status

ACUTE FACTORS
- Environmental factors
- Organizational Factors
- Employee Perceptions
- Structure
- Risk

EMPLOYEE PRODUCTIVITY
- Job Performance
- Attendance, Accidents, Grievances
- Disabilities, Workers’ Comp, Benefit Usage

Low → EMPLOYEE PRODUCTIVITY → High
Wellness - How Does It Impact Employees and Family Members?

<table>
<thead>
<tr>
<th></th>
<th>Low Users</th>
<th>Medium Users</th>
<th>High Users</th>
<th>Very Hi Users</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>No Claims</td>
<td>Generally Healthy</td>
<td>Acute Episodic Conditions</td>
<td>Chronic &amp; Persistent Conditions</td>
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<tr>
<td></td>
<td>O/P (Low)</td>
<td>In/P (High)</td>
<td>Maternity</td>
<td>O/P (Low)</td>
</tr>
<tr>
<td>Prevention</td>
<td>15%</td>
<td>48%</td>
<td>14%</td>
<td>12%</td>
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<tr>
<td>Wellness - Lifestyle</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Minimize Acute Episodes</td>
<td>14%</td>
<td>12%</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>Maximize Recoveries</td>
<td>0%</td>
<td>12%</td>
<td>15%</td>
<td>12%</td>
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<tr>
<td>Wellness - Clinical</td>
<td>63%</td>
<td></td>
<td>20%</td>
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</tr>
<tr>
<td>Traditional Wellness Programs</td>
<td>12%</td>
<td></td>
<td>32%</td>
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</tr>
</tbody>
</table>

- Wellness - Clinical
- Early Intervention
- Wellness - Clinical
Employer Solutions

- Preventive Care
  - Health Protection
  - Healthcare Plan
  - Disability Management (STD, LTD)
  - Employee Assistance Program
  - Health Improvement/Wellness Program

- Evidence-Based Programs
  - Standardized
  - Integrated
Next Generation Health Management Program

1. Vision from Senior Leadership
2. Worksite Environment
3a. Health Risk Appraisals
3b. Individual Stratification
4. Population Programs
5. Incentives
6. Measurement

3b. Individual Stratification
- Coaching Sessions
- Unlimited contacts
- Health Advocate
- Triage to Resources
- Develop Self-Leaders

4. Population Programs
- Website
- Low-Risk Maintenance
- Know Your Numbers
- Physical Activity
- Nutrition Awareness
- Wellness Modules

5. Incentives

6. Measurement
Contact Information

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