

Employer Health Asset Management Roadmap

*A Roadmap for Improving the Health of
Your Employees and Your Organization*



**CHANGE AGENT
WORK GROUP**

What is the Change Agent Work Group (CAWG)?

Change Agent Work Group

- ▶ Industry thought leaders and influencers
- ▶ Working in collaboration to:
 - ▶ Accelerate improvement in the health status of the American workforce
 - ▶ Enable greater health-related productivity/functionality
 - ▶ Improve quality of life

The Change Agent Work Group Members

- ▶ **Steve Barger - Past President**
International Foundation of
Employee Benefit Plans
- ▶ **Michael Chernew, Ph.D.**
Harvard School of Public Policy
- ▶ **Dee W. Edington, Ph.D.**
University of Michigan Health
Management Research Center
- ▶ **Mark Fendrick, M.D.**
University of Michigan Center for
Value-Based Insurance Design
- ▶ **Ron Finch, EdD.**
National Business Group on Health
- ▶ **Jorge Font, MPH**
Buck Consultants
- ▶ **Joseph Fortuna, M.D.**
Automotive Industry Action Group
- ▶ **David Hom**
David Hom, LLC and former VP
Human Resources Strategic
Initiatives, Pitney Bowes
- ▶ **Joseph Marlowe, M.Sc., MPH**
Aon Consulting
- ▶ **William Molmen, J.D.**
Integrated Benefits Institute
- ▶ **Timothy A. Henning, MS, R.Ph.**
Pfizer Inc.
- ▶ **Sean Sullivan, J.D.**
Institute for Health and Productivity
Management
- ▶ **Andrew Webber**
National Business Coalition on
Health
- ▶ **Michael Wilson**
International Foundation of
Employee Benefit Plans

Affiliations shown for identification purposes only.
CAWG members participate as individuals.

Principles of the Employer Health Asset Management Roadmap

- ▶ Improve the health status of the workforce
- ▶ Provide incentives to use high-value, proven health interventions and preventive services
- ▶ Help employers and trust funds establish and reinforce health goals for a more productive workforce
- ▶ Align economic and behavioral incentives for all stakeholders to increase value
- ▶ Empower stakeholders with shared, clearly defined roles of responsibility and accountability for health and resulting productivity
- ▶ Utilize proven, validated metrics to monitor and measure financial, administrative and broad program outcomes

How Does the Employer Roadmap Help?

- ▶ Provides key decision makers a roadmap for elevating employee health to an integral part of their human capital “asset management” strategy
- ▶ Shows organizations in three phases how to evolve:
 - ▶ Phase 1 - Basic understanding of need for a healthier workforce
 - ▶ Phase 2 - Transitional process to improving employee health
 - ▶ Phase 3 - Complete integration of a comprehensive employee health and productivity improvement strategy
- ▶ Provides leaders with key messages on 7 major elements for building a healthier, more productive workforce
- ▶ Shares successful organizations’ case studies
- ▶ Includes references, Web sites and glossary of terms and tools

Key Roadmap Messages

- ▶ Leaders should enable and maintain an organizational culture that supports a high-performing workforce in a high-performance workplace
- ▶ Provide an employee health plan that includes proven, well-established wellness and prevention services
- ▶ Strive to optimize the organization's productivity by improving the health of its workforce
- ▶ Realize that healthier employees contribute more to the bottom line, therefore, create a strong organizational incentive to help employees achieve and maintain good health
- ▶ Creating, enhancing, and supporting a healthier, more productive workforce are achievable objectives

CAWG Roadmap - 7 Major Elements

- ▶ 1. Develop and embrace an organizational vision for health
- ▶ 2. Secure senior management commitment and participation
- ▶ 3. Address workplace policies and the work environment
- ▶ 4. Employ program evaluations using informatics and metrics
- ▶ 5. Set health goals and tailor program elements to meet them
- ▶ 6. Create a value-based plan design
- ▶ 7. Integrate patient-centered medical home and chronic care management

Chapter 1 - Develop and Embrace an Organizational Vision of Health

- ▶ The vision put forward by the senior leadership team can be one of the most powerful factors influencing an organization's behavior
- ▶ Develop a clearly defined organizational vision for health
 - ▶ Establish goals, philosophy, and approach that fits your organization's culture
 - ▶ Recognize the business value of health
- ▶ Articulate strongly the vision as a fundamental organizational value
 - ▶ Health is considered a key business strategy
- ▶ Communicate the vision through senior leadership so it is:
 - ▶ Infused throughout the organization
 - ▶ Embraced at all levels and in all departments
- ▶ Link the vision for employee health to business performance
 - ▶ Health status impacts worker productivity

Chapter 2 - Secure Senior Management Commitment and Participation

- ▶ Senior management must be committed to improving overall health of the workforce
 - ▶ Necessary to make a real difference
- ▶ What senior managers DO in promoting good health is far more important than what they SAY
 - ▶ Must walk the talk
- ▶ Business case analyses will demonstrate the bottom-line impact of health initiatives
 - ▶ Link between health improvement, productivity and profitability
- ▶ Engage top management by having each senior executive sponsor at least one key health initiative

Chapter 3 - Address Workplace Policies and the Work Environment

- ▶ Workplace policies
 - ▶ Written, published, and readily available
- ▶ Work environment
 - ▶ Leadership practices of healthy behavior establish the organization's expectations and culture
 - ▶ Supported health goals create the organization's environment
- ▶ Employees will view health as a priority on a par with other organizational values through:
 - ▶ Senior managers' commitment to improving health
 - ▶ Tangible examples (e.g., non-smoking campus, healthy food options, work-life balance, etc.)
- ▶ Ongoing communication plays an important role

Chapter 4 - Employ Program Evaluation using Informatics and Metrics

- ▶ Population health management begins with
 - ▶ Data
 - ▶ Demographics
 - ▶ Behaviors
- ▶ Data analytics enables selection of interventions matched to the population's needs
- ▶ Data analysis must include more than medical and pharmaceutical claims data
- ▶ For every dollar spent on worker medical or pharmacy costs, lost-productivity costs can absorb at least 2 to 4 dollars
- ▶ Periodically scheduled reporting time frames
 - ▶ Progress against goals
 - ▶ Reasonable time frames (e.g., monthly, quarterly, annually)

Chapter 5 - Set Health Goals and Tailor Program Elements to Meet Them

- ▶ As organizations progress they:
 - ▶ Broaden their health goals to promote productivity
 - ▶ Focus on treating high-risk employees
 - ▶ Put at-risk employees on the road to better health
 - ▶ Keep healthy employees healthy
 - ▶ Seek continual improvement in health outcomes
- ▶ Phase 3 organizations:
 - ▶ Both the employer and employees take responsibility for meeting health goals
 - ▶ Have established health committees/teams to support and execute the organization's health vision
 - ▶ Use incentives to increase participation in health improvement programs

Chapter 6 - Create a Value-Based Plan Design (VBPD)

- ▶ VBPD facilitates appropriate, positive utilization of services (fiscally responsible - clinically sensitive)
 - ▶ Tailors co-payments to the evidence-based value of specific services for targeted groups of employees
- ▶ Packages benefits and incentives according to health value they offer individual employees
- ▶ Organizations using VBPD may offer incentives and rewards tied to programs such as:
 - ▶ Completion of health risk assessments
 - ▶ Non-smoking status
 - ▶ Medication adherence
 - ▶ Weight management
 - ▶ Management of chronic conditions

Chapter 7 - Integrate Patient-Centered Medical Home and Chronic Care Management

- ▶ Patient-Centered Medical Home (PCMH):
 - ▶ An approach to providing comprehensive primary care
 - ▶ Goal of achieving better health outcomes
- ▶ Each patient has an ongoing relationship with a primary medical provider trained to provide:
 - ▶ First contact
 - ▶ Continuous, coordinated and comprehensive care
- ▶ PCMH supports wellness and prevention which employers and fund trustees desire
- ▶ Chronic care management through PCMH helps avoid complications and reduce costs related to uncontrolled health conditions

Chapter 8 - Portrait of a Phase 3 Organization

- ▶ Roadmap template assists in creating a culture of health
 - ▶ Improves employee health status
 - ▶ Improves productivity and competitiveness
 - ▶ Reduces full costs of ill health
 - ▶ Increases retention
- ▶ Investing in health of employees is as important as investing in training to develop skills
- ▶ Capitalize on market place analytic resources to establish strategy and monitor program performance
 - ▶ Use tools available in the marketplace
 - ▶ Link internal systems over time
- ▶ Phase 3 organizations select and implement a full range of integrated health-program elements
- ▶ Plan design encourages cost-effective and high-quality care 15

The Difference: The Employer Roadmap is an Innovative Guide that...

- ▶ Introduces cost-effective health programs for organizations in economically tough times
- ▶ Provides a map that includes 7 elements for building a healthier workforce
- ▶ Gives insights into the role of top decision-makers for framing a strategy and making it work
- ▶ Focuses on improving the quality of life for employees and their families
- ▶ Demonstrates successful implementation of health improvement initiatives and supplies tools to measure their impact
- ▶ Encourages organizational self assessment and provides direction to increasing productivity
- ▶ Provides lessons from successful organizations' case studies
- ▶ Provides updated lists of references and Web sites and a glossary of terms and tools

The 3 Phases of a Healthy Organization



Phase 1

The organization has a basic understanding of the need to change its approach to employee health and has implemented some basic health programs.



Phase 2

The organization is in a transitional process to facilitate and engage in activities that improve employee health.



Phase 3

The organization has a fully integrated strategy for managing employee health as a business asset.

Employer Roadmap Matrix

EMPLOYER HEALTH ASSET MANAGEMENT ASSESSMENT SCORECARD

Elements	Phase 1	Phase 2	Phase 3	Accountability for Health Total Employee Involvement
1. Vision	Focuses on reducing short-term healthcare costs	Transitions to health management with limited goals	Focuses on employer health asset management and business outcomes with explicit goals	
2. Senior management participation and commitment	Limited to Human Resources and benefits managers	Some involvement beyond HR, with accountability defined by specific initiatives	Senior leadership responsible for ensuring the workforce is healthy	
3. Workplace policies and environment	No wellness goals	Initial, “easy” changes to policy and work environment	Policies and work environment fully support wellness goals	
4. Diagnostics, informatics, and health metrics	A few basic metrics reported annually	Demographics and disease burden analyzed; analysis drives programs on a limited basis	Health policies and initiatives fully linked to demographics and disease burden; periodic, regular review of metrics; all metrics have goals	
5. Health goals and program elements	A few programs with little or no integration	More sophisticated program elements and some integration	Full suite of integrated programs using state-of-the-art techniques	
6. Value-based plan design	No value-based elements; cost shifting as primary strategy	Initial value-based elements, probably in pharmacy co-pays	Comprehensive use of value-based plan elements	
7. Patient-centered medical home (PCMH)/ chronic care management	Some understanding of PCMH; initial forays into disease management programming with few links to other program elements	Supports elements of the PCMH; evolving disease management programs integrated with other programmatic activities	Fully supportive of PCMH. Chronic care model integrates employer activities with providers and other community resources	

How Does My Organization Get Started?

- ▶ Carefully read the entire document
- ▶ Internalize the *Executive Summary*
- ▶ Involve your senior management team in:
 - ▶ Assessing your organization's current health status
 - ▶ Gather data on your organization's current healthcare costs, absenteeism and lost productivity at work
 - ▶ Focus on which health issues and medical conditions are driving full costs
 - ▶ Determining where the organization stands --Phase 1, 2 or 3-- in each of the 7 elements of the Roadmap
 - ▶ Establishing a three-year vision

Getting Started (continued)

- ▶ Develop an implementation plan for your organization's most critical elements
- ▶ Establish measures and reporting timeframes
- ▶ Assign accountability for outcomes
- ▶ Continually assess program and adjust as needed
- ▶ Recognize achievements

**Remember this is a journey ...
Celebrate successes along the way!**



The **Change Agent Work Group (CAWG)** is an unprecedented collaboration of industry thought leaders and influencers working to accelerate improvement in American workforce health and productivity. Although CAWG members come from many of the industry's organizations, foundations and institutions their work product is a result of collaboration of the individuals and does not necessarily represent the view of their respective organizations. The ongoing process of the working group is assisted by an independent organization with experience and expertise in group process facilitation and is funded by Pfizer Inc. as an independent voice working to accelerate improvement in the American health care system.

Change Agent Work Group *

Steve Barger - Past President International Foundation of Employee Benefit Plans - sbarger@benefitdecisions.com

Michael Chernew, Ph.D. - Harvard School of Public Policy - chernew@hcp.med.harvard.edu

Dee Edington, Ph.D. - University of Michigan Health Management Research Center - dwe@umich.edu

Mark Fendrick, M.D. - University of Michigan Center for Value-Based Insurance Design - amfen@umich.edu

Ron Finch, Ed.D. - National Business Group on Health - rfinch@businessgrouphealth.org

Jorge Font - Buck Consults - jorge.font@buckconsultants.com

Joseph Fortuna, M.D. - Automotive Industry Action Group - josephf41@aol.com

David Hom - President, David Hom, LLC - davehom@optonline.net

Joseph Marlowe - Aon Consulting - joe_marlowe@aon.com

William Molmen, J.D. - Integrated Benefits Institute - wmolmen@ibiweb.org

Thomas Parry, Ph.D. - Integrated Benefits Institute - tparry@ibiweb.org

Tim Henning - Pfizer Inc.- timothy.a.henning@pfizer.com

Sean Sullivan, J.D. - Institute for Health and Productivity Management - sean@ihpm.org

Andy Webber - National Business Coalition on Health - awebber@nbch.org

Michael Wilson - International Foundation of Employee Benefit Plans - mwilson@ifebp.org

* Affiliations shown for identification purposes only. CAWG members participate as individuals.

Executive Summary and Chapter 1. Develop and Embrace an Organizational Vision for Health (slide 8)

Executive Summary

Citations:

- U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, "NHE Projections 2007-2017, Forecast Summary and Selected Tables." Available from: www.cms.hhs.gov/NationalHealthExpendData/03_NationalHealthAccountsProjected.asp#TopOfPage (accessed 9 December 2008).
- Claxton, G., Gabel, J. R., DiJulio, B., Pickreign, J., Whitmore, H., Finder, B., Jarlenski, M., and Hawkins, S. "Health Benefits In 2008: Premiums Moderately Higher, While Enrollment In Consumer-Directed Plans Rises In Small Firms." *Health Affairs* 27, no. 6, (2008): w492-w502. Available from: Health Affairs <http://content.healthaffairs.org/cgi/content/abstract/hlthaff.27.6.w492> (accessed 2 October 2008).

Chapter 1: Develop and Embrace an Organizational Vision for Health

Citations:

- Edington, Dee. Interview by Marlene Abbott. 2 October 2008.
- "The Business Response of Employers to Absence—Analytic Case Studies in Three Industries: Utilities, Finance and Retail." *Integrated Benefits Institute* April 2008. <http://ibiweb.org/do/PublicAccess?documentId=515>
- Loeppke, Taitel, Richling, Parry, Kessler, Hymel and Konicki. "Health and Productivity as a Business Strategy." *Journal of Occupational and Environmental Medicine* 49 (2007): 712-721.
- Goetzel R.Z., Long S.R., Ozminkowski R.J., Hawkins K., Wang S., Lynch W. "Health, absence, disability, and presenteeism cost estimates of certain physical and mental health conditions affecting U.S. employers." *Journal of Occupational and Environmental Medicine* 46 (2004): 398-412.
- Schultz, Alyssa and Edington, Dee. "Employee Health and Presenteeism: A Systemic Review." *Journal of Occupational Rehabilitation* 17, (25 July 2007): 547-579.
- Weatherly, Leslie A. "Human Capital—The Elusive Asset; Measuring and Managing Human Capital: A Strategic Imperative for HR -2003." Available from: Research Quarterly http://findarticles.com/p/articles/mi_m3495/is_3_48/ai_98830435/print?tag=artBody; col (accessed 25 August 2008).

Chapter 2. Secure Senior Management Commitment and Participation

(slide 9)

Citations:

- Blueprint for Health - National Business Coalition on Health / American College of Occupational and Environmental Medicine;
- Health and Productivity Snapshot - Integrated Benefits Institute;
- Quality Dividend Calculator - National Committee for Quality Assurance

Chapter 3. Address Workplace Policies and the Work Environment

(slide 10)

Citations:

“Understanding Spread of Innovation Medical Home Grantee Meeting.” Available from:

www.medicalhomeinfo.org/grant/Grantee/grantee2004/Spread-Medical%20Home%20Grantee%20Meeting.ppt (accessed 30 October 2008).

Nolan, K., Nielson, G., Schall, M. “Developing Strategies to Spread Improvements, From Front Office to Front Line: Essential Issues for Health Care Leaders.” Joint Commission on Accreditation of Health Care Organizations (2005) 62.

Chapter 4. Employ Diagnostics, Informatics and Metrics

(slide 11)

Citations:

Loeppke, Ronald M.D., MPH; Taitel, Michael Ph.D.; Richling, Dennis M.D.; Parry, Thomas Ph.D.; Kessler, Ronald C. Ph.D.; Hymel, Pam M.D., MPH; Konicki, Doris MHS. "Health and Productivity as a Business Strategy." Fast Track Article, *Journal of Occupational and Environmental Medicine*, 49 (July 2007) 7: 712-721.

Chapter 5. Set Health Goals and Tailor Program Elements to meet them (slide 12)

Citations:

Rosen, B. and Barrington, L. "Weights and Measures: What Employers Should Know about Obesity." New York, NY: The Conference Board, April 2008.

Chapter 6. Create a Value-Based Plan Design (VBPD)

(slide 13)

Citations:

Chernew, Michael PhD, Professor of Health Care Policy Harvard Medical School. May 14, 2008, testimony before the Subcommittee on Health of the House Committee on Ways and Means available for download at:

http://www.sph.umich.edu/vbidcenter/pdfs/Chernew%20Testimony%2005-12-08%20_final.pdf (accessed 11 September 2008).

Chernew, M., Gibson TB., Yu-Isenberg, K., Sokol, M.C., Rosen, A.B., Fendrick, A.M. "Effects of Increased Patient Cost Sharing on Socioeconomic Disparities in Health Care" *The Journal of General Internal Medicine* (2008) 1131-6.

Value-based insurance design: Employee compliance rises as medicine co-pays drop. *Consumer Driven Healthcare*. 7 (March 2008) 3: 2. Available for download at:

<http://www.sph.umich.edu/vbidcenter/pdfs/March%202008%20CDH.pdf> (accessed 30 October 2008).

Chapter 7. Integrate Patient-Centered Medical Home and Chronic Care Management

(Slide 14)

Citations:

Patient-Centered Primary Care Collaborative. "Evidence on the effectiveness of the patient-centered medical home on quality and cost." Available from: <http://www.pcpcc.net/node/10> (accessed 20 October 2008).

Patient Centered Primary Care Collaborative. "Purchasers Guide to PCMH," page 18, Available from: <http://www.pcpcc.net> (accessed 2 September 2008).

Centers for Disease Control and Prevention, content source: National Center for Chronic Disease Prevention and Health Promotion. Available at: <http://www.cdc.gov/nccdphp/> (accessed 14 September 2008).

Patient Centered Primary Care Collaborative. "Purchasers Guide to PCMH," page 11. Available from: <http://www.pcpcc.net> (accessed 2 September 2008).