



Executive Summary

The Employer Health Asset Management roadmap is a guide for introducing cost-effective employee health programs. While the roadmap refers to “employees,” it can be applied equally within the framework of Taft-Hartley multiemployer trust funds to produce meaningful improvement in the health status of union participants. This roadmap:

- Details the processes required to achieve a healthier workforce
- Suggests ways to define, measure, and track specific initiatives using many of the same techniques that have improved the performance of business operations
- Offers proven tactics and strategies for managing complex change, particularly changes in the culture of an organization, and
- Helps organizations evolve from a basic understanding of the need for a healthier workforce (Phase 1) to complete integration of a comprehensive employee health strategy (Phase 3)

While no organization can expect to adopt all of the attributes of a Phase 3 organization overnight, the roadmap offers employers a natural progression of techniques to advance employee health and position themselves for success. As the term *roadmap* suggests, reaching the destination—a healthier and more productive workforce—requires a journey of incremental steps that will yield incremental successes.

Table 1
Phases of a Healthy Organization

Phase 1	Phase 2	Phase 3
The organization has a basic understanding of the need to change its approach to employee health.	The organization is in a transition, beginning to facilitate and engage in activities that impact employee health.	The organization has a fully integrated employer health asset management strategy.

Rising healthcare costs present a core business challenge. U.S. healthcare spending approached \$2.25 trillion in 2007, more than 16% of the gross domestic product.¹ A 2008 *Health Affairs* study drawing on interviews with 1,927 public and private employers showed that average annual premiums increased 5 percent to \$4,704 for single coverage and \$12,680 for family coverage.²

Many organizations have successfully addressed key healthcare challenges by investing in an employee health strategy. (Case studies appear in Appendix A.) While individuals have the greatest control over their own health, employers have a vested interest in promoting good health and a unique capability to do so by providing a healthy environment and by offering powerful incentives and disincentives through workplace benefits and compensation programs. From a health perspective, value is defined as the full health-related benefit achieved for the worker and the employer—in terms of medical cost savings and health-related lost time and lost productivity—for the money spent. The ability to add value to the business through better management of employee health may be the largest untapped source of competitive advantage. The Change Agent Work Group (CAWG) developed this roadmap to help organizations capture that advantage.



The roadmap for Employer Health Asset Management involves seven main elements. Each of the seven elements requires involvement and accountability from employers and employees. They are:

- Develop and Embrace an Organizational Vision of Health
- Senior management participation and commitment
- Workplace policies and the work environment
- Diagnostics, informatics and health metrics
- Health goals and program elements
- Value-based plan design
- Patient-centered medical home (PCMH) / chronic care management

The roadmap describes three phases for each of the seven elements (Table 2, Executive Summary Appendix, page 11). Organizations will likely be at different phases for different elements at the same time. For example, an organization may be at Phase 3 in terms of its vision, but Phase 2 in the implementation of specific health programs. Still, certain elements are important precursors to others. Once a vision for health is defined, for example, senior management participation is critical before moving forward.

The most innovative organizations took a leap of faith with early investments in employee health, but many other employers have followed as evidence of the link between health and productivity has grown. More organizations now offer smoke-free worksites, walking trails, low-cost health-food options, and exercise facilities. The rise in disease management and other employee health programs reflects growing awareness of the value of well-executed population health management programs. Some employers have redesigned benefits so beneficiaries receive certain services at no cost, because encouraging use of those services now can improve quality of care and reduce health costs later.

Executives who achieve the greatest success begin with a vision of health for their entire employee population. They focus on achieving measurable outcomes—health management outcomes *and* business outcomes—in a defined timeframe. Successful organizations begin with the following steps:

- Establish a three-year vision
- Assess the current status on each of the seven elements in the roadmap
- Set 12-month goals to improve performance on those elements deemed to be most critical
- Include ongoing review of progress on the roadmap in the strategic planning process

Numerous Phase 3 organizations have proven that healthcare investments can achieve tremendous value. Improving health must become a fundamental organizational value and a key strategy. Creating a culture of health requires the commitment of top management, an involved leadership team, and a clear course to follow.

Phase 3 Organizations recognize health is an investment to be optimized, not a cost to be minimized.

When employers structure benefits and programs to optimize the health of their workforce, employees become more productive and the organization's healthcare cost trends improve. Using this roadmap as your guide, take the first steps toward solving America's healthcare problems. Improve the health and productivity of your workforce, and watch the benefits flow to your bottom line. ■



Executive Summary Appendix

Table 2

Summary of the Employer Health Asset Management Roadmap

Elements	Phase 1	Phase 2	Phase 3	Accountability for Health	Total Employee Involvement
1. Vision for health	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 the work 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		