



*Get the Watch Working: Integration Across Benefits
Purchasing, Health Promotion and Health Protection*

FINDINGS FROM INTERVIEWS WITH NINE U.S. COMPANIES | JULY 2016



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About IBI

Founded in 1995, the Integrated Benefits Institute (IBI) is a national, nonprofit research and educational organization focused on workforce health and productivity. IBI provides data, research, tools and engagement opportunities to help business leaders make sound investments in their employees' health. IBI is supported by more than 1,100 member companies representing over 20 million workers.

For more information about IBI's programs and membership, visit ibiweb.org.

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The Ohio Bureau of Workers' Compensation has also developed a questionnaire on this same integration topic. This reference, the Workplace Wellness Grant Program Annual Case Study, is available at www.bwc.ohio.gov/downloads/blankpdf/SH-30.pdf, and was accessed July 15, 2016.

Finally, the author would like to thank the IBI Board of Directors for nominating leading experts to participate in the interviews, as well as the interviewees for their frank and open discussion of the promising efforts and remaining challenges to successful integration of health promotion and health protection activities.



Executive Summary

By and large, employers invest in integrated efforts not just to improve employee health outcomes but also to mitigate costs associated with health-related work disruptions such as safety incidents and work leaves due to chronic illness. Such integrated employee health investments make good business sense and are beneficial for employee health and performance as well.

To deepen understanding around employers' thinking on integration, how their approach functions in practice and the consequences for employee health and business value, IBI conducted interviews with senior-level health officials from nine different employers. The experts interviewed had primary responsibility for health promotion and/or health protection functions within their organizations, but not direct authority over benefits-purchasing decisions. In each of the nine organizations, there were three basic functions related to integrated employee health investments:



Benefits Purchasing: responsible for determining coverage and buying benefits for employee health across a range of coverage types, including medical, pharmacy, disability and workers' compensation



Health Promotion: responsible for implementing wellness initiatives primarily aimed at preventing illness and disease by sponsoring activities such as fitness programs, biometric screenings and healthy food options at work



Health Protection: responsible for preventing worker injury and illness through safe practices and policies, including safety trainings and ergonomic design

We found that in practice, however, typically these functions take place in separate business departments, often with very little joint activity or communication among those handling health promotion and health protection functions and those purchasing group health benefits. The efforts of health promotion and health protection teams overlapped with varying degrees of structural and functional integration.

Key Findings: Implications for Employers

When benefits purchasing, health promotion and health protection do not work together, workforce health is compromised and time, money and energy are wasted. Here are three ways to get teams working in sync:

Build allies: Talk to other departments and get senior leaders involved in developing integrated strategies around employee health and wellbeing.

Find common ground: Meet colleagues where they are and map workforce health to business performance.

Hold each other accountable: Measure and review outcomes to track progress and make informed decisions.

Introduction

Evidence continues to build that the integration of health promotion and health protection is an effective approach to employee health and productivity (H&P) improvement; this in turn is expected to increase employer business value. By and large, employers invest in integrated efforts not just to improve employee health outcomes but also to mitigate costs associated with safety incidents and long-term care of chronic illnesses. Such integrated investment makes business sense and is good for employee health and performance as well. In practice, however, typically these functions take place in separate departments, often with very little joint activity or communication among those handling occupational safety and health (OSH) concerns, including the management of workers' compensation benefits, those handling health promotion and those managing group health benefits.

In addition, over the past 20 years hundreds of papers have been published on the connections between employee health and a broad range of outcomes that include sickness absence, the incidence and cost of short-term disability claims related to chronic illnesses, and presenteeism (i.e., reductions in job performance associated with diminished health). Even though metrics for assessing both the integration of health promotion and health protection and the related broad H&P outcomes may be well defined in the current research literature, their adoption in practice seems inconsistent. There is an increasing demand for such metrics that can be practically used by employers and a need to understand how they may currently be used. This points to the potential value of expert in-depth interviews with employers on the topic of integration of health promotion and health protection and the associated broad consequences for both employers and employees.

Past studies have found various levels of and approaches to integration. For example, companies may have a single leader in charge of both the health promotion and health protection departments. Or they may encourage joint meetings between the separate departments that handle health promotion and health protection. They may also develop metrics that assess the degree of integration of health promotion and health protection, and track aligned H&P and business value improvement outcomes. We need to improve the understanding of the various ways employers are currently thinking about integration, how they try to operationalize integration in practice and what the consequences of these actions are for both employers and employees. Addressing this need will in turn point to opportunities for improving both employee health and employer business value. Throughout this paper we refer to "health promotion," which includes workplace wellness efforts, and "health protection," which includes OSH efforts.

Study Approach

To understand employers' current thinking about integration, as well as how employers practice integration and the consequences for employee health and business value, we conducted a pilot effort involving semi-structured in-depth expert interviews over the telephone with nine employers. IBI board members were asked to nominate leading experts who they believed were effectively integrating health promotion and health protection efforts for their workforces. The resulting convenience sample of nine experts was selected to participate. The following list displays broad industry groupings and approximate workforce sizes to maintain anonymity of the participating companies. These nine employers represent a range of leading industries in the U.S. economy, as well as a variety of workforce sizes, although skewed toward large and very large employers.

Industry	U.S. Workforce Size in Full-Time Equivalent (approximate)
Scientific research center	4,000
National laboratory, engineering and scientific organization	8,000
Food manufacturing	20,000
Financial services	25,000
Oil & gas extraction	75,000
Aerospace and advanced technology	100,000
Heavy industry	160,000
Entertainment	180,000
Health services	180,000

We designed the phone interview guide to cover a range of topics, based on a review of key resources (see References) related to definitions of health promotion and health protection activities. The goal was to understand how these activities are structured and measured and how the experts interviewed engaged with senior leaders to make the case for supporting integration of health promotion and health protection in their organization.

The Appendix contains the semi-structured guide we used to conduct the interviews. We completed nine interviews between December 2014 and September 2015. Each conversation took approximately 30 minutes. The Appendix also contains the narrative results of the interviews. In general, the following topics were covered:

- Expert's role(s)
- Meaning of integration at expert's company
- Department interaction related to employee health and wellness
- Senior leadership involvement and organizational communication
- Employee participation in health and wellness programs
- Reporting used to measure and understand employee health and wellness
- Promising new efforts and biggest challenges for integration of employee health and wellness

Summary Findings

This report contains general conclusions from the expert interviews across nine companies. In most cases, the experts were physicians trained in occupational medicine with senior executive-level responsibility for employee health and wellness but with little influence over the purchasing of health insurance plans.

In only one case, there appeared to be an effective partnership with the benefits purchasing department. In another company, there may be an opportunity for such an effective partnership in the future.

In large organizations, several separate departments are commonly responsible for different portions of employee health and wellness. In this report, we focus on three functional areas that often exist in separate departments: benefits purchasing, health promotion and health protection.

How can group health benefits be more a part of an integrated strategy for health and wellness?

— Corporate Medical Director, Entertainment

In many organizations, health promotion efforts may be isolated to one functional area or appear across functional areas. In some organizations, there may be a single senior executive responsible for integrated health promotion and protection programs for employees, with different functional managers reporting on how their area of responsibility contributes to these integrated programs. In others, however, there may be no efforts under way to integrate across such departmental or functional lines.

Because this study included only nine interviews, we cannot make any general statements regarding the overall state of integration efforts in U.S. companies. We can, however, make some general statements about the challenges and opportunities reflected in these “leading examples.”

It is important to bear in mind that these companies were nominated for being leaders in the area of integrating health promotion and health protection. Even though what we found did not necessarily discount such leadership, the results do point to a challenge: making health benefits purchasing an investment that is strategically integrated with other ongoing efforts targeting employee health and wellness.

WORKING TOGETHER FOR WORKFORCE HEALTH & BUSINESS VALUE



BENEFITS PURCHASING

Determining coverage and buying benefits for employee health, including medical, pharmacy, disability and workers' comp



HEALTH PROMOTION

Implementing wellness initiatives, including fitness programs and healthy food options at work



HEALTH PROTECTION

Preventing worker injury and illness through safe practices and policies, including training

THEY'RE MOVING DIFFERENTLY

Health Promotion and **Health Protection** are in sync, but **Benefits Purchasing** is often moving in the opposite direction.



By not working together, workforce health is compromised, and time, money and energy are wasted.

HOW?



Benefits Purchasing may change healthcare benefits to save costs to employers.



Employees may forgo necessary care if it is too expensive or not covered.



Work disability, sick days or underperformance can undercut employer cost savings.



Benefits Purchasing, Health Promotion and **Health Protection** need to work together to understand what benefits coverage is needed and how to leverage existing and additional programs to fully support workforce health.

GET THE WATCH WORKING

BUILD ALLIES

Talk to other departments and get senior leaders involved.

FIND COMMON GROUND

Meet colleagues where they are and map workforce health to business performance.

HOLD EACH OTHER ACCOUNTABLE

Measure and review outcomes to track progress and make informed decisions.

Common Barriers to Integration

- At least half the experts interviewed thought that opportunities for integration had diminished over the past several years, as the organization singularly focused its benefits-purchasing decisions on how to reduce the increasing medical cost trend.
- Experts reported potential inefficiencies that have been introduced with the creation of health promotion and wellness programs to counteract poor health benefit plan designs.
- When year-over-year cost increases were high, there appeared to be a retrenchment in benefits led by the purchasing function.
- Lack of analytical results to share on the connections among employee health, safety, absence and general overall cost trends contributes to a lack of progress toward increased integration efforts.

Care management programs purchased over the years haven't been successful. The programs have focused on isolated diseases instead of complex cases.

— Corporate Medical Director,
Heavy Industry

Common Opportunities for Integration

- Although coordinating with benefits purchasing was challenging, many organizations had developed disease management programs, on-site clinics and other strategies to improve the H&P outcomes of their workforce through integrated health promotion and health protection efforts. Such efforts resulted in more compliant and higher-quality treatment at lower cost and less time away from work.
- Despite difficulties in coordinating decision-making and health planning with benefits-purchasing departments, most organizations were able to communicate across health promotion and health protection lines with relative ease by connecting the value of employee health to operational results such as fewer absences and safety incidences.
- When health promotion and/or protection professionals worked directly with operational unit managers around the importance of employee health, attendance and job performance to business operations, they were able to effectively make the case for the value of healthy human capital to business results. The current challenge in these organizations is to influence health benefits purchasing with this new understanding of business impacts by operational management.

We already have a strong safety culture that's engrained in our work 24/7. We get how to build a culture of safety. Now we want to support employees in being as healthy as they can be and create a culture of health.

— Occupational Health Executive,
Oil and Gas

- Training managers to improve their overall management skills and support of employees who may be chronically ill has been successful in several organizations.
- Restructuring the human resources (HR) function, particularly the extent to which the purchasing of benefits is integrated with other functions in the organization, appears to be key to perceptions of effective integration among the medical directors interviewed. To the extent that benefits purchasing is pursued as a cost-minimization effort, its role as a strategic employee health investment function will be severely hampered.
- Experts who have been focused on integration for longer periods of time reported more successful results and less, if any, resistance from benefits purchasing.

Having 15 years of data allows management to test and learn with actionable ideas for pilot projects. We work with a third party that couples an integrated data management program with a focus on overall population health.

— Corporate Medical Director, Financial Services

- Creating a structure for integrated metrics has helped further cross-departmental conversations and added a layer of accountability for coordination of efforts. Dashboard approaches that link aggregate employee health results with aggregate attendance, performance and business results, such as the approach outlined by Parry and Sherman (2012), were considered practically helpful and are being developed by several organizations in the sample. This approach helped organizations identify leading versus lagging indicators of employee health and the types of primary, secondary and tertiary prevention and intervention efforts that might best be matched to a set of metrics as part of a dashboard approach.

Implications for Employers

Based on these results, there are several implications for employers to consider when trying to get benefits purchasing, health promotion and health protection teams working together for workforce health. Here are the key lessons learned and actionable next steps.

Build Allies

- Secure senior leadership support in connecting employee health and wellness investment to business metrics by encouraging operations managers through the use of key metrics of importance to them and the business (e.g., attendance, fewer safety incidents and meeting performance goals). Connect employee health and wellness investment to these metrics.
- Talk with managers and employees to improve their common understanding of the links between good management of employee leaves and better approaches to address employee health. Highlight employee assistance programs (EAPs) and other resources.

Find Common Ground

- Move the conversation in the organization beyond narrow return-on-investment arguments and a singular focus on healthcare cost trends toward a longer view of health and wellness investment and the value derived to the business in terms of better attendance, higher performance, less turnover and fewer accidents and disability leaves.
- Use an existing strong safety culture as a bridge to building a culture of health and wellness through conversations about the importance of health and wellness in reducing accidents and injuries.
- If feasible, consider whether on-site clinics (even as a pilot effort) make sense, particularly if employees have high rates of chronic disease or questionable access to high-quality and appropriate care.

Hold Each Other Accountable

- Whether or not on-site clinics are used, consider how your health plan ensures that inappropriate care is diminished and appropriate care is improved. For example, does your current plan design encourage delayed care when that was not the intention?
- Build and use an integrated database to broaden the discussion of integrated health and wellness and hold the organization accountable for employee health investments that are beneficial to the both employee and key business results.

Conclusion

We found that most of the medical directors and other experts we interviewed believed that in their companies investments in health promotion (e.g., workplace wellness programs) were often designed to counteract decreases in healthcare benefits investments made by colleagues who purchase employee benefits plans.

Most of the experts interviewed were excluded from strategic discussions and decisions on health benefits purchasing and plan design, and many felt that the benefits department had become more insular and singularly focused on cost reduction over the past several years. Overall, there were pockets of innovation related to the integration of health and wellness, despite the push for cost reduction by health benefits purchasing.

Senior leaders recognize that their health, EAP and absence management concerns are related, and they work with their HR counterparts to help identify units in which absence and management concerns may be an issue.

— Health Benefits and Compensation Executive,
National Laboratory, Engineering and Scientific Organization

From these nine interviews, we learned that health insurance benefits purchasing is generally a separate function from health promotion and health protection efforts. Because this pilot effort selected experts from health promotion and health protection from relatively large companies, it could be that the non-integration of benefits purchasing decisions with health promotion and health protection is a peculiar feature of this pilot sample.

The degree to which benefits purchasing decisions are integrated with health promotion and health protection efforts warrants further study across companies of different sizes and with experts working in different leadership capacities related to employee health.

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Appendix: Interview Guide

Integration Across Health Promotion and Health Protection Activities in U.S. Companies

Semi-Structured Interview Protocol

We conducted in-depth, semi-structured phone interviews with nine employers to understand the definition and description of integration across health promotion and health protection activities in U.S. companies. These nine companies were selected to represent the top industries in the U.S. economy and a range of organization sizes.

Interview questions include the meaning of integration, followed by specific questions about practice in several areas, including leadership, department function, employee participation and outcomes measurement. These questions served as a guide only—additional topics were discussed, depending on respondent answers.

Introduction

Thanks for making the time today to discuss your company's efforts to support a healthy and safe workforce. Before we get started, I'd like to get a little bit of background information on your role.

- Tell me a little bit about your current position/title.
- How long have you worked for the company?
- Have you always been in this role?
- With what benefits programs do you have significant management involvement?
 - *Prompt re:* wellness programs?
 - *Prompt re:* occupational safety and health (OSH) programs?

What Integration Looks Like at Your Company (or the Meaning of Integration)

- In what ways has the management of wellness programs and occupational safety and health programs been coordinated? In what ways have they been managed separately?
- Are they managed by the same person or committee? Different departments?
- Do they share a common budget? Are there separate departmental budgets?
- How are key decisions made around allocation of budget and staffing for these efforts?
 - *Prompt re:* budget for wellness programs?
 - *Prompt re:* budget for OSH programs?
- Have there been any such large, visible changes in wellness or safety efforts within the past two years?
 - *Prompt re:* description and whether impacts were felt by the other programs

Integrated or Cross-Departmental Functions

- In what ways have wellness programs supported or inspired efforts to make work healthier or to reduce work hazards?
- In what ways have efforts to make work healthier or reduce work hazards supported wellness program efforts?
- Are there any ways in which wellness and OSH programs might work better if they were more independently managed?
- What do you see as important next steps in coordinating the management of wellness and OSH programs?

Leadership and Communication

- Is senior leadership aware of your company's efforts to coordinate or integrate wellness and OSH programs? Who, by title and function?
- Are they supportive? If so, in what ways? If not, in what ways?
- Is there greater support for some efforts over others?
 - *Prompt re:* support for wellness programs?
 - *Prompt re:* support for OSH programs?
- Have promotion and protection (or wellness and safety) been combined in a single element as part of the mission statement for the employer?
 - *Prompt re:* how do management and employees think about integration in relation to the company's mission?
- Have employee trainings or shorter forms of communication combined promotion and protection messages?
 - *Prompt re:* description of efforts and frequency

Employee Participation

- Is participation in programs captured, tracked, reported and analyzed?
 - *Prompt re:* participation in wellness programs?
 - *Prompt re:* participation in OSH programs?
- Are wellness and safety reports combined?
- If participation is not reported, why not? If participation is reported, who sees these reports? Are actions taken based on the results of these participation reports?
- What types of incentive programs are offered for wellness and OSH programs?
- Tell me a little bit about the incentive program.
- When was it started and why? (If more than one program, cover each.)
- What goals do the incentives target?
- What are the current key features of the program?
- What types of incentives are used? Are incentive amounts or types tailored to different segments of your workforce? If so, why?

Outcomes Measurement

- In addition to our discussion about participation in the program(s), are the outcomes of those programs captured, tracked, reported and analyzed? How?
- Are wellness and safety reports combined?
- What are the benefits of integration? To an organization, to an employee, to other? And how do you measure these benefits?
- Are there any important benefits of integration that are important to your organization but that cannot be easily measured in your opinion?
- What are the downsides of integration for an organization? For employees? What are the upsides?

Lessons Learned

- Are there certain industries or types of employers that would be more inclined to integrate health promotion and protection efforts?
- What are the various ways integration can be approached? How should a company determine which integration approach is best?
- What are some success stories?
- Are there lessons that health promotion can learn from health protection efforts and vice versa?
- What are the biggest barriers to integration? What can help overcome these barriers? For example, does leadership matter? How? In what ways?



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