

## Best Practices for Health & Productivity Management

### - What HPM Practices Are Most Important to Employer Goals? -

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**Summary:** *Employers tell IBI they plan to take major steps to adopt or expand health and productivity management (HPM) initiatives, but how do they know which practices to highlight? IBI research helps employers fill in the gaps by showing the effectiveness ratings for HPM practices by employers experienced with them. When it comes to meeting multiple goals, nurse case management leads the list, impacting three health and productivity goals. Other effective practices, impacting two HPM goals each, are health risk coaching, on-site providers, participation incentives, weight management and transitional return to work.*

### **Background**

IBI survey research of 447 employers and their HPM practices, conducted in 2009 with Harris Interactive (authors of the Harris Poll), found that employers are eager to expand their current HPM practices or to add new ones.<sup>1</sup> IBI analysis of the same survey, however, noted that one in three employers, overall, measure *none* of their outcomes for HPM initiatives, and, depending on the outcome sought, between 33% and 42% have no idea whether their HPM practices produced the goals for which they were established.

### **Results**

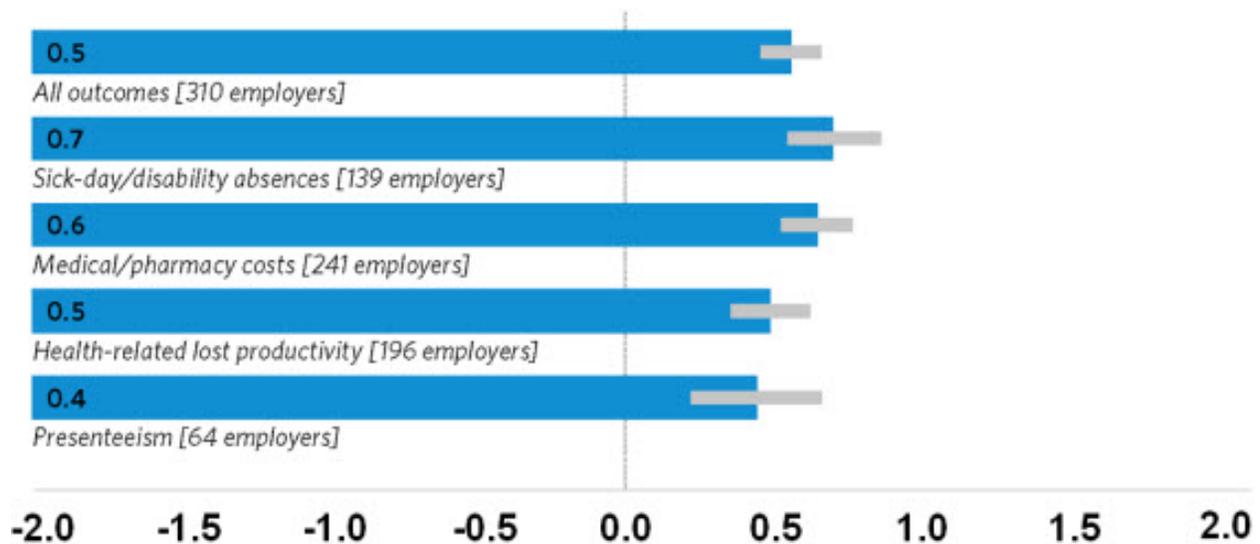
As part of our survey, IBI asked for an effectiveness rating of HPM practices so that IBI's analysis of the results would assist other employers in knowing how and where to establish or expand their HPM programs.<sup>2</sup> This Research Insights examines the results of that analysis and recommends best practices to employers based on the results from experienced employers.

**Overall impact of HPM practices:** What health and productivity goals do employers seek in establishing their HPM practices and how well do the practices meet employer goals? The graph on the next page shows how employers rate their overall HPM practices at meeting their goals for those practices. The ratings may range as follows: -2 (outcome worsened); 0 (no impact); +2 (outcome improved). The gray bars in the chart indicate the range within which the results may vary by chance and still be significant.

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<sup>1</sup> *More than Health Promotion: How Employers Manage Health and Productivity*, Integrated Benefits Institute, January 2010 <<http://ibiweb.org/do/PublicAccess?documentId=1007>>

<sup>2</sup> IBI asked employers about the relative effectiveness of their three most important HPM practices. We limited ratings to the top three practices to assure respondents weren't overwhelmed by asking them to rate each of 26 practices.



IBI's analysis found that employers rate their HPM practices, overall, as having a positive effect on meeting their health and productivity goals.<sup>3</sup> Here, the low ends of the gray bars are above 0.0 in every case, with the result being unambiguously positive for all.<sup>4</sup>

As an aside, when we asked employers in another question to rank their top HPM goal, we found that "Reducing medical/pharmacy costs" was rated twice as high as the next highest top goal, "Reducing health-related lost productivity." These were followed, in order, by "Reduce sick-day/disability absences" and "Reduce presenteeism."

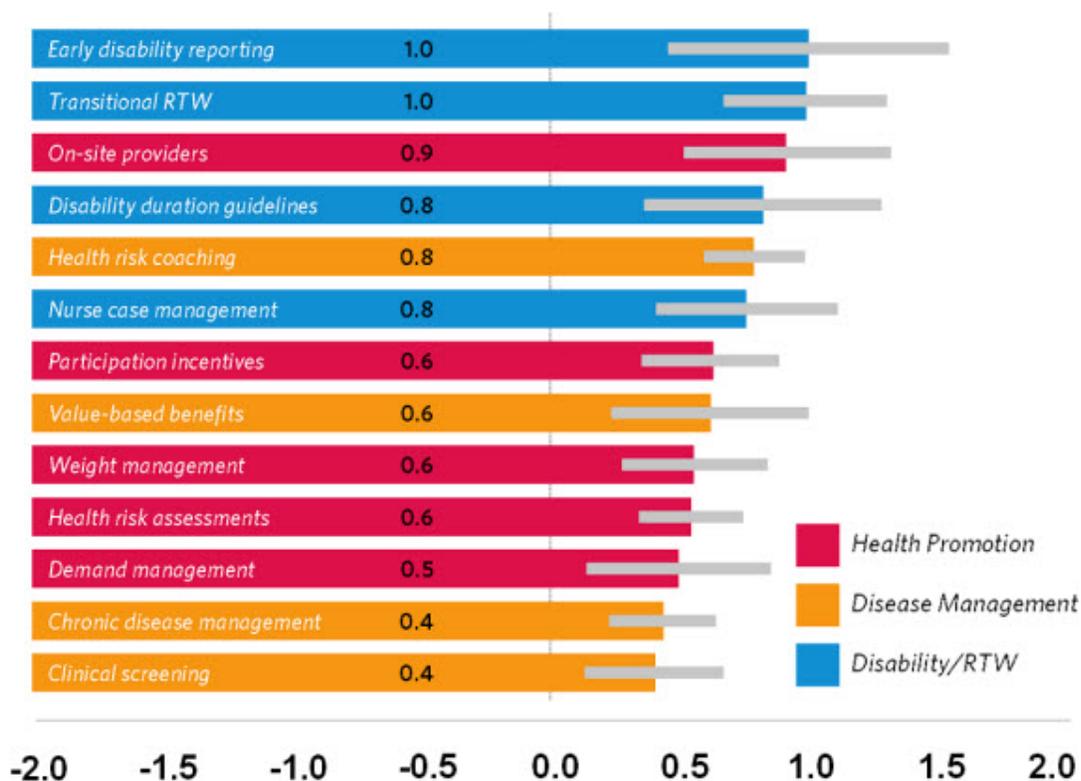
But when we added the rating for second-highest goals, we found that the goal of reducing lost-productivity was rated by 90% of respondents as a top-two goal, compared to 97% for medical/pharmacy costs. Thus, reducing health-related lost productivity is important to employers, but not sought as ardently as reducing medical/pharmacy costs.

**Effect by individual practice:** Our analysis then rated each practice for its effect on outcome goals, overall. We received enough HPM practice rating responses to be able to show a rating for 22 of the 26 practices we surveyed.

The next graph shows the ratings for the top-thirteen rated HPM practices, with the highest-rated at the top.

<sup>3</sup> *The Impact of Employer Health and Productivity Management Practice*, Integrated Benefits Institute, July 2010. <http://ibiweb.org/do/PublicAccess?documentId=1067>

<sup>4</sup> The variation in responses represented by the length of the gray bar may reflect the number of respondents, the range of approaches included within the definition of each practice or the understanding a respondent may have about how to measure the results, by goal. On the horizontal scale, a score of +2 would mean greatly improved outcomes, -2 would indicate that the practice led to greatly worsened outcomes, and 0 means no change.

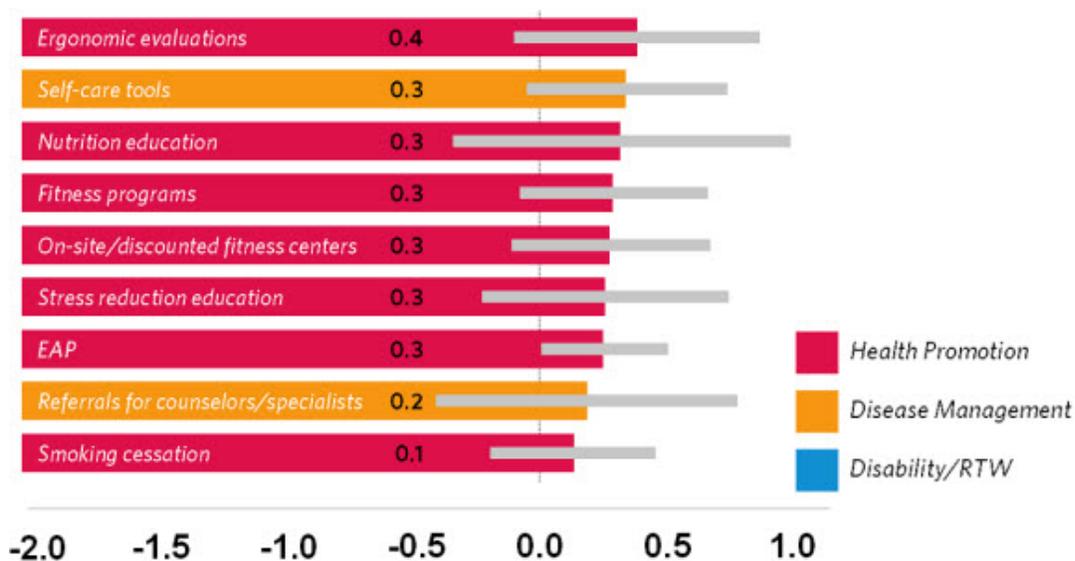


We grouped the HPM practices by *program type*: health promotion practices in red, disease management practices in orange, and disability/return-to-work practices in blue.

All results are positive for these HPM practices as they relate to impact on employers' goals, overall. The low ends of the gray bars here also are above 0.0 in every case, with the result being unambiguously positive for all.

Note that there is a good mix of practices by program type among these top-rated practices. Four of the top six practices, however, are part of the disability/RTW program. In large part, these practices rate high because they are believed by employers to be effective in meeting several employer HPM practice goals.

When we examined effectiveness ratings for the remaining nine practices we could assess, however, we see a different pattern.



Of course, the ratings are lower. But we also see that the responses are not as consistent, that is, the gray lines are longer and, for most, extend below 0.0.

That means that employers tend to vary in their responses more for these practices than the top 13, and the results aren't unambiguously positive for such HPM practices.

That isn't to say, necessarily, that these practices are ineffective. As mentioned in Footnote 4 above, it may be that there are fewer respondents, that there is a range of possible practices (some better and some worse) that can fit within a definition of each practice, or reflect the understanding a respondent may have about how to measure the results, by goal.

We know, for example, that some nutrition education programs may be designed or implemented better than others or that some smoking cessation programs work better than others or aren't as well supported by the corporate culture. Those are types of variation that may explain at least part of the result for these nine practices.

**HPM best practices:** IBI's analysis went on to identify the HPM practices that resulted in a positive impact across two or more employer goals.

This next table shows HPM practices by outcome sought, where the HPM practice produces an unambiguously positive impact for that outcome. Where there is a missing response, there is too much variation in the results to generate a clearly positive response.<sup>5</sup>

	Sick-day/ disability absences	Medical/ pharmacy costs	Health-related lost productivity	
Nurse case management	1.0	0.8	0.6	} Best practices
Transitional RTW	1.3	—	0.9	
Health risk coaching	—	0.9	1.0	
On-site providers	—	0.9	0.9	
Participation incentives	—	0.7	0.5	
Weight management	—	0.7	0.7	
Early disability reporting	1.1	—	—	
Health risk assessments	—	0.7	—	
Value-based benefits	—	0.7	—	
Clinical screening	—	0.6	—	
Demand management	—	0.6	—	
Chronic disease management	—	0.5	—	
EAP	—	0.5	—	
Fitness programs	—	0.5	—	
Self-care tools	—	0.5	—	

Out of these HPM practices, four are positive for meeting goals across *both* medical (medical/pharmacy costs) and productivity (health-related lost-productivity) outcomes. The practices that produce such savings are health risk coaching, on-site providers, participation incentives and weight management.

It is interesting for us that employers value weight-management interventions highly in meeting both medical cost and lost-productivity savings. Weight-management interventions have been criticized

<sup>5</sup> Presenteeism isn't an outcome here as there were too few practices that generated enough responses to be rated.

recently for producing too little in results. Perhaps that is because employers aren't looking across programs when assessing those returns.

One additional HPM practice, transitional RTW, also meets two employer goals, both sick-day/disability absence goals and health-related lost productivity. For lost-time management, providing modified or temporary duties to encourage return to work is a clear winner. It affects both sick-day and disability absences *as well as* producing savings in lost productivity. A message here is that to achieve lost-time goals and enhance health-related productivity, employers should be willing and ready to allow ill or injured workers to go back to work safely, quickly and effectively.

Finally, one HPM practice, nurse case management, meets all three of these employer goals for an HPM practice. Thus, this practice is deemed to reduce medical/drug costs, minimize sick-day and disability absence and manage health-related lost productivity.

### **Commentary**

These cross-program results are important because too frequently employers wear "benefits blinders" in assessing results and don't look across silos to the broader (and larger) savings that come from a combination of benefits programs. For example, to identify both medical and absence savings, it is necessary to view results from programs that often are administered by different departments within an employer.

IBI characterizes these six cross-program practices as HPM best practices, due to their ability to meet employer goals across multiple HPM outcomes important to employers. Based on the results of this research, these six practices can be thought of as *essential elements of an effective and efficient HPM program*.