The world we have made as a result of the level of thinking we have done thus far creates problems we cannot solve at the same level of thinking at which we created them.

- Albert Einstein
Zero Trends: Health as a Serious Economic Strategy

THE UNIVERSITY OF MICHIGAN
HEALTH MANAGEMENT RESEARCH CENTER
UM-HMRC Corporate Consortium

- Ford
- Delphi
- Kellogg
- US Steel
- We Energies
- JPMorgan Chase
- Delphi Automotive
- Southern Company
- Navistar Corporation
- University of Missouri
- Medical Mutual of Ohio
- Florida Power and Light
- St Luke’s Health System
- Allegiance Health System
- Cuyahoga Community College
- United Auto Workers-General Motors
- Wisconsin Education Association Trust
- Australian Health Management Corporation
- Steelcase (H)
- General Motors
- Progressive (H)
- Crown Equipment
- Affinity Health System
- SW MI Healthcare Coalition (H)

*The consortium members provide health care insurance for over two million Americans. Data are available from three to 20 years.

Meet on First Wednesday of each December in Ann Arbor.
Zero Trends

Wellness at the Workplace
28th Annual Conference
March 18, 2009

Mission: Change the Strategy for Health and Disability from a Health Strategy to a Business Strategy:

Natural Flow: High Risks and Costs in Americans  5

Business Case: Health as an Economic Strategy  5

Solutions: Five Pillars to Support a Culture of Health  30

Slides available
Mission

Change the Strategies for Health and Disability to

A Serious Business or Economic Strategy
Section I
The Current Healthcare Strategy
Wait for Sickness and then Treat
(...in Quality terms this strategy translates into “wait for defects and then fix the defects” ...)
The 20-80 rule is always true but terrifically flawed as a strategy.
Costs Associated with Risks
Medical Paid Amount x Age x Risk

Section II

Build the Business Case for the Health as a Serious Economic Strategy

Engage the Total Population to get to the Total Value of Health

Complex Systems (Synergy and Emergence) versus Reductionism (Etiology)
Business Concept
Change in Costs follow
“Don’t Get Worse”
## Estimated Health Risks

<table>
<thead>
<tr>
<th>Health Risk Measure</th>
<th>High Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Body Weight</td>
<td>41.8%</td>
</tr>
<tr>
<td>Stress</td>
<td>31.8%</td>
</tr>
<tr>
<td>Safety Belt Usage</td>
<td>28.6%</td>
</tr>
<tr>
<td>Physical Activity</td>
<td>23.3%</td>
</tr>
<tr>
<td>Blood Pressure</td>
<td>22.8%</td>
</tr>
<tr>
<td>Life Satisfaction</td>
<td>22.4%</td>
</tr>
<tr>
<td>Smoking</td>
<td>14.4%</td>
</tr>
<tr>
<td>Perception of Health</td>
<td>13.7%</td>
</tr>
<tr>
<td>Illness Days</td>
<td>10.9%</td>
</tr>
<tr>
<td>Existing Medical Problem</td>
<td>9.2%</td>
</tr>
<tr>
<td>Cholesterol</td>
<td>8.3%</td>
</tr>
<tr>
<td>Alcohol</td>
<td>2.9%</td>
</tr>
<tr>
<td>Zero Risk</td>
<td>14.0%</td>
</tr>
</tbody>
</table>

### OVERALL RISK LEVELS

- **Low Risk**: 55.3%
- **Medium Risk**: 27.7%
- **High Risk**: 17.0%

From the UM-HMRC Medical Economics Report

Estimates based on the age-gender distribution of a specific corporate employee population
Risk Transitions
(Natural Flow)
Time 1 – Time 2

Medium Risk
(3 - 4 risks)
10,670 (24.6%)
11,495 (26.5%)
4,546 (42.6%)

High Risk
(>4 risks)
2,373 (50.6%)
1,961 (18.4%)
892 (3.2%)

Low Risk
(0 - 2 risks)
27,951 (64.5%)
678 (14.4%)
4,163 (39.0%)
21,750 (77.8%)
26,591 (61.4%)

Average of three years between measures

Modified from Edington, AJHP. 15(5):341-349, 2001
Medical and Drug Cost (Paid)*

*per employee, Improved=374, Non-Improv=103
HRA in 2002 and 2004
Improved=Same or lowered risks
*Medical and Drug, not adjusted for inflation

Slopes differ
P=0.0132

Impr slope=$117/yr
Nimpr slope=$614/yr
The Economics of Total Population Engagement and Total Value of Health

Where is the Investment?

Low or No Risks → Health Risks → Disease

Increase → Total Value of Health
- Medical/Hospital
- Drug
- Absence
- Disability
- Worker’s Comp
- Effective on Job
- Recruitment
- Retention
- Morale

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Section III

The Evidence-Based Solution:

Integrate Health into the Culture

(...in Quality terms this strategy translates into “...fix the systems that lead to the defects” ...)
Health Benefit Plan Design

Serious Costs
Medium Cost
Low Cost

TMS and Wellness Opportunities

Sickness & Care Management Opportunity
Condition Management Opportunity

Medical and Drug Costs only
Integrate Health into the Culture

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/Retention
7. Company Visibility
8. Social Responsibility

Lifestyle Change

Health Management Programs

Company Culture
Senior Leadership
Operations Leadership
Self-Leadership
Reward Positive Actions
Quality Assurance


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First Fundamental Pillar

Senior Leadership

Create the Vision

• Commitment to healthy culture
• Connect vision to business strategy
• Engage all leadership in vision
Vision from the Senior Leadership

- Clear Vision within Leadership
- Vision Connected with Company Strategy
- Vision Shared with Employees
- Accountability and Responsibility Assigned to Operations Leadership
- Management and Leadership of the Company and Unions transition to the Cheerleaders
Second Fundamental Pillar

Align Workplace with the Vision

• Brand health management strategies
• Integrate policies into health culture
• Engage everyone
Environment Interventions

- Mission and Values Aligned with a Healthy and Productive Culture

- Policies and Procedures Aligned with Healthy and Productive Culture
  - Vending Machines
  - Cafeteria
  - Stairwells
  - Job Design
  - Flexible Working Hours
  - Smoking Policies

- Benefit Design Aligned with a Healthy and Productive Culture

- Management and Employees prepared to integrate health into the company culture (small group meetings, shared vision, expectations,...)
Third Fundamental Pillar

Self Leadership

Create Winners

• Help employees not get worse
• Help healthy people stay healthy
• Provide improvement maintenance resources
Individual Strategy for Engagement

Health Risk Appraisal

Plus

Biometrics Screening and Counseling

Plus

Contact a Health Advocate

Plus

Two Other Activities
### Population-Based Resources

<table>
<thead>
<tr>
<th>Weight Management</th>
<th>Business Specific Modules</th>
</tr>
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<tbody>
<tr>
<td>Physical Activity</td>
<td>Career development</td>
</tr>
<tr>
<td>Stress Management</td>
<td>Communications</td>
</tr>
<tr>
<td>Safety Belt Use</td>
<td>Financial Management</td>
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<tr>
<td>Smoking cessation</td>
<td>Social/Information Networks</td>
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<tr>
<td>Nutrition Education</td>
<td></td>
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<tr>
<td>Disease Management</td>
<td></td>
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<tr>
<td>On-Line Information</td>
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<tr>
<td>Nurse Line</td>
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<tr>
<td>Newsletters</td>
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<table>
<thead>
<tr>
<th>Behavioral Health &amp; EAP</th>
<th>Clinic or Medical Center</th>
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<tbody>
<tr>
<td>Pharmacy Management</td>
<td>Ergonomics</td>
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<table>
<thead>
<tr>
<th>Case Management</th>
<th>Vision</th>
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<tbody>
<tr>
<td>Absence Management</td>
<td>Dental</td>
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<tr>
<td>Disability Management</td>
<td>Hearing</td>
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<tr>
<td></td>
<td>Chiropractic</td>
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<tr>
<td></td>
<td>Complementary Care</td>
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<tr>
<td></td>
<td>Integrative Medicine</td>
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<tr>
<td></td>
<td>Physical Therapy</td>
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<tr>
<th>Physical Therapy</th>
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</table>
Fourth Fundamental Pillar

Reward Behaviors

Reinforce the Culture of Health

• Reward champions
• Set incentives for healthy choices
• Reinforce at every touch point
Positive Re-Enforcement

Culture reminders (Managers, Leaders, …)
Cash, debit cards ($25 to $200)
Benefit Design (HSA contributions)
Hats and T-Shirts
Population programs
Surprise events
Decorate stairwells
Special cafeteria/vending offerings
Organizational rewards (Departments…)

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Fifth Fundamental Pillar

Quality Assurance

Allow Outcomes to Drive the Strategy

• Integrate all resources
• Measure outcomes
• Make it sustainable
Measurement Scorecard

Percent Engagement: 85% to 95%
  HRA + Screening/ counseling + Coaching + Two other sessions

Percent Low-Risk: 75% to 85%
  Percent of Total Eligible

Proof of Concept

Change in Risk Levels beats the Natural Flow
Change in Cost Levels beats the Natural Flow
Year over Year Trends Approach Zero Percent
Improved/ no change Separate from Not Improved
Four Levels of Company Engagement

1. Do-Nothing
2. Level One (focus on high risk)
3. Level Two (Comprehensive)
4. Champion Company (add Culture)
### Program Rating: Engagement per Pillar

<table>
<thead>
<tr>
<th>Engagement Levels of the Health Management Program</th>
<th>3-Champion</th>
<th>2-Comprehensive</th>
<th>1-Traditional</th>
<th>0-Do Nothing</th>
</tr>
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<tbody>
<tr>
<td>1-Senior Leadership</td>
<td></td>
<td>1</td>
<td></td>
<td>0</td>
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<tr>
<td>2-Operations Leadership</td>
<td>2</td>
<td>2</td>
<td></td>
<td>0</td>
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<tr>
<td>3-Self-Leadership</td>
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<td>0</td>
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<tr>
<td>4-Rewards for Positive Actions</td>
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<td>0</td>
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<tr>
<td>5-Quality Assurance</td>
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<td></td>
<td>0</td>
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</tbody>
</table>

**Five Pillars of Health Management**

1-Senior Leadership  
2-Operations Leadership  
3-Self-Leadership  
4-Rewards for Positive Actions  
5-Quality Assurance
Summary
Lifestyle Scale for Individuals and Populations: Self-Leaders

High-Level Wellness, Energy and Vitality

Feeling OK

Chronic Signs & Symptoms

Premature Sickness, Death & Disability

Edington. Corporate Fitness and Recreation. 2:44, 1983
The Challenge

Expand the Health Status Strategy

from a singular focus on Sickness and Precursors to Disease

to include a focus on Wellness and Precursors to Health
1. The “Do Nothing” strategy is unsustainable.

2. Refocus the definition of health from “Absence of Disease to High Level Vitality.”

3. “Total Population Management” is the effective healthcare strategy and to capture the “Total Value of Health”

4. The business case for Health Management indicates that the critical strategy is to “Keep the Healthy People Healthy” (“keep the low-risk people low-risk”).

5. The first step is, “Don’t Get Worse” and then “Let’s Create Winners, One Step at a Time.”
What’s the Point?
Thank you for your attention.
Please contact us if you have any questions.

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