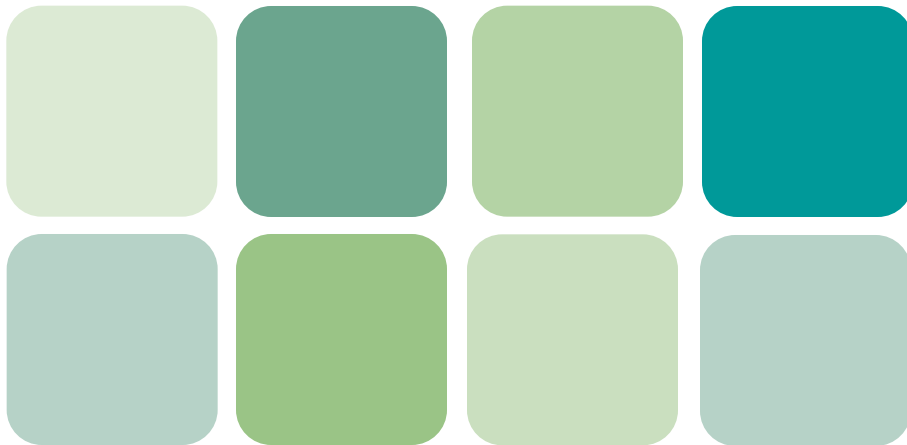


Building Confidence through Measurement: ROI Follows Health and Productivity

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HealthPartners
Minneapolis, MN*

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Harvard School of Public Health*



Agenda

- Gaining confidence in workplace health metrics
- JourneyWell's 4-Step Approach
 - Design
 - Experience
 - Health and Productivity
 - ROI and Affordability
- Conclusions

Gaining Confidence...

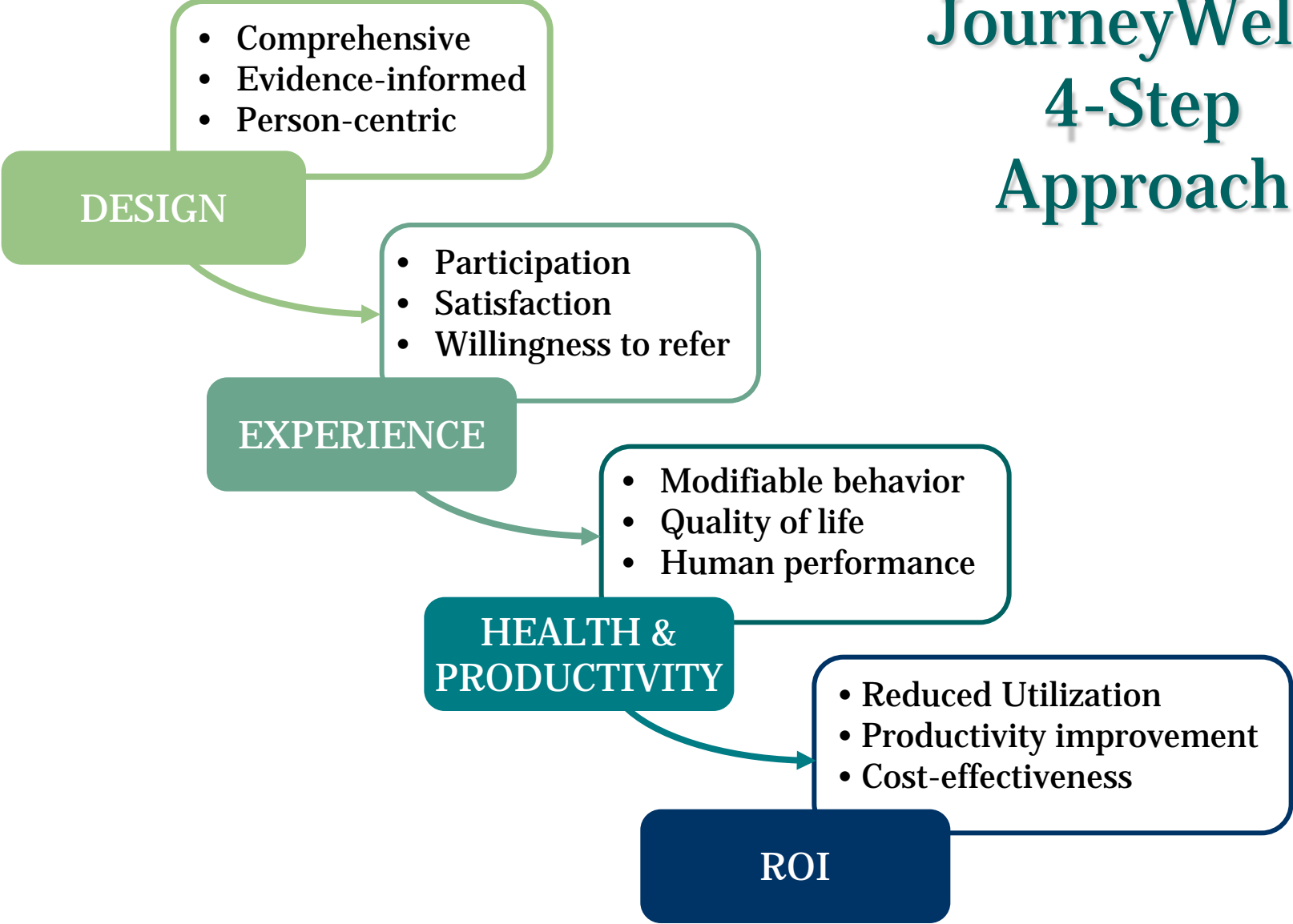
- Partnering with employers demands a measurement methodology that involves
 - Transparency
 - Reasonableness
 - Plausibility
 - Mutual agreement
- Informed acceptance of results will increase confidence in the measurement and metrics used



Partnerships

“Together we can accomplish what neither of us can do alone.”

JourneyWell's 4-Step Approach



- Comprehensive
- Evidence-informed
- Person-centric

DESIGN

Design

- **Comprehensive, multi-component (population-based)**
 - Health education (awareness/behavior change)
 - Supportive environment (physical/social)
 - Integrated into organization's structure (budget/staff/facilities)
 - Linkage to related programs (EAP/safety/work-life balance)
 - Worksite screening programs (health assessment/biometrics)
- **Evidence-informed**
 - Direct connection to evidence of effectiveness
- **Person-Centric**
 - Engaging, participatory, user-friendly

- Participation
- Satisfaction
- Willingness to refer

EXPERIENCE

Experience

Based in part on the Real Iowans Research Initiative

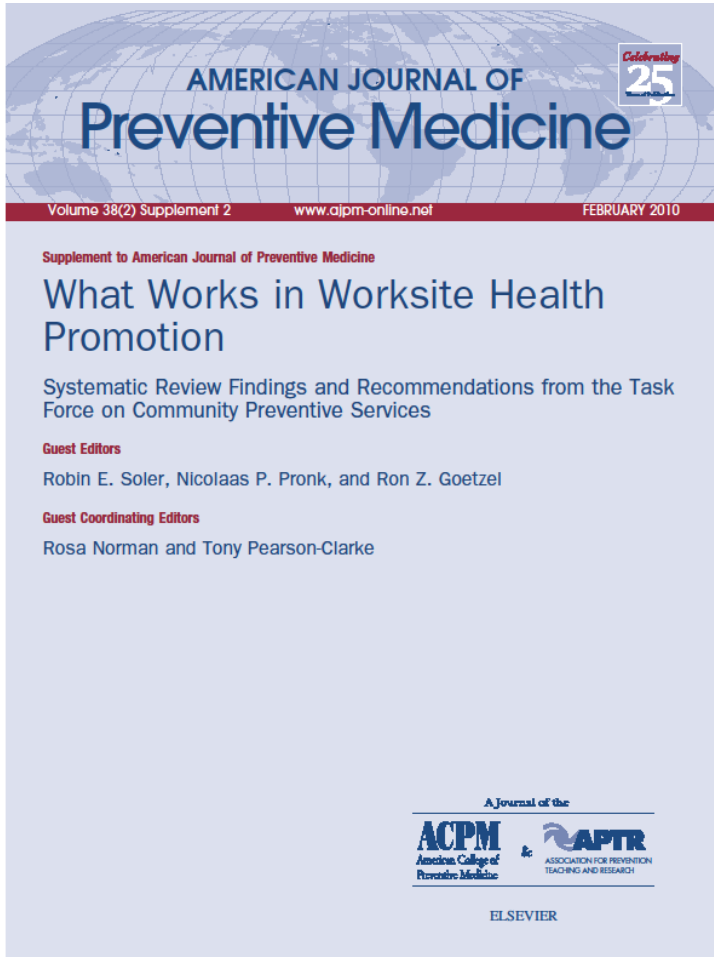
- Few small companies report offering wellness programs and, when they do, they typically offer fewer program options
- Nearly 2/3 large companies report offering wellness programs
- Large companies are more likely to offer comprehensive programs
- Comprehensive programs are associated with higher likelihood for positive ROI

- Modifiable behavior
- Quality of life
- Human performance

HEALTH & PRODUCTIVITY

Health Outcomes

Population-Based



- Task Force recommends HA/biometrics with feedback plus health education and other programs (comprehensive, multi-component) based on outcomes:
 - Tobacco use
 - Physical activity
 - Dietary fat intake
 - Blood pressure
 - Total cholesterol
 - Summary health scores
 - Absenteeism
 - Health care services use

- Modifiable behavior
- Quality of life
- Human performance

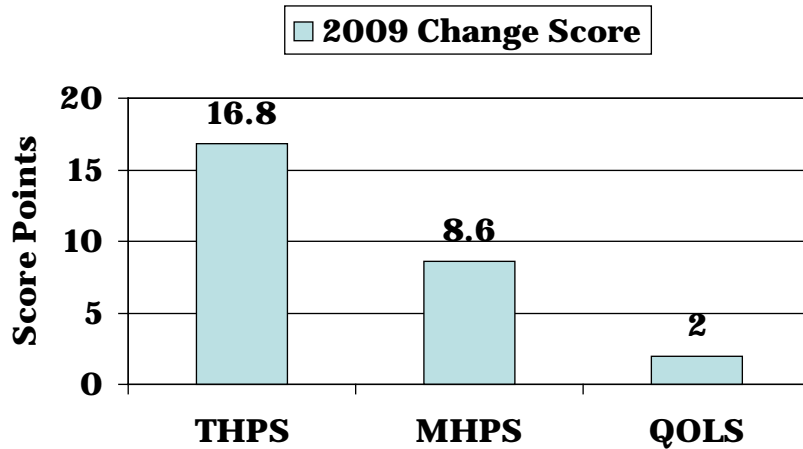
HEALTH &
PRODUCTIVITY

Health Outcomes

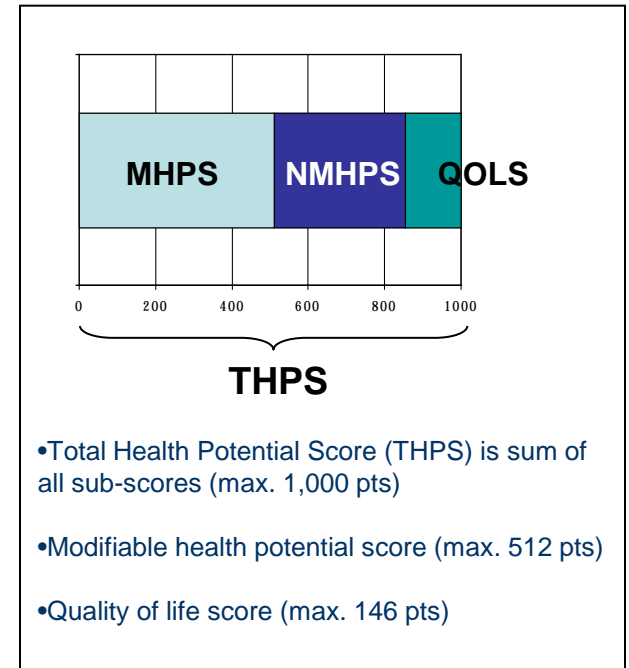
Population-Based

- Population-based results drive overall program impact

2009 Average Program Impact



Data based on 2009 program experience among 23 companies with a well-defined, comprehensive program



- Reduced Utilization
- Productivity improvement
- Cost-effectiveness

ROI

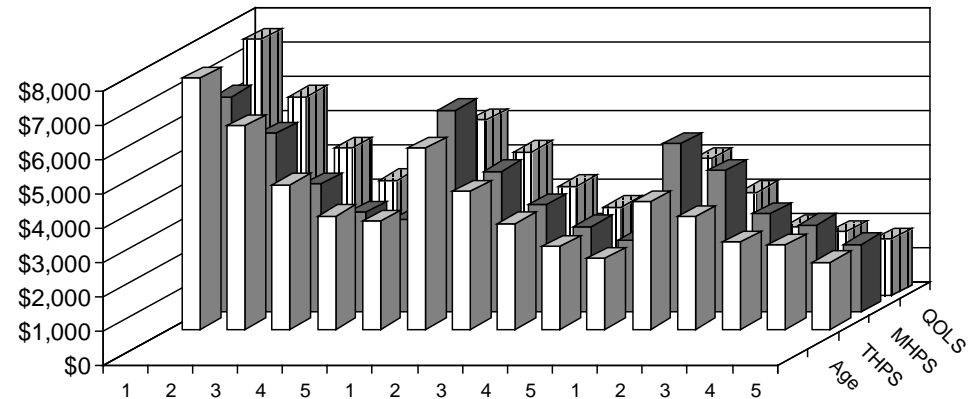
- Direct Costs
 - Impact of health improvement on health care costs
 - Using the MHPS and the QOLS, we created a modifiable summary score (MSS) that reflects impact of the programs on outcomes that are changeable

In 2009 dollars, every additional point in the “Modifiable Summary Score” was worth \$13.47 in lower health care costs in 2010

ROI Outcomes

Direct and Indirect Costs

Average Health Care Costs by Health Potential Score Tertile and Age



Health care costs are not equally distributed across the population

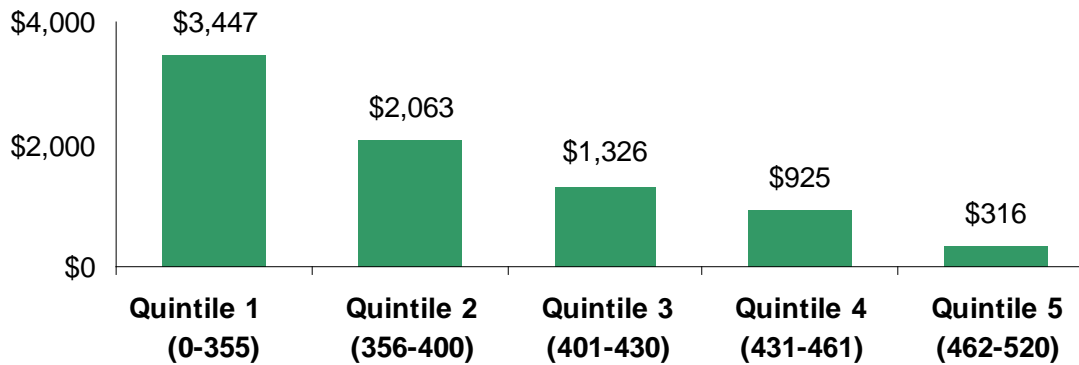
- Modifiable behavior
- Quality of life
- Human performance

HEALTH & PRODUCTIVITY

Productivity Outcomes

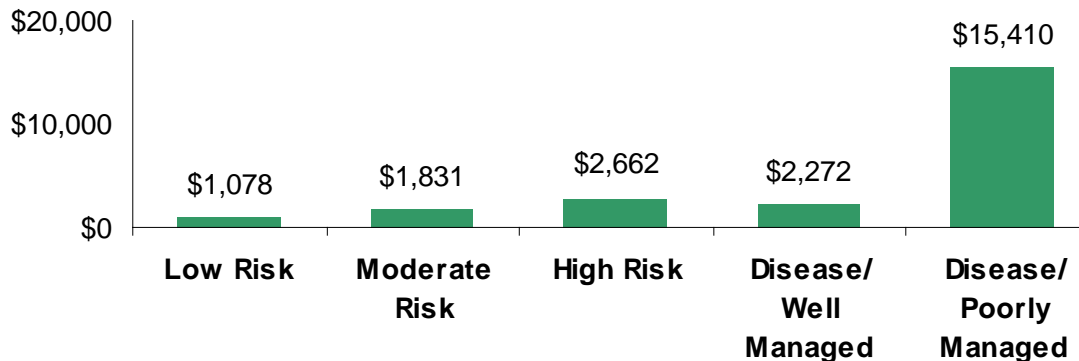
Population-Based

Excess Productivity Loss
expressed as \$ per person per year (PPPY)



Modifiable Health Potential Score (MHPS)

Excess Productivity Loss
expressed as \$ per person per year (PPPY)



Risk Continuum for Diabetes and Heart Disease

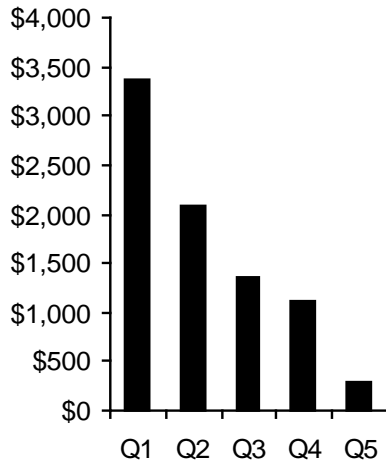
- Reduced Utilization
- Productivity improvement
- Cost-effectiveness

ROI

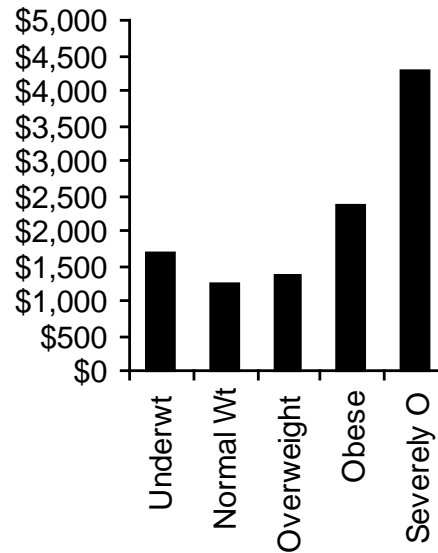
ROI Outcomes

Direct and *Indirect* Costs

MHPS by Quintiles



Weight (BMI)



• Indirect Costs

- Impact of health on productivity outcomes
- Using the HA, we integrated the WPAI to capture indicators of absenteeism and presenteeism to reflect overall productivity
- Productivity is expressed as health-related excess costs based on an average salary of \$50,000 per year

For 2009

Average per employee per year excess health-related productivity loss:
\$1,671
 Full population (N=21,758) total excess health-related productivity loss:
\$36,368,041

ROI Outcomes

Population-Based

PREVENTION

By Katherine Baicker, David Cutler, and Zirui Song

Workplace Wellness Programs Can Generate Savings

doi: 10.1377/hlthaff.2009.08.28
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NO. 2 (2010) •
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Foundation, Inc.

ABSTRACT Amid soaring health spending, there is growing interest in workplace disease prevention and wellness programs to improve health and lower costs. In a critical meta-analysis of the literature on costs and savings associated with such programs, we found that medical costs fall by about \$3.27 for every dollar spent on wellness programs and that absenteeism costs fall by about \$2.73 for every dollar spent. Although further exploration of the mechanisms at work and broader applicability of the findings is needed, this return on investment suggests that the wider adoption of such programs could prove beneficial for budgets and productivity as well as health outcomes.

Katherine Baicker (kbaicker@hsph.harvard.edu) is a professor of health economics at the School of Public Health, Harvard University, in Boston, Massachusetts.

David Cutler is a professor of economics at Harvard University.

Zirui Song is a doctoral candidate at Harvard Medical School.

In an environment of soaring health care spending, policymakers, insurers, and employers express growing interest in methods of improving health while lowering costs. Much discussion has taken place about investment in disease prevention and health promotion as a way of achieving better health outcomes at lower costs. President Barack Obama has highlighted prevention as a central component of health reform, as have major congressional reform proposals.^{1,2} Workplace-based wellness programs, which could affect prevention, have been showcased in these reform proposals, the popular press, and congressional hearings.^{3,4}

This enthusiasm for workplace programs stems in part from the fact that more than 60 percent of Americans get their health insurance coverage through an employment-based plan,⁵ as well as from the recognition that many employees spend the majority of their waking hours in the workplace—which makes it a natural venue for investments in health. There are several reasons that employers might benefit from investments in employee wellness. First, such programs might lead to reductions in health care costs and thus health insurance premiums. Second, healthier workers might be more produc-

tive and miss fewer days of work. These benefits may accrue at least partially to the employer (such as through improved ability to attract workers), even if the primary benefits accrue to the employee.

These factors may motivate the increasing interest in such programs among employers—and especially large employers. In 2006, 19 percent of companies with 500 or more workers reported offering wellness programs, while a 2008 survey of large manufacturing employers reported that 77 percent offered some kind of formal health and wellness program.^{6,7} Consistent with the evidence presented below, small firms seem slower to offer such programs, and many of the programs offered are still quite limited in scope.⁸

Several well-publicized case studies have suggested a positive return to employers' investment in prevention. For every dollar invested in the program, the employer saves more than the dollar spent. The Citibank Health Management Program reported an estimated savings of \$4.50 in medical expenditures per dollar spent on the program.⁹ Studies from the California Public Employees Retirement System (CalPERS), Bank of America, and Johnson and Johnson have similarly estimated sizable health care savings from wellness programs.^{10–13} Despite

ROI LITERATURE REVIEW

Baicker K, Cutler D, Song Z.
Workplace Wellness Programs Can Generate Savings.
Health Affairs (Millwood). 2010; 29(2). Published online 14 January 2010.

Systematic review and meta-analysis

Conclusion:
Worksite health promotion programs can generate positive ROI for medical- and absenteeism-related savings:
medical: 3.27 : 1
absenteeism: 2.73 : 1

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Conclusions

4 Steps:

- Program design is based on evidence of effectiveness
- Excellent experience shows up as participation and satisfaction
- Health improvement and productivity impact are documented
- ROI can be estimated

Deliberation of results:

- Reasonableness, Plausibility, Transparency and Mutual Agreement in the approach and methodology generates
 - Confidence in the results
 - Acceptance of results
 - Willingness to (continue) to invest in programs

Thank You!



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by HealthPartners[®]