Sample Scenario: An Employer-Based Health Protection and Promotion Program

The following scenario illustrates the kinds of issues candidates of the Master of Health Care Delivery Science program can prepare to address and lead to resolution. Data in this case are adapted from published studies and similar to those faced by many U.S. hospitals.

The Opportunity:

- Across the United States, approximately 60 percent of medical insurance cost is borne by employers, most striving to maintain coverage while **insurance premium increases are exceeding 250 percent of inflation**.
- Large employers in the U.S., including automotive and other manufacturers, report that **the health care component of their products exceeds the cost of raw materials**.
- Health care coverage costs for people with a chronic condition are **five times higher than for individuals without such a condition**.[i]
- The **total cost of obesity to U.S. companies is estimated at $13 billion annually**. This includes the "extra" cost of health insurance ($8 billion), sick leave ($2.4 billion), life insurance ($1.8 billion), and disability insurance ($1 billion) associated with obesity. [ii]

As employers struggle to maintain quality and affordable health insurance for a diverse workforce, some have taken ownership of this issue through comprehensive efforts to safeguard employee and dependent health. Integrated health protection and promotion programs (also known as "wellness" programs) from a range of employers have demonstrated the ability to reduce the rate of cost increases for health care coverage, improve constituents' health, and improve employees' performance.[iii, iv]

The workplace provides an infrastructure in which workers can be engaged to promote health, minimize risk, and improve morale and productivity. The following describes the efforts of a six-hospital, 20,000-employee health care system that initiated a comprehensive health protection and promotion program in 2005. The system's senior executives and board of trustees had grown increasingly concerned with the rapid increase of insurance premiums and a gradual rise in employee absenteeism. They created a task force of six clinicians and administrators to assess the prospect of developing a comprehensive program.

Analysis and Engagement:

The task force began by reviewing several years of data, interviewing frontline employees and managers, and evaluating the interventions and program findings of other large employers. A strong case for action emerged, and the team asked the health system's finance department to help estimate cost-benefit scenarios of possible interventions.

Based on data from its initial findings, the team proposed targeting the areas of smoking cessation, nutrition, obesity reduction, stress management, and employee safety. Supported by the team's analyses and recommendations, the health system's board of trustees elevated the wellness program to one of the top five priorities in its strategic plan and allocated start-up funding. With help from the system's public affairs department, the task force began crafting a system-wide awareness campaign, including posters, email communications, and presentations by senior leaders.

Intervention:

Over the next two years, the task force introduced a series of interventions to promote employee wellness. The action plan included the following components:

- On-site biometric screening, including cholesterol, blood pressure, and glucose levels.
- Free voluntary health risk assessments (HRAs) for the entire workforce. After evaluation of the HRAs, each respondent was given a detailed health plan, including general feedback on nutrition and exercise, and employee-specific advice on disease management techniques.
- Twenty-four-hour nurse coaching to deal with health problems or chronic conditions. High-risk individuals were offered in-depth lifestyle counseling.
- Ongoing educational sessions—in person and online—for employees and dependents on healthy lifestyle choices and effective use of health care system resources.
- A system-wide emphasis on ensuring employee safety.
- An on-site fitness center with staff trained as health coaches, as well as discounts to area fitness centers.
- Financial incentives, including insurance discounts and elimination of co-pays, for accessing the program and complying with health programs.
- An internal measurement system to help the organization track the overall health status of employees and measure the effectiveness of program initiatives.

The health system also made the following highly visible structural changes:

- Created and publicized a network of walking paths around the hospitals and promoted lunchtime "walking clubs."
- Removed deep-fat fryers from hospital cafeteria kitchens.
- Added signs near elevators encouraging employees to take the stairs.

Challenges:

Two years into the new health protection and promotion initiative, the task force became concerned about lower-than-expected participation rates. While some areas within the system's hospitals embraced aspects of the programs, many did not. To better understand the latter group, the task force used surveys and focus group meetings to evaluate employee perceptions. It learned that many employees were unaware of the program's offerings or unsure how to access them, or felt the program did not apply to them.

In response, the task force pilot-tested several changes. It redesigned the program and its materials to allow the message and offerings to be customized and delivered locally, incorporating the interests of individual work areas. In addition, the task force established a network of more than 200 volunteer "health ambassadors" within the system's hospitals. These volunteers are employees within each work unit who act as local wellness program experts and liaisons to the larger program.

Through their evaluation, task force members also discovered that work and home-life stresses were having a greater impact among employees than the task force initially realized. Although the system already had an employee assistance program, the task force discovered a need for a higher level of counseling services. The availability and rates of mental health professionals in the community severally limited employee access to mental health support services, so the system hired a psychologist and a psychiatrist to supplement its employee assistance program and better serve employees' needs.

Finally, to avoid duplication and better utilize available resources, the health system began a process of combining the program infrastructure with its existing office of occupational health and safety.

Results:

Five years into the program, the health system has significantly improved employee health status, flattened the growth in its medical insurance costs, and reduced employee sick days. In particular, the initiative has

- sparked broad employee participation in health risk assessment,
- arrested the increase in health care use,
- substantially improved compliance with treatment for chronic diseases,
- led to a 25 percent reduction in lost days for sick time,
- produced a 30 percent reduction in workers' compensation premiums.

The literature clearly supports use of health risk assessments as a tool for improving employees' health profiles and reducing insurance costs. Complementary interventions, as described above, appear to accelerate these benefits.

The health system's finance department calculated an annual 40 percent return on investment for this initiative. The program fully paid for itself and continues to generate a generous return for the institution. Further, the wellness program has enabled the system to differentiate itself favorably among competitors in employee recruitment.

Next Steps:

As the health system evaluates its ability to effectively manage the health status of its employees and their dependents, it might consider a capitated care model for the population, shifting to the role of insurer as well as provider.

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[i] Partnership for Solutions. 2002. "Chronic conditions: Making the case for ongoing care." December. Available at http://www.rwjf.org/files/research/chronicbook2002.pdf. Accessed on November 19, 2010. <<URL indicates article date is December 2002, so I changed the date to match>>

[ii] U.S. Department of Health and Human Services. 2003. "Prevention makes common 'cents': Estimated economic costs of obesity to U.S. business.

[iii] Golaszewski, T., D. Snow, W. Lynch, L. Yen, D. Solomita. 1992. "A benefit-to-cost analysis of a work-site health promotion program." *Journal of Occupational Medicine*. 34(12):1164–1172.

[iv] Mills, P.R., R.C. Kessler, J. Cooper, S. Sullivan. 2007. "Impact of a health promotion program on employee health risks and work productivity." *American Journal of Health Promotion,* 22(1):45–53.