

The Full Dimensions of Employee Health

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Session objectives

- *Practical Application:* Discover how to articulate the business value of population health management programs to purchasers.
 - Identify and implement underutilized metrics relevant to establishing the business value of health for employers and other plan sponsors.
 - Develop best practices in measuring population health management program impact.
 - Articulate a more comprehensive, evidence-based value proposition for population health management programs relevant to employers and plan sponsors.

About IBI

- National, not-for-profit organization
- 650 corporate sponsors
- Employers: 85% of IBI's members
- IBI's mission: *Demonstrate the business value of a healthy workforce through independent HPM research to point the way, measurement and modeling tools to help get there and a forum for sharing ideas and experience*
- Visit www.ibiweb.org

New Employer Realities

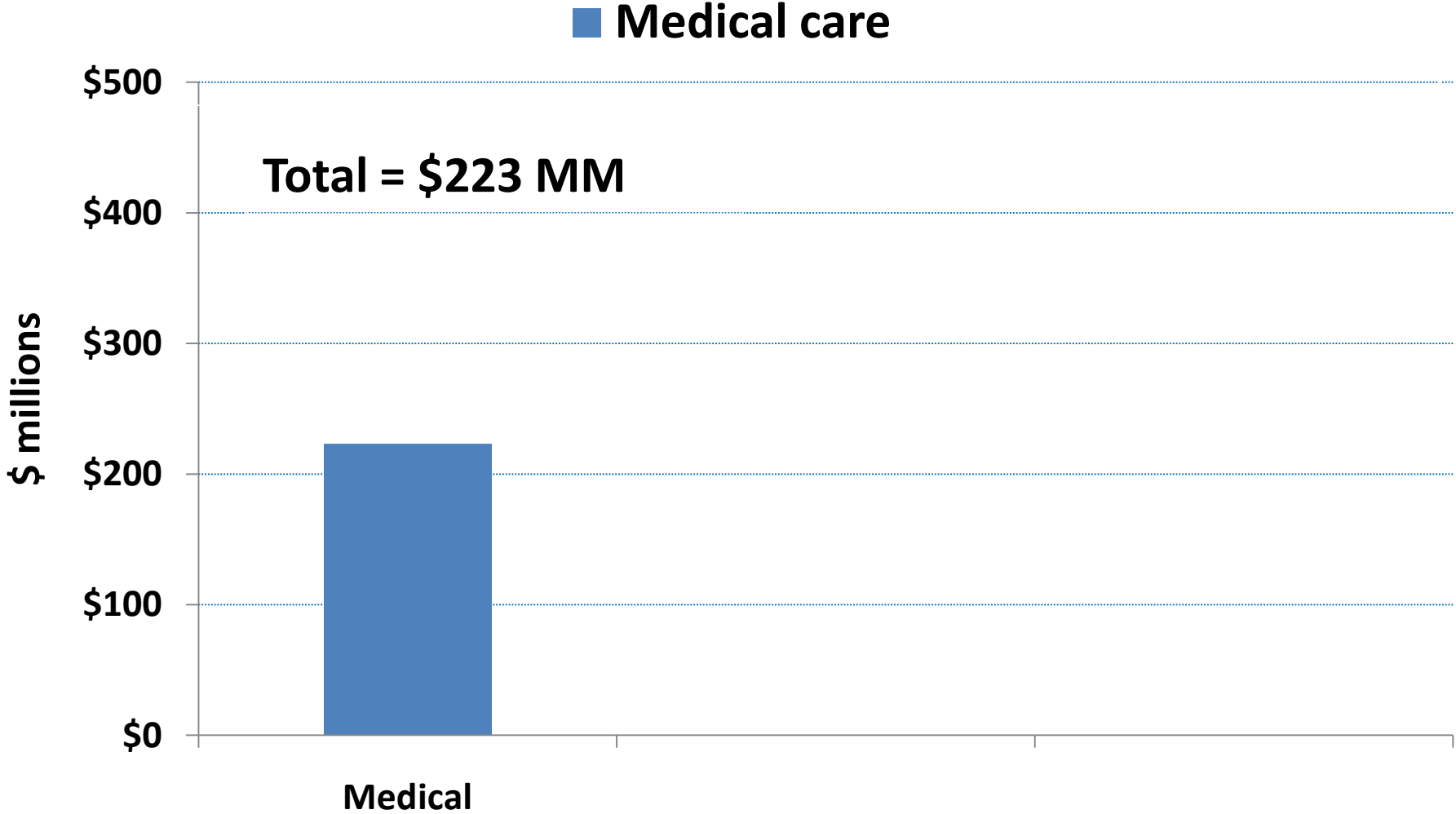
- **Show the C-suite the value of improved workforce health**
- **Healthcare reform: the value of a healthy workforce or the cost of healthcare?**
- **Dead end: attempting to control claims costs in separate program silos**
- **Looking for best strategies to improve workforce health, reduce lost time and enhance productivity**
- **Limited data, time and dollars**

What's at Risk?

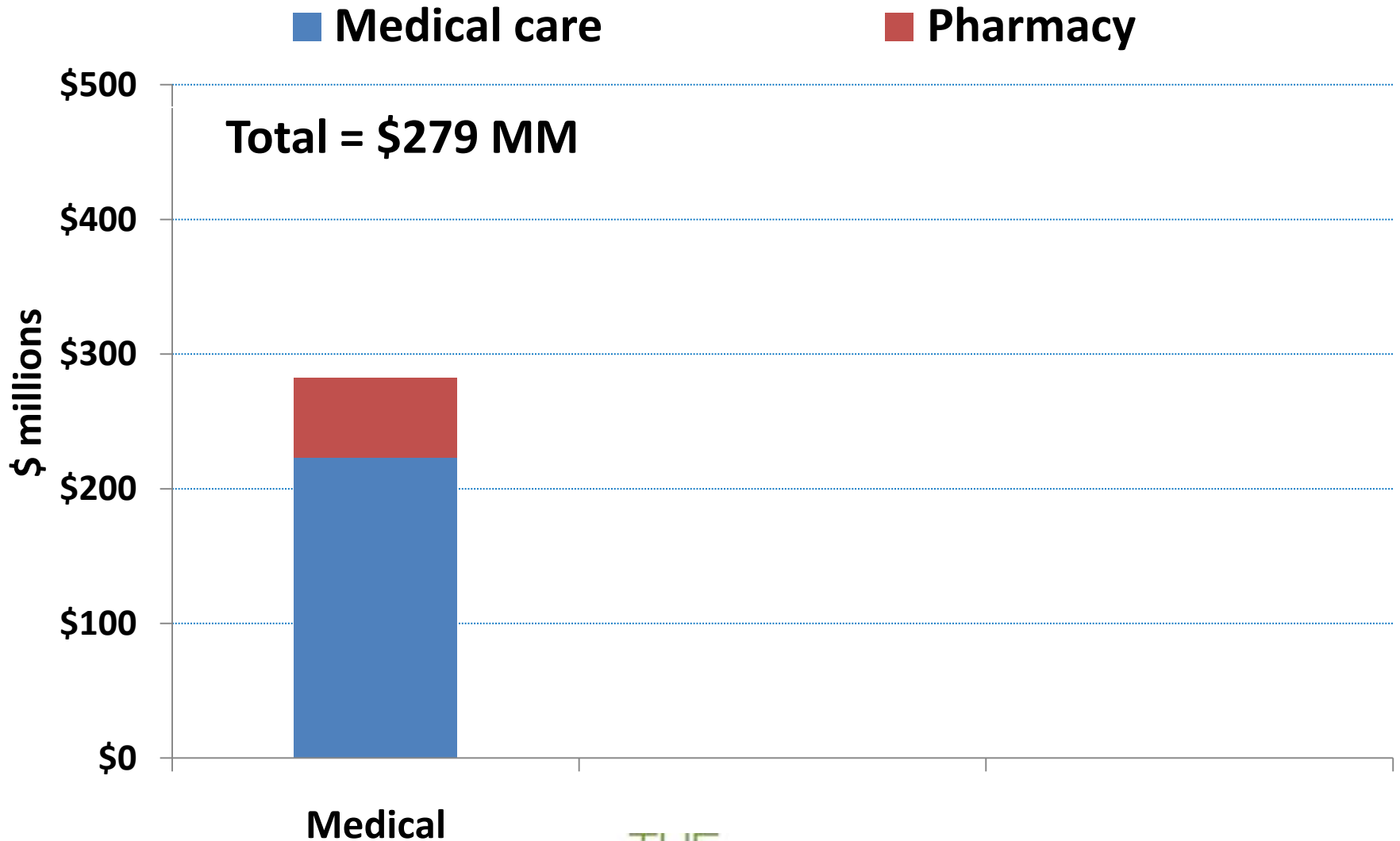
The Full Costs of EE Health -- Auto Manufacturers

- **Estimates based on IBI's new FCE modeling tool**
- **171,250 employees**
- **Employer-paid claims costs only**
- **Published as IBI Quick Study in February 2011**

Health Costs – Traditional View



Health Costs – Expanded View

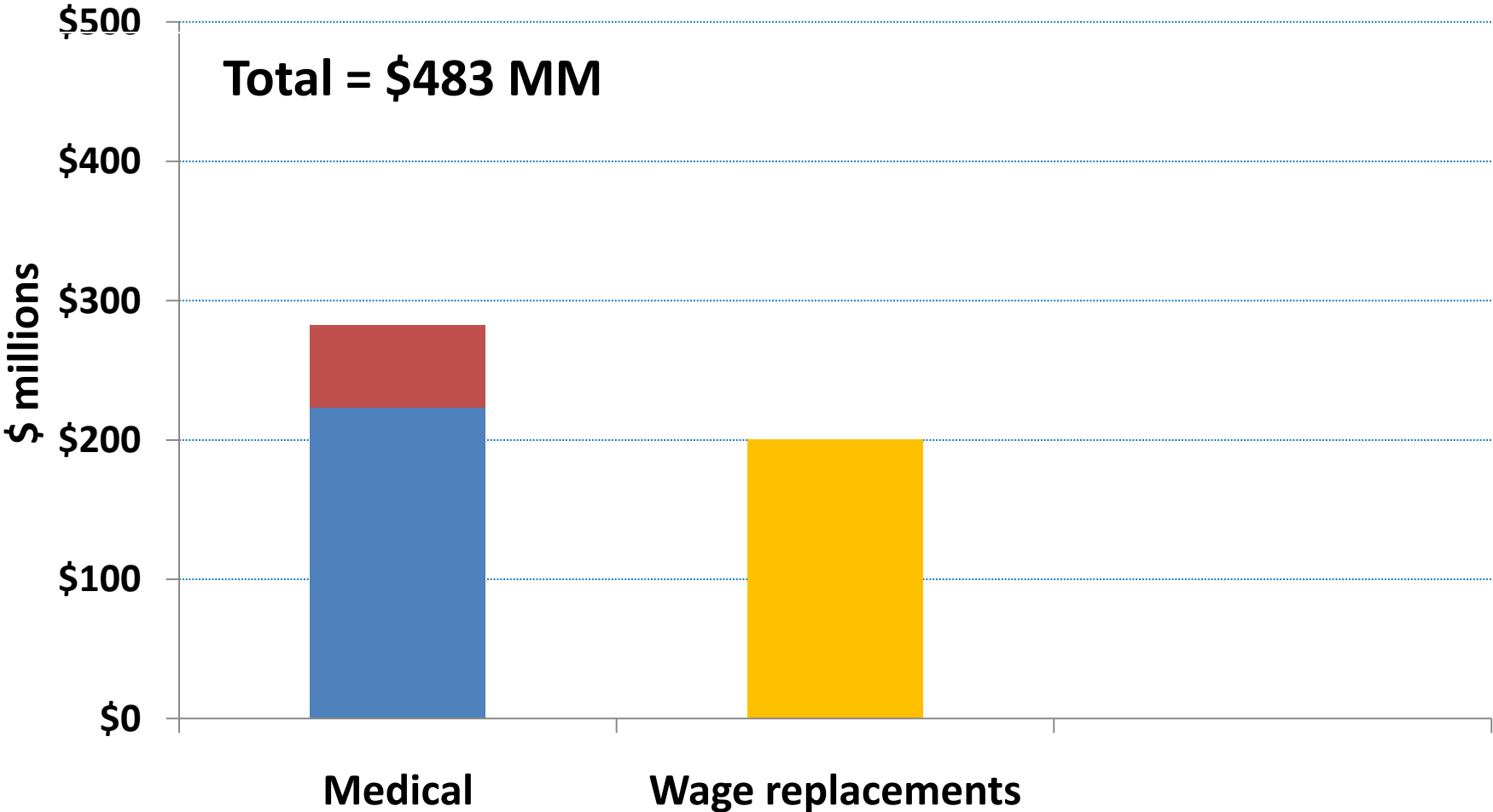


Health Costs – Payments for Absence

■ Medical care

■ Pharmacy

■ Wage replacements



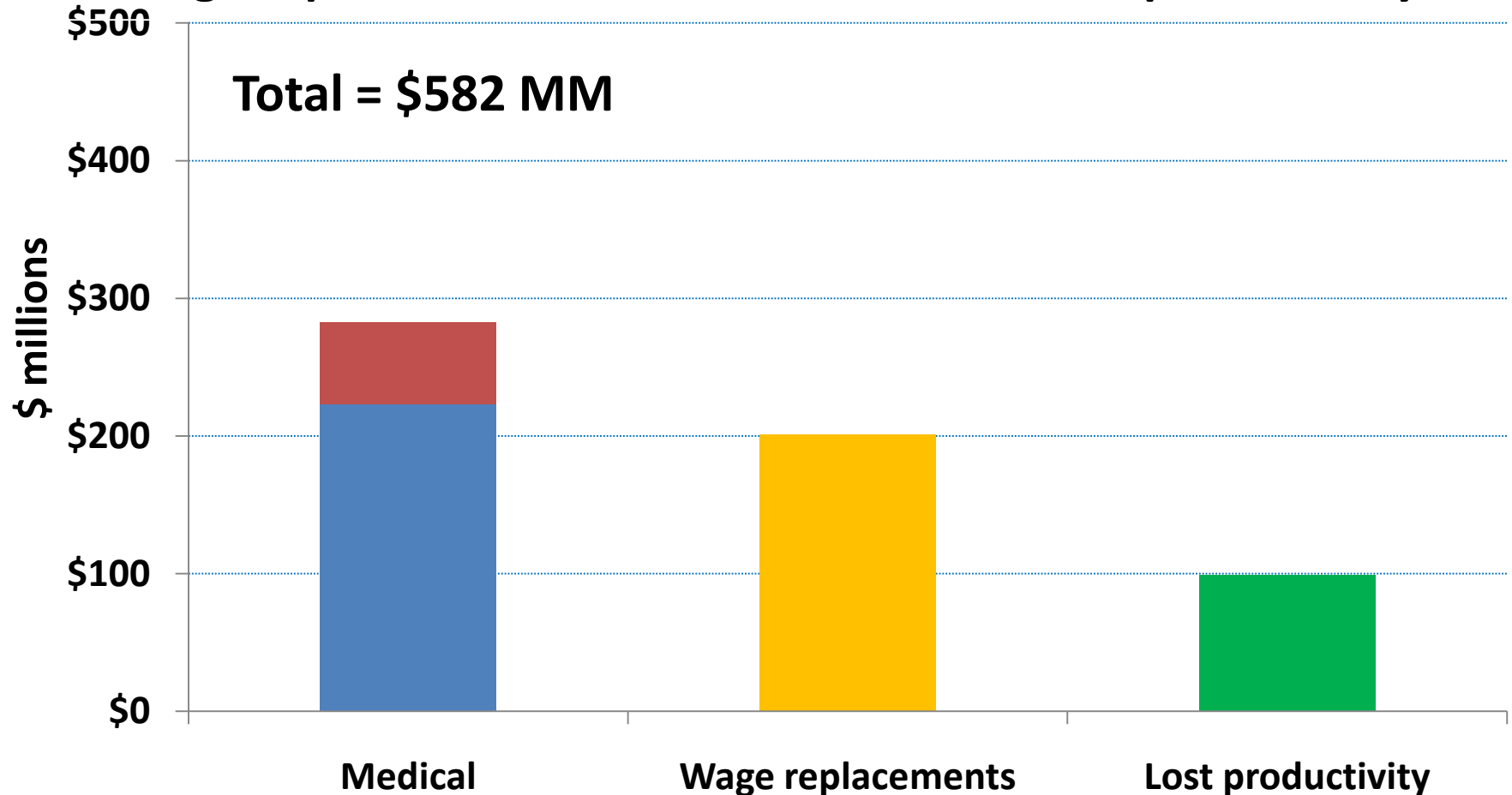
Health Costs – Productivity I

■ Medical care

■ Pharmacy

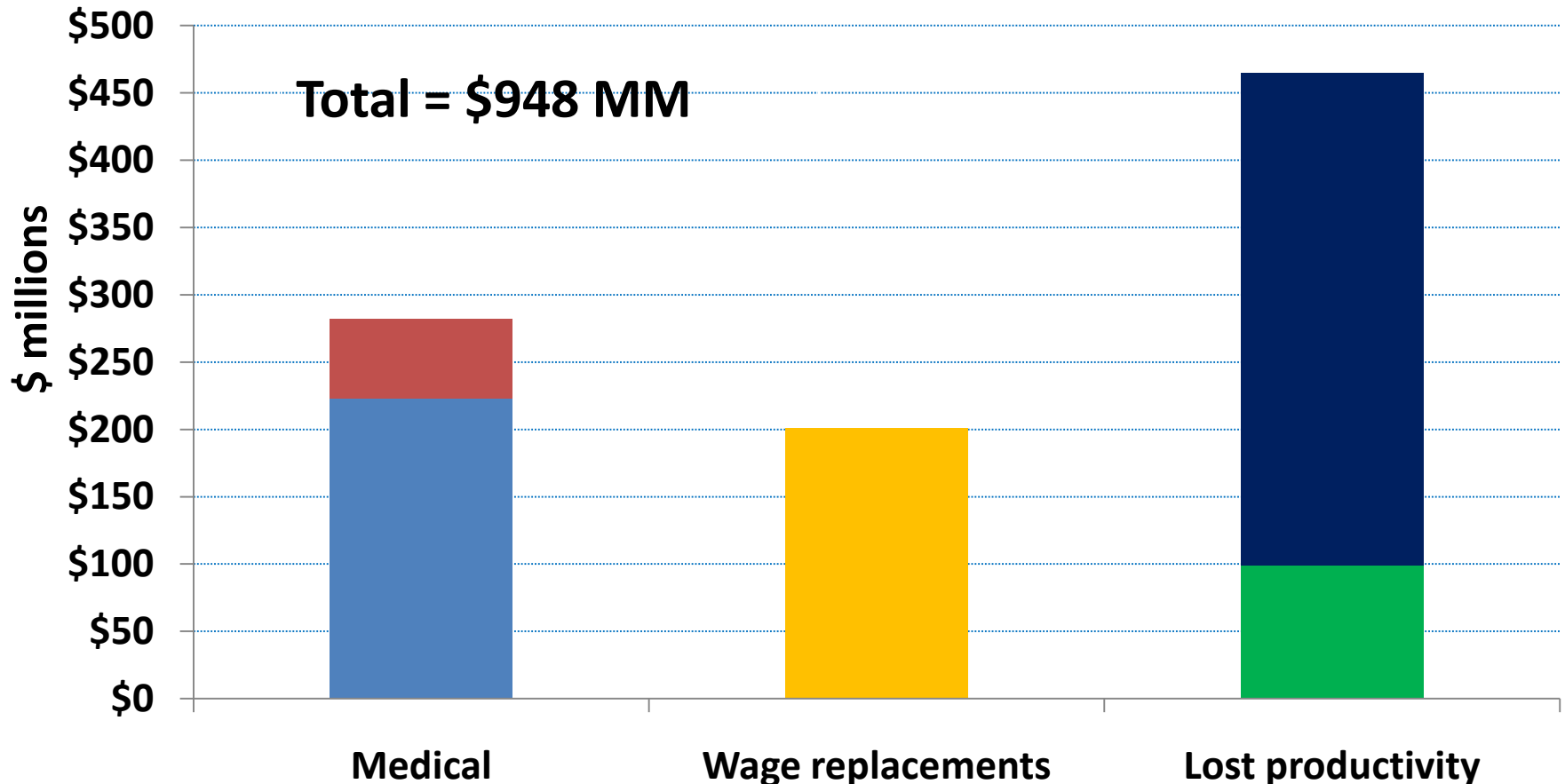
■ Wage replacements

■ Absence lost productivity

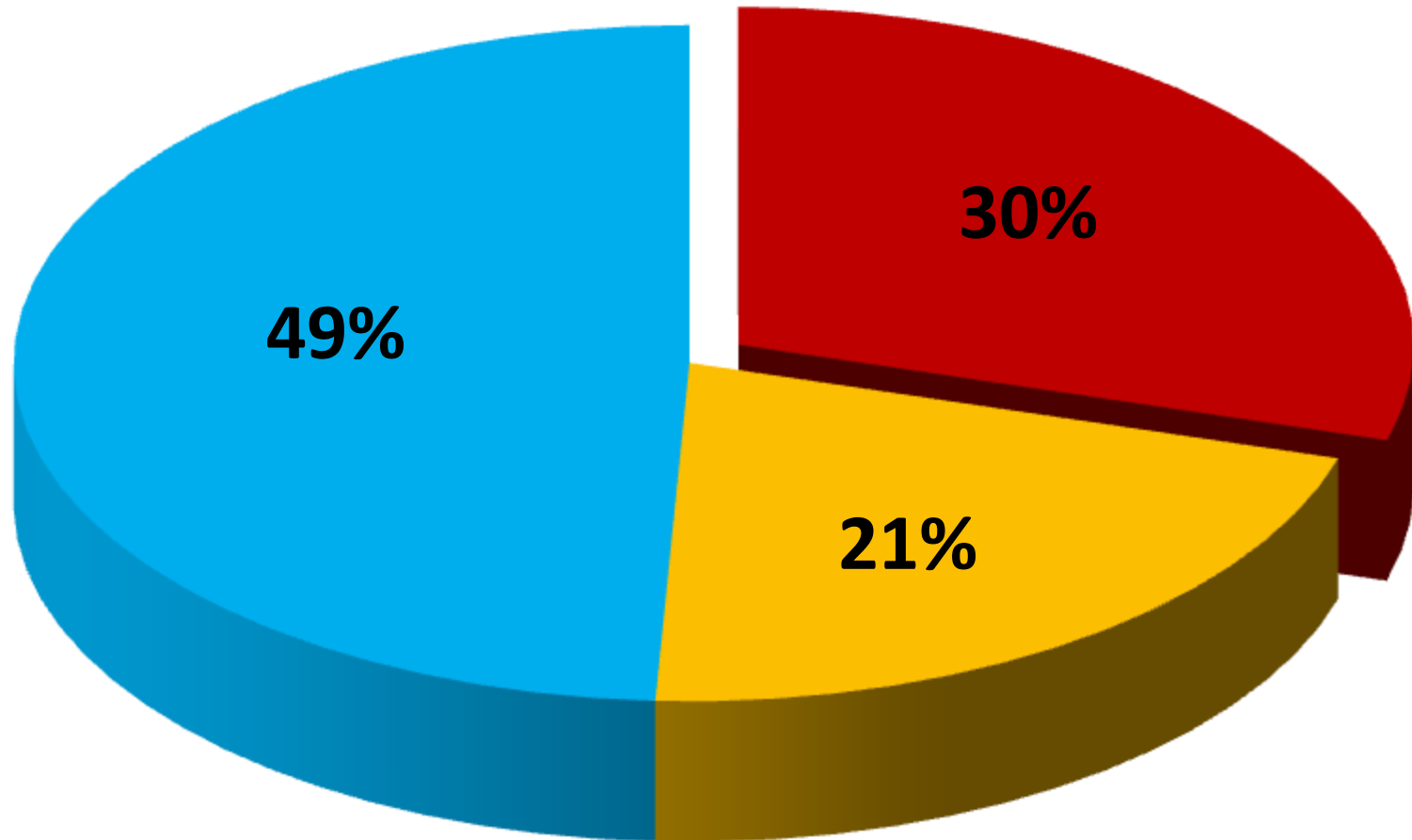


Health Costs – Productivity II

- Medical care
- Pharmacy
- Wage replacements
- Absence lost productivity
- Performance lost productivity



Full Cost Components

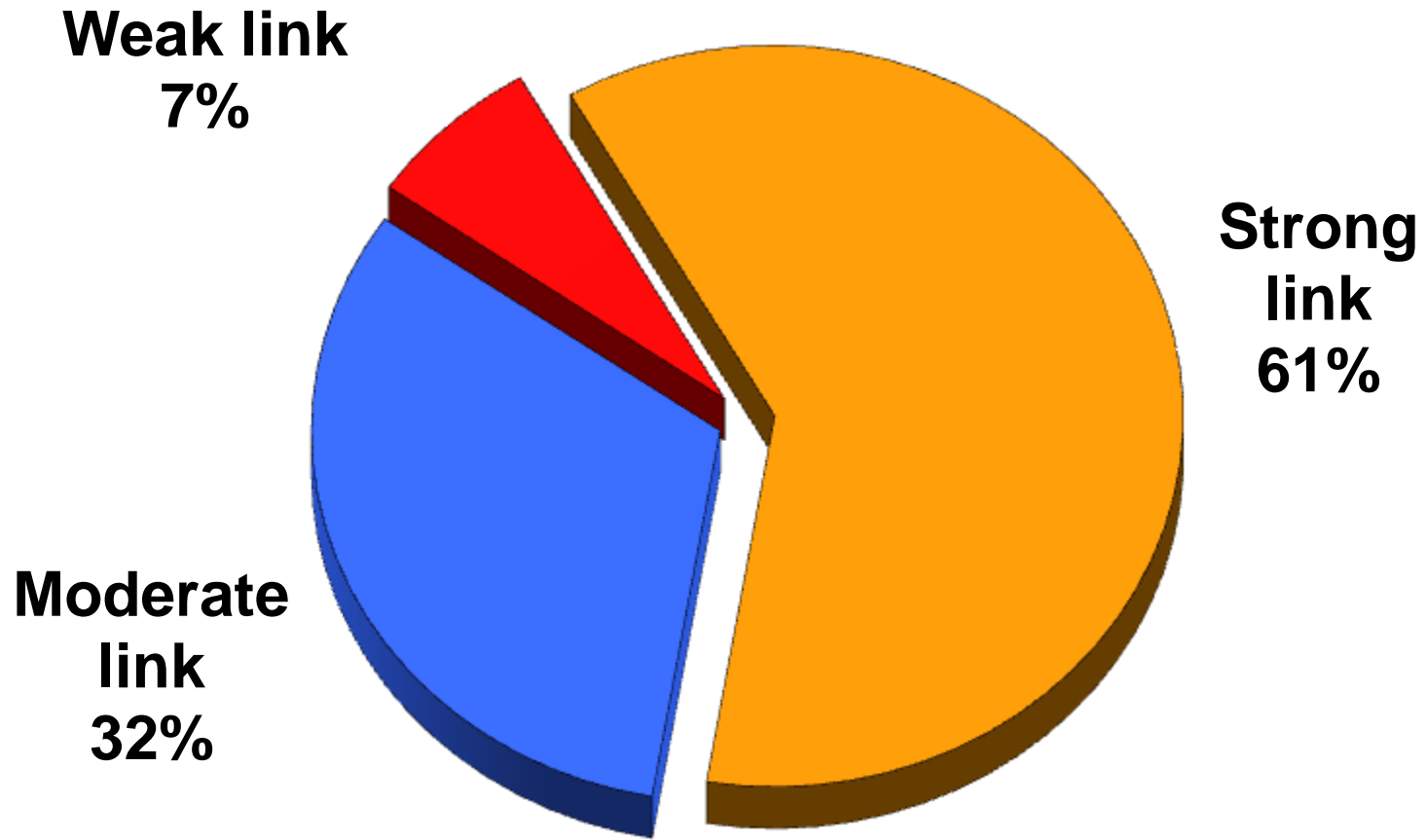


■ Medical ■ Wage replacements ■ Lost productivity

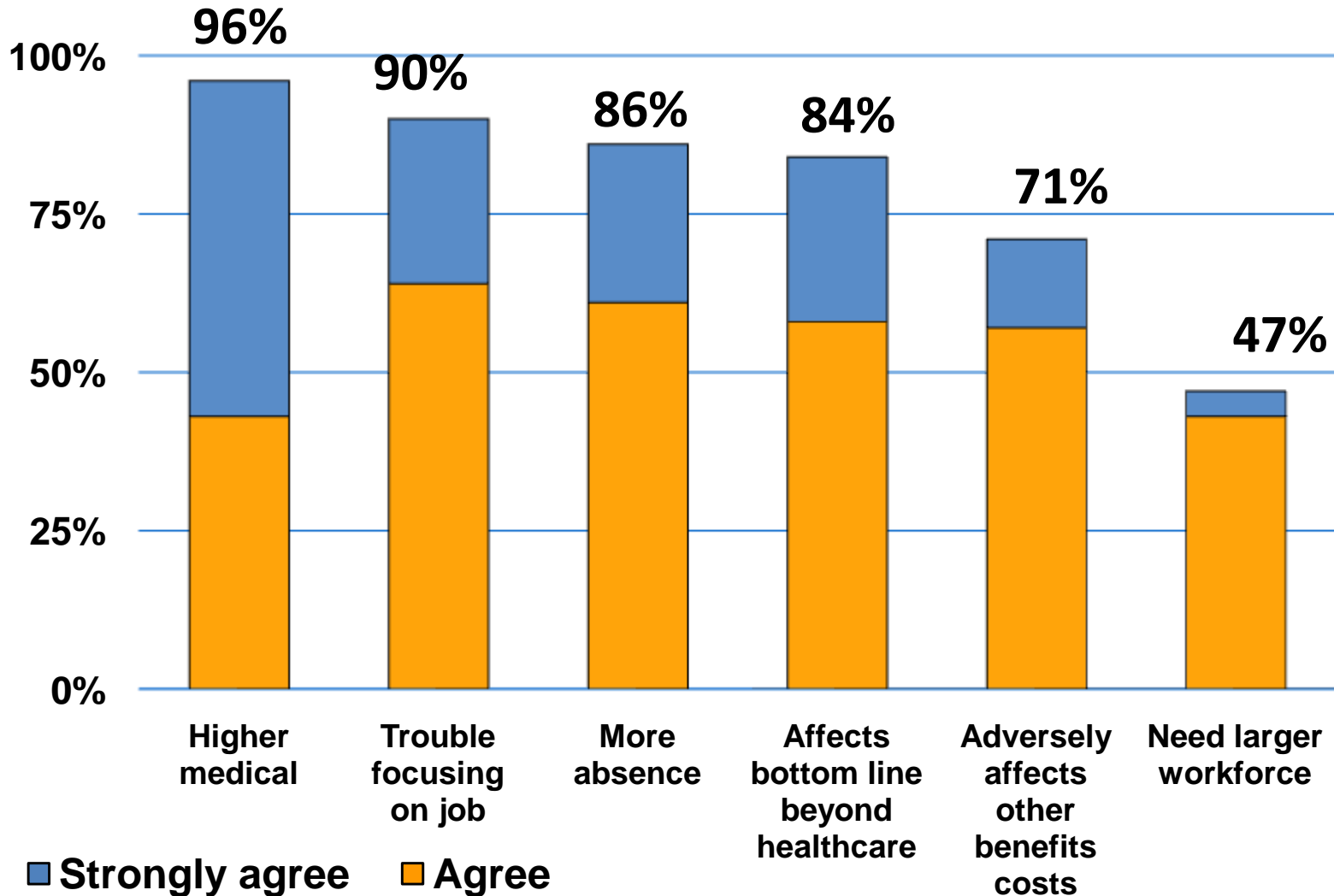
Quantifying Lost Productivity*

- **Lost productivity** – *“the financial impact on a company when employees are not at work and fully functioning”*
- **Two components: absence and decrements in job performance (“presenteeism”)**
- **Absence**
 - Wage replacement payments
 - “Opportunity costs” of ER’s response
- **Presenteeism**
 - Wage and benefit “overpayments”
 - Opportunity costs of resulting lost time

CFOs Link Health, Productivity & *the Bottom Line*

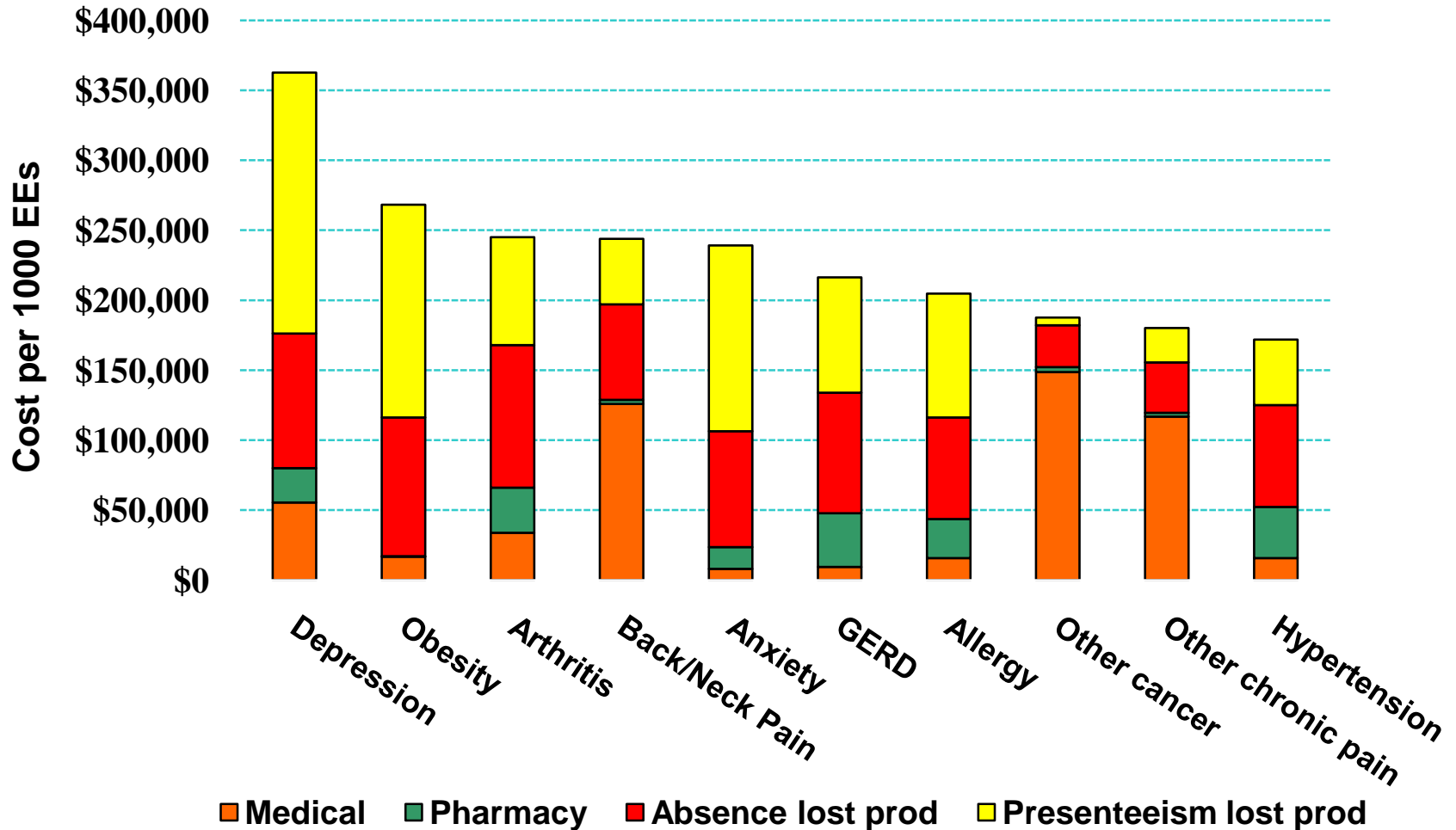


CFOs & the Impact of Ill Health

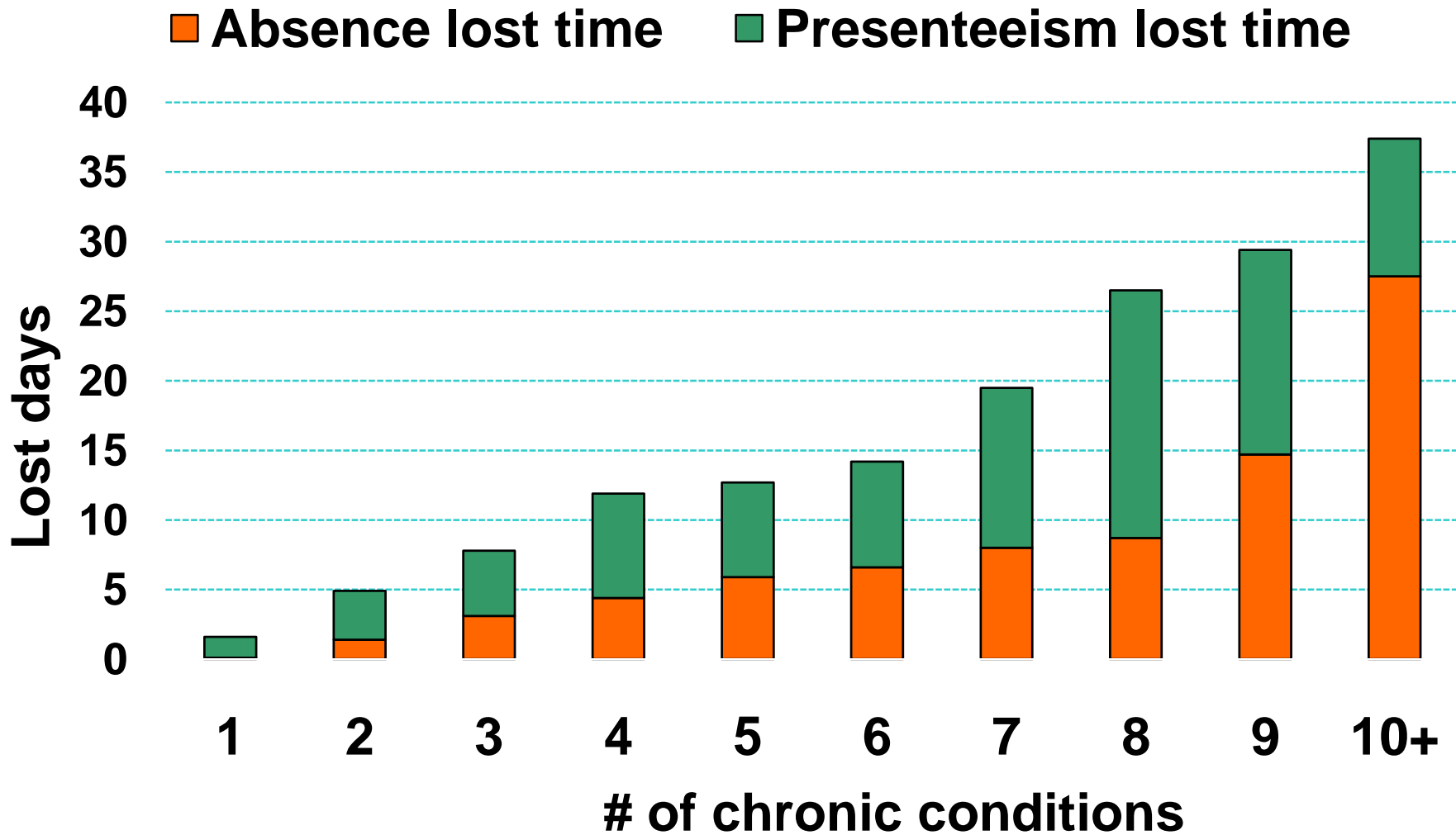


*Health and Productivity as a Business
Strategy: A Multiemployer Study**

Full Costs – Medical, Pharmacy, Absence and Presenteeism



Co-Morbidity and Lost Time



Next Generation Value Proposition

ROI



VOI

Return on Investment

Value of Investment

Financial

Financial

Participation

Biometric screening

Health risks

Preventive care

Utilization

Chronic conditions

Lost work time

Lost productivity

Health engagement

Contact IBI

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Understanding Success: Employer Measures & Metrics for Population Health Management

Bruce Sherman, MD

September 8, 2011

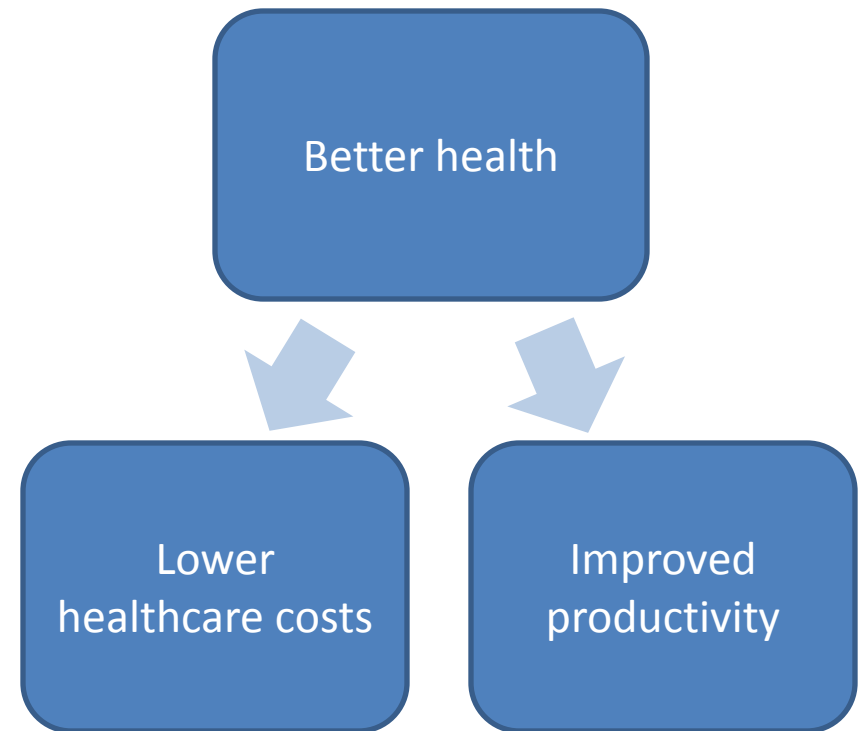
Employer perspectives on population health management

- Significant potential for generating value
- Less than optimal implementation
 - Market fragmentation – plan-provided vs. carve-out
 - Questions about perceived value
 - Lack of clear best practices approach
 - Near-term/long-term impact of healthcare reform
 - Resource limitations

A common, systematic approach to quantifying the employer value of population health management may facilitate implementation.

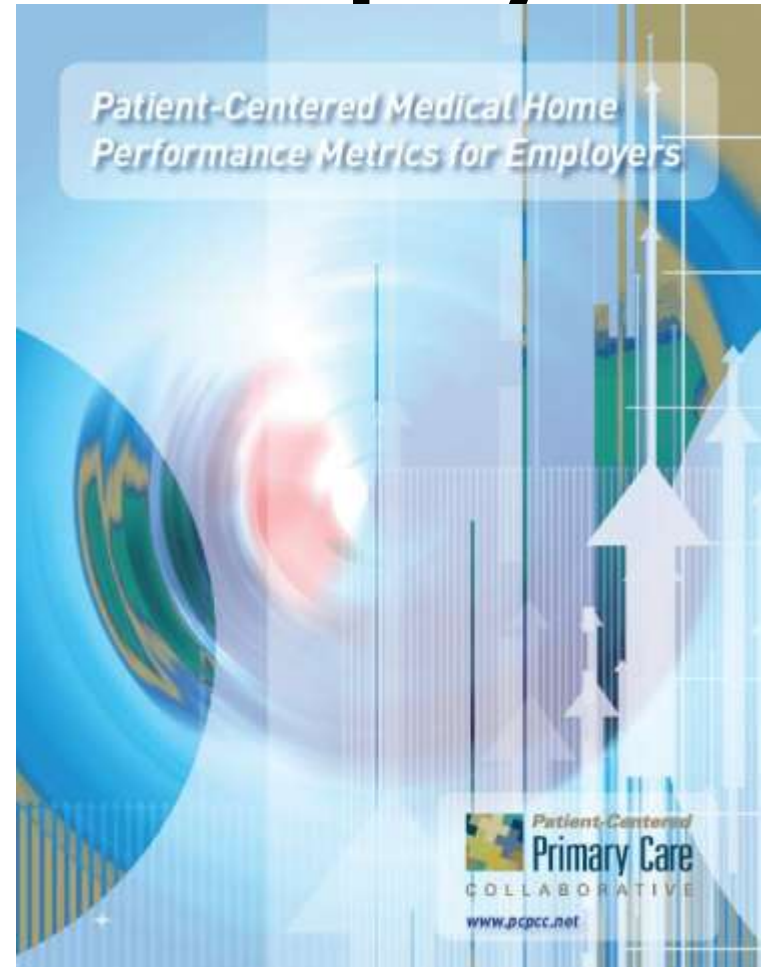
What is the value of population health management to employers?

- Triple Aim objectives:
 - Improved health outcomes
 - Enhanced patient experience of care (including quality, access, and reliability)
 - Reduced (or controlled) per capita cost of care.
- Additional sources of value
 - Improved workforce performance/productivity
 - Reduced employee absence
 - Healthier families



Patient-Centered Medical Home Performance Metrics for Employers

- White paper content:
 - Introduction of metrics categories
 - Case studies of employer metrics for PCMH implementation
 - Commentary regarding case study findings
 - Recommended employer metrics
 - Next steps for employers



Available for download, at www.pccc.net

Employer case studies

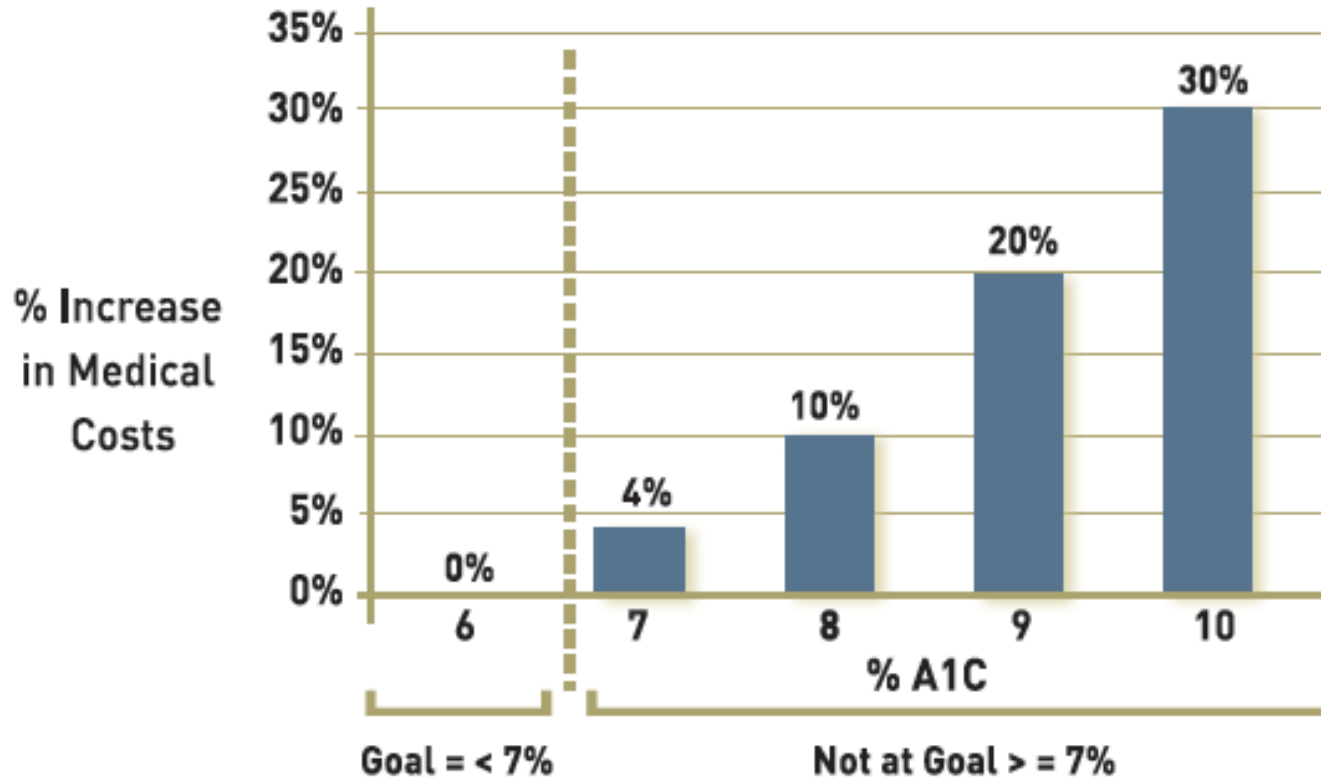
- Whirlpool Corporation
- Boeing
- Comprehensive Health Services
- QuadMed/QuadGraphics
- Roy O. Martin Lumber Company/Gilchrist Construction
- Calhoun County, MI (Kelloggs, Kellogg Foundation, City of Battle Creek, Battle Creek Health System, Stewart Industries)
- Merck
- State of New York

Recommended metrics categories

Metric category	Description (examples)
Population health and health risk profile	Chronic condition and health risk prevalence rates – identify opportunities and evaluate trends
Healthcare utilization	Hospitalization rates; preventive care compliance rates
Healthcare costs	Condition-specific costs and cost distribution
Clinical measures and outcomes	Success rates in treatment to evidence-based goals
Productivity – absence	Absence rates and disability duration
Productivity – presenteeism	Lost productivity while at work (self-reported)
Total health and productivity costs	Aggregate value of healthcare costs and lost productivity
Patient satisfaction	Clinician office or third-party originated survey (CAHPS) satisfaction rates
Patient engagement in self-care (activation)	Clinician office or third-party originated survey (self-reported) activation rates

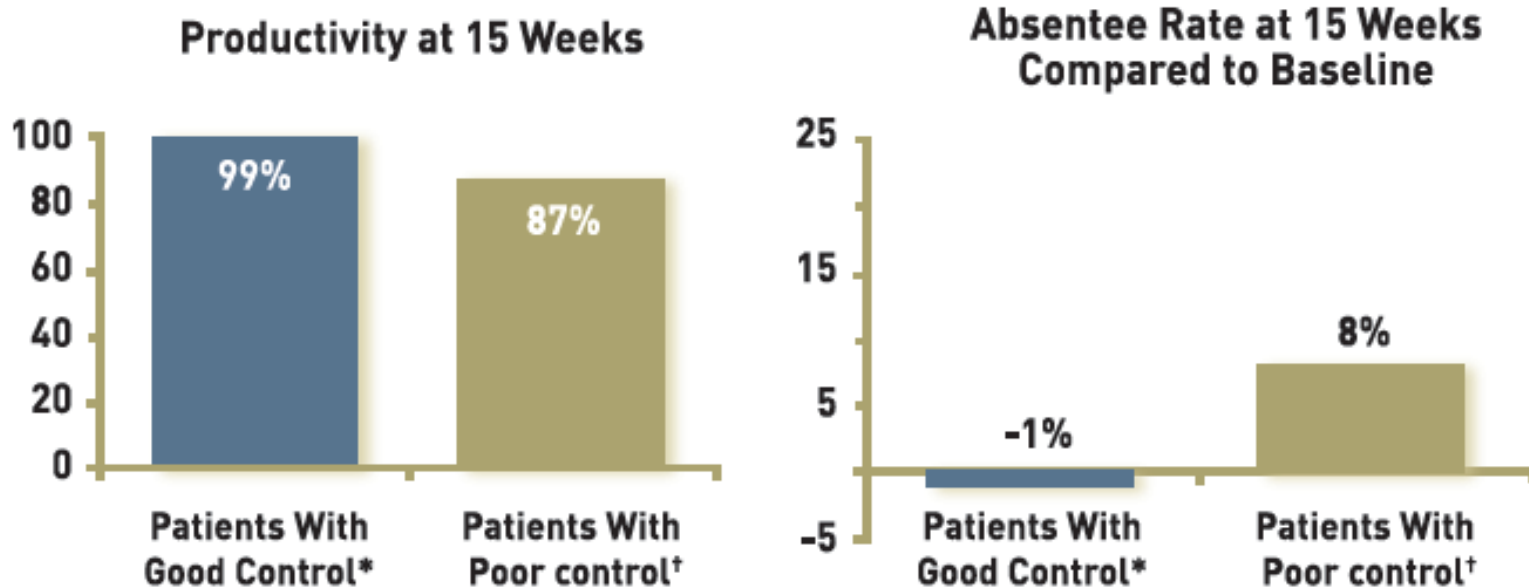
PCPCC. Patient-Centered Medical Home Performance Metrics for Employers, 2011.

Diabetes: poor control leads to higher healthcare expenditures



Adapted from Gilmer, et al: Diabetes Care, 1997.

Diabetes: poor control leads to higher absence and productivity costs







Adapted from Testa MA. JAMA, 1998.

Boeing medical home program: health outcomes

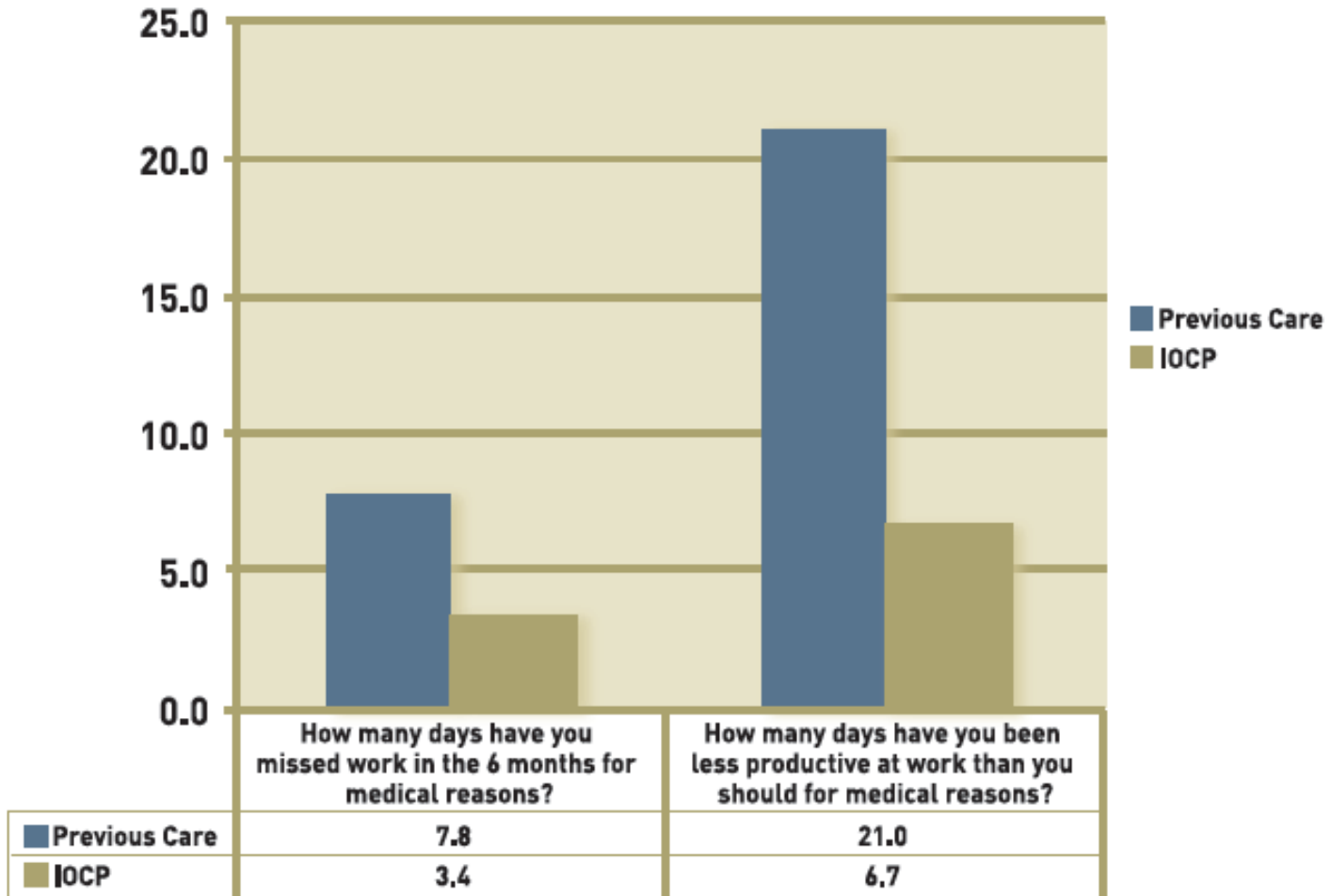
Boeing IOCP pilot, ran from January 2007 through July 2009.

IOCP Boeing Pilot results as published on Health Affairs blog 2009.10.20:

Measure compared to baseline	Result
Health care costs of pilot participants versus control group	- 20.0% 
Hospital admissions	- 28% 
Improvement in mental functioning of pilot participants	+ 16.1% 
Participants feeling that care was "received as soon as needed"	+ 17.6% 

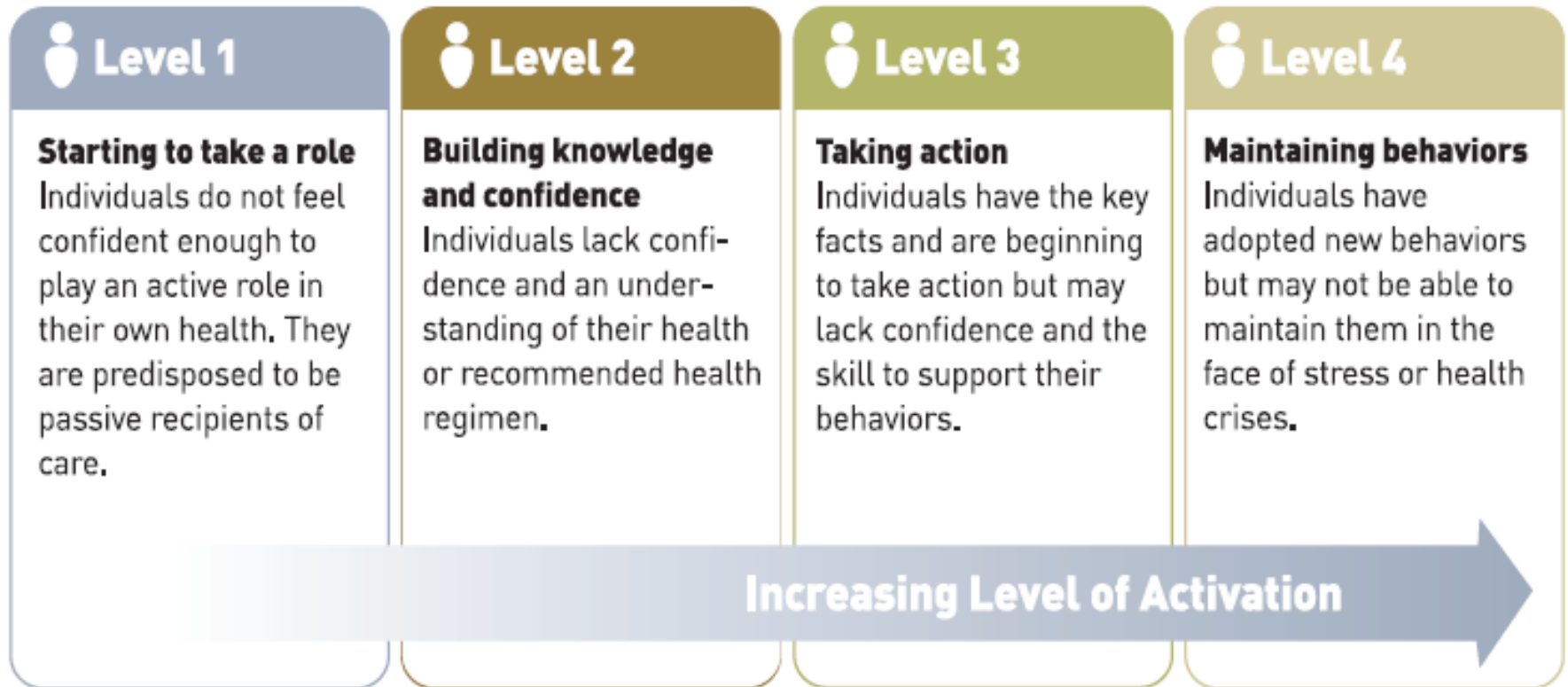
Milstein A, Kothari P. Are higher value healthcare models replicable?
Health Affairs blog, October 2009

Boeing's medical home program: productivity outcomes



Milstein A, Kothari P. Are higher value healthcare models replicable?
Health Affairs blog, October 2009

Patient activation for self-care



Hibbard J. Personal communication.

Timeline to impact varies by metric category

Leading indicators	Intermediate indicators	Lagging indicators
Healthcare utilization (PCMH)	Healthcare utilization (preventive care and non-PCMH services)	Healthcare costs
Patient experience and satisfaction	Clinical outcomes	Absence
Medication adherence	Population health and health risk profile	Presenteeism
	Patient activation	Total health and productivity costs

PCPCC. Patient-Centered Medical Home Performance Metrics for Employers, 2011.

Insights and opportunities

- Employers
 - Better understand:
 - the full value of healthy employees
 - the potential impact of effective population health management
 - the value of a current population health management program
 - Benchmark against published health mgmt program metrics
 - Opportunities for performance improvement
- Population health management companies
 - More fully appreciate the business value to employers of provided services
 - More effectively quantify value of provided services

Questions?

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