

Employer-Sponsored Health: Beyond Insurance Benefits and Health Care Programs

By Ed Jones, Ph.D.


The U.S. health care system has long been focused on helping sick people get well. When it became apparent several years ago that most of our health care dollars were being spent on chronic illnesses like diabetes and coronary artery disease, the disease management industry flourished with programs to better manage care. As health care costs continued to soar with chronic illnesses still the number one cost driver, new solutions were sought. Consumers have been asked to have further "skin in the game" by absorbing more of the cost of care with the growth of high deductible health plans and consumer directed health plans. Health plans and physicians alike have driven efforts to ensure that medical treatments are consistent with evidence-based guidelines. Recent years have witnessed a shift to the wellness and preventative end of the spectrum with the proliferation of Health Risk Assessments (HRAs), and additional programs to help people adopt healthier lifestyles.

Each of these developments has had a clear rationale clinically—with limited evidence of economic or clinical results—and each has been packaged as a product for employers to purchase for their employees. The health reform debate has not changed that dynamic. We may indeed witness insurance coverage for all Americans along with a new level of competition among private and public health insurers. However, all discussion of employer-sponsored health care involves employers buying benefit

plans to cover an array of clinical interventions for employees and their families. This loses sight of the fact that an employer also creates a workplace which serves as an environment with a strong impact on employees, for better or worse. Employers are not just purchasing benefits for their employees, but also establishing a workplace culture that can, to varying degrees, promote behaviors consistent with safety and health.

One might fairly ask how important it is to create a culture of health within a company. Dr. Dee Edington of the University of Michigan, one of the pre-eminent thinkers and researchers in the area of health and wellness, has candidly expressed his evolving view on this ("A WELCOA Expert Interview with Dee Edington, Ph.D.: Culture Counts...A New Approach to Changing Unhealthy Behavior," accessible at http://www.welcoa.org/freeresources/pdf/edington1_culture_count_s.pdf).

I have learned over the last several years, that if we are going to have a meaningful impact in employee health management, we've got to start by changing the culture of the organization—and that process begins with the CEO setting forth his or her vision for employee health and well-being. I hate to admit it, but I think we really made a major mistake in our field when we jumped straight into behavior change. I guess hindsight really is 20/20. The fact of the matter is you just can't change behavior unless you change the culture first. (p. 3)



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While Dr. Edington is a respected leader in the area of health and wellness, it is clear that his ideas about promoting a culture of health are not driving the conversation within most companies. Instead, the dominant question seems to be whether to incentivize or penalize employees around their participation (or potentially, their success) in health programs. Once again, the focus remains stuck on health benefits and health programs. This may simply be seen as a more concrete focus than organizational culture, or it may be that the conversation is strictly taking place within the Human Resources and Health Benefits departments.

If a company's leadership were to accept the importance of advancing a culture of health, where might those leaders turn for guidance? There are several experts in this area offering consultation and guidance. Judd Allen, Ph.D. has established a company with this focus and he offers rich resources on his Web site: www.healthyculture.com. And yet, it is curious why yet another investment is needed for this purpose when companies are already spending millions of dollars on a wide variety of health care programs. As it turns out, many companies should be able to receive this guidance from an existing program, namely, their employee assistance program (EAP).

EAPs began decades ago to assist employees with alcohol problems. From these very specific origins, programs have expanded to include a wide array of services for employees. The focus has expanded to a broad range of mental health and substance abuse issues to everyday lifestyle challenges that carry no clinical diagnosis. The focus has also expanded beyond helping employees to helping employers. EAPs today provide training for supervisors on a wide range of topics, and consult on the development of policies and procedures to address workplace problems including violence, harassment and discrimination.

In addition, many EAPs are equipped to offer more high level consultation to the "C Suite" on promoting a strategy for a culture of health throughout the corporation.

The best way to understand how a company establishes a culture of health is to review the success manufacturing and transportation companies have had in establishing a culture of safety. The CEO becomes a clear champion of safety, and this is embraced at every level of the company, with clear metrics on success prominently posted for all to see. Another key similarity between safety and health is that everyone benefits when these goals are achieved. While it is obvious that no one benefits from an unsafe workplace, healthier people are more productive in their jobs and generate lower health care costs for themselves and their employers. Unfortunately, while most of us aspire to healthy behavior, many of us need help sticking with the best eating and exercise regimens, or eliminating unhealthy behaviors such as smoking. Fortunately, once an EAP has promoted a culture of health, it can then deliver online and telephonic programs that help individuals with health behavior change.

Yet we all know the challenges related to changing health behaviors. If we don't change that unhealthy behavior today, there is always tomorrow, since the impact of unhealthy behavior on health status is powerful but incremental. We can wake up one day to the onset of diabetes or a heart attack, although these events took years of unhealthy behavior to develop. The issue of how we engage employees in the process of health behavior change is both significant and largely unresolved, but an employer should first be certain that a culture of health is solidly in place. Indeed, employers can more readily shape environmental factors that promote health than impact motivation at the individual level. Another way of making this point is to ask how we have reduced the percentage of smokers in this country.

Smoking cessation programs are certainly helpful, but we made much more headway by changing the environment for smoking to one where it is seen as dangerous, unappealing, costly and often inconvenient.

How does an employer build a culture of health in the workplace? Let us return to Edington's lessons learned from a career of promoting health in the workplace. In his latest book, "Zero Trends: Health as a Serious Economic Strategy," he notes that a company's health management strategies must be driven by three levels in the organization: senior leadership, operations leadership, and employees practicing self-leadership. He also recognizes that reward and quality assurance systems are important to ensuring sustainable success (p. 75). However, his book addresses an even more fundamental question for executives, namely, whether health should be considered a serious economic investment for a company. It is important to step back from the minutia of benefit plans and clinical programs to understand the fundamental value of healthy workers in a corporation.

There are three variables that need to be understood in the health economics equation: health risk factors, direct medical costs, and indirect costs to the employer. Health risk factors are well known to most of us today, and some of the more significant risk factors are body weight (BMI), blood pressure, cholesterol level, level of distress, and tobacco use. The relationship between the number of risk factors and costs are linear. "Changes in health care costs follow changes in health risk within the same direction. As the numbers of risks go up, costs go up. As the numbers of risks go down, costs go down" (p. 58). This relationship does not just hold for medical and pharmacy costs, but it also has been demonstrated in decades of research that indirect costs are impacted. Risk factors drive up time away from work (i.e., absenteeism, disability, workers'

compensation) and presenteeism, or impaired productivity while at work. Dr. Edington summarizes the data this way:

The total cost of health care to the individual and to the organization is determined by the flow of people from low risk to high risk. High risk is a very short distance from disease and high cost. Each company has the opportunity to devise the most effective strategy to maintain the health and productivity of the workplace and workforce. The current situation of waiting for employees to get sick is untenable. Health care will go through a transformation when effective strategies are in place for helping individuals further upstream, preferably while health is good and before they enter into the high-risk to disease to high-cost cycle. The objective is to create an enhanced environment in which the workplace and workforce become part of a health-promoting culture that helps healthy people stay healthy. (p. 68)

Employers have grown increasingly disturbed by the escalating cost of health care in the U.S. Yet most of the strategies tried through the years relate to changing benefit plan designs and focusing on what hospitals and doctors do, and what/how they charge for their services. Employers have a more direct and active role in impacting costs. However, it

means focusing more on the workplace than the doctor's office, more on health than health care. Health promotion is a proven path to both lowering medical costs and improving the productivity of the workforce. As employers move upstream to focusing on health and wellness in the workforce, downstream costs will begin to flatten because we are getting to one of the root causes of excess costs, unhealthy behavior. Make it a priority to find your experts in promoting a culture of health.

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