



Impacting Productivity with Integrated Programs

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Agenda

Impacting Productivity with Integrated Programs

Employer Joint Forum: October 25, 2007

Introductory Comments

- Risk and Behavioral Factors Drive Costs 10
- Excess Costs are Related to Excess Risks 10
- Changes in Costs follow Changes in Risks 5

Dr. Allen Woolf 30



Introductory Comments

- ✓ Steelcase (H)
- ✓ Progressive (H)
- ✓ Crown Equipment
- ✓ Delphi Automotive
- ✓ Southern Company
- ✓ Foote Health System
- ✓ University of Missouri
- ✓ Medical Mutual of Ohio
- ✓ St Luke's Health System
- ✓ Cuyahoga Community College
- ✓ International Truck and Engine
- ✓ United Auto Workers-General Motors
- ✓ Wisconsin Education Association Trust
- ✓ Southwest Michigan Healthcare Coalition
- ✓ Australian Health Management Corporation

UM-HMRC Corporate Consortium

- ✓ Kellogg
- ✓ US Steel
- ✓ JPM Chase
- ✓ We Energies
- ✓ General Motors
- ✓ Affinity Health Plan
- ✓ Florida Power & Light

*The consortium members provide health care insurance for over two million Americans. Data are available from eight to 18 years.

Meet on First Wednesday of each December in Ann Arbor

Health Risks and Behaviors

Health Risk Measure

High Risk Criteria

Alcohol

More than 14 drinks/week

Blood Pressure

Systolic >139 or Diastolic >89 mmHg

Body Weight

BMI \geq 27.5

Cholesterol

Greater than 239 mg/dl

Existing Medical Problem

Heart, Cancer, Diabetes, Stroke

HDL

Less than 35 mg/dl

Illness Days

>5 days last year

Life Satisfaction

Partly or not satisfied

Perception of Health

Fair or poor

Physical Activity

Less than one time/week

Safety Belt Usage

Using safety belt less than 100% of time

Smoking

Current smoker

Stress

High

OVERALL RISK LEVELS

Low Risk **0 to 2 high risks**

Medium Risk **3 to 4 high risk**

High Risk **5 or more high risks**



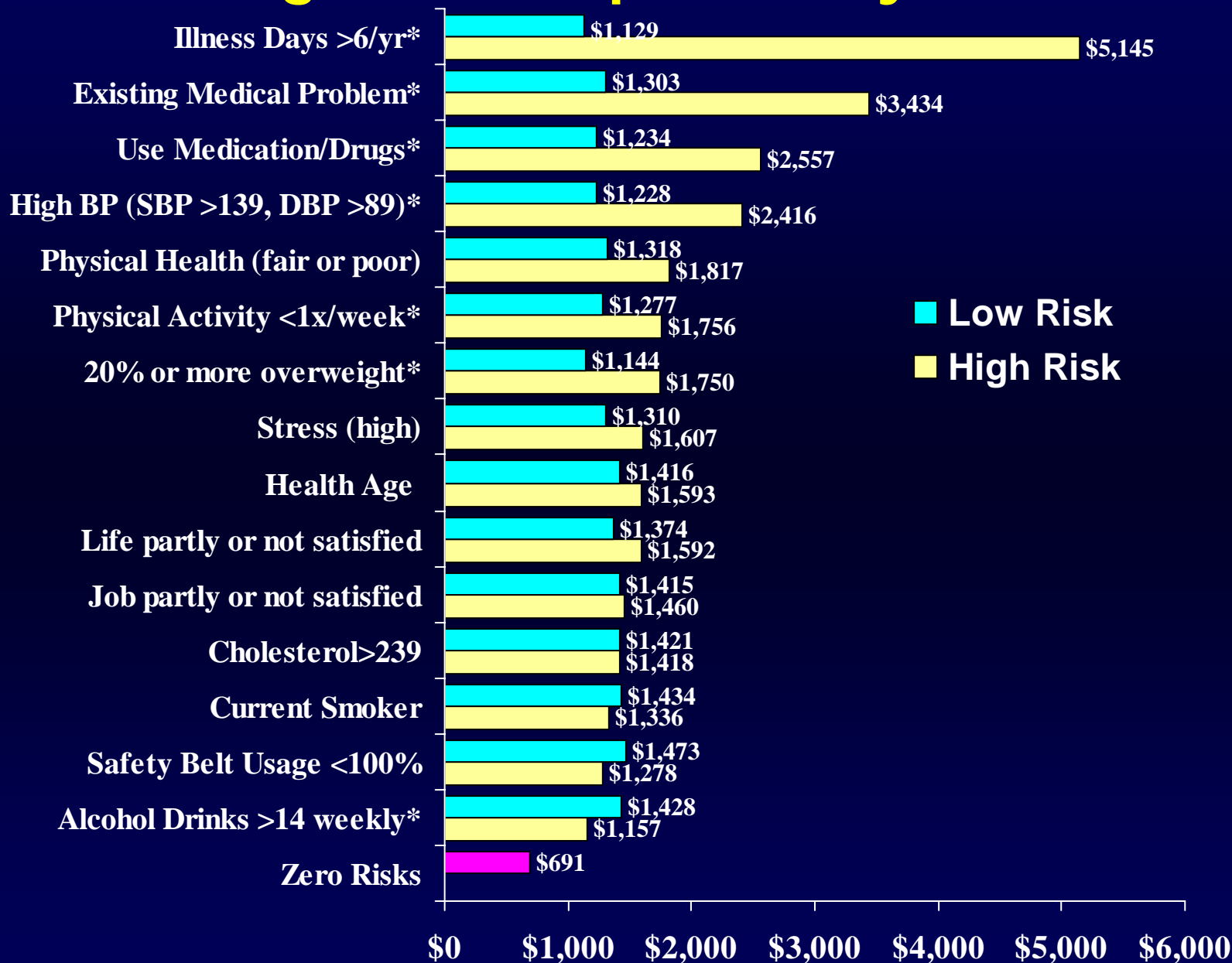
Section 1

Same Risk and Behavior Factors

Drive

All the Outcome Measures

Medical/Drug Cost Comparison by Risk Status

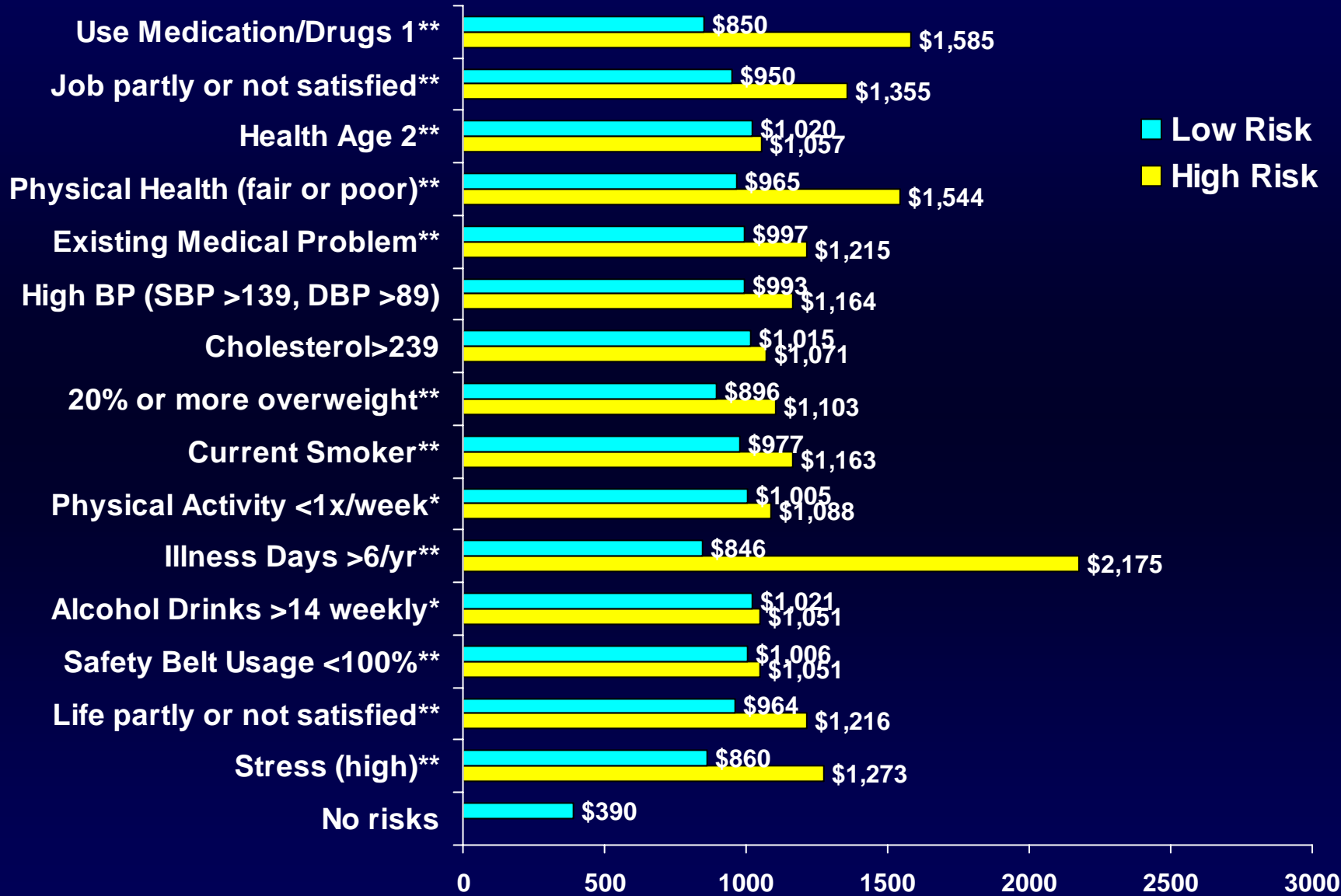


*p<.05.

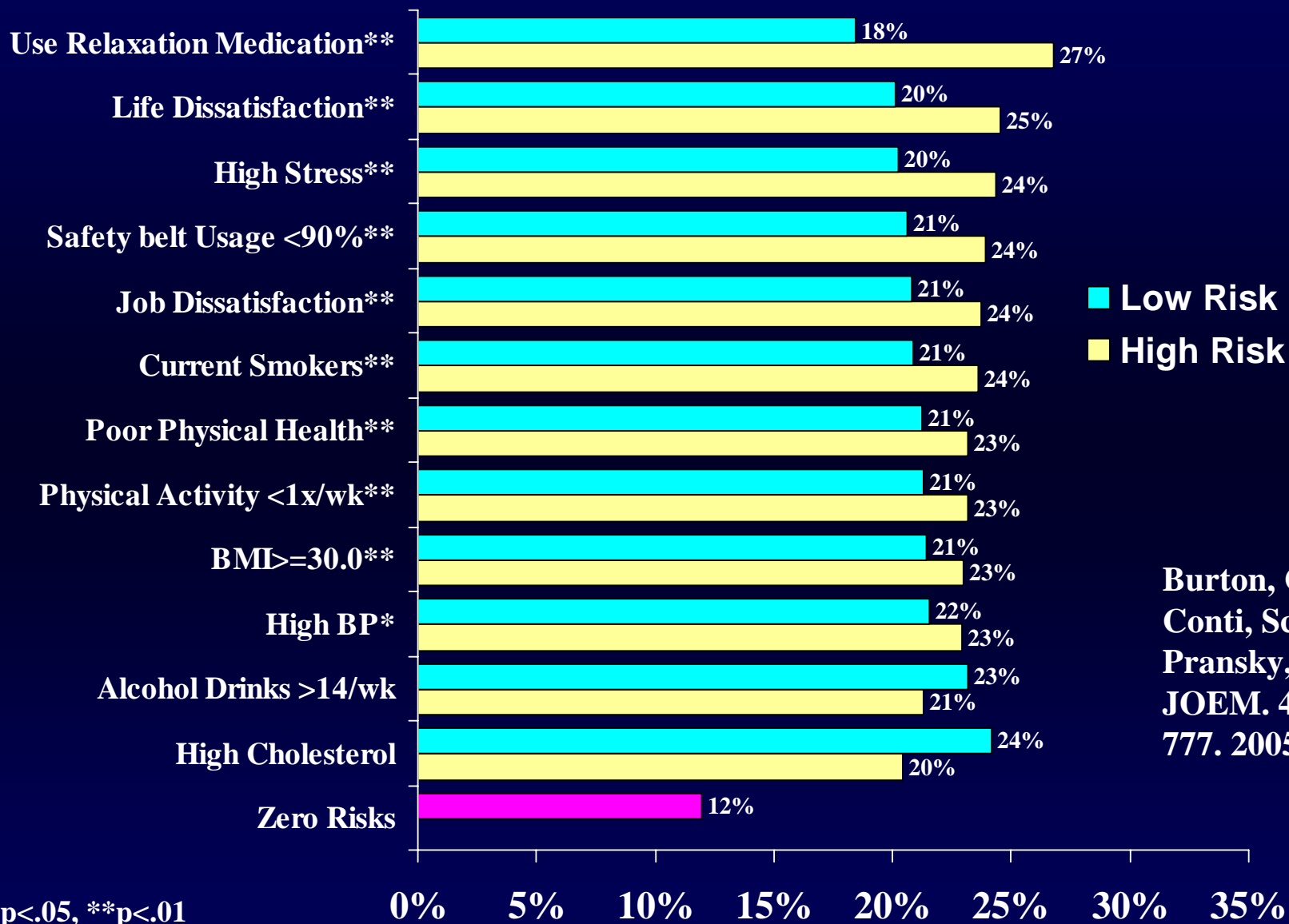


Total Disability Cost by Risk Status

1998-2000 Mean Annual Costs



Estimated Loss of Productivity by Risk Status



Burton, Chen,
Conti, Schultz,
Pransky, Edington.
JOEM. 47(8):769-
777. 2005

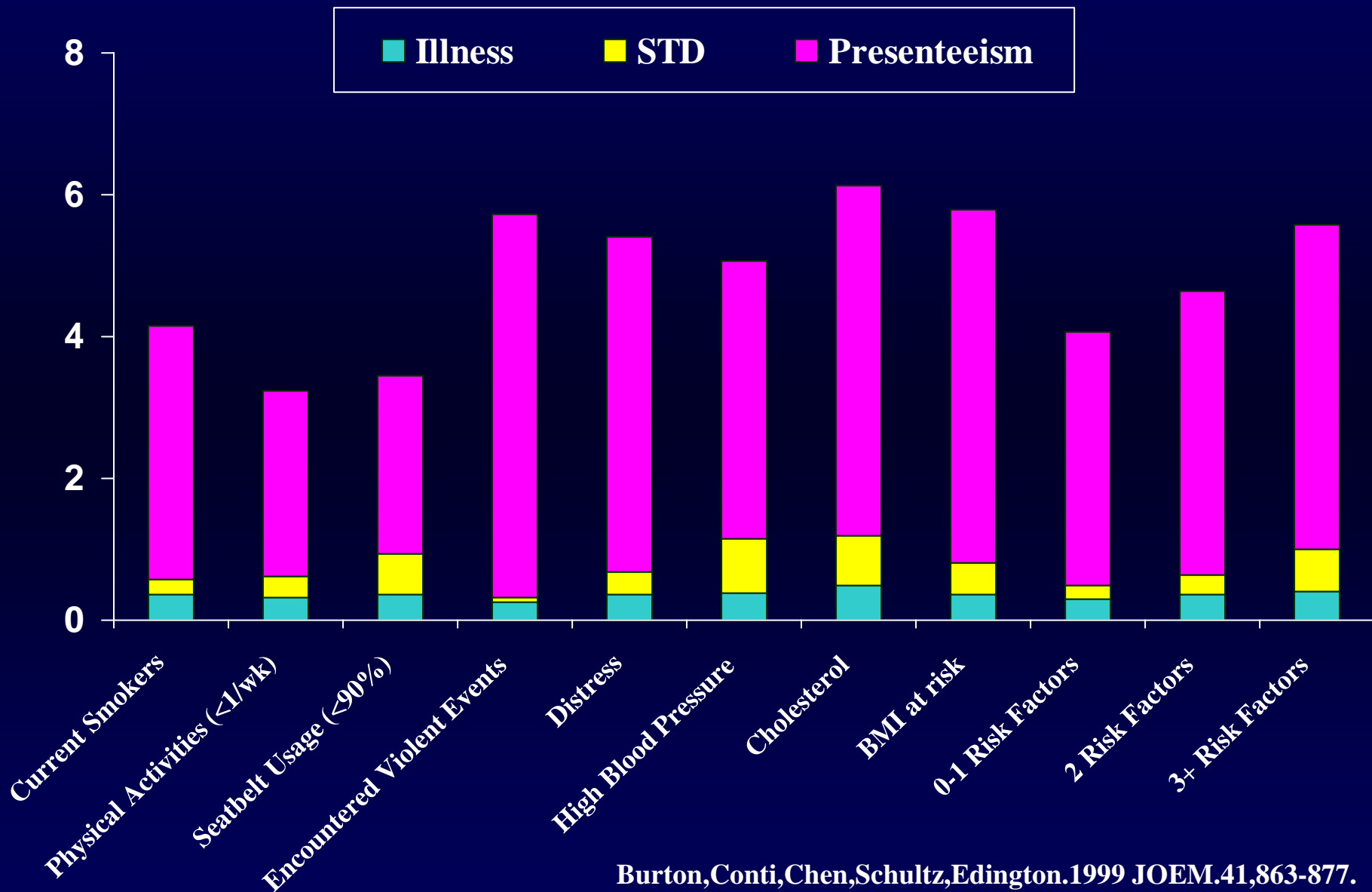
*p<.05, **p<.01



Costs Related to Presenteeism (Bank One)



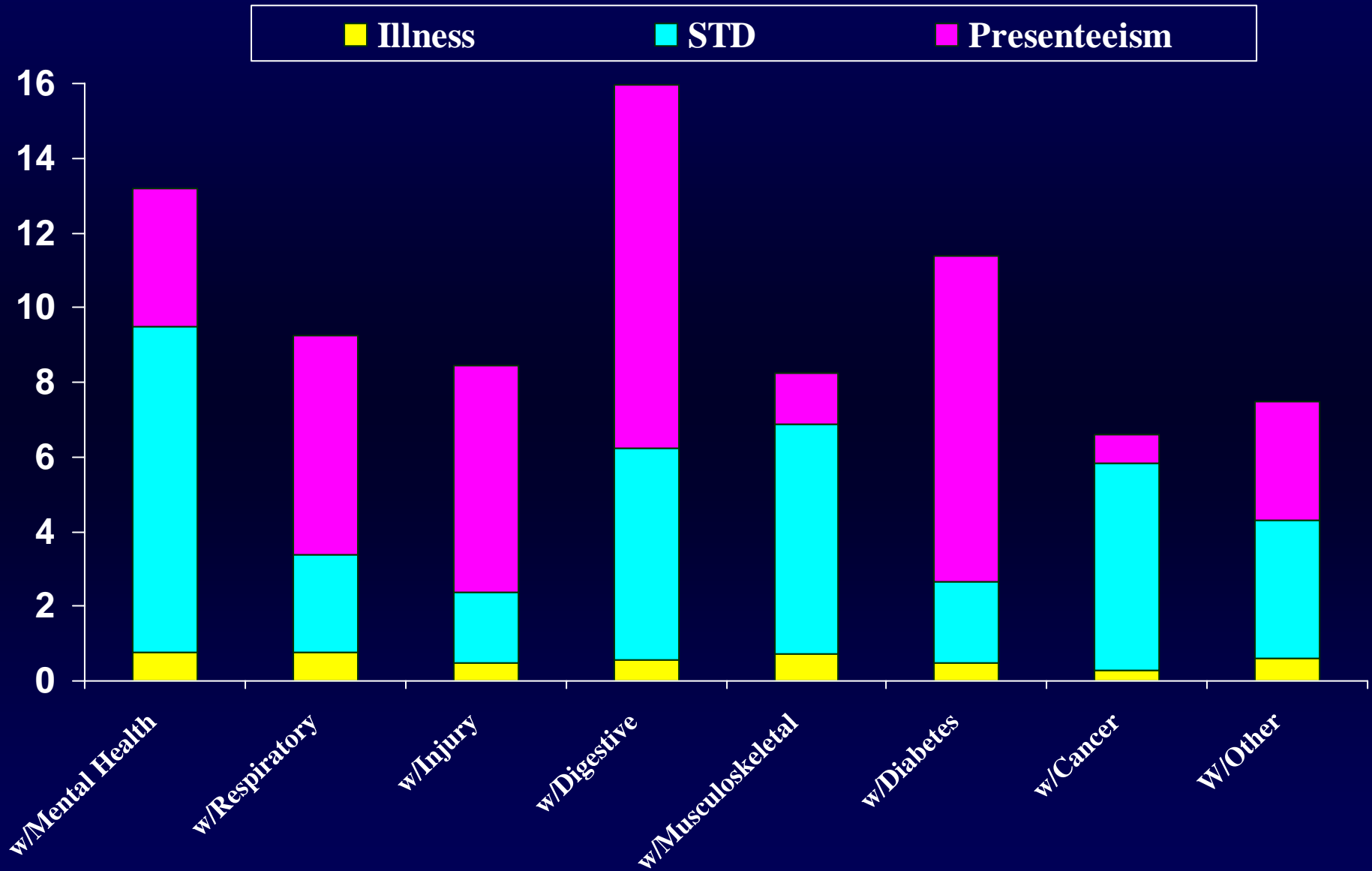
Health Risks and Behaviors X hours Lost



Burton,Conti,Chen,Schultz,Edington.1999 JOEM.41,863-877.



Disease States X Hours Lost





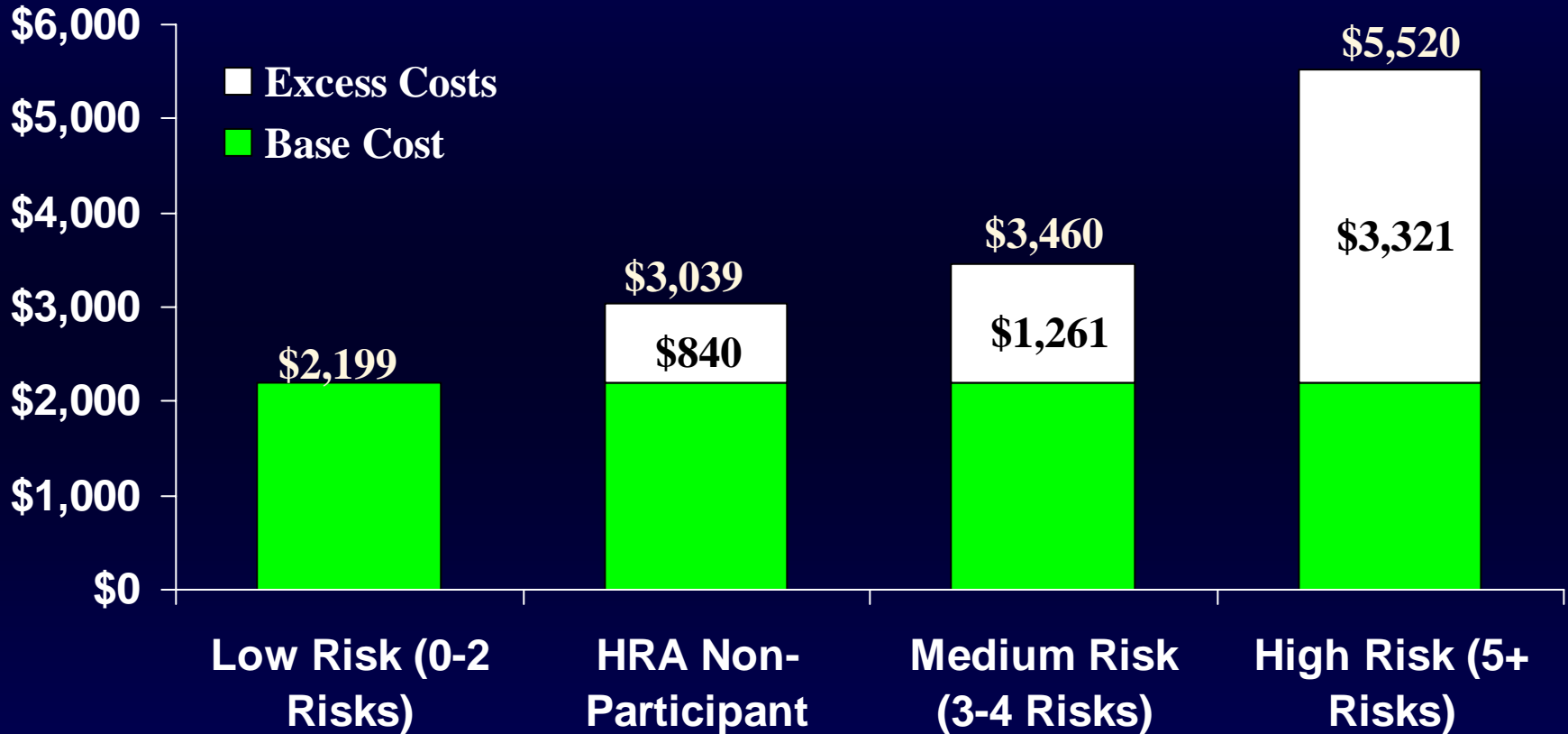
Section 2

Business Concept

Excess Costs follow Excess Risks

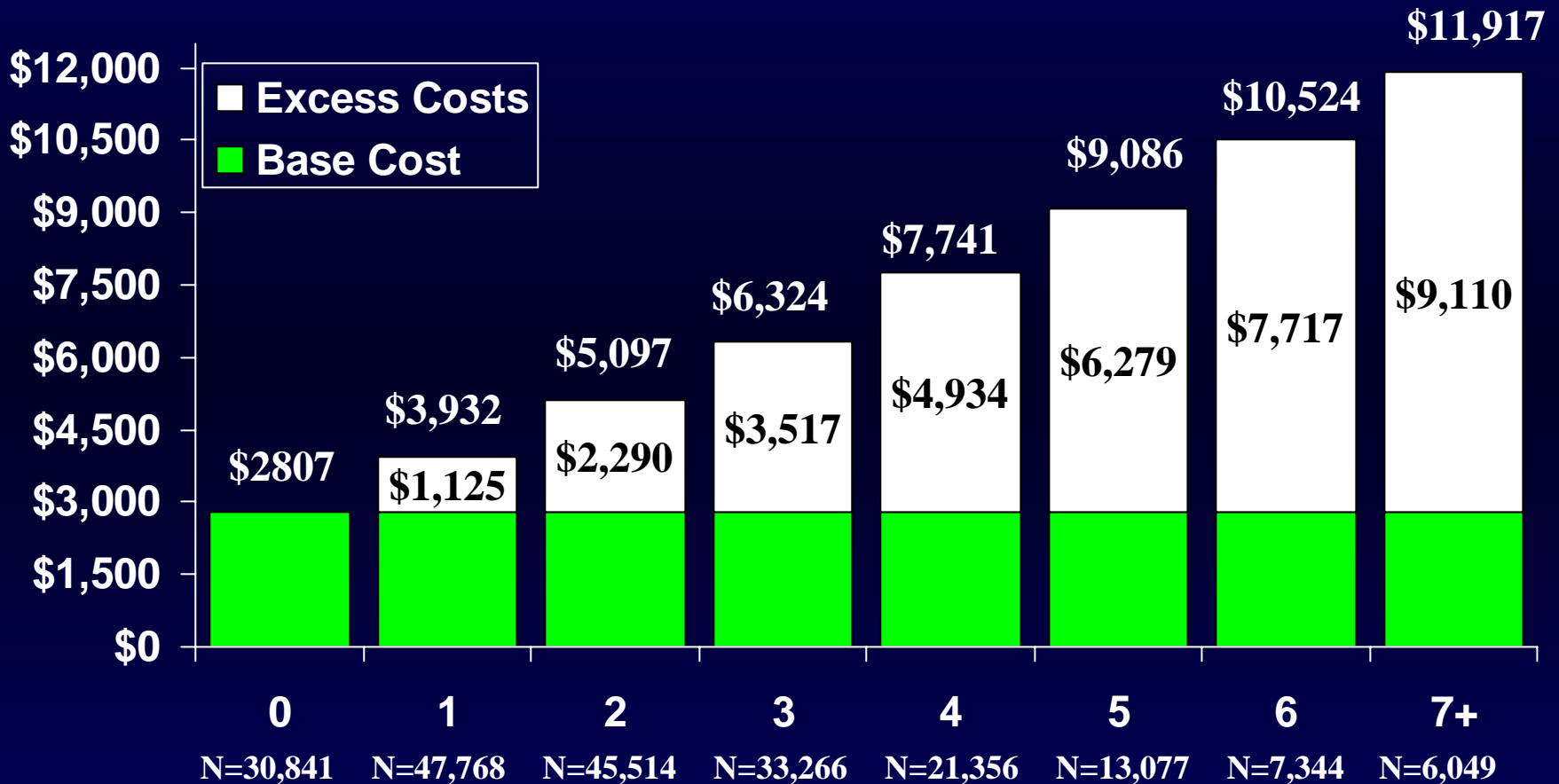


Excess Medical Costs due to Excess Risks



Edington, AJHP. 15(5):341-349, 2001

Excess Medical Costs due to Excess Risks



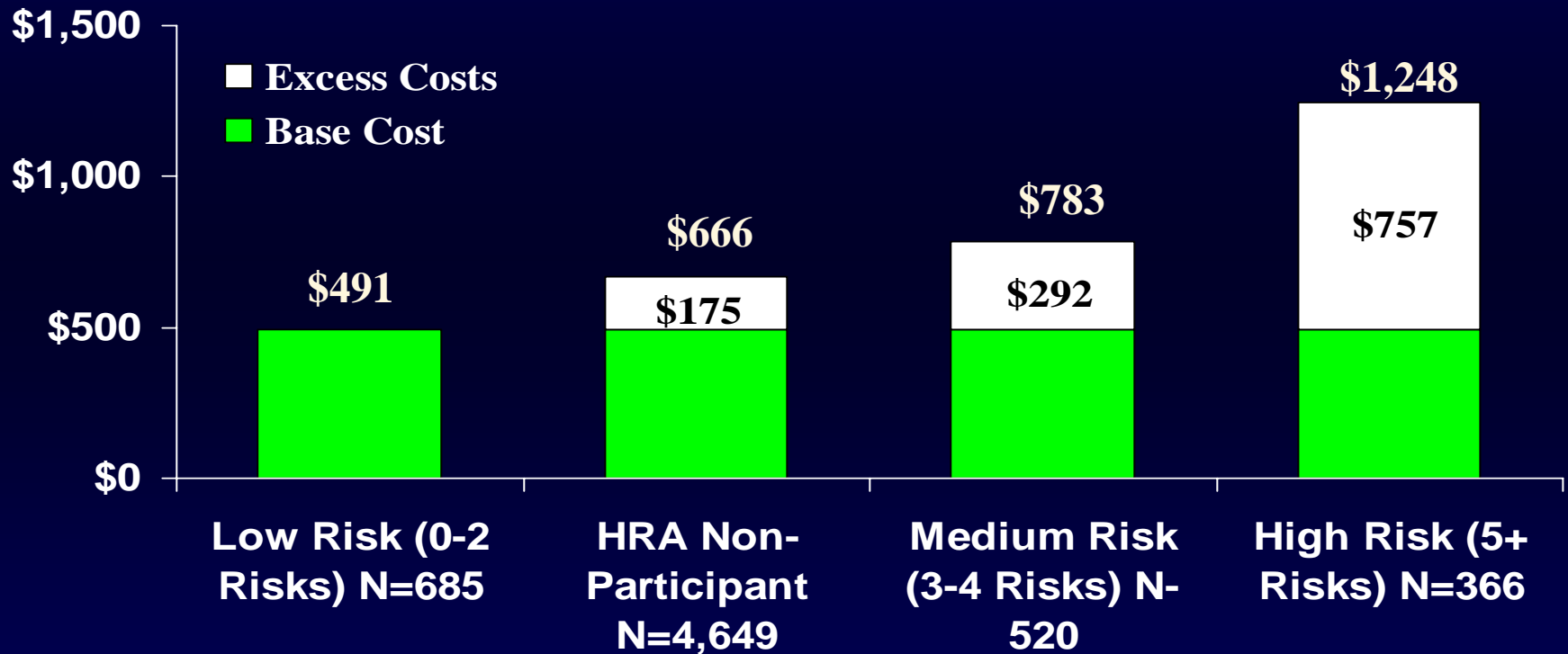
Excess Pharmaceutical Costs due to Excess Risks



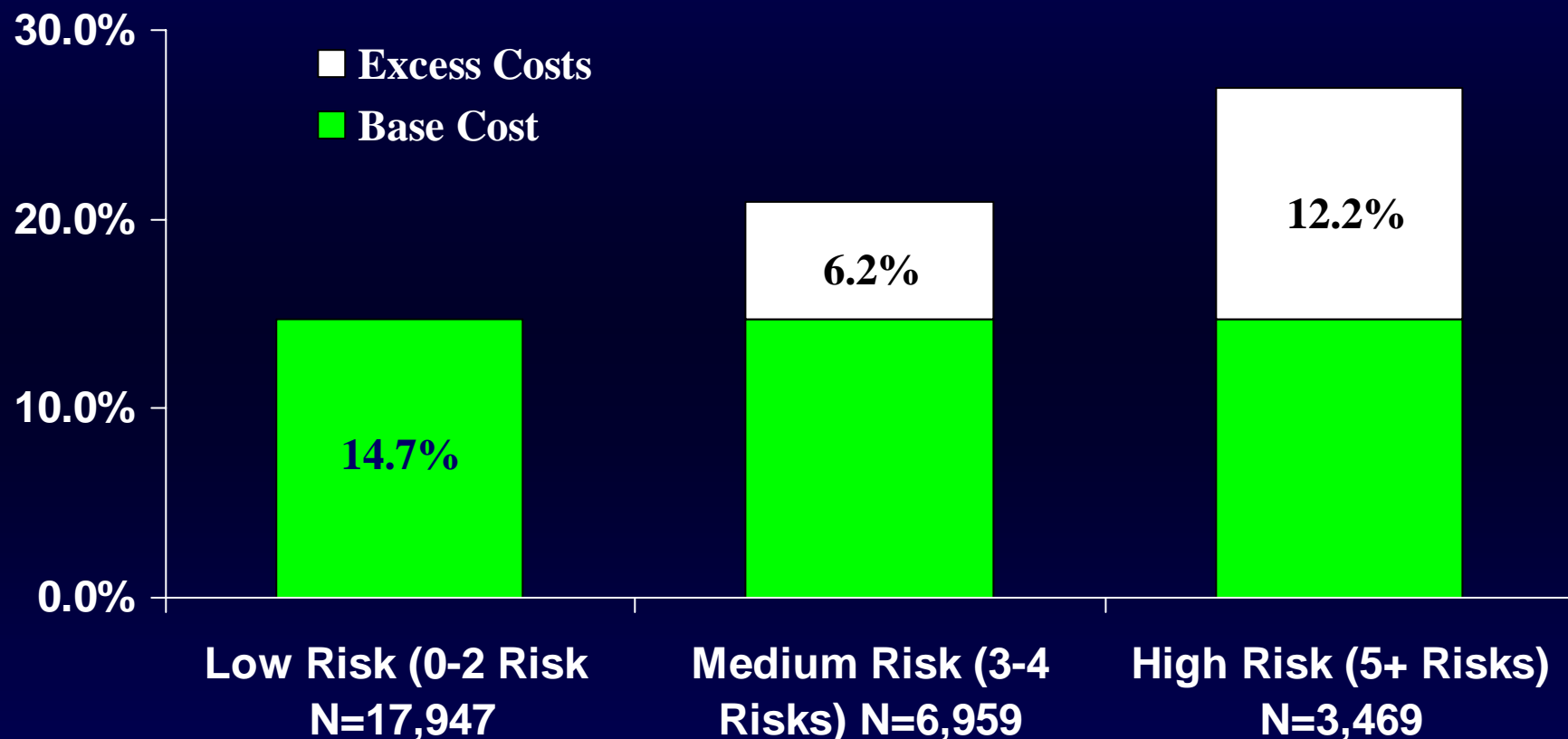
Burton, Chen, Conti, Schultz, Edington. JOEM. 45(8): 793-802. 2003

Excess Disability Costs due to Excess Risks

36% of Absence, STD, Worker's Comp

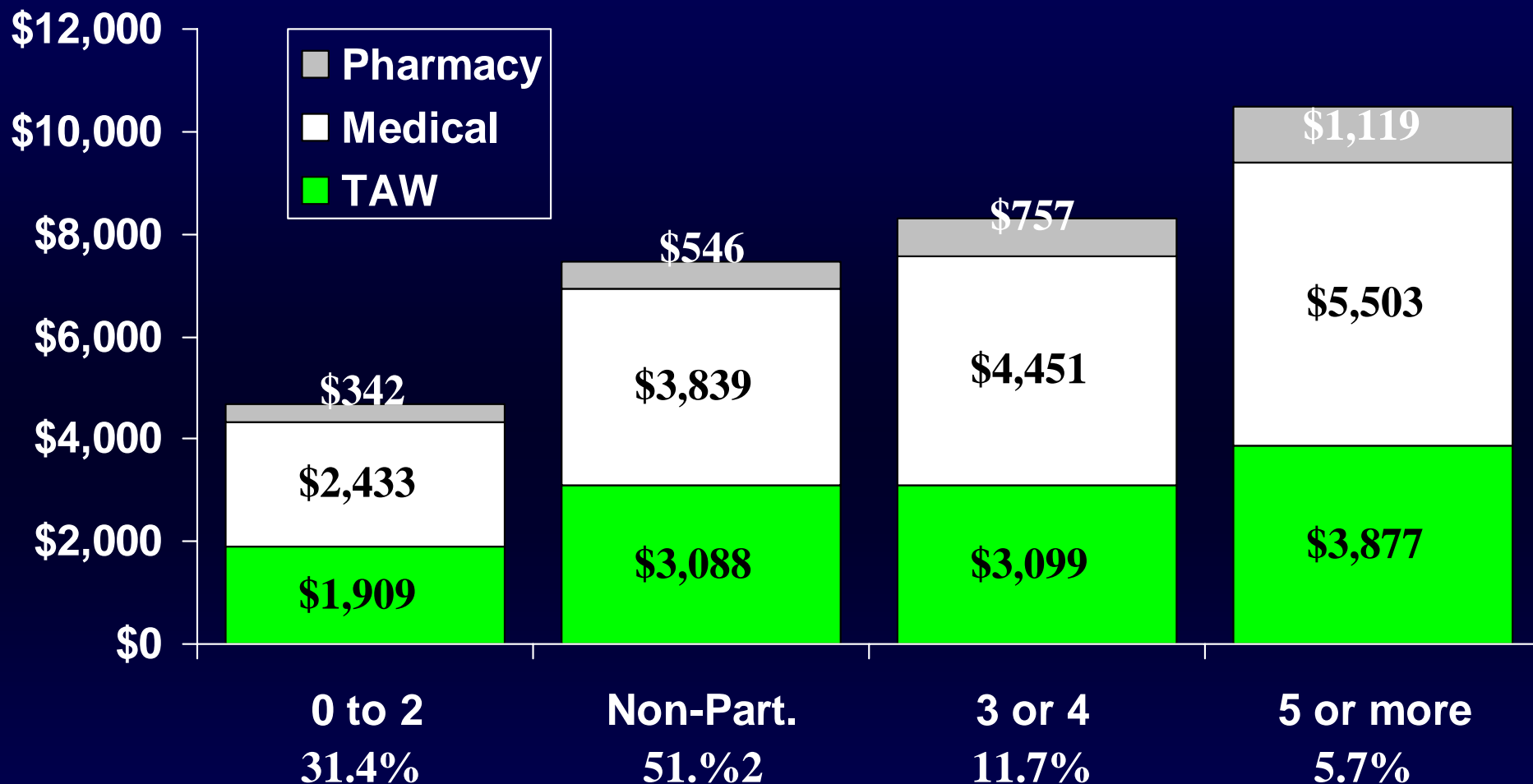


Excess On-The-Job Loss due to Excess Risks



Burton, Chen, Conti, Schultz, Pransky, Edington. JOEM. 47(8):769-777. 2005

Total Costs by Number of Health Risks



N=4,266 Employees who were enrolled in both medical and pharmacy plans in 2001 and 2002. TAW = total absence days (Absence, STD, WC)

Yen, Schultz, Schnueringer, Edington. JOEM.48(9). 896-895, 2006



Business Concept

Total Value of Health to an Organization

Association of Risk Levels with Corporate Cost Measures

Outcome Measure	Low-Risk (N=671)	Medium-Risk (N=504)	High-Risk (N=396)	Excess Cost Percentage
Short-term Disability	\$ 120	\$ 216	\$ 333	41%
Worker's Compensation	\$ 228	\$ 244	\$ 496	24%
Absence	\$ 245	\$ 341	\$ 527	29%
Medical & Pharmacy	\$1,158	\$1,487	\$3,696	38%
Total	\$1,751	\$2,288	\$5,052	36%

Wright, Beard, Edington. JOEM. 44(12):1126-1134, 2002



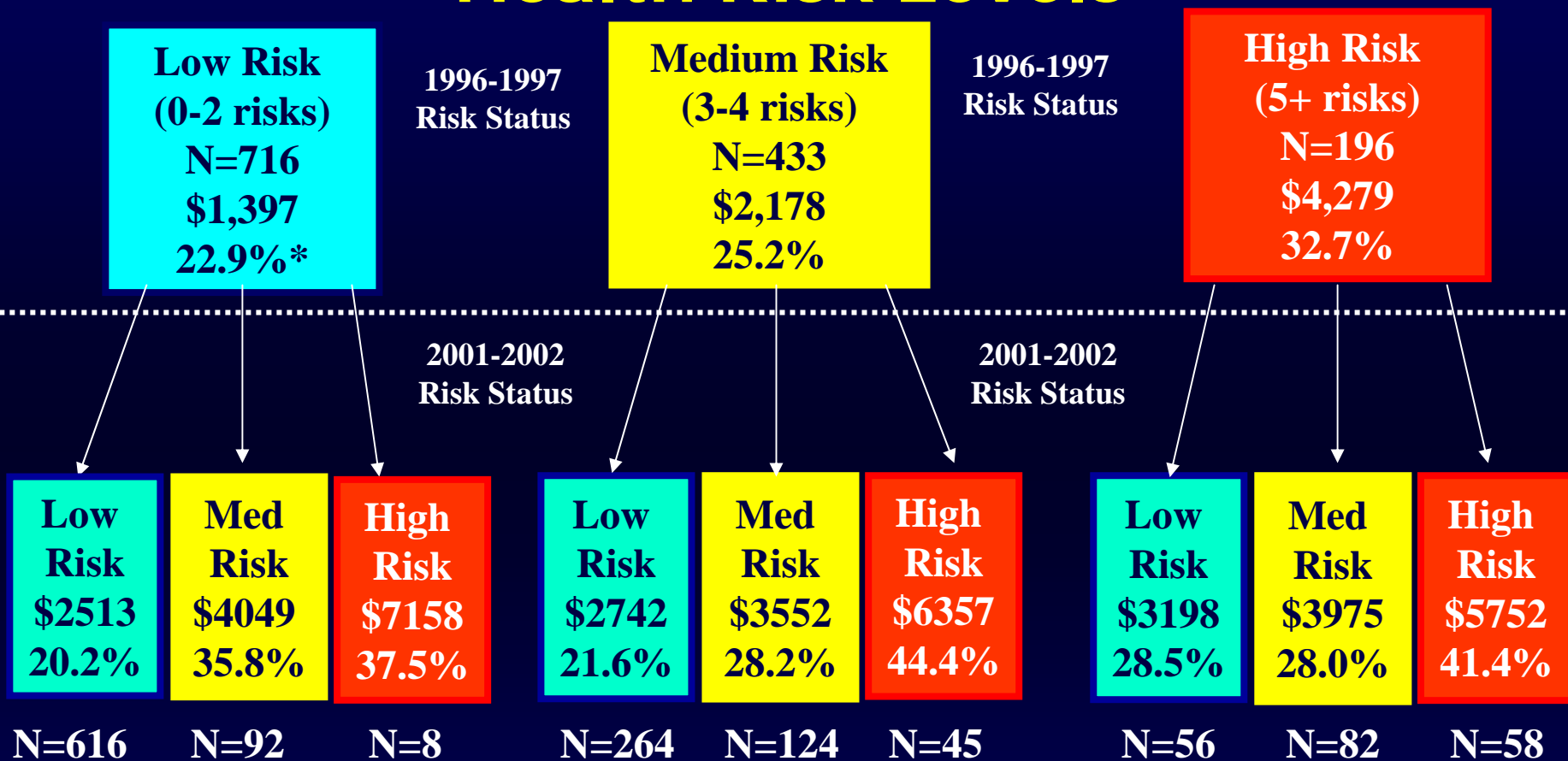
Section 3

Changes in Costs

Follow

Changes in Risks

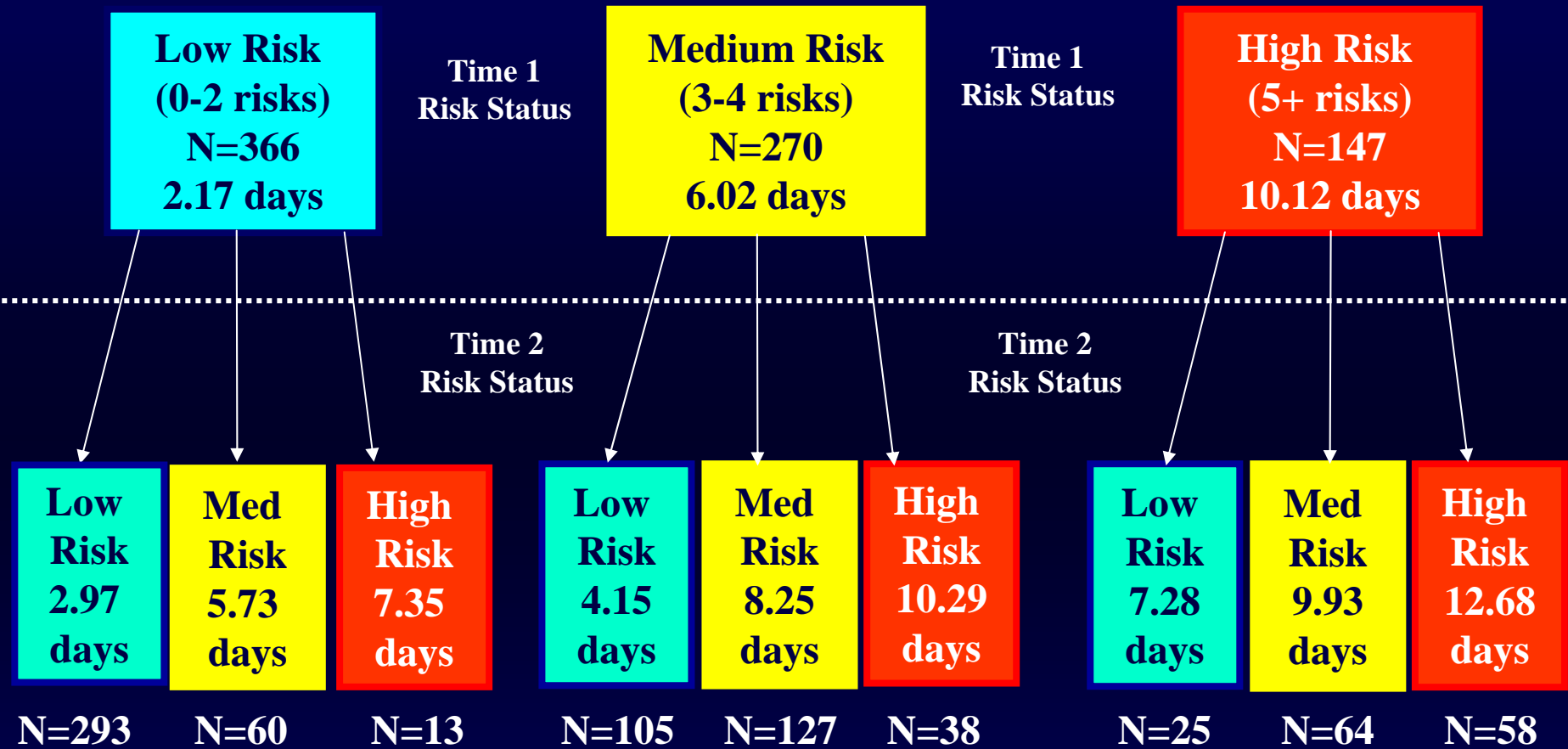
Change in Medical Claims to Change in Health Risk Levels



*Percent with cost at or above top 25% claims costs

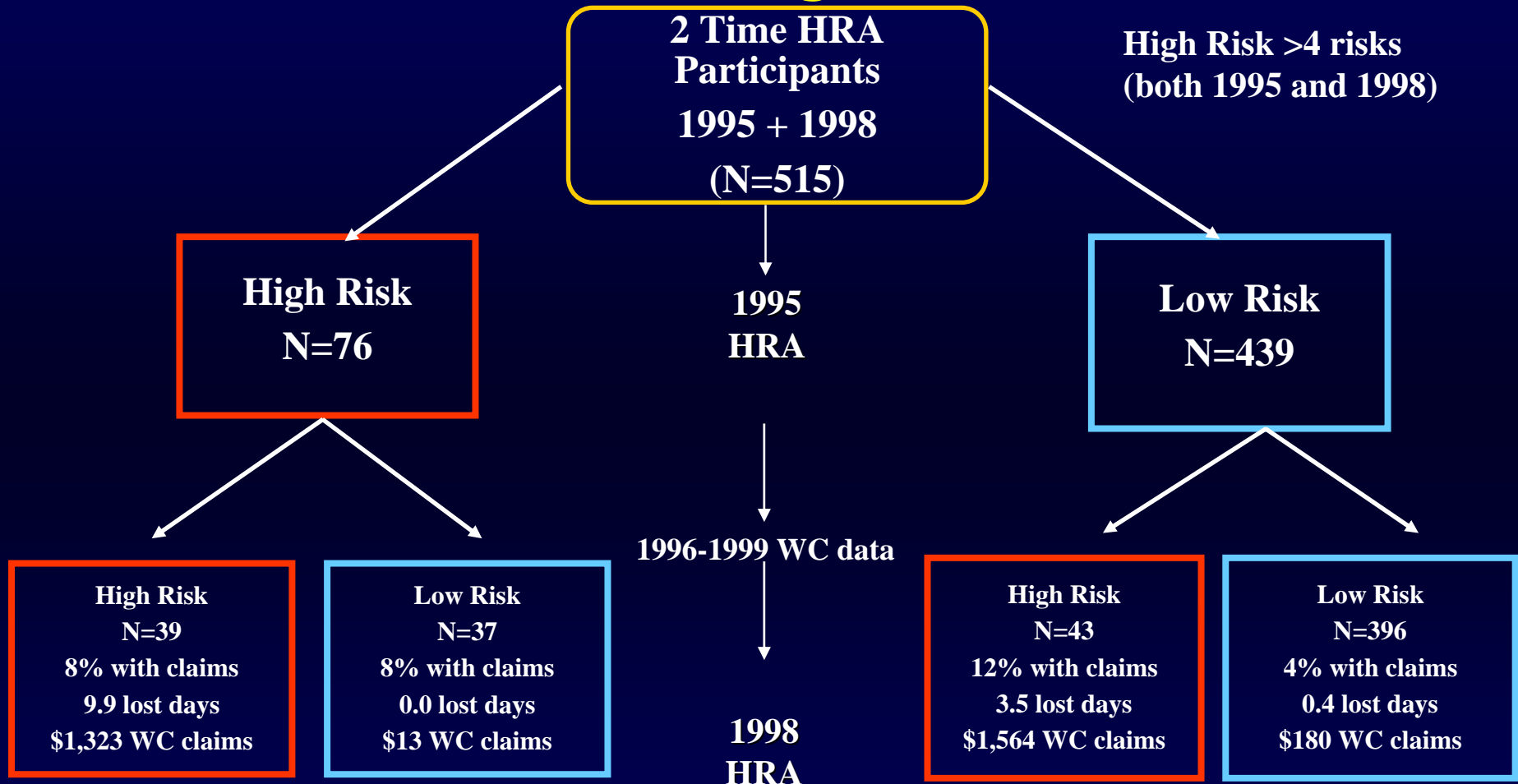
N=1,345; Male Hourly Active Employees; Costs in 98 & 02.

Change in Disability Days due to Change in Health Risk Levels



Schultz, Lu, Barnett, Yen, McDonald, Hirschland, Edington.
 JOEM. 2002. 44(8):776-780.

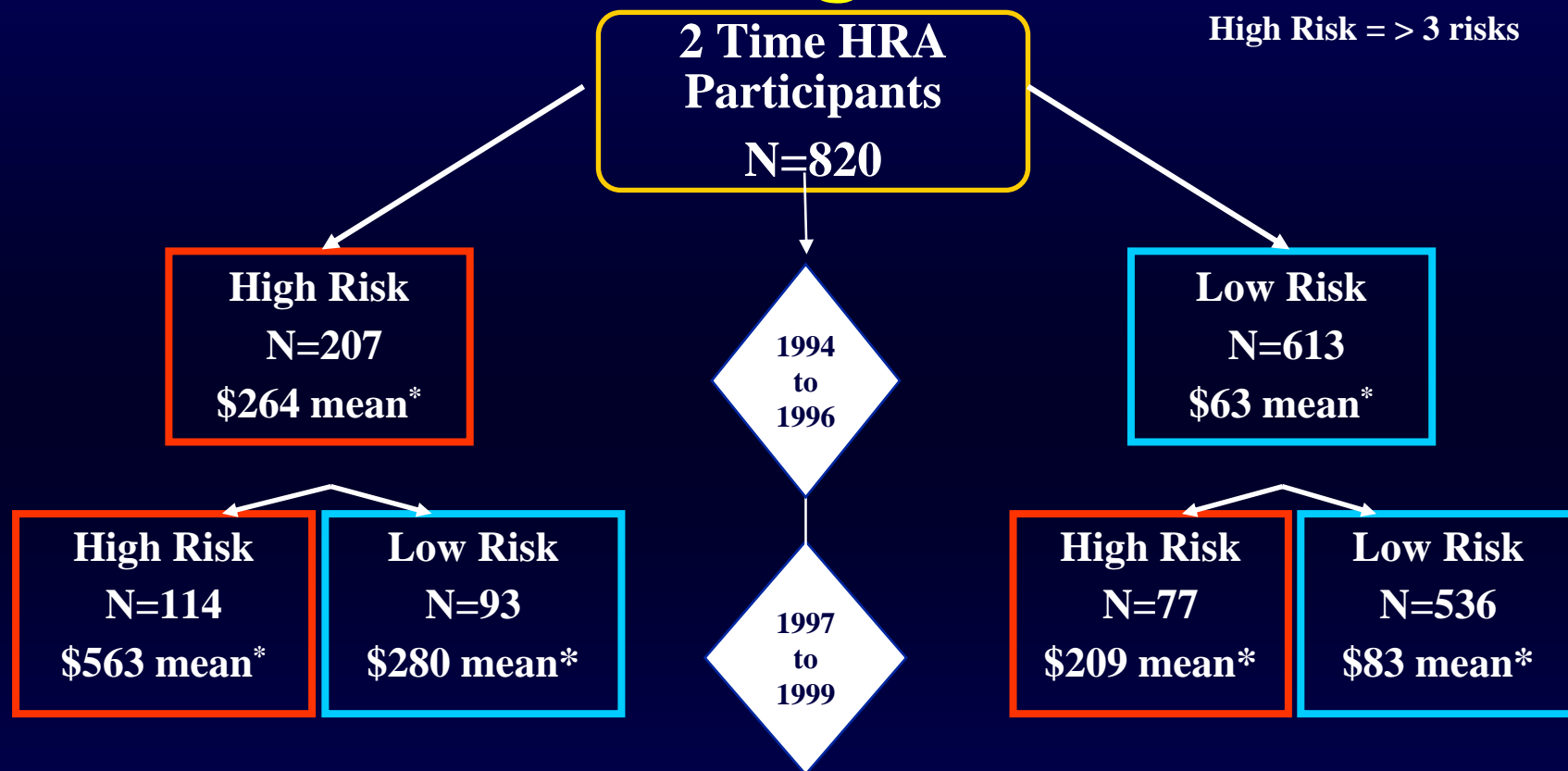
Xerox: Changes in Worker's Compensation Claims follow Changes in Risk Levels



Worker's compensation summed for years 1996-1999

Musich, Napier, Edington. JOEM 2001;43(6):534-541

Progressive: Changes in STD Costs follow Changes in Risks



*Anova, $p < .001$ (Time 1); $p < .05$ (Time 2: H-H>L-L, H-L)

Average total costs in 2000 dollars for each 3-year time period. Includes employees who selected an indemnity plan for six consecutive years 1994 to 1999 (excludes pregnant women).

Thank you for your attention.

Please contact us if you have any questions.

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Dr. Allen Woolf: Talking Points

How insurers, healthplans and care management organizations are responding to the call to integrate health and productivity management

Results from a recent study conducted by CIGNA looking at the impact of integration on disability outcomes

Discuss the potential power of integrating health and lost productivity data and how that can help us take integration to a new level