

Measuring Health & Productivity

How do I start? What can I expect?

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Understanding the **TOTAL** Cost of Health of Your Workforce:

The need to obtain self-reported productivity data

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MBGH Readiness to Change Survey



- Determine employer familiarity, understanding, use of and readiness to adopt various “value-based benefit design” (VBBD) strategies:
 - Incentives for employees
 - Pay-for-Performance programs
 - Consumer engagement strategies
 - Removing barriers to improve compliance with treatment
 - Adherence, compliance, quality and wellness programs
- Identify what strategies or elements contribute to lower cost trends
- Determine the key elements required for organizations to adopt new benefit strategies
- Determine employers’ use and understanding of:
 - The data required to see the total costs of health
 - Health’s impact on productivity

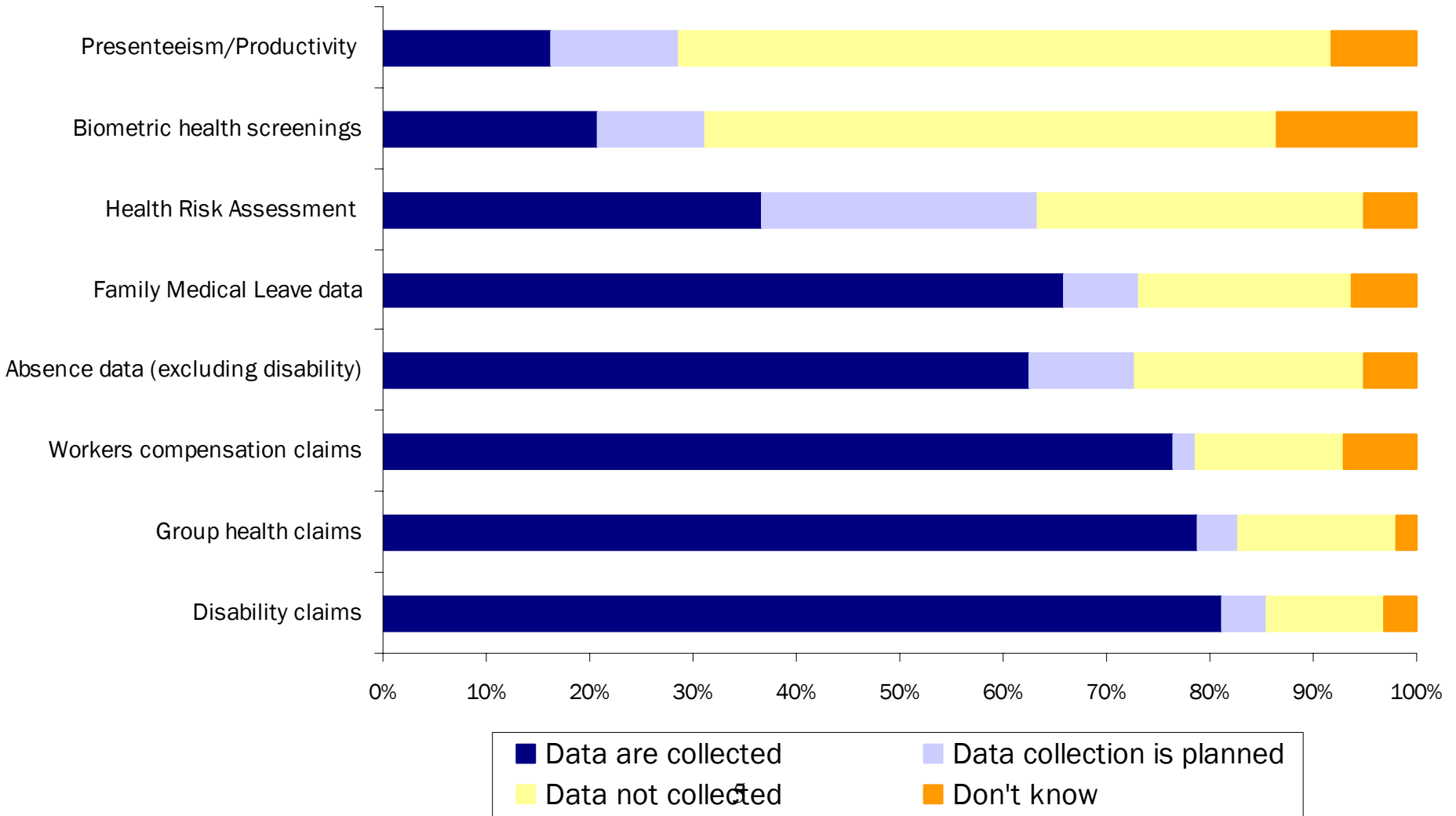
Employer views on the value of health



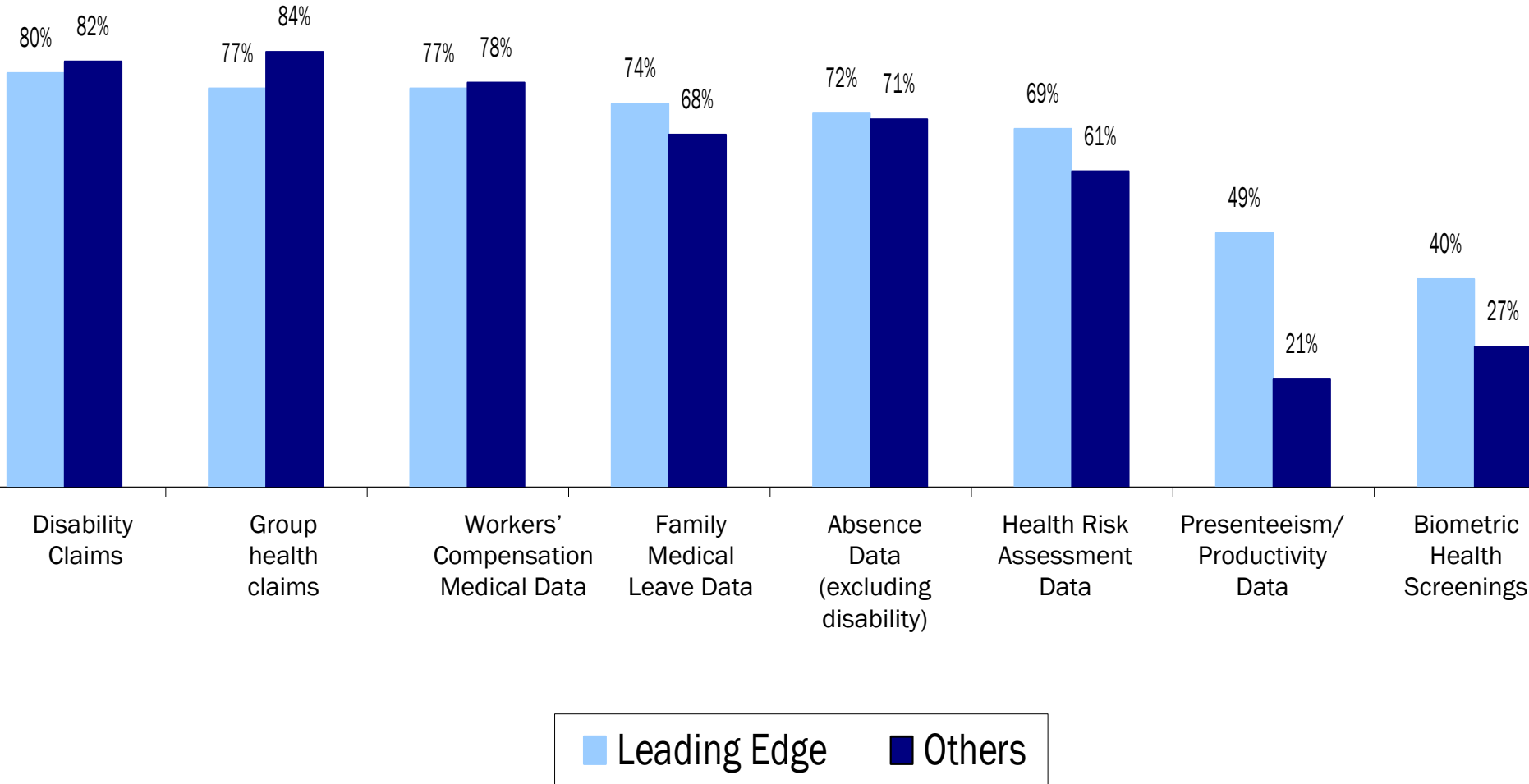
- 95% of employers agree that there is a link between an employee's health and their productivity
- 84% of employers believe that health benefits are a necessary cost of doing business
- 85% of employers view health benefits as an investment in human capital with a measurable outcome
- 75% of employers are highly supportive of improving employee health
- 62% of employers who view themselves as “Leading Edge” will provide cash or other incentives to motivate use of preventive services, compared to 40% of other employers

Source: MBGH Readiness to Change Survey 2006

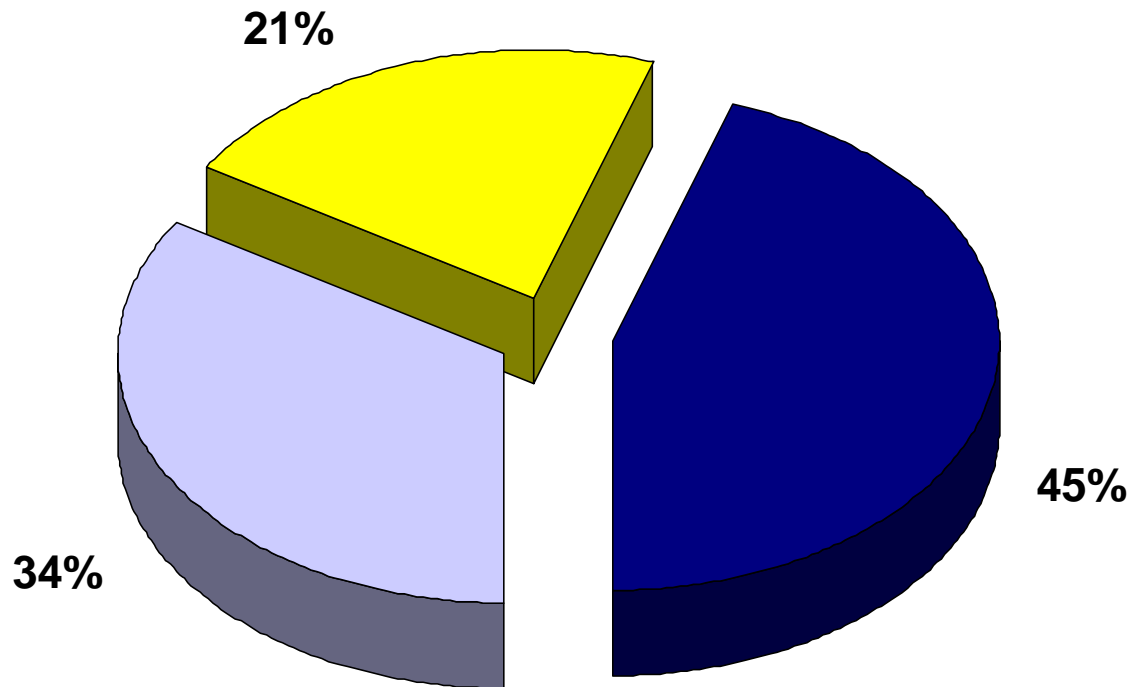
Employer Use of Data



Use of Data: Leading Edge vs. Others



Do you integrate your data?



48% of “Leading Edge” firms integrate their data

Why look at health's impact on productivity?

Health Status

The Ceiling of Opportunity (Human Factors)

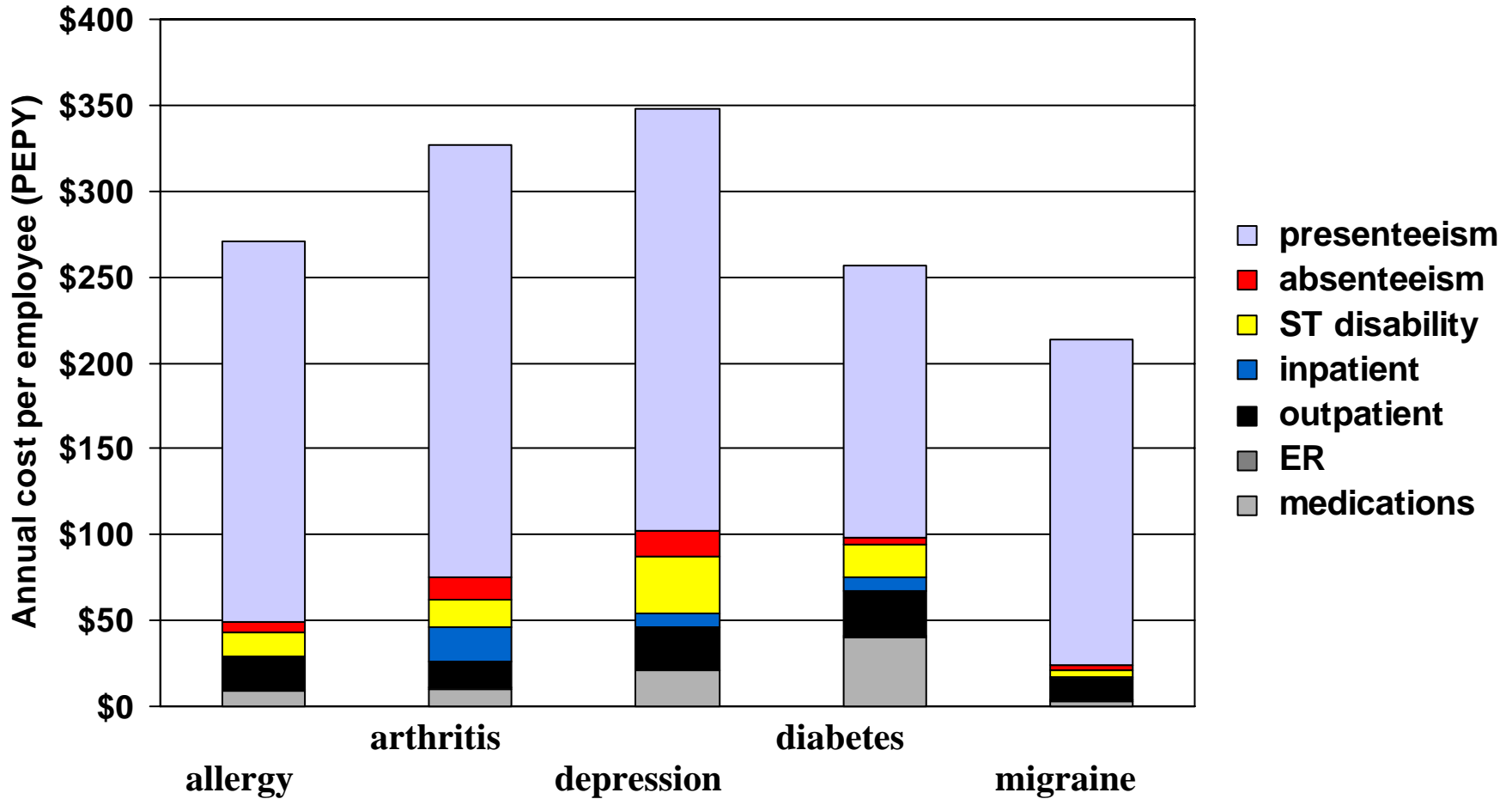
The Ceiling of Opportunity (Human Factors)

Health Status

PRODUCTIVITY

Technology
Work Practices
Management Practices
- Quality Improvement
- Training

The Total Cost of Illness



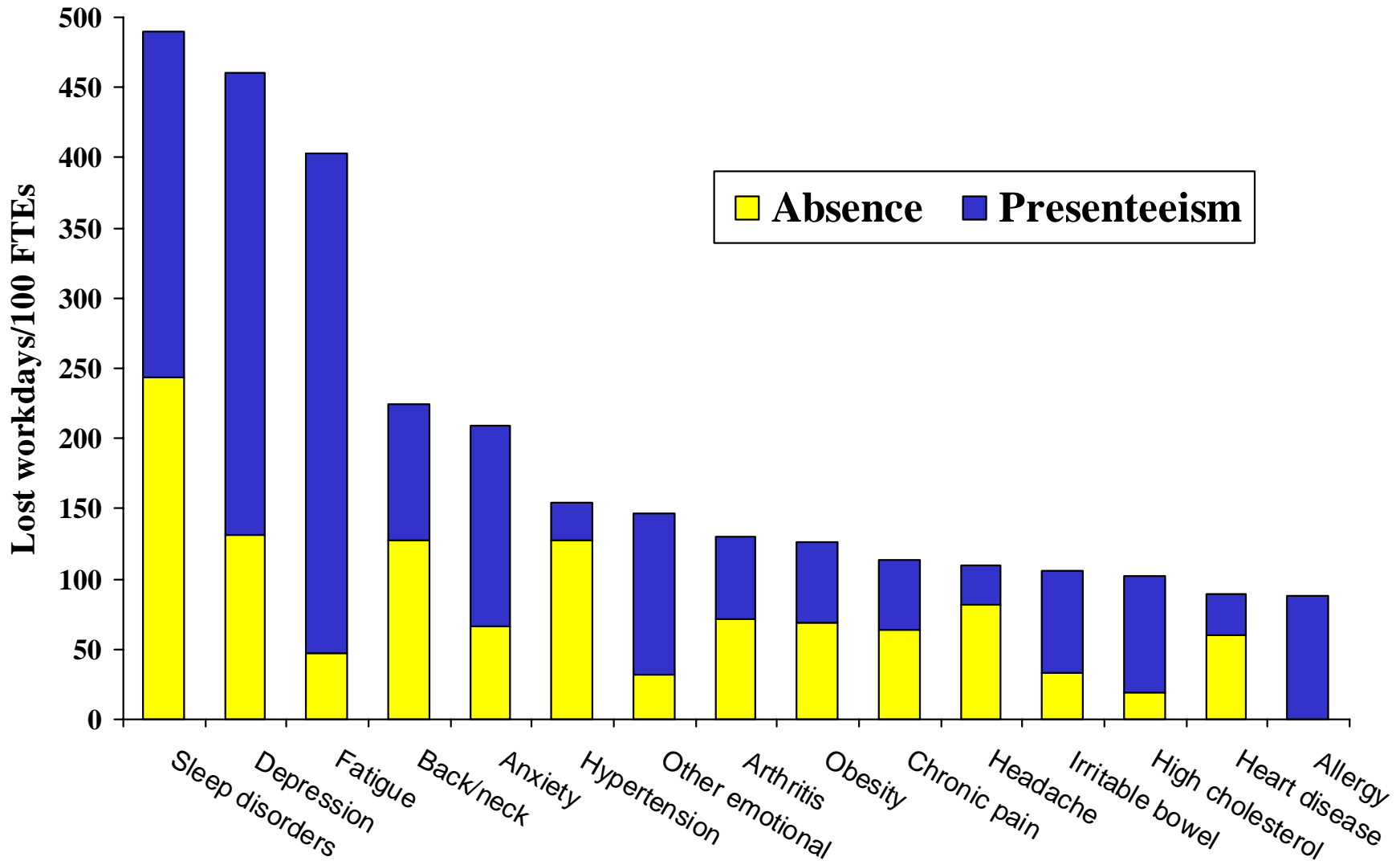
Goetzel, et al. JOEM 2004



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Top 15 Drivers of Lost Work Time



Using self-reported data to analyze the impact of presenteeism and incidental absence

- Research has shown self-reported data by employees are valid and reliable
- Self-report tools typically measure both incidental absence and presenteeism



Why collect self-reported data?

Medical claims data do not reveal total impact of health on workforce



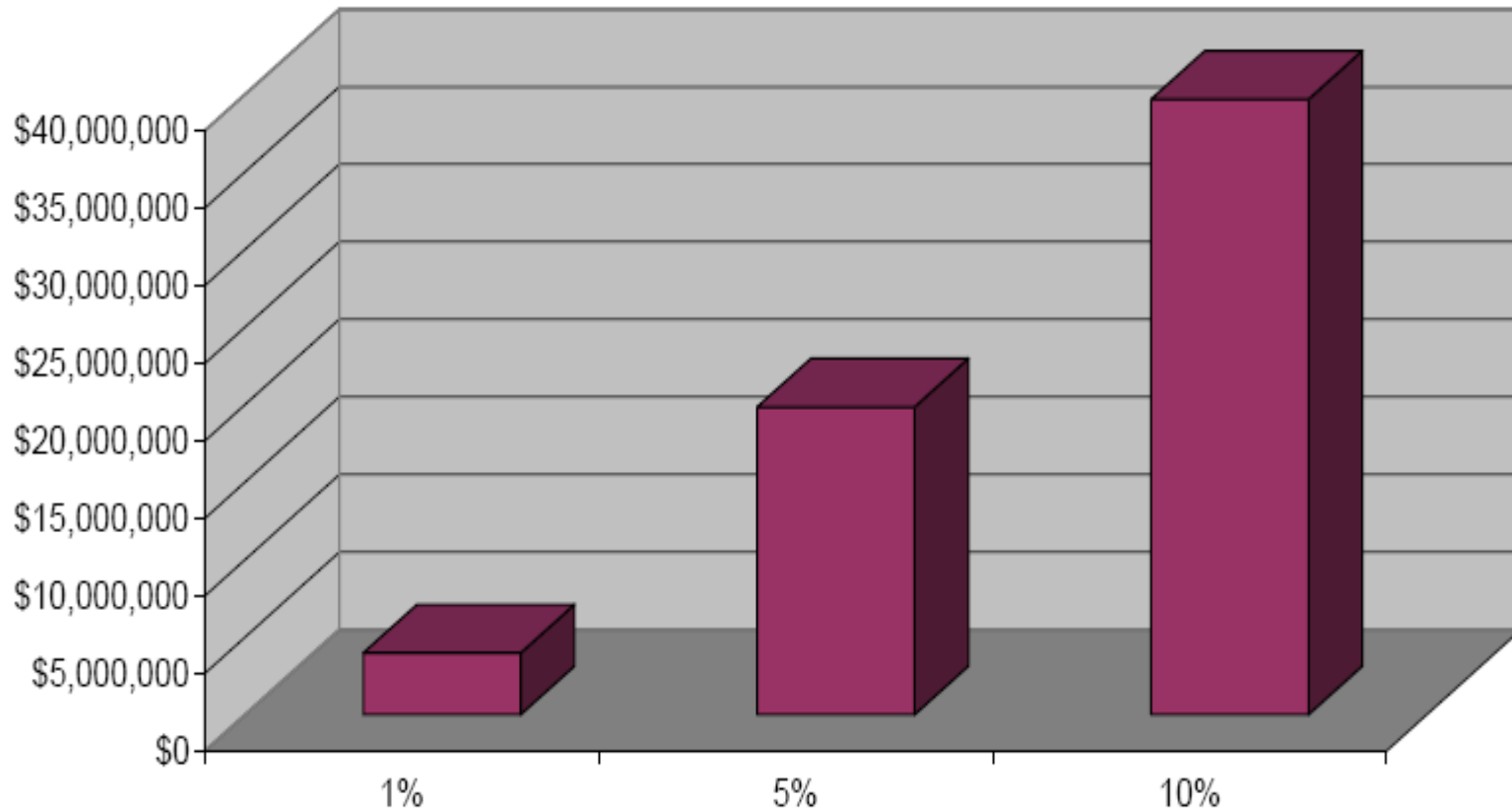
- Most employers focus only on conditions with the largest medical/drug costs
- Self-reported data reveals conditions not identified in medical claims as “priority” areas
- There’s often a disconnect between how employees report conditions that result in lost time and productivity, such as side effects of hypertension drugs, fatigue, sleep disorders and how conditions are represented in claims data.
 - For one firm, about half of medical costs did not match with conditions as reported by employees
- Self-reported data can collect information on potential savings by getting more people with conditions into treatment
 - In one firm, less than 30% of employees were in treatment for the conditions with the greatest impact on productivity: Back/neck pain – Arthritis – Fatigue
 - Medical costs would increase for treating these people, but overall costs would drop as productivity would increase greatly

The impact of interventions that reduce productivity due to health conditions can be expressed in terms of corporate revenue



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Revenue Needed to Equal Lost Productivity Savings of 1%, 5%, and 10%



CHANGED
PRIORITIES
AHEAD



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