



**National
Business
Group on
Health[®]**



**INSTITUTE ON
Health,
Productivity
AND Human
Capital**



**The Value of a Well-being Improvement Strategy:
*Longitudinal Success in Firms Adopting Consumer-Driven
Health Plans***

***A National Business Group on Health[®] and American College
of Occupational and Environmental Medicine Webinar***

December 8, 2015

Downloading Slides and Asking Questions



Slides are available at:
www.businessgrouphealth.org/events

To Ask A Question:

1. Click on the Q&A tab
2. Type your question
3. Click “Send to All Panelists”

JOEM Article: The Value of a Well-being Improvement Strategy

ORIGINAL ARTICLE

OPEN

The Value of a Well-Being Improvement Strategy: Longitudinal Success Across Subjective and Objective Measures Observed in a Firm Adopting a Consumer-Driven Health Plan

Xiaobo Guo, MS, Carter Coberley, PhD, James E. Pope, MD, and Aaron Wells, PhD

Objective: The objective of this study is to evaluate effectiveness of a firm's 5-year strategy toward improving well-being while lowering health care costs under adoption of a Consumer-Driven Health Plan. **Methods:** Repeated measures statistical models were employed to test and quantify associations between key demographic factors, employee type, year, individual well-being, and outcomes of health care costs, absenteeism, smoking, substance, and performance. **Results:** Average individual well-being (measured against by USPO over 5 years, monthly allowed amount health care costs declined 5.2% on average per person per year, and obesity and smoking rates declined by 4.3 and 9.7%, respectively, on average each year. The results show that individual well-being was significantly associated with each outcome and in the expected direction. **Conclusions:** The firm's strategy was successful in driving statistically significant, longitudinal well-being, financial, and productivity improvements, and health care cost reduction.

As a part of the Affordable Care Act (ACA), there is a new excise tax ("Cadillac health plan tax") that will be levied against health benefits packages with rich benefits. Beginning in 2018, a 40% excise tax will be assessed against any policy that exceeds the annual limit of \$20,200 per individual or \$27,500 per family. According to a survey conducted by Mercer in 2013, 61% of 2844 public and private companies said their plans would qualify for the excise tax.¹ Although there are proponents and opponents of this somewhat controversial component of the ACA, the reality is that most employers are facing a difficult decision and must balance consideration of two seemingly opposing goals: on the one hand, optimize the well-being and productivity of their valuable workforces, and on the other hand, the goal to minimize the firm's financial exposure to plan participant health care costs while increasing participant accountability by shifting a proportion of paid claims to the participant. As evidenced in recent data from the Bureau of Labor Statistics,² the median employer annual deductible in a consumer-driven health plan (CDHP) was four times the deductible in a non-CDHP, thus considering just the financial burden to employees renders the employer's decision to be one of considerable complexity.

A typical employer providing health care coverage for its employees effectively has the option to provide a self-insured group health plan, by which an employer assumes partial or entire financial risk of employee and dependent healthcare with its own funds, or a fully insured plan, wherein the employer contracts with an insurance company to cover employee health care costs.³ According to an Employee Benefit Research Institute report,⁴ more than

50% of employees at private sector firms nationwide receive benefits through self-insured group health plans sponsored by their employers. The Self-Insurance Institute of America⁵ reports that employers often choose the self-insured option for reasons related to fiscal prudence, regulatory complexity, and customization. The research presented here is a case study of a self-insured employer that transitioned to CDHP. Such a transition is becoming more common, with 70% of employers recently surveyed (representing more than 20 million individuals) reporting having offered a CDHP,⁶ this rate was 41% higher relative to the prior year survey results.

In this study, the employer transitioned entirely to a CDHP in 2010 and over the next 5 years gradually increased plan participant cost share, along with concomitant increases in health savings account and flexible spending account levels, in order to pace and balance the movement toward consumer-driven care. Several studies⁷⁻⁹ have recommended gradual adoption of a CDHP along with complementary plans and consumer accountability in order to incentivize and educate members and in doing so, lower the likelihood and magnitude of adverse consequences to employee productivity, engagement, and retention. However, it takes time to provide complementary plans and then to evaluate the effectiveness of a combined strategy; none of the studies referenced above followed a population over the duration investigated here.

The firm studied here developed a 5-year strategy to optimize well-being while adopting a CDHP. A part of this strategy was enabling covered lives to make intelligent decisions concerning the management and improvement of their overall well-being. Of primary concern was employee well-being because employees are considered to be the greatest asset of the company. In an environment defined by a strong corporate culture of well-being, the firm began to further optimize the well-being of its workforce while administering a CDHP. In order to mitigate adverse consequences stemming from the increased share of health care costs borne by plan participants, such as lower employee engagement, increased turnover, and deferred utilization, a multidimensional benefits package was incorporated into the overall strategy.

The multi-tier aspect of the benefits component to the CDHP strategy was designed to address the "colocate, engage, and empower" goals of the strategy. As described in more detail below, a series of tangible and intangible benefits were afforded to plan participants and included options such as the well-being assessment (WBA), health savings account contributions for participation in onsite fitness classes, workout clothes at work rates, and flexible work schedules and environments. The objective of affording a diversity of benefit offerings was to allow participants the freedom to choose one or more options that best enabled the participant to set attainable personal goals reflective of where he/she was on their path to higher well-being, better health, and enhanced productivity. Of course, the diversity of offerings was also purposeful in helping individuals make informed tradeoffs when choosing how to pursue the goals along their path, the commitment required to meet the goals, and the financial costs of their choices.

To evaluate effectiveness of the firm's strategy toward improving well-being while lowering costs, we conducted a 5-year longitudinal study. We hypothesized that the integration of a

From the Center for Health Research, Healthways, Inc., Franklin, Tennessee (Guo, Dr. Coberley, Dr. Pope, Dr. Wells).

Conflicts of interest: All authors are employees of Healthways, Inc. This is an open-access article distributed under the terms of the Creative Commons Attribution License (http://creativecommons.org/licenses/by/4.0/), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

The work cannot be changed in any way to read commercially. Address correspondence to: Aaron Wells, PhD, Center for Health Research, Healthways, Inc., 760 Cool Springs Blvd Franklin, TN 37067 (Aaron.Wells@healthways.com).

Copyright © 2015 American College of Occupational and Environmental Medicine
DOI: 10.1093/JOEM/0000000000000040



Today's Speakers



Carter R. Coberley, Ph.D.
Vice President, Health Research and Outcomes
Healthways, Inc.



Erik Sossa
Vice President, Global Benefits and Wellness
PepsiCo, Inc.



Megan Broderick
Senior Director, Global Health and Insurance
PepsiCo, Inc.



The Value of a Well-Being Improvement Strategy:

Longitudinal Outcomes Improvement in a Firm Adopting a Consumer-Driven Health Plan

Carter R. Coberley, Ph.D.
Vice President
Health Research and Outcomes

December 8, 2015

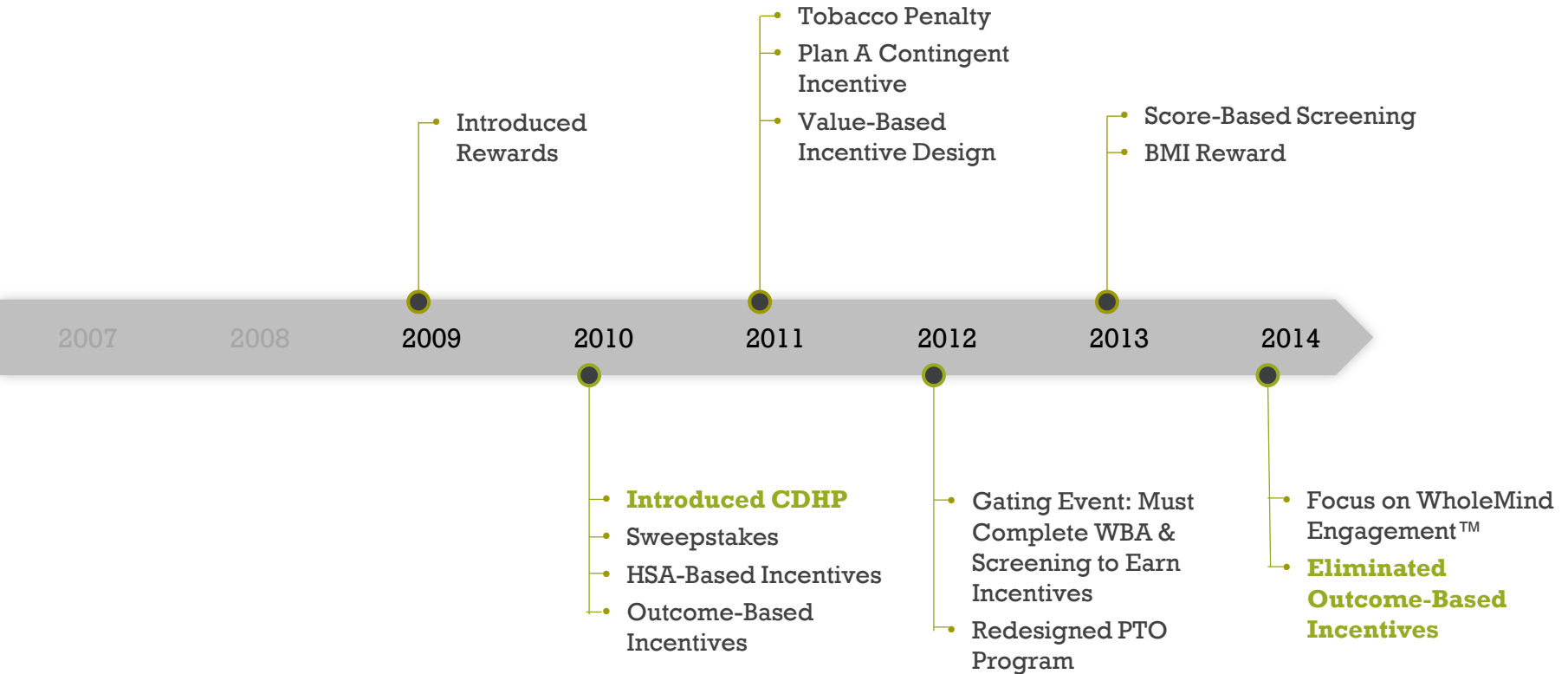
Why focus on a well-being improvement strategy?

People with high well-being cost less and perform better

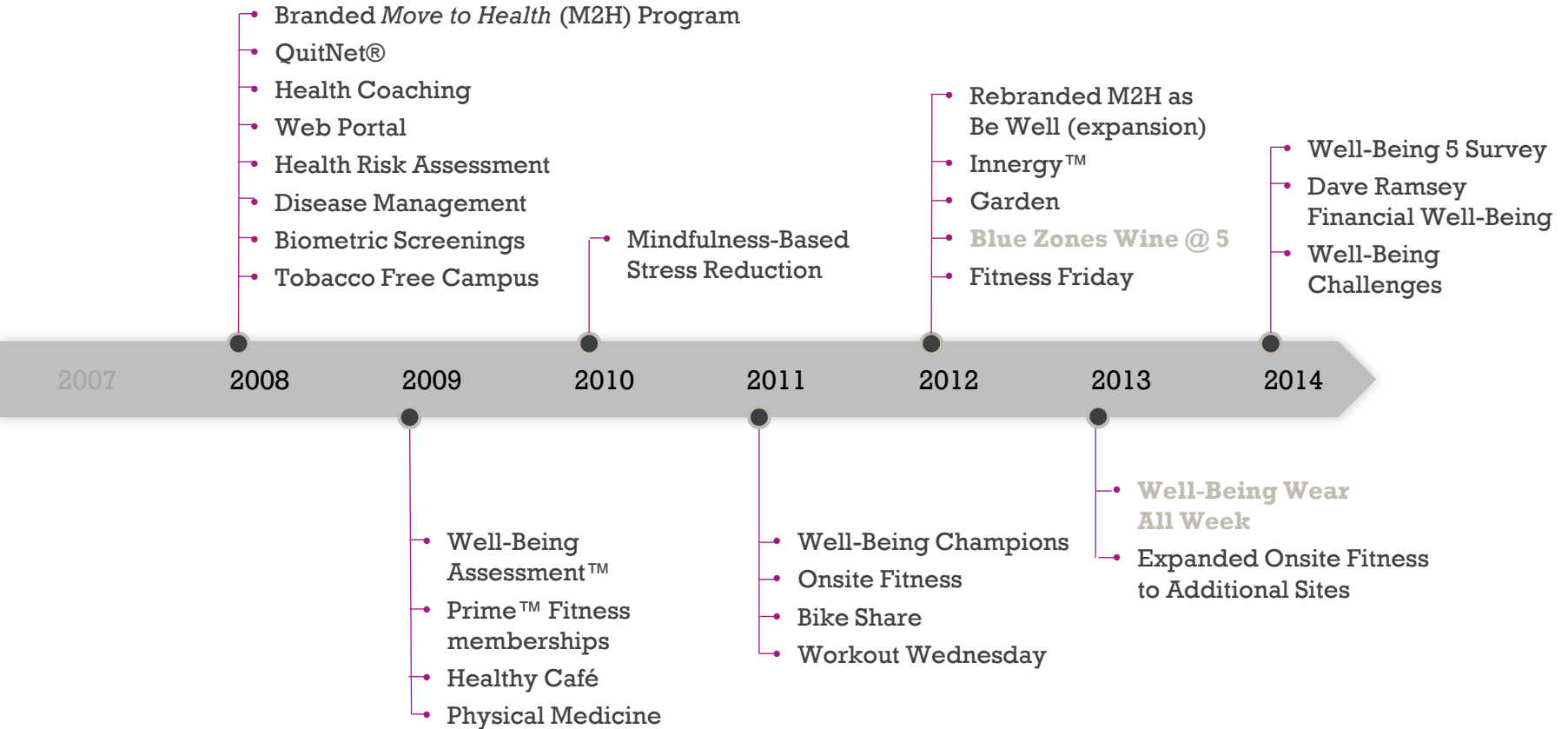
Our 5-Year Journey

- Demonstrate our own value proposition
- Transition to Consumer-Directed Health Plan (CDHP)
- Purposefully implement culture of well-being
- Saw well-being improvement over time

Timeline: *Benefits and Incentives*



Timeline: *Colleague Offerings*



It's Woven Into Our Day, Not Something Extra



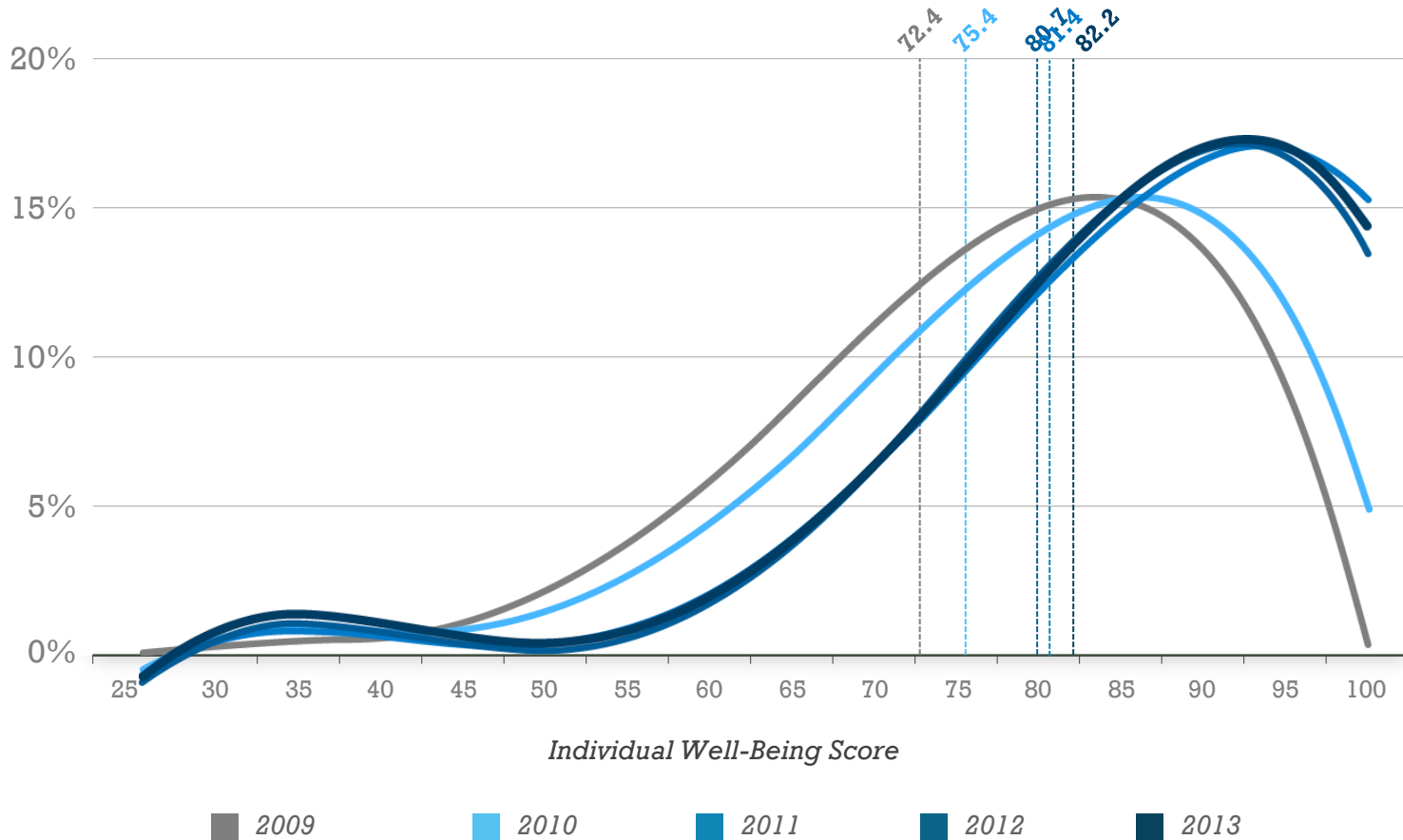
Be Well Physical

Time	Monday	Tuesday	Wednesday
7:00		Yoga Stretch Stephanie (Library)	
8:00	30 Minute Body Revolution Virtual Instructor 5th Floor Library	30 Minute Body Revolution Virtual Instructor 5th Floor Library	30 Minute Body Revolution Virtual Instructor 5th Floor Libr
11:00	Barre Fusion Elizabeth (Library)	Barre Fusion Juliana (Library)	New Class!
12:00	Yoga Drew (Library)	Focus Fit Yoga Tony (Library)	Yoga Whitney (Library)
2:00	MBSR on the GO Audio call 877-354-9920 Conf code 9493105520	SilverSneakers® Yoga Jenny (Library)	Walk with H Meet in Lob
3:00	Weights Plus Sarah (Library)	New Time!	SilverSneake Classic Jenny (Library)
4:00	Boot Camp Joseph (Stand Pipe Gym)	Boot Camp Joseph (Stand Pipe Gym)	Boot Cam Joseph (Stand Pipe G
5:00	KettleBell Joseph	Run/Walk 101 (Lobby) R.I.P.P.E.D	KettleBe Joseph



Well-Being Improved Over 5 Years

Individual Well-Being Score Change Over Time

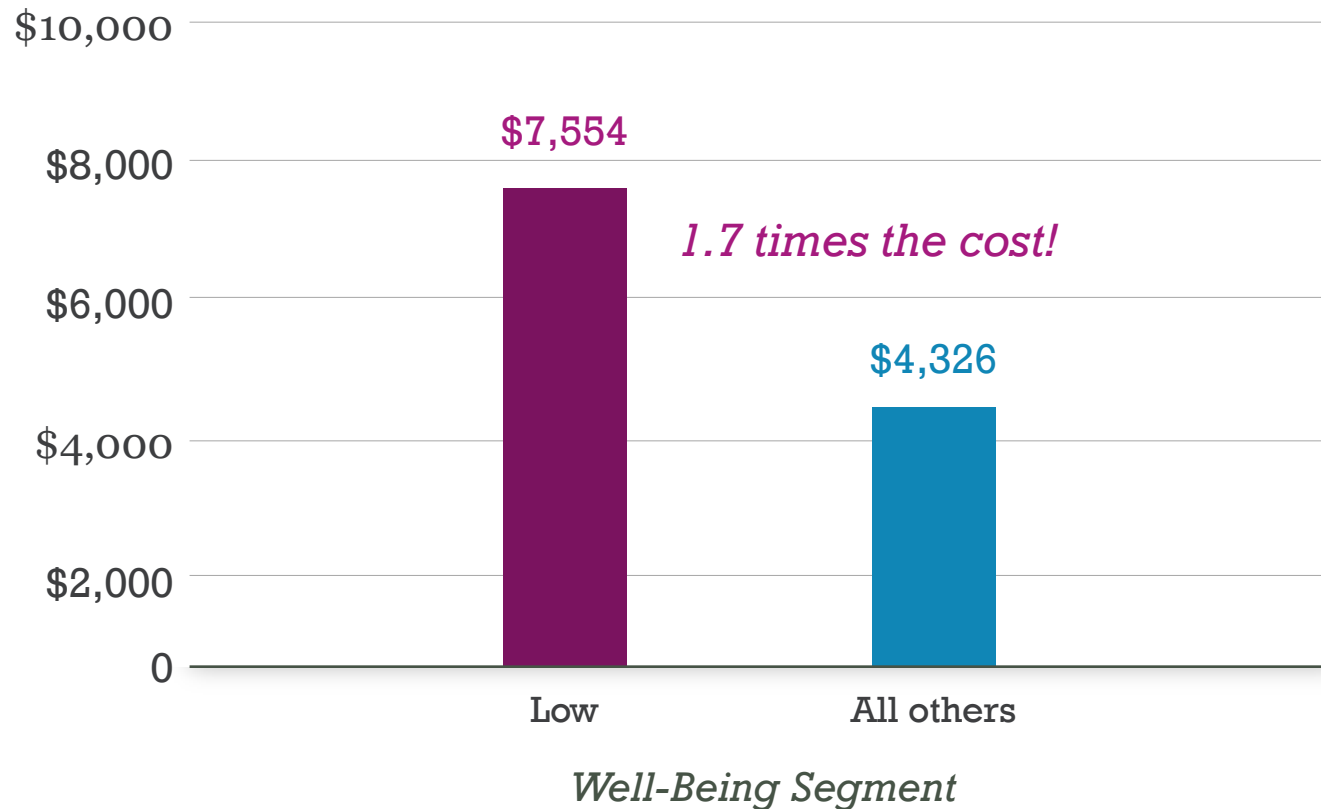


Adapted from: *The Value of a Well-Being Improvement Strategy: Longitudinal Success Across Subjective and Objective Measures Observed in a Firm Transitioning to a Consumer-Directed Health Plan.* Guo et al. 2015. **11**

N=2265 continuous cohort. All members had at least 2-year eligibility and 3 or more months of enrollment each year.

Individuals in the Low Well-Being Segment Cost More

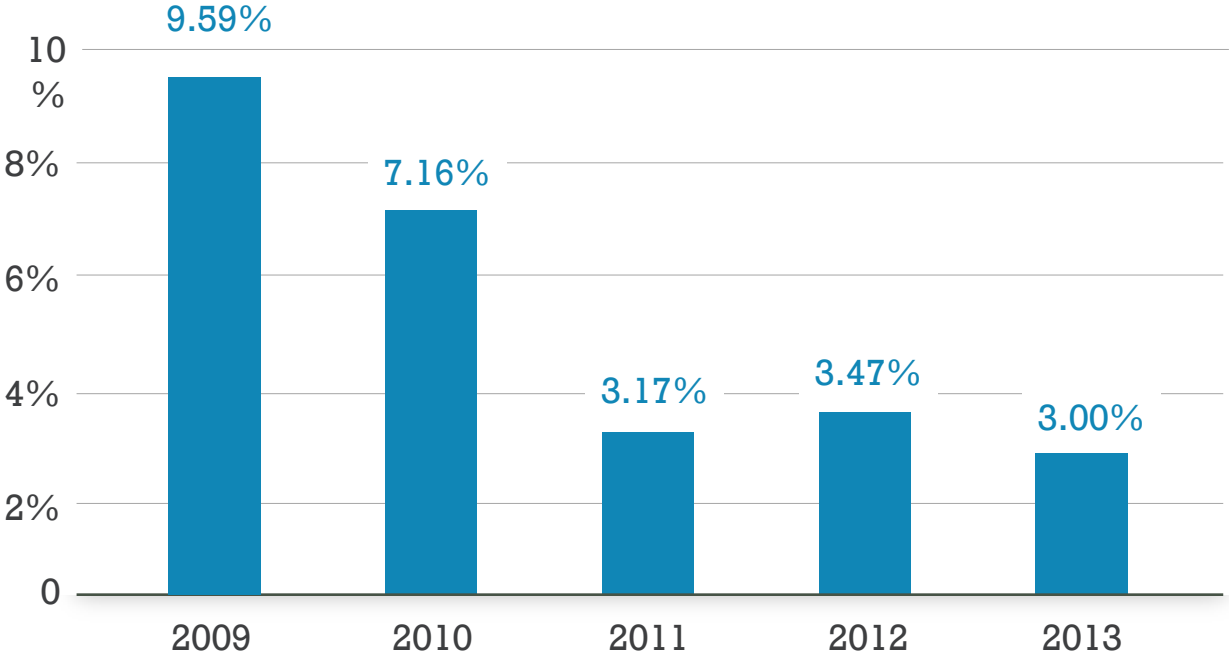
Actual Healthways Average PMPY (2009 – 2013)



*Data from individuals that participated in the WBA in a given year (cross-sectional analysis).¹²

Prevalence of Individuals with Low Well-Being Has Decreased

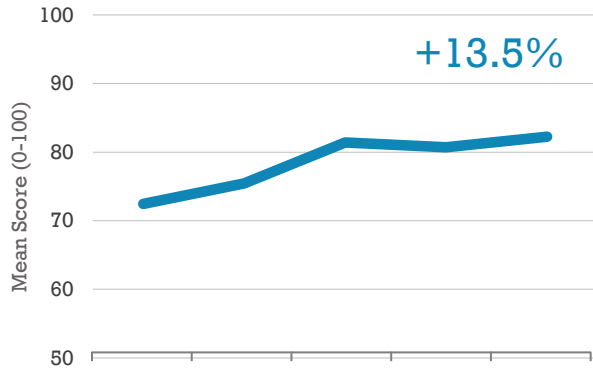
Percentage of Individuals in the Bottom Segment of Well-being Has Decreased over Time



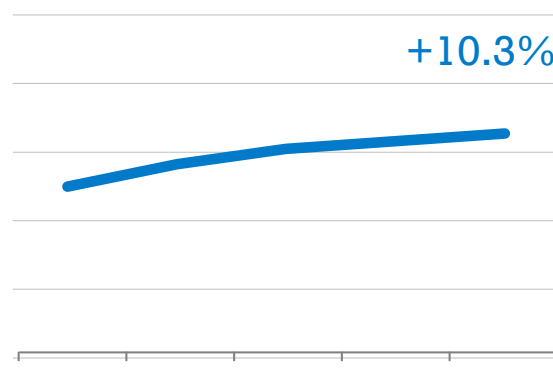
*Data from individuals that participated in the WBA in a given year (cross-sectional analysis).¹³

Elements of Well-Being Significantly Improved

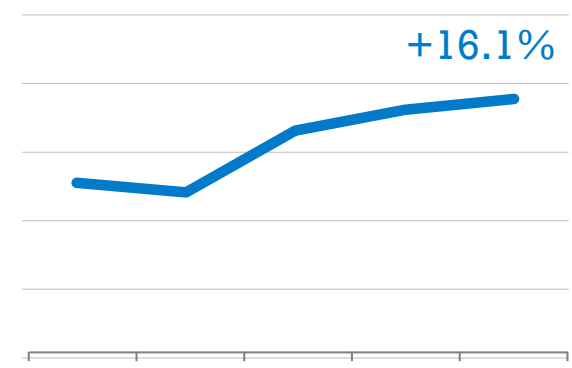
Overall Well-Being



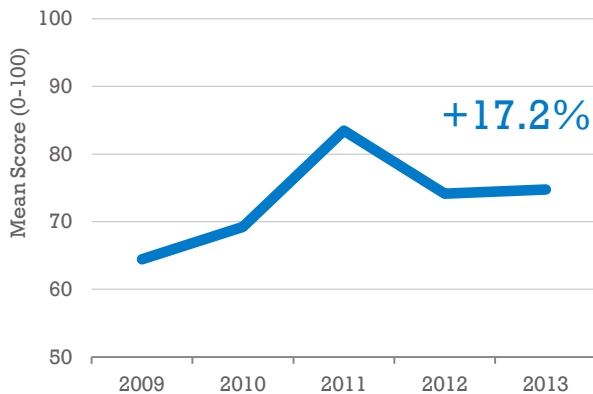
Life Evaluation



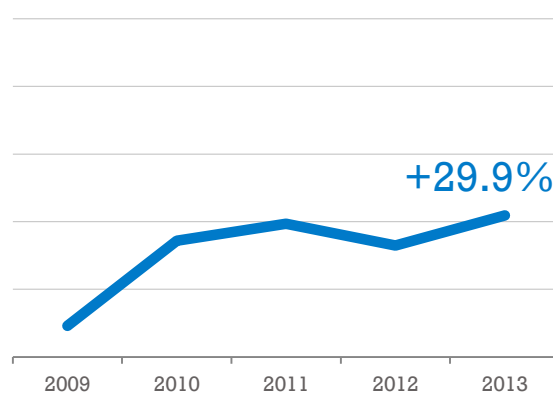
Emotional Health



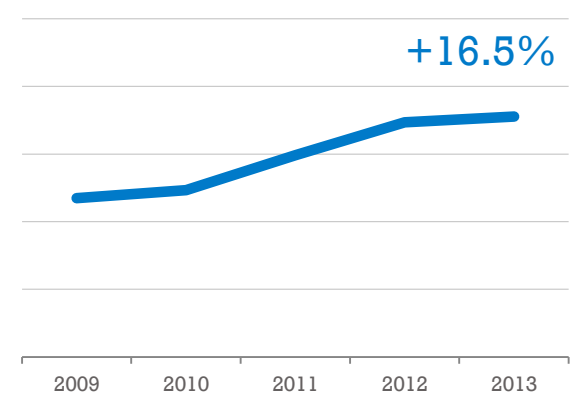
Physical Health



Healthy Behavior



Work Environment

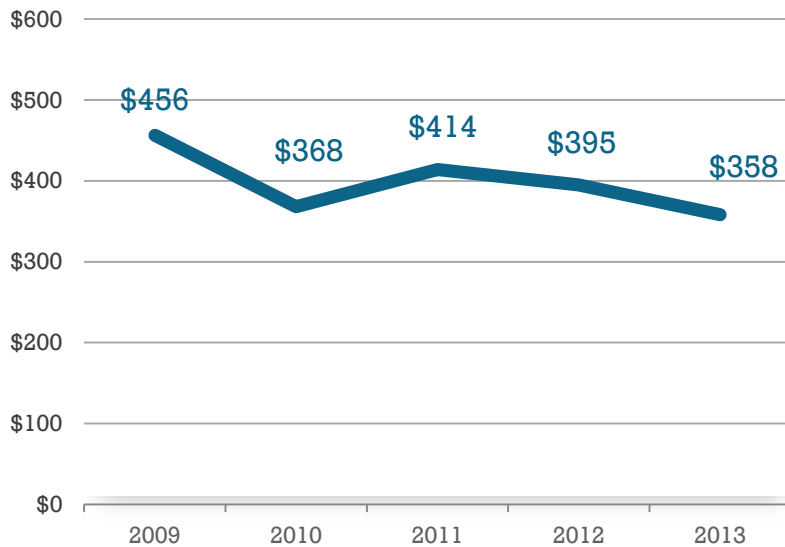


*Data from individuals that participated in the WBA in a given year (cross-sectional analysis).¹⁴

Healthcare Savings and Well-Being Improvement

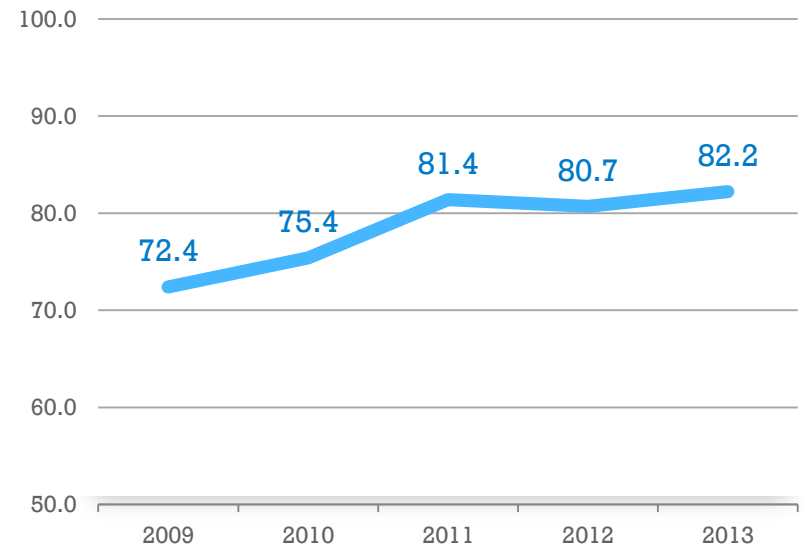
Decrease of 21% over 5 years – Well-Being Improved 9.8 pts

PMPM Allowed Amount



PMPM allowed amount reflects deductible, co-pay, and co-insurance. It is reflective of total cost to member and employer.

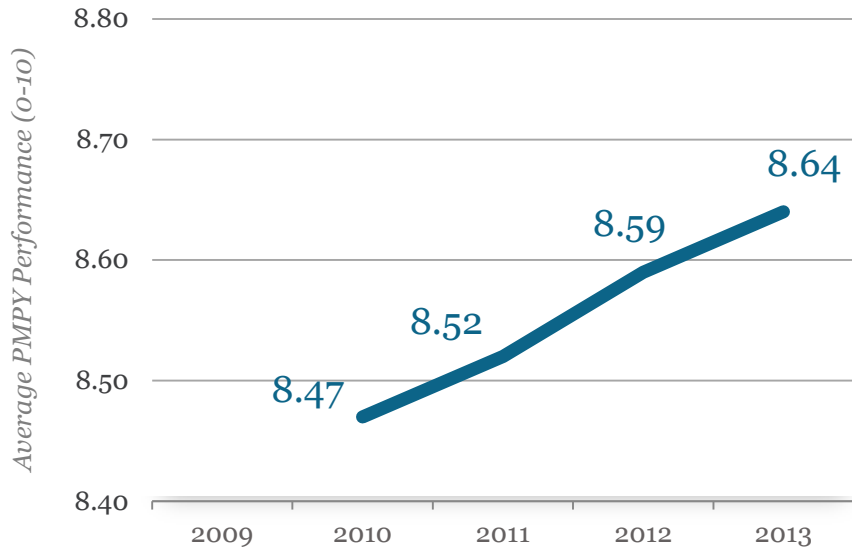
Individual Well-Being Score



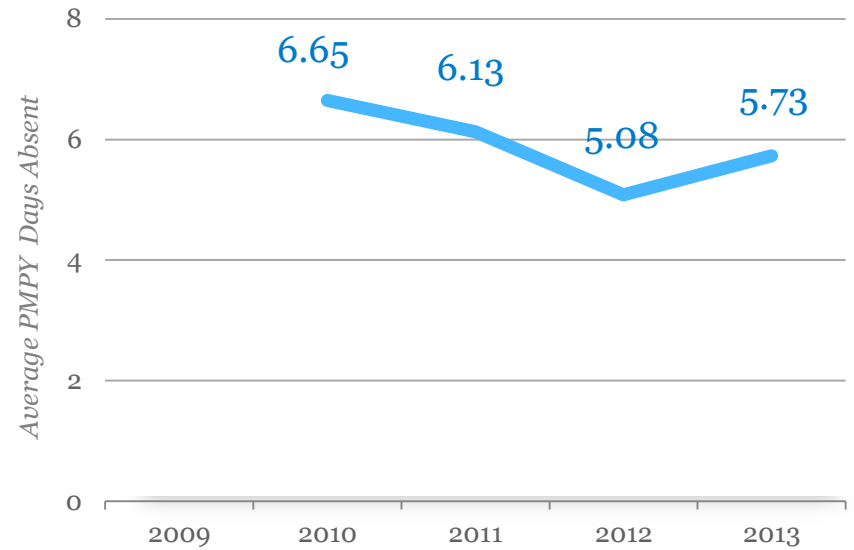
During this same period, the individual well-being score (IWBS) for members increased 9.8 points (from an average of 72.4 to 82.2).

Performance Improved

Change in Performance over 4 Years



Change in Absence over 4 Years



Our 5-Year Journey: *Lessons Learned*

- This is a marathon, not a race
- Keep it simple: don't over-complicate the interventions
- Include the family and not just the colleague
- Don't offer something you may take away in the future, such as financial incentives

Our 5-Year Journey: *What We Accomplished*

- Made number of changes to culture of well-being, staffing and benefit design that together resulted in trend of improved well-being and cost savings
- Well-being improved overall and across all domains
- Significant health care cost savings were achieved
- Self reported performance increased 1.7% and a reduction of 1 day of absence per member per year was realized

People with high well-being cost less and perform better

Find more at:

www.healthways.com/science



**National
Business
Group on
Health**®



PepsiCo Commentary



PEPSICO

- **PepsiCo's journey**
- **Where we are today**
- **Questions for Healthways**

Well-being Resources

Seeing the Bigger Picture: Beyond Wellness to Well-being



<http://www.businessgrouphealth.org/pub/7a81b7e2-782b-cb6e-2763-63c36d7ae6ed>

Best Employers for Healthy Lifestyles



<http://www.businessgrouphealth.org/bestemployers/>

Plan Design Resources

Communicating Consumerism and Consumer-Directed Health Plans (CDHPs)



<http://www.businessgrouphealth.org/pub/c5385661-782b-cb6e-2763-77c55ee0516a>

2016 Health Plan Design Survey



<https://www.businessgrouphealth.org/pub/205da3ce-782b-cb6e-2763-4981e6992468>