



Translating Health into Performance

An initiative of IHPM



VBH™ Sponsors – 2008-2009

- Aetna
- AFLAC
- Cigna
- HealthMedia
- Health Management Corporation (HMC)
- Humana
- Johnson & Johnson
- Novartis
- Pfizer
- sanofi-aventis



An initiative of  IH7PM

Mission - To Define and Establish "Value" -- Not Cost -- as the Basis for Health Benefit Design

- *Benefits* defined by Webster as "whatever enhances well being"
- Includes wellness and health promotion programs, preventive screenings, disease management and EAP/work-life balance programs
- *Value* defined as reductions in the total burden of illness -- including lost productivity -- as the result of investments in employee health



An initiative of  IH7PM

~ Lost productivity at work for health reasons is more than double the cost of medical care and absenteeism

Value-Based Health (VBH)TM Employer-led Movement

~ but engaging other
key stakeholders -
Plans, Providers,
Consultants, Brokers
And Physicians



An initiative of **IHPM**

Health and Productivity Model

- Value Path™
 - Value-Based Health Benefits include health insurance and health management programs.
 - The outcome is optimal functional health of the workforce.
 - This translates into improved productivity which:
 - Reduces the total burden of illness
 - Produces a positive return on investment

Value-Based Health Benefits → Optimal Functional Health → Productivity

↓ BOI = ROI ↑



An initiative of IH7PM

Value Path™

Value-Based Health Definitions

- **HUMAN CAPITAL**

- **Value** of the organization's human assets
 - Knowledge/Skills/Education
 - Attitude/Effort/Motivation
 - Tools/Equipment/Technology
- Functional health status
 - Multiplies value of the other components
- Employees willing and able to complete a task with a desired outcome or result
 - Functional health is critical



An initiative of  IH7PM

Basing Health Benefit Design on Value Instead of Cost

- **Five fundamental elements of a value-based benefit plan design:**
 - Enabling engagement in health improvement behaviors – e.g., exercise, diet;
 - Doing preventive health screenings;
 - Easing access to appropriate best quality care (including prescribed drugs of choice);
 - Integrating disability with medical benefits in a person-centric rather than “siloeed” approach;
 - Providing services (e.g., EAPs) and work arrangements to support employees’ total well being in a corporate culture of health.



An initiative of  IH7PM

Value-Based Health Definitions

- **HEALTH**
 - Optimum well-being -- physical, mental, emotional
 - Employee/family
 - Company/organization
 - Stakeholders/Shareholders
- **VALUE**
 - Usefulness, worth
 - Dimensions of value:
 - Time – short/long term
 - Satisfaction – quality
 - Availability – access
 - Outcome – functional
 - Result -- financial

Value Investment Opportunities

- Participation / Engagement
- Functionality / Attendance
- Clinical Outcomes
- Mitigation / Elimination of Risk
- Shareholder / Taxpayer Exposure
- Reduced Burden of Illness
- Community / Social Capital Impact

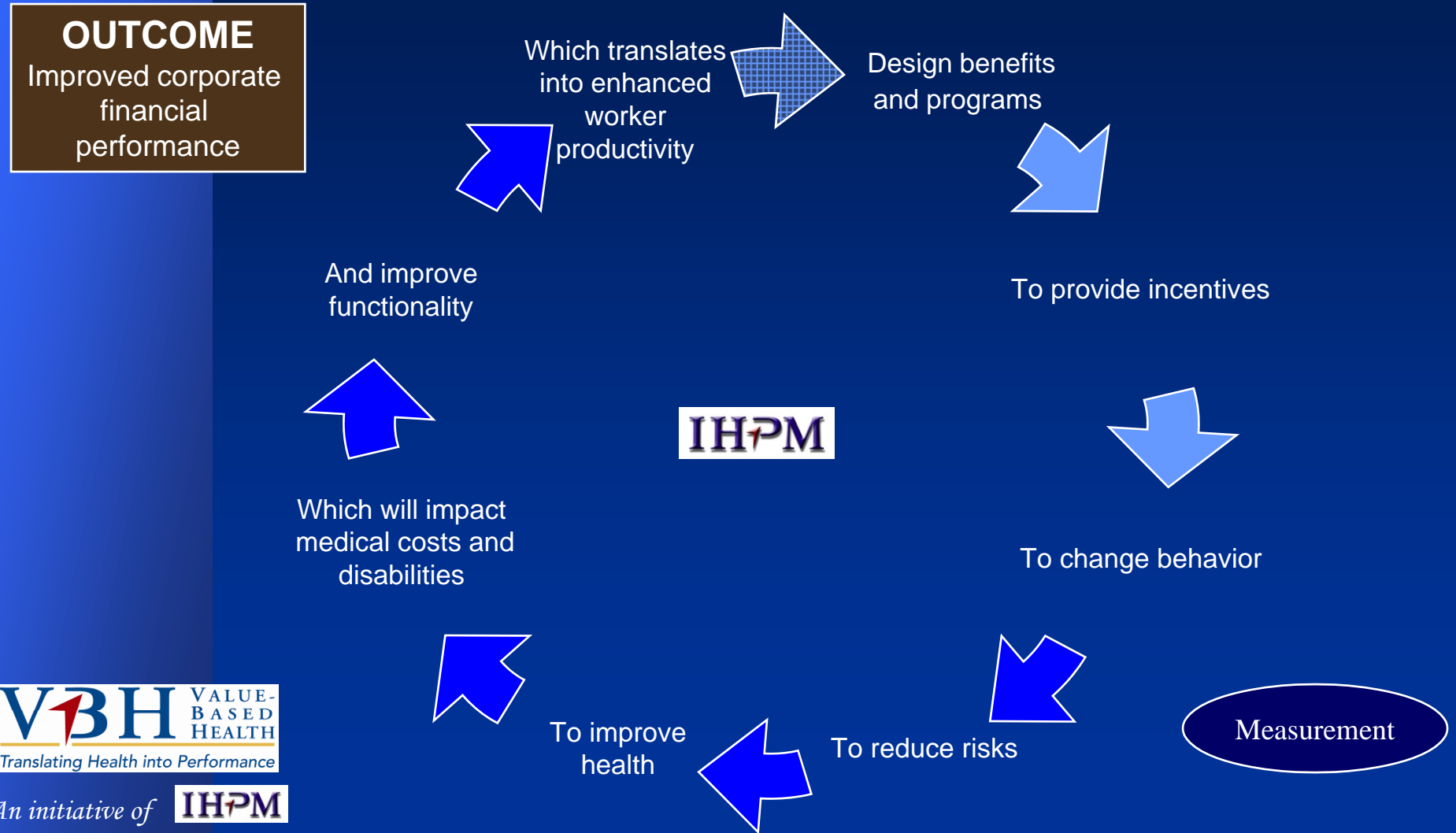
Health and Productivity Model

- HPM Value Chain™
 - Benefits are just one link in the total value chain
 - Health benefits and programs should help induce employee behaviors that improve health
 - Risk reduction and health improvement are the intermediate outcomes sought
 - Which, in turn, impact medical and disability costs
 - But the ultimate desired outcome is functional health improvement to increase productivity



An initiative of  IH7PM

The HPM Value Chain™



Value-Based Health™ Employer-led Movement

Committed to Sharing Experiences and Providing Leadership to Others

- Impressive list and variety of employers by industry and size
- Agenda of communications activities and research projects
 - Webinars, published articles, conference presentations
 - Field research with employers (e.g., State of Washington)

Employer-Led Movement

- **ORGANIZATIONAL LEADERSHIP**
 - Culture of health in the organization
 - Executive management support
 - Strategy communicated to the workforce
 - Employee-centric attitude
 - Incentives for employee engagement
 - Recognition of health impact on productivity

Employer-Led Movement

- **PROCESS LEADERSHIP**
 - Metrics for measurement and modeling
 - Data base integration with other areas of health and productivity
 - Technology innovation and utilization
 - Claims processing systems
 - Scorecards/Dashboards
 - Data and information warehousing
 - Cross-functional teams

Employer-Led Movement

- **PROGRAM LEADERSHIP**
 - Design and effective/efficient utilization of health-related programs
 - Health Risk Assessments
 - Targeted Wellness and Prevention
 - Incentives for improving health behaviors
 - Disease Management
 - Minimal barriers to access (e.g., deductibles and co-pays)
 - Utilization and Compliance
 - On-site Clinics



An initiative of  IH7PM

Employer-Led Movement

- **PROVIDER LEADERSHIP**
 - Employee-centric focus
 - Employee/consumer “empowerment”
 - Metrics to measure employee satisfaction
 - Clear Definitions of Quality, Cost, and Value
 - Routine survey measures of HPM outcomes
 - Transparency of outcomes and costs
 - Integration with other health programs

VBH™ Employers

- American Airlines
- American Standard Co.
- Assurant Health
- BankPlus
- Bausch & Lomb
- Cerner Corporation
- Continental Airlines
- Cisco Systems, Inc.
- City of Phoenix
- Coca-Cola
- The Container Store
- Deere & Company
- Dell
- Dresser-Rand
- Eastman Chemical Company
- FedEx
- Florida Power & Light
- Hannaford Brothers Co.
- Intel Corporation
- International Truck & Engine Corp.
- Lowe's
- Marriott International
- Mayo Clinic Health Solutions
- Michelin
- Novartis
- Pfizer Health Solutions
- Pitney Bowes
- Procter & Gamble
- PSEG
- Saint Luke's Health System
- SC Johnson
- Southern Company
- State of Kansas
- State of Washington
- Texas Instruments
- University of Michigan
- Waste Management

Other Key Stakeholders - VBH™

- AETNA
- American Academy of Family Physicians (AAFP)*
- Aetna Inc.
- CBIZ
- CIGNA
- C.M. Smith Agency, Inc.
- Dallas-Fort Worth Business Group on Health (DFWBGH)
- Employers Health Coalition, Inc. of Tampa, FL (EHC)
- Health Management Corp. (HMC)
- Humana, Inc.
- Medova Healthcare Financial Group
- Watson Wyatt Worldwide

Success Factors for Value-Based Health

- ANALYZE the burden of illness {BOI} health coverage risks and opportunities
 - Employee impact on cost/ productivity {lost time, productivity, turnover, etc.}
 - Health assessment/ profiles
 - Baseline assessment {health data, employment history, vendor stats, care mgmt., exposure, etc.}



An initiative of  IH7PM

Success Factors Con't.

- Rank/Select opportunities by total “value” [cost, presenteeism, employee relations, quality of care, service/customer impact, etc.]
 - Key stakeholder involvement-proactive focus wellness, prevention & existing exposure with health status of workforce/family
 - Review/modify plan design
 - Short/long term plan of action
 - Access “culture of health” – Sr. Mgmt. buy-in



An initiative of  IH7PM

Success Factors Con't.

- IMPLEMENT design/culture changes to optimize “healthy participant” as focus
 - Establish/communicate vision, mission in support of business improvement and healthy lifestyles as outcome
 - Emphasis with incentives
 - Examine/eliminate barriers which prevent health improvement
 - Expand partnership opportunities with vendors and health stakeholders
 - Ensure employee/family engagement/ownership to improve health
 - Develop metrics to measure relative success
 - Target chronic diseases and related how exposure risks
 - Communicate/gain acceptance/support of participants



An initiative of  IH7PM

Success Factors Con't.

- **EVALUATE**
 - Establish benchmarks and reporting systems to measure effectiveness/progress
 - Ensure all “team members” have specific/measurable objectives
 - Involve employees/family with individual and collective status
 - Communicate financial/non-financial results on quarterly/annual basis
 - Modify/establish new initiatives as appropriate

Employer-Led Movement Leaders - 2007

- **ORGANIZATIONAL** Leadership (Intel)
- **PROCESS** Leadership (Procter & Gamble)
- **PROGRAM** Leadership (Cerner)
- **PROVIDER** Leadership (Marriott International, Inc.)
- Individual Leadership Award (Jack Mahoney, MD – former Medical Director , Sr. Consultant for Strategic Initiatives) – Pitney Bowes)

Combination of organizational, process, program and provider leadership produces: The Value-Based Outcome of



An initiative of **IHPM**

HEALTHY EMPLOYEES

Employer-Led Movement Leaders – 2008

Awarded at IHPM's 8th Annual International Conference

- Aetna Inc.
- BankPlus
- Deere & Company
- East Chemical
- Kansas Health Policy Authority
- Novartis
- Pfizer Health Solutions
- Saint Luke's Health System
- State of Washington
- University of Michigan
- Individual Leadership Award Randy Abbott – Watson Wyatt Worldwide

Combination of organizational, process, program and provider leadership produces: The Value-Based Outcome of



An initiative of  IHPM

HEALTHY EMPLOYEES

“Americans will always do the right thing... after they’ve tried everything else.”

Sir Winston Leonard Spencer Churchill (1874-1965)



An initiative of **IHPM**

In Sum.....

“Value-Based Health Benefit Design is about getting better health results for the benefit dollar expended.” (using Webster’s definition of “benefits” to include whatever enhances well-being)

Looking into the Heart of Value-Based Health Benefits

*Authored by: Randall K. Abbott (WatsonWyatt) and Steven E. Priddy (IHPM/IVB)
Health & Productivity Management, Vol. 6, No. 2*



An initiative of **IHPM**





Translating Health into Performance

An initiative of IHPM

For more information about VBH contact:

Steve Priddy
Director of Employer Relations
steve@ihpm.org

Jack Bastable
Director of Education
jack@ihpm.org



www.ihpm.org

17470 N Pacesetter Way
Scottsdale, AZ 85255
480.305-2100 – phone 480.305.2189 – fax