Corporate Culture of Health & Its Association to Business Performance: Correlation or Causation

Synopsis of Today’s Presentation
Join Dr. Fabius, an international leader in the culture of health and population health spaces, describe what it takes to build corporate cultures of health and its connection to business performance. He will present his research studying benchmark organizations and he will build a case that a healthy workforce provides a competitive advantage in the marketplace. He will refer to several recently published articles he has written as well as his textbook Population Health: Creating Cultures of Wellness now in its second edition. Dr. Fabius will share his company’s assessment and improvement process which scores an organization on its culture of health, identifies gaps from benchmark and develops strategic plans to remedy them.

Ray Fabius MD
Honored to be With You Today
- Over 25 years of medical management experience with Thomson Reuters, GE, Walgreens, Aetna, Cigna and others
- Served as front line primary care physician for over a decade
- Published articles, book chapters and three books
- Adjunct Faculty – Harvard, Jefferson, ACGIM
- Distinguished Fellow & Faculty Member of American Association of Physician Leadership
- Co-founder of HealthNEXT
- Emerging Leader in building organizational cultures of health

The Evolution of Medical Management Focusing on Population Health & the Care Continuum

THE EVOLUTION OF MEDICAL MANAGEMENT
Leading to Cultures of Health & Well-being

With a focus as an educator, employer, researcher, health care provider, and role model
What is Population Health?
Managing Care Across the Continuum

Moving the Population Toward Wellness

Insidious Progression of Disease:
Smoking & Acute Illness Leads to Chronic & Catastrophic Illness

20 Year Lag Time Between Smoking and Lung Cancer

WHERE SHOULD WE INTERVENE?
INSIDIOUS PROGRESSION OF DISEASE:
ADVERSE & EXPERIENCES Lead to Chronic and Catastrophic State

Health & Wellbeing
Remarkably Influenced by Your Work

- Education & Training
- Occupational Risks
- Employment
- Income
- Advancement
- Sense of Purpose
- Social Influences

Prevalence of Obesity Among U.S. Adults Aged 20-74

Obesity continues to dramatically increase worldwide. Everyone pays the price - the patients, the insurers, and the employers.
How do you Build Cultures of Health & Wellbeing?

Is the trend of disease progression possible to slow down?

Yes But it Requires Cultural Change

BUILDING A CULTURE OF HEALTH
Best Practice Coordinates Efforts Across All Levels of Prevention

"CULTURE eats Strategy for Breakfast"
Building A Culture Of Health
On The Success Of The "Culture Of Safety" Movement

Culture of Safety
- Everyone is accountable
- Trending injuries
- Tracking near misses
- Implement M/R
- Eliminate all disability

Culture of Health
- Everyone is accountable
- Trending ill health
- Tracking health risks
- Implement screenings
- Eliminating all disability

Integrated Health & Safety at the Workplace
Building Cultures of Health & Safety

OUR RESEARCH BEGINS HERE
Six Sigma Teaches Us to Ask These 3 Questions

1. Is there any place or any organization who has solved the problem you are faced with?
2. If so, can you go there and study what they are doing to solve the problem?
3. By studying what they are doing can a methodology be developed to help others with the same problem?

TENETS OF A CULTURE OF HEALTH – Becoming a Science
Roadmap for Improving the Health of Your Employees & Organization

1. Embrace a vision for health
2. Senior Management Commitment
3. Policies & Environment
4. Measurement, Data, & Analytics
5. Programs & Goals
6. Evidence-Based Design
7. Population Health
8. Model Against Benchmark Companies

Medical Cost Reductions
The New Benchmark: Bending the Curve
A Balanced Fee-For-Service Healthcare Costs Are Being Done

High Performer Net Cost Trends 2005 - 2010 Adjusted For Consumer Price Index (CPI-U) Inflation
OUR RESEARCH & METHODOLOGY

ASSESSMENT – GAP ANALYSIS
Single Metric – 700 out of 1000 is Benchmark

10 Weighted Categories
- People & management
- Marketing & communications
- Data warehousing
- Health & wellness plan design
- Environment
- On-site health activities
- Health & wellness activities
- Incentives and benefits design
- Engagement & navigation
- Vendor integration

Health Risk Appraisals (HRA) For An Organization

PROOF OF CONCEPT
High Correlation Between
HealthNEXT “Culture of Health” Score & Medical Cost Trend –
Every 50 points reduces medical trend by 1%

What Is The Value in Investing in Health, Safety, and Wellbeing?

Employers, Employees & Health Care Delivery System Must Work in Concert
SILO’d Current State; Employees/Students, Employers & Provider

Employers, Employees/Students & Health Care Delivery System Must Work in Concert

FUTURE STATE: Convergent Services

Many Universities have their own Medical Schools and Hospital / Healthcare Delivery Systems

All Universities are top employers in their communities and have the opportunity to establish the benchmark for others

Value of a Culture of Health

- Wellness Health & Safety
- Growth of Choices
- Accountability
- Expectations
- Performance
- Employee
- Customer
- Value of a Culture of Health
Why Invest in a Healthy Workforce?
IT ADDS VALUE 5 WAYS

- Medical Cost Reductions
- Productivity Gains
- Employee Engagement
- Employer of Choice
- Return to Investors

Productivity Gains
Obesity Business Costs
Advances Exponentially with Weight
PepsiCo Study (P<0.001)

Medical Cost Reductions
Bends the Cost Curve
Demonstrates a Sustainable Culture of Health

Productivity Gains
The Impact of Poor Health to Employers
Continuum of Employee Performance Outcomes

Medical Cost Reductions
Greater Return to Keep the Well Well ~ 2.1:
Wellness Score & Medical Costs Over 3 Years

Productivity Gains
Top 10 Health Conditions
by Full Costs for Employers
(Med + RX + Absenteeism + Presenteeism) Costs/1000 FY Es
Employee Engagement
Health & Employee Commitment
Unilever Lamplighter Program

Health Benefits
- 18% increase in the number of employees who exercised
- 3% drop in the number of employees with high BMI
- 13% drop in the number of employees with high blood pressures (down from 27% to just 9%)
- 8% drop in the number of employees with high cholesterol
- 5% decrease in the number of employees classified as having poor nutrition
- 5% decrease in the number of smokers
- Overall the number of employees classified as "high health risk" dropped by 8%
- Overall the number of employees classified as "low health risk" increased by 22%

Engagement Enhancement
The Lancaster study showed that employees who participated in Lamplighter:
- Fell significantly more engaged with their work
- Were less likely to take time off work due to health problems
- Were able to perform better in their job
- Were less likely to be adversely affected by pressure at work
- Were more likely to practice healthy behaviors at work

Employer of Choice
Investing in Health Enhances Brand

Health & Wellness Programs are key reason cited in Fortune 100 Best Companies to Work For
- Yum! Brands – WellStar Program Reducing Turnover
- Goldman Sachs – Retaining & Attracting the Best Talent

Student Engagement
Healthy Students Perform Better

- Healthy Students are Better Learners
- Healthy Students Complete their Education
- Schools / Universities Can Influence Lifestyle Behaviors
- Healthy Successful Students Build Healthy Communities
- All Students Deserve the Opportunity to be Healthy & Successful

Employer of Choice
The Value of "ECC"
Employer of Choice Benefits are Pervasive

The benefits of becoming an "employer of choice" are not easy to quantify due the pervasive effects it has on so many aspects of an organization. However, a focus on reduced turnover can be a good start.

Replacement of an employee normally costs 180% of the salary.

For the mid-sized company of 1,000 employees who has a 10% annual rate of turnover, the annual cost of turnover is $7.5 million!

HealthNext
Research Conclusion
A preponderance of mounting evidence

"Through correlation it is not the same as causation, the results consistently and significantly suggest that companies focusing on the health and wellness of their workforce are yielding greater value for their investors as well. New research needs to be done to better understand the cause of building the "culture of health" in the workplace. Perhaps such efforts as this will simply identify "smart" companies that out-perform. But the evidence suggests that companies that build "healthy workplaces" provide a competitive advantage in ways that benefit their investors."

About BHAC
The Evidence
The evidence is irrefutable. There has never been a more critical moment in the health and wellness of the American workforce. It is now more critical than ever to address the root causes of premature death and disease in the United States, including the rise in adult obesity, the epidemic of obesity, and unhealthy behaviors such as smoking, consuming food and physical activity, and making sources of death among Americans. Although many academic institutions have implemented wellness programs for students and employees, the health care system is fragmented and inefficient. Our approach is comprehensive and integrated, focusing on health and wellness. The benefits of doing so are many. Whether through wellness programs, or through integrated health care systems, the goal is to improve the health and productivity of the workforce, leading to reductions in health care costs and health insurance premiums, as well as improved health and productivity for employers, and health and workforce productivity, as well.

The Unique Opportunity & Role Academic Communities Can Play in Promoting Population Health & Building Cultures of Health

- Educator – teach the emerging science of population health & their connection to performance/wealth
- Employer – save on health care costs and improve the performance of your students and workforce
- Researcher – dedicate resources to create a living laboratory – study best practices and innovations
- Health Care Delivery – align efforts with your university hospital systems
- Role Model - for students and the community