Zero Trends: Health as a Serious Economic Strategy

Realizing the promise and Competitive Advantage of:
"Creating and Maintaining a Thriving and Sustainable Workplace and Workforce"

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Creating Champion Companies

Edington Associates LLC

May 21 2013

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What if you worked for the best company you could imagine: an organization that was a high performing and an employer of choice.

What words would you use to describe this organization?

VISION for the Workplace of the Future

Best Place to Work: Employer of Choice

Fun   Creative   Meaningful Work   Positive

Flexible   Purpose-Values-Mission-Vision Thrive

Resilient   Optimistic   Vitality   Challenging

Energetic   Integrity   Active   Enthusiastic

Confident   Self-Efficacy   Low-Risk   Engaging

Social Support   Spiritual   Flexible   Flow   Happy

Financial support   Can-Do   Ethical   Trust   Grow

Good Consumer   Knowledgeable   Growth

Literate   Listening   Shareholder Value   Respect

VISION for Working, Living and Thriving

Business Strategy for Health

Business Strategies to Cope with

Disease, Health, Well-Being

and build a

Thriving, High Performing and

Sustainable Workplace and

Workforce

Past to Current to Future Strategies

Natural Flow of a Population

Challenge!

Can you beat the Natural Flow?

One of our major learnings over the 35 years at the UM-HMRC was that the ultimate objective is to beat the Natural Flow of Risk and Costs.

Estimated Prevalence of Health Risks

Health Risk Measure	High Risk
Body Weight	41.8%
Stress	31.8%
Safety Belt Usage	28.6%
Physical Activity	23.3%
Blood Pressure	22.8%
Life Satisfaction	22.4%
Smoking	14.4%
Perception of Health	13.7%
Illness Days	10.9%
Existing Medical Problem	9.2%
Cholesterol	8.3%
Alcohol	2.9%
Zero Risk	14.0%

OVERALL RISK LEVELS
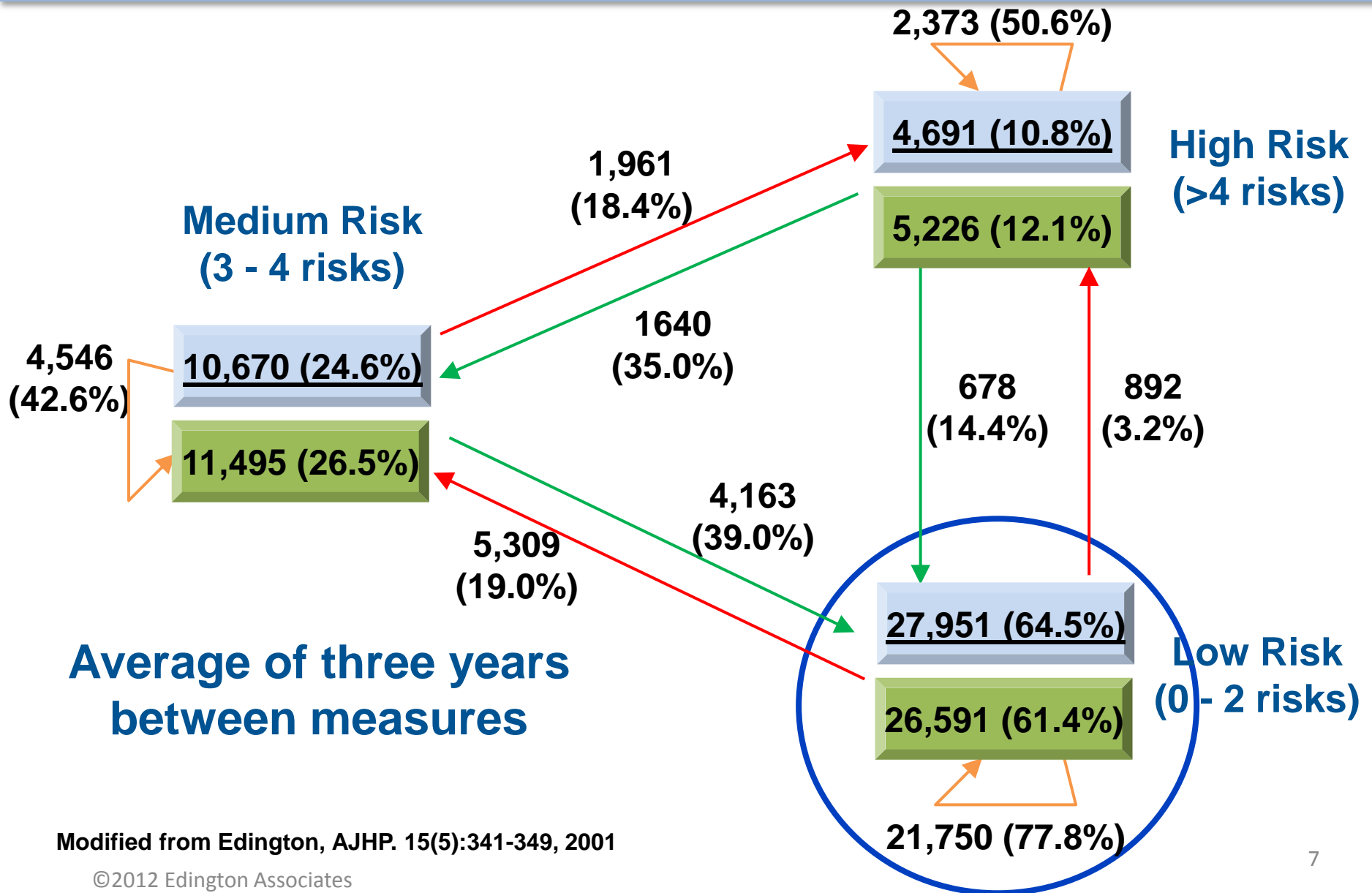
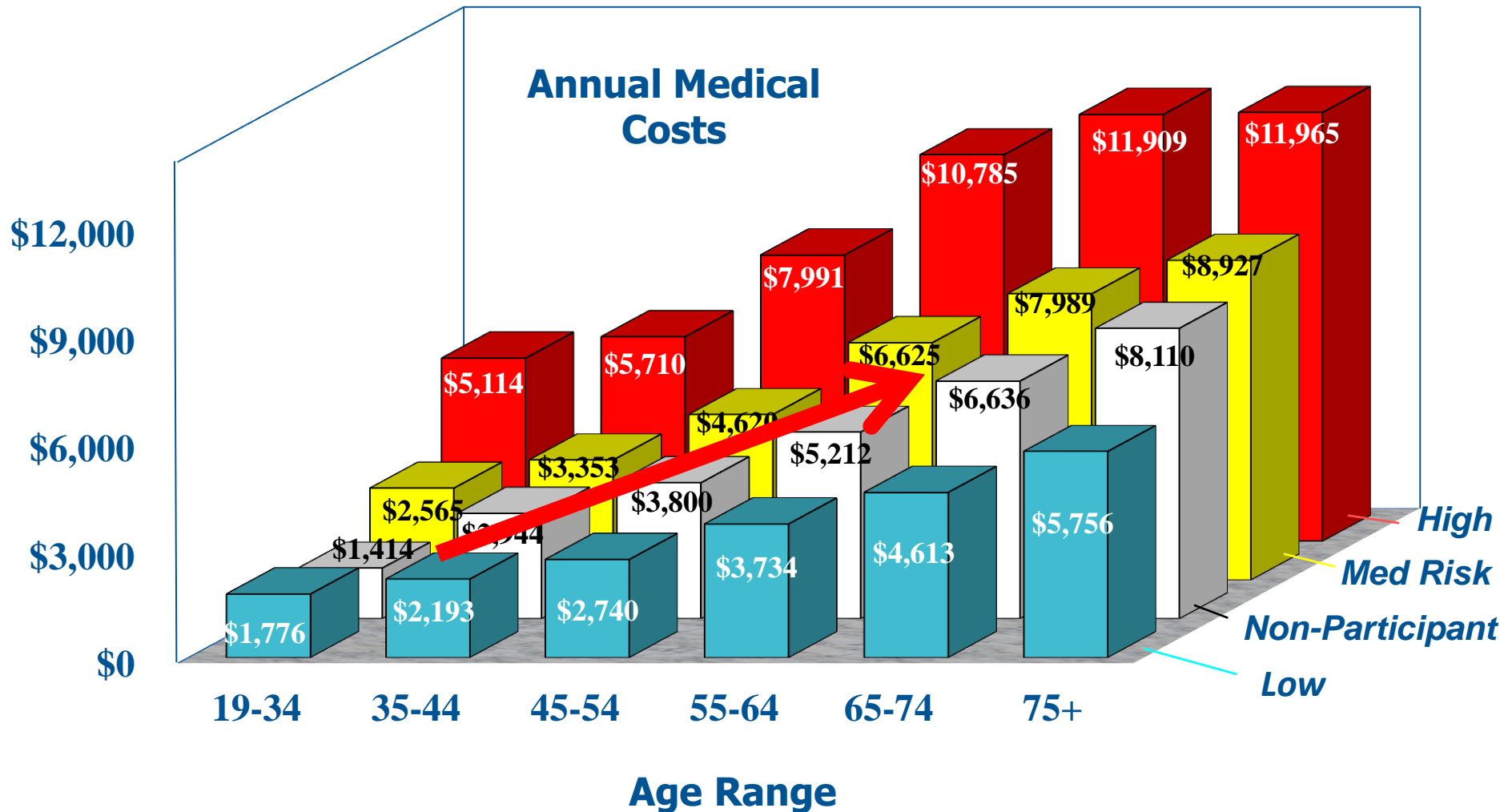|	
Low Risk =	0-2 risks
Medium Risk =	3-4 risks
High Risk =	5 or more

From the UM-HMRC Medical Economics Report

Estimates based on the age-gender distribution of a specific corporate employee population

Natural Flow: by Risk Status

Medium Risk (3 - 4 risks)

High Risk (>4 risks)

Low Risk (0 - 2 risks)

2,373 (50.6%)

4,691 (10.8%)

5,226 (12.1%)

1,961 (18.4%)

1640 (35.0%)

4,546 (42.6%)

10,670 (24.6%)

11,495 (26.5%)

678 (14.4%)

892 (3.2%)

4,163 (39.0%)

5,309 (19.0%)

27,951 (64.5%)

26,591 (61.4%)

21,750 (77.8%)

Average of three years between measures

Natural Flow by Risks-Costs-Age

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

Cluster Analysis

Health Measure	Cluster 1: Risk taking (N=6688)	Cluster 2: Low Risk (N=3164)	Cluster 3: Biometrics (N=3100)	Cluster 4: Psychological (N=3927)
Smoking	**31%**	0%	16%	27%
Alcohol	**10%**	0%	3%	5%
Physical activity	**28%**	0 %	19%	26%
Safety belt usage	**36%**	0 %	22%	31%
Body mass index	**27%**	25 %	**38%**	27%
Systolic blood pressure	9%	0 %	**81%**	23%
Diastolic blood pressure	5%	0 %	**61%**	20%
Cholesterol	19%	19 %	**27%**	22%
HDL cholesterol	34%	10 %	**33%**	24%
Self-perceived health	13%	0 %	9%	**28%**
Life satisfaction	4%	0 %	2%	**73%**
Stress	9%	0 %	2%	**76%**
Illness days	21%	0 %	12%	**26%**
Overall Risks				
Low risk (0-2 risks)	**50.2%**	**97.6%**	**26.5%**	**18.9%**
Medium risk (3-4 risks)	35.7%	2.4%	48.9%	35.9%
High risk (5+ risks)	14.1%	0	24.7%	45.2%
Average Number of risks	2.8	0.6	3.6	4.4

Baunstein, Yi, Hirschland, McDonald, Edington. Am. J. Health Behavior. 25(4):407-417, 2001

Healthy Life Profile: Metabolic Health

For the prevention of heart disease and diabetes it is important you know your values for these 5 risks
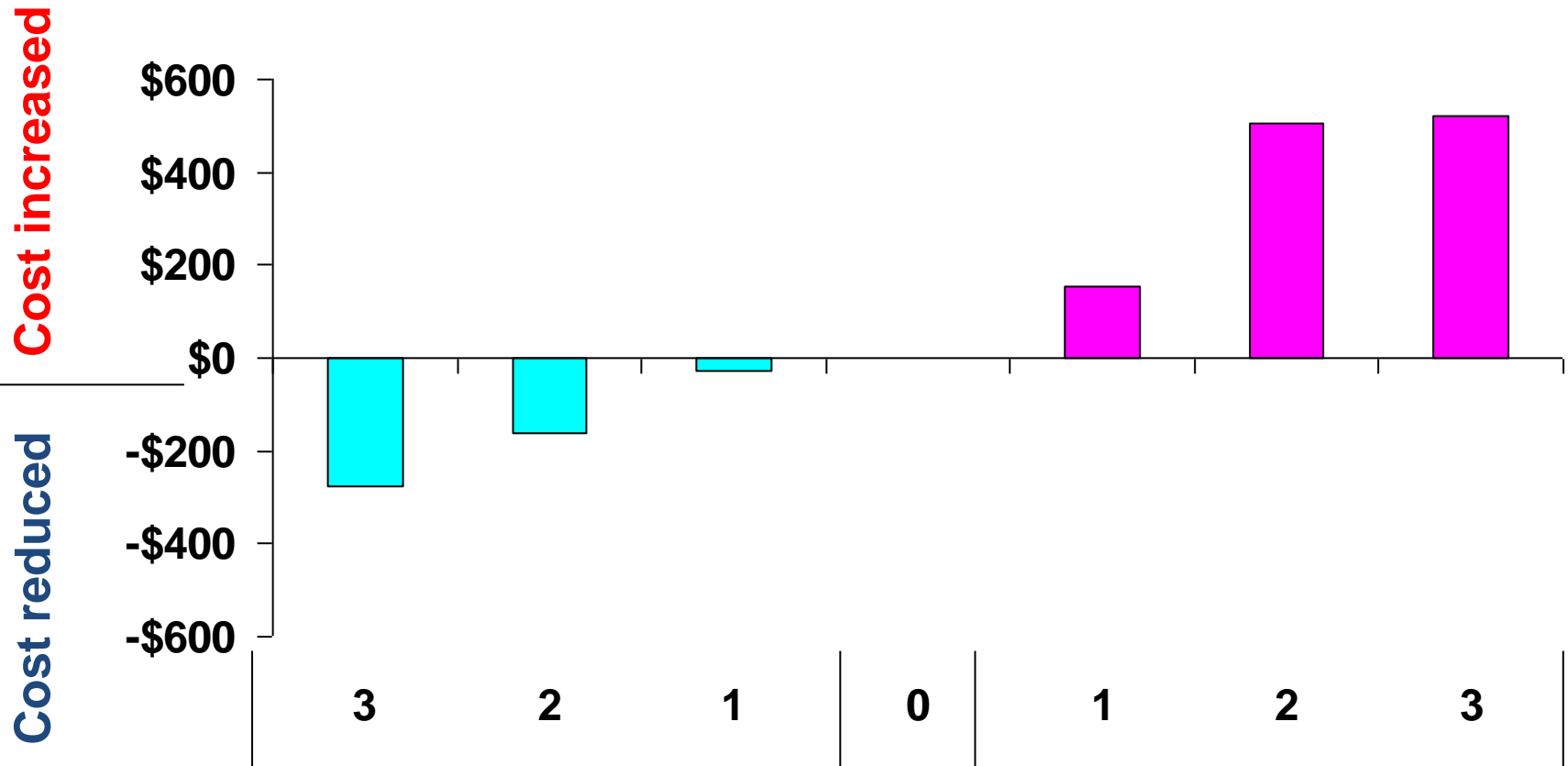
Know Your Numbers

- Waist Circumference
- Blood Pressure
- HDL
- Triglycerides
- Glucose

Change in Costs follow Change in Risks

Overall: Cost per risk reduced: $215; Cost per risk avoided: $304
Actives: Cost per risk reduced: $231; Cost per risk avoided: $320
Retirees<65: Cost per risk reduced: $192; Cost per risk avoided: $621
Retirees>65: Cost per risk reduced: $214; Cost per risk avoided: $264

Learnings from the First 35 Years

1. **Risk status is related to costs**

2. **Excess costs are related to excess risks**

3. **Risks travel in combinations**

4. **Change in costs follow change in risks**

Controlling risks leads to Zero Trends *IF people and organizations control and maintain their risks and behavior*
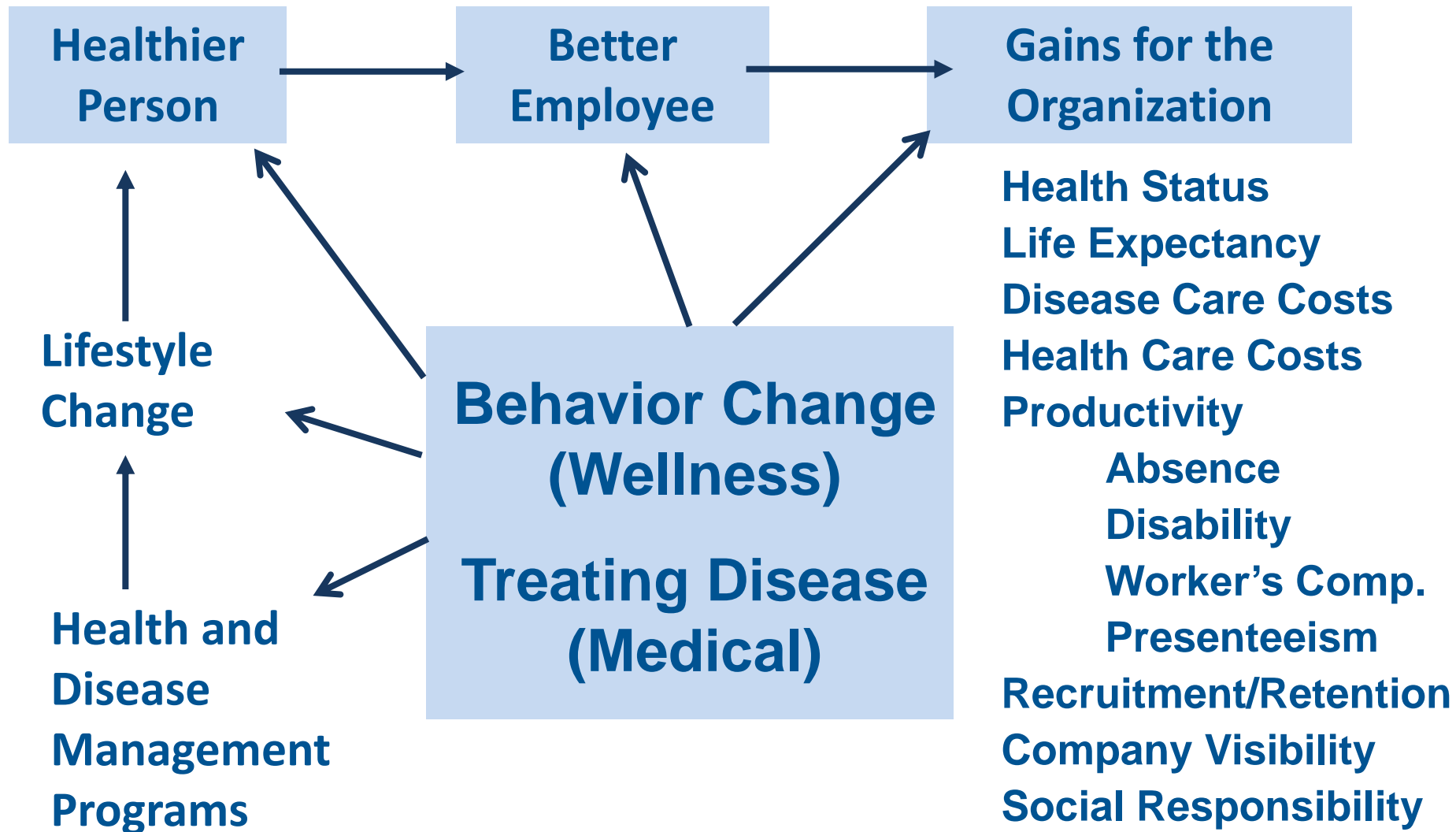
Recommendations for the Population after 30 years of work 1977-2008 (*Zero Trends*)

Don't Get Worse

Help the Low-Risk stay Low-Risk

Help the High-Risk move to Low-Risk

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Wellness Strategies: 2013 and Before

Healthier Person → **Better Employee** → **Gains for the Organization**

Lifestyle Change

Health and Disease Management Programs

Behavior Change (Wellness)

Treating Disease (Medical)

Health Status
Life Expectancy
Disease Care Costs
Health Care Costs
Productivity
  Absence
  Disability
  Worker's Comp.
  Presenteeism
Recruitment/Retention
Company Visibility
Social Responsibility

1981, 1995, 2000, 2006, 2008 Dee Edington

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How did we do compared to Potential?

The wellness results are good but not sufficient to drive a population to a thriving, high performing and sustainable workplace and workforce.

Population Scorecard: How did we do?

1970-2000: from 05% to 30% Optimal

2000-2012: from 30% to 40% Optimal

(Wellness is necessary but not sufficient)

2013-2023: from 40% to 80% Optimal

A Short Health & Performance Quiz

If you continue to wait for defects and then try to fix the defects: Will you ever solve the fundamental problems?

Is it better to keep a good customer or find a new one?

Is the action you reward, the action that is sustained?

If you put a changed person back into the same environment: Will the change be sustainable?

Medical and Wellness Strategies

Wait for Disease or Health Risks and then Treat

In Quality terms this strategy translates into "wait for defects and then fix the defects"

What's Next?

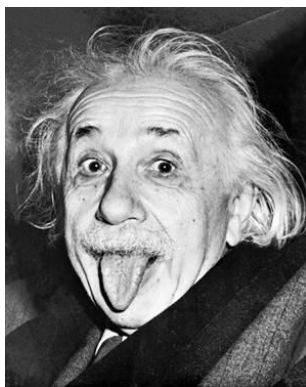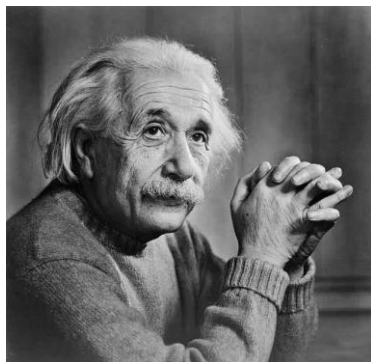**Change the questions**

Get to a new level of thinking

Adjust our vision of the future

Have courage to change our definitions

Lead, follow or get out of the way

The world we have made as the result of the level of **thinking** we have done thus far creates problems we cannot solve at the same level of thinking at which we created them.

- Albert Einstein

Integrate the Whole Person into the Environment and Culture and Engage the Total Population
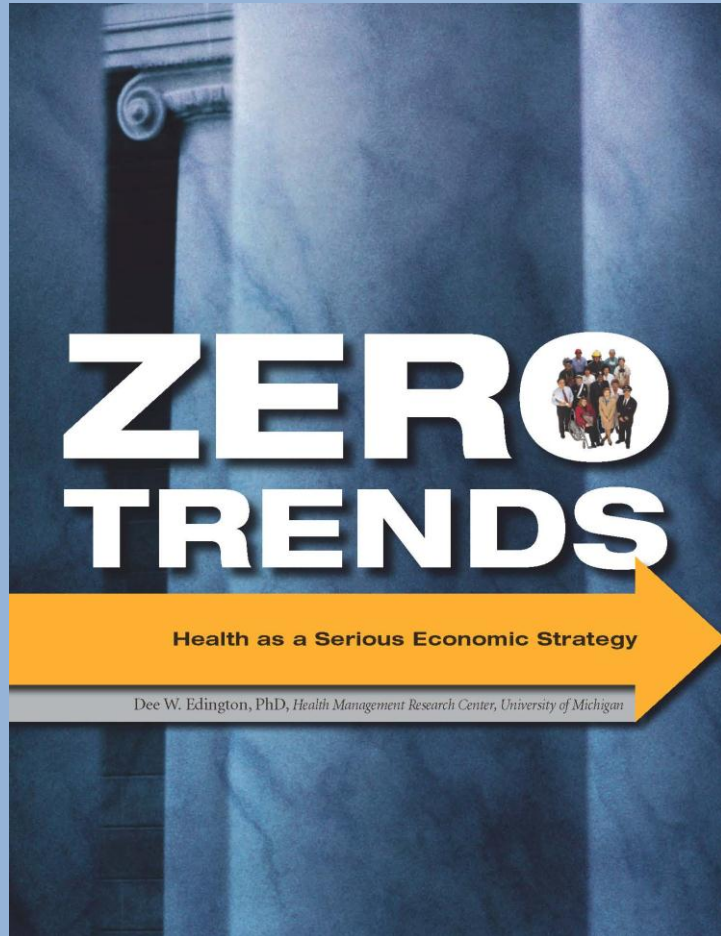**(Follow the lead of Safety and Quality)**

(…in Quality terms this strategy translates into "fix the systems that lead to the defects")
(Deming, Drucker, Blanchard)

Vision from Zero Trends

Zero Trends provides a transformational approach

Organizations throughout the world live within a thriving and sustainable workplace and workforce

Based upon over 800 Publications and Presentations

ZERO TRENDS

Health as a Serious Economic Strategy

Dee W. Edington, PhD, *Health Management Research Center, University of Michigan*

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Vision for Going Forward

Edington Associates
...dedicated to helping organizations create a thriving, high-performing and sustainable workplace and workforce
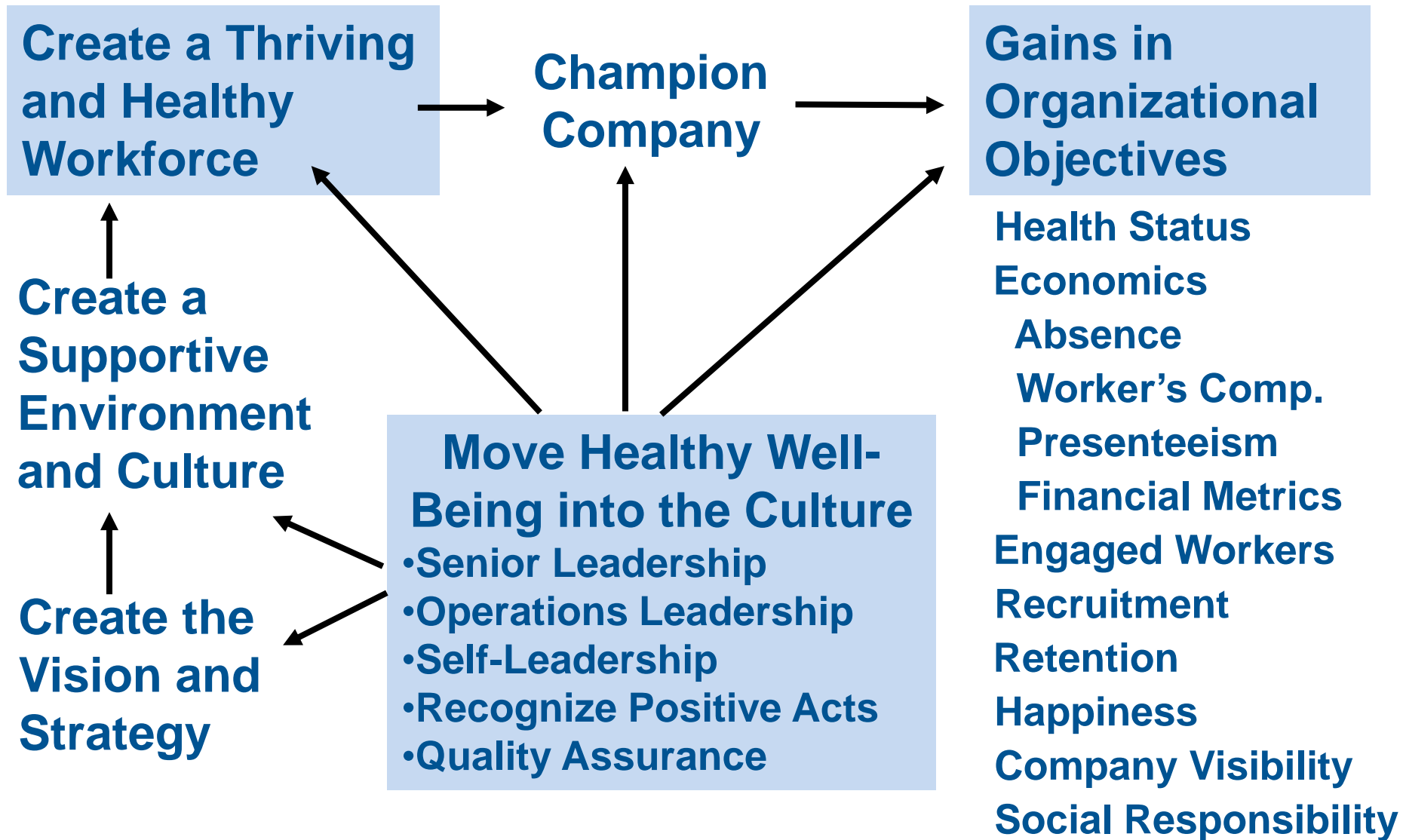
**Going Forward
2013 and Beyond**

1977-2012

An ENTERPRISE PROBLEM

(Threats to the Enterprise)

Requires an

ENTERPRISE SOLUTION

Create a Thriving and Healthy Workforce

Champion Company

Gains in Organizational Objectives

Create a Supportive Environment and Culture

Create the Vision and Strategy

Move Healthy Well-Being into the Culture
- Senior Leadership
- Operations Leadership
- Self-Leadership
- Recognize Positive Acts
- Quality Assurance

Health Status
Economics
  Absence
  Worker's Comp.
  Presenteeism
  Financial Metrics
Engaged Workers
Recruitment
Retention
Happiness
Company Visibility
Social Responsibility

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1981, 1995, 2000, 2006, 2008, 2012 Edington Associates

Enterprise Wide Engagement
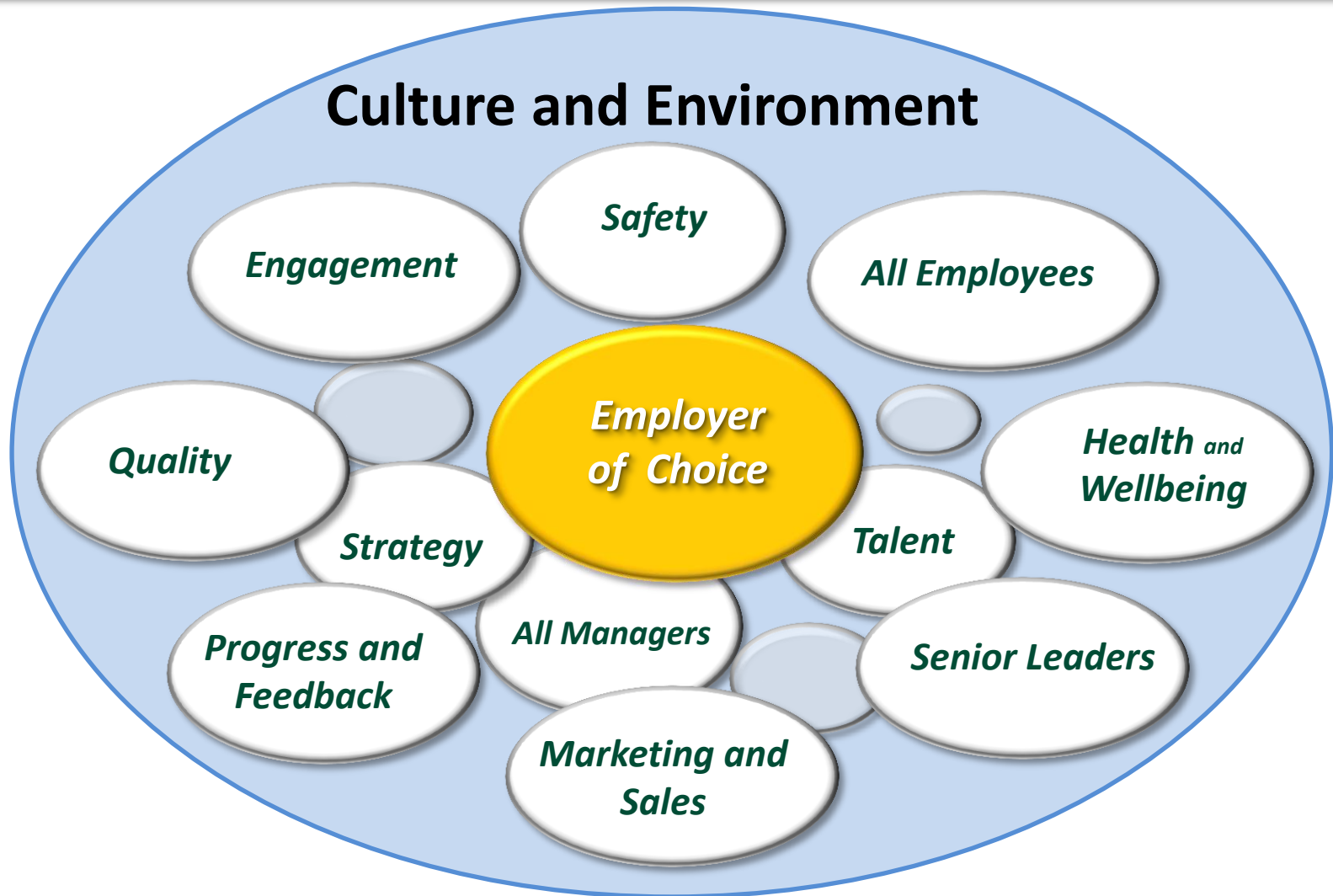
The whole is greater than the sum of the parts!!!

Fix The Barriers We Identified When Developing the Business Case.

Organizational and Individual Barriers

Senior Leadership
Lack of support
Lack of clear vision

Operations Leadership
Supervisor lack of support
Lack of supportive culture
Incomplete communications

Self Leadership
Don't understand what, why, how
Lack of self-efficacy
Lack of time, convenience

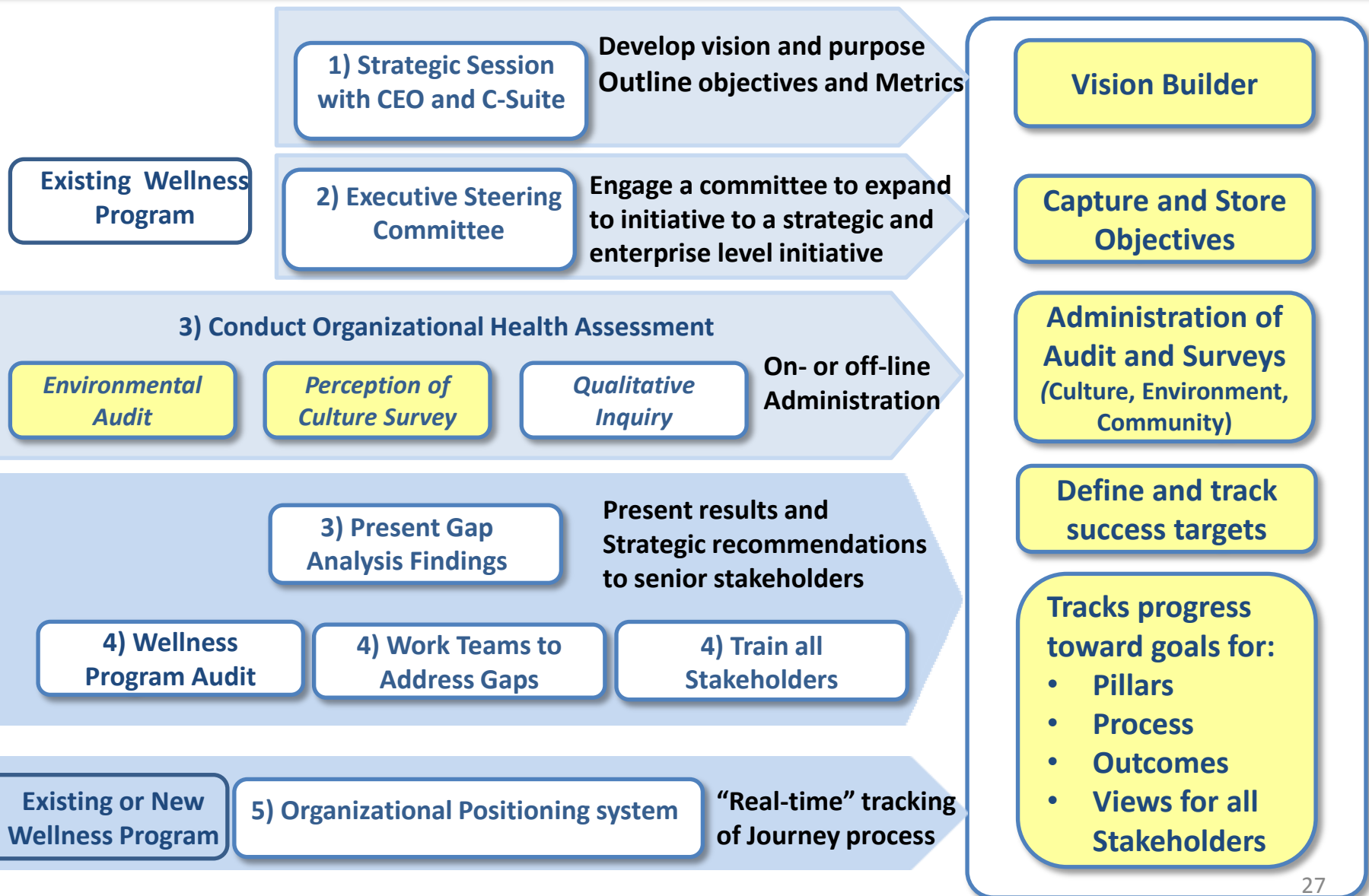**Recognize Strengths**
Lack of positive recognition

Quality Assurance
Lack of feedback on progress
Lack of shared values, vision

Champion Company Process

Corporate Positioning System

1) Strategic Session with CEO and C-Suite

Develop vision and purpose
Outline objectives and Metrics

Vision Builder

Existing Wellness Program

2) Executive Steering Committee

Engage a committee to expand to initiative to a strategic and enterprise level initiative

Capture and Store Objectives

3) Conduct Organizational Health Assessment

Environmental Audit

Perception of Culture Survey

Qualitative Inquiry

On- or off-line Administration

Administration of Audit and Surveys
(Culture, Environment, Community)

3) Present Gap Analysis Findings

Present results and Strategic recommendations to senior stakeholders

Define and track success targets

4) Wellness Program Audit

4) Work Teams to Address Gaps

4) Train all Stakeholders

Tracks progress toward goals for:
- **Pillars**
- **Process**
- **Outcomes**
- **Views for all Stakeholders**

Existing or New Wellness Program

5) Organizational Positioning system

"Real-time" tracking of Journey process

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Principles of Senior Leadership

Step #1

Strategic

Create the Vision

- Connect vision to business strategy

- Provide measures to get to vision

- Commitment to healthy culture

- Provide adequate resources

- Leadership ownership and engaged

"Establish the business value of a healthy and high performing organization and workplace as a world-wide competitive advantage"

Vision and Measurements

Vision for a Culture of Health
  "… a sustainable culture of health to increase individual's quality of life, state of well-being, empowerment and engagement"

 Primary areas of measurement tied directly to the Vision
> **Culture of Health**
> **Empowerment and Engagement**
> **State of Well-Being**
> **Quality of Life**

Secondary areas of measurement
> **Health Status**
> **Perceived health status**
> **Performance of Company**
> **Satisfaction and Happiness**
> **Services Utilization**

Step #2   **Systematic,**

Systemic

Align Policies with the Vision

- Assess Organizational Health Policy
- Fix the gaps in the environment and culture
- Brand health management strategies
- Train all employees in What, Why, How
- Conduct a wellness audit

"You can't put a changed person back into the same environment and expect the change to hold"

Organizational Health Assessment

Environmental Audit

- **Assess what exists and doesn't exist in current environment and culture**
- **Conduct audit with wellness professionals and human resource representatives**

Perception of Culture

- **Survey entire employee population**
- **Assesses employees' and managers' perception of supportive environment and culture**

Qualitative Inquiry

- **Employee focus groups**
- **Individual interviews with key stakeholders**
- **One-on-one interactions with key stakeholders**

GAP ONE:
Perceptions of current environmental & cultural practices compared to "Ideal"

GAP TWO:
Manager's perceptions of environment & culture compared to vision
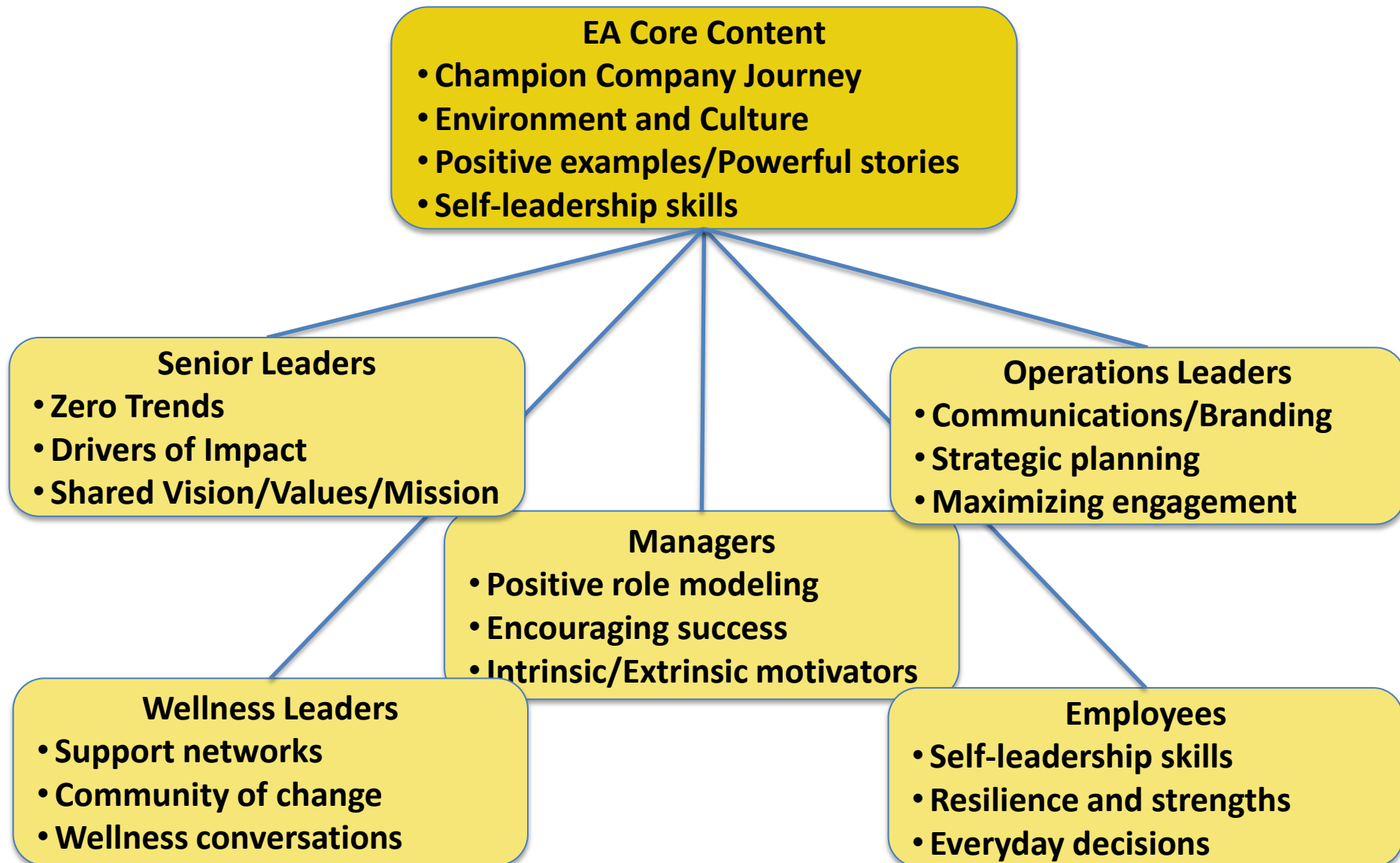
GAP THREE:
Employee's perceptions of environment, culture and management support compared to vision

Additional qualitative information to help identify opportunities for improvement

Health management strategy based on addressing these key gaps

EA Training Suite

EA Core Content
- **Champion Company Journey**
- **Environment and Culture**
- **Positive examples/Powerful stories**
- **Self-leadership skills**

Senior Leaders
- **Zero Trends**
- **Drivers of Impact**
- **Shared Vision/Values/Mission**

Operations Leaders
- **Communications/Branding**
- **Strategic planning**
- **Maximizing engagement**

Managers
- **Positive role modeling**
- **Encouraging success**
- **Intrinsic/Extrinsic motivators**

Wellness Leaders
- **Support networks**
- **Community of change**
- **Wellness conversations**

Employees
- **Self-leadership skills**
- **Resilience and strengths**
- **Everyday decisions**

Wellness Program Audit

- **Review the vision, charter and components**

- **Confirm that mission and vision are connected to the strategy of the organization.**

- **Ensure ownership by the wellness team and the senior leader sponsor**

- **Establish the use of branding and logo**

- **Confirm the measurable outcomes**

Affordable Care Act: Essential Health Benefits

1. The Affordable Care Act ensures Americans have access to quality, affordable health insurance.

2. To achieve this goal, the law ensures health plans offered in the individual and small group markets, both inside and outside of the Affordable Insurance Exchanges (Exchanges), offer a comprehensive package of items and services, known as "essential health benefits."

3. Essential health benefits must include items and services within at least the following 10 categories:

Ten Essential Health Benefits

1. Ambulatory patient services
2. Emergency services
3. Hospitalization
4. Maternity and newborn care
5. Mental health and substance use disorder services, including behavioral health treatment
6. Prescription drugs
7. Rehabilitative and habilitative services and devices
8. Laboratory services
9. Preventive and wellness services and chronic disease management
10. Pediatric services, including oral and vision care

www.healthcare.gov
wwww.hhs.gov.aca

Wellness Programs: Guidelines

Two types of wellness programs in terms of philosophy and incentives.

1. Participatory Wellness Programs:
   a. No incentive
   b. Incentive less than $25 or taxable >$25

2. Health Contingent Wellness Programs:
   a. Reasonable expectation to meet goal
   b. Alternative method to meet goal
   c. Notification to all and in an understandable language
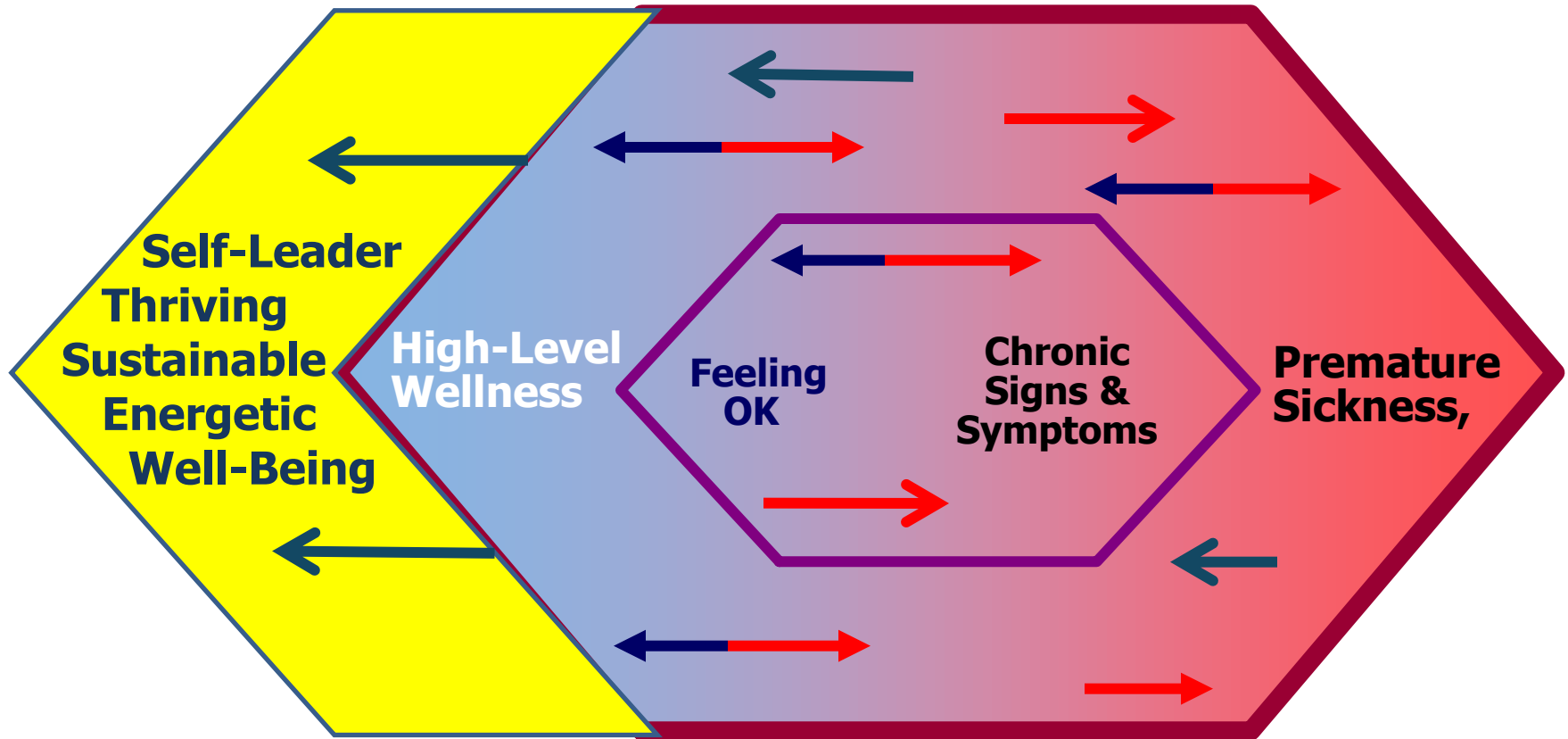
Principles of Self-Leadership

Step #3

Systemic

Create Winners
- **Help people not get worse**
- **Help health people stay healthy**
- **Train in basic concepts of living and Thriving**
- **Provide improvement, wellness and maintenance programs**

"Create winners, one step at a time and the first step is don't get worse'

Lifestyle Scale for Populations: Beyond Zero Trends

Self-Leader Thriving Sustainable Energetic Well-Being

High-Level Wellness

Feeling OK

Chronic Signs & Symptoms

Premature Sickness,

Edington. 1983, Modified 2008, Modified 2012

Incorporate Determinates of Health

Supportive Community

Individual

Thriving Employee

Supportive Family and Friends

Supportive Workplace

Living and Thriving Assessment

Metabolic Health

For the prevention of heart disease and diabetes it is important you know your values for these 5 risks

Know Your Numbers

- Waist Circumference
- Blood Pressure
- HDL
- Triglycerides
- Glucose

# Measuring Perception of Community Support

Survey includes 13 core questions

Topics Covered
1. Social trust
2. Safety & security
3. Elder/child support
4. Health care access and quality
5. Physical activity
6. Pollution
7. Food quality
8. Social/faith group environment
9. Personal responsibility
10. Energy renewal

Extension into the future would be to include measurements of workplace, family, and self-support for healthy life.

Perceived Health-Community Support

Retrospective analysis results indicate that employees living in highly supportive communities perceive better health than those who live in moderately or less supportive communities.

Association of employees (age 19-64) risk of self rated health and community support
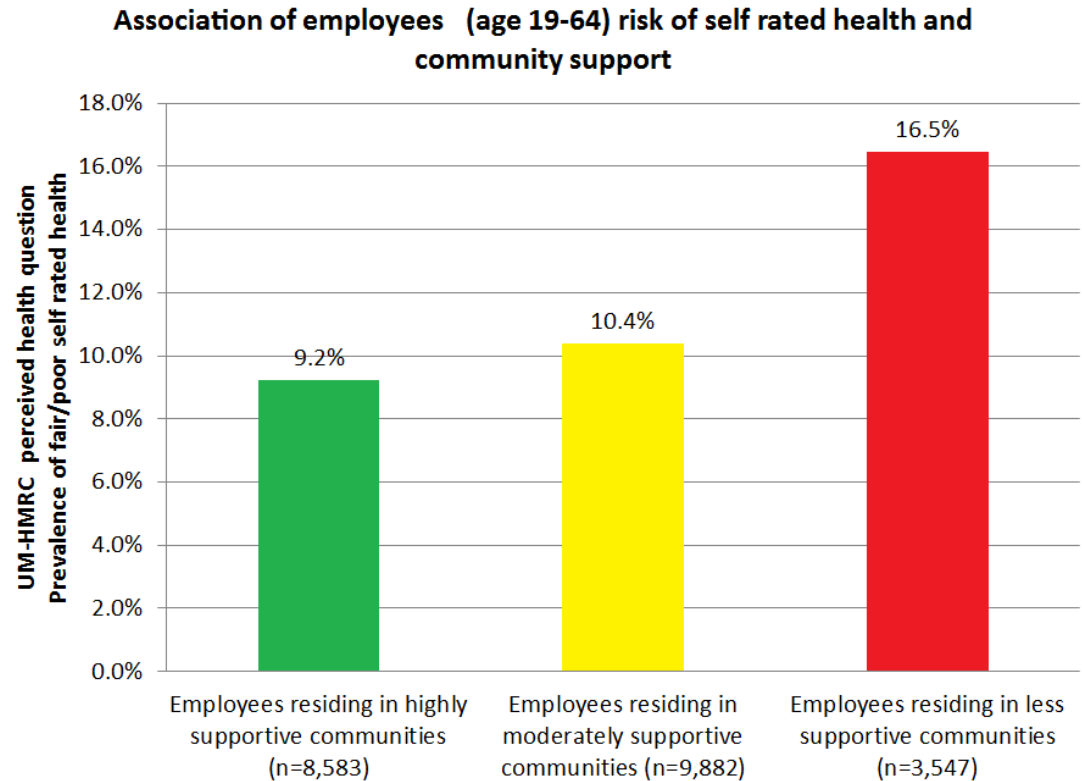
Health Risk and Community Support
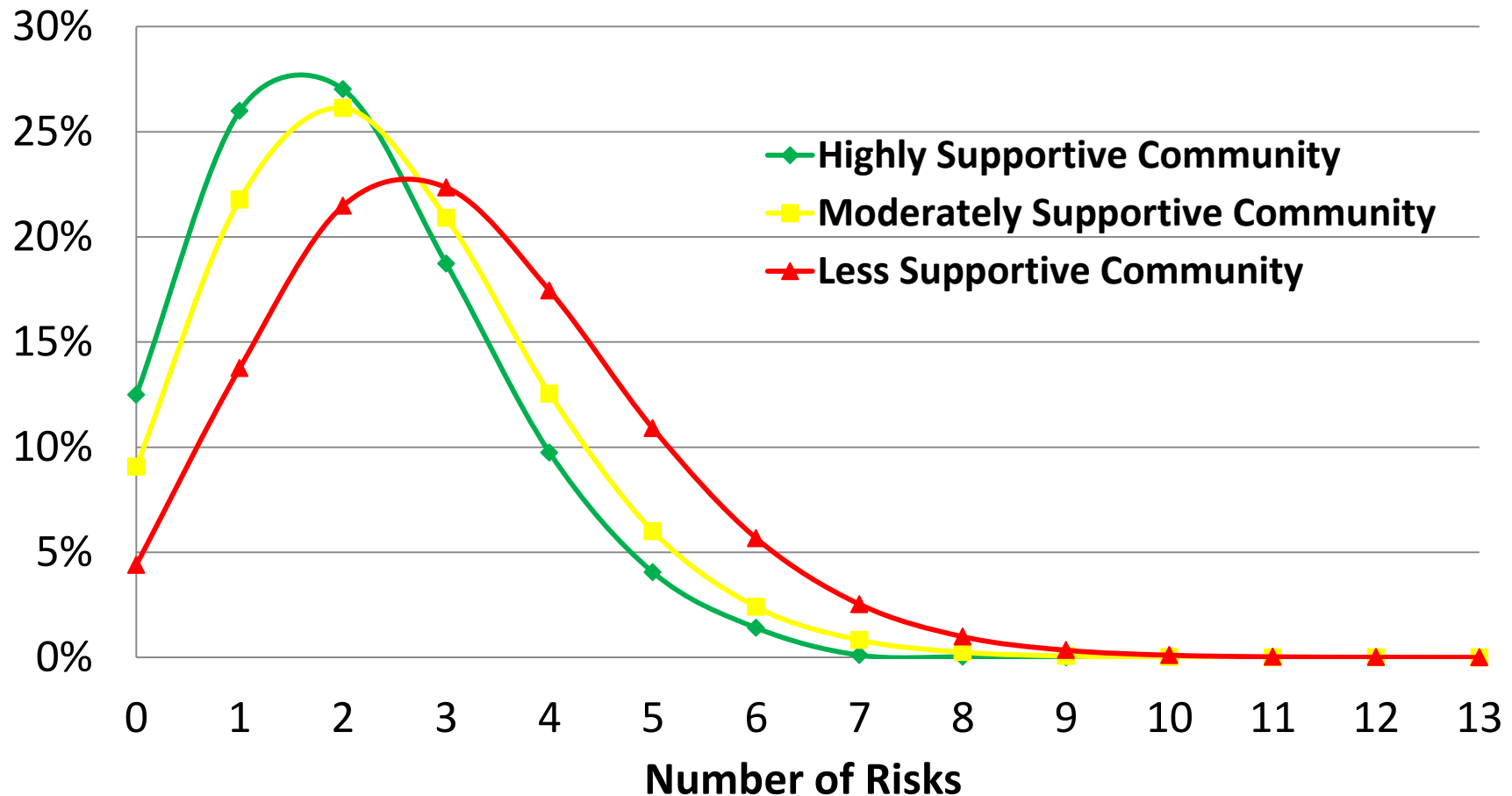
Adjusted for age and gender
N=12,271

What is SELF-LEADERSHIP?

Self-leadership is the process of purposefully…

engaging in change

making thoughtful decisions

having resilience

which builds on strengths and is continuously

learning and growing

in thriving relationships

Vision for Self-Leadership

- **Environment and culture**

Purpose, Values, Mission, Vision

- **Consumerism**
- **Engaged patient role**

Personal Control

Resilience

Optimism

Self-Leadership

Confidence/ Self-efficacy

Self-Esteem

Vitality/Vigor

- **Knowledge**
- **Health Literacy**
- **Negotiation Skills**

Low-Risks and Behaviors

- **Social Support**
  - **Colleagues**
  - **Community**
  - **Family**

Other characteristics: Change, Integrity, Trust, Thrive, Enthusiasm, Ethical, Spiritual, Creative, Flexible,

Fundamental Skills for Self-Leaders

RESILIENCE	SELF LEADERSHIP	CHANGE	DECISION MAKING
Positive Outlook ❖ **Happiness** ❖ **Brain Health**	**Values** ❖ **Purpose** ❖ **Vision**	**Focusing on Strengths** ❖ **Positive Reframing** ❖ **Creating a Plan for Change**	**Emotions & Intuitions** ❖ **Mental Shortcuts and Biases** ❖ **Environment**

User-tested Design Elements

Grace   **Ray**   **April**   **Will**

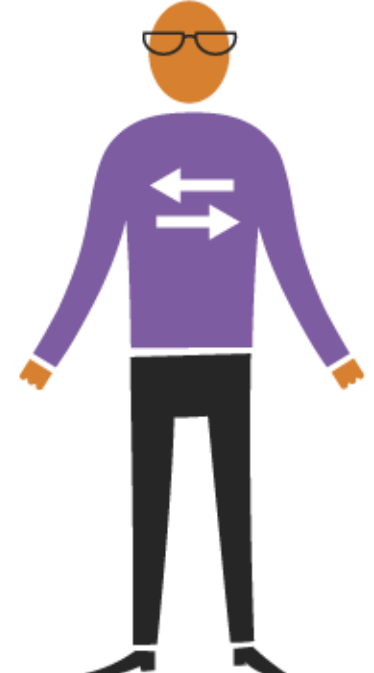RESILIENCE   SELF LEADERSHIP   CHANGE   DECISION MAKING

Surveys and Quizzes

Intro Survey

How would you rate the following?	Strongly Disagree	Disagree	Slightly Disagree	Slightly Agree	Agree	Strongly Agree
I generally have a positive outlook on life.	○	○	○	⦿	○	○
I have so much in life to be thankful for.	○	○	○			
I find ways to express gratitude to others.	○	○	○			
I keep tough problems from getting me down.	○	○	⦿			
I keep up my spirits when I suffer hardships.	○	○	○			
I feel emotionally prepared for when a hard time might hit.	○	○	○	⦿	○	○

Save

Emotions and Intuitions: A quick review

True or False: Our emotions influence what we see, hear, and feel well before we experience a conscious thought.

True   **False**

Interactive Activities---Values

Find your top 5 values

Step 1:

Select 10 values that mean the most to you (or you can write in your own).

| Write a value... | **Add** |

Synergy
Teamwork
Thankfulness
Thoroughness
Thoughtfulness
Tradition
Trust

Step 2:

Now, from your list of 10 values, select up to 5 that are most important to you.

✖ Authenticity
✖ Responsibility
✖ Knowledge
✖ Reliability
✖ Vitality
✖ Teamwork
✖ Spirituality
✖ Respect
✖ Sincerity
✖ Tradition

Step 3:

From this list of up to 5, rank order these by which has the greatest important first.

✖ **Authenticity**   ☰

✖ **Spirituality**   ☰

✖ **Respect**   ☰

✖ **Teamwork**   ☰

✖ **Tradition**   ☰

Save

Principles of Positive Actions

Step #4   **Systemic, Sustainable**

Reinforce the Culture of Health

- Align recognition to the vision

- Reward champions

- Set incentives for healthy choices

- Reinforce at every touch point

"What is rewarded is what is sustained"

Principles of Quality Assurance

Step #5

Sustainable

- **Integrate all data**

- **Evaluate program outcomes**

- **Use a conceptual outcomes framework**

- **Provide feedback on how progress was obtained and steps to get to vision**

- **Feedback on leadership, culture, self-leadership, positive actions, economic outcomes**

"Supports decisions with evidence"

GPS Platform-Organizational Health

Environmental Audit
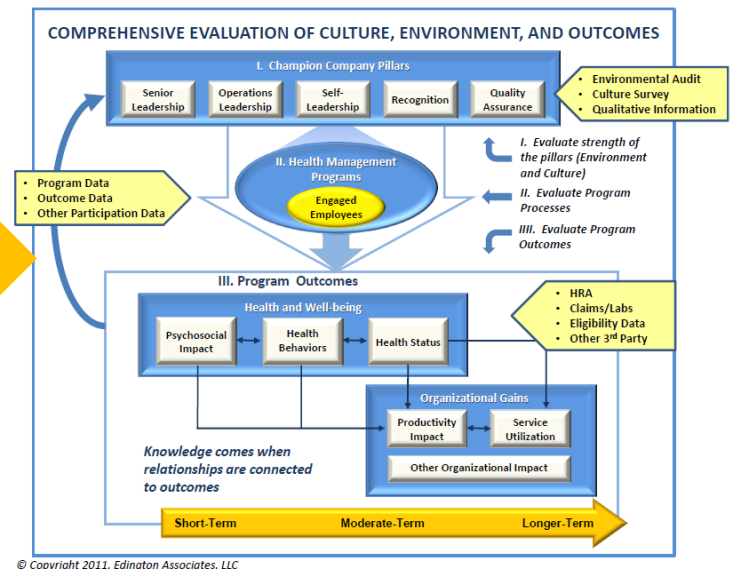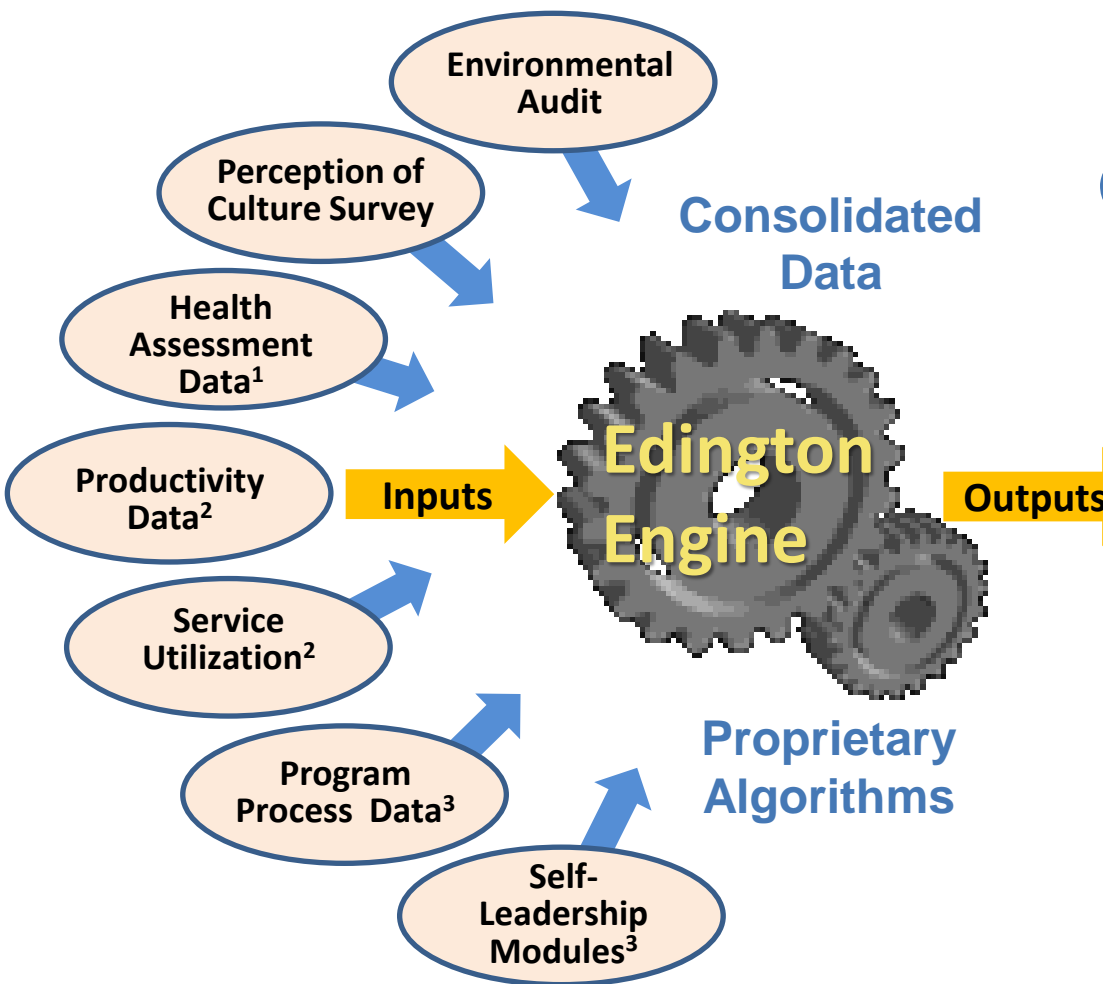
Perception of Culture Survey

Health Assessment Data[1]

Productivity Data[2]

Service Utilization[2]

Program Process Data[3]

Self-Leadership Modules[3]

Inputs

Consolidated Data

Edington Engine

Proprietary Algorithms

Outputs

Comprehensive and Timely Feedback
Guides the Journey

COMPREHENSIVE EVALUATION OF CULTURE, ENVIRONMENT, AND OUTCOMES

I. Champion Company Pillars — Senior Leadership, Operations Leadership, Self-Leadership, Recognition, Quality Assurance

- Environmental Audit
- Culture Survey
- Qualitative Information

II. Health Management Programs — Engaged Employees

- Program Data
- Outcome Data
- Other Participation Data

I. Evaluate strength of the pillars (Environment and Culture)
II. Evaluate Program Processes
III. Evaluate Program Outcomes

III. Program Outcomes

Health and Well-being — Psychosocial Impact, Health Behaviors, Health Status

- HRA
- Claims/Labs
- Eligibility Data
- Other 3rd Party

Organizational Gains — Productivity Impact, Service Utilization, Other Organizational Impact

Knowledge comes when relationships are connected to outcomes

Short-Term — Moderate-Term — Longer-Term

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Outcomes Based on a Comprehensive Evaluation Framework

[1]*Health assessment data can be collected via the Healthy Life Assessment, or HRA data from an external source can be mapped and uploaded.*
[2]*Assessments in CPS collect self-reported information. Data from external sources (i.e., short- and Long-term disability claims, medical and pharmacy claims, etc., can be mapped and uploaded as needed.*
[3]*External data feeds*

How Does the GPS Work?

Thriving Workforce
INTERSTATE 100%

Healthy Workplace
INTERSTATE 100%

Disengagement and Stress
INTERSTATE <50%

GPS for Populations

Back

Provides a clear view of:

- Where you are today (*Gap Analysis*)
- Where you want to go (*Vision, Objectives*)
- How you plan get there (*Strategic Planning*)
- Roadblocks, Detours (*Ongoing Evaluation*)
- Are we on track (*Reports, Dashboards*)
- Are we there yet? (*Success Metrics*)

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Vision for Your Organization

Summary

Which Sustainability Level is for You

Sustainability Rating

Core to the Organization

Comprehensive

Traditional

Do Nothing

		Pillar 1	Pillar 2	Pillar 3	Pillar 4	Pillar 5
3		Strategic Vision from Leaders	Systematic & Thriving Culture	Systemic Engage all in the Culture	Recognize Positive Actions, WorkTeam	Sustained Progress in all areas
2		Speech from Leader	Internal Wellness Program	Screenings & Reduce High-Risks Coaching	Incent High-Risk Reduction	Change in Risks, ROI
1		Inform Leader	Out-source Wellness	Screenings & Reduce High-Risks	Incent High-Risk Reduction	Change in Risks
0		Do Nothing	Do Nothing	Do Nothing	Do Nothing	Do Nothing
		Pillar 1	Pillar 2	Pillar 3	Pillar 4	Pillar 5

Five Pillars

Senior Leadership	Operations Leadership	Self-Leadership	Rewards for Positive Actions	Quality Assurance

Thank you for your attention

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