



**A 360 Approach to
Value-based Design for Employers:**
Incentives, Interventions, and Infrastructure



The Health & Wellness Institute®
health management solutions

outline

- Radar: Pay Attention
- Fundamental Understanding
- 10 Level Setting & Thematic Statements
- What Does “Value-Based Design” Mean?
- What is Wellness?
- Framing the Challenge: The 5 Ws
 - What’s Happening? – Current Conditions
 - So What? – Trends and Consequences (DNA)
 - What Now? – Triage and First Things First
 - What’s Next? – Strategic Intent and Plan
 - What Difference Will/Did it Make? – ROI
- The 5 Critical Components of a Prevention Strategy
- Return to Radar
- Q&A

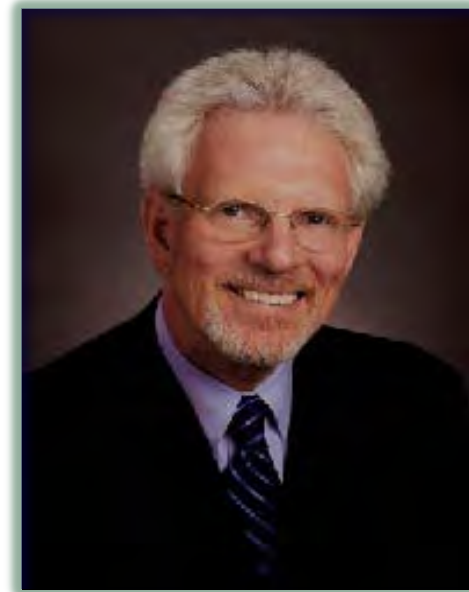


then and now:

A 30+ Year Journey



1978



2009



The Health & Wellness Institute™
health management solutions ute®
health management solutions

then and now:

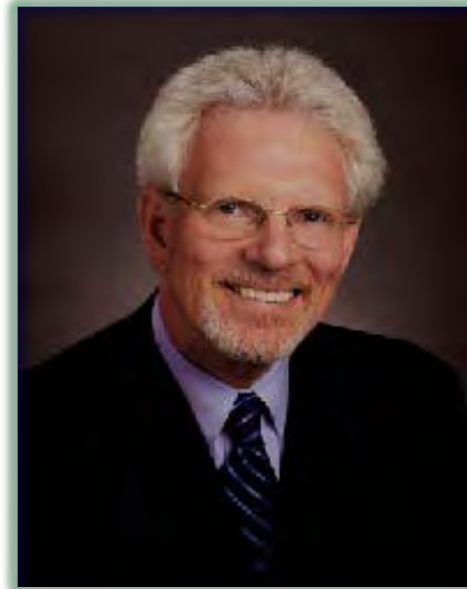
A 30+ Year Journey



1978



1968



2009



The Health & Wellness Institute™
health management solutions ute®
health management solutions

radar & mountains

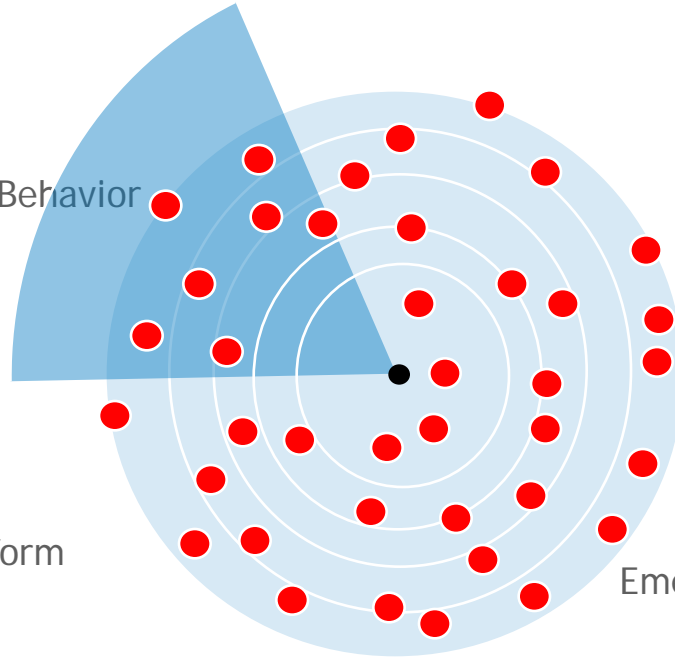


Indian Mountain AFS, AK, 1968



Critical Areas of Concern

- Genomics
- Aging Population
- Access
- Affordability
- Uninsured
- Economic and Health Impact of Behavior
- Universal Healthcare
- Single Payer
- Growth of Chronic Care
- Shared Responsibility
- Personal Accountability
- Specialty Pharmacy
- End of Life Issues
- Legislative Streamlining and Reform
- Culture/Language Barriers
- Transparency
- Medical Report Cards
- Economics & Enforcement of HIPPA
- Orphaned Diseases
- On-Line Rx
- Media Influence (TV/Movies)



- Indigent Population
- Medical Tourism
- Convenient Care
- Technology
- Malpractice
- Paternalism/Entitlement
- Mandated Benefits
- Defensive Medicine
- Immigrant Healthcare
- Health Literacy
- Health Education
- Never Events
- Rx Drug Reform
- Electronic Medical Records
- Emergency Medicine (disaster/pandemic)
- Pay for Performance
- Tele-Medicine
- Shift to the Prevention Side of the Care Continuum
- Medical Divide (regional, global, cultural, ethnic disparity)
- E-Health Information & Misinformation (WEB)
- Tort Reform



10 Level Setting & Thematic Statements

1. Nothing and nobody will lower your healthcare costs.
2. Death is not a curable disease. (It's morbidity, stupid).
3. "Wellness" is an amorphous, dangerous and distracting term.
4. The issues of concern are health promotion, disease PREVENTION, compressed morbidity, increased productivity and medical cost control.
5. Ultimately, organizations measure success by mission and margin. Individuals (employees) measure success in terms of SUBJECTIVE well- being.



10 Level Setting & Thematic Statements

6. There is no political will to change healthcare:
The question is not HOW do we improve health?
The question is WHY don't we care?
One answer is science, the other is art.
7. If "greed" is good ... "sickness" is better.
8. Pogo was right...
9. Healthcare spend & focus needs to shift from disease management (survival) to primary prevention (thrival).
10. It is arrogant and presumptuous to suggest that a list has independent value.



fundamental understanding

Change is a linear and sequential process.



intellectual
emotional
visceral
cellular



what is a value-based plan design?



what is a value-based plan design?

A value-based plan design blends employer-sponsored services and requirements within a **reward and/or compliance system** that leads to increased employee engagement and improvements in health and health-related costs.

- The Health & Wellness Institute



what is wellness?



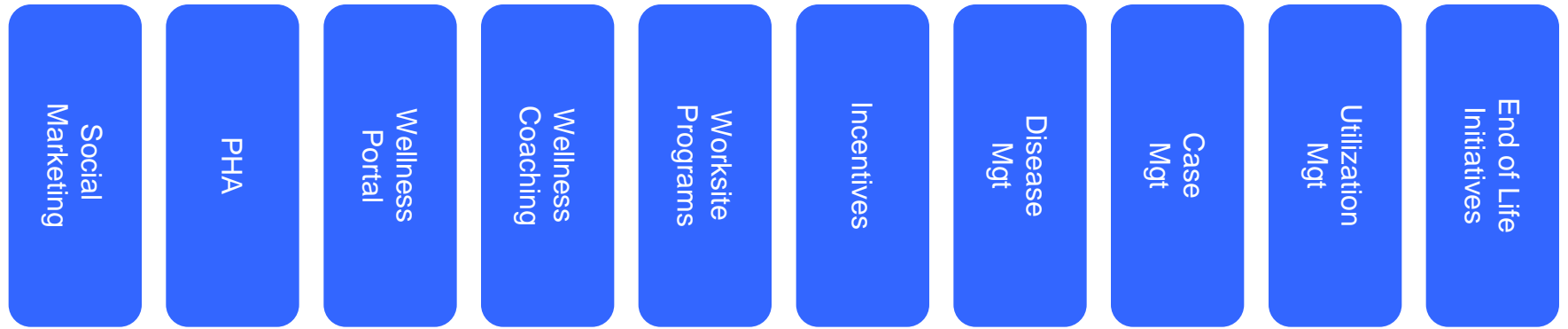
what is wellness?

“Wellness is a dynamic objective and subjective progression toward a state of complete physical, intellectual, emotional, spiritual and social well-being and not merely the absence of disease or infirmity. Incremental improvements can occur from pre-conception up to and including a person’s last breath.”

- The Health & Wellness Institute



wellness continuum



prevention...early detection...early intervention...medical intervention...medical management...end of life initiatives



Cost Avoidance

Cost Containment



the five Ws: change in context



the five Ws: change in context

framing the challenge: the 5 Ws:

- what's Happening? – current Conditions
- so what? – trends and consequences (DNA)
- what now? – triage and first things first
- what's next? – strategic intent and plan
- what difference will/did it make? – ROI



the five Ws: change in context

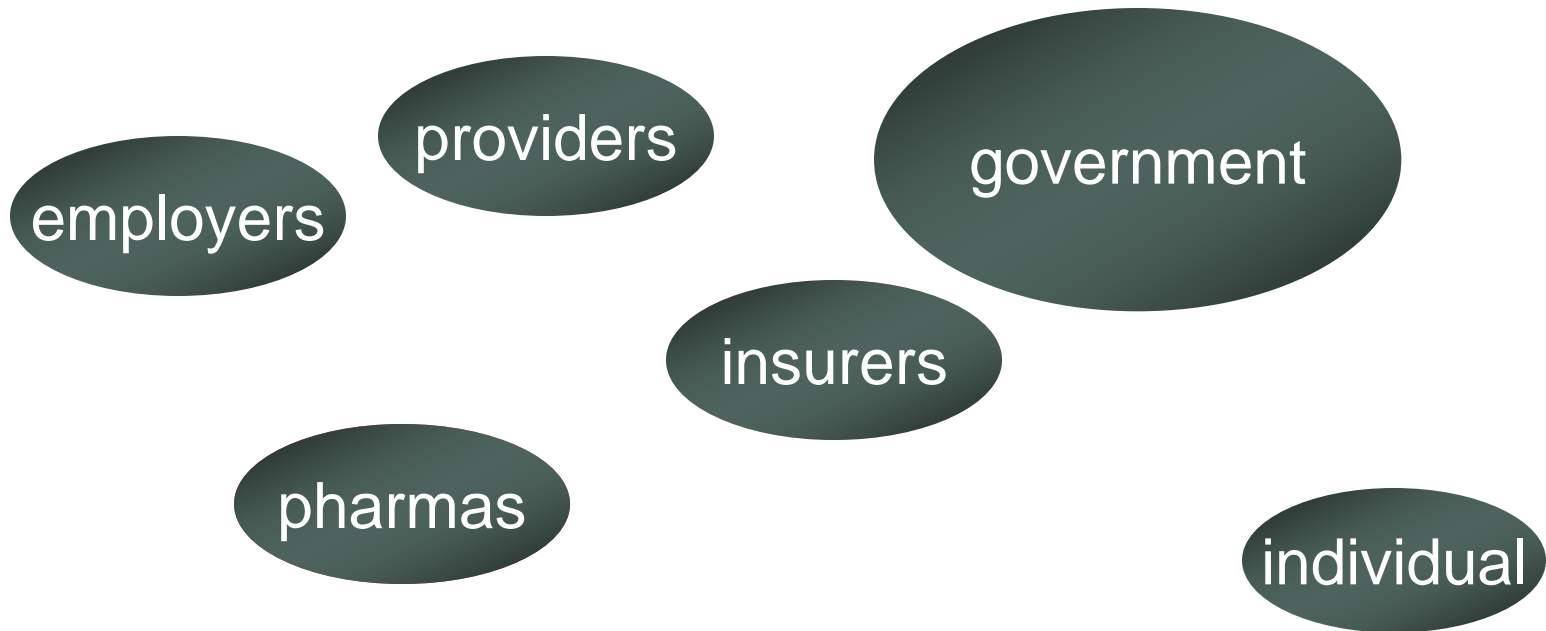
framing the challenge: the 5 Ws:

- what's Happening? – current Conditions
- so what? – trends and consequences (DNA)
- what now? – triage and first things first
- what's next? – strategic intent and plan
- what difference will/did it make? – ROI

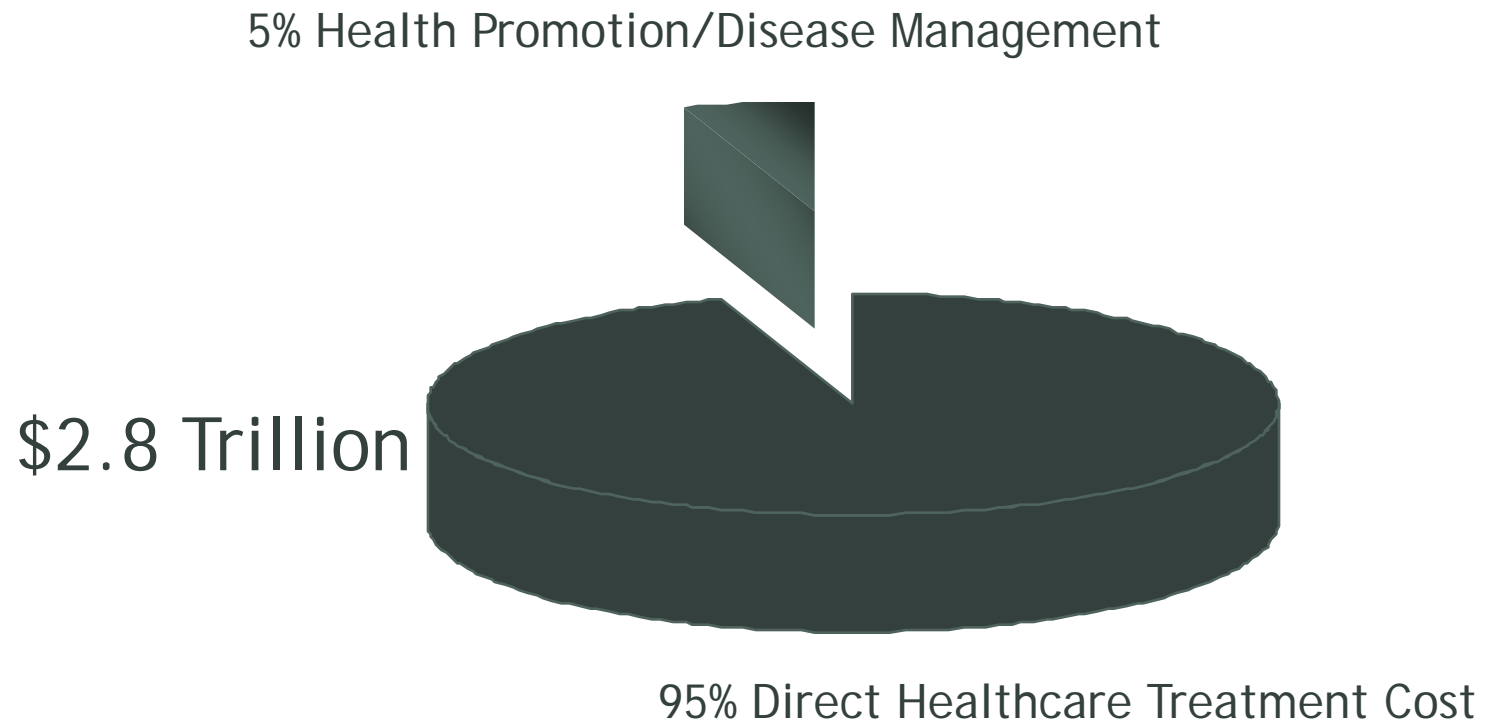


what's happening?

mad as hell!

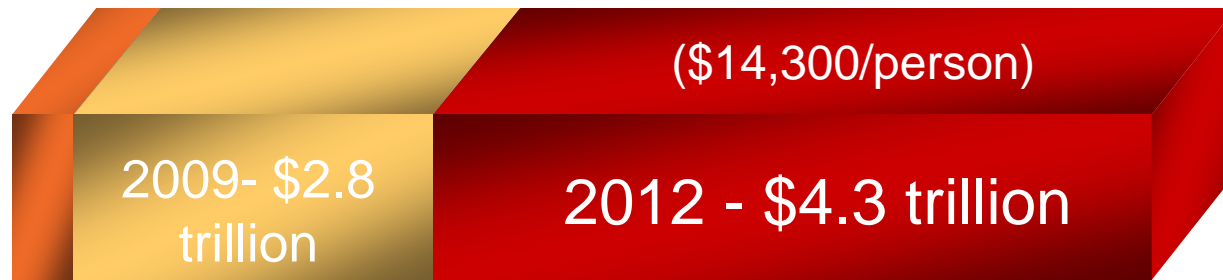


what's happening?



what's happening?

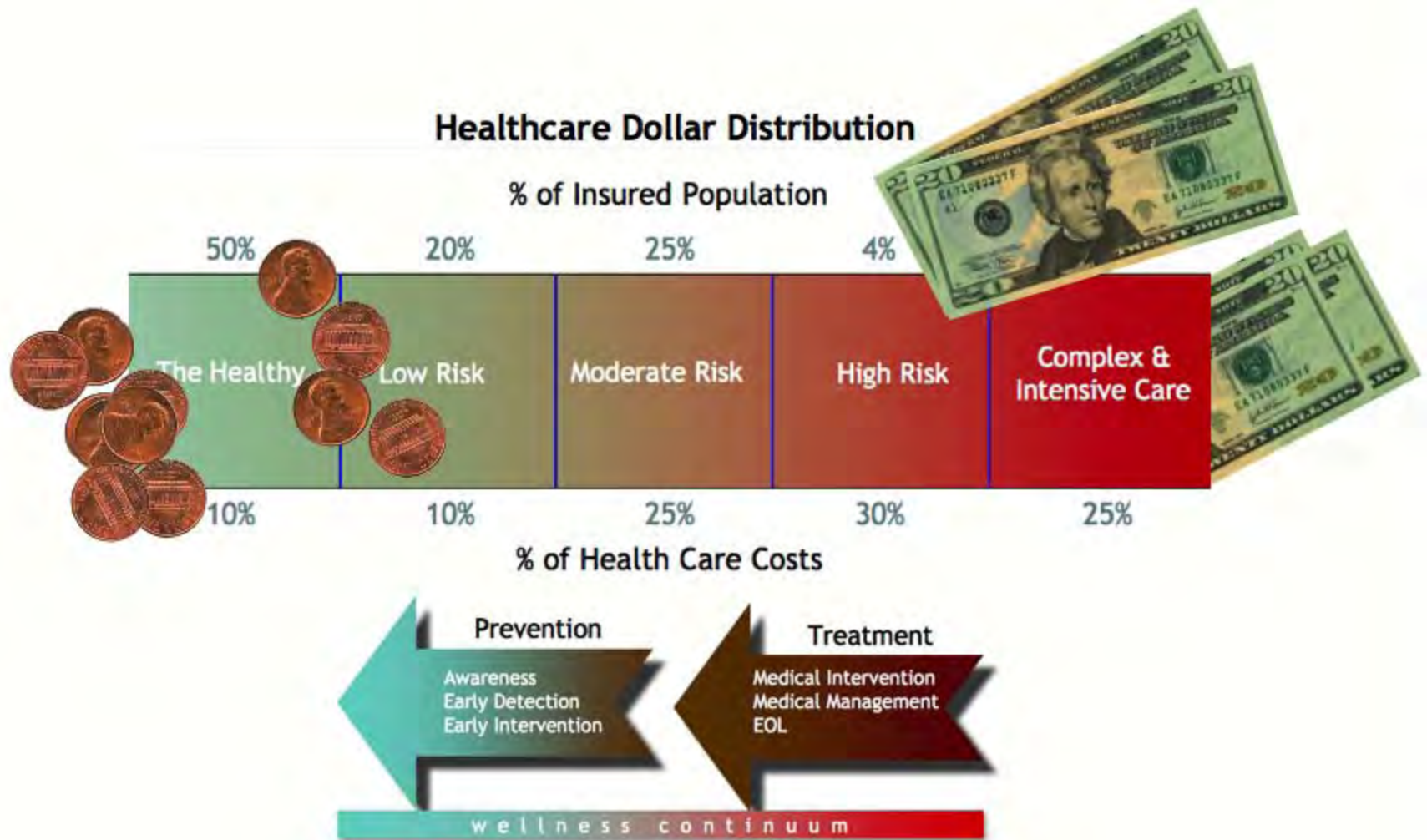
1980 - \$245 billion



gross spending will **double** over the next 7 years



what's happening?



the five Ws: change in context

framing the challenge: the 5 Ws:

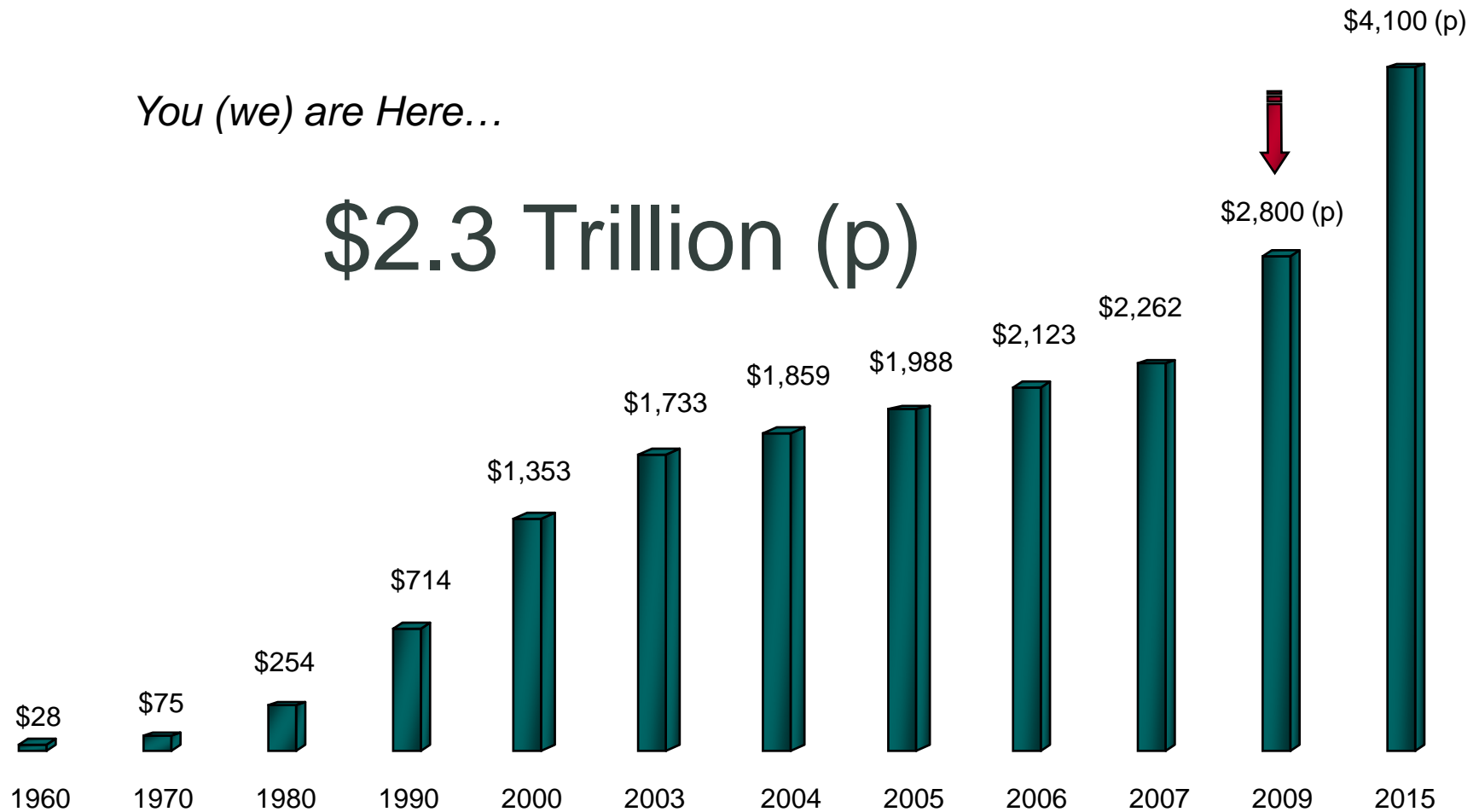
- what's Happening? – current Conditions
- so what? – trends and consequences (DNA)
- what now? – triage and first things first
- what's next? – strategic intent and plan
- what difference will/did it make? – ROI



so what? – trends & consequences

You (we) are Here...

\$2.3 Trillion (p)



Source: CMS, Office of the Actuary



The Health & Wellness Institute®
health management solutions

so what? – trends & consequences

by the numbers...

annually employers spend

- \$136 per employee for stress
- \$70 per employee for weight issues
- \$44 per employee for tobacco use
- \$29 per employee for glucose problems

ron goetzel, phd., medstat



the five Ws: change in context

framing the challenge: the 5 Ws:

- what's Happening? – current Conditions
- so what? – trends and consequences (DNA)
- what now? – triage and first things first
- what's next? – strategic intent and plan
- what difference will/did it make? – ROI



what now – triage & first things first

Reality:

We Need to Shift from Sickcare to Wellcare
...From Sickness to Wellness



five critical components of a prevention strategy



five critical components of a prevention strategy

1. Organize population by risk level
2. Conduct corporate health audit
 - Senior management & employee attitudes
 - Policies and benefits
 - Communications systems
 - Environment
3. Adjust corporate culture
4. Implement program of awareness, education, and intervention to keep low-risk low and move high-risk to low-risk
5. Evaluate, update, and maintain



what now? – triage & first things first

why healthcare costs are rising...

- unhealthy lifestyle
- rise in treated disease prevalence
- marcus welby is dying
- changes in clinical thresholds for treatment
- environmental roadblocks
- innovations in treatment
- medical error & adm. redundancy
- politics and sacred Cows
- growing under and uninsured Population

“Rising disease prevalence and new medical treatments account for nearly two-thirds of the rise in spending. To be effective, reforms should focus on health promotion, public health interventions, and the cost-effective use of medical care.”

- Ken Thorpe, Robert Wood Johnson Professor and Chair, Health Policy & Mgt, Emory University



The Health & Wellness Institute®
health management solutions

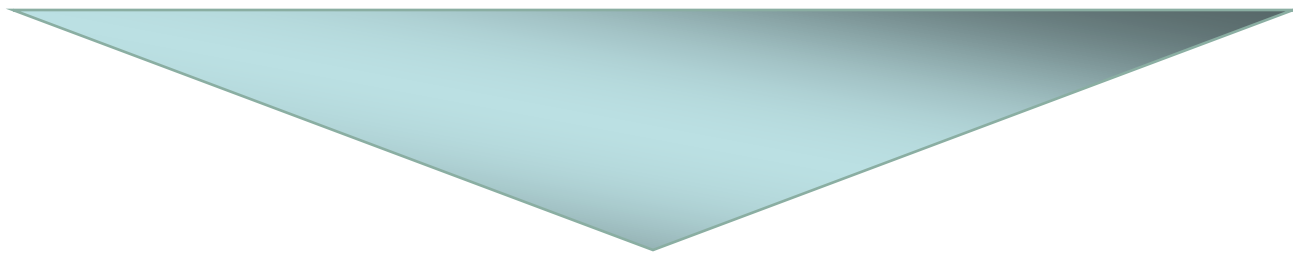
what now? – triage & first things first

evolution or revolution?



what now? – triage & first things first

evolution or revolution?



transformation



what now? – triage & first things first

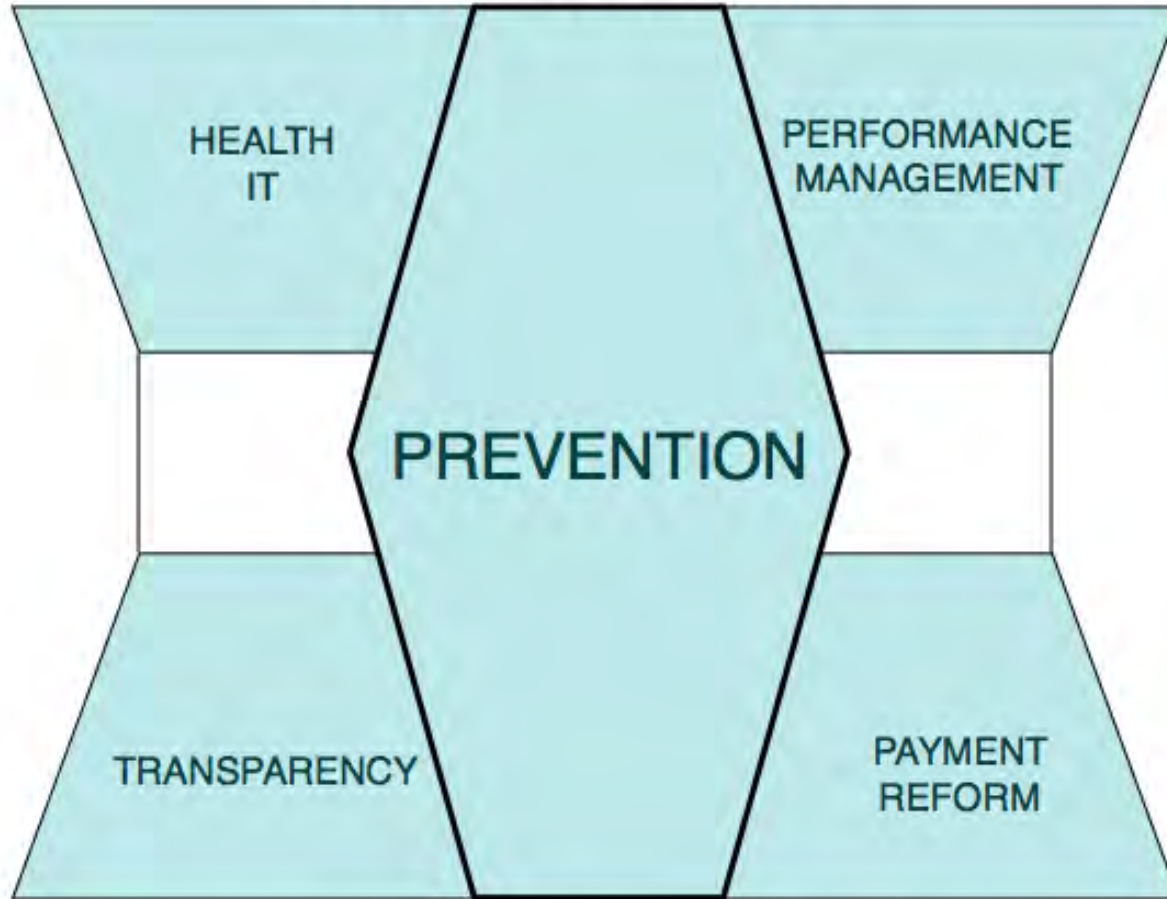
transformation

four cornerstones &
the keystone



what now? – triage & first things first

healthcare TRANSFORMATION



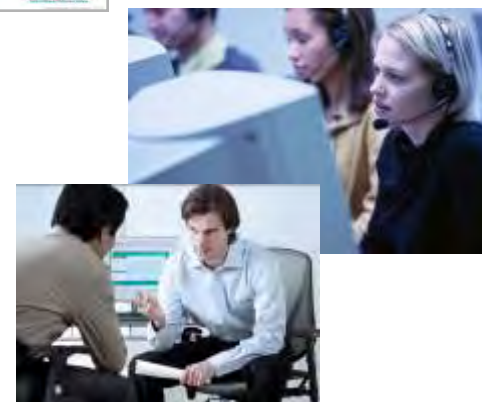
The Keystone

action access affordability accountability



The Health & Wellness Institute®
health management solutions

what now? – 360° wellness solution



consulting

community

worksite

online

telephonic

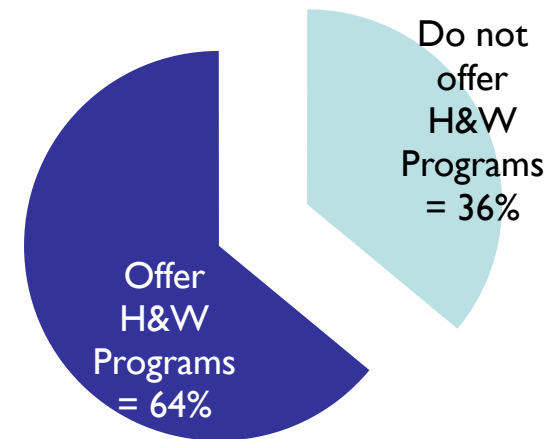
video



The Health & Wellness Institute®
health management solutions

what now? – program prevalence

Programs	2008	2009
Smoking Cessation	61%	53%
Safety Programs	62%	49%
Weight Management	52%	47%
Physical Activity	52%	28%
Stress Reduction	34%	30%



2009 data

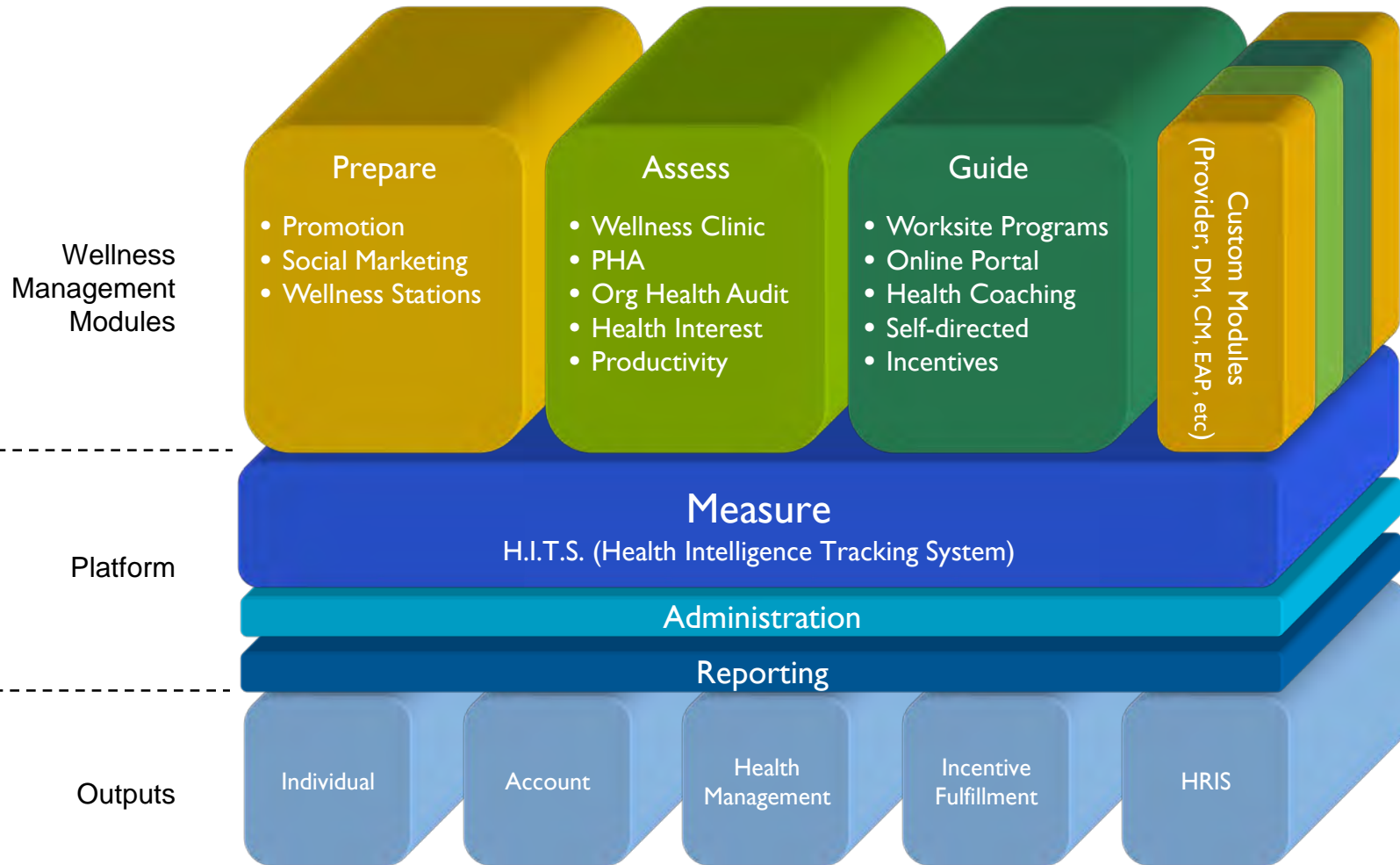
In 2008, 77% offered H&W programs

Health2Resources 2008-2009 Survey of NAM-ERIC Employers with 1+ health and wellness programs.
2008 N=179; 2009 N= 365.



The Health & Wellness Institute®
health management solutions

what now? – T.H.E. platform



T.H.E. = Total Health Engagement



the five Ws: change in context

framing the challenge: the 5 Ws:

- what's Happening? – current Conditions
- so what? – trends and consequences (DNA)
- what now? – triage and first things first
- what's next? – strategic intent and plan
- what difference will/did it make? – ROI



what's next? – strategic intent/plan

long-term national formula for success...

1. mandatory school environment standards
2. universal access to health care and sickness care
3. wellness-friendly city planning
4. evidenced-based assessments, awareness, education and intervention initiatives for K-12
5. redesign the primary care experience



what's next? – strategic intent/plan

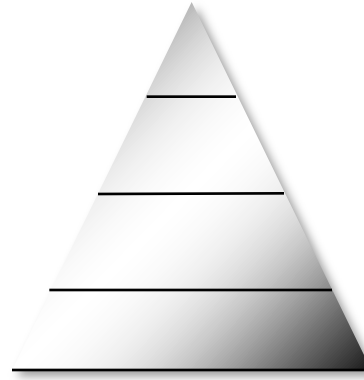
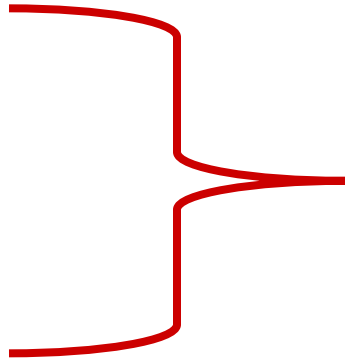
long-term national formula for success...

6. federally financed incentives for workplace health promotion programs
7. clinical effectiveness and technology assessments
8. outcome-based treatment incentives
9. financially driven personal accountability
10. compassionate and responsible end-of-life initiatives



from: industrial age medicine

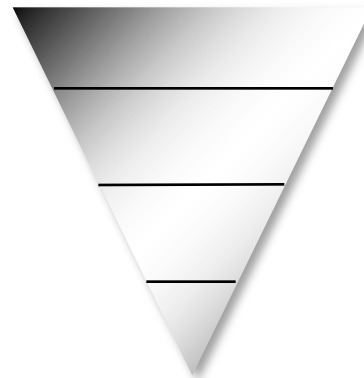
reactive
accusatory
paternalistic



tertiary
secondary
primary
personal responsibility

to: information age healthcare

proactive
personal accountability
self responsibility



personal responsibility
professionals as facilitators
professionals as partners
professionals as authorities



what now? – Use of HRAs & Incentives

Chart 5. *The HRA is the entry point into health and chronic disease programs*

Health Risk Assessment Tool

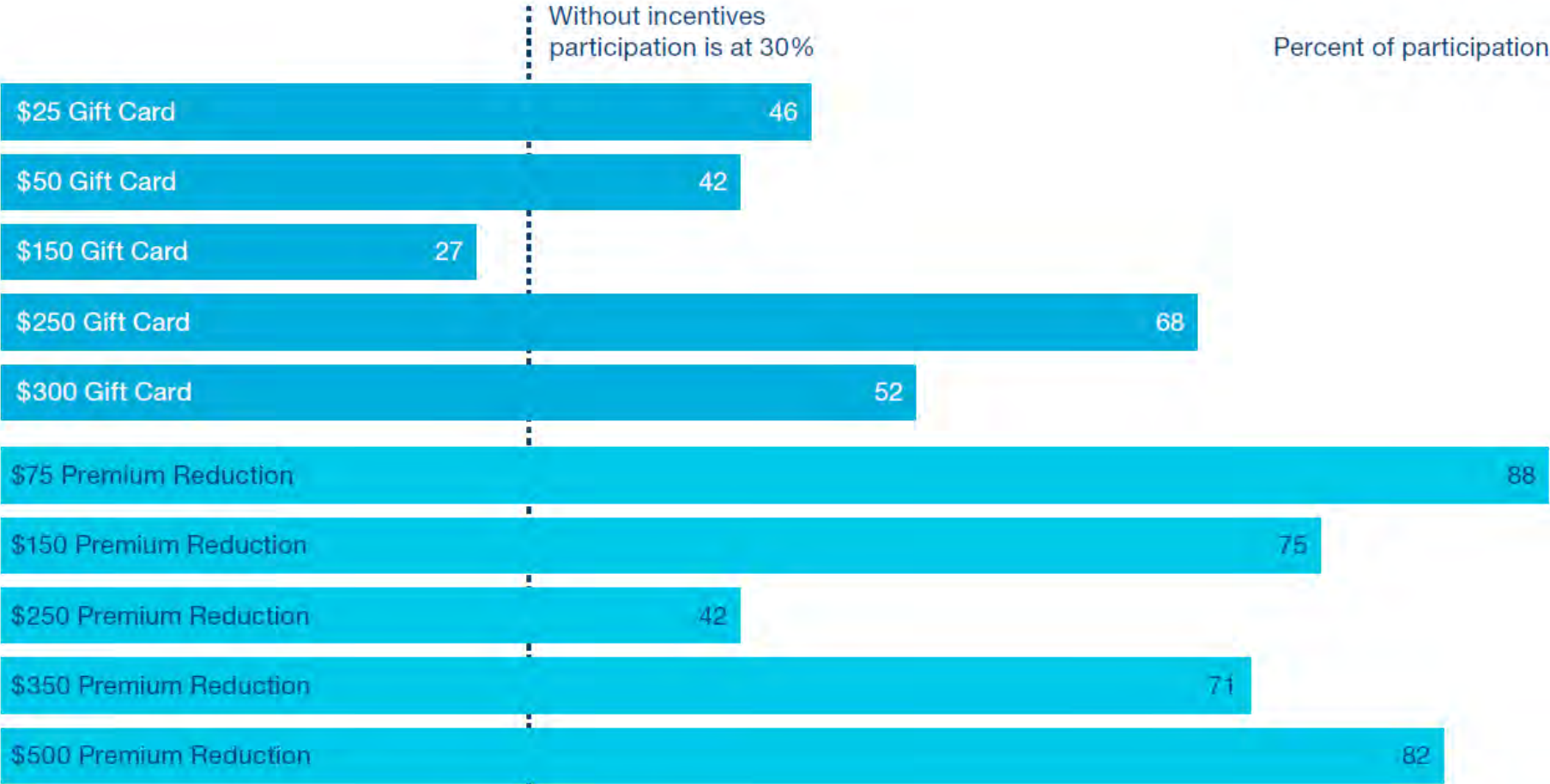


Source: Health2 Resources 2009 survey of NAM-ERIC employers. (N =225)



what now? – incentives

Figure 8: Percent of employees who participate in biometric screening by type of incentive offered

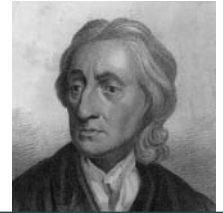


Source: PricewaterhouseCoopers' Health and Wellness Touchstone

the health care social contract



responsibilities



Society

(Government, Medical Providers/Employers)

- Awareness
- Education
- Access
- Supportive Infrastructure
- Evidence-Based Medicine & Prevention Support

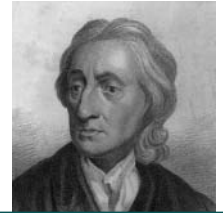
Individual

- Healthy Choices
- Self-Observation/Care
- Evidenced-Based Screenings (Age/Gender)
- Timely & Appropriate Attention
- Medical Compliance



the health care social contract

penalties



Society

(Government, Medical Providers/Employers)

Individual

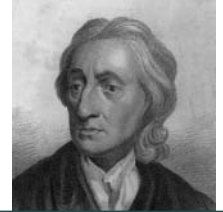
- Removal from Public Office (Government)
- Fines (Employer)
- Reduced Reimbursements (Medical Providers)

- Increased Financial Obligation
- Compressed Quality of Life/Expanded Morbidity
- Potential Criminal Charges (Re: Care of Minors)



the health care social contract

rewards



Society

(Government, Medical Providers/Employers)

Individual

- Re-Election (Government)
- Tax Credits and Favorable Insurance Rates (Employer)
- Higher Reimbursements (Medical Providers)

- Favorable Insurance and Co-Pay Rates
- Expanded Quality of Life & Compressed Morbidity
- Happier & Healthier Dependents



the five Ws: change in context

framing the challenge: the 5 Ws:

- what's Happening? – current Conditions
- so what? – trends and consequences (DNA)
- what now? – triage and first things first
- what's next? – strategic intent and plan
- what difference will/did it make? – ROI



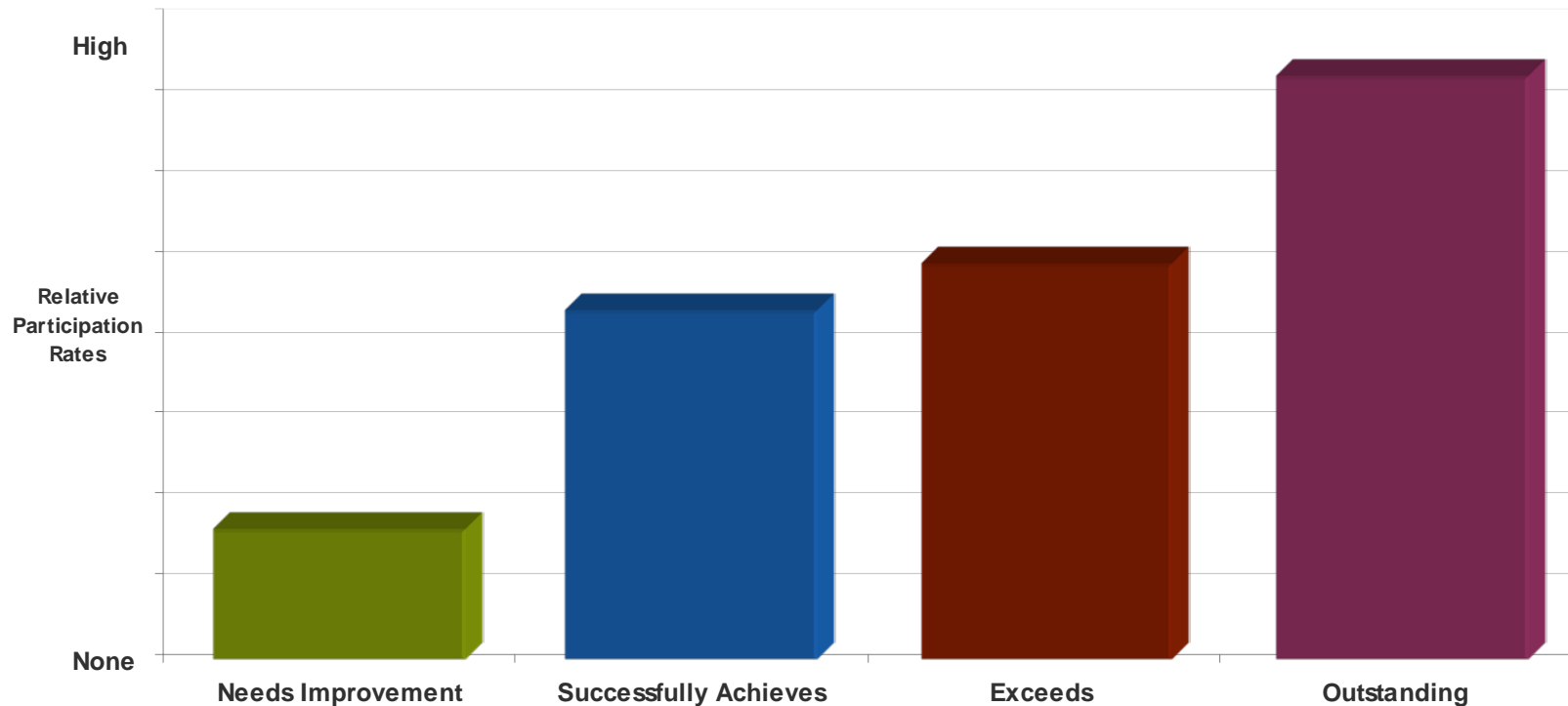
ROI redefined

- Affordability
- Productivity
- Acquisition / Retention
- Absenteeism / Presenteeism
- Employee Quality of Life



Health Risks and Productivity Study

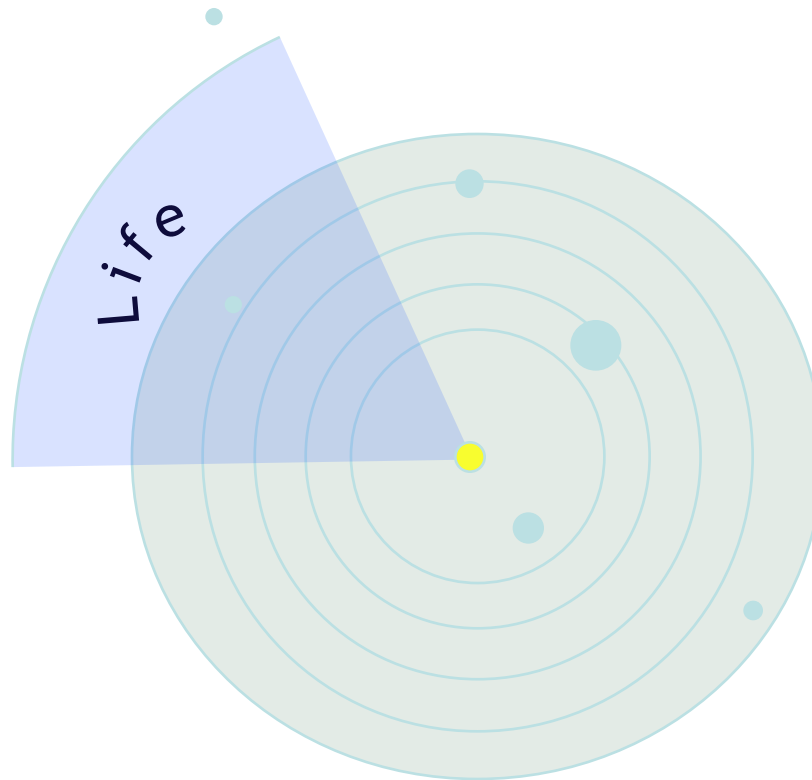
Positive Correlation Between Job Performance and Worksite Health & Wellness Participation Rates



BCBSRI found that its highest performing employees as measured by the BCBSRI employee performance evaluation methodology were also the most engaged in worksite health & wellness activities.



Remember: Keep Your Radar Turned On!



thank you

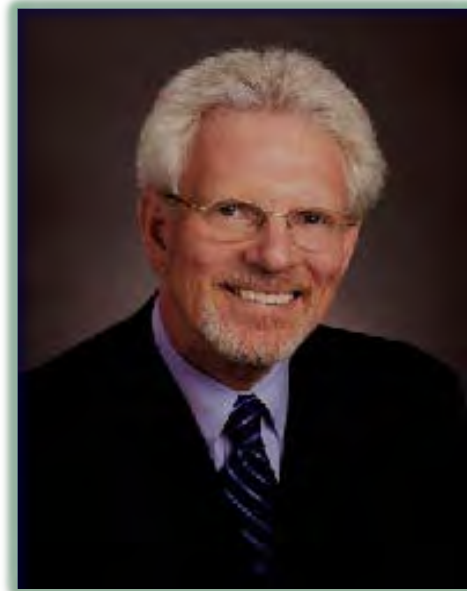
a 40+ year journey



1978



1968



2009



The Health & Wellness Institute™
health management solutions ute®
health management solutions

thank you

Michael H. Samuelson

President & CEO, The Health & Wellness Institute

Senior Vice President, Blue Cross & Blue Shield of Rhode Island

Tel: 401.228.1400

michael.samuelson@hwainstitute.com

www.hwainstitute.com



The Health & Wellness Institute®
health management solutions