



New Trends in Wellness: Moving into the 21st Century

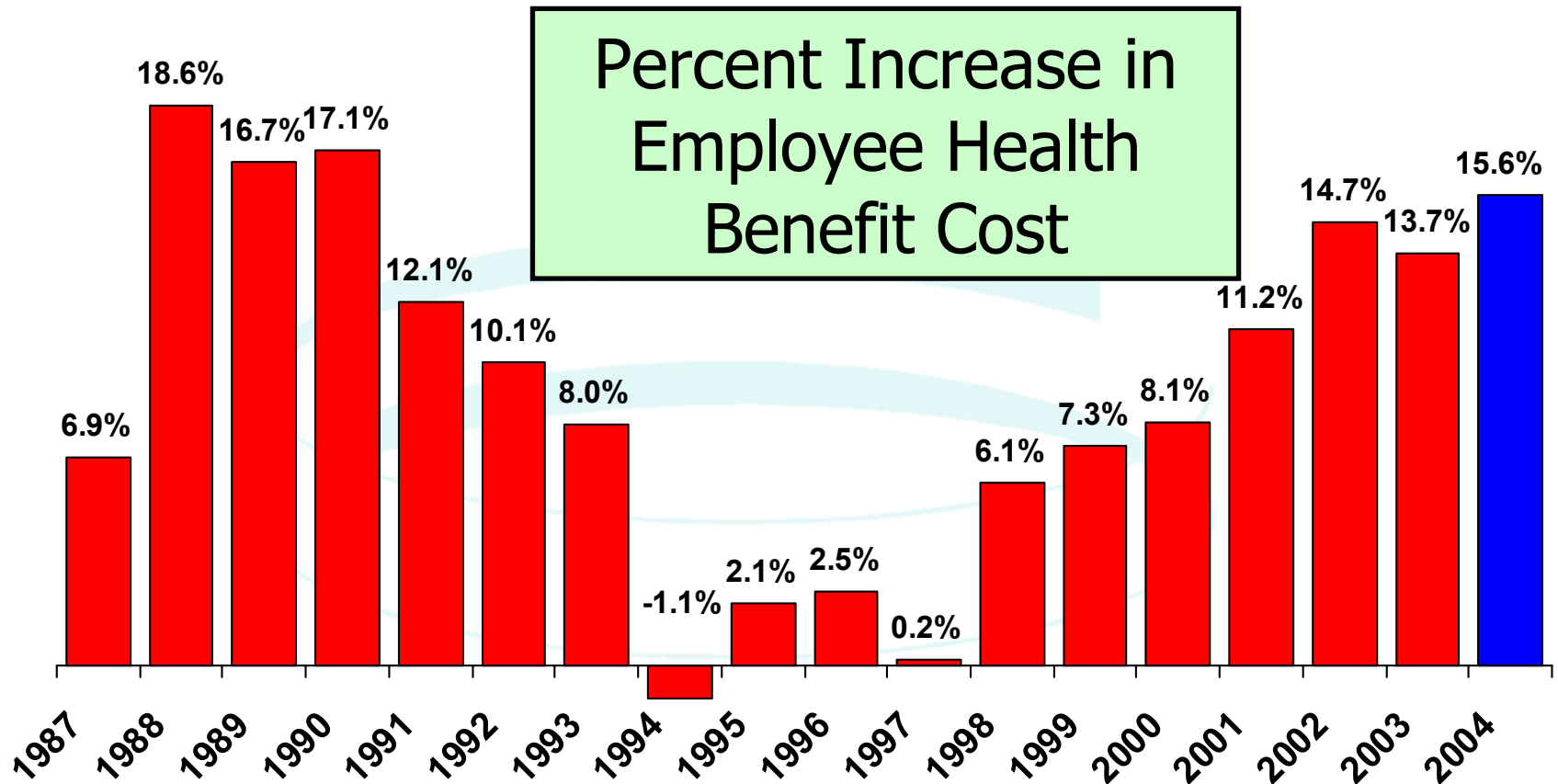
by
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Agenda

- ◆ **Where are we on costs?**
- ◆ **Where have we been on wellness?**
- ◆ **Emerging trends**
 - ◆ HRA-driven programming
 - ◆ Population health management (PHM) model
 - ◆ “Virtual” health improvement methods
 - ◆ Significant incentives
 - ◆ Health and Productivity Management (HPM)
 - ◆ CDHPs and Health Savings Accounts
 - ◆ Improved integration
- ◆ **Economic evidence**
- ◆ **One option to consider**



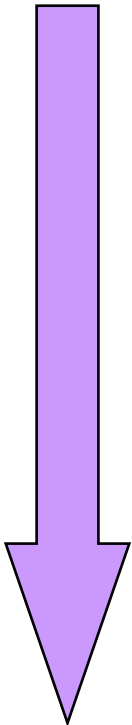
National Employer Cost Trends



Source: Mercer & Company Annual
Employer Benefit Survey

Major Options for Employers to Slow Health Plan Cost Growth Rate

Older



Newer

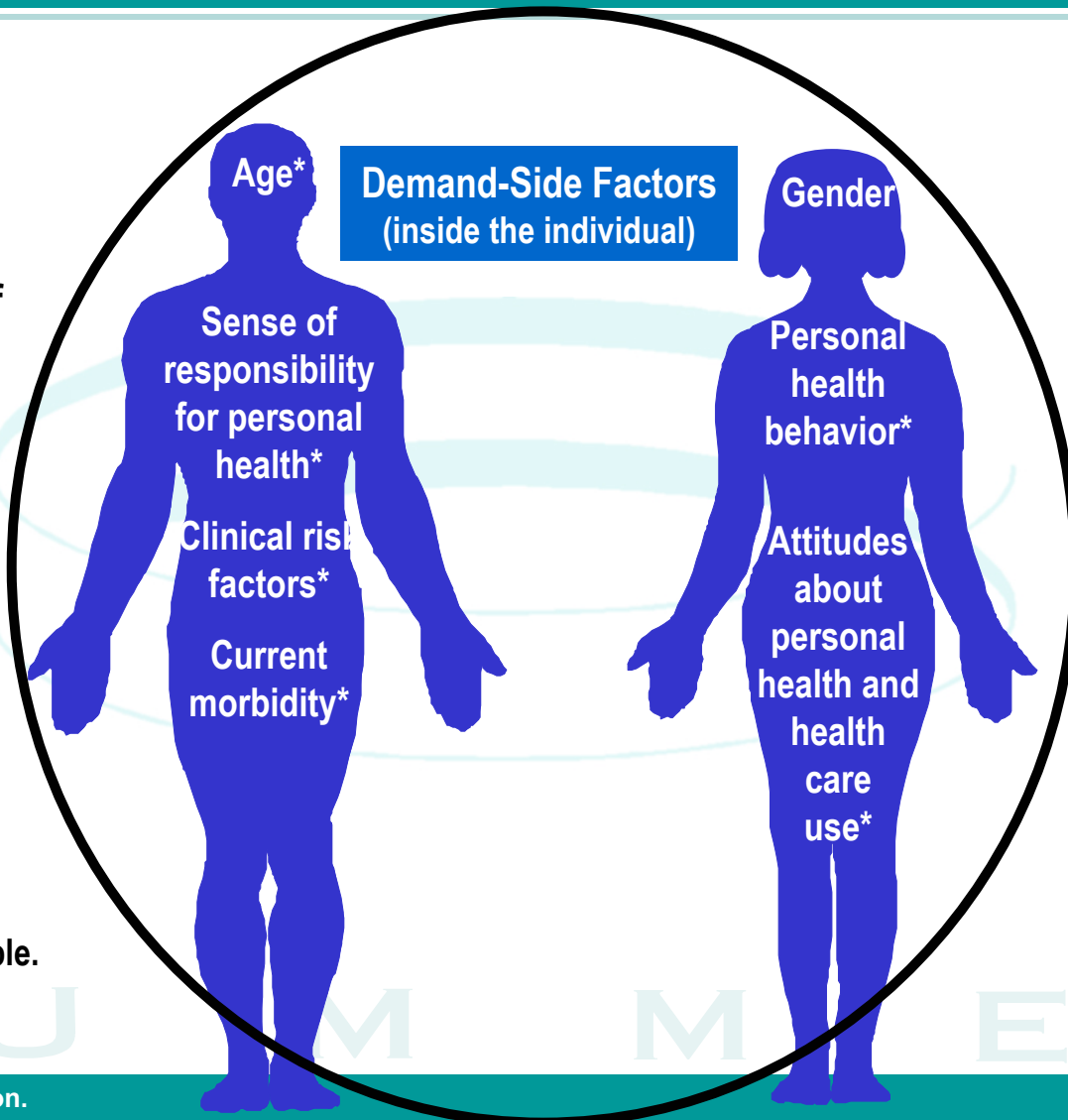
- #1 Reduce benefit eligibility**
- #2 Reduce benefit coverage**
- #3 Reduce provider choice**
- #4 Increase point of use cost sharing**
- #5 Shift cost to employees through contributions**
- #6 Shift cost to employees through full flex**
- #7 Move to consumer-driven health plans**
- #8 Reduce the need and demand for health care**
- #9 Eliminate your health benefit program**

S U M M E X

Must Affect Utilization and Cost Drivers

Supply-Side Factors (outside the individual)

- Extent and scope of insurance coverage*
- Point-of-use cost sharing*
- Geographic access to services



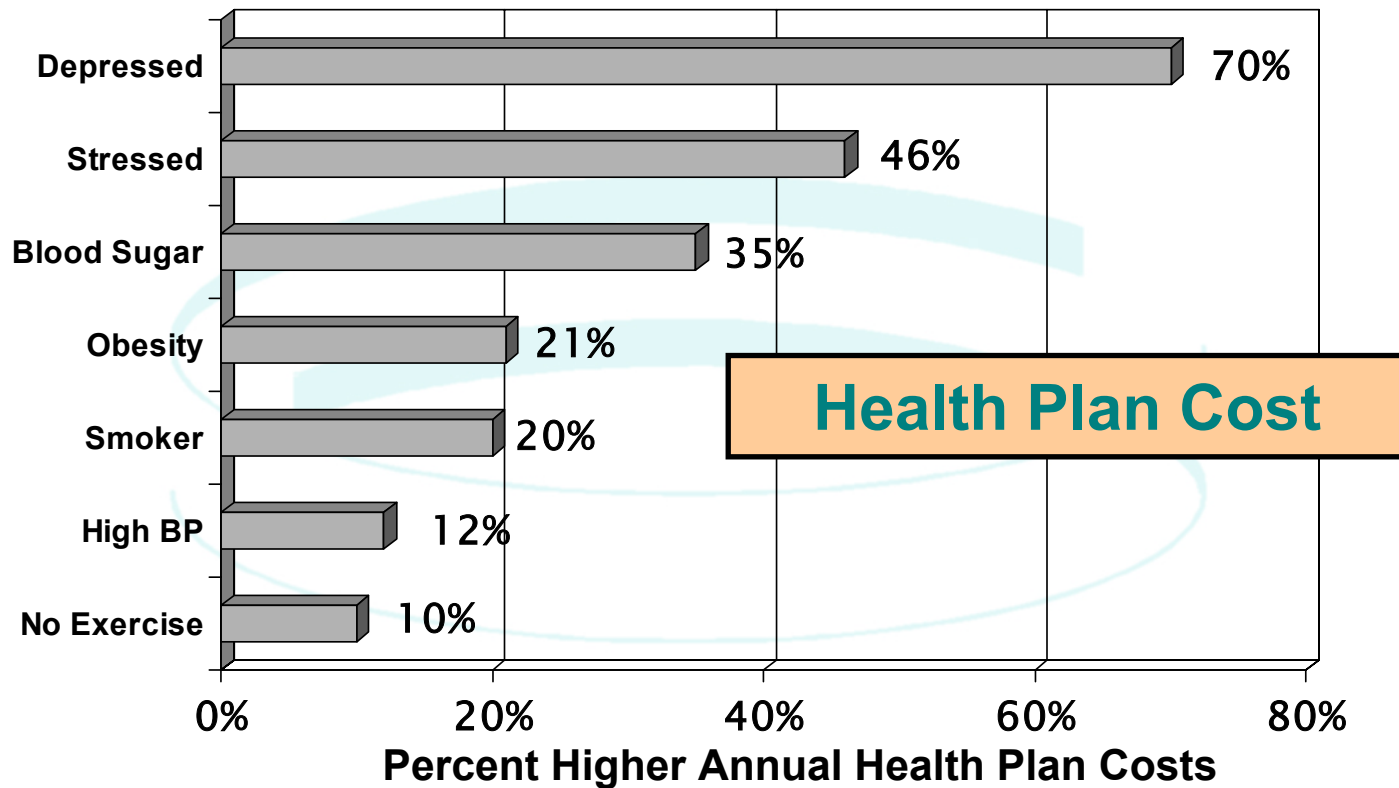
Demand-Side Factors (inside the individual)

Supply-Side Factors (outside the individual)

- Regional or local practice patterns
- Provider incentives affecting diagnosis and treatment decisions*

* =Potentially modifiable.

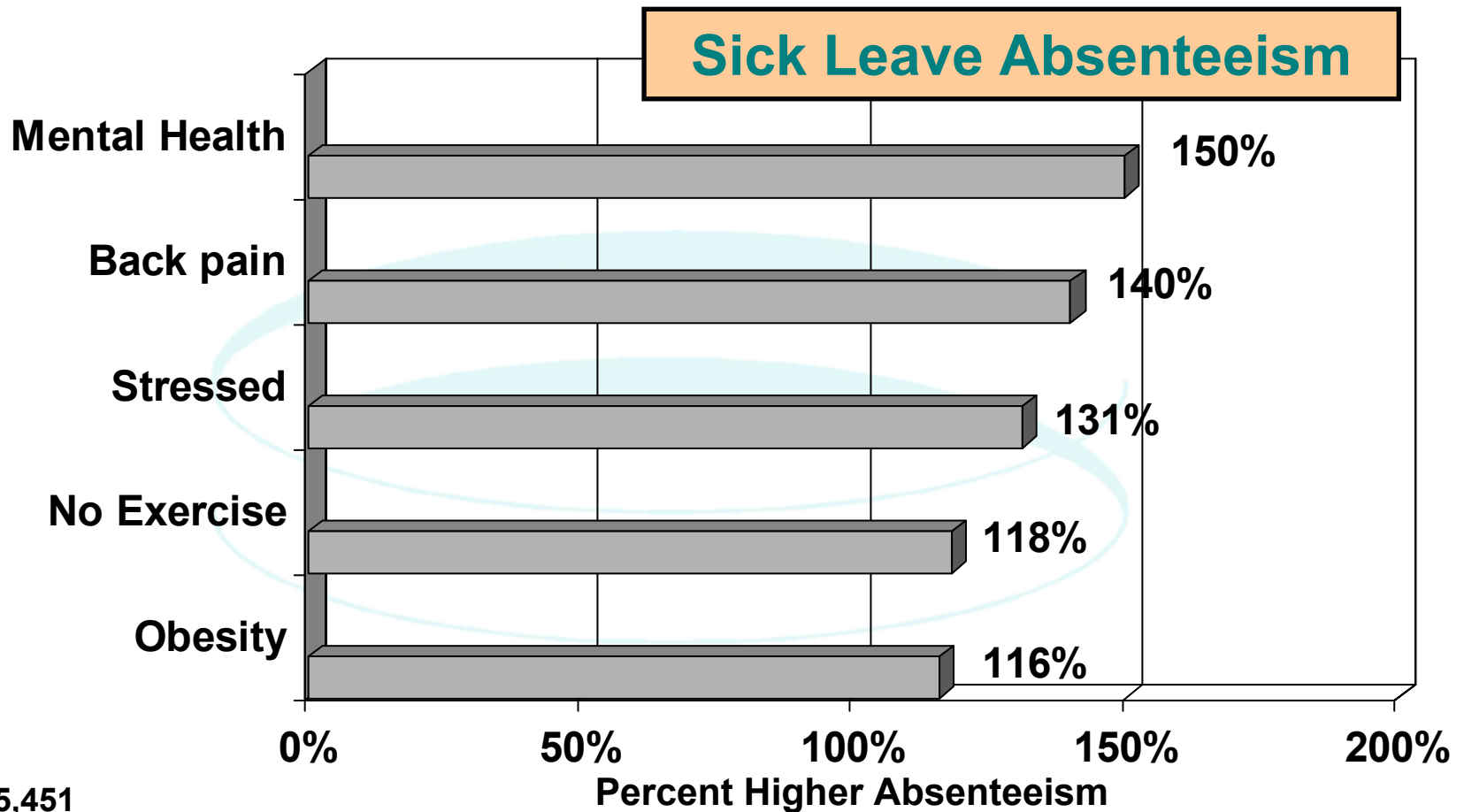
Effect of Single Risk Factors



N = 46,000+X 3 years

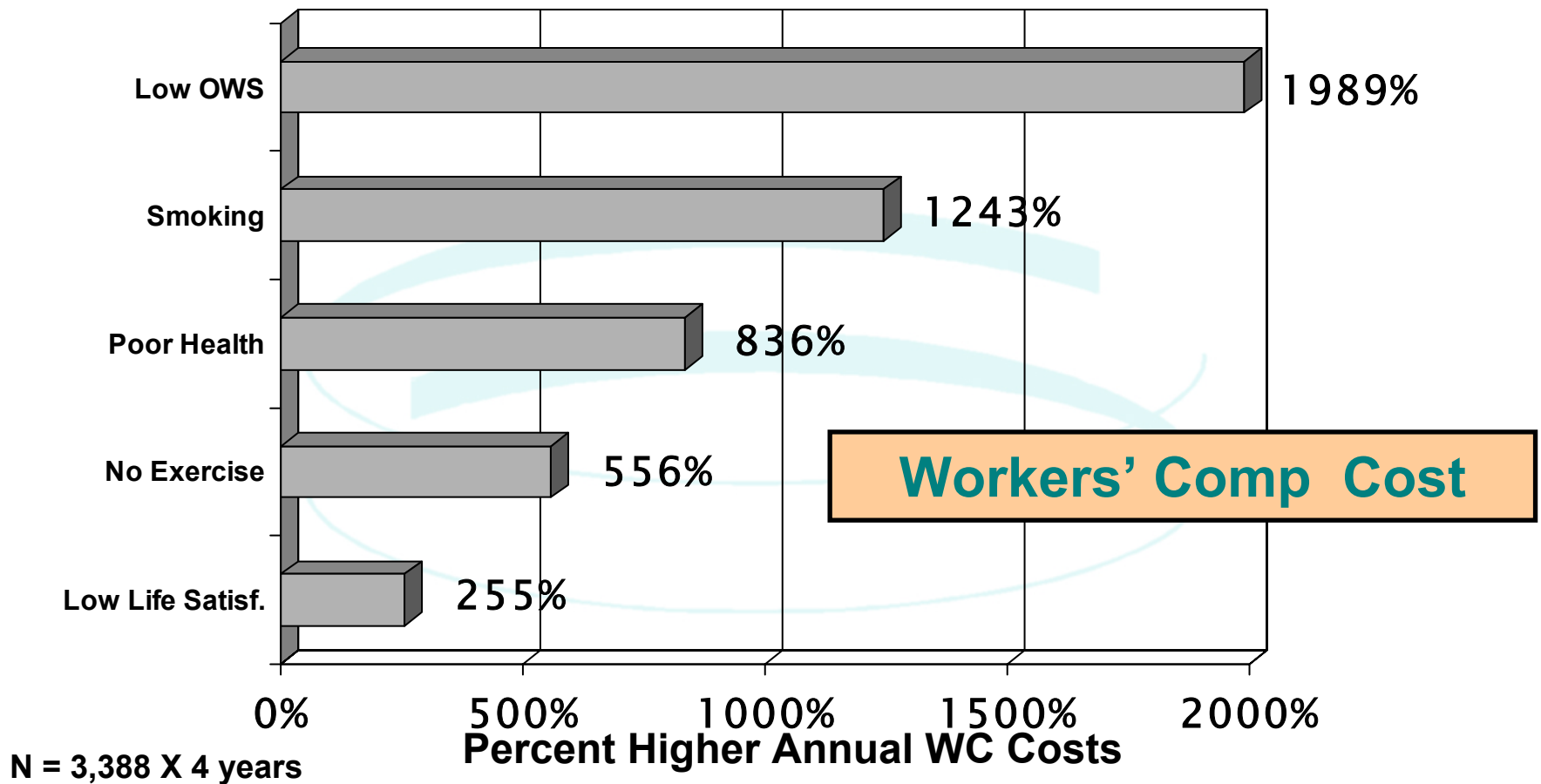
Source: Goetzel RZ, et. al. (1998, October). The relationship between modifiable health risks and health care expenditures: An analysis of the multi-employer HERO health risk and cost database. *JOEM*, 40(10):843-54.

Effect of Single Risk Factors



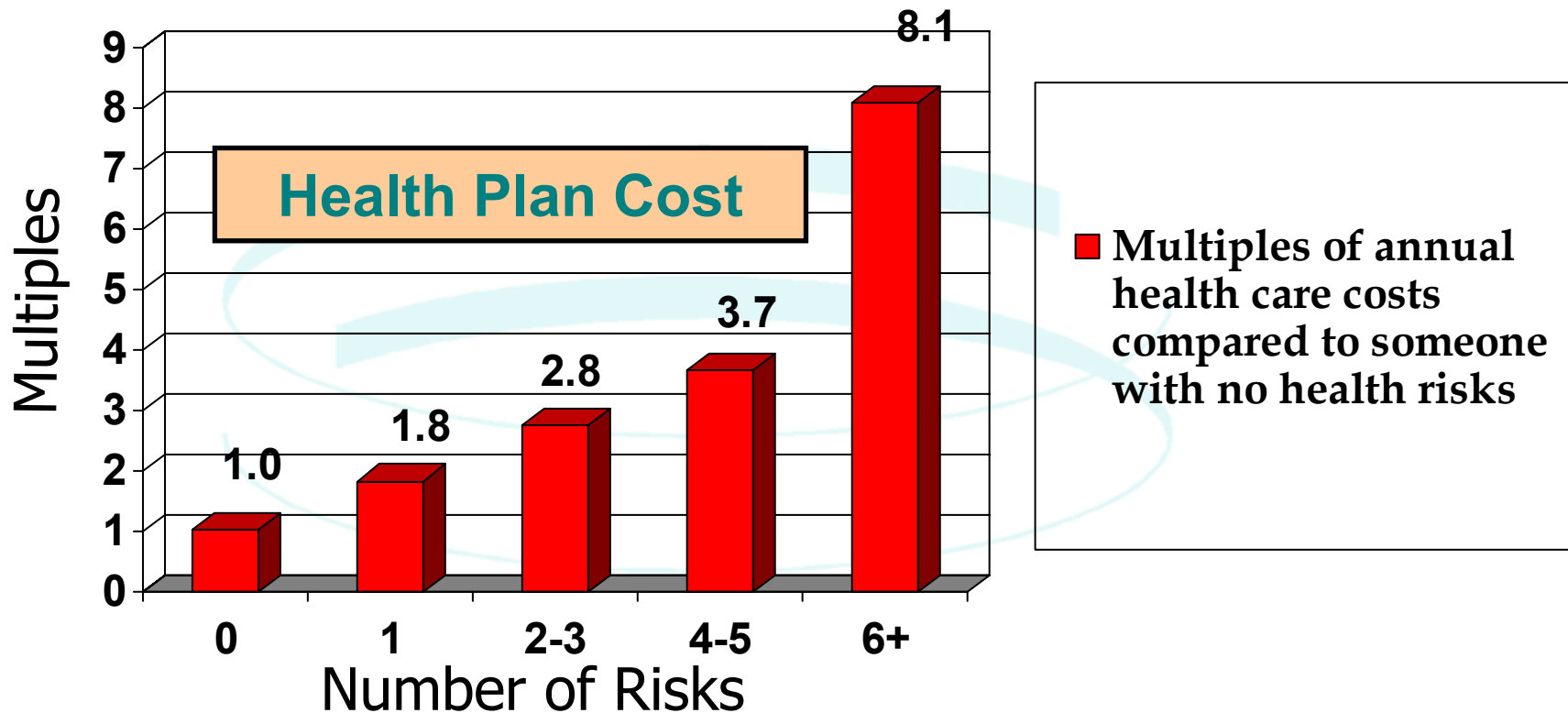
Source: Serxner, S., et al., (2001). The impact of behavioral health risks on worker absenteeism. *JOEM*, 43(4), 347-354

Effect of Single Risk Factors



Source: Musich, S., et. al., (2001, June). The Association of Health Risks with Workers' Compensation Costs, *JOEM*, p. 534-541.

Effect of Multiple Risk Factors

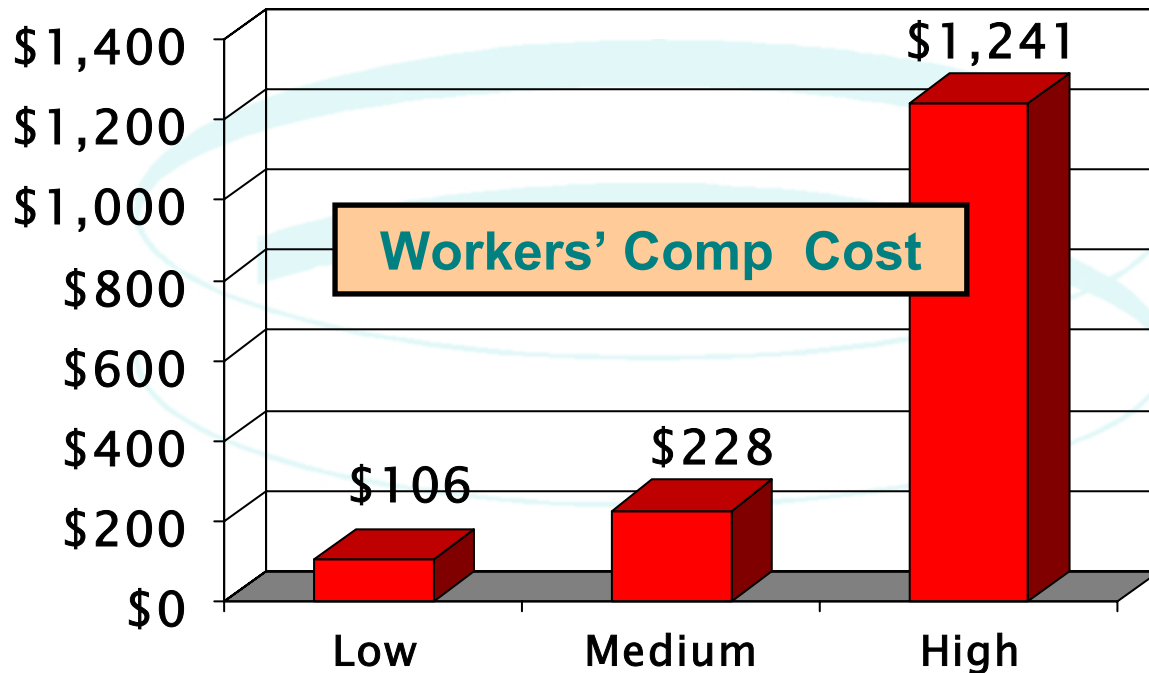


N = 1,838

Source: Yen, Louis, et al., (1991, Sept/Oct). Associations between health risk appraisal scores and employee medical claims costs in a manufacturing co., *AJHP*, 6(1), p. 46-54.

Multiple Risk Factors and WC Costs

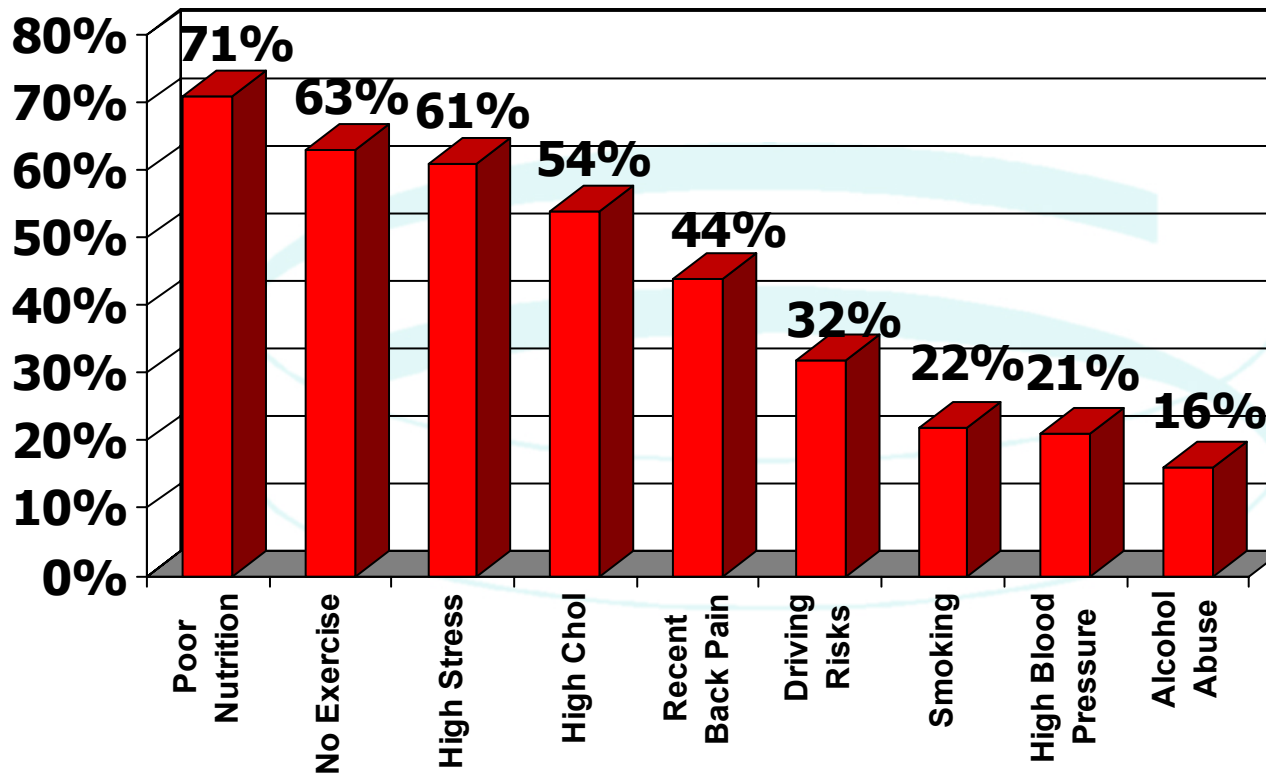
Average Annual Workers' Compensation Cost



N = 3,338

Source: Musich, S., et. al., (2001, June). The Association of Health Risks with Workers' Compensation Costs, *JOEM*, p. 534-541.

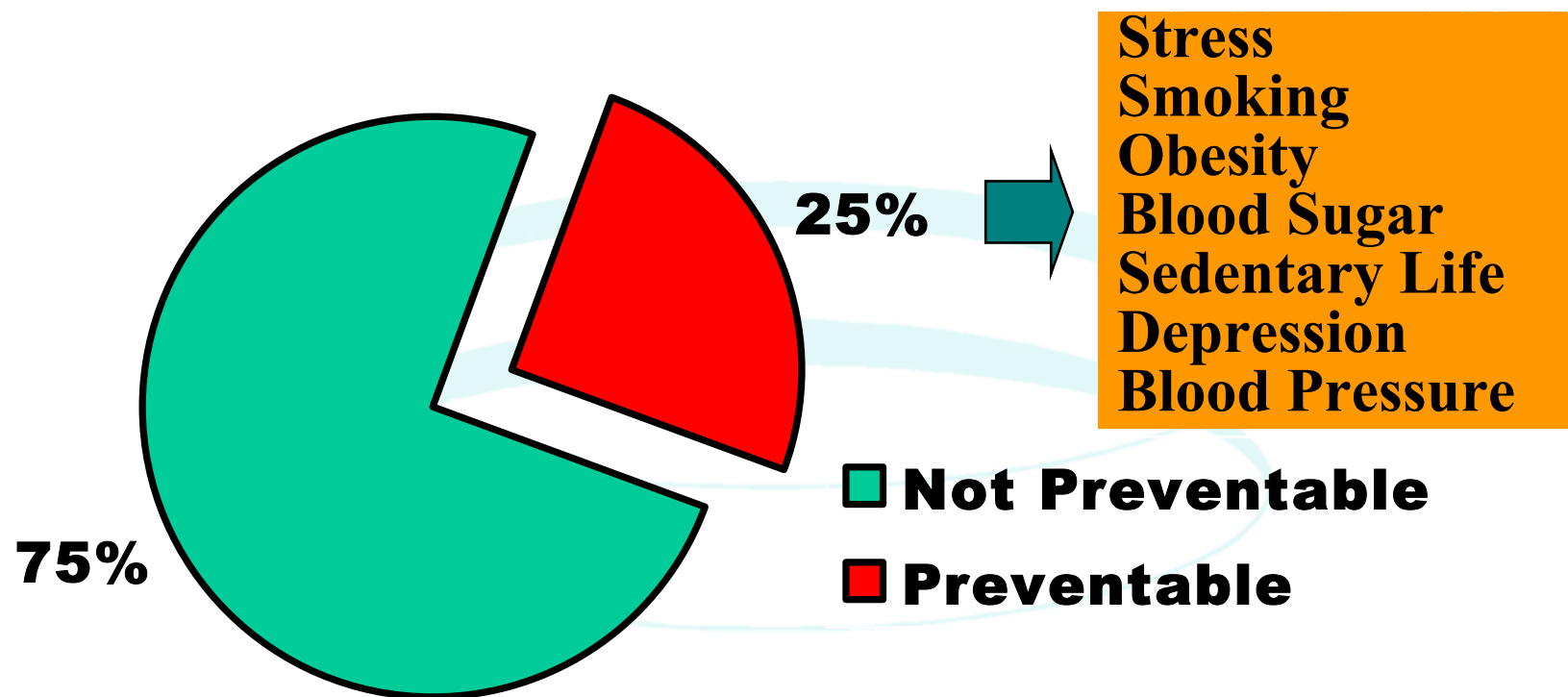
Typical Health Risk Prevalence



Percent of
working
adults with
major risk
factors

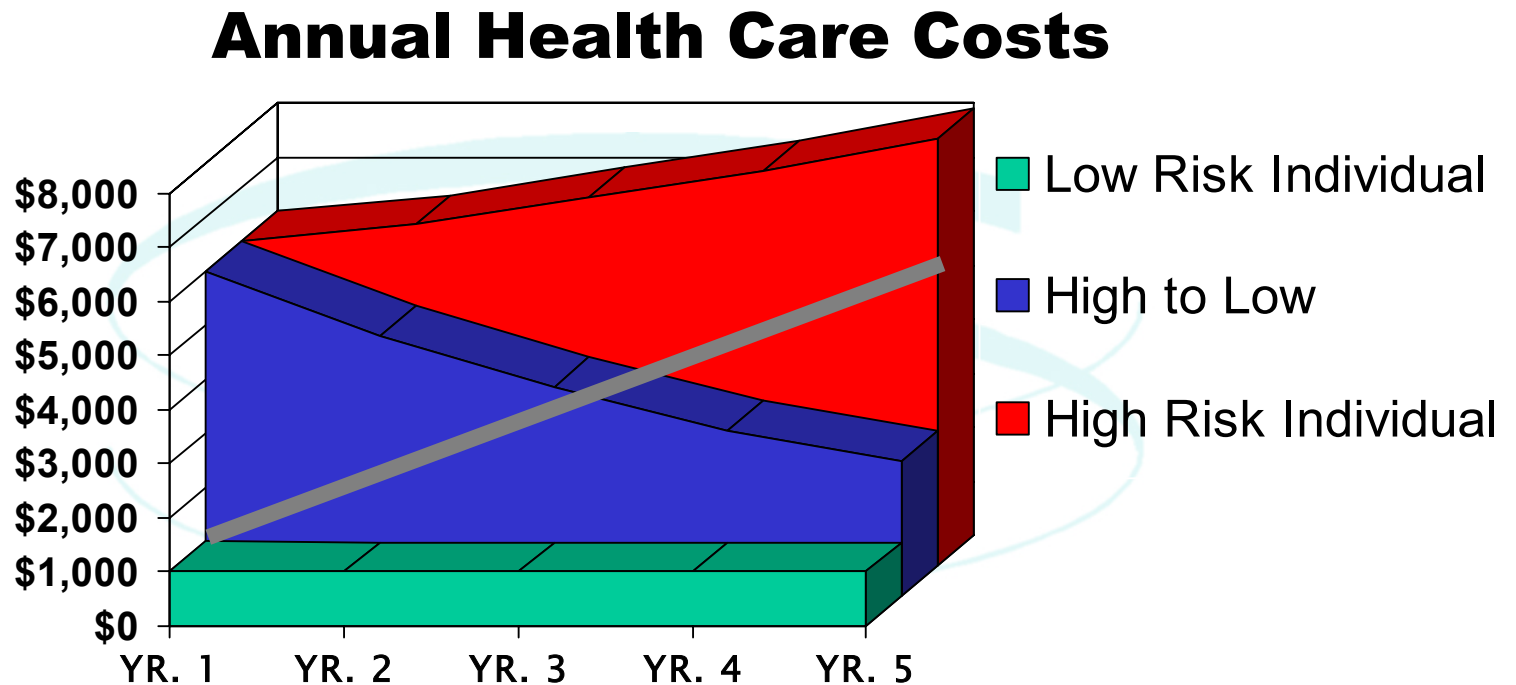
Source: Summex, 2004

Preventable Health Costs



Source: Anderson, et. al., (2000, Sept/Oct). The Relationship Between Modifiable Health Risks and Group-Level Health Care Expenditures, *AJHP*, 15(1), p. 45-52.

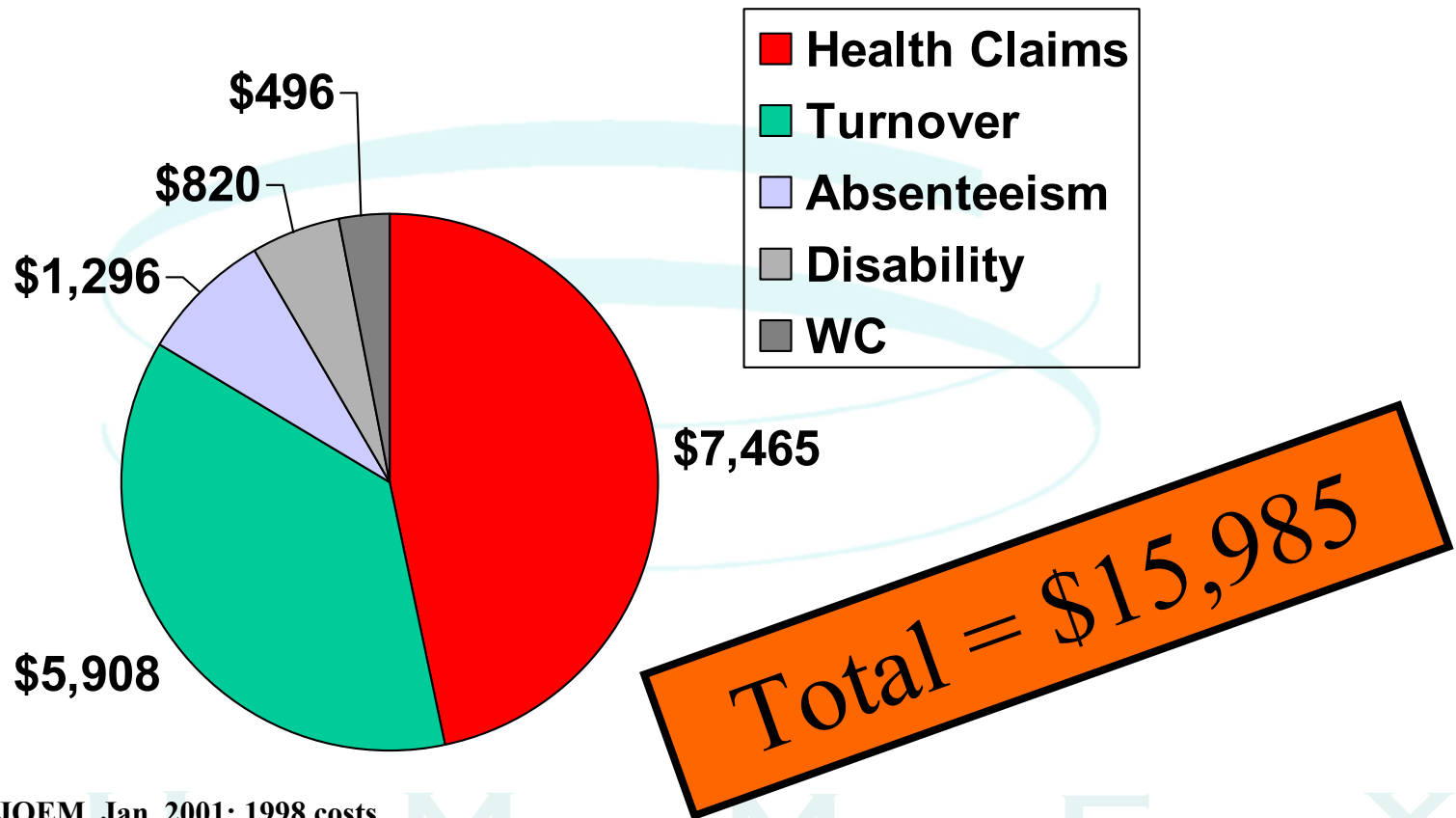
Health Risks and Cost Over Time



Source: Updated from Edington, et. al., (1997, November). The financial impact of changes in personal health practices. *JOEM*, 39(11), p. 1037-1046.

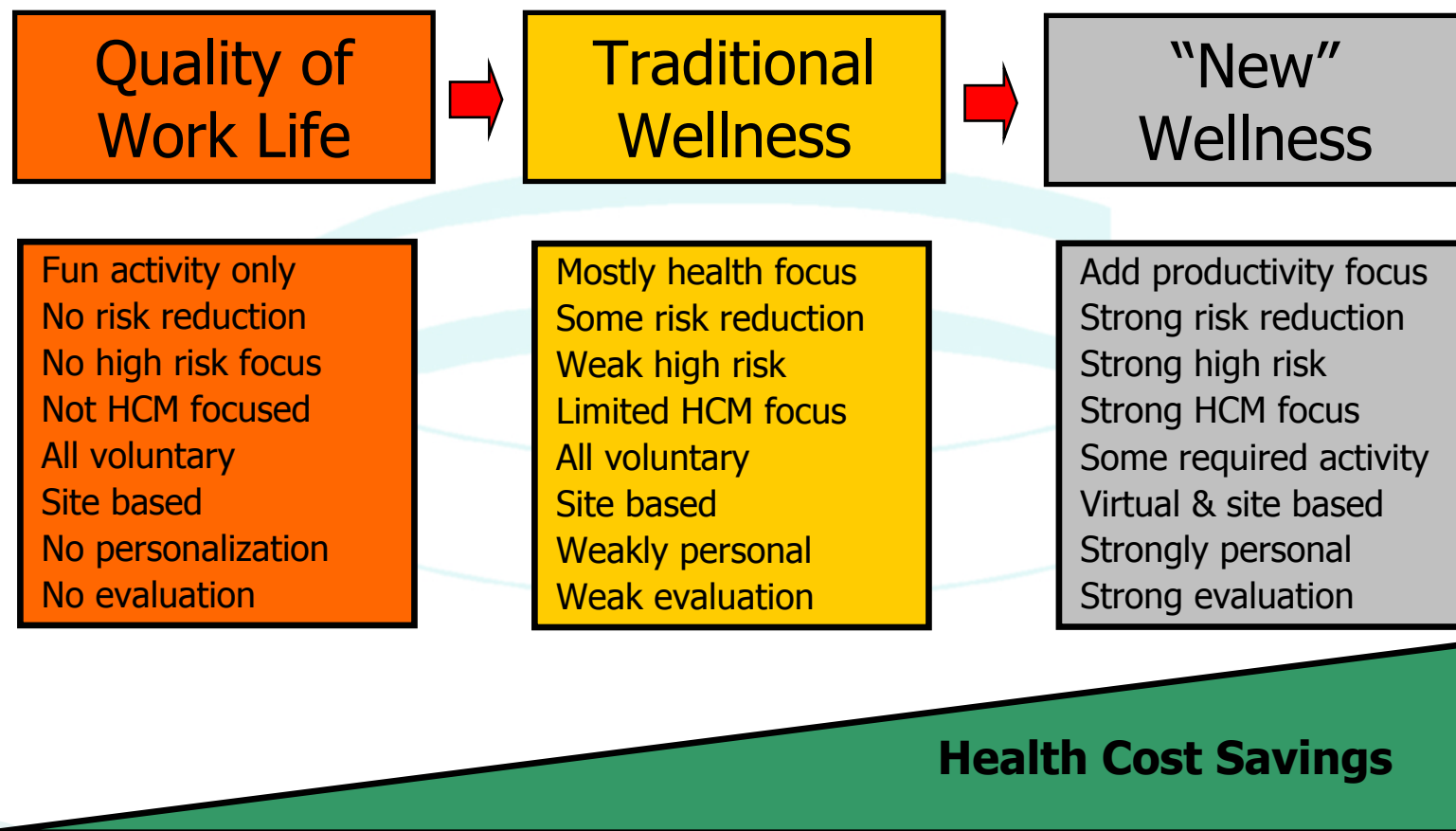
The Significance of Worker Health

Estimated 2004 Median Health Cost/Employee



Source: Goetzel, JOEM, Jan, 2001: 1998 costs adjusted with 10% annual rate of growth to 2004

Where Have We Been with Wellness?



Emerging Trends and Insights

- ◆ HRA-driven programming
- ◆ Population health management (PHM) model
- ◆ “Virtual” health improvement methods
- ◆ Use of significant incentives
- ◆ Health and Productivity Management (HPM)
- ◆ Use of CDHPs and HSAs
- ◆ Importance of Improved integration



S U M M

HRA-Driven Programming

The image shows a questionnaire form titled "HEALTH MONITOR™ Questionnaire" with the tagline "Guiding you to better health™". At the top, there is a box for "Name and Address". Below the title, it says "Find out about your health!". The form includes instructions for use, such as "Use a blue or black ball point pen" and "Answer all questions unless instructed to skip". It also features a "Do Not" section with instructions like "Fold or wrinkle your questionnaire" and "Make any stray marks on the paper". The form is branded with the Summex logo and the number "222810".

Name and Address

HEALTH MONITOR™
Questionnaire
Guiding you to better health™

Find out about your health!

The HEALTH MONITOR™ is a questionnaire that asks about your health. After you return this questionnaire, it will be scored and you will receive a personal health report.

The report will evaluate your current health status and give you suggestions for better wellness.

Please follow these instructions:

1. Use a blue or black ball point pen to answer each question.
2. Answer questions in a way that best describes your current health practices and conditions.
3. Answer all questions unless instructed to skip.
4. USE ALL CAPITAL LETTERS.
5. Do not put a line through the number 7 or 0 or a line below the number 1.
6. Do not use fractions or decimals in your responses.

Do

- Check to be sure you have answered each question
- Fill in the circles completely as below

Please fill in the circles completely

● ○ × ⊗
Right Wrong Wrong Wrong

Do Not

- Fold or wrinkle your questionnaire
- Make any stray marks on the paper
- Staple pages

SUMMEX®

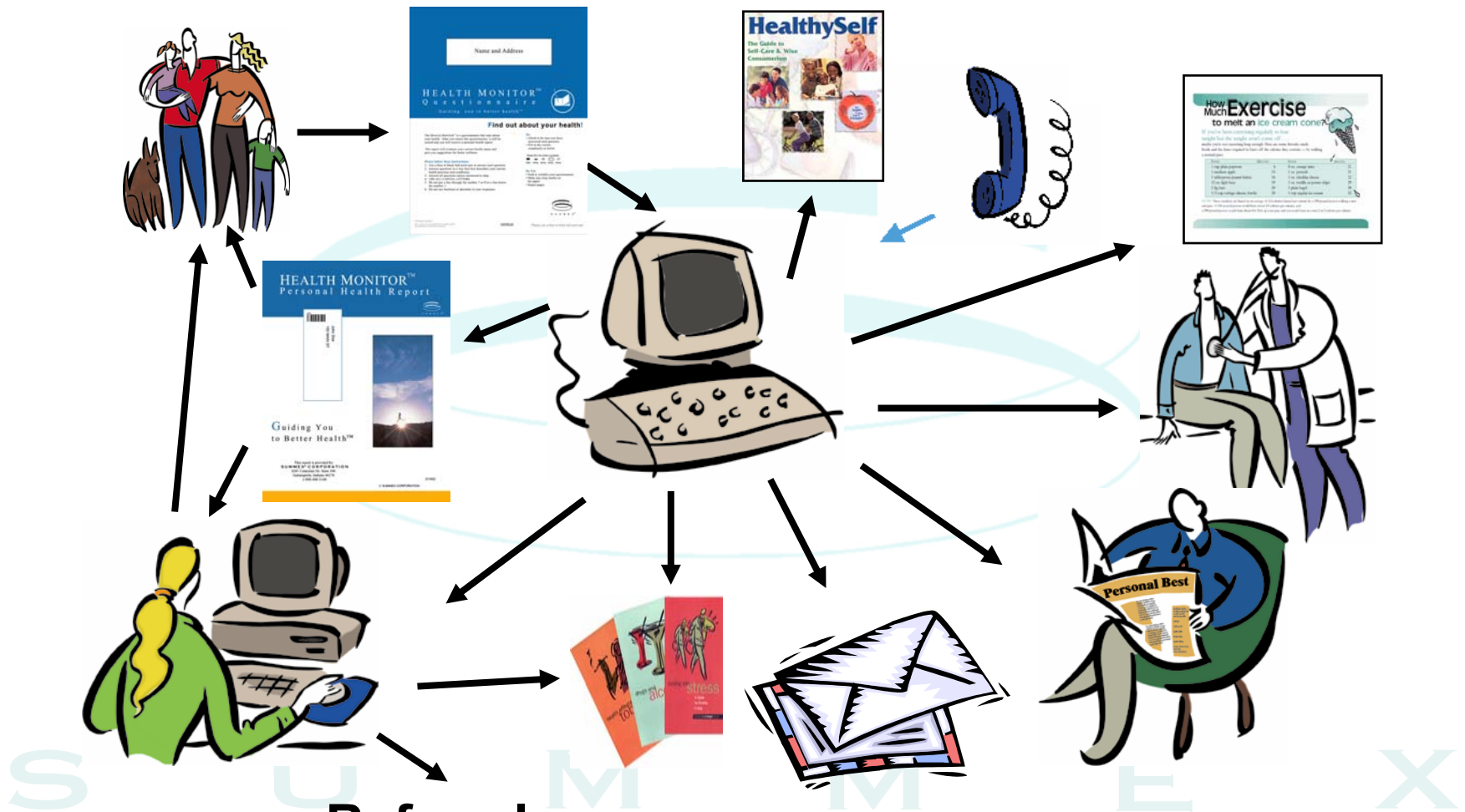
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222810

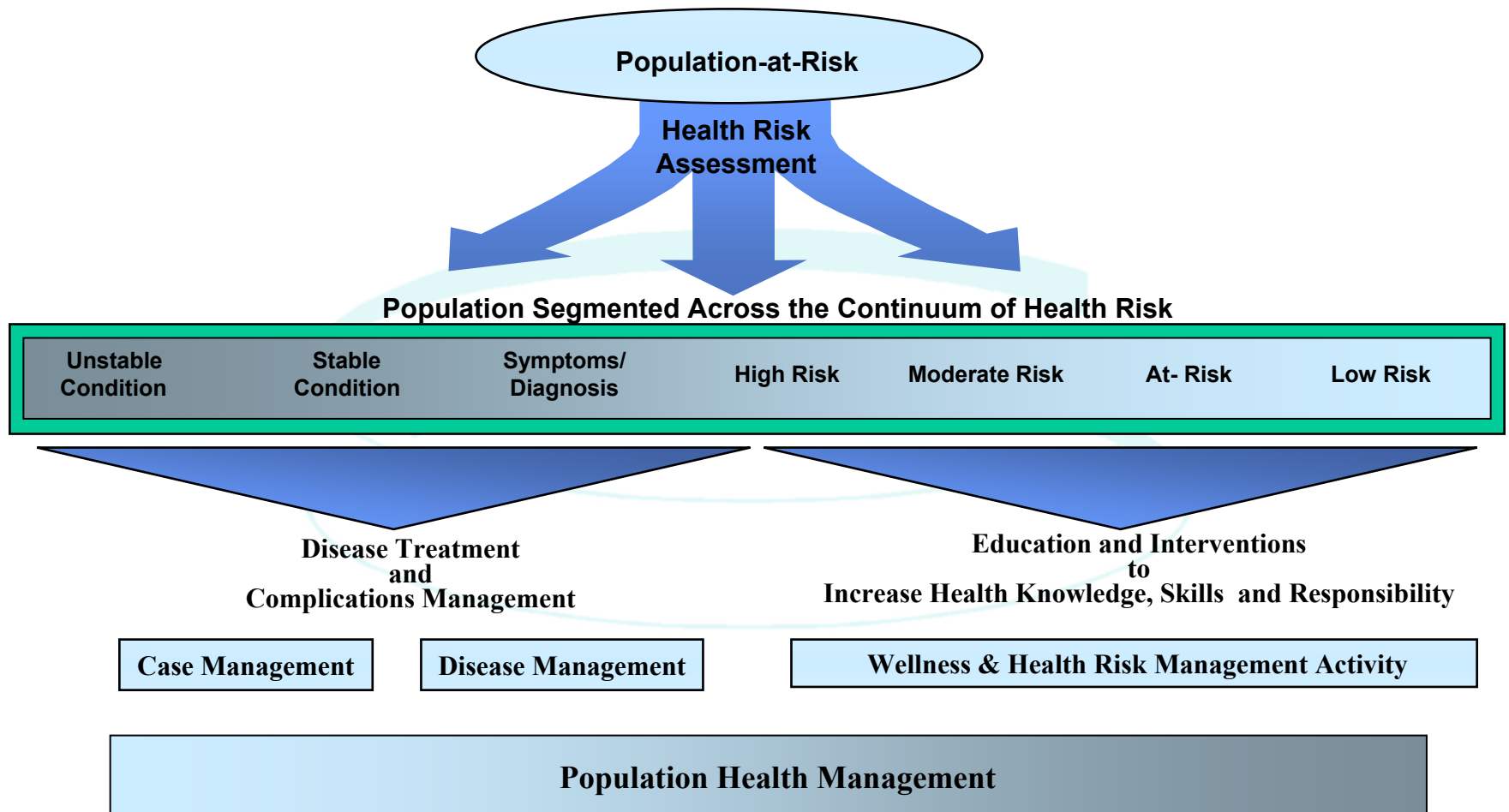
Please use a blue or black ball point pen

- ◆ Confidential data base
- ◆ Web-based or paper
- ◆ Readiness-oriented
- ◆ Morbidity-based & QoL
- ◆ Biometrics optional
- ◆ 12 – 15 minutes per year
- ◆ 245+ data elements
- ◆ HPM-oriented
- ◆ Epidemiologically sound
- ◆ Multiple “actionable insights”

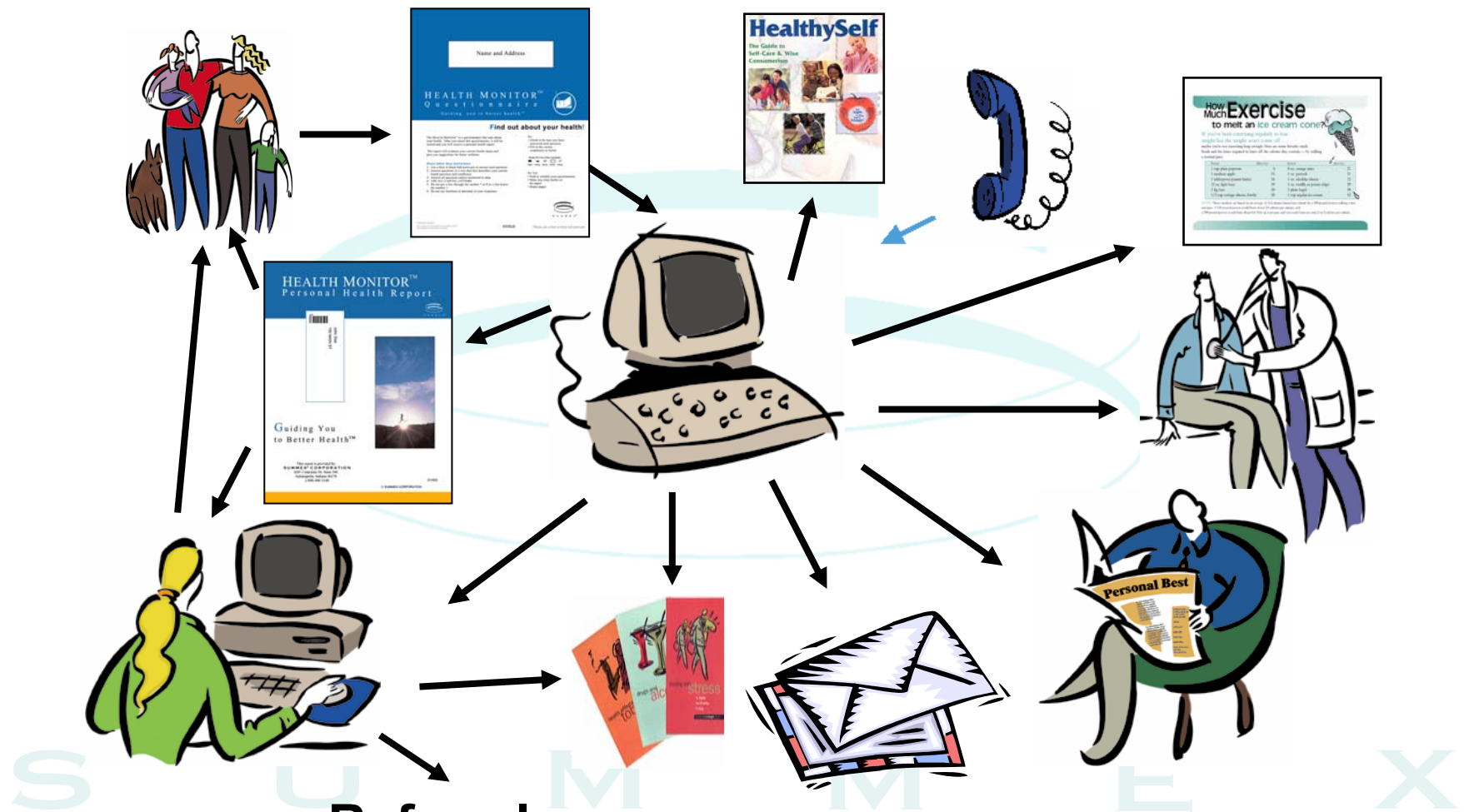
HRA-Driven Interventions



PHM Model



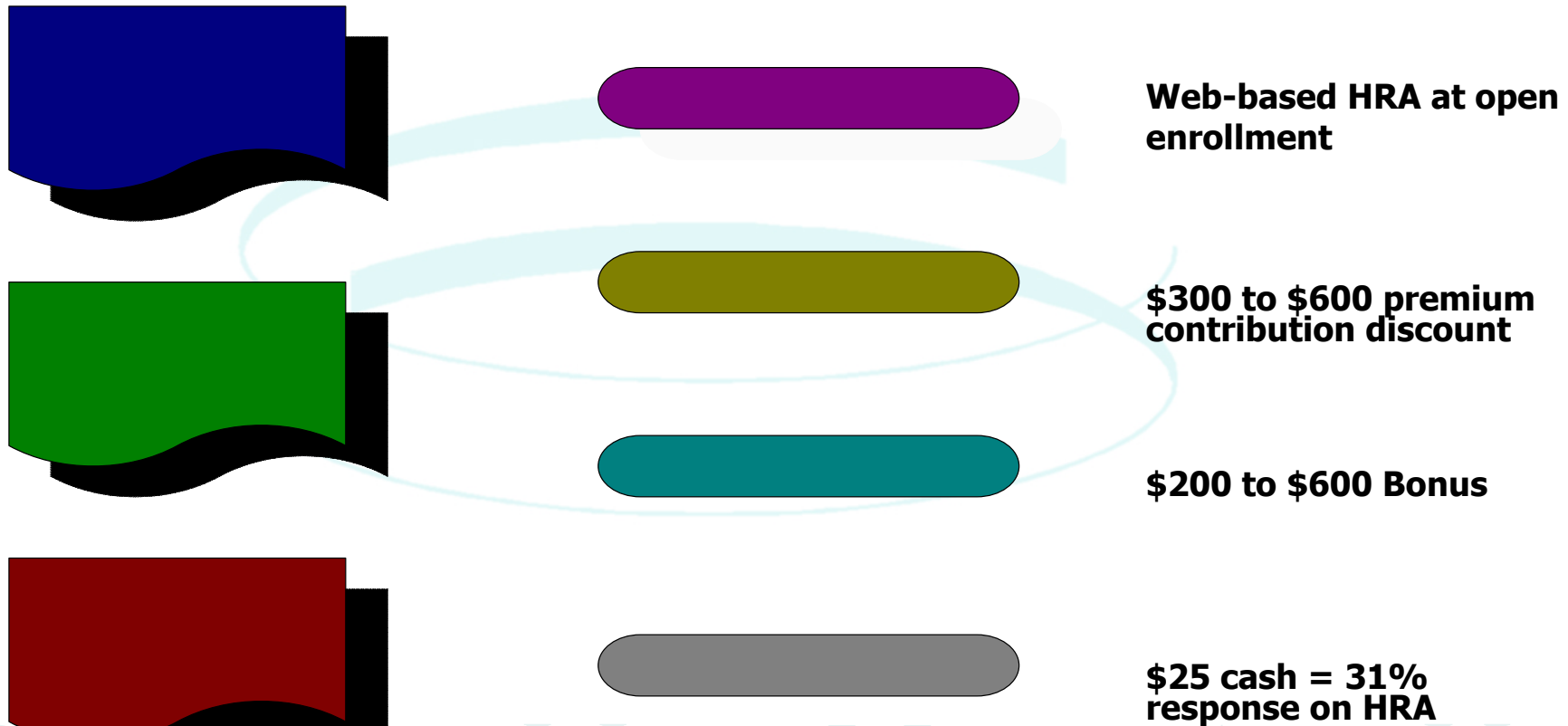
"Virtual" Wellness Methods



Referrals

Use of Most Effective Incentives

Examples



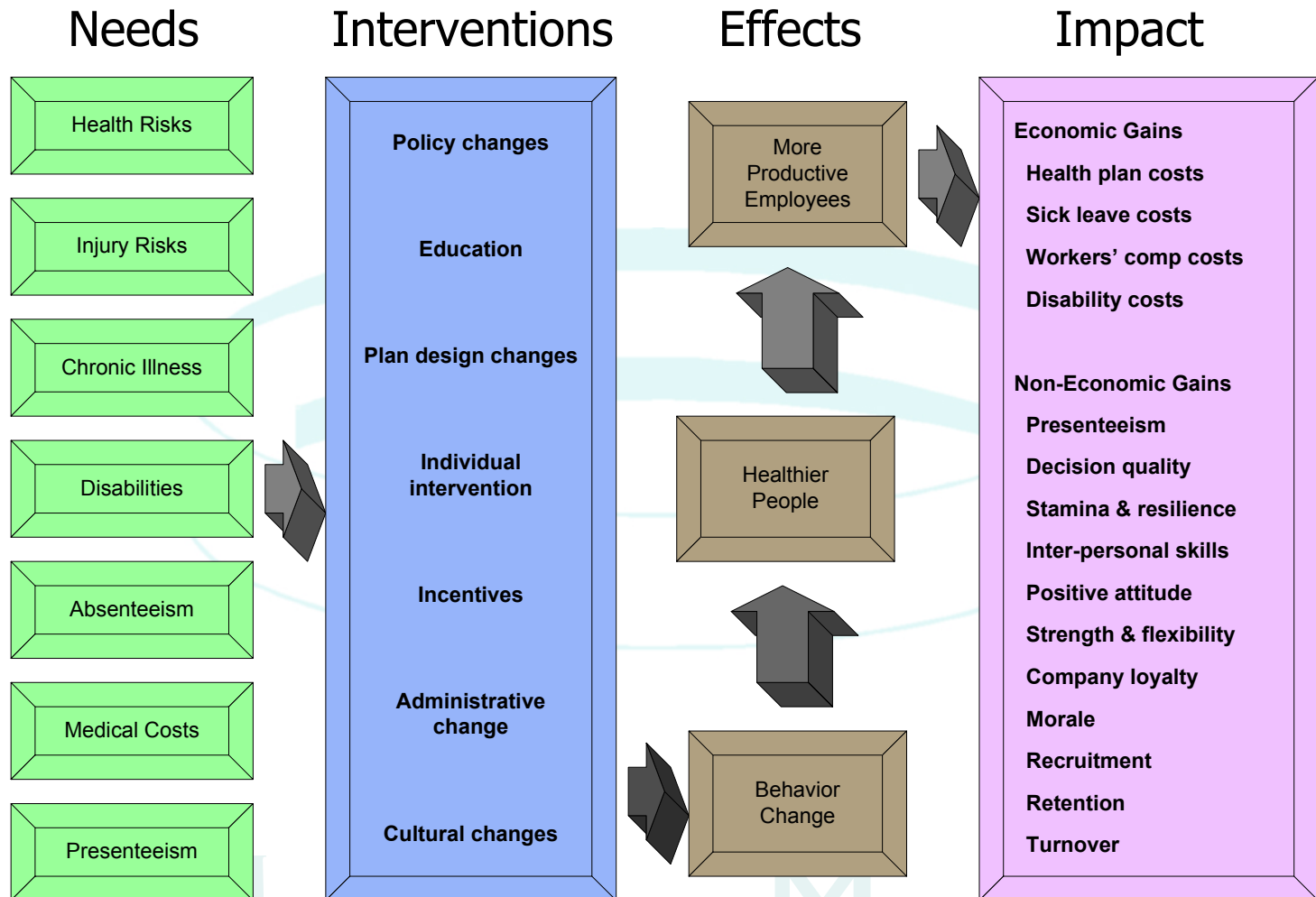
Health & Productivity Management

"The integrated management of health risks, chronic illness, and disability to reduce employees' total health-related costs including direct medical expenditures, unnecessary absence from work, and lost performance at work (i.e., presenteeism)."

-IHPM

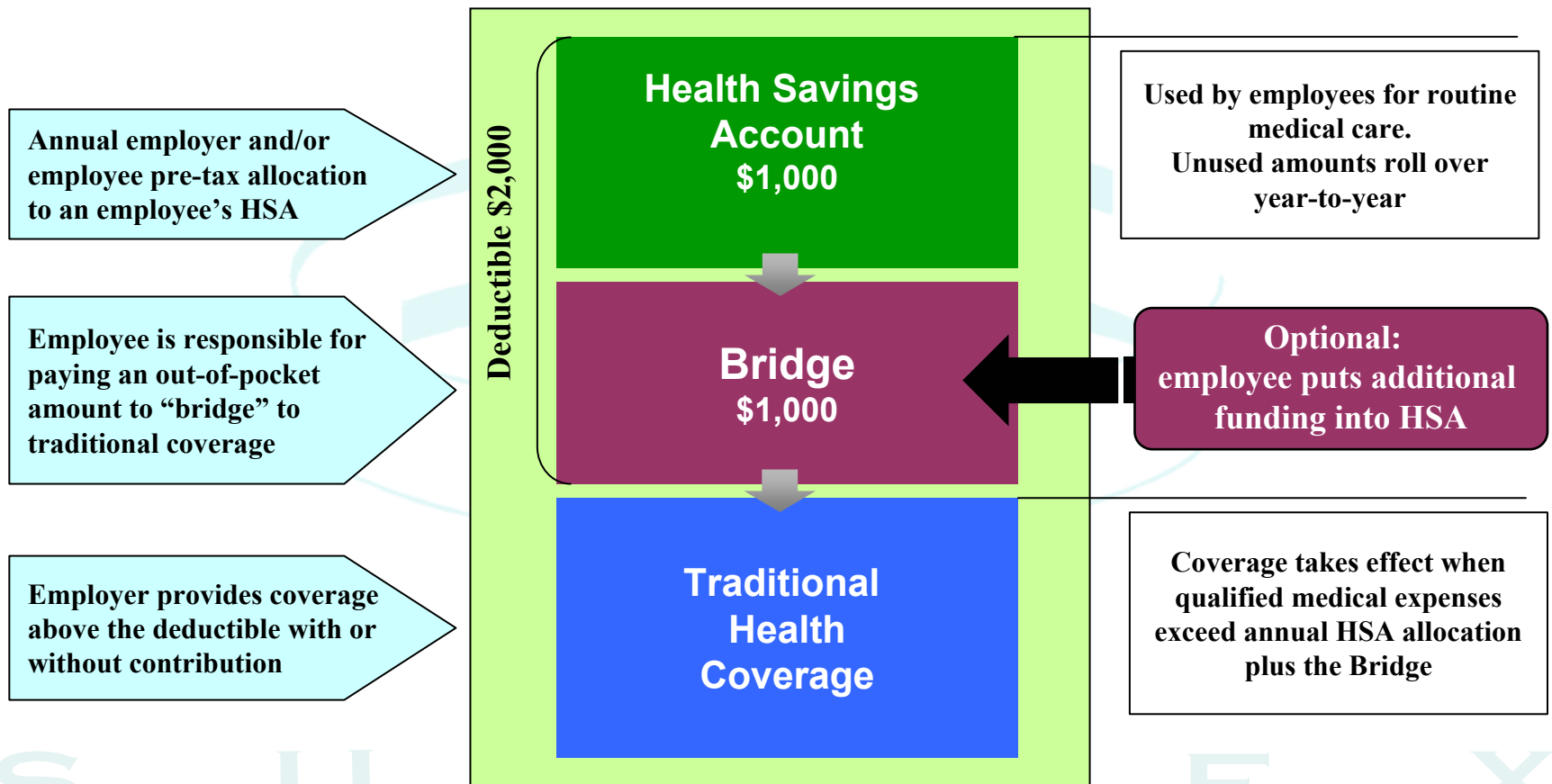
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HPM Framework

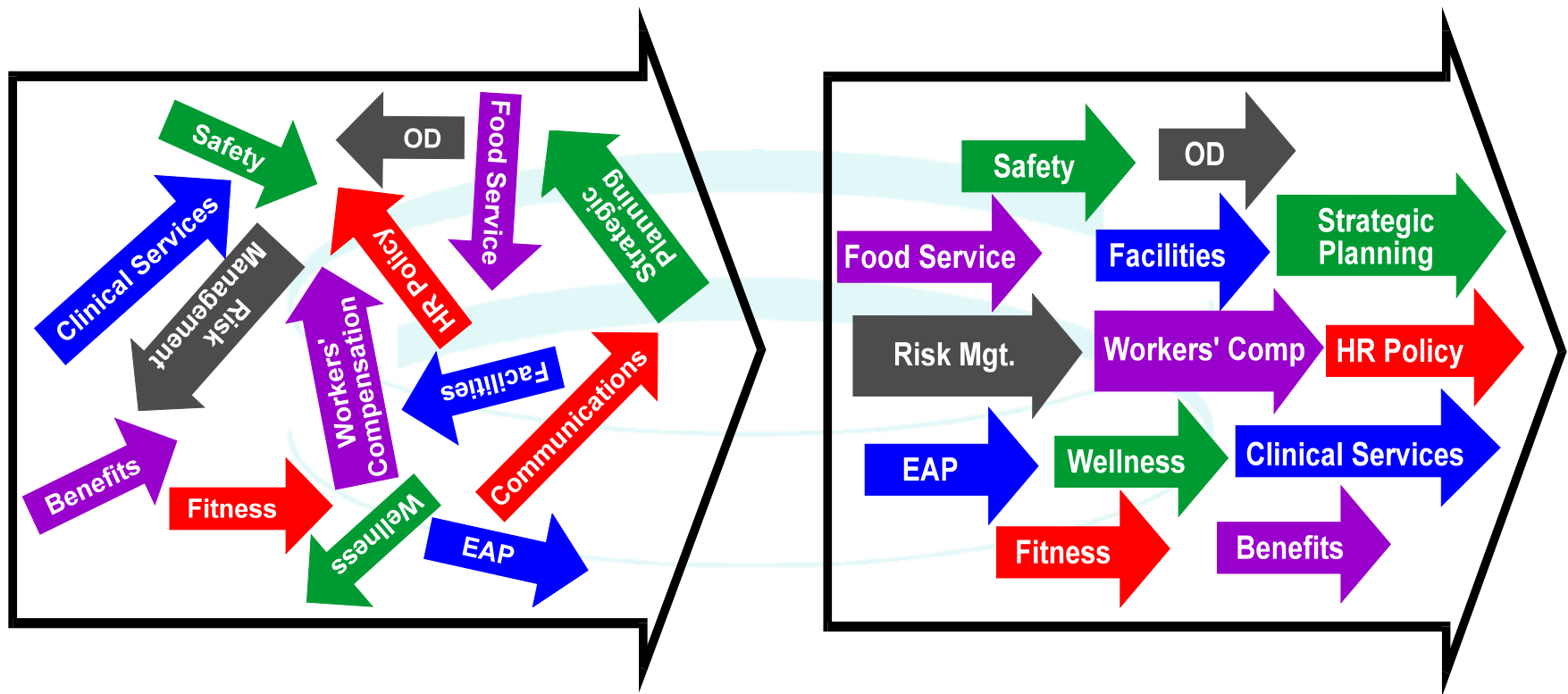


Consumer Driven Health Plans

Family Coverage Example



Improved Integration



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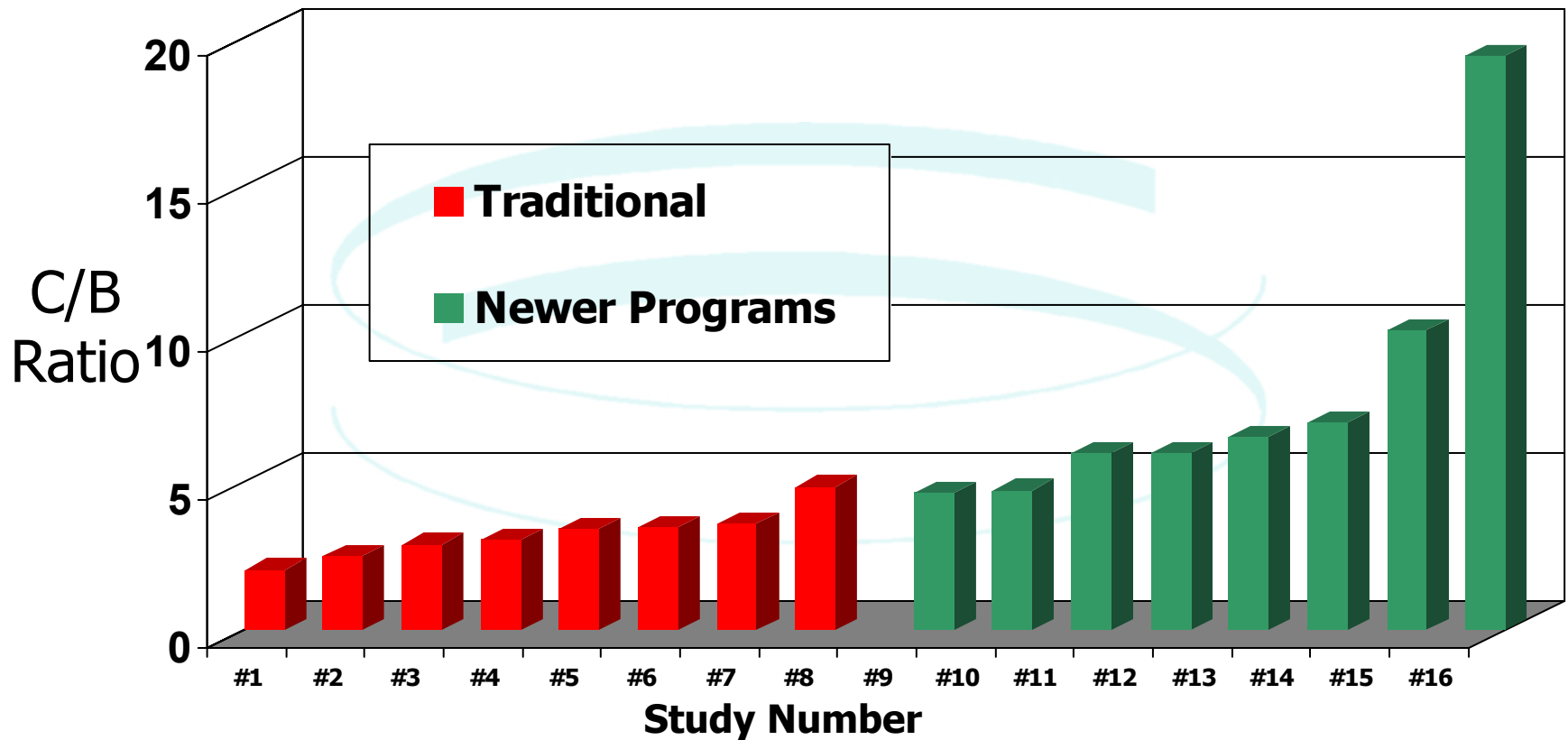
Summary of Findings

Study Parameter	Averages & Totals
Average study years	3.60
Observational years	151.4
Year Reported (median)	1992
# of Study Subjects	537,319
# of Separate Controls	193,393
# of Prog Components	4.7
% Change in Sick Leave	-28.3% (19)
% Change in HCs	-26.1% (23)
% Change in DM/WC	-30.0% (4)
C/B Ratio	1: 5.63 (16)

N=42 Studies

Source: Proof Positive: An Analysis of the Cost-Effectiveness of Wellness, 2003

Cost/Benefit Studies of Wellness Programs



Conduct Your Own Approach

- ◆ **Use an outside facilitator**
- ◆ **Use an internal “planning team”**
- ◆ **Develop a full proposal for a 3 year pilot program**
- ◆ **Focus on health benefit cost, sick leave, WC, disability and presenteeism**
- ◆ **Use the “new” wellness or HPM approach**
- ◆ **Get all stakeholders to participate and agree**



Higher Education Clients

- ◆ **Washington State Higher Education System**
- ◆ **Maricopa Community College System**
- ◆ **University of Miami**
- ◆ **Southwest Missouri State University**
- ◆ **Central Missouri State University**
- ◆ **Indiana University, Bloomington**
- ◆ **University of Michigan**
- ◆ **Purdue University**
- ◆ **University of Nebraska System**
- ◆ **Vanderbilt University**
- ◆ **University of North Dakota System**



Summary of Key Points

- ◆ Health costs are complex and not easy to control
- ◆ Health plan costs will increase significantly in the future and a major proportion of these costs are preventable
- ◆ We are running out of other supply-side HCM options
- ◆ PHM is a more intentional form of wellness
- ◆ CDHPs are coming and support wellness
- ◆ The best potential solution rests with reducing the need and demand for care
- ◆ HPM is an effective approach for organizations to reduce the need for and cost of health –related expenses
- ◆ You can conduct your own process with some help
- ◆ Everybody wins with these types of interventions

Questions...



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