



*Consensus Statements and Recommendations  
from the First National Workforce Health  
and Productivity Summit*

NOVEMBER 5-7, 2008  
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*Hosted by:*  
AMERICAN COLLEGE OF OCCUPATIONAL AND ENVIRONMENTAL MEDICINE  
INTEGRATED BENEFITS INSTITUTE

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## *Executive Summary*

### **Health, productivity and our economic future**

In November 2008, more than 40 leaders from public and private sector organizations gathered in Santa Ana Pueblo, New Mexico for a national summit meeting aimed at addressing a topic of increasing importance to our health care future: The link between the health and the productivity of the U.S. workforce.

Hosted by the American College of Occupational and Environmental Medicine and the Integrated Benefits Institute, with funding from sanofi-aventis, the summit brought together leading experts in workforce health and productivity to advance knowledge and understanding of this topic and to begin identifying action steps to help the nation's workforce become healthier and more productive. The group concluded its inaugural meeting by issuing 10 consensus statements and a series of recommendations, which are outlined in this publication.

Why should you care about these statements and recommendations?

The answer is evident in all that we see happening around us:

- The American health care system faces enormous challenges and is on a collision course with several economic and demographic trends that have dire consequences for the nation.
- Health care costs are rising dramatically just at the time when the so-called “silver tsunami” is arriving in the form of millions of aging baby boomers who are exiting the workforce. This population will no longer help fund Medicare and Social Security systems through payroll taxes, and at the same time it will begin to utilize these systems heavily, due to a growing burden of illness and health conditions.<sup>1</sup>

- Chronic health conditions are on the rise across all age groups, and it is expected that in the near future, conditions such as diabetes, heart disease and cancer will cost employers heavily as they provide medical benefits for employees and absorb the costs of absenteeism and of long- and short-term disability claims.<sup>2</sup>
- Nearly 50 percent of Americans have one chronic health condition, and of this group, nearly half have multiple chronic conditions.<sup>3</sup> One study found that more than 80 percent of medical spending goes toward care for chronic conditions.<sup>4</sup>

Everyone with a stake in health care is grappling with these trends. But employers, in particular, face them with great concern.

Increasingly, they recognize that the nation's overall health condition does not bode well for the economic health of their companies. Research is beginning to show a much greater connection between health and productivity than we ever realized.

Research, for example, shows that on average, for every one dollar they spend on worker medical/pharmacy costs, employers absorb two to three dollars of health-related productivity costs. These costs are manifested largely in the form of presenteeism (a condition in which employees are on the job but not fully productive), absence and disability. Research has also shown that in addition to common chronic conditions such as cancer, heart disease and diabetes, a host of other conditions – including neck/back pain, depression, fatigue, anxiety and obesity – are driving total health-related costs in the workplace.

Employers, the ultimate purchasers of healthcare for the majority of Americans, spend approximately \$13,000 per employee per year on these total direct and indirect health-related

costs.<sup>5,6</sup> Using U.S. Department of Labor statistics showing approximately 137 million non-farm employees in the United States, the overall annual cost impact on the workplace is an estimated \$1.7 trillion. The employer perspective is critical to any discussion of health costs, as the workplace (employer and employee contributions combined) accounts for well over half of the funding for the American health care system.<sup>7</sup>

The impact of health conditions on America's competitive position in the world is sobering: Without a healthy, able and available workforce, the United States will find it impossible to thrive in an increasingly competitive global marketplace.

Employers of all sizes and types increasingly are using strategies based on the relationship between health and productivity to lower health risks, reduce the burden of illness, improve wellness and human performance, and enhance the quality of life for workers and their families, while reducing total health-related costs. Such programs help employers more accurately determine which health conditions have the greatest impact on overall productivity and then design strategies to help their employees prevent or better manage these conditions.

The workplace offers unique resources and infrastructure for addressing these problems. In an environment in which health costs are skyrocketing, health promotion and health protection measures aimed at the nation's workforce could have significant long-term impact, potentially saving billions in costs. Furthermore, the positive impact of reaching large populations through the workplace extends beyond those currently employed. Families of the

employed, retirees and other beneficiaries could also benefit from integrated health and productivity strategies implemented by the nation's employers.

The fundamental philosophy driving the adoption of these strategies is that health is not only of great value to individuals and populations, but also of great value to business and industry. It is important for all employers – whether small, medium or large – to look beyond healthcare benefits as a cost to be managed and rather to the benefits of good health as an investment to be leveraged. Ultimately, a healthier, more productive workforce can help drive greater profitability for employers as well as a healthier economy for our nation.

#### References

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- <sup>3</sup> *Chronic Conditions: Making the Case for Ongoing Care.* September 2004 update to Chronic Care in America: A 21st Century Challenge, a study of the Robert Wood Johnson Foundation & Partnership for Solutions: Johns Hopkins University, Baltimore, MD.
- <sup>4</sup> Ibid
- <sup>5</sup> Loeppke R, Taitel M, Richling D, et al. Health and productivity as a business strategy. *J Occup Environ Med.* 2007;49:712-721.
- <sup>6</sup> Towers Perrin Annual Health Care Cost Survey, 2008.
- <sup>7</sup> 2007 Kaiser Family Foundation Employer Health Benefits Survey.

## *Consensus Statements of the Workforce Health and Productivity Summit*

At the conclusion of its inaugural meeting, the Workforce Health and Productivity Summit produced 10 Consensus Statements that form the nucleus of a national agenda intended to raise awareness and understanding of health and productivity and create a healthier, more productive American workforce:

1. The health of the workforce is inextricably linked to the productivity of the workforce and therefore ultimately linked to the health of the economy. This important relationship between health and productivity has significant implications for national health policy and should become a part of the nation's health-reform debate.
2. Continuing the status quo of current health care strategies in the workplace is not a sustainable option; the realities of the economic burden of health risks and health conditions, rising total costs and an increasingly competitive global marketplace require an urgent shift to integrated health and productivity improvement strategies.
3. A strong body of evidence has emerged in recent years, offering employers proven strategies for more effectively managing the health of the workforce and recognizing the strong link between health and productivity.
4. Successful integrated health and productivity improvement initiatives are built upon well-established, recognized principles.
5. The impact of a healthier, more productive workforce is quantifiable; when combined with other business measures it helps determine the overall economic value of an enterprise. The business community, ranging from financial analysts to investors, should develop and institutionalize additional accounting and valuation methods that include health and productivity metrics to more accurately determine the business value of workforce health assets in a company.
6. As an evolving discipline, integrated health and productivity measurement methodologies should be studied continuously, improved and more consistently applied.
7. Employers need to have a consistent, ongoing approach for measuring and benchmarking their results as they design and implement integrated health and productivity improvement initiatives.
8. The concept of evidence-based medicine has grown more commonplace in U.S. health care. However, the evidence used to determine best practices needs to go beyond clinical outcomes and include functional impacts on health and productivity.
9. Engagement and participation of the workforce is essential to successful design and implementation of health and productivity improvement initiatives.
10. Health is determined by a wide range of factors, some of which cannot be addressed through medical and/or behavioral intervention. Broad social and environmental determinants – ranging from food and transportation systems to cultural practices – can influence health. Working together, employers and stakeholders should consider these fundamental factors as integrated health and productivity improvement initiatives are designed and implemented in the workplace.

## Summit Participants

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### David Deitz, MD

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### David Sensibaugh

Director, Integrated Health  
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### Archie Simons, Jr.

President & CEO  
Painted Sky Health

### Mary Tavarozzi, PhD

Principal  
Towers Perrin

### Peter Wald MD, MPH

Vice President, Enterprise Medical  
Director  
USAA

### Work Group Moderators:

Kim Jinnett, PhD – IBI  
Doris Konicki, MHS – ACOEM  
Paul Larson – ACOEM  
William Molmen, JD – IBI  
Patrick O'Connor – ACOEM  
Michael Taitel, PhD – Alere®

## *Consensus Statements with Recommendations for Action*

### STATEMENT 1

**The health of the workforce is inextricably linked to the productivity of the workforce and therefore ultimately linked to the health of the economy. This important relationship between health and productivity has significant implications for national health policy and should become a part of the nation's health-reform debate.**

#### *Recommendations:*

- Encourage the inclusion of health and productivity strategies and metrics in legislative initiatives.
- Validate and disseminate best practices in health and productivity improvement.
- Sponsor venues for public recognition of exemplary integrated health and productivity improvement initiatives and the business leaders supporting them.
- Encourage public-private technical assistance and services to support employer efforts.
- Assure a clear focus on health promotion and health protection in the workplace that emphasizes a real culture of health as well as a culture of safety when considering policy or regulatory changes.
- Expand the supply of health professionals that are educated and trained in how to implement and measure the impact of integrated health and productivity improvement strategies.
- Initiate pilot studies at local/state/federal agencies that test innovative integrated health and productivity improvement models among public employers.

### STATEMENT 2

**Continuing the status quo of current health care strategies in the workplace is not a sustainable option; the realities of the economic burden of health risks and health conditions, rising total costs and an increasingly competitive global marketplace require an urgent shift to integrated health and productivity improvement strategies.**

#### *Recommendations:*

- An awareness-building initiative is needed to help employers and policy leaders understand the full economic cost of failing to pursue integrated health and productivity improvement strategies.
- Evidence should be compiled and tools developed to help employers of all sizes and types make the necessary transition to a new “culture of health” paradigm, built on a foundation of integrated health and productivity improvement strategies.

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*“We must reduce the burden of health risks and burden of chronic illness to address the healthcare cost crisis. This would improve the health and productivity of the workforce, the health of the bottom line for employers and the health of our nation's economy. Ultimately, the value of health and the power of prevention should be leveraged as strategic investments in human capital.”*

— Ronald R. Loeppke, MD, MPH  
Health & Productivity Strategy  
Alere®

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### STATEMENT 3

**A strong body of evidence has emerged in recent years, offering employers proven strategies for more effectively managing the health of the workforce and recognizing the strong link between health and productivity.**

#### *Recommendations:*

- The current body of available evidence should be more effectively structured and communicated to employers and other stakeholders for business application.
- An organized effort is needed to drive adoption of integrated health and productivity improvement initiatives by employers.
- An inventory should be created, highlighting effective health and productivity interventions and employer best-practices that can be applied by all employers (small, medium and large) to their own workforces.
- Further research and case studies focusing on health and productivity outcomes should be developed to ensure the evidence base continues to grow.

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*“We need to quantify the value of workforce health so it can be viewed as any other hard asset in assessing an organization’s performance.”*

— Vincent E. Kerr, MD  
President, Care Solutions  
United Healthcare

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### STATEMENT 4

**Successful integrated health and productivity improvement initiatives are built upon well-established, recognized principles. These principles include:**

- Management support and promotion of a “healthy company” culture
- Organizational and employee health and productivity risk assessment
- Evidence-based intervention programs
- Aligned incentives for health and productivity improvement
- Adequate resources for effective implementation
- Implementation of programs that ideally yield both near-term and long-term sustainable results
- Integration of initiatives with other stakeholders and with the community
- Workplace environment and policies that support healthy lifestyles
- Accurate impact measurement and evaluation beyond just the financial return on investment to the full value of the investment to the enterprise
- Integration across corporate “silos” and individual health-related budgets into one enterprise-wide integrated health and productivity strategy and budget

## Consensus Statements with Recommendations for Action *(continued)*

### STATEMENT 5

**The impact of a healthier, more productive workforce is quantifiable; when combined with other business measures it helps determine the overall economic value of an enterprise. The business community, ranging from financial analysts to investors, should develop and institutionalize additional accounting and valuation methods that include health and productivity metrics to more accurately determine the business value of workforce health assets in a company.**

#### *Recommendations:*

- Raise awareness in the business community of the relationship between the health of the workforce, the productivity of the workforce and the profitability of employers.
- Educate the business community on the benefits of considering the health and productivity assets of a business when considering the accounting and valuation methods for determining enterprise value.

### STATEMENT 6

**As an evolving discipline, integrated health and productivity measurement methodologies should be studied continuously, improved and more consistently applied.**

#### *Recommendation:*

- Practitioners of health and productivity improvement should establish common terms and definitions, as well as better defined processes and procedures, for their discipline.
- In particular, the field should refine methods for:
  - Documenting the positive workplace effects of good health and the adverse workplace effects of health risks, unhealthy behaviors, and health conditions
  - Identifying and targeting promising workplace interventions
  - Documenting the full-cost effectiveness of interventions in terms of a broader value proposition that includes, but is not limited to, traditional return-on-investment methodologies
  - Monitoring the integration, scalability and sustainability of interventions over time

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*“Individuals don’t leave the impact of their personal health risks on the doorstep when they leave for work and they certainly don’t leave the impact of their workplace environment behind when they return home. The two spheres are related and we need to better integrate workplace health-strategies with home health-strategies.”*

— Ronald Kessler, PhD  
 Department of Health Care Policy  
 Harvard Medical School

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## STATEMENT 7

**Employers need to have a consistent, ongoing approach for measuring and benchmarking their results as they design and implement integrated health and productivity improvement initiatives.**

### *Recommendations:*

- Establish benchmarking comparison data sets and tools to help employers evaluate their total health-related costs so they can make the business case for necessary change as well as assess the impact of their programs. Emphasis should be placed on:
  - Modeling tools and data sources based on published research for modeling/estimating the need for initiatives
  - Objectively reported as well as self-reported measures of presenteeism and absenteeism
  - Integrated health-and-productivity-measurement data warehouses
- Promote strategies that make benchmarking, measurement and implementation of integrated health and productivity improvement initiatives achievable by small- and medium-sized businesses.

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*“The real issue for employers isn’t just the high cost of health care, but also the poor health of employees. The workplace needs to start embracing this view. Likewise, the vendor community needs to understand that the market for health and productivity services is growing and effective solutions are needed.”*

— David Sensibaugh  
Director Integrated Health  
Eastman Chemical Company

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## STATEMENT 8

**The concept of evidence-based medicine has grown more commonplace in U.S. health care. However, the evidence used to determine best practices needs to go beyond clinical outcomes and include functional impacts on health and productivity.**

### *Recommendations:*

- Integrate health and productivity research and metrics into evidence-based outcomes. Key metrics include absenteeism, return-to-work, lost days, impaired work performance (presenteeism), total health-related costs, and patient satisfaction.
- Include an “expanded” evidence-based perspective (total health and productivity costs and outcomes) in employer health purchasing decisions and return-on-investment calculations.
- Promote greater awareness of health and productivity costs and outcomes among providers and consumers.
- Align incentives among stakeholders to improve health and productivity outcomes in pay-for-performance and patient-centered medical home initiatives.

## *Consensus Statements with Recommendations for Action* (continued)

### STATEMENT 9

**Engagement and participation of the workforce is essential to successful design and implementation of health and productivity improvement initiatives.**

*Recommendations:*

- Create appropriate incentives for the workforce to engage in integrated health and productivity improvement initiatives.
- Implement highly effective communication strategies that will increase engagement and participation of employees and their family members in integrated health and productivity improvement initiatives.
- Encourage strategic selection of high-performance suppliers that agree to health and productivity measures in evaluating the full impact of interventions.
- Integrate community resources with workplace initiatives.

### STATEMENT 10

**Health is determined by a wide range of factors, some of which cannot be addressed through medical and/or behavioral intervention. Broad social and environmental determinants – ranging from food and transportation systems to cultural practices – can influence health. Working together, employers and stakeholders should consider these fundamental factors as integrated health and productivity improvement initiatives are designed and implemented in the workplace.**

*Recommendation:*

- Encourage employers to consider a multi-faceted approach to integrated health and productivity improvement strategies, including addressing the social determinants of health. Acknowledge that good health is influenced and defined by many factors and recognize that wellness is more than the mere absence of illness.

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*“The workplace represents a microcosm of larger society and can offer an ideal setting for introducing and maintaining health and productivity management programs. Workplace programs can reach large segments of the population that would not normally be exposed to health improvement efforts.”*

— Ron Z. Goetzel, PhD  
 Research Professor, Emory University  
 Vice President, Consulting and Applied Research,  
 Thomson Reuters Healthcare

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## Questions for the Future: Summit Work Groups

In addition to large-group discussions, participants at the Workforce Summit were separated into four work-groups to explore specific questions related to health and productivity. These questions helped stimulate the final consensus statements and recommendations of the Summit and will continue to drive the work of the group as it seeks to raise awareness and understanding of health and productivity concepts.

### Work Group 1

**How can we move workplace health toward a model that dramatically increases the emphasis on wellness, prevention and savings in lost time and lost productivity in concert with the treatment of illness and the management of disability?**

For decades, our health system has focused on medical costs as the primary measure of effective health in the workplace. We have under-emphasized quality, preventive health and broader, value-based measures such as reducing health-related absence and lost productivity as employer healthcare goals.

**Participants:** Ann Brockhaus, Pamela Hymel, Ronald Kessler, Bryon MacDonald, William Molmen, Kenneth Pelletier, Andrew Scibelli, Mary Tavarozzi and Peter Wald.

#### Discussion Summary

Participants in Work Group 1 were asked to explore the current model for workplace health and how it could be transformed. The group noted that most employers for too long have focused on minimizing costs within the separate benefits silos, a strategy focused on medical costs, because of their sheer size, and on shifting costs elsewhere because those costs then can become someone else's problem – whether the workers' or another benefits manager in the same company. Instead, a key strategy

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*“In today’s environment of global competition, organizations without healthy and high-performing people won’t be successful. If you haven’t started accurately measuring the connection between health and productivity you are already behind the curve in terms of competitiveness.”*

— Dee Edington, PhD  
Health Management Research Center  
University of Michigan

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must be to integrate benefits delivery in a way that focuses on the broader benefits of health. This strategy acknowledges that the true costs of ill health include health-related lost productivity that far exceeds direct benefits payments, while emphasizing the cost-effective benefits of health promotion rather than continuing the traditional focus on treating illness after it occurs.

The group also discussed moving corporate culture away from a quarterly-results perspective as it judges its health strategies. It is important for employers to take the longer view, and to concentrate their efforts on addressing the health conditions that have the biggest impact on their productivity – some of which can be improved quickly. Employers should be encouraged to experiment with a variety of health and productivity interventions.

Work Group 1 believed strongly that America's workplace, and employers' roles in offering healthcare, offers a unique infrastructure for addressing the nation's struggle with poor health and the rise of chronic disease. Employees spend the majority of their waking hours at work and numerous touch points exist which employers can use to influence their health positively – ranging

## Questions for the Future: Summit Work Groups *(continued)*

from benefits programs to compensation and financial incentives. Like other work groups, Group 1 identified the need to share information about health and productivity management as a priority. Modeling tools and research is available, but employers may not fully understand these tools or have proper access to them. If America's workplace is to play an important role in the future health of its citizens, it is imperative that smaller employers have the same access to tools and information as large employers, and the information must be organized so that all employers can use it to plan their interventions and gauge their performance as they create new health programming. A best-practices "road map" for employers interested in health and productivity programming is also needed, allowing them to learn from the experiences of others.

Work Group 1 spent a good deal of time discussing tactics to change the workplace health model. A priority tactic is gaining the attention of senior management; this requires a new language for health and productivity advocates to use – one that is firmly grounded in the financial business case and that effectively engages the mindset of senior-most leaders. Key will be convincing them that business growth can be achieved through conversion to health and productivity programming. The group also believed a key step in building acceptance of health and productivity strategies is getting the nation's capital markets to embrace it as a key indicator of the overall strength of an enterprise. Wall Street should be encouraged to view health and productivity strategies as an important differentiator in assessing investment opportunity. The group also discussed other policy interventions that could help change the workplace health model, including Medicare demonstration projects that would provide incentives for health and productivity programming, federal assistance to promote prevention and health-promotion pilots, and inclusion of health and productivity mandates in ERISA plans.

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*“Without employee buy-in, a true cultural shift towards health enhancement in the workplace isn't going to happen. Health improvement is not something we can do to people or for people; they must participate. Engagement is critical.”*

— Catherine Baase, MD  
Global Director Health Services  
Dow Chemical Company

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### Work Group 2

#### **What role should Evidence-based Medicine (EBM) play in workforce health and productivity?**

The concept of EBM has grown tremendously in the United States in recent years. But its quality and value is usually discussed only in the context of medical/pharmacy cost effectiveness. Some workplace leaders believe that imbedding both health and productivity outcomes as goals within the construct of EBM would lead us to a more useful tool, which could be called “Value-Based Medicine” (VBM).

**Participants:** Helen Darling, Barry Eisenberg, Franz Fanuka, Stacy Hodgins, Vincent Kerr, Doris Konicki, Ronald Leopold, Debra Lerner, Robert McLellan, Kenneth Mitchell, Eric Racine, and Archie Simons.

#### **Discussion Summary**

Participants in Work Group 2 focused on the key role Evidence Based Medicine (EBM) could potentially play as an integral part of health and productivity programming. The group agreed that the concept of EBM has grown tremendously in

the United States in recent years. But its quality and value is usually discussed only in the context of medical/pharmacy cost effectiveness. The group discussed the idea that EBM could be more effective in moving the U.S. toward a preventive care model if it were better integrated with the health and productivity movement. If EBM's best practices were based in part on functional outcomes as measured through health and productivity methodologies, rather than simply clinical outcomes, the employer/health provider community would be better aligned. Tangible incentives for changes in employee health programming would emerge along with the growth of an evidence base.

The group considered ways in which the EBM paradigm could be shifted in the workplace so that when medical evidence is evaluated it reflects total costs, including health-related productivity costs. They agreed that among the key factors that should be incorporated into EBM are absenteeism, presenteeism, impaired work performance, and patient satisfaction and that this would help drive employers toward using an EBM model for health purchasing decisions and return-on-investment calculations. Overall, this approach would add a new "value-based" dimension to EBM, giving it wider application and impact.

Group 2 discussed the role of the patient (employees) in this effort, and concluded that a new value-based EBM model would be embraced by employees if it expanded shared decision-making, improved health outcomes, reduced medical waste and elevated patient satisfaction. The group concluded that the concept will have a higher chance for success if it delivers an appropriate mix of health and wellness, medical, behavioral and pharmaceutical services while fostering better health and increased productivity. As in other discussion groups, Group 2 felt strongly that incentives, awareness-building and education would be the key components of a successful integration of EBM and a new value-based model.

The group discussed new movements in the medical community that should be acknowledged and considered as a part of this effort, including pay-for-performance and patient-centered medical home initiatives.

### Work Group 3

#### **In the workplace of the future, what would effective health and productivity management (HPM) programs look like?**

More and more employers are innovating and adding to the health and productivity knowledge base as the concept matures. As this process continues, best practices should be acknowledged and shared to maximize HPM's impact. One of the most important issues for employers will be finding reliable methods to determine the full cost of poor-quality care. If HPM can deliver this key metric, it will provide increased value for employers.

**Participants:** Steven Barger, Douglas Benner, David Dietz, Gary Earl, Ronald Goetzel, Warner Hudson, David Kasper, Matthew Kinkead, Dennis Richling, David Sensibaugh, and Michael Taitel.

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*“Some business-trend experts predict that we have only two to five years to become more competitive globally – especially with the economies of China and India. What we are learning is that health and productivity improvement must be a key part of the strategy to get us there.”*

— Thomas Parry, PhD  
President  
Integrated Benefits Institute

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## Questions for the Future: Summit Work Groups *(continued)*

### Discussion Summary

Participants in Work Group 3 were given the task of envisioning how health and productivity programming could be established in the workplace of the future and what would help it succeed.

The group agreed that key to success is creating workplaces with an underlying culture of health. Achieving such a culture will require leadership by example from senior managers, a high level of engagement and trust, appropriate levels of investment and strong emphasis on aligning corporate strategies with a “health vision.” Employee satisfaction is an important end goal of health and productivity programming and in the workplace of the future employers will need to provide incentives that will encourage employees to support health promotion programs. They will need to appeal to the self-interest of the employee: that is, how can health promotion enhance overall quality of life? The group discussed concepts such as linking the health of employees to CEO bonuses and building five-year strategic health plans aligned with long-term business goals.

Incentives for employees are important, but equally important are aligning incentives supported by public policy providers, hospitals, health plans, device makers and other stakeholders. The emphasis must be on showing the benefit of shifting from a sick-care health system to a preventive health system. Employers will also need to coordinate with educational institutions, ranging from business schools to medical schools, to ensure that the concepts of health, productivity and human capital become fundamentally embedded in curriculums.

The workplace is part of a larger community, and employer health and productivity strategies will be more likely to succeed if they are integrated and aligned with health in the home and other sectors of society. The group discussed advantages to employer/community health integration, including the idea that healthy communities – where employers

coordinate their health and productivity efforts with local public health and home-based health programs – can build a competitive advantage by creating a healthy, and therefore, desirable, regional workforce. The underlying idea is that companies and supporting communities that don’t stress workforce health and productivity will not attract investment.

Health and productivity programming will gain traction in the workplace of the future if the data to support it continues to grow. This will require expanded research and new ways for employers to access relevant data as they build their own health and productivity programs.

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*“Financial markets often result in many executives being rooted in short-term thinking – quarter to quarter. The challenge before us is to help executives shift their view from short-term to long-term when it comes to the investments we make in our people.”*

— Chris McSwain  
Director, Global Benefits  
Whirlpool Corporation

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### Work Group 4

#### **How do we encourage employers/payers to embrace health and productivity enhancement as a long-term strategy?**

If investing in worker health and productivity enhancement is to be a priority for the future, developing strategies to help move the employer/payer community, including employers and labor, to embrace it is vital. How can we move institutional representatives of the employer/payer community to embrace a full-cost view of health?

**Participants:** Cathy Baase, Schumarry Chao, Nancy Desmond, Dee Edington, John Howard, Paul Handel, Kim Jinnett, Gary Lindsay, Chris McSwain, and Thomas Parry.

### Discussion Summary

Participants in Work Group 4 discussed the current workplace environment and its receptiveness and adaptability to health and productivity enhancement initiatives. Among the group's findings was a solid belief that continuing the status quo of health care strategy in the workplace – that is, viewing employee health as a cost to be reduced with a focus primarily on medical and pharmacy costs – is not a sustainable option. The realities of chronic disease among workers and an increasingly competitive global marketplace make it incumbent upon the business community to move toward a new paradigm. But how can long-entrenched mindsets be changed to embrace a new model? The group identified three impediments that keep employers and employees resistant to change: First, a lack of knowledge about data indicating that workforce productivity has a measurable impact on the employer's bottom line and that ill health is lowering productivity through absenteeism and presenteeism; second, a lack of easily accessible tools and methodologies that would enable employers to measure health and productivity in bottom-line terms; and third, a lack of a "track record" of health and productivity management models that the nation's employers can learn from and emulate.

Other roadblocks to change include a lack of external expertise, services and products from the marketplace that can help employers shift their strategies, and lack of communication channels within the community of health and productivity enhancement practitioners that could help elevate the visibility of their work to the overall business community.

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*“In order to achieve results, employers must be willing to make health and productivity strategies an ongoing part of the discussion in the C-suite. Without senior management buy-in, success is elusive.”*

— Pamela Hymel, MD, MPH  
Global Medical Director  
Cisco Systems

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Like Group 3, Group 4 also discussed in depth the lack of incentives for both employers and employees to change; coming to a consensus view that health and productivity enhancement will grow in the workplace when employees and employers see this new paradigm as offering a tangible benefit to their long-term self interest. The group discussed models in which leaders within a company demonstrate to employees that health and productivity enhancement programs can bring greater success and job satisfaction; while convincing executive management teams that such programs also bring positive results to the corporate bottom-line.

Group 4 explored the idea of engaging more effectively with families of employees, with retirees and beneficiaries, and with local communities to strengthen and reinforce a preventive health paradigm – with the thought that this new vision for health will more likely be adopted if it is shared across cultures. In general, the successful results of the nation's early adopters of health and productivity enhancement programming must be translated more effectively to a broader audience of both employers and employees for long-term adoption. A successful translation will ultimately rest on continued outcome measurement and assessment of ongoing outcomes improvement. We can only manage what we measure.

## *Fundamentals of Health and Productivity*

Enlightened employers are realizing that healthy employees are a key driver of enterprise performance and productivity. Investments in health and safety can bring impressive cost savings and productivity gains. As a result, the concept of health and productivity improvement programming is growing in the workplace. Health and productivity programming strategies are built on the idea that comprehensive, integrated workforce health enhancements can lower health risks, reduce the burden of illness, improve productivity and reduce health-related costs – both to the employer and, more generally, to workers and society as a whole. The broader implications of this concept are profound: Because the health of the workforce is strongly linked to the productivity of the workforce, the health status of our workforce is logically an important determinant of our economic health as a nation.

### **What do we know about the link between health and productivity?**

Our understanding of the link between health and productivity is growing as the body of research on this topic continues to expand. We know, for example, that poor health in the workforce costs employers much more than they realize – mostly through lowered productivity as a result of absenteeism, presenteeism and disability. We know that most employers focus their employee health strategies on reducing their medical and pharmacy costs – which doesn't address the impact of poor health on their productivity. Studies show that for every \$1 they spend on medical and pharmacy costs, employers absorb up to \$2 to \$3 in health-related productivity costs. And we know that when they use tools to accurately measure the impact of poor health on productivity, many employers find that some health conditions – such as depression and fatigue – are far costlier than previously thought.

### **How do health and productivity strategies work?**

At the heart of health and productivity strategies is the measurement of workplace health costs, accurate evaluation of the factors that are driving those costs, and the creation of evidence- and value-based health enhancement programs and strategies for workers.

### **How does the employee benefit from health and productivity programs?**

Well-designed health and productivity programming keeps employees healthier and creates a better work environment as well as more successful personal and family lives. Healthy workers are self-fulfilled and more satisfied; their lives are better integrated on all levels – physically, emotionally and spiritually.

### **What are the societal benefits of health and productivity programming?**

Employees' good health touches on their families and communities and it impacts the workplace, where they become more productive – they are able to contribute to their vocations for more years and they place much less burden on the health care system. Employers who implement HPM programs, in turn, experience better results, enhanced productive capacity and stronger bottom lines. The nation's economic infrastructure benefits from greater competitive ability, higher productive output and a more stable health system and entitlement programs.

To learn more about health and productivity programming, visit these resources:

American College of Occupational and Environmental Medicine

**[www.acoem.org](http://www.acoem.org)**

Integrated Benefits Institute

**[www.ibiweb.org](http://www.ibiweb.org)**

**American College of Occupational  
and Environmental Medicine**

25 Northwest Point Blvd. Ste. 700  
Elk Grove Village, IL 60007

**Integrated Benefits Institute**

595 Market St. Ste. 810  
San Francisco, CA 94105