

# 1.2 Impact and Value of Health & Productivity Management



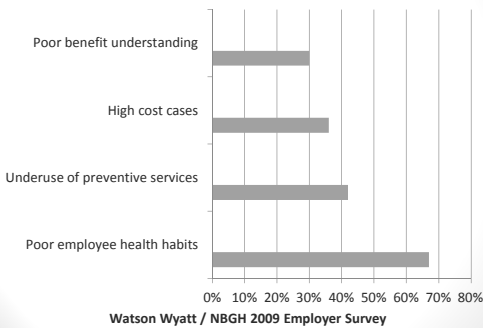
## Why Measure Health and Productivity?

- To answer the pressing business questions your C-Suite is asking
- Productivity loss is a major organizational cost
- When combined, healthcare costs and lost productivity are a **powerful business measure** of the total cost of poor health
- Puts opportunity costs and potential savings into C-Suite terms
- H & P **expands the potential for a positive ROI** on health-related investments

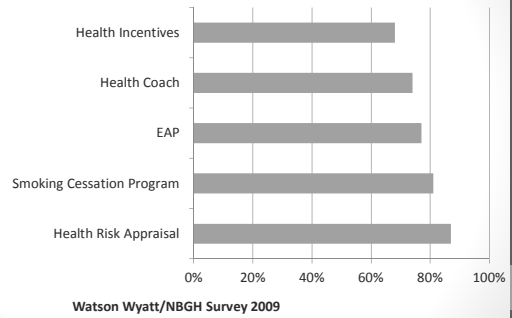
*Measure what you want to manage*

HPM – The Healthy Worker Advantage

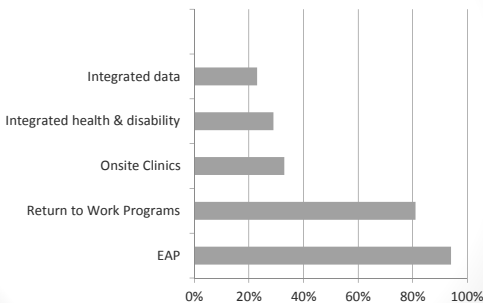
## Top Employer Challenges For Affordable Benefits



## Health & Productivity



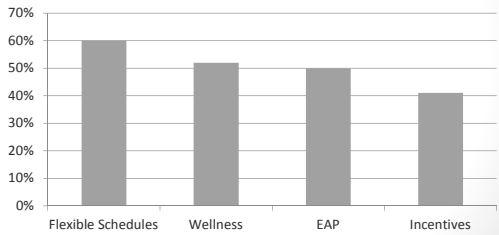
## Best practices used to improve health & productivity include:



## Occupational & Environmental Medicine Health & Productivity Opportunities

- Resource to Corporate Benefits for H & P Strategies
- Data Analysis & Interpretation
- Program Integration
- Health Promotion Programs
- Clinical Screenings
- Return to Work
- Outcome Evaluation

### Strategies used to improve workforce productivity during the economic downturn



### The Corporate Environment

- Business Climate: Doing more with less, and do it faster, better and cheaper
- Measuring your value in a way that matters to a company
- Changing roles of the occupational medicine physician

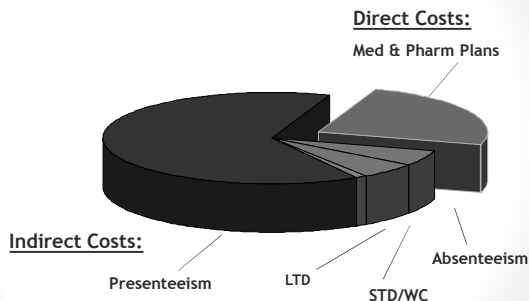
### OEM Health & Productivity Opportunities

- Resource to Corporate Benefits for H & P Strategies
- Data Analysis & Interpretation
- Program Integration
- Health Promotion Programs
- Clinical Screenings
- Return to Work
- Outcome Evaluation

### Outcomes of health and productivity efforts:

- Reduce health-related lost productivity
- Reduce sick day/ disability absences
- Reduce medical/ pharmacy expenditures
- Improve employee satisfaction

### Ratio of Direct to Indirect Employee Health Costs



Edington & Burton 2004

### Factors affecting health and productivity

Health-related factors	Productivity-related factors
Physical health	Absenteeism
Chronic disease	STD & LTD
Acute illness	FMLA
Lifestyle	WC
Health risks	Incidental Absence
Preventive care	Presenteeism
Other factors	Work Issues
Demographics	Ergonomics
Caregiving	
Work/life imbalance	

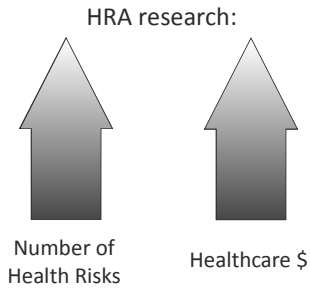
### Direct Health Costs

- Connected with the diagnosis & treatment of an illness
- Usually represented by medical and pharmacy plan claims
- Affected by:
  - Health of plan members
  - Benefit plan modifications

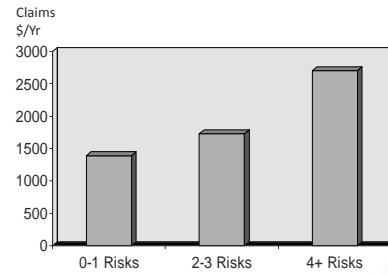
### HRA: Selected Health Risks

- Lifestyle
  - Smoking
  - Exercise
  - Seatbelt Usage
- Biological
  - Diabetes
  - Blood Pressure
  - Cholesterol
  - Body Weight (BMI)
- Perception
  - Life satisfaction
  - Personal Loss
  - Perception of Health

### Medical Claims and HRA



### Medical Claims and Health Risks



### Pharmacy Claims and Health Risks

