Realizing the promise and Competitive Advantage of a: “Thriving, Healthy, High-Performing and Sustainable Workplace and Workforce”

Edington Associates LLC
Problem 1
Employee and family health issues and their relationship to medical costs, low loyalty, low performance, and low engagement are a threat to organizational performance: similar to poor safety and poor quality.

Problem 2
Corporate wellness, disease management and behavioral health programs often underperform because management and employees do not understand the “why, what and how” or the potential benefit of these initiatives.
Best Place to Work

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  Healthy
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  Growth
Good Consumer  Knowledgeable  Shared Values
Literate  Listening  Shareholder Value  Respect

VISION for Working, Living and Thriving
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

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

## 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
Excess Diseases Associated with Excess Risks (Heart, Diabetes, Cancer, Bronchitis, Emphysema)

Percent with Disease

Age Range
- Less than 45
- 45 to 64
- Greater than 65

- Less than 45: 3.00%
- 45 to 64: 9.50%
- Greater than 65: 18.60%

- Low Risk

- Med Risk

- High

Low Risk

Med Risk

High

## Cluster Analysis

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Smoking</td>
<td>31%</td>
<td>0%</td>
<td>16%</td>
<td>27%</td>
</tr>
<tr>
<td>Alcohol</td>
<td>10%</td>
<td>0%</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Physical activity</td>
<td>28%</td>
<td>0%</td>
<td>19%</td>
<td>26%</td>
</tr>
<tr>
<td>Safety belt usage</td>
<td>36%</td>
<td>0%</td>
<td>22%</td>
<td>31%</td>
</tr>
<tr>
<td>Body mass index</td>
<td>27%</td>
<td>25%</td>
<td>38%</td>
<td>27%</td>
</tr>
<tr>
<td>Systolic blood pressure</td>
<td>9%</td>
<td>0%</td>
<td>81%</td>
<td>23%</td>
</tr>
<tr>
<td>Diastolic blood pressure</td>
<td>5%</td>
<td>0%</td>
<td>61%</td>
<td>20%</td>
</tr>
<tr>
<td>Cholesterol</td>
<td>19%</td>
<td>19%</td>
<td>27%</td>
<td>22%</td>
</tr>
<tr>
<td>HDL cholesterol</td>
<td>34%</td>
<td>10%</td>
<td>33%</td>
<td>24%</td>
</tr>
<tr>
<td>Self-perceived health</td>
<td>13%</td>
<td>0%</td>
<td>9%</td>
<td>28%</td>
</tr>
<tr>
<td>Life satisfaction</td>
<td>4%</td>
<td>0%</td>
<td>2%</td>
<td>73%</td>
</tr>
<tr>
<td>Stress</td>
<td>9%</td>
<td>0%</td>
<td>2%</td>
<td>76%</td>
</tr>
<tr>
<td>Illness days</td>
<td>21%</td>
<td>0%</td>
<td>12%</td>
<td>26%</td>
</tr>
</tbody>
</table>

### Overall Risks

<table>
<thead>
<tr>
<th>Overall Risks</th>
<th>Low risk (0-2 risks)</th>
<th>Medium risk (3-4 risks)</th>
<th>High risk (5+ risks)</th>
<th>Average Number of risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low risk (0-2 risks)</td>
<td>50.2%</td>
<td>97.6%</td>
<td>26.5%</td>
<td>18.9%</td>
</tr>
<tr>
<td>Medium risk (3-4 risks)</td>
<td>35.7%</td>
<td>2.4%</td>
<td>48.9%</td>
<td>35.9%</td>
</tr>
<tr>
<td>High risk (5+ risks)</td>
<td>14.1%</td>
<td>0%</td>
<td>24.7%</td>
<td>45.2%</td>
</tr>
<tr>
<td>Average Number of risks</td>
<td>2.8</td>
<td>0.6</td>
<td>3.6</td>
<td>4.4</td>
</tr>
</tbody>
</table>

Excess Medical Costs due to Excess Risks

Natural Flow: by Risk Status

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

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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

Natural Flow by Risks-Costs-Age

Decrease the Slope

Annual Medical Costs

Age Range

19-34 $1,776  35-44 $2,193  45-54 $2,740  55-64 $3,734  65-74 $4,613  75+ $5,756

$0 $3,000 $6,000 $9,000 $12,000

High Med Risk Non-Participant Low

Medical and Drug Cost (Paid)*

- **Non-Impr**: Paid increased from $2,000 in 2001 to $4,000 in 2004.
- **Improved**: Same or lowered risks.

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*Indicates that the data represents medical and drug cost paid out for the years 2001 to 2004. The graph shows a significant increase in costs for the non-improved category, while the improved category remains relatively stable.*
1. Risk status is related to disease and 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 the workplace and workforce controls and maintains risks and behaviors and the environment and culture*
Recommendations for the Population after 30 years of work 1977-2009 (Zero Trends)

Don’t Get Worse

Help the Low-Risk stay Low-Risk

Help the High-Risk move to Low-Risk
Wellness Strategies: 2012 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

Wait for Disease or Health Risks and then Treat!

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

…it’s time for Disruption Innovation
Future Economic Strategy for Health

Continue the strategy to cope with the costs of Healthcare as an Economic Strategy

And

Invest in Health as an Economic Strategy to Build a Thriving, Healthy, High Performing and Sustainable Workplace, Workforce, Family, Community, State, …
Integrate the Whole Person into the Environment and Culture:

Engage in Population Health

(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

Populations throughout the world live and work within a thriving, healthy, high performing and sustainable workplace and workforce

Based upon over 900 Publications and Presentations
An ENTERPRISE PROBLEM
(Threats to the Enterprise)
Requires an
ENTERPRISE SOLUTION
The whole is greater than the sum of the parts!!!
Thriving and Sustainable Workplace and Workforce for 2013 and Beyond: Strategic

Create a Thriving and Healthy Workforce

Create a Supportive Environment and Culture

Create the Vision and Strategy

Champion Company

Gains in Organizational Objectives

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
Fix the barriers we identified when developing the business case.

<table>
<thead>
<tr>
<th>Organizational and Individual Barriers</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Senior Leadership</strong></td>
<td>Lack of support</td>
</tr>
<tr>
<td></td>
<td>Lack of clear vision</td>
</tr>
<tr>
<td><strong>Operations Leadership</strong></td>
<td>Supervisor lack of support</td>
</tr>
<tr>
<td></td>
<td>Lack of supportive culture</td>
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<tr>
<td></td>
<td>Incomplete communications</td>
</tr>
<tr>
<td><strong>Self Leadership</strong></td>
<td>Don’t understand what, why, how</td>
</tr>
<tr>
<td></td>
<td>Lack of self-efficacy</td>
</tr>
<tr>
<td></td>
<td>Lack of time, convenience</td>
</tr>
<tr>
<td><strong>Recognize Strengths</strong></td>
<td>Lack of positive recognition</td>
</tr>
<tr>
<td><strong>Quality Assurance</strong></td>
<td>Lack of feedback on progress</td>
</tr>
<tr>
<td></td>
<td>Lack of shared values, vision</td>
</tr>
</tbody>
</table>
Fact:
Companies with a well established and supported Culture of Health get better outcomes from their programs than companies that have a poor or misunderstood Culture of Health.
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 for a Culture of Health (Example)

“... a sustainable culture of health where individual’s quality of life, state of well-being, empowerment and engagement are thriving”
Step #2  **Systematic, Systemic**

Alignment of Policies with Vision

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

“You can’t put a changed person back into the same environment and expect the change to hold”
Moving Health into the Culture

- Create “Health as Strategy”
- Employee and Management Ownership of Health
- Employee Job and Life Satisfaction
- High Loyalty
- High Performance
- Retention of Key Employees
- High Engagement
- Appropriate Healthcare Costs
- Appropriate Time away from Work
How Do You Add Health to the Culture?

- Clear goals established by CEO and Senior Leadership
- Well communicated goals to all
- Understand the culture gaps and create employee work teams to fix the gaps
- Corporate training on how to achieve a high-quality, healthy and thriving culture
- Wellness program audit to align goals
- Organizational GPS available to all employees
The EA 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
Training Suite: What, Why, How

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

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

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

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

Employees
- Self-leadership skills
- Resilience and strengths
- Everyday decisions
Incorporate Determinates of Health

Supportive Community

Individual

Supportive Workplace

Supportive Family and Friends

Thriving Employee

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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
Step #3

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’
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

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Vision for Self-Leadership

- Environment and culture
- Purpose, Values, Mission, Vision
- Personal Control
- Resilience
- Optimism
- Confidence/Self-efficacy
- Self-Esteem
- Vitality/Vigor
- Consumerism
- Engaged patient role
- Social Support – Colleagues – Community – Family
- Knowledge
- Health Literacy
- Negotiation Skills
- Low-Risks and Behaviors
- Other characteristics: Change, Integrity, Trust, Thrive, Enthusiasm, Ethical, Spiritual, Creative, Flexible,

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Fundamental Skills for Self-Leaders

- **RESILIENCE**
  - Positive Outlook
    - Happiness
    - Brain Health

- **SELF LEADERSHIP**
  - Values
    - Purpose
    - Vision

- **CHANGE**
  - Focusing on Strengths
    - Positive Reframing
    - Creating a Plan for Change

- **DECISION MAKING**
  - Emotions & Intuitions
    - Mental Shortcuts and Biases
    - Environment
Step #4  Systemic, Sustainable

Reinforce the Culture of Health

• Alignment of recognition to the vision
• Reward champions
• Set incentives for healthy choices
• Reinforce at every touch point

“What is rewarded is what is sustained”
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”
Health assessment data can be collected via the Healthy Life Assessment, or HRA data from an external source can be mapped and uploaded.

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.

External data feeds

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How Does the CPS Work?

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)
Summary
## Which Sustainability Level is for You

<table>
<thead>
<tr>
<th>Sustainability Rating</th>
<th>Pillar 1</th>
<th>Pillar 2</th>
<th>Pillar 3</th>
<th>Pillar 4</th>
<th>Pillar 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Strategic Vision from Leaders</td>
<td>Systematic &amp; Thriving Culture</td>
<td>Systemic Engage all in the Culture</td>
<td>Recognize Positive Actions, WorkTeam</td>
<td>Sustained Progress in all areas</td>
</tr>
<tr>
<td>2</td>
<td>Speech from Leader</td>
<td>Internal Wellness Program</td>
<td>Screenings &amp; Reduce High-Risks Coaching</td>
<td>Incent High-Risk Reduction</td>
<td>Change in Risks, ROI</td>
</tr>
<tr>
<td>1</td>
<td>Inform Leader</td>
<td>Out-source Wellness</td>
<td>Screenings &amp; Reduce High-Risks</td>
<td>Incent High-Risk Reduction</td>
<td>Change in Risks</td>
</tr>
<tr>
<td>0</td>
<td>Do Nothing</td>
<td>Do Nothing</td>
<td>Do Nothing</td>
<td>Do Nothing</td>
<td>Do Nothing</td>
</tr>
</tbody>
</table>

### Five Pillars
- **Senior Leadership**
- **Operations Leadership**
- **Self-Leadership**
- **Rewards for Positive Actions**
- **Quality Assurance**
Vision for Your Organization

What’s the Point?
Thank you for your attention

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