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Employer Update

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First Integrated Care Summit Wins Praise; Planning for 2008 Begins

Employers who attended the recent Integrated Care Summit, co-hosted by DMAA and the National Association of Manufacturers (NAM), praised the program's educational content, keynote speakers and focus on practical knowledge for the workplace.

The Summit, Sept. 17 to 19, in Las Vegas, featured session tracks on behavior change and employee empowerment, integration of health management interventions in the workplace and evaluating program outcomes. Attendees heard presentations from leading employers on successful employee health improvement strategies, including pharmacy benefit design, health coaching, personal health records and educational outreach.

Summit sessions also touched on related issues, including liability in health promotion programs and application of incentives and other care management strategies in complex labor environments.

The Summit opened Sept. 17 with a speech by NAM President and CEO John Engler and an evening reception. Other speakers included NAM Vice President of Human Resources Policy Jeri Gillespie; Sam Ho, MD, executive vice president and chief medical officer, UnitedHealth Group; and Noel Obourn, chief sales officer, Revolution Health Group.

"Employers clearly supported this program and were rewarded with outstanding content and networking opportunities," DMAA President and CEO Tracey Moorhead said. "Without exception, they reported leaving the Summit with a greatly improved understanding of the challenges to and effective strategies for setting up a successful health promotion program."

Planning is already under way for the 2008 Summit, which DMAA and the NAM will host Sept. 9 and 10, at the Westin Diplomat Resort and Spa in Hollywood, Fla. Look for details about the 2008 event as they become available at www.dmaa.org.

DMAA, NAM Release Employer Toolkit on Wellness, Disease Management

DMAA: The Care Continuum Alliance and the National Association of Manufacturers (NAM) have released a toolkit designed primarily for small- and mid-sized employers to help them navigate the many choices for workplace wellness and disease management programs.

"Wellness, Disease and Care Management: Background for Developing a Business Strategy," offers comprehensive information, in downloadable and CD-ROM format, on approaches to helping employees maintain and improve health, avoid disease and successfully manage existing chronic conditions.

DMAA and the NAM released the toolkit to coincide with their joint Integrated Care Summit, Sept. 17 to 19, in Las Vegas. NAM President and CEO John Engler opened the Summit with a keynote speech focused on the contributions of manufacturers to innovative wellness and care management strategies. "Creating a more efficient system of health care through innovation, 'lean' processing and health IT provides both improved quality and affordability," Engler said. "And when it comes to innovation, technology and efficiency, that's what American manufacturers do best."

"The growing prevalence of chronic disease nationally is especially hard on our nation's employers, who need timely and relevant information about strategies to improve workforce health and lower health care costs," DMAA President and CEO Tracey Moorhead said. "This toolkit provides critical information, case studies of successful wellness and care management strategies and other resources to guide employers."

NAM Vice President of Human Resources Policy Jeri Gillespie said the toolkit will be of particular benefit to the nation's small- and mid-sized employers, for

whom rapidly escalating health care costs present a particular burden.

"Personnel costs and health benefits spending constitute a major portion of budgets for these companies, who urgently need innovative solutions," Gillespie said. "The NAM strongly supports innovation and cost containment in health care, and this toolkit provides a sound foundation for achieving both."

Rapidly escalating health care costs nationally over the past decade have proved particularly burdensome on employers and their workers and dependents. By some estimates, employee benefit costs represent the typical company's third largest expense, and health insurance is the fastest-growing component. A recent report suggests that soon, unless trends change, the average Fortune 500 company might spend as much on health benefits as it earns in profits.

In the face of rising costs, a growing number of employers are turning to integrated wellness, prevention and disease management programs that promote healthful lifestyle choices and identify workers with disease and those at risk of developing chronic conditions. The DMAA-NAM toolkit, which reflects the collective expertise of leaders in employee health and benefits, outlines in detail common approaches to preventing and managing disease in the workplace.

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Kaiser Survey Shows Increasing Employer Support for Disease Management

For a second straight year, employers of all sizes have ranked disease management as the most effective strategy to contain health insurance costs, the Kaiser Family Foundation and Health Research and Educational Trust (HRET) say.

A combined 71 percent of all respondents to the 2007 Kaiser/HRET annual Employer Health Benefits survey rated disease management programs as “very effective” or “somewhat effective” in containing health insurance costs. The 2007 survey included 3,078 randomly selected public and private firms with three or more employees, 1,997 of which responded to the full survey and 1,081 of which responded to an additional question about offering coverage.

In a breakdown by company size, the survey found that 28 percent of small firms, defined as three to 199 workers, ranked disease management as “very effective,” up from 17 percent in the 2006 survey. Thirty-five percent of large firms—200 or more workers—gave disease management the “very effective” rating, compared with 28 percent in 2006.

“This year’s survey asked employers how they view different approaches to containing cost increases and how they plan to change their health benefit plans in the near future,” Kaiser and HRET wrote in a summary of the survey’s “Employer Opinions and Practices” section. “The approach perceived to be most effective by both small and large firms is disease management.”

The complete survey, in Adobe Acrobat (pdf) format, is available for download from the Kaiser Family Foundation site, www.kff.org, in the “Cost/Insurance” section.

Study: Chronic Disease Lowers Productivity \$1 Trillion Annually

In a recent groundbreaking study, a leading economic think tank estimates that seven chronic conditions caused a \$1.1 trillion loss in U.S. productivity in 2003 and that better prevention and treatment could save nearly that much annually within two decades.

In its report, “An Unhealthy America: The Economic Burden of Chronic Disease,” the Milken Institute says the cost figure rises to \$1.3 trillion when combined with direct treatment costs for the diseases: cancer, heart disease, hypertension, mental disorders, diabetes, pulmonary conditions and stroke. Without action to reverse the trend, the total annual economic impact of the seven conditions could balloon to nearly \$6 trillion by the middle of the century, the institute warns.

Comparing a “business-as-usual” baseline scenario with an optimistic scenario that assumes reasonable improvements in health-related behavior and treatment, the report estimates that the nation would save \$217 billion in treatment costs in 2023 and \$905 billion in avoided productivity losses. The cumulative difference in gross domestic product over two decades (2003 to 2023) resulting from better prevention and treatment would be \$6.9 trillion, the report estimates.

“Plainly, absenteeism and lower productivity on the job linked to chronic disease are major factors limiting economic growth and reducing living standards,” the Milken Institute concludes.

The institute considered both absenteeism and “presenteeism” in its calculations. “Chronically ill workers take sick days, reducing the supply of labor—and, in the process, the GDP,” the reports states. “When they do show up for work to avoid losing wages, they perform far below par—a circumstance known as ‘presenteeism,’ in contrast to absenteeism. Output loss (indirect impacts) due to presenteeism (lower productivity) is immense—several times greater than losses associated with absenteeism. Last (but hardly a footnote), avoidable illness diverts the productive capacity of caregivers, adding to the reduction in labor supply for other uses.”

The study, which provides a state-by-state accounting of the economic impact and avoidable costs of chronic conditions, calls for more incentives to promote prevention and early intervention and a renewed national commitment to achieve a “healthy body weight.” The complete study is available on the institute’s Web site, www.milkeninstitute.org.

DMAA, NAM Employer Toolkit, *continued*

Toolkit components include issue briefs on:

- common strategies for employee wellness and disease management programs;
- an overview of common tools and methods, such as predictive modeling and health risk assessments;
- a discussion of typical delivery models;
- employee education and engagement strategies;
- measuring return on investment; and
- legal and compliance issues in employee health promotion programs.

The toolkit also offers guidance on the RFP process for finding and contracting with disease management and other health promotion services, whether through a health plan or from a third-party vendor. This section arms employers with valuable questions to consider in the RFP and contract development process.

The toolkit is available for download at www.dmaa.org/employer_resources.asp