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What Behavioral Health Means for Employers

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About IBI

National, not-for-profit organization representing 1,100 organizations with 20 million employees

- Business value of workforce health
 - Linking absence, employee performance and productivity to business metrics.
- Better measurement
 - Providing practical measurement strategies for linking employee health, care delivery and business outcomes.
- Modeling tools
 - To give employers a way to estimate the economic burden of illness when they don't have all the data.
- Practical evidence
 - Using case studies to show employers what leading employers have done and how they've done it.

A New Employer Setting

- ACA: Transition from tactics to strategy
- Show the C-suite the value of improved workforce health
- Dead end: attempting to control claims costs in separate program silos
- Looking for new strategies to improve workforce health, reduce lost time, enhance productivity and impact business
- Limited data, time and dollars

What We'll Cover

- What's at risk for employers: the economic impact of poor health
- Behavioral health issues from the employee's view
- The productivity impact of behavioral health
- How Can HR & Benefits Professionals Make the Business Case?

What's at Risk Economically for Employers?

Modeling the economic impact of poor health
for a 10,000 life hospital



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Model Data Sources

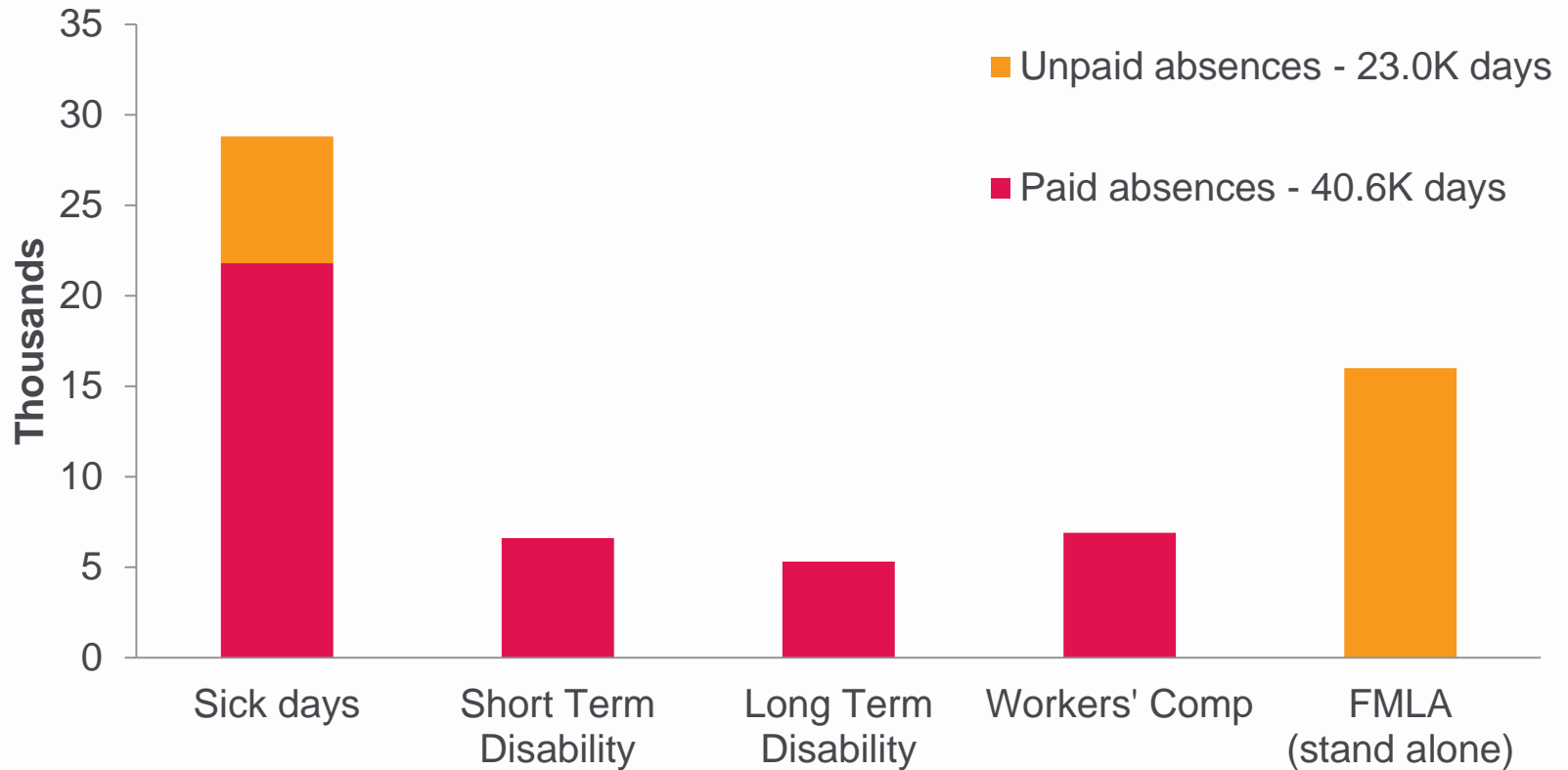


NATIONAL
ACADEMY
OF SOCIAL
INSURANCE



Nicholson,
Pauly, Polsky,
et al.

63,600 Days of Illness-Related Absence



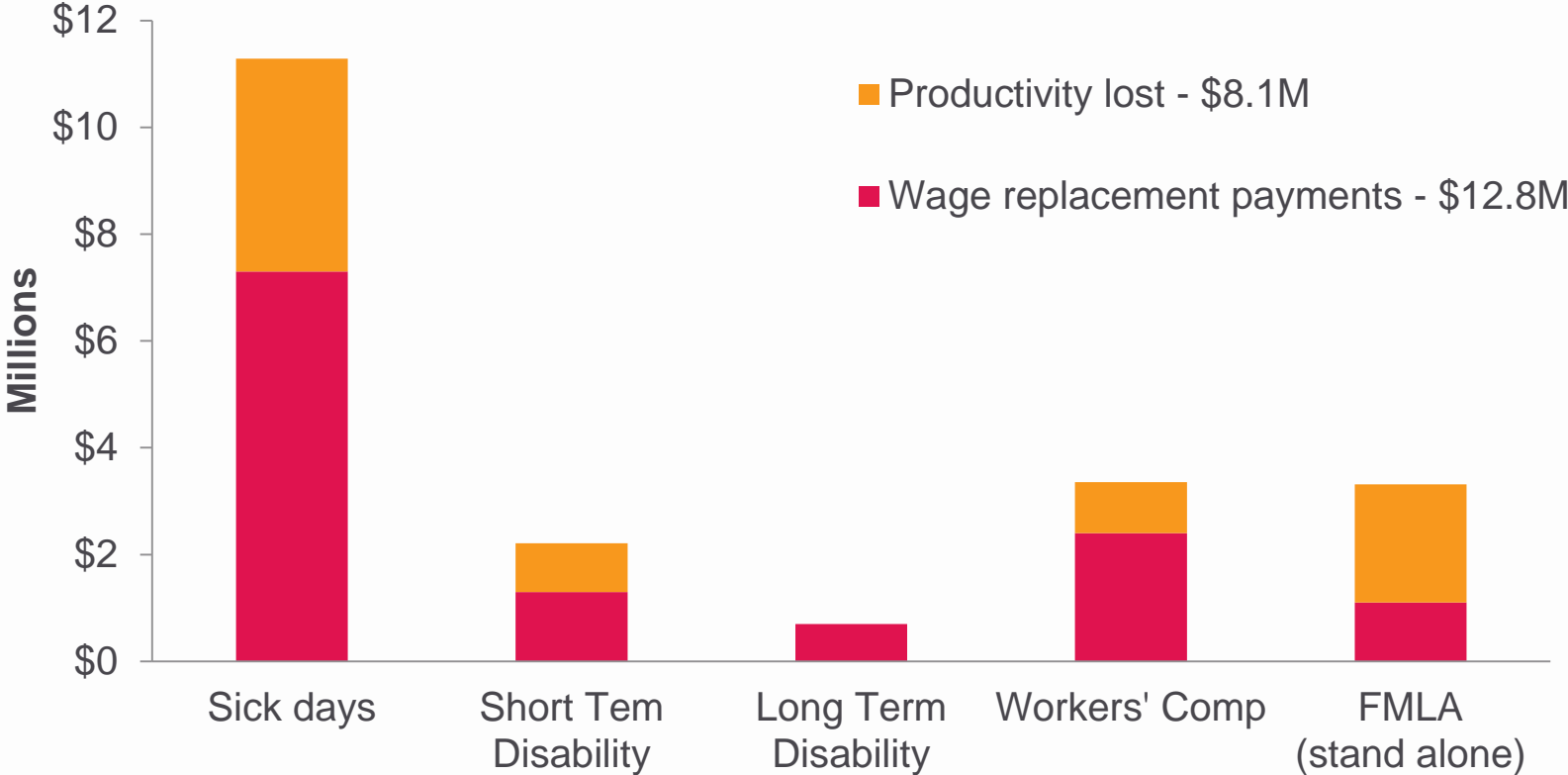
All results generated using IBI's Full Cost Estimator (FCE) tool, modeled for a 10,000 life hospital



Employers Incur Lost Productivity Costs for Each Absence

- Wage replacement payments
- Lost revenues and excess compensation costs to the extent that:
 - It is difficult to find equivalent substitutes for absent employees
 - Employees have time sensitive outputs
 - Team productivity depends on an employee who is absent
- For hospitals, additional costs are about 45% higher than daily wages

Wage replacements and lost productivity for illness-related absences cost almost \$21M



All results generated using IBI's Full Cost Estimator (FCE) tool, modeled for a 10,000 life hospital

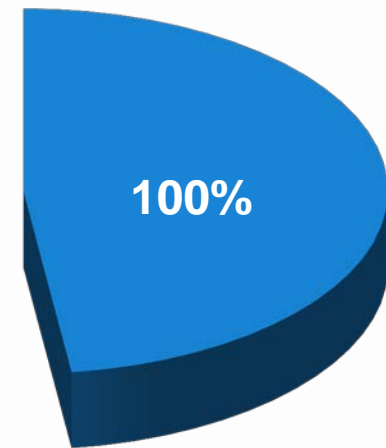


What about reduced performance?

- 79% of this workforce is estimated to have at least one of 26 chronic illnesses.
- 2.3% of each workday is lost to underperformance for chronically-ill employees, compared to employees with no chronic illness.
- \$16.3 million in lost productivity due to presenteeism of chronically-ill employees.
- On top of \$20.9 million for absence lost productivity

Employers Typically View Healthcare Costs in a Silo

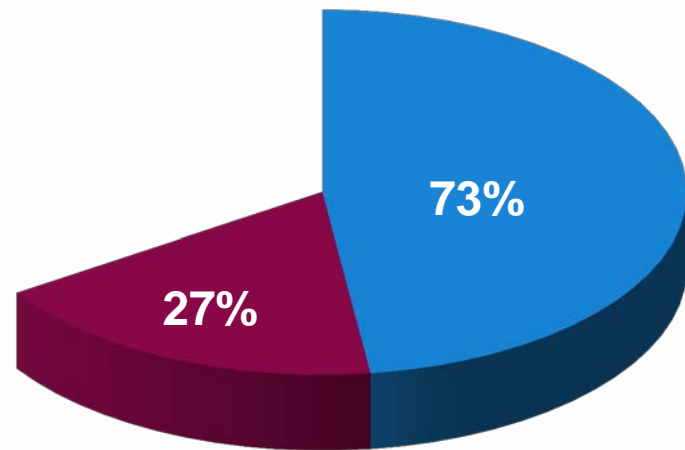
■ Medical/pharmacy



They think medical and pharmacy costs are 100% of the issue

Employers Typically View Healthcare Costs in a Silo

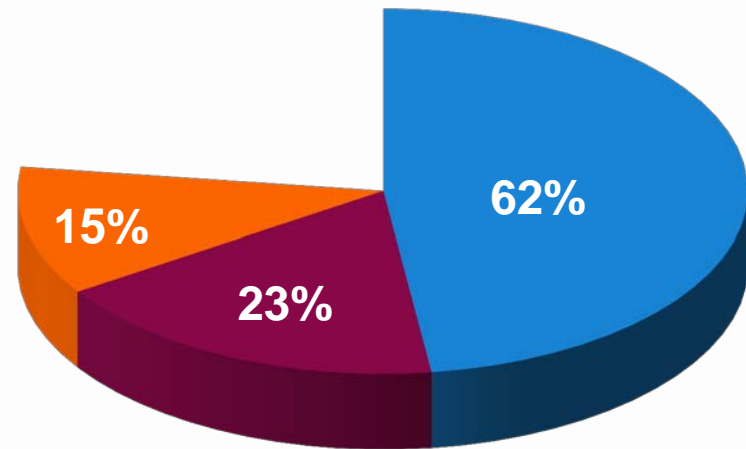
- Medical/pharmacy
- Wage replacements



Considering wage replacements to absent workers shows that healthcare is only 73% of the total...

Employers Typically View Healthcare Costs in a Silo

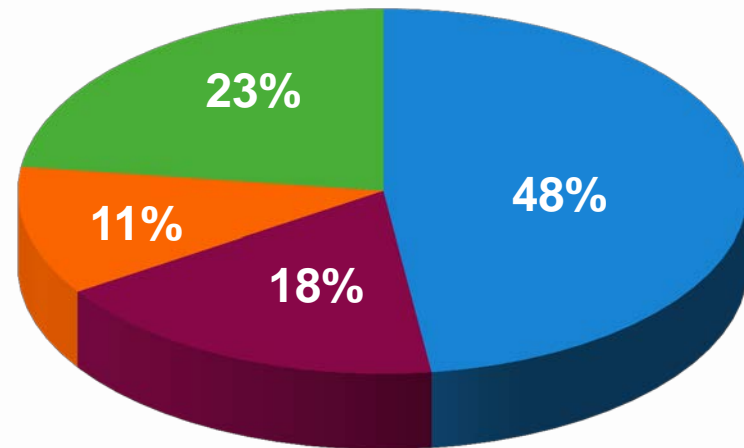
- Medical/pharmacy
- Wage replacements
- Absence lost productivity



... healthcare costs are only 62% of the total when lost productivity for absence is considered ...

Employers Typically View Healthcare Costs in a Silo

- Medical/pharmacy
- Wage replacements
- Absence lost productivity
- Performance lost productivity



... healthcare costs are less than half the total when lost productivity for performance is considered.

The Bottom Line for This Employer

- **63,600** illness-related absences per year
- **\$20.9 million** in resources are unavailable for productive use because of illness-related absences
- **\$16.3 million** in reduced performance – presenteeism
- **\$1.08** in lost productivity costs for every dollar spent on medical and Rx treatments

Behavioral Health Issues from the Employee's View

A. YOUR HEALTH

Survey Instructions	
Please be sure to fill the response circle COMPLETELY . Use only BLACK or BLUE INK or DARK PENCIL to complete the survey.	<p>Correct</p> <p>● Yes ○ No</p>
	<p>Incorrect</p> <p>✗ Yes ✓ Yes ✗ Yes ○ No ○ No ○ No</p>

	Excellent	Very Good	Good	Fair	Poor
A1. In general, how would you rate <u>your overall health</u> now?	○	○	○	○	○
A2. In general, how would you rate your overall <u>mental health</u> now?	○	○	○	○	○

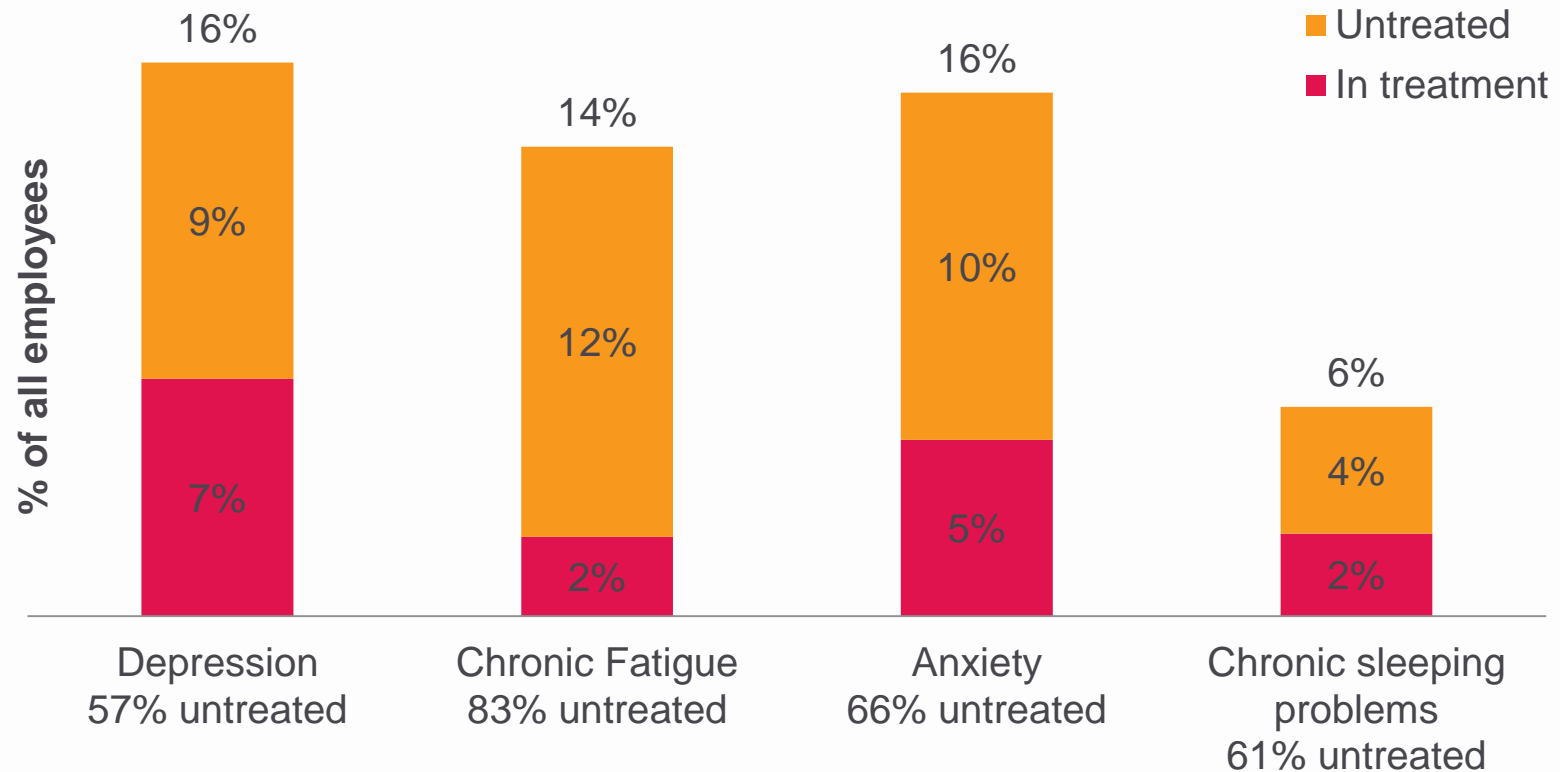
A3. Do you have any of the following conditions? If your answer is YES, mark whether you never, previously, or currently receive professional treatment. (Professional treatment is any treatment supervised by a health professional.) If you are unsure if you have a condition, please mark the NO response option.

	NO, I don't have this condition	YES, but I <u>never</u> received professional treatment	YES, I <u>previously</u> received (but don't currently receive) professional treatment	YES, and I <u>currently</u> receive professional treatment
A3a. Arthritis?	○	○	○	○
A3b. Chronic back/neck pain?	○	○	○	○
A3c. Migraine headaches?	○	○	○	○
A3d. Other frequent or severe headaches?	○	○	○	○
A3e. Any other chronic	○	○	○	○

Self-Reported Conditions in HPQ/HPQ-Select

- ***Depression***
- ***Chronic fatigue***
- ***Anxiety***
- Allergies/hay fever
- Chronic back/neck pain
- Obesity
- Heartburn/GERD
- ***Chronic sleeping problems***
- Irritable bowel disorder
- Headaches
- Migraine
- Chronic pain
- Arthritis
- High cholesterol
- Hypertension
- Urinary/bladder issues
- Asthma
- Diabetes
- Cancer
- Coronary heart disease
- Ulcer
- Bronchitis/emphysema
- COPD

Behavioral Health Issues are Common

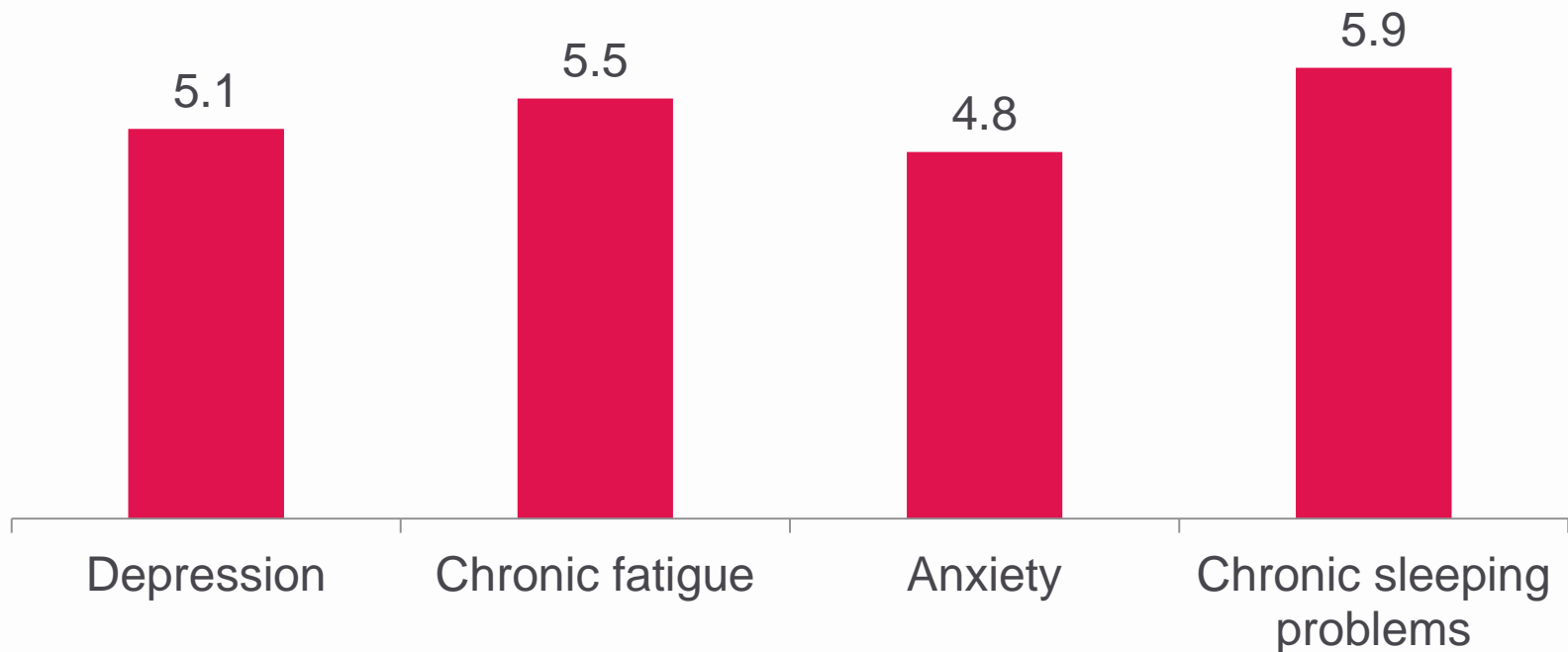


All results generated using IBI's Full Cost Estimator (FCE) tool, modeled for a 10,000 life hospital



Behavioral Health Issues are Complex to Treat

Avg. # of additional chronic health conditions



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Depression is Costly Compared to Other Serious Conditions



** Source: IBI Chronic Disease Profiles, ibiweb.org



How Can HR & Benefits Professionals Make the Business Case?

- Communicate the prevalence of behavioral health issues in your workforce
 - Especially from the employee's perspective
- Understand corporate leaders' strategic vision
 - What metrics do they value?
 - How does high-performing human capital fit in?
- Get condition-specific reports from your vendors on the same basis
- Integrate employee level health and productivity data across programs

Questions?

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