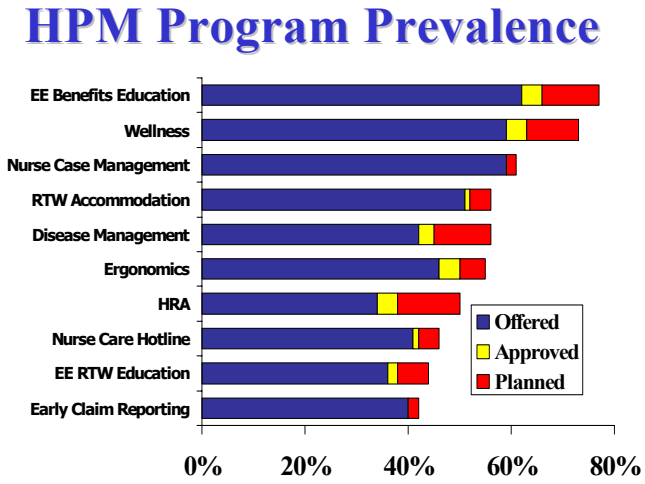
The Workplace Path to Productivity and Health

What Health and Productivity Management Practices Do Employers Adopt, How Are They Working, and What Stands in the Way?

IBI's survey of the experience of 772 employers in considering and implementing health and productivity management (HPM) practices documents interest in improving employee health and productivity, with 62% having at least one HPM practice in place or planning to do so. Once the adoption decision is made, those with any HPM program adopt seven practices, on average, and 24% adopt 10 practices or more. Employer size is the key factor that distinguishes employer interest in HPM – not industry, public versus private ownership, insurance status, workforce demographics or unionization. Surprisingly, for employers with HPM, even employers with fewer than 500 full-time equivalent employees adopt almost six HPM practices, on average, and employers with 5,000 or more employees adopt almost eight practices.

Employee-centric view emerging: One major surprise is the extent to which employers with HPM practices in place tend to apply those programs across workers' compensation and non-occupational conditions – often applying the same practice regardless of whether the condition arises off the job or is work-related. One other related characteristic goes hand-in-hand with health and productivity management as an employer benefits delivery strategy. We asked employers whether they ***integrate*** benefits (i.e., whether they manage benefits programs together with a single approach to a common goal) or ***coordinate*** benefits (share information between benefits management units as part of claims management). We find that 58% of respondents say they integrate or coordinate benefits ***as we define it***, or plan to do so. What's more, there is a strong and statistically significant relationship between willingness to manage health and productivity and willingness to link benefits. In a follow-up survey, we are asking employers to better define the actions they actually take in integrating or coordinating benefits.

Common practices: High medical costs and growth in benefits payments are the most frequent motivators for interest in HPM. The top ten practices offer a mix of education, prevention and post-condition management. Three of the top five practices manage a condition after it occurs, and only one – wellness – is preventive in nature.



Barriers: The common reasons cited for no HPM program involve inadequate information about the need for such a program or about benefits that might result. None of the top five reasons is structural, i.e., would require basic cultural shifts. Employers with HPM practices in place most commonly cite "No Impediment" to getting approval or implementing a practice. When impediments to approval did exist, they vary in importance by employer size. Large employers cite a need for benefit/cost evidence, while mid-sized employers focus on the need to maintain employee satisfaction with their programs. Both cite scarce resources and other corporate priorities as barriers to approval that had to be overcome. For those that had barriers to putting a practice in place after approval, the need to improve employee understanding and to communicate internally were the two most common hurdles cited by both large and mid-sized employers.

Satisfaction: Satisfaction with practices in place is relatively high, with at least 60% of employers rating each practice a 4 or 5 on a 5-point scale. The more practices an employer adopts, the more likely it is that the employer will be satisfied with its HPM program. Only 25% of respondents, however, can measure or estimate actual cost savings from HPM. This failure may jeopardize the ability to expand HPM programs as senior management sets priorities and allocates scarce corporate resources based on proven results.

IBI members can access the report at www.ibiweb.org, and summaries are available at info@ibiweb.org.

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