

**In Sickness and In Health**  
*The new competitive edge is a health-conscious marriage  
between employer and workforce.*

***Fast Focus***

- Benefits consultants can help employers “bend the trend” on healthcare costs.
- A new model changes the focus from disease and costs to health and investment.
- Mandates: don’t get worse and keep healthy people healthy.

Over the last few months I have been on a mission, traveling around the country explaining my views about the future business model for a successful employee benefits consultant. We need to abandon our old-school way of providing reactionary benefits and adopt a consumer-centric approach.

Some call this “mission impossible” because they don’t believe the employee benefits industry can lead its clients toward “bending the trend” in healthcare. I think otherwise, and you should, too. For the survival of your business and this segment of the insurance industry, it is mission critical.

Your mission, should you choose to accept it, is to convince your clients that the cost of healthcare is an economic issue with far-reaching impact on the entire enterprise. Further, you must make your clients understand that the continued dramatic increase in healthcare costs is a pending financial disaster for most businesses and will ultimately put our country at a serious economic disadvantage in the global business environment.

I keep lobbing this idea onto the conference table because I believe we must address this as an economic strategy versus a healthcare cost strategy. If we don’t, then my optimism for the future of the employee benefits distribution system will truly wane, and we may find our industry becoming just another statistic.

**HEALTH AS A SERIOUS ECONOMIC STRATEGY**

The fundamentals of how we can approach this economic strategy is part of the life work of Dee W. Edington, Ph.D., and his team at the Health Management Research Center at the University of Michigan. The results of Edington’s 30-plus years of research are detailed in his recent book, *Zero Trends: Health as a Serious Economic Strategy* (University of Michigan Health Management Research Center, 2009). It is from this publication that I draw the business case for employee benefits consultants and business leaders implementing the changes that can reverse the rising cost of healthcare.

The fundamental value proposition in his book is that no business can compete successfully in our ultra-competitive world without healthy and productive employees. Further, the book postulates that individuals cannot achieve their fullest potential without believing that staying healthy is just as important as treating disease. To make this prediction come true, employee benefits consultants, business leaders and individuals must accept a new model for healthcare that changes it from a focus on disease and costs to a focus on health and investment.

## **STARTING POINT**

Currently, the natural flow of the health of our population is from low risk to high risk to disease to high cost. Today's healthcare strategy is built around the model of "wait for sickness, then treat." In business terms, this could be translated into a strategy of "wait for the defects, then fix the defects," which is not a sustainable approach to quality. Any businessperson will identify this as a flawed strategy.

Consider what the total value of health includes—things such as medical care and drugs, certainly, but also less tangibly connected items as job effectiveness, retention and morale issues. Figure 1 shows the natural flow of health, from which you can imagine the true economic value of total population engagement.

Clearly, we are talking about so much more than simply treating a patient for his or her current medical problem. The business case as outlined in *Zero Trends* is that health risks are associated with disease and that excess costs follow excess risks. Rising healthcare costs are just the consequences of excess risks in the population. Therefore, we all must treat health as a serious economic strategy. As consultants or business leaders, once we buy into this basic business case, then the approach to achieve this is to focus on these mandates: "Don't get worse" and "Help the healthy people stay healthy." Simply put, our ability to control risks leads to "zero trends."

To achieve risk control, we need to strategically integrate health, not healthcare, into the environment and culture of today's workforce. Translated into business terms, that means "fix the systems that lead to sickness."

To achieve his vision, Edington and his team used more than 175 research publications to outline a transformational approach to the way businesses ensure a continuous healthy and high-performing workplace and workforce.

## **HEALTH AS A COMPETITIVE ECONOMIC ADVANTAGE**

Integrating health status into the culture of an organization is the key to using health as a competitive economic advantage. The team's research proved that health management strategies must be driven by three levels: senior leadership, operations leadership and employees practicing self-leadership. Just as important are the reward and quality assurance systems that measure and ensure sustainable success.

These three groups and two key strategies combine to form what Edington describes as the "Five Fundamental Pillars":

**Senior Leadership** The role of senior leadership is to "create the vision." These elements are critical to the vision: making a commitment to a healthy culture; connecting the vision to business strategy; and engaging all leadership in the vision.

Edington is saying senior leadership must "establish the value of a healthy and high-performing organization and workplace as a key strategy for gaining a competitive advantage."

**Operations Leadership** The role of operations leadership is to align the workplace with the vision. Critical to the alignment are branding health management strategies, integrating policies into health culture, and engaging everyone.

**Self-Leadership** Create winners by helping employees not to get worse, helping healthy people stay healthy, and providing improvement and maintenance strategies.

**Reward Positive Actions** Reinforce the culture of health by rewarding champions, setting incentives for healthy choices, and reinforcing at every touchpoint. As Edington writes, “What is rewarded is what is sustained.”

**Quality Assurance** Allow outcomes to drive strategies. Critical to this success are integrating all resources, measuring outcomes, and making it sustainable. In business terms, this means, creating and using “metrics to measure progress toward the vision, culture, self-leaders, actions and economic outcomes.”

## **IMPLEMENTING THE STRATEGIES**

Reading this book and seeing the strategies outlined has convinced me even more that we must start treating health as a competitive strategy. It is critical to approach this from a business strategy and to implement it effectively. This is where I believe employee benefits consultants can positively influence the transformation of clients from a cost-of-healthcare approach to a health-strategy approach.

However, we must realize that not every organization is going to be willing to commit to the five pillars. Edington helps you in this process by identifying the four levels of engagement by an organization:

1. **Level Zero: Do Nothing** These companies will follow the approach of “wait for people to get sick, then try to treat them.” This is a doomsday strategy, and I would recommend that these clients be fired. They do not fit your business strategy.
2. **Level One: Traditional** This is where most companies currently reside. Most corporate wellness programs are traditionally structured. They focus on high-risk individuals and center around risk reduction and individual behavior change. Key features include: benefit design focused on cost reduction; traditional health promotion strategies, including risk-reduction strategies; annual health risk assessments; onsite screening and counseling; newsletters; a Web-based portal; and some measurement activities.
3. **Level Two: Comprehensive** Companies at this level recognize that helping low-risk people stay low-risk can yield some major economic gain. Therefore, Level Two companies increase the number of offerings, including expanded coaching and measurement activities. In addition to all of the components of Level One, strategies here include inviting employees to form a wellness committee; adding some emphasis on low-risk maintenance; adding coaching for low-risk individuals; integrating resources and more intense health counseling; and beginning to engage senior management in endorsing the programs.

4. **Level Three: Champion** A Level Three company will incorporate the five fundamental pillars to support a culture of health. In addition to all of the components of Level One and Two, strategies in Level Three include emphasizing the role of senior leadership in creating the vision; emphasizing self-leadership; emphasizing rewards for positive behaviors and developing the culture of health; rewarding champions; cultivating individual respect, care and growth; emphasizing an “abundance mentality” in the corporate culture that engages the total population; and engaging in quality assurance activities to get to results driven successes.

To most efficiently achieve “bend the trend” or “zero the trend,” all companies—regardless of size—must ultimately incorporate Level Three strategies. However, success can also be measured in small increments. Therefore, employee benefits consultants must be able to effectively communicate to the “C-suite” the outcomes of the different levels and determine the most effective strategy to start with and what the health plan management strategy may look like in three to five years.

The matrix in Figure 2 is a simple way to assess a company’s organizational engagement and also help you and your client manage expectations related to the outcome of the strategy.

I have only touched the surface of the information contained in *Zero Trends*. This book is a must-read for any business leader or health professional. The statistical data presented in *Zero Trends* clearly presents the case that rising healthcare costs decrease our competitive advantage and a healthy workforce increases it. The solution to this problem is to treat health as a serious economic strategy.

The takeaways, as summarized by Dr. Edington, can best be described as follows:

- The “do nothing” strategy is unsustainable.
- The definition of health must be refocused from “absence of disease” to “high-level vitality.”
- “Total population management” is the effective healthcare strategy to capture the “total value of health.”
- The business case for health management indicates that the critical strategy is to “keep the healthy people healthy” (and its corollary is to keep the low-risk people low-risk).
- The first step is “Don’t get worse,” followed closely by “Let’s create winners, one step at a time.”

We must divorce ourselves from the idea that healthcare benefits consist of a medical credit card that you take to the doctor when you’re sick. If businesses, from leadership to front-line employee, embody a culture of health rather than a petri dish of sickness, they will begin to bend the trend. Benefits consultants can help them bend it and achieve a new, healthier, more sustainable corporate culture. And taking on that mission is the only way we will stay viable.

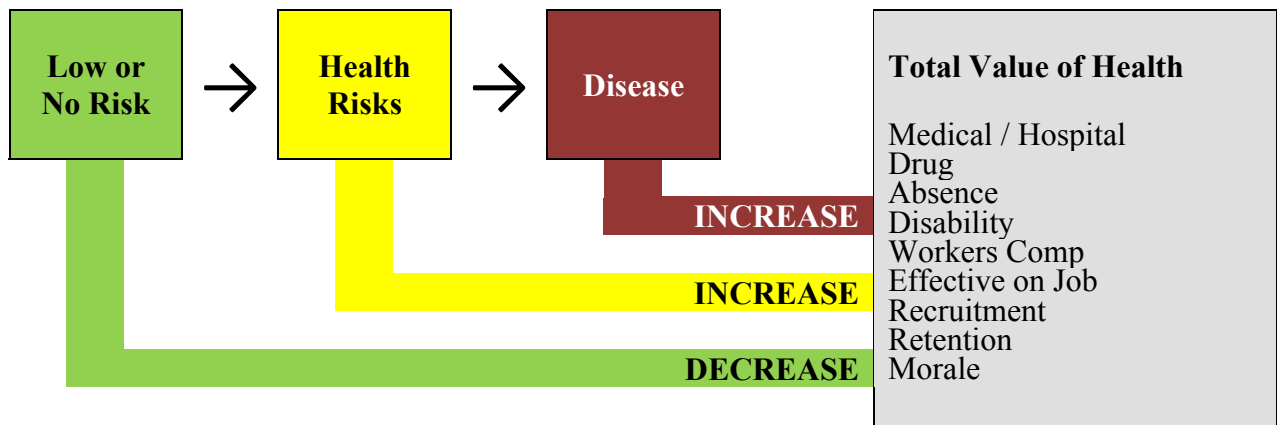


Figure 2

	<b>Senior Leadership</b>	<b>Operational Leadership</b>	<b>Self-Leadership</b>	<b>Recognize Positive Actions</b>	<b>Quality Assurance</b>
<b>CHAMPION</b>	Vision from Leaders	Healthy System & Culture	Everyone a Self-Leader	Recognize Positive Actions	Progress in All Areas
<b>COMPREHENSIVE</b>	Speech from Leader	Reduction in Risks	Reduce Health Risks	Reward Achievement	Change Risk & Sick Costs
<b>TRADITIONAL</b>	Inform Leader	Programs Targeting Risk	Health Risk Awareness	Reward Enrollment	Change in Risks
<b>DO NOTHING</b>	Do Nothing	Do Nothing	Do Nothing	Do Nothing	Do Nothing

*Robert Lieblein is a contributing writer and managing partner of Hales & Co.*