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THE HEALTH ENHANCEMENT RESEARCH ORGANIZATION IS A NATIONAL NON-PROFIT THAT SERVES AS A LEADER IN THE CREATION OF EMPLOYEE HEALTH MANAGEMENT: RESEARCH, EDUCATION, POLICY, STRATEGY, & INFRASTRUCTURE. HERO IS A 501(C) 3 CORPORATION.

INDUSTRY VOICES

Is All the Chatter Mostly Missing the Point?

By—John Harris, *Chairman of the Board of Directors*, and Jerry Noyce, *CEO, HERO*

If you were only tuned in to daily media during the last six months and had no experience with employee health management programs, your view of these efforts that consumer media often refer to as wellness programs, would likely be skewed. That's because a few pundits have emerged who in some cases seem hell-bent on discrediting the employee health management industry.

At the same time, the Rand study on the effectiveness of worksite wellness programs was released, with the authors reporting that there is a limited return on investment (ROI) in terms of medical cost savings for employee health management programs. In spite of the Rand study having many limitations that have now been well documented, the press ran with a distorted view of the findings and the pundits jumped on the bandwagon. Employee health management was even positioned as just another problematic component of Obamacare, as if the passage of health reform in 2010 was the first time well-being initiatives at the worksite ever existed.

One of the most ironic parts of all the recent chatter is that what is being debated is only one small component of the story. Even if the Rand researchers and the pundits were right, it would almost be irrelevant. While there is plenty of data that suggests that well-designed programs can impact the cost of health care to the extent that an ROI can be achieved, health care savings is only one focal point of health management programs. There are many other reasons employers provide employee health management programs, all of which can deliver business value.

There is a reason most employers are not changing course with respect to their wellness programs, in spite of all the chatter by the pundits. It is because they see their employee health management initiatives bringing value to their people and the performance of their companies in a multitude of ways, many of which extend far beyond the impact on reducing healthcare costs. Here are five reasons why employers are ignoring the chatter:

- Higher employee well-being is correlated with better job performance, higher employee engagement, team effectiveness, leadership effectiveness and even better business unit financial performance. So, for many companies, having "well" employees is valued because of its impact on the top and bottom line, rather than solely on healthcare spending.

- Employees who are well drive workplace effectiveness by turning over less, being highly present while at work and serving customers more effectively. High performance equates to far greater economic value than healthcare cost reduction alone.
- Wellness initiatives help create a more productive culture, where people care about each other and do their best work.
- Employee health management is simply the right thing to do. Consider this: Why do companies pay for a majority of the healthcare cost for their people? Is it because of the stellar ROI they realize when an employee has bypass surgery? Hardly. A bypass surgery is pure cost, but because we value people, we give them opportunities to optimize their health, whether through medical treatment or wellness initiatives.
- There is an undeniable amount of data that demonstrates people who have healthy lifestyles are more likely to avoid or delay chronic illness. On average, healthy people are more productive and cost less to employ. So, even if it's difficult to unequivocally demonstrate an ROI from reduction in healthcare spending, common sense suggests that employee health management is worth the effort.

With all of this said, we can learn some things from the chatter. First, too many people both inside and outside the wellness industry has emphasized the ROI of employee health management based on health care cost savings. At the same time, we've underemphasized the total value employee health management generates. It's time we focus on the bigger value picture.

Second, there is a continual need to produce high-quality research in our field that demonstrates the total value of employee health management. Finally, employee health management may have reached a level of maturity as an industry to benefit from a national public relations effort.

We will be vulnerable to the pundits and the press if we don't get out front on effectively and appropriately communicating our message that employee health management can bring incredible value to employees and employers alike. This is a case where the facts tell a powerful, positive story. At HERO, we are committed to doing research and identifying best practices that will help employers in their efforts to improve the health and well-being of their workforce.

John Harris
Chairman
HERO Board of Directors



Jerry Noyce
CEO, HERO



HERO Interview with University of Michigan

For this issue of *HERO On Health*, we interviewed LaVaughn Palma-Davis, senior director of human resources in charge of health and wellness at the University of Michigan, and Robert Winfield, the chief health officer for the university, about the University's award-winning employee health management program, MHealthy.

MHealthy was launched in 2009 as part of a five-year plan to improve health at the University of Michigan, which is comprised of four campuses and approximately 40,000 employees. The MHealthy program was developed based on the input of a cross-sectional group of employees from many different University departments in both the Health System and academic units. The goal is to create a "community of health" at the University, and Palma-Davis and team are well on their way to achieving this.

The University offers MHealthy to employees and spouses. The program features, among other things: an annual health assessment, onsite wellness screenings and flu shots, counseling and coaching services, numerous physical activity programs offered throughout campus buildings, weight management, stress management, smoking cessation and healthy eating programs, as well as online competitions using personal trackers. Palma-Davis and her team have established a wellness champion network of more than 360 champions across all campus locations, who work to promote the program, educate employees about the University's commitment to health, and reinforce the culture of health. *HERO ON Health* asked Palma-Davis and Winfield about what drives the MHealthy program and about their success.

HERO: What have been the keys to your success in creating an effective employee health management program?

The success of MHealthy can be attributed largely to the support the program receives from the highest levels of the University. Our leadership, including our president and the senior executive officers fully endorsed the program and have committed to adequately funding it. This was particularly crucial in the early stages, because it allowed us to allocate the resources needed to get the program off the ground. Now, it allows us to build on the momentum we've generated with ongoing enhancements to the program.

Another essential element to our approach was gaining broad-scale engagement in our long-term strategic plan, across departments and throughout the University community. The fact that we had such broad support and that we had packaged the plan as a five-year minimum commitment, made it easier for our leadership to get behind and support our efforts. We convened a multidisciplinary committee of faculty and staff and conducted a benchmark analysis using the HERO Scorecard of the essential elements we needed in our program, what the status of those elements was across our campuses, what gaps existed, what we could do to address those gaps, and what the timeline and priorities were. Faculty members participated in this, helped us think through each aspect, and blessed the findings and our recommendations for program implementation.

Effective marketing and communications has been another significant factor for MHealthy. We've learned as we've progressed through the last few years just how critical it is to engage your entire population. This is especially important when you have a large, diverse population in multiple locations. As a result, we've made sure that we're everywhere, in every channel you can think of when communicating with

goals we hope to collectively achieve, what's available to help them, and how to participate.

And, finally, the lynchpin to all of this is the network of unit-based champions across the organization. This network of close to 400 volunteers serve as wellness advocates in their respective units. They are the ones who are truly changing our culture and sustaining the positive momentum we've generated. In some ways, the champions are more effective than other communication tools because they can't be deleted or ignored. At the end of the day, a good champion can make a huge difference.

HERO: When you look at your program, what results or outcomes do you feel are the most significant?

Early on, we set specific evaluation goals, which was very helpful. We knew we needed to measure things like participation, satisfaction, risk reduction, absenteeism and medical costs. We're just finishing our fifth program year, so our analysis is not complete. However, we do look every year at the data and can see that all of our metrics are trending in the right direction.

Our participation increases every year and we're approaching a 60 percent participation rate, with a very modest incentive of \$100. We know that participation and satisfaction are early keys to how you're doing, because if people aren't taking part and aren't happy, then you have a problem. When it comes to satisfaction, on a scale of 1 to 5, our employees consistently rank their satisfaction in the 4.5 range every year.

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We're also very proud of the fact that our risk reduction is trending in the right direction and that we've already exceeded our goal of increasing the number of people at low risk by 5 percent by year five. We've also decreased the number of people at high and moderate risk every year. In addition, when we examine medical claims costs for nonparticipants vs. participants over multiple years, we see that claims costs for participants have consistently been lower than for nonparticipants, even though both groups started out at the same cost level prior to program implementation. These changes are all statistically significant.

In addition to these specific measures, we also are applying the socio-ecological model to our program design. In this model, we evaluate the interplay between the layers of our community, including the individual and their knowledge, attitude and skills; the interpersonal relationship between employees, which is where the champions come in; the organizational structure and environment and how they influence outcomes; their families; and public policy such as smoke-free buildings and grounds.

HERO: What lessons or tips can you share with other companies who strive to improve employee health?

Maintaining an effective employee health management program is an ongoing effort and a constant learning process. Changes in technology, communication styles, health needs, medical standards, and executive leadership vision are emerging every day. That means you have to continually refine your program to stay relevant to your audience and to the needs of your organization. With that in mind, here are few specific tips that we've gleaned along the way:

HERO Interview with University of Michigan

(continued)

1. For real change to occur in an organization and community, a website alone won't cut it. You need to engage all levels of the broader community in how they live and work.
2. Develop a strong business case. Do your homework around what the best practices are and what best practice organizations are achieving. Then communicate your business case and value proposition to your leadership—over and over. And compare your organization's investment in wellness to other investments in the organization, so people understand why it's important. Talk about value, not ROI. Organizations don't talk about the ROI for paying the electricity to keep your buildings running, so don't take that narrow approach to justify what health management programs can contribute to your employees.
3. Don't promise more than what you can realistically deliver. For the skeptical executives and employees, you can put yourself in an awkward spot if you promise a specific ROI or overstate your potential outcomes.
4. Know your organization and incorporate organizational values into whatever you're striving to achieve. If you introduce something that the organizational culture doesn't support, you will likely fail. Design a program that aligns with your culture and community.
5. Engage your audience in planning for your program. This ensures early and ongoing buy-in.
6. Culture and environment are the keys to sustaining improvement over time. Policies around smoking, healthy eating, healthy beverages, as well as providing leadership training will all sustain your improvements over time.
7. Offer an adequate incentive to get people involved, but remember the incentive is not the program. If you offer only a modest incentive to get people involved, you will have to work harder on culture, communication and environment to get and keep your employees' attention.



LaVaughn Palma-Davis

Sr. Director Health and Well-Being Services
University of Michigan

HERO Scorecard: A Tool in Guiding Successful Employee Health Management Programs Stakeholder and Employee Assessment

By—Rebecca K. Kelly, PhD, RD
The University of Alabama

To build or expand an employee health program, it is important for organizations and their leaders to understand their current program. An organizational assessment can help determine the progress, limitations, and future strategies and goals for a program. To be most effective, the assessment should look, not only at current wellness programming, but at the many factors that affect it: workplace culture, leadership support, environment, communication methods, employee health benefits and policies, and access to data to evaluate the program. Ideally, comprehensive employee health management assessments are done prior to developing new initiatives and then repeated every two to three years to measure progress as well as identify opportunities for improvement.

The HERO Employee Health Management Best Practices Scorecard in collaboration with Mercer® (Scorecard) was designed to help organizations gather information about their health management programs as well as to provide them aggregate information to use in benchmarking – on a national, regional, industry and employer size basis. The Scorecard provides an inventory of best practices in employee health management in six areas: strategic planning, leadership engagement, program level management, programs, engagement methods, and measurement and evaluation. As best practices evolve, so does the Scorecard and a significant revision will be released later this year with Version 4.

The HERO Scorecard and other employee health assessment instruments emphasize the importance of leadership engagement and employee involvement. One way to build engagement among leaders and employees is by actively involving them in the assessment process. This can be accomplished in a number of ways, including key stakeholder interviews, focus groups, and employee surveys. These assessment tools are described below.

Key Stakeholder Interviews

The purpose of the key stakeholder interview is to better understand the link between business operations and employee health and performance, while identifying potential causes of poor health and loss of productivity. Key stakeholders usually include the chief executive officer or president, chief financial officer, and one or more vice presidents. Results from the interviews help to shape a program's overall mission, goals and strategy. Interview questions usually include gathering information about the organization's current commitment to, and understanding of, employee health as it relates to business operations; the current participation and involvement in programs from all levels of the organization; an understanding of what success in optimizing employee health looks like and how stakeholders would like it measured; and perceptions of critical health issues. Key findings from the interview should be summarized and reported to the stakeholders and used in strategic planning for the program.

Focus Groups

Employee focus groups can help organizations elicit suggestions for ways that employee health management programs may better meet the needs of employees and their family members. Each focus group is usually composed of an experienced facilitator and six to ten individuals, with enough groups conducted to assure good representation from across the organization. The focus group session will usually last up to one hour. Focus groups can serve as an opportunity to collect information on the health and wellness issues about which employees are concerned, as well as to explore options for the best delivery of programs and services, which may include individual coaching sessions, group classes, online courses, self-guided study programs, books, or brochures. Additionally, key questions include barriers to participation in current program offerings, and methods to help gain additional support for the program. This feedback will help organizations to better design effective communication tools and health improvement opportunities that best meet employee needs and preferences.

Employee Surveys and Demographic Analysis

To better understand the opportunities for enhancing participation levels, program managers should consider important employee and plan member demographics. Working with the organization's human resources, finance, and health and safety departments allows an organization to capture data on employees and dependents based on gender, age, educational level, and job role, as well as information on absenteeism due to personal illness, health-care costs, and worker's compensation costs for the previous three years. This information assists in the design of health and safety interventions

Another aspect of program planning is to explore health disparities that may exist among people of varying race, ethnicity, gender, age, income level, and geographic location. In considering the demographic profile of an organization, there are several significant issues that must be considered in disseminating information and resources. Health resources must be provided to address differences in health literacy and be time sensitive to attract all segments of the workforce. Efforts must also be made to target health improvement solutions not only for the employee, but also for the employee's spouse and family members.

In addition to gathering data from employee surveys, an organization may want to consider gathering health-care cost data. By gathering these data, an organization can identify the most critical health issues for its particular workplace based on the category of disease and cost of medications. Information may include a review of the past three years for health care claims and other health-related information.

The majority of the HERO Scorecard respondents – 81% -- have assessed employee health needs. However, fewer than half of these assessments included focus groups or employee surveys. Interestingly, the largest employers are the least likely to use surveys or focus groups. Among respondents with 5,000 or more employees, most say they use claims data (73%) and health risk assessments (87%) to learn about their employees' health needs, while just 42% use employee interest surveys or focus groups. Among employers with fewer than 500 employees, 63% use employee interest surveys or focus groups; 78% use health risk assessments, but just 39% use claims analysis.

HERO Scorecard: A Tool in Guiding Successful Employee Health Management Programs Stakeholder and Employee Assessment (continued)

Although smaller employers may not have the technology platforms or access to health-related claims information, such as medical claims and disability data, they have higher rates of participation in employee interest surveys and focus groups. If they are not already doing so, larger-sized employers may wish to consider enhancing their current efforts by incorporating such surveys and focus groups into their assessment process.

The role of stakeholder and employee assessment in shaping an organization's employee health goals and strategy, and ultimately in creating a healthy work environment and culture, continues to be a valuable opportunity for all organizations.



Rebecca K. Kelly, PhD, RD
The University of Alabama

CEO PLEDGE

CEO Pledge Initiative Escalates Quickly After HERO Forum

The number of CEO Pledge signors has grown 50% in the short time since Dr. Jack Groppe announced at the HERO Forum that Dr. Donna Shalala, President of the University of Miami and former Secretary of Health and Human Services, had become the 100th signor. The purpose of the CEO Pledge is to align America's decision-making leaders (Organizational CEOs and Presidents) around the importance of physical activity in the workplace and in their communities. You can read the pledge, review the list of recommended workplace strategies, see the list of signors, and sign online at <http://drupal.ncppa.org/ceo-pledge>.

If you haven't already, please consider adding your organization's leadership to the impressive list of signors.

Please contact Tom Richards, an executive committee member of the National Coalition for Promoting Physical Activity, with any questions about the CEO Pledge: tgr@ihrsa.org



Jack Groppe, PhD
National Spokesperson for the CEO Pledge, Co-Founder of the Human Performance Institute, and Vice President of Applied Science & Performance Training for Johnson & Johnson's Wellness & Prevention

HERO EMPLOYEE HEALTH MANAGEMENT BEST PRACTICES SCORECARD IN COLLABORATION WITH MERCER

Biometric Screening Paper Released

The HERO Screenings Study Committee, which is made up of HERO members and representatives from the American College of Occupational & Environmental Medicine and the Care Continuum Alliance, have collaborated to create a paper that provides guidance for employers on how to integrate biometric screenings into their employee wellness programs.

The paper, "[Biometric Health Screening for Employers](#)", was published in the October 2013 issue of the *Journal of Occupational & Environmental Medicine*.

This is the second paper created by a HERO study committee. The first, "[Guidance for a Reasonably Designed, Employer-Sponsored Wellness Program Using Outcomes-Based Incentives](#)," is also available on the HERO website.

Three other HERO study committees have been formed and are at work to produce guidance for employers on important health related topics. These committees include the Health, Performance & Productivity Committee, Creating A Culture of Health Committee, and the Employer-Community Health Collaboration Committee. Watch for updates on work from these committees in future editions of *HERO on Health*.

HERO Scorecard Research Project

We are pleased to report that the research study, "*The Predictive Validity of the HERO Scorecard in Determining Future Healthcare Cost and Risk Trends*" has been accepted for publication by the *Journal of Occupational and Environmental Medicine*. This study authored by Ron Goetzel, the Truven Health Analytics and Emory University research teams, and members of the HERO Research Study Subcommittee, looks at the relationship between actual medical costs and reported health risks for employees of companies that have also completed the HERO Scorecard. Time of publication is yet to be determined.

HERO HAPPENINGS

MEETINGS & PUBLICATIONS

HERO Forum 2014

Mark your calendars:

The **2014 HERO Forum** will be September 30—October 2 at the San Diego Westin, San Diego California.

Those interested in presenting and sponsorship opportunities at the 2014 HERO Forum please go to the HERO website, www.the-hero.org beginning December 1st for information.

HERO Members - Only Events

The Winter Think Tank meeting of the HERO membership is scheduled for February 11-12 in Dallas, Texas. We will gather at the Hilton DFW Lakes Executive Conference Center, Grapevine TX.

BioIQ

BioIQ is a health improvement technology company that has implemented the industry's first integrated, customizable and measurable approach to optimizing investments in corporate health and wellness programs. The company's unique health screening platform, ecosystem of health improvement tools, and proven methodology for obtaining quantifiable wellness insights are serving beneficiaries across the United States. BioIQ works with some of the largest employers and health companies in the nation and has launched over 2,500 successful health improvement programs since its inception in 2005. Learn more at www.BioIQ.com

Covidien

Covidien is a leading global healthcare products company that creates innovative medical solutions for better patient outcomes and delivers value through clinical leadership and excellence. Covidien manufactures, distributes and services a diverse range of industry-leading products in medical devices and supplies. With 2012 revenue of \$9.9 billion, Covidien has 38,000 employees worldwide in 70 countries, and its products are sold in over 140 countries. Learn more at www.covidien.com

Hylant

IHylant, a five consecutive year winner of Best Places to Work in Insurance (2009, 2010, 2011, 2012, and 2013), was founded in 1935 and is a full-service insurance brokerage with 14 offices in Ohio, Michigan, Illinois, Indiana, Tennessee, and Florida. As a member of the Worldwide Broker Network, Hylant offers complete risk management services, employee benefits brokerage and consultation, employee health and wellness strategies, loss control, healthcare management and insurance solutions for businesses and individuals. Hylant is one of the largest privately held brokerage firms in the United States and serves a wide variety of clients locally, nationally, and internationally. Learn more at www.hylant.com.

Keas

Keas is leading the charge for employee wellness as a business strategy in today's enterprises. We believe in the power of social interactions and peer motivation to drive healthier, happier employee behaviors, and we stand behind the impact of our solution with the only employee engagement program guarantee in the industry. If you're considering a new corporate wellness solution, or are thinking about making a change to your current program, we'd love to discuss how Keas could benefit you! Learn more at www.keas.com

Lockton

Clients across the globe count on Lockton for risk management, insurance and employee benefits. Our experts tailor solutions to the unique needs of each company, organization, and individual just about anywhere. Our long-term relationships with underwriters around the world allow us to structure and negotiate comprehensive coverage at the best price possible. Learn more at www.lockton.com

NASM

For more than 20 years, the National Academy of Sports Medicine (NASM) has set the standard in certification, continuing education, solutions and tools for health and fitness, sports performance and sports medicine professionals. NASM has pioneered evidence-based health and fitness solutions that optimize physical performance and allow individuals to achieve a variety of fitness activity goals. Today, NASM serves thousands worldwide and positively impacts the lives of millions of people the world over. As the world's foremost resource for health and fitness information, the organization continues to elevate its industry best practices by providing outstanding programs and quality certification courses for its members. Learn more at www.nasm.org

Performance pH

Performance pH is a progressive strategic advisory firm that creates measurable business transformation strategies which enable our customer to balance operational and cultural needs in order to achieve optimal performance. We focus on human factors such as well-being, purpose, communications, and work environment. Find the balance. Achieve Optimal Performance. Learn more at www.performph.com.

Shape Up

ShapeUp Inc., the leading global provider of social networking and incentives-based employee wellness solutions. Over the past seven years, we've used social networking, gaming, and behavioral economics to support over 200 employers and health plans around the world in their efforts to empower their employees and members to become healthier. Through our work, we've helped participants lose over one million pounds of weight, and have fun while doing it. Learn more at www.shapeup.com

INTERESTED IN MEMBERSHIP? CONTACT Marlene Abels, Coordinator Member Services (952) 835-4257
[Download the application](#)