



THREE CRUCIAL FACTORS FOR HEALTH PROGRAMS

Key considerations before starting employee health initiatives

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When employers start to prioritize wellness and disease management interventions for their insured population, they need to consider three crucial factors before getting started.

This paper examines the important factors that every employer should consider while developing their population health priorities, strategies, and programs. **Prevalence of conditions, cost of conditions, and feasibility of effective intervention** are examined.

An Example: Considering Cancer Interventions

For this illustration, we used national prevalence rates among privately insured persons and national average daily compensation rates, but employers should use their own prevalence and compensation rates to reproduce the analysis for their own population as both of these factors will vary considerably from group to group.

Below is a table of chronic conditions ranked in order of their annually attributable direct cost. That is to say, the sum of health care costs and the cost of sick days that are directly due to the condition itself considering the prevalence of the condition among the insured population.

Annual Population Attributable Costs of Selected Chronic Conditions

Disease	Prevalence among privately insured	Direct Costs per 100 persons	Sick days per 100 employees	Sick Day Cost \$234.23 per day in salary and benefits	Total Cost Direct and Indirect Costs per 100 persons
Cancer	4.5%	\$28,935.00	27.45	\$6,429.61	\$35,364.61
Arthritis	14.6%	\$21,900.00	42.34	\$9,917.30	\$31,817.30
High Blood Pressure	19.6%	\$19,600.00	17.64	\$4,131.82	\$23,731.82
Coronary Heart Disease	3.8%	\$19,038.00	15.96	\$3,738.31	\$22,776.31
Diabetes	6.0%	\$17,520.00	12	\$2,810.76	\$20,330.76
Depression	5.7%	\$12,369.00	18.81	\$4,405.87	\$16,774.87
Stroke	1.0%	\$4,910.00	23.5	\$5,504.41	\$10,414.41
Asthma	4.8%	\$4,848.00	10.08	\$2,361.04	\$7,209.04
Other Heart Disease	2.4%	\$6,168.00	3.6	\$843.23	\$7,011.23
Congestive Heart Failure	0.4%	\$1,484.00	2.52	\$590.26	\$2,074.26

Given its direct and indirect cost, it might seem obvious from the table that cancer prevention and treatment should have the highest priority for an employer's wellness and disease management programming. But employers need to go beyond cost and look at feasibility by considering the likelihood an employer sponsored health promotion program will be able to:

1. Reduce the occurrence of new cases
2. Reduce the cost of treatment
3. Increase the effectiveness treatment

Because cancer development is a complex process that occurs over many years, it is unlikely that an employer will be able to affect the occurrence of new cases of cancer in their insured population given that the average employee tenure is 4-5 years. It is unlikely that programs aiming to prevent new cancer cases—although worthy in and of themselves—will have impact measurable at the enterprise level. However, employers could affect the cost and effectiveness of cancer treatment by encouraging adherence to evidenced-based cancer screening recommendations. Cancers detected early in their course are less costly and more effectively treated than ones caught in later stages. Recommended cancer screenings are usually covered by insurance because they save money in the long run. For complicated or catastrophic cancer cases, medical case management services may also prove helpful in improving outcomes and controlling costs.

The same sort of thinking can be applied to any health condition where the data is available. Employers should answer the following questions when considering any population health intervention or initiative:

1. What are the attributable direct and indirect costs of the condition?
2. What is the prevalence of the condition in the population of interest?
3. Is there any feasible way to address either the cost or the prevalence?

Evaluating Feasibility

To evaluate feasibility, it is important to understand that there are two broad categories of population health intervention used by employers: disease management and wellness.

Some health conditions, such as diabetes, asthma, congestive heart failure, coronary heart disease, high-risk-pregnancy, and depression, all have well-defined standards of care for which specific disease management programs are effective in managing the direct and indirect costs of the condition. Disease management has the greatest impact in populations with high prevalence of the targeted disease, especially if a sizable proportion of

the persons with the disease have trouble managing the disease themselves. It is important to note that disease management will not reduce the prevalence of the primary disease; although, it should reduce development of complications.

Many chronic diseases, including those amenable to disease management, are thought to be partly caused and exacerbated by behavioral risk factors such as physical inactivity or substance abuse. Wellness programs that address behavioral risk factors have the potential to reduce the occurrence of new cases of chronic conditions, especially diabetes and cardiovascular diseases. Wellness programs can also improve the health of those who already have developed disease and, unlike disease management, most wellness programs will have benefits for many different diseases and for persons without any disease at all! For disease management, the prevalence of the specific condition is important; for wellness programs it is the prevalence of behavioral risk factors that is important.

The feasibility of both wellness and disease management programs is constrained by the availability of skilled staff to engage potential participants and execute effective programing. Even something as seemingly simple as a program to promote physical activity must contend with the intricacies of human communication and motivation.

In conclusion, prioritizing population health interventions involves considering the costs of health conditions, the prevalence of health conditions, and the feasibility of reducing costs and prevalence. Employers should work with their wellness and disease management vendors, insurance carriers, or third party administrators to collect the data necessary to make intelligent population health decisions.

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