

# Executive Dialogue

## ADVANCING Affordable Health Care:

*Best Practices in Employee  
Health-Risk Reduction*

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# ADVANCING Affordable Health Care:

## *Best Practices in Employee Health-Risk Reduction*



**A**s annual premiums for employee-sponsored health care continue to rise, one proven solution not only reduces costs, it also improves employee health and wellness. Employee wellness programs have become a mainstay in corporate culture, although they stop short of providing true clinical and financial results. This executive dialogue explores how employee health risk-reduction programs not only improve overall employee health, but ultimately reduce the level of health care employees need, as well as overall health care spending and costs.





**Advancing  
Affordable Health Care:**  
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## { wellness barriers }

**MODERATOR (Lee Ann Jarousse, American Hospital Association):** What are your biggest challenges in addressing employee wellness? What initiatives do you have in place to address these challenges?

**BRUCE ELEGANT (Rush Oak Park Hospital):** It's tough to do. We really started by focusing on our cafeteria — making sure we provide healthy options and encouraging healthy choices. We no longer provide free carbonated drinks with meals; instead, we provide bottled water. We've expanded our salad bar. But, it's interesting. You can encourage healthy eating behaviors, but you can't force people to eat those foods. If we serve chicken wings, for example, there will be a line down the hall. That never happens for the salad bar.

**MATT HEYN (Ransom Memorial Hospital):** It's a challenge. We have 405 employees

and we're self-insured. We offer a healthy lunch option that's practically free — at our cost of \$1.25 — but many people still pick the unhealthy option at \$7 to \$8. We have extremely unhealthy staff, and I think some of it depends on where you live. We're in beef country in eastern Kansas. We used to have promotions like Free Pop Friday, but we don't do that anymore. It was not a popular move, but it didn't support our wellness program.

**ELEGANT:** A few years ago, we made changes to our wellness program, providing incentives to employees for taking part in biometric screenings, etc. They receive a discount on their premiums. They get credit for visiting their primary care physicians for a wellness visit, which is provided through their plan at no out-of-pocket cost. If an employee has a risk factor for obesity or high blood sugar, there are financial incentives and programs in which to work toward bringing his or her screening numbers to within a more desirable range. Employees

are rewarded for improving their health. And, in addition to financial incentives, there is no deductible or co-pay for screenings for such tests as mammograms and colonoscopies.

**MODERATOR:** Is this a system-level plan?

**ELEGANT:** Yes, it's done on a system level. The interesting thing is that the first year we did it, we saw our cost skyrocket. The reason was because these visits and tests found things that they wouldn't have otherwise. Of course, it's better and less expensive to find things early, so it is more beneficial long-term. Have we seen the payback we thought we would four or five years down the road? I don't think so. The rate of increase for our plans has slowed, but we certainly haven't seen it flatten nor experienced lower costs.

**MODERATOR:** Matt, what have you seen in your organization?

**HEYN:** We have a plan set up similar to what Bruce was talking about. We use an online database and encourage our staff to participate. We have good participation; that's not a problem. Our employees want the discount on their premiums that they receive by signing up. Our challenge is getting them to actually make changes to their lifestyles so they improve their hemoglobin A1c, body fat percentage or blood pressure issues. We engage employees through an online portal to help them track their progress. We also engage staff through their Fitbit devices. We have step challenges with a leaderboard that we post, and staff compete against each other. It's great because it creates a competition and people are actually improving their health and wellness.

We're getting to the point where we need to penalize employees, rather than solely incentivize them. By that, I mean we're going to incentivize employees to participate in our wellness program, but we're also going to penalize them if they don't hit certain biometric markers. We also plan to increase premiums for smokers. That's an avenue that we have not historically taken, primarily because it's hard to enforce. People are going to say, 'No, I don't use tobacco,' and then they'll chain-smoke in their cars during lunch.

**Employees are  
rewarded for  
improving  
their health.**



**Bruce Elegant**

**ELEGANT:** We actually test for nicotine use. Premiums are higher for smokers. We debated whether to no longer hire smokers, but we feel this is a good approach.

**TODD WHITTHORNE (ACAP Health):**

Matt, one thing we've seen is that organizations have been more successful with attracting employees to their programs by positioning those program changes as additional incentives, or bonus compensation, rather than as penalties. When deciding whether or not to get on board with a new program, people respond better to incentives than penalties. At the end of the day, no organization is going to be interested in offering these programs if the clinical risk stays the same or worsens. Ultimately, you have to get to a point where you are moving the needle clinically.

**HEYN:** That's a valid point. Another interesting thing about our program is that we are self-insured. We dictate where our plan participants receive their health care. In a sense, we are paying ourselves, too. If you see a Ransom Memorial provider, or if you receive services at our hospital, the out-of-pocket costs are minimal. We don't provide tertiary services, so our plan participants can't receive all of their care in-house. But we provide preventive services, etc.

**HEYN:** Geography is not too much of an issue for us. Every so often, someone will bring it up — wanting access to a provider closer to where they live — but it's not a big issue. The

reduced cost they receive by going to one of our providers or facilities is incentive enough. We capture the majority of our employees and their families as patients in our organization.

**ELEGANT:** Behavioral economics is fascinating, and that's at play here. Why people do what they do or don't do is interesting.

## { community impact }

### **MODERATOR:** What are some of the underlying factors in moving the workforce toward wellness?

**HEYN:** In our neighborhood, it's socio-economic issues. In our area, we have an issue with obesity and lifestyles that don't support health. I'm always amazed when I fly through Denver, or travel to other places, and see how fit people are and who seem to be taking better care of themselves. Unfortunately, that's not the case with our patient population. Dairy Queen is always busy. We have a high percentage of smokers, a high substance misuse rate and a relatively high teen-pregnancy rate. We are grappling with how to address this, but it's hard for us to move the needle. We have to get to the root cause of what's causing people to choose unhealthy lifestyles, and socio-economic issues are a large part of this.

**ELEGANT:** In the Chicago area, ethnicity plays a big role. People consume the types of foods that they grew up with, which may not always be healthy choices. We try to encour-

age healthy lifestyles. For years, people were begging us to put in a fitness center. We finally opened one and we thought we would have thousands of people sign up; instead, we had about 700. It turns out, they were a vocal minority. It really is hard to move the needle, as Matt said.

**GREENLEY:** It's important to note that our employee population reflects our general patient population. The types of issues we have in-house, also will factor into our population health management. Conversely, the types of problems we have in the community, will factor into what we experience in-house.

**ELEGANT:** Our approach is that we will address our hospital community — our employees and their families — and then address the community at large. It's a cultural change, but there are underlying socio-economic issues that are just outside the span of control of a health system. One of the things we started about a year ago is a subscription program for our employees to access inexpensive, healthful foods. It's called Top Box and once a month they can order a box of fruits and vegetables

at a major discount. We even offer organic chicken at a less expensive price. The box full of fruits and vegetables might cost \$25 at a grocery store and we charge only \$15. We're going to start offering this to the community as well.

**GREENLEY:** That's interesting. What was the reasoning behind this?

**ELEGANT:** The main reason was to help employees improve their health. The second reason was to try this out among our own employees before we went into the community. At Oak Park, we have about 750 full-time employees and when we first launched the program, about 75 people signed up. We're close to 90 participants now. We're trying to promote healthful eating by making it easy and convenient. Employees pick up their boxes when they leave for home.

**HEYN:** That's an interesting idea.

**WHITTHORNE:** Bruce hit on an important point. It has to be easy and convenient. To be successful, we have to set up a path of least resistance toward wellness. It's the only way it will work in today's environment.

**MODERATOR:** Kevin, how has Genesis transformed its approach to employee health and wellness?

**GREENLEY:** Like many organizations, we've been focusing on employee wellness for some time. We realized early on that it requires cultural change. We have full support from our leadership team and the board of directors. We felt good about our initiatives but, over time, we realized we could do more. And we recognized that health care costs will continue to rise, and we looked for a way to help control that. So, we've moved from a focus on wellness toward health-risk reduction, pinpointing the indicators for metabolic syndrome. We partnered with ACAP Health and Naturally Slim to develop a comprehensive program. We've been at this for nine years now and, not only has the health of our employees improved, our cost per covered life has remained flat.

Our program, in terms of incentives offered, has evolved. At first, if participants met the screening criteria they received a \$400 discount on their premiums. Now it's more than \$1,000 per person, but the requirements are tighter. We've reduced metabolic syndrome by more than 52 percent since we began this approach. Because we developed a comprehensive program year over year, it has led to lifestyle changes.

**At the end of the day, no organization is going to be interested in offering these programs if the clinical risk stays the same or worsens. Ultimately, you have to get to a point where you are moving the needle clinically.**



**Todd Whitthorne**



# { risk reduction }

**MODERATOR:** Advancing affordable health care is a major focus for the AHA and our members. Genesis has achieved about \$38 million in savings over the course of this program. Kevin, would you elaborate?

**GREENLEY:** It's a combination of things. If you look at the available data, the cost per care episode for people with three or more of the metabolic syndrome risk factors — high blood pressure, obesity, high blood sugar and triglyceride and low levels of HDL cholesterol — is between \$1,800 to \$3,300 more per person. Left untreated, these individuals are at risk of stroke, diabetes, kidney failure and cardiovascular disease, among other things. By identifying at-risk individuals, we can prevent the more serious complications and, therefore, lower their potential risk for future health care costs. Annually we generate over \$1 million in revenue due to additional premiums collected from participants who do not achieve desired levels. That helps to offset our other wellness initiatives. Our employee out-of-pocket health care cost at Genesis is about \$1,700; the national average is about \$2,300. Our cost is about \$5,900, compared with about \$9,400 nationally. We're controlling what we can and managing what we can't.

**WHITTHORNE:** It is easier and less expensive to prevent a problem. We've been at this a number of years and work with more than 800 employers around the country, including a number of hospitals and health systems. We believe one of the most important scorecards within the organization is the rate of metabolic syndrome among employees. It's not about participation, it's about whether we can clinically improve the employee population. But, as we've discussed today, that's not an intrinsic motivator for the average person. He or she wants to look and feel better and the No. 1 indicator for that is the number on the scale. If you can help employees do that, you will obtain their buy-in and, ultimately, improve their overall health.

**We've been at this for about eight years now and, not only has the health of our employees improved, our cost per covered life has remained flat.**



**Kevin Greenley**

Our philosophy is pretty simple; we cast a wide net and offer a population the opportunity to participate in the program. The incentives are up to the employer. We are working with the state of Kansas, which has 66,000 employees. When we met with state officials, they noted an obesity problem, as Matt mentioned. In the past year and a half, about 25,000 employees have participated in Naturally Slim. Interestingly, the state didn't make a big push for participation. Instead, it created demand by creating an energy and an excitement around a program that would help participants lose weight.

Naturally Slim teaches participants the right way to eat the foods they enjoy. It's not

about what you eat, but about when and how you eat. We don't limit the types of foods because that's never proven effective. We help participants learn to eat differently so they'll be happy and satisfied. Sugar is a big part of our messaging, and if we can get people to lower their sugar intake a little bit, lower their portions and increase their physical activity, then they will see a dramatic improvement in their metabolic risk. They lose weight and everybody wins.

**HEYN:** It's interesting how messaging can make such a big difference. We always push wellness, but if we reposition it to 'Look good and feel better,' it might be a better motivator.

**GREENLEY:** If you ask employees what wellness means to them, you will get a variety of answers. We share success stories — a great way to build excitement for the program. The success stories are never about lowering clinical risk. They are about losing weight and looking and feeling great. Sharing real-life stories builds momentum and then the program begins to sell itself.

**ELEGANT:** How do you monitor progress? How do you know people are making progress?

**GREENLEY:** We conduct yearly screenings. People with three or more risk factors are then required to go through the intervention. For the first six months, they will be charged the increased premium. After those first six months, they will be rescreened. If they lower one or more of their risk factors, we pay them the money they have paid in additional premium. And then the cycle starts all over. Participants may not achieve their desired results in the first year. But we continue to work with them and highlight their progress. It's a lifestyle change focused on feeling better, feeling healthier.

**MODERATOR:** Todd, could you provide more details about the intervention? How is it structured? What does it entail?

**WHITTHORNE:** Naturally Slim has been fine-tuned over the years, and every employer implements it a little bit differently based on

## PANELISTS



### **Bruce Elegant**

President and CEO  
Rush Oak Park (Ill.) Hospital



### **Kevin Greenley**

Manager, Genesis At Work  
Genesis Health System  
Davenport, Iowa



### **Matt Heyn**

CEO  
Ransom Memorial Hospital  
Ottawa, Kan.



### **Todd Whitthorne**

President  
ACAP Health  
Dallas



### **MODERATOR**

#### **Lee Ann Jarousse**

Senior Editor  
American Hospital Association  
Chicago



their company culture, but the gist of it is the same. The results are clinically measurable, it's scalable and easy for HR teams and participants alike.

Our curriculum is one year long and is grounded in behavioral science. Online lessons are delivered weekly. We also have coaches and counselors available, but it's hard for people who struggle with their weight to talk to a stranger about something so sensitive. Since the program is offered digitally, participants can access it whenever they want and they can do it on their own time, too. Our program is divided into three segments. The first 10 weeks are what we call "Foundations." During Foundations, there are weekly lessons to develop skills around why, how and when to

eat. After this first 10 weeks, we generally see a nine to 11-pound weight loss on average. While the first 10 weeks are about learning skills, the next 10 weeks are all about skill reinforcement. The rest of the year focuses on skill maintenance. In essence, the program has two buckets: blocking and tackling and the mechanics of weight loss. What do you need to focus on during meals and what do you need to focus on between meals? There are eight Naturally Slim skills that we teach and promote and allow people to embrace. But, the program goes beyond Foundational eating skills and addresses issues like sleep, physical activity and the role emotions play in overeating.

**ELEGANT:** We still have a certain segment of blue-collar workers who don't text, don't have personal computers, etc. How do you reach those employees?

**GREENLEY:** We have worked with a local employer whose workforce was a bit like this. The employer set up an area in their complex and provided two desktop computers so that employees could log in and participate.

**HEYN:** Kevin, how are you working to achieve sustainable results?

**GREENLEY:** Of the employees who were identified as having metabolic syndrome from our screening in 2009, as of 2017, 60% have been able to achieve and maintain a healthy lifestyle and still do not have metabolic syndrome.

**HEYN:** Do you find that you have better buy-in from your staff if your leaders are doing this? If the leadership isn't healthy, how can they encourage healthy staff?

**GREENLEY:** Absolutely. We are striving to be the healthiest place to work, and that requires 100 percent buy-in from every leader. It sets expectations.

**We have to get to the root cause of what's causing people to choose unhealthy lifestyles, and socio-economic issues are a large part of this.**



**Matt Heyn**

**WHITTHORNE:** Genesis is intentional about building out their program, working through their benefits department to build the incentives to drive behavior. They've built in carrots and sticks, but they haven't forgotten that the most powerful motivator is the intrinsic motivation of weight loss. If you can give them an opportunity to start doing what they want — and that's losing weight — then suddenly everything else starts to dovetail. After you get them going, then you introduce the difference between healthy carbohydrates versus unhealthy carbohydrates, and you've got them in the game.

**ELEGANT:** How do you communicate the success?

**GREENLEY:** Through our newsletter. We have individuals who have lost 60-plus pounds and we share their stories. But we also report out from a financial standpoint. We show our employees how this initiative is helping our bottom line as a health system. If you look at the trend line over the last eight years, we've saved about \$38 million, mostly by flattening our rate of increase for annual premiums.

**MODERATOR:** Todd, do individuals participate year over year in the program, or is it a one-time thing?

**WHITTHORNE:** That's a great question. It's a year-long program. We have found that if people can repeat the program, it's pretty powerful. Through one of our partner organizations, we have data that look at how well participants fared if they repeated the program. We are finding that when someone chooses to repeat the curriculum, it is pretty powerful. Their numbers statistically improve.

**MODERATOR:** Kevin, now that you've been at this for quite some time, are you seeing it translate into the community? Have you seen any kind of trickle?

**GREENLEY:** We do. We're working with employers in our community to implement Naturally Slim and to support their wellness programs. ●



## KEY FINDINGS



**1** Focusing on the risk factors for metabolic syndrome can enhance employee health and wellness, while also lowering health care costs.

**2** Incentives and rewards for participation in wellness and risk-reduction programs are more effective than applying penalties for nonparticipation.

**3** Weight loss is a big driver for employee engagement in risk-reduction programs.



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