

# ENGAGEMENT THAT LEADS TO PRODUCTIVITY

## Speakers:

Amy Green, Director of Benefits and HR Business Processes, Whole Foods Market

Craig Kurtzweil, Senior Vice President Analytics Innovations, UnitedHealth Group

Randy Ford, Vice President, Product and Service Solutions, Unum

2016 IBI Annual Forum  
February 16, 2016

# Introduction



**Craig Kurtzweil**  
**UnitedHealth Group**

[Craig\\_kurtzweil@uhc.com](mailto:Craig_kurtzweil@uhc.com)



**Amy Green**  
**Whole Foods Market**

[Amy.Green@wholefoods.com](mailto:Amy.Green@wholefoods.com)



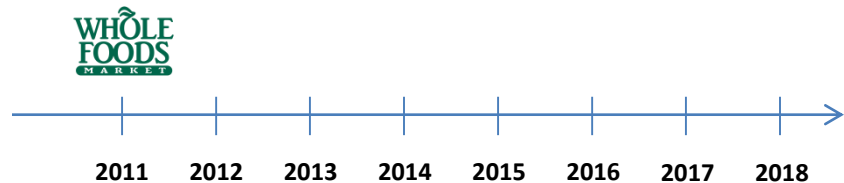
**Randy Ford**  
**Unum**

[Rford@unum.com](mailto:Rford@unum.com)

# Today's Agenda

## What we'll talk about today

1. Good decisions that improve medical outcomes also reduce duration of disability events.
2. Quantifying the relationship between disability events and company revenue...and understanding when productivity losses exceed medical and disability costs *combined*.
3. Attainable savings from good decisions
  - Medical claims
  - STD benefit payments
  - Productivity
4. Whole Foods Market
  - The journey here
  - The future



# About Whole Foods Market



- Whole Foods Market (WFM) has grown from one store (and a staff of 19) in 1980 to 434 stores with 91,000 team members in North America and the UK.
- Recognized for 18 consecutive years as one of the “100 Best Companies to Work For” by Fortune Magazine
- Its introduction of organic foods in 2001 cited by FastCompany.com as one of the Top 20 ideas of the past 20 years that “transformed business and culture”
- Its benefits offerings support its values including:
  - We Support Team Member Happiness and Excellence
  - We Promote the Health of Our Stakeholders Through Healthy Eating Education

Consistent with their healthy-living focus and also due to a set of optimally-aligned benefit policies, WFM has very favorable health plan and disability utilization.



# Whole Foods Market: Benefits & Wellness Strategy

- WFM has a culture driven by deep core values with a strong sense of purpose.
  - Egalitarian
  - Decentralized
  - Transparent.
- WFM supports a healthier lifestyle for Team Members and their families so they can achieve their full potential.
- Health – generous cost sharing for health plan premiums, onsite and offsite biometric screenings with a higher store discount incentive
  - Maternity Support Program
- Transparency
  - long term CDHP with HRA/HSA options
  - health cost estimator tool
  - Team Member Benefits Vote
- Education – company paid healthy eating programs
- Exercise – annual Green Trek program that supports exercise, healthy eating
- Technology – Rally online wellness program, Virtual Health
- Integration
  - Embedded UHC programs (wellness, disease management, pharmacy, onsite wellness specialist)
  - Unum/UHC integrated disability approach



# Whole Foods Market: Benefits & Wellness Strategy

- WFM has a culture driven by deep core values with a strong sense of purpose.
  - Egalitarian
  - Decentralized
  - Transparent.
- WFM supports a healthier lifestyle for Team Members and their families so they can achieve their full potential.
- Health – generous cost sharing for health plan premiums, onsite and offsite biometric screenings with a higher store discount incentive
  - Maternity Support Program
- Transparency
  - long term CDHP with HRA/HSA options
  - health cost estimator tool
  - Team Member Benefits Vote
- Education – company paid healthy eating programs
- Exercise – annual Green Trek program that supports exercise, healthy eating
- Technology – Rally online wellness program, Virtual Health
- Integration
  - Embedded UHC programs (wellness, disease management, pharmacy, onsite wellness specialist)
  - Unum/UHC integrated disability approach

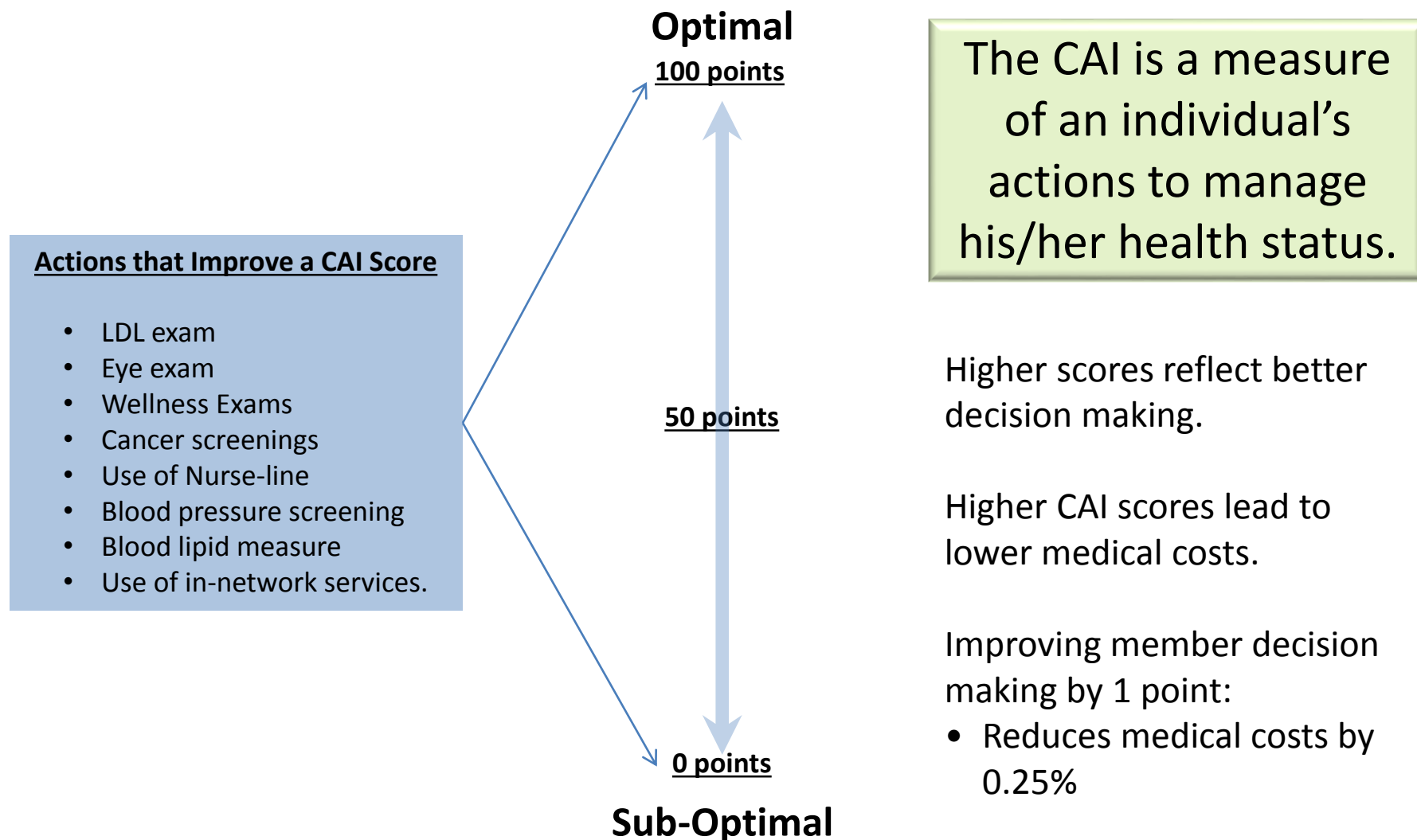


# The Need For Good Decisions

- Employers that successfully guide members to make better health care decisions show lower utilization and duration of short term disability claims
- Promoting health care engagement has proven to reduce risk and decrease medical claims. We can also now show that it helps reduce time away from work and disability duration.
- A Modernized Health Plan can help improve member engagement and financial results.  
Improving member decision:
  - Reduces medical costs
  - Reduces disability duration



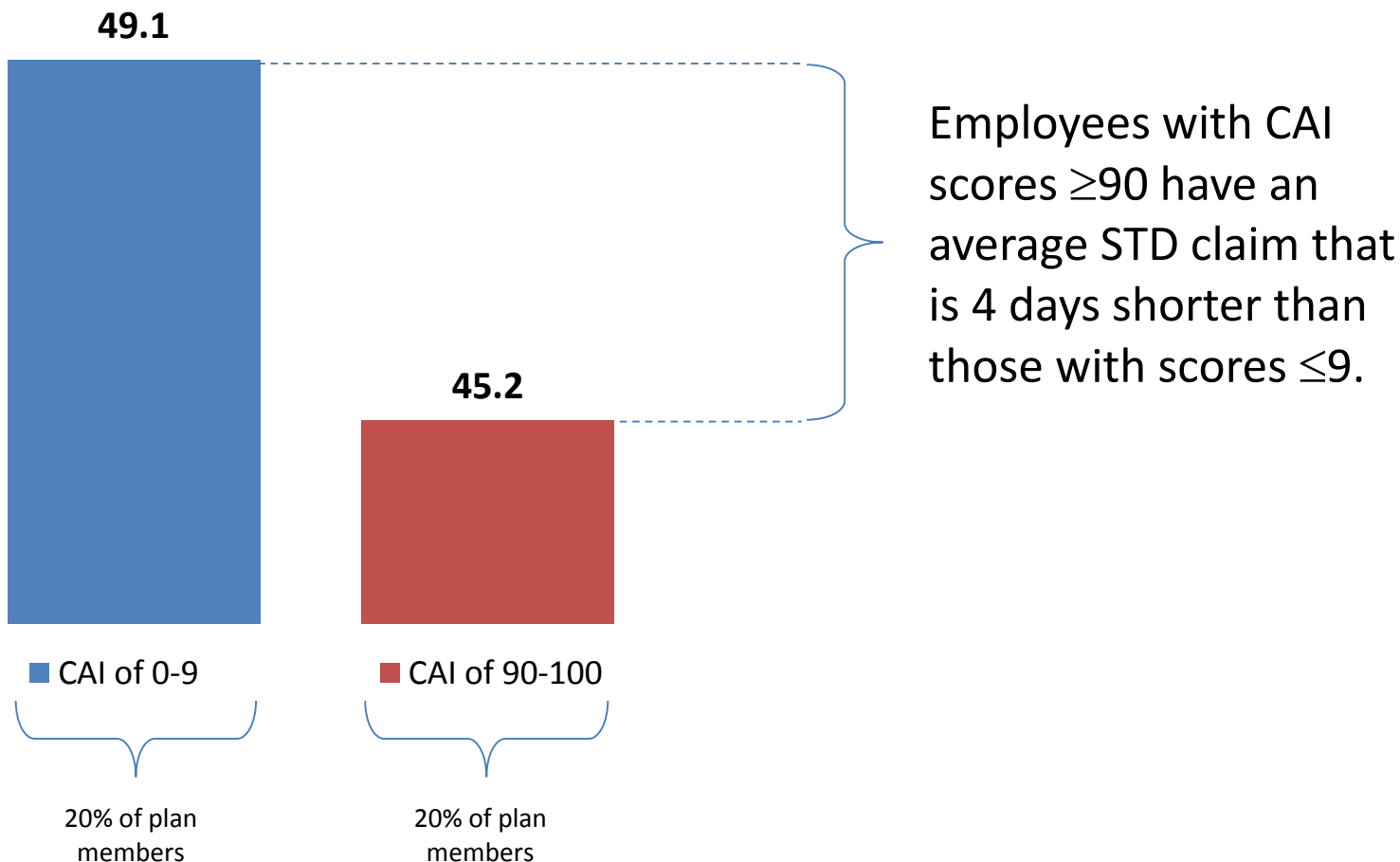
# The Consumer Activation Index (CAI)





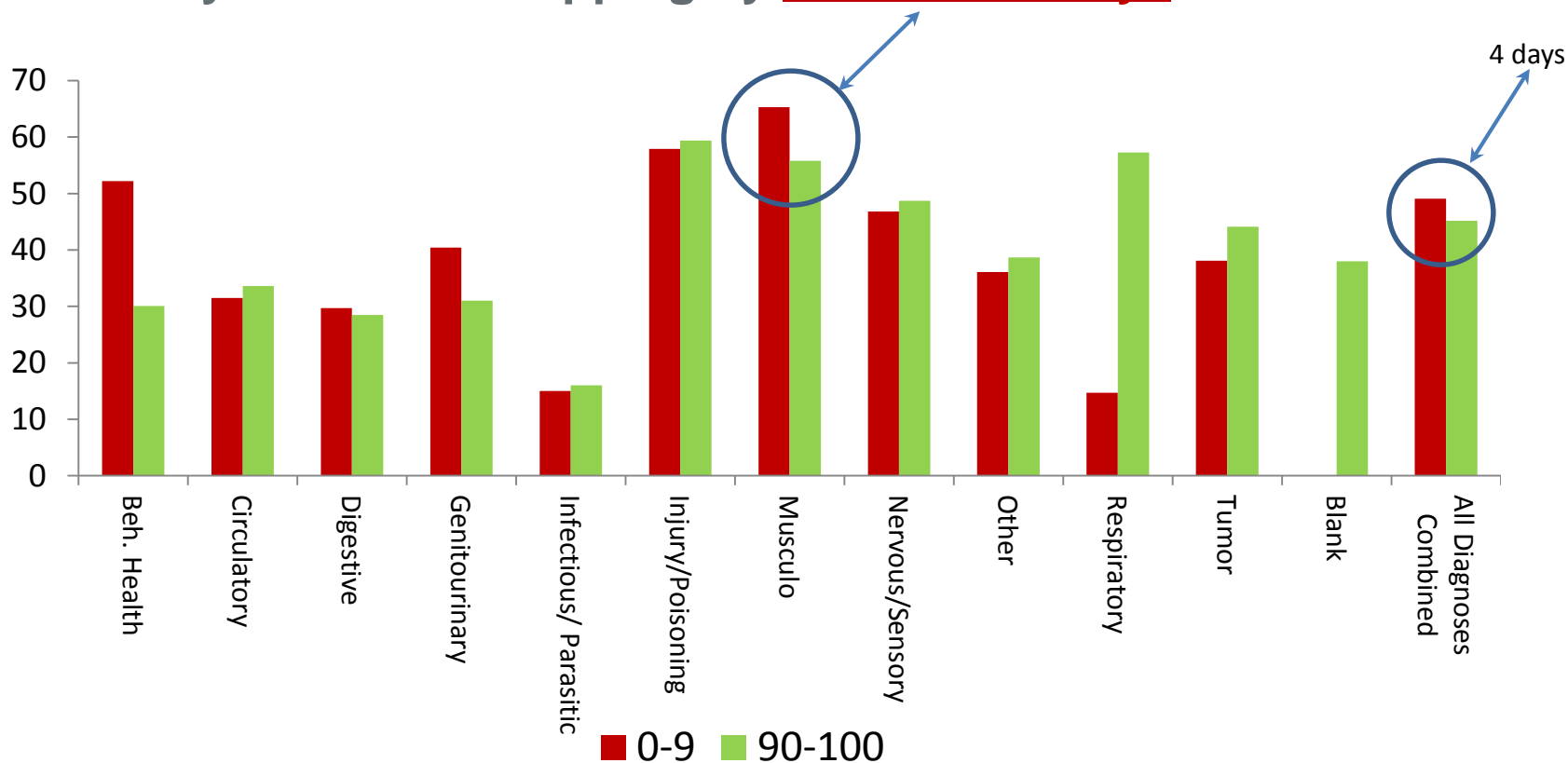
# Better Decision Making → Reduced Duration

## Avg Duration of STD Event

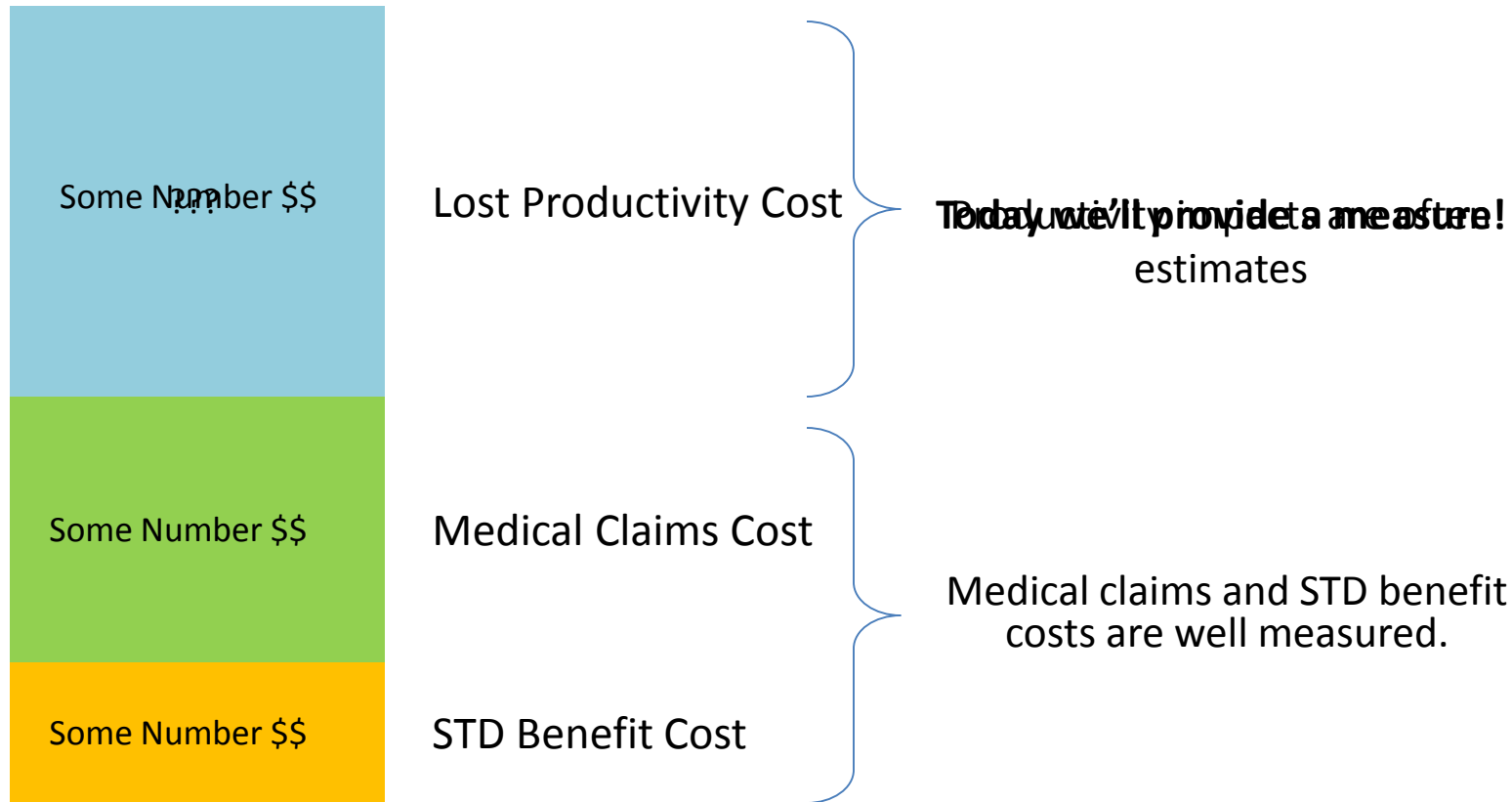


# Impact of Decision Making is Variable

Many clinical areas show similar impact with Musculoskeletal disability durations dropping by over 10 full days



# You've seen this slide before...

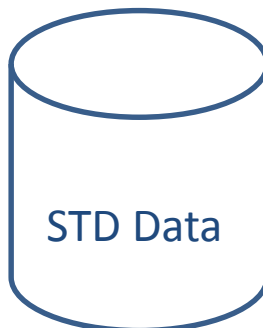


# Capture the Data from the Past 12 Months



12 Months of Data For:

1. 253 stores
2. 14,900 team members
3. Medical Claims
4. STD Benefits Paid
5. Productivity (store revenue)



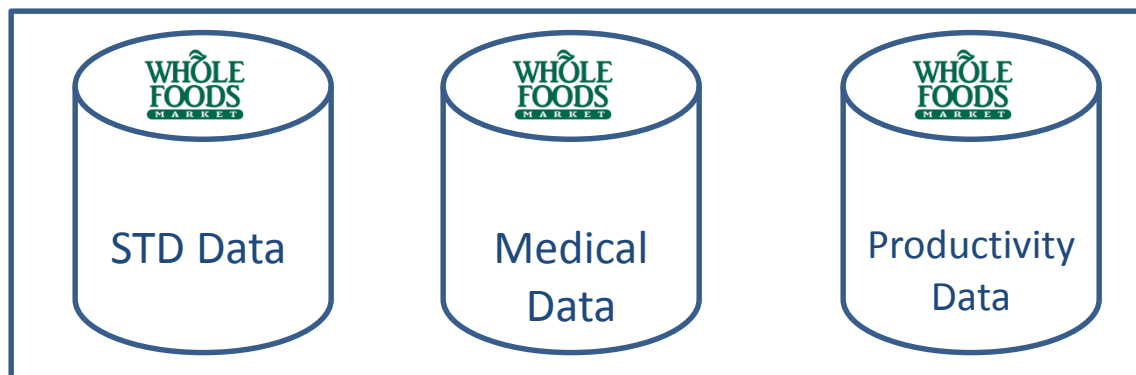
# Capture the Data from the Past 12 Months



12 Months of Data For:

1. 253 stores
2. 14,900 team members
3. Medical Claims
4. STD Benefits Paid
5. Productivity (store revenue)

Merge

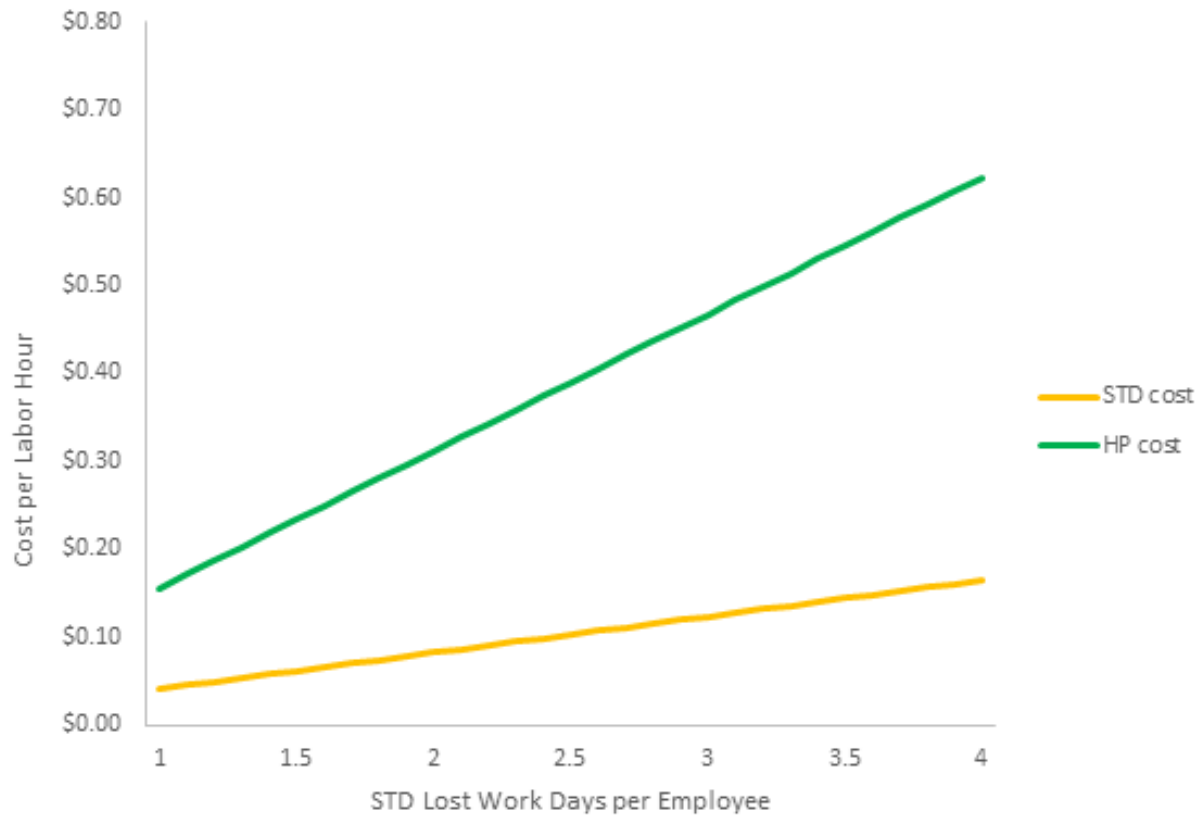


# Data and Methodology

- A cross-sectional analysis was performed using a 12-month time period.
- Direct income replacement costs are summed from STD claims data.
- For indirect costs, statistical regression modeling is used to isolate the impact of incremental STD utilization on health plan costs and store financials.
- California stores were excluded from this analysis as data from the CA state disability system was not available.

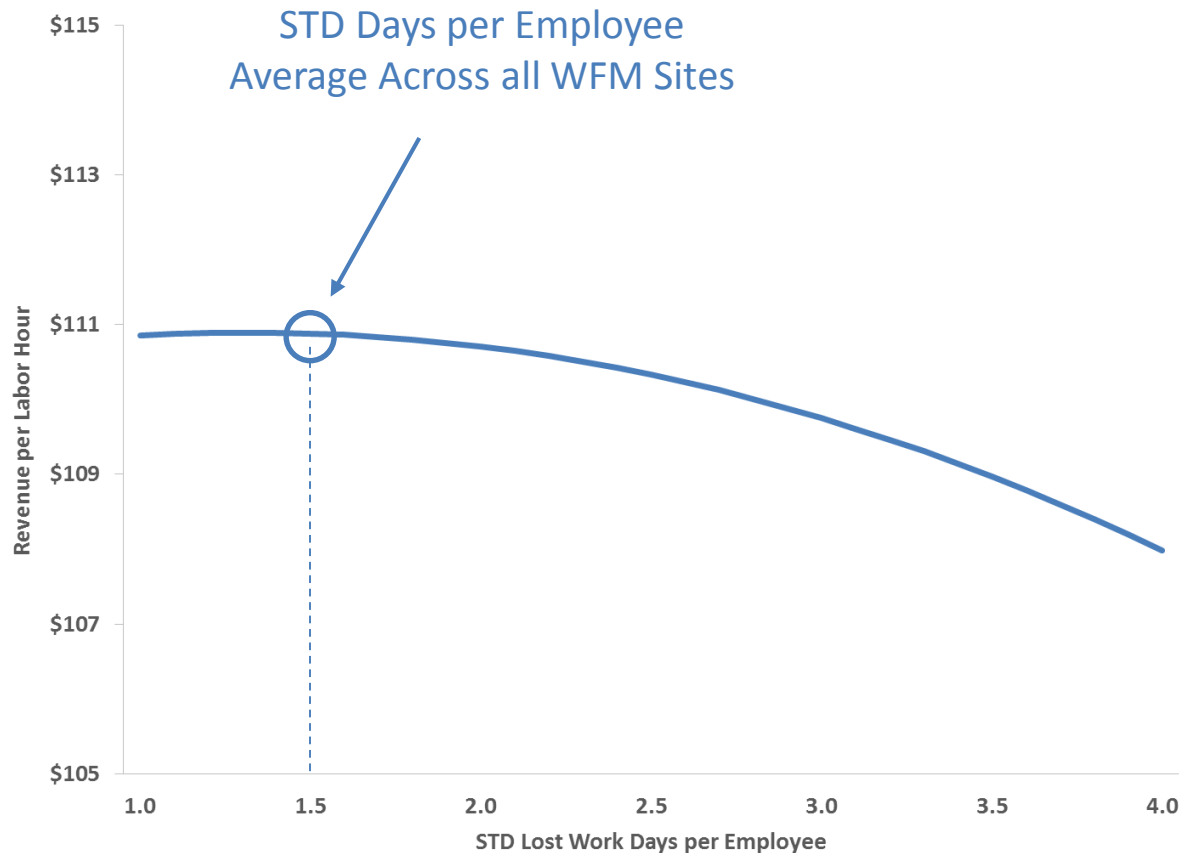


# Direct Costs on Health Plan (HP) and Short-Term Disability (STD) Claims



- Increasing STD utilization results not only in higher STD costs but also higher Health Plan costs.

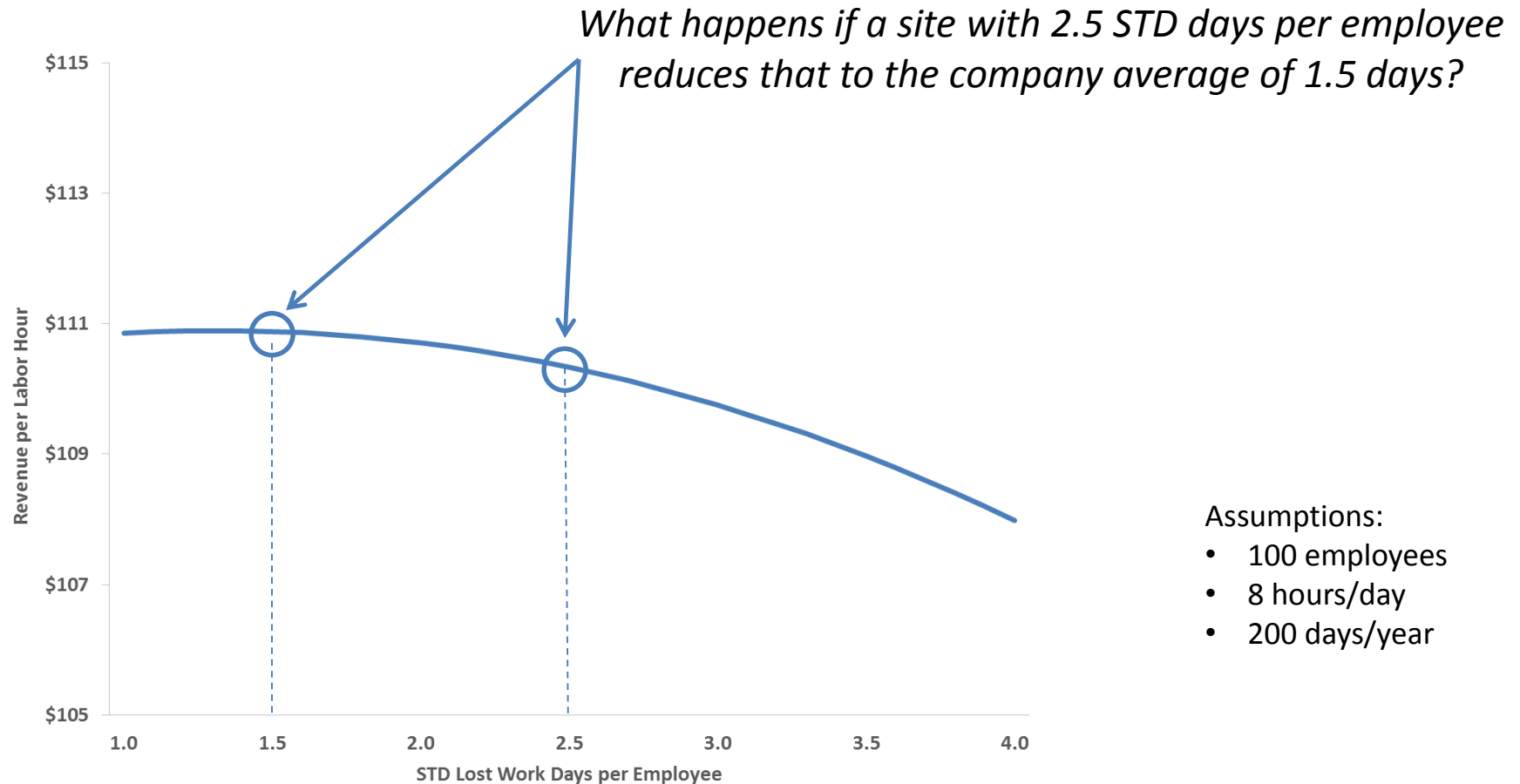
# The Indirect Cost of STD Usage: Lost Productivity / Lost Revenue



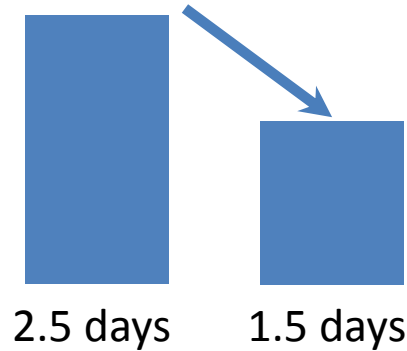
- Increasing STD utilization has a significant and quantifiable impact on store revenue.



# A One-Day Difference in STD Average is Significant



# The Impact of Reducing Lost Workdays



STD Benefit Savings	\$6,588
Medical Claims Savings	\$24,941
Reduction in Lost Productivity	\$88,059
<b>Total Savings: Benefits Paid and Lost Productivity</b>	<b>\$119,588</b>

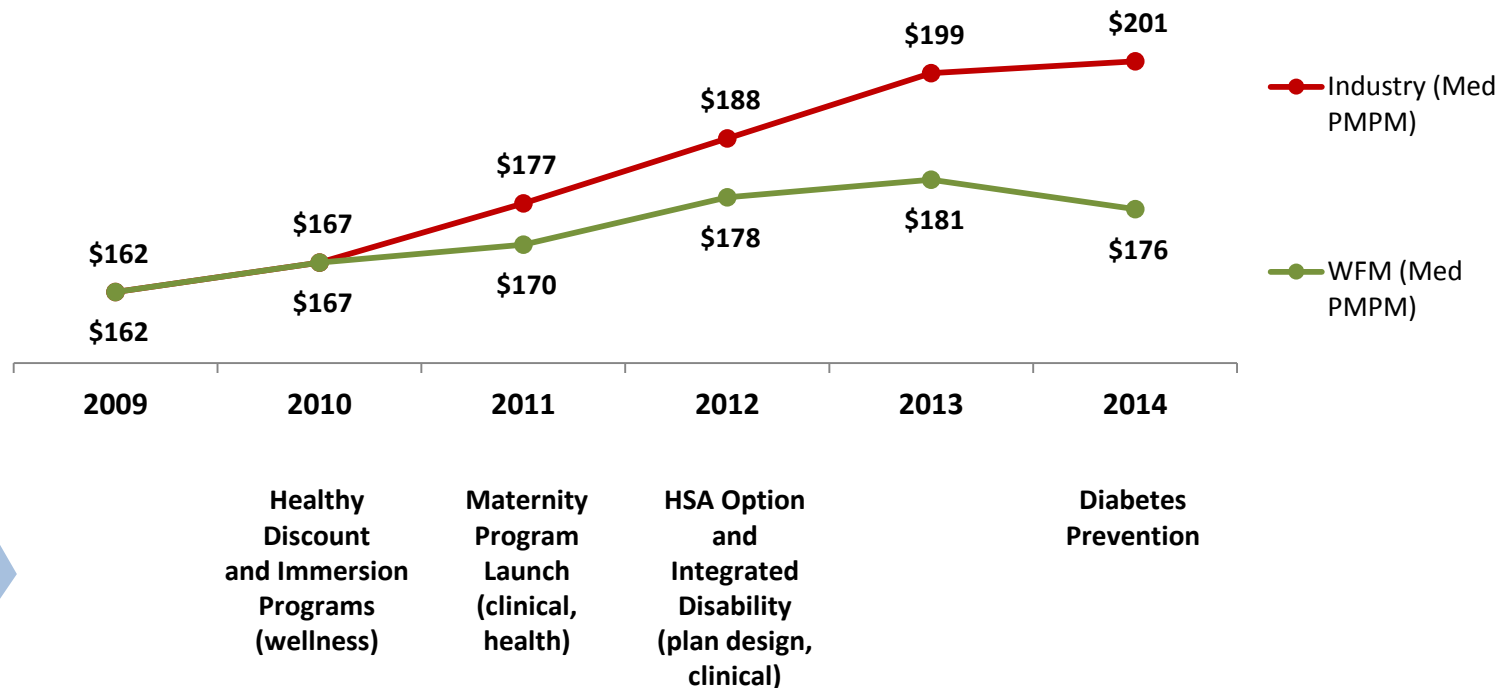
Lost workdays and the CAI score are linked...simple decisions by employees will improve CAI scores and reduce lost workdays

# The Journey Here: Actions and Outcomes

The strategy works...medical trend consistently below industry average

From 2012-2014 Lost Workdays per employee at Whole Foods dropped by 2%.

By 2014 Whole Foods Lost Workdays (per EE) was 3.5% lower than industry benchmark.



# Conclusion and Future Actions

## Conclusions

- There is a clear relationship between consumer activation and both medical spend and disability (incidence and duration) – higher activation leads to improved outcomes
- The decisions needed to improve CAI are not complex – engaging employees will improve those scores.
- There is a clear, measurable link between CAI scores and store revenue. Improving CAI among populations with lower CAI (and longer STD durations) yields the biggest improvements in productivity/revenue.



## What's Next?



- UHC and Unum will continue our collaborative work to further understand the impacts of activation to disability
- Ongoing monitoring of changes in medical spend and disability based on movement in CAI
- Can Consumer Activation Index be used as a trigger to drive clinical/vocational protocols and engagement (customer pilot)?

# Questions



**Craig Kurtzweil**  
**UnitedHealth Group**

[Craig\\_kurtzweil@uhc.com](mailto:Craig_kurtzweil@uhc.com)



**Amy Green**  
**Whole Foods Market**

[Amy.Green@wholefoods.com](mailto:Amy.Green@wholefoods.com)



**Randy Ford**  
**Unum**

[Rford@unum.com](mailto:Rford@unum.com)