

The Positive Impact of Well-Being Programming on Employee Populations

Integrated Benefits Institute
March 18, 2015

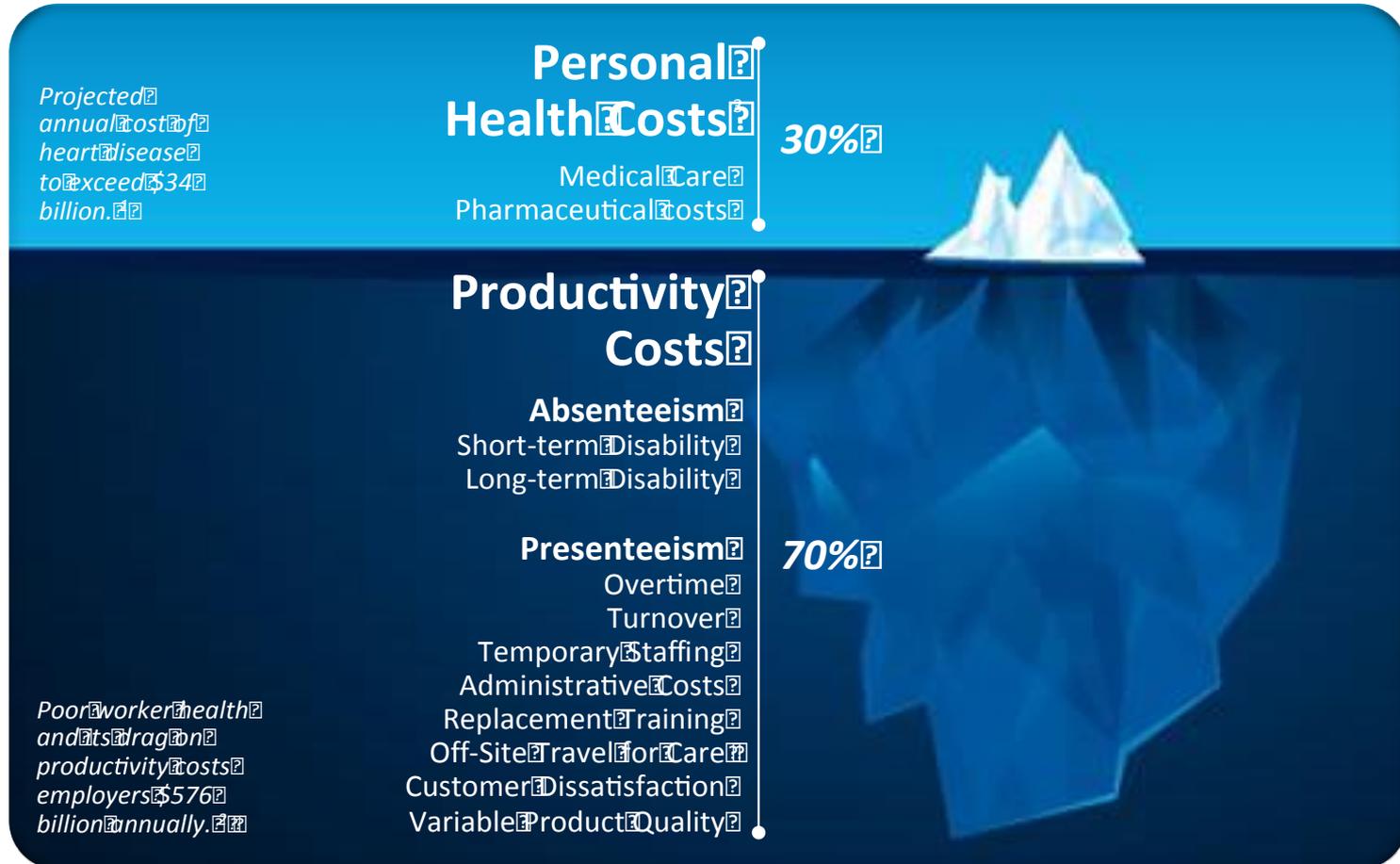
Presenters:
Humana Inc.
University of Michigan



Humana



Why are we here? Because...



Illustrating the point...

The majority of total health-related costs arise from the indirect cost of lost work performance due to missed work time, disengagement, and stress.

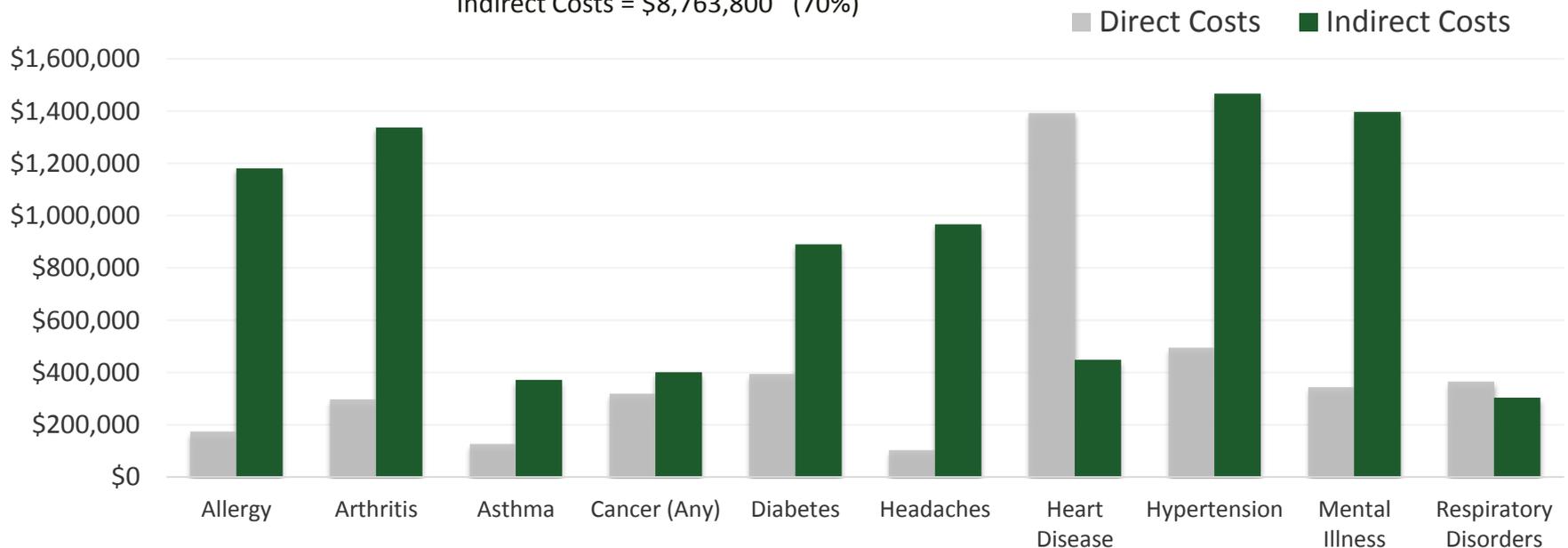
Total Medical Costs

Total annual **direct and indirect** cost impact by select conditions for **5,000 employees**

Total Annual Costs = \$12,773,600

Direct Costs = \$4,009,800 (30%)

Indirect Costs = \$8,763,800 (70%)



Productivity measures and their success...

The Humana Well-Being Index (HWBI)

We define well-being as a multi-attribute construct with four main clusters, each containing three variables.

Clusters

Health

--Physical --Emotional --Spiritual

Security

--Financial --Personal --Environmental

Belonging

--Social --Community --Family

Purpose

--Service --Vocational --Advocacy

Item Architecture

Twelve Variables

Three Items Per Variable

Instrument with 36 Items Total

The items for each variable were intended to probe for:

- Predictor behavior
- Indicator of behavior
- Consequences or effects

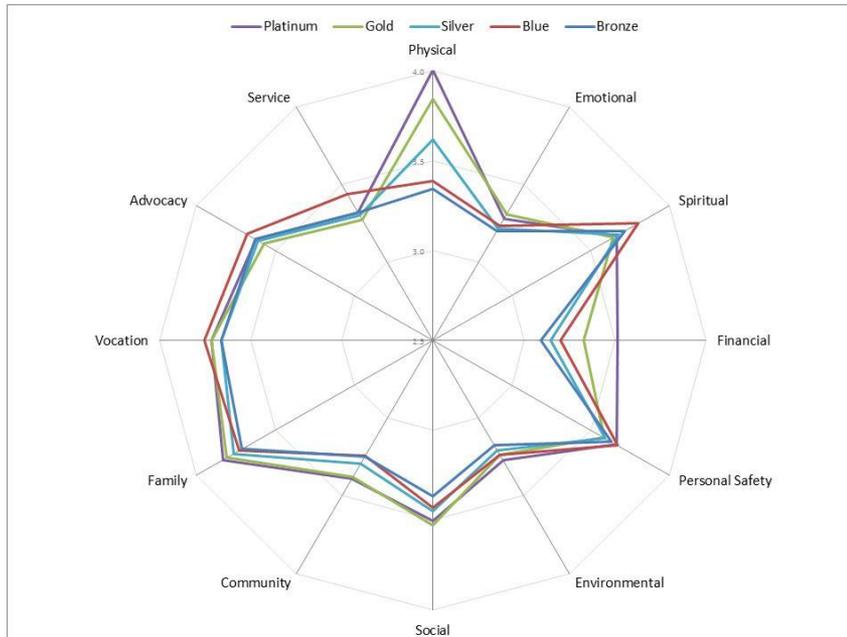
Examples of Items: Physical Health

- Predictor: *What is your level of participation in activities that promote good health, such as exercise programs, healthy eating, good sleep, and regular check-ups?*
 1. Very low participation
 2. Below average
 3. Average
 4. Above average
 5. Very high participation
- Indicator: *How is your health?*
 1. Serious problems
 2. Below average
 3. Average
 4. Above average
 5. Excellent
- Consequences: *On your last visit, how did your doctor describe your health?*
 1. Not well at all
 2. Below average
 3. Average
 4. Above average
 5. Excellent

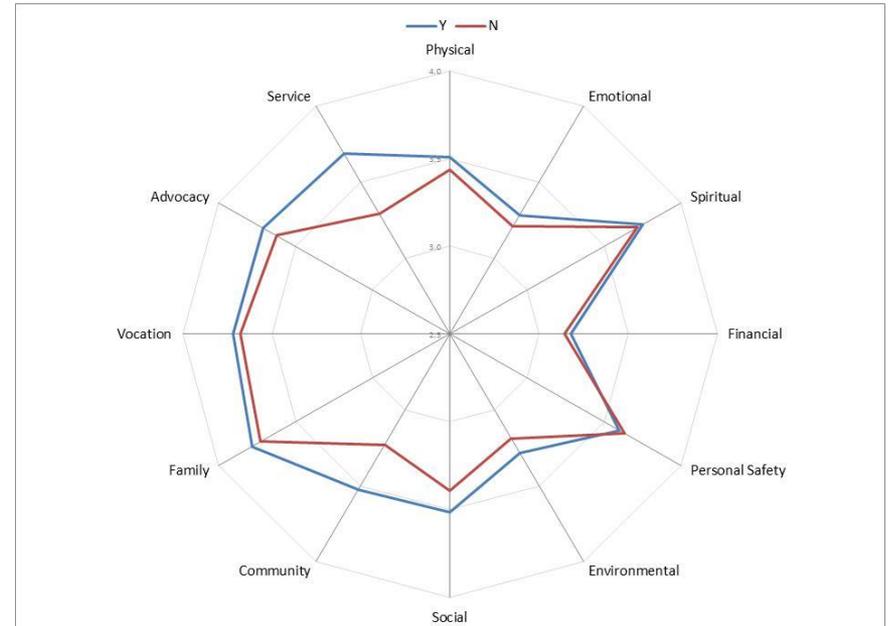
Predictive Validity of HWBI

Over 19,000 employees took the HWBI. Data analysis showed high reliability and robust construct validity. Paired with independently collected health and life style data from the employee population, we established the predictive validity of HWBI using the independent data as criterion.

Health Vitality



Volunteer Participation



Humana's Well-being Dimensions



Well-being Segmentation

*Developed in Conjunction with
The University of Michigan*

Unhealthiest



Unhealthy but Productive



**Direct correlation
between productivity
and well-being.**

Stressed Out



Healthy & Productive



**Four segments
defined - better
understand the
priorities of
individuals to target
around their needs.**

Probability of Higher Healthcare Costs

Probability of Higher Productivity

A case study in employee Well-being...The Humana Journey

A Well-being Movement

YOUR WELL-BEING

Health & Well-being Assessment

Health and well-being benchmarks

Biometrics

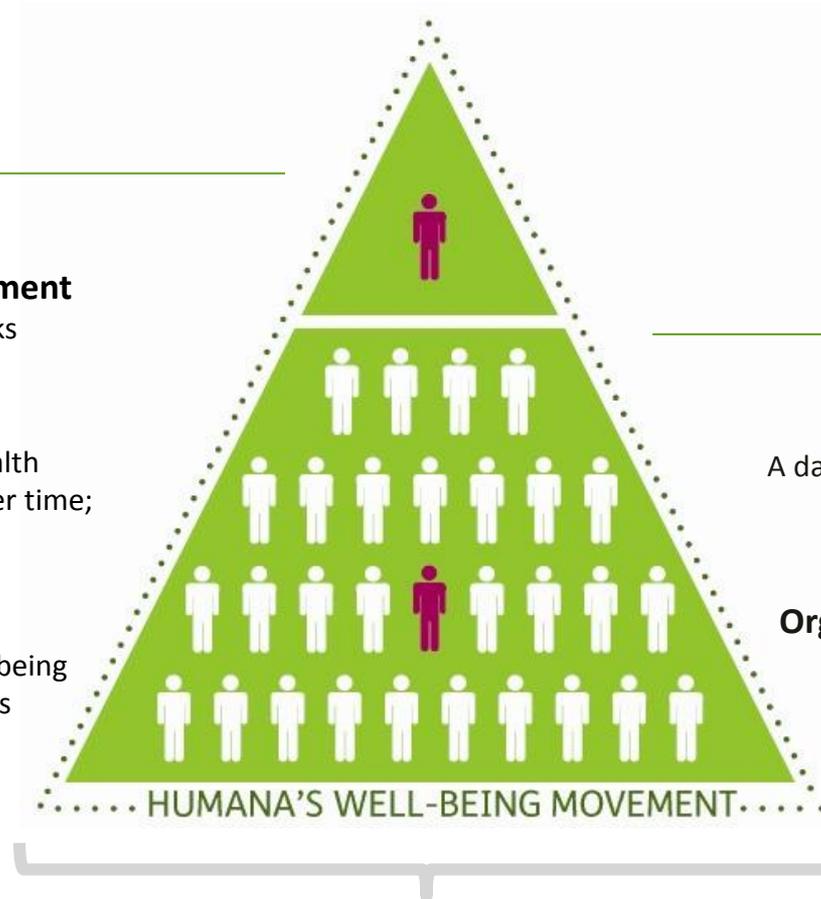
Take a picture of your current health status and track your changes over time; get incented for health outcomes

Total Well-being Report

A personalized view of your well-being with links to meaningful resources

MyJourney Booklet & Site

Plan, organize, reflect on your personal well-being journey



OUR WELL-BEING

Humana Well-being Reports

A data-driven look at how we're doing, as Humana associates, on our well-being journey

Organization Well-being Snapshots

A snapshot view for leaders with 250+ associates, designed to drive well-being at the organization level

Supported by Foundational Programs and Resources

Well-being programs, resources and guidelines available to support associates enterprise-wide and to encourage local grass roots efforts

Humana's Well-being In the News

Happy employees are healthier (and cheaper)

As a growing body of research shows the economic benefits of a happy, healthy workforce, companies are exploring creative ways to encourage employee wellbeing

- This is the second story in our series on workplace culture. Read the first, on mindfulness, [here](#)

Amy Westervelt
theguardian.com, Wednesday 18 June 2014 07.45 EDT

 Jump to comments (1)



Studies show that a happy workforce is a healthy - and productive - workforce.
Photograph: Catalin Petolea/Alamy

Employees who are happy at work not only perform better, but also cost less. That's the conclusion of a six-year study conducted by health insurance company Humana and the University of Michigan's Ross School of Business. The insurer studied not only its 42,000 employees, but also their impact on patients at its more than 320 medical centers and 270 worksite medical facilities. The results of that research informed the design of the Humana Integrated Total Wellbeing platform, a new product that the company is currently rolling out to employers.

It's good timing for such a product, as businesses are becoming more interested in employee wellbeing as a way to boost everything from retention rates to productivity. Perhaps more importantly, the US Affordable Care Act is putting a major focus on prevention, a first for the US healthcare system. In most cases, it will become costlier for employers to provide employees with health services and access to healthcare – which means that there will be financial incentives for them to keep their employees happy.

For Humana, the economic value of employee happiness starts with a simple equation: happy nurses keep patients healthier. In a study of its 33 nursing teams, the company found that patients working with its happiest (or in Humana parlance "most engaged") nurses have 40% less paid in claims, 70% fewer visits to the ER, and 91% fewer visits to urgent care clinics. In turn, Humana pays 24% less per patient.

But the impact of employee happiness isn't limited to Humana's nursing staff, the company credits its "engagement strategy" with improving everything from sales to internal talent retention. It has deployed its proprietary Wellbeing Index, which assesses wellbeing at an organizational level, across all departments, even those with no service component. In the process, it has gained numerous useful insights, including the realization that the degree to which employees feel that their work has purpose accounts for almost half of their productivity.

Internal policies become external products

Tim State, vice president of human capital strategy and performance at Humana, points out that, like any large company, the insurer is interested in the health, wellbeing and productivity of its workers. "But especially as a company with our mission, it goes one step further," he says. "As a

Thank you!

Q&A

Humana

