



# Building a Healthier Workforce

**2017 HSMP Annual Meeting**  
**September 21, 2017**

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Segal Consulting

# Discussion Overview

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- Understanding the Challenge
- Strategies for Sustained Health Improvement
- Maximizing the Impact of Extrinsic Motivators
- Building Intrinsic Motivation
- It's Not Just About the Motivation
- Leveraging Health Coaching
- Pulling It All Together





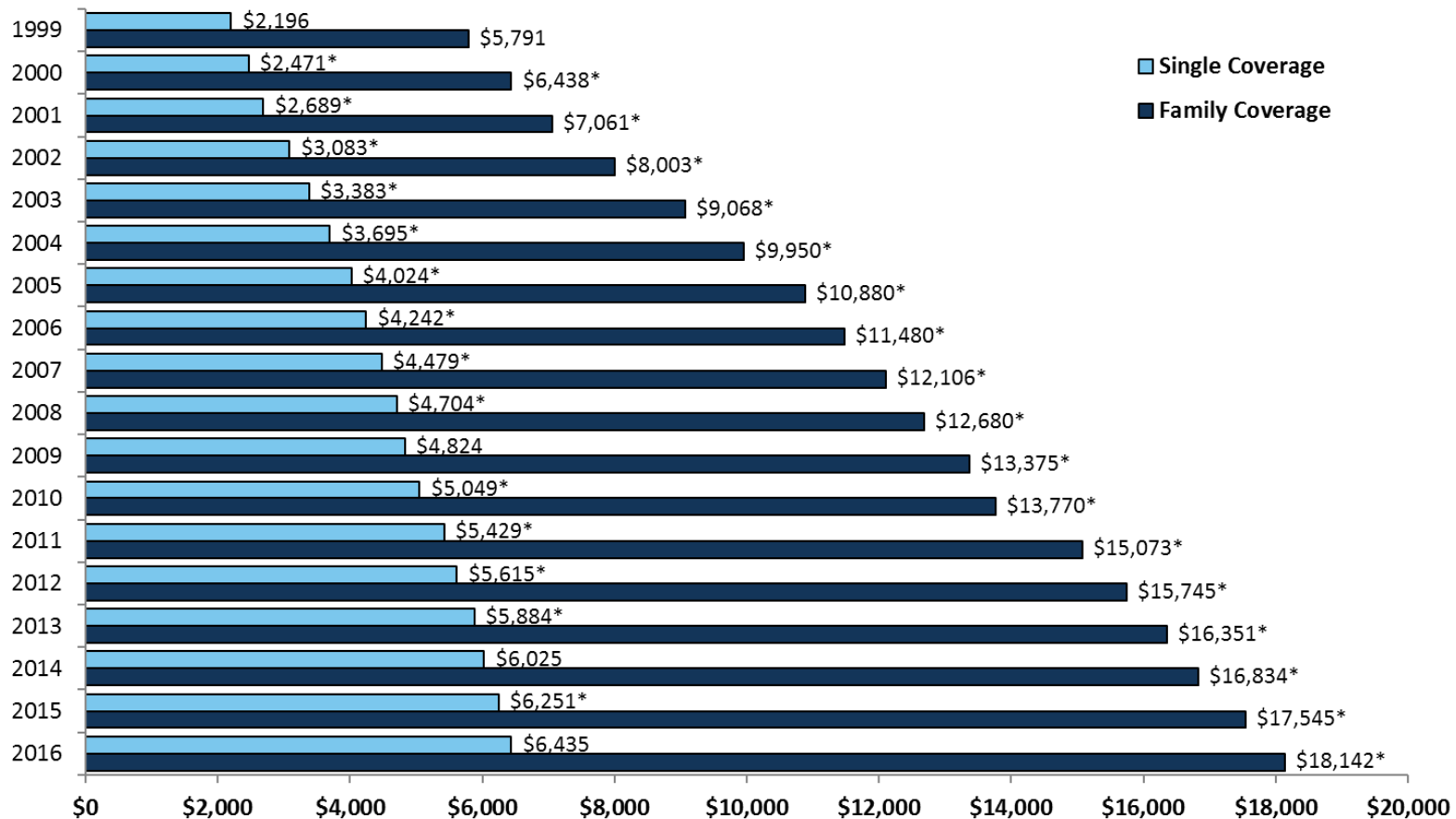


## Understanding the Challenge

# Continued Rise in Healthcare Costs

## Exhibit 1.11

### Average Annual Premiums for Single and Family Coverage, 1999-2016



\* Estimate is statistically different from estimate for the previous year shown ( $p < .05$ ).

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2016.

# Estimated Cost of Poor Health to US Economy—\$576 Billion

	Annual Cost (Billions)	Percent of Total
<b>Wage Replacement</b> Incidental absence due to illness, workers' compensation, short-term disability, long-term disability	\$117	20.3%
<b>Medical and Pharmacy</b> Workers' compensation, employee group health medical treatments, employee group health pharmacy treatments	\$232	40.3%
<b>Lost Productivity</b> Absence due to illness, presenteeism	\$227	39.4%
<b>Total</b>	<b>\$576</b>	<b>100%</b>

# 4 Key Levers in Managing Health Care Costs

## 1 Cost Sharing



## 2 Care Delivery



## 3 Administration



## 4 Lifestyle



## Recent Client Recent Experience

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Growth in  
Top **1%** of  
Claimants\*

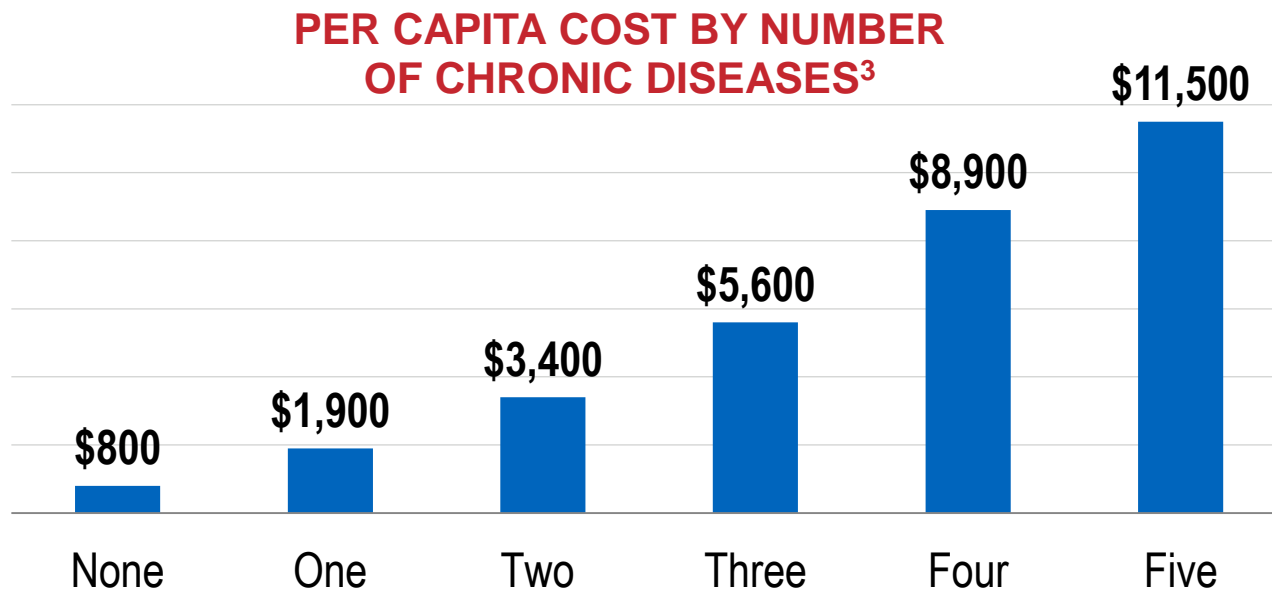


**75%** of Total  
Growth in  
Medical Claims

\*Represents claimants with \$50,000+ in annual medical costs.  
Most of these claimants have one or more chronic conditions.

# How Chronic Diseases Impact our Clients

- **45%** of working age Americans have at least one chronic condition<sup>1</sup>
  - 21% have two or more chronic conditions<sup>1</sup>
- **86%** of US health care costs are attributable to individuals with at least one chronic condition<sup>2</sup>



<sup>1</sup> Anderson and Horvath, Johns Hopkins University Bloomberg School of Public Health

<sup>2</sup> Gerteis J, Izrael D, Deitz D, LeRoy L, Ricciardi R, Miller T, Basu J.; *Multiple Chronic Conditions Chartbook*

<sup>3</sup> Medical Expenditure Panel Survey



# Lifestyle Choices/Behaviors and Chronic Disease

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“**Poor lifestyle choices**, such as smoking, overuse of alcohol, poor diet, lack of physical activity and inadequate relief of chronic stress **are key contributors** in the development and progression of preventable **chronic diseases**”

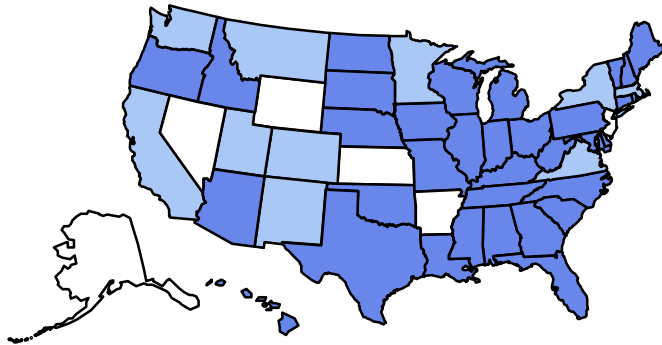


“**Four... health risk behaviors**—lack of exercise or physical activity, poor nutrition, tobacco use, and drinking too much alcohol — **cause much** of the illness, suffering, and early death related to **chronic diseases**”

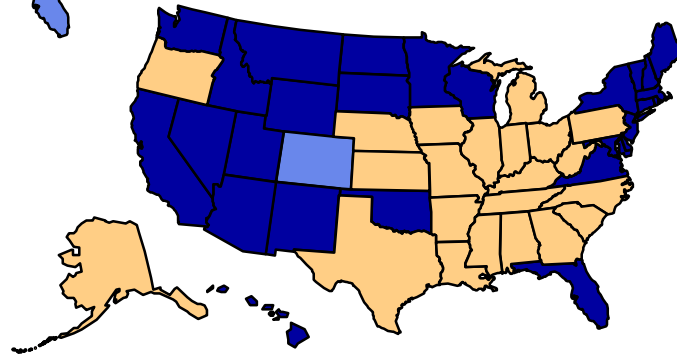


# Increasing Obesity Rates in US (CDC Data)

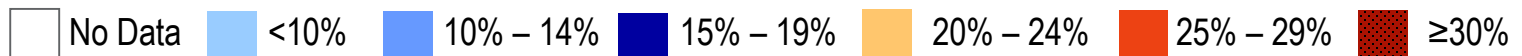
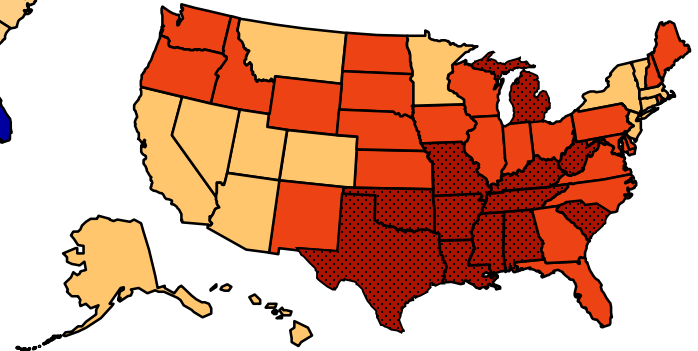
1990



2000

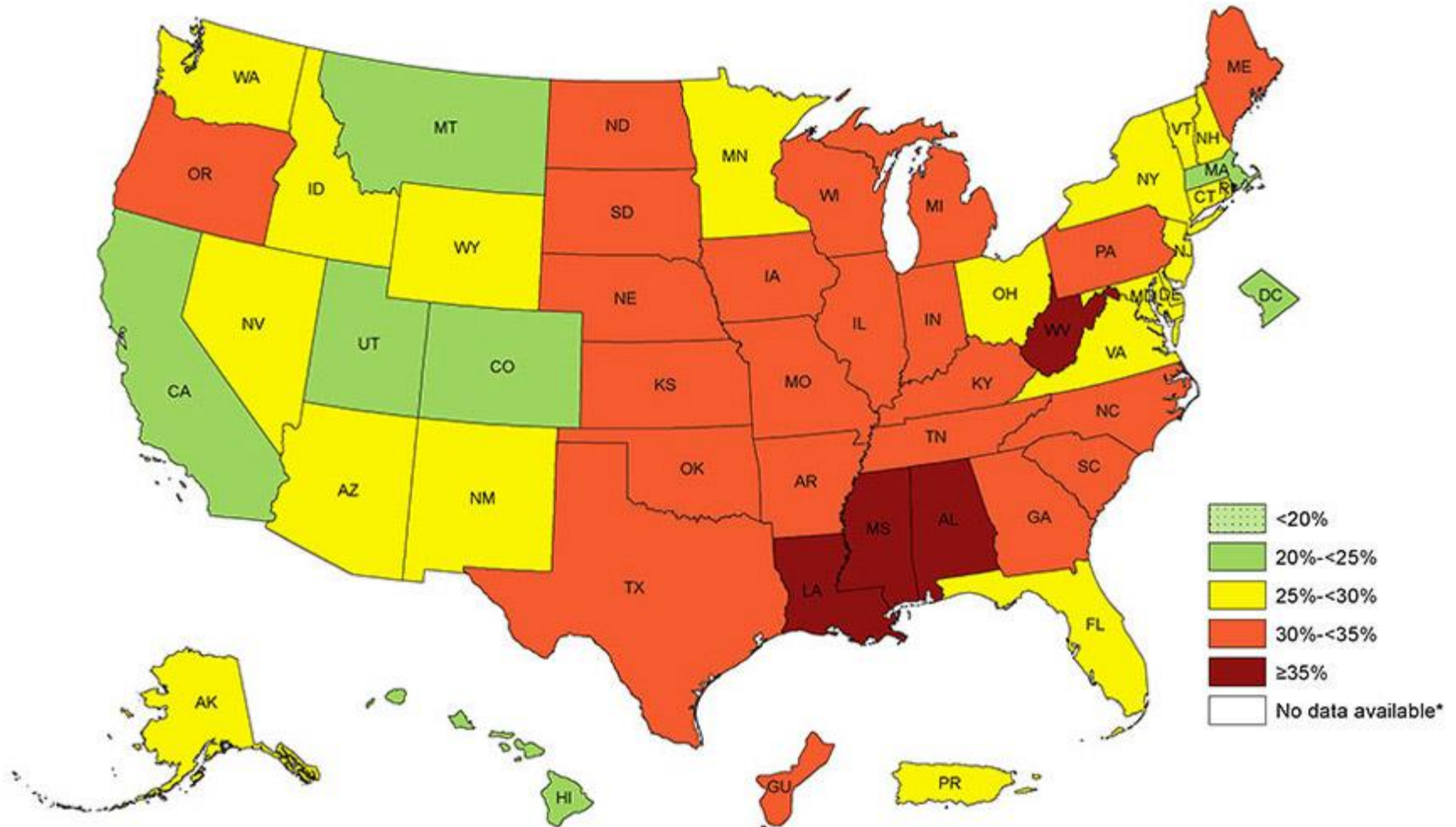


2010



# Increasing Obesity Rates in US (CDC Data)

2015

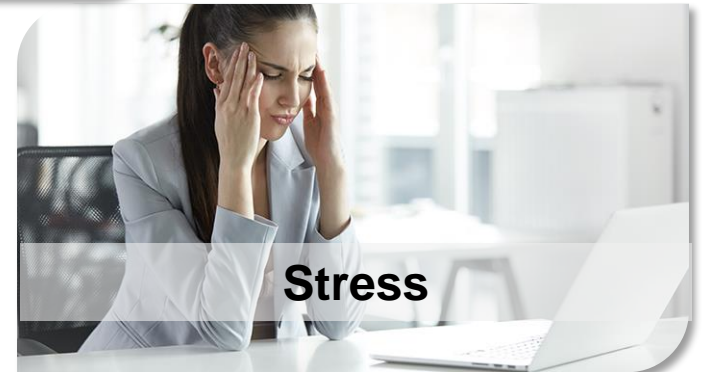


# 5 Key Lifestyle Drivers of Chronic Disease



**Preventive Screenings/Care**

Laboratory Test		Notes	High Risk	Intermediate Risk
Lipids	Total Cholesterol (mg/dL)		248	
	LDL-C Direct (mg/dL)		164	
	HDL-C (mg/dL)		189	
	Triglycerides (mg/dL)		158	
	Non-HDL-C (mg/dL)			59





## Americans' Poor Health Habits

- More than half (**52%**) of adults aged 18 years or older did not meet recommendations for aerobic exercise or physical activity
- About half of US adults (**47%**) have at least one of the following major risk factors for heart disease or stroke: uncontrolled high blood pressure, uncontrolled high LDL cholesterol, or are current smokers
- **38%** of adults said they ate fruit < once a day  
**23%** said they ate vegetables < once a day
- Roughly **15%** of Americans smoke cigarettes



# Sample Efforts to Promote Healthier Behaviors

**51% of US employers with 50+ employees have a wellness program**



## Among employers offering wellness programs:

- **80%** screen employees for health risks
- **77%** offer lifestyle management interventions; among these:
  - **79%** provide nutrition/weight management programs
  - **77%** offer smoking cessation
  - **72%** provide fitness resources
  - **52%** offer stress management programs
- **56%** provide Disease Management programs; among these:
  - **85%** target diabetes
  - **60%** focus on asthma
  - **59%** target coronary artery disease
  - **54%** focus on heart failure
- **44%** regularly evaluate wellness program; only **2%** measure financial impact

# Despite Employer Efforts *Limited Engagement*



**Participation Rates for Employees Identified  
through Screenings or Claims Data**

## But Wait, Aren't Incentives the Silver Bullet?

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- US employers are increasingly turning to financial incentives to increase engagement in workplace wellness programs
- Key question is...
  - How effective are incentives in driving long-term behavior change?
- Two recent studies provide important insights:
  1. “Framing Financial Incentives to Increase Physical Activity Among Overweight and Obese Adults” by Mitesh S. Patel, MD, MBA, MS, et al, *Ann Intern Med.* 2016;164:385-394
  2. “Premium-Based Financial Incentives did not Promote Workplace Weight Loss in a 2013 – 2015 Study” by Mitesh S. Patel, MD, MBA, MS, et al, *Health Affairs*, NO. 1 (2016): 71 – 79



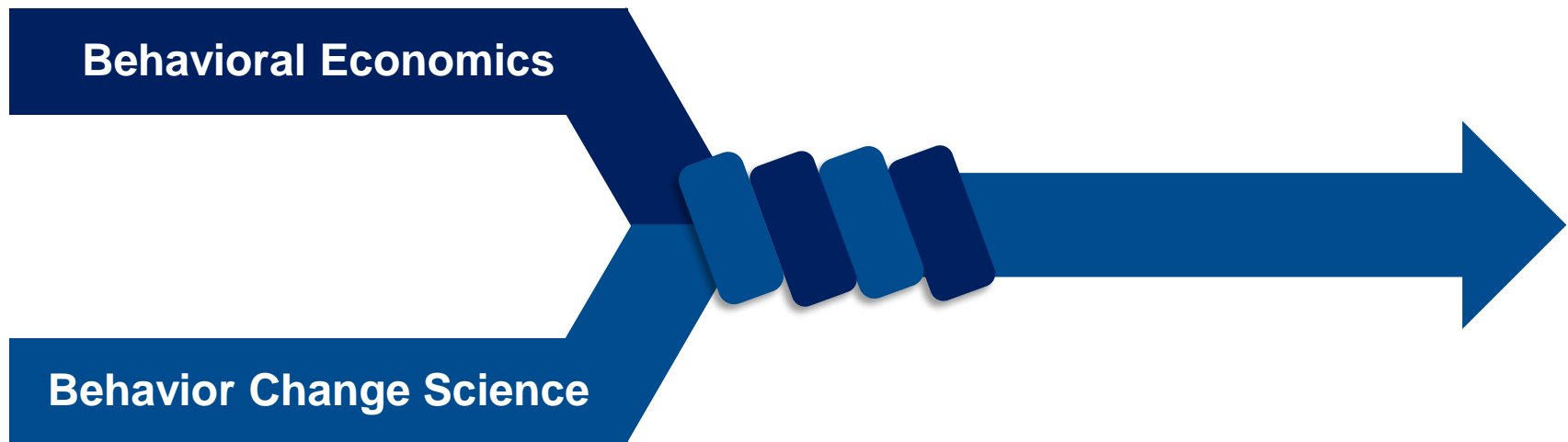


# If incentives are not the silver bullet, what is?

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**Reality:** There is no silver bullet

But clients can gain important insights from the fields of Behavioral Economics and Behavior Change Science





## Strategies for Sustained Health Improvement

# Who's Most Likely to Achieve Sustained Health Improvement?



- Carl's employer gives him \$100 off next year's health insurance premium if he earns 2,500 points in his corporate wellness program
  - He feels overwhelmed by the point scheme and fails to engage



- Anita's health plan offers a wide range of free health education resources on its website and mails a quarterly wellness newsletter to her home
  - She visits the website only once and rarely reads the newsletters



- Tina's HMO offers free health coaching and covers all preventive services at 100%, but she's not particularly interested in altering her lifestyle
  - Lacking intrinsic motivation, she doesn't take advantage of benefits



- Eugene is interested in improving his lifestyle, has access to free wellness resources and has registered for ongoing health coaching through his health plan
  - Eugene's health coach helps him achieve his personal health goals

# Four Tenets of Sustained Health Improvement:

## *Keys to Helping Participants Move from **Activities** to **Outcomes***

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1. Extrinsic motivators (**carrots/sticks**) can be very effective at driving short-term behaviors, but they are **less effective** in driving **long-term behavior change**
2. **Intrinsic** motivation is **essential** to **sustaining** behavior change; in order to help employees build intrinsic motivation, it's important to help them:
  - a. Understand the benefits of change ("What's in it for me")
  - b. Believe they have the ability to change ("I can do this!")
  - c. Perceive that others around them are modeling the preferred behaviors ("What's everyone else doing?")
3. **Beyond** leveraging **motivation**, two of the most effective strategies employers can use to boost sustained behavior change are:
  - a. Helping employees develop new healthy **habits** / disrupt existing bad habits
  - b. Changing the environment to make the **healthy choice the easy choice**
4. **Coaching can be** the **catalyst** to help employees pull together all of the above; this coaching may occur through professional health coaches or peer coaches

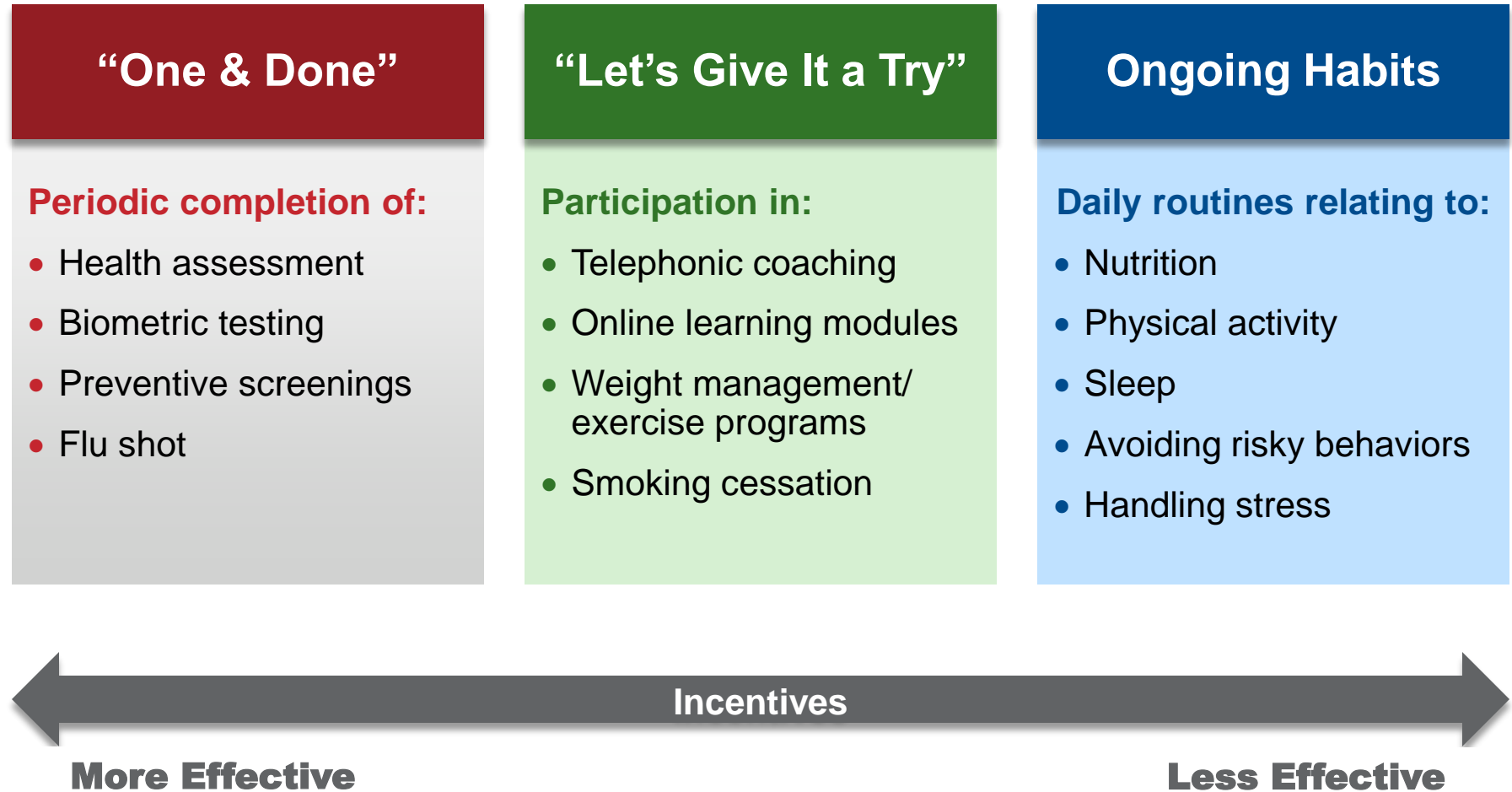






# Maximizing the Impact of Extrinsic Motivators

# When Do Incentives Work Best?



# Limitations on the Power of Incentives

**Consequences Model**

How will this impact me?

**Identity Model**

What would someone like me do in this situation?



**Incentives**

**More Effective**

**Less Effective**

# Maximizing the Motivational Power of Incentives

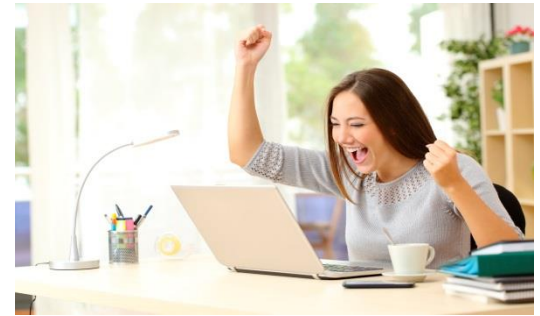
Losses Motivate  
More than Gains

Delaying Incentive  
Minimizes Impact

Lotteries Motivate



*“What I Want”*  
Motivates More than  
*“What I Need”*



“Opportunity  
Regret” Motivates

Simplicity Beats  
Complexity

Team-Based  
Incentives Work



# Avoid Reward Undermining

**PICK-UP TIME AT  
DAYCARE CENTER<sup>1</sup>**



**PAYING  
FOR CREATIVITY<sup>2</sup>**



<sup>1</sup> Source: Uri Gneezy and Aldo Rustichini

<sup>2</sup> Source: Lepper, M. P., & Greene, D., & Nisbett, R. E

# Be Mindful of Timing and Delivery Method

## Which is more compelling?

### Option A

Sometime in 2017, go to our health plan website to complete your HRA and we'll reduce your 2018 medical contributions by \$50

2017			
January	February	March	April
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
May	June	July	August
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
September	October	November	December
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

### Option B

Click [here](#) to complete your HRA by **October 15<sup>th</sup>** and win a \$50 gift card from Amazon.com



# Leverage Loss Aversion

## What's more motivating?



**Option A:** Complete “Task A” on a daily basis for September – October and get an extra floating holiday to use sometime this year.



**Option B:** Don't complete “Task A” on a daily basis for September – October and lose the holiday for the day after Thanksgiving.

# Consider the Motivating Power of “Luxury” Goods

**Complete your Biometric Screening and Get...**



**\$200 Meal  
at a 4-Star Restaurant**



**\$200 Direct Deposit  
into Your Account**

Source: Choices derived from research by Kivetz and Simonson (2002)

# Avoid Choice Overload



**6**

kinds of jams

**24**

kinds of jams

**Shoppers  
who stopped**

**40%**

**60%**

**Shoppers who  
bought jam**

**30%**

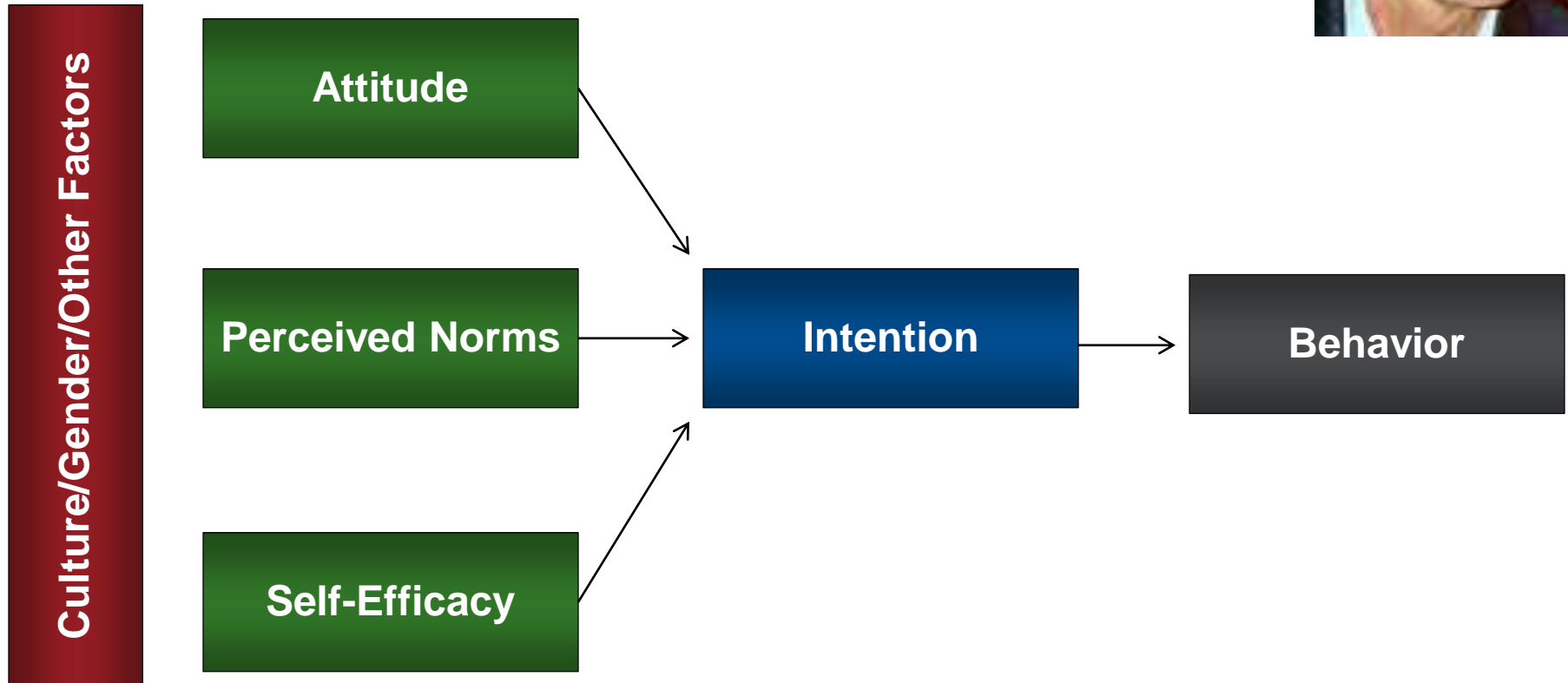
**3%**



A woman with dark hair, wearing a dark purple top, is smiling at the camera. She is standing in a kitchen, preparing a salad. In front of her is a wooden cutting board with a large head of green lettuce, several carrots, and a glass bowl filled with a salad of lettuce, tomatoes, and other vegetables. To the right of the bowl is a brown paper bag filled with potatoes. The background shows a kitchen counter with various items, including a yellow cup and two orange coffee makers.

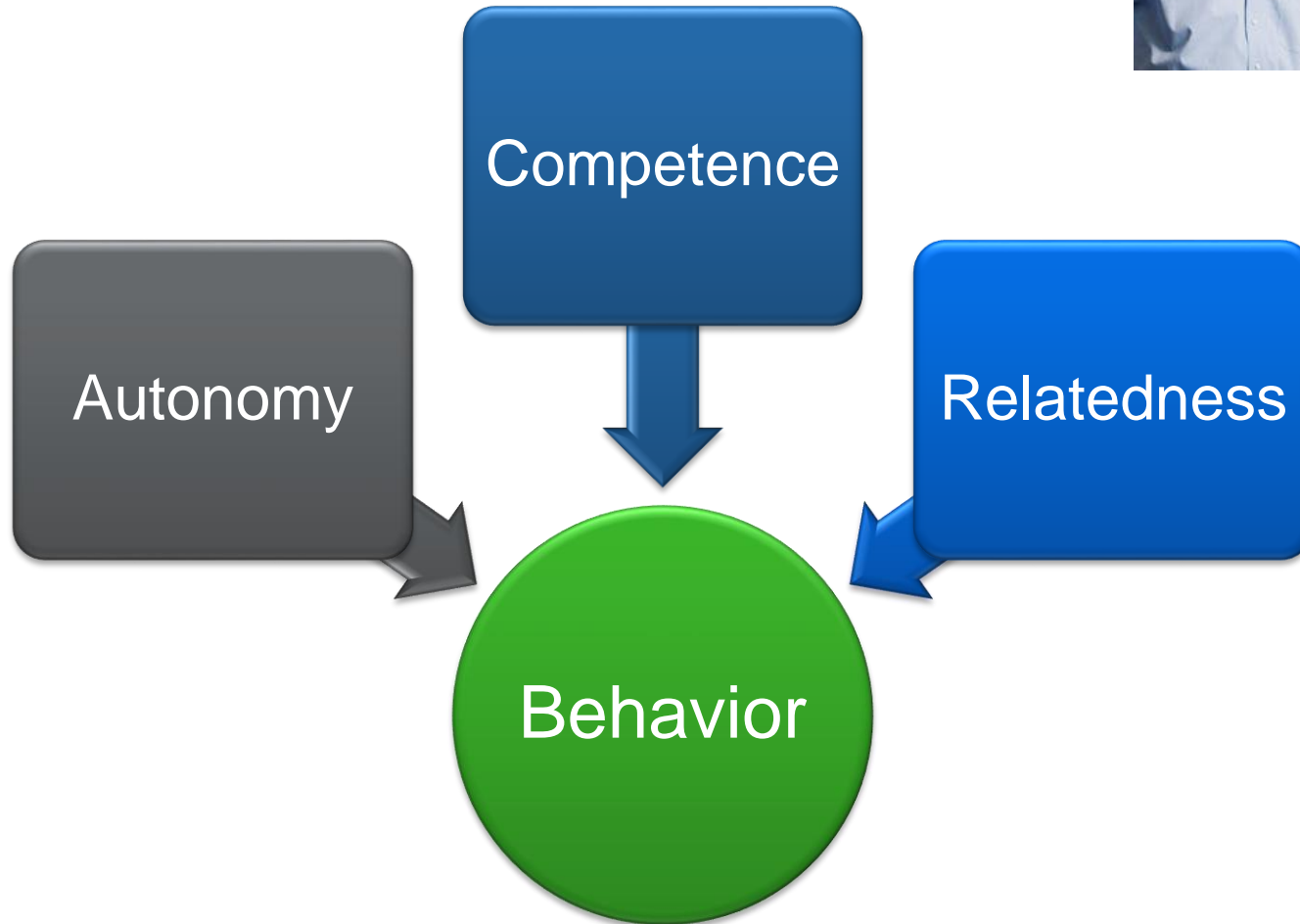
# Building Intrinsic Motivation

# Theory of Planned Behavior\*



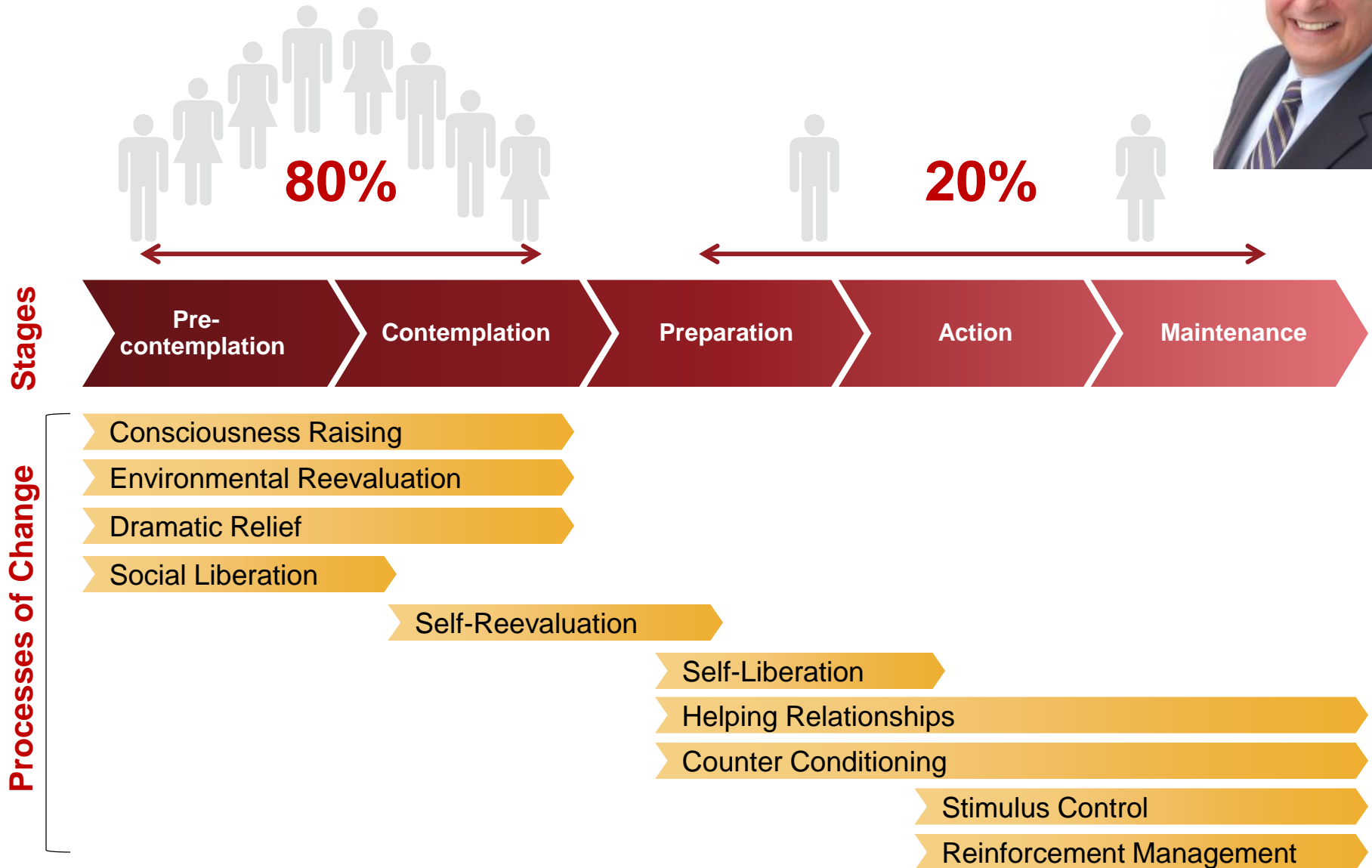
\* Icek Ajzen, PhD

# Self-Determination Theory\*



\* Edward Deci, PhD and Richard Ryan, PhD

# Transtheoretical Model of Behavior Change (TTM)\*



\* Carlo DiClemente, PhD; James Prochaska, PhD; John Norcross, PhD



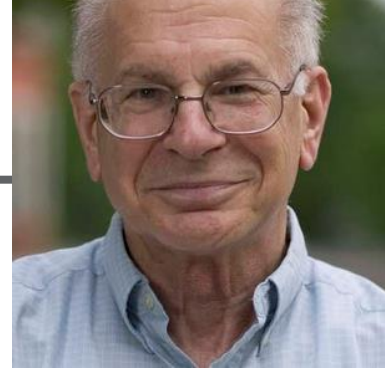


**It's Not Just About the Motivation**



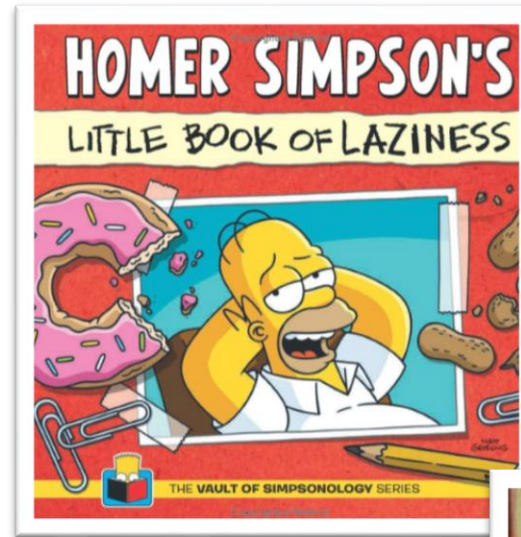
# Why Is Behavior Change So Tough?

*Understanding Two Systems at Work in Our Brain\**



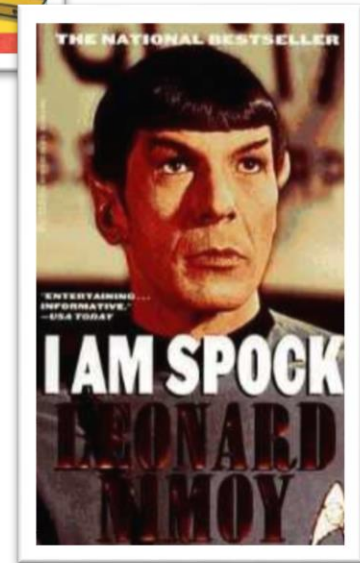
## System 1: Fast

- Automatic; requires little effort
- Examples:
  - *Eat the doughnut in front of you*
  - *Answer that text that just arrived*



## System 2: Slow

- Reflective; involves choice and concentration
- Examples:
  - *Determine the benefits of quitting smoking*
  - *Make a plan to exercise more, or to get more sleep*



\* *Thinking, Fast and Slow* by Daniel Kahneman, PhD, 2011

# Potential Strategies to Target the Two Systems

## System 1 (Automatic)

- Make the **healthy** choice the **easy** choice
- Leverage the power of **habit**



## System 2 (Reflective)

Provide the **knowledge**, **motivation** and **resources** to sustain positive behaviors



# Changing the Environment

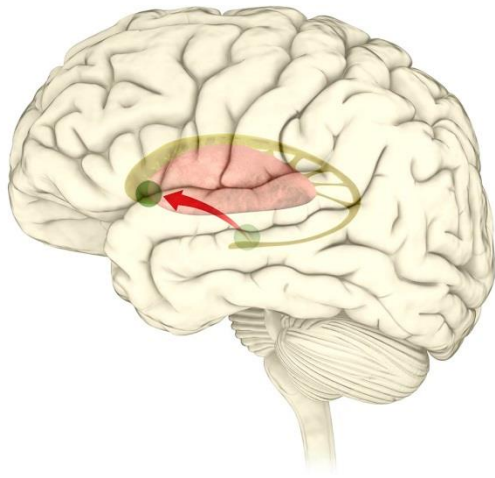
*Insights from Cornell University Food and Brand Lab\**



\* Research led by Brian Wansink, PhD

# Evolution of the Power of Habit

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- Habitual behaviors, or routines, are driven by the basal ganglia, the oldest part of the human brain
- Brain-damaged patients can continue to demonstrate old habits, and form new ones, even after near complete memory loss
- Our ability to execute daily habits has been essential to our survival as a species

**Habit > Intention in “Survival of The Fittest”**



# Achieving Sustained Behavior Change



**Extrinsic**



**Intrinsic**

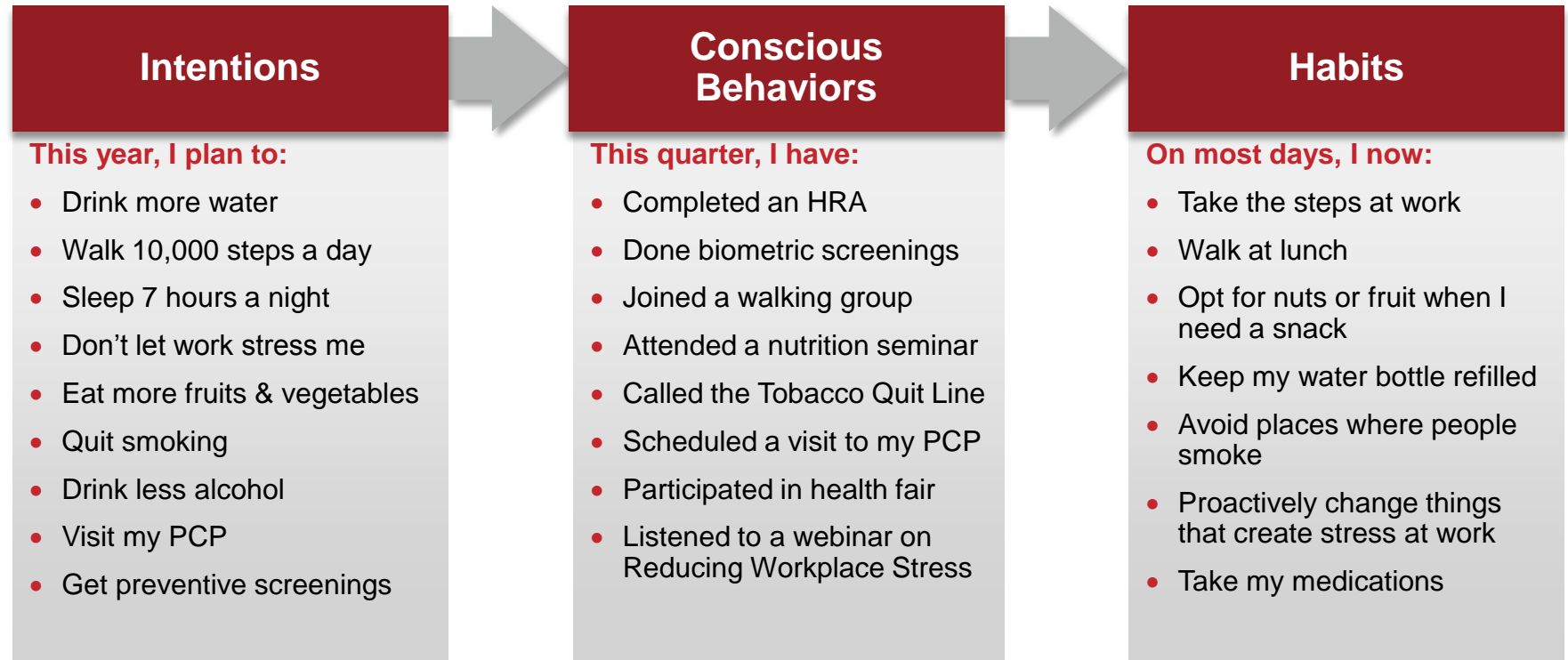


**Habit**





# Converting Good Intentions into Healthy Habits



## Focus of Most Wellness Programs

**Key Question:** How much impact do these really have—if they don't ultimately lead to *sustained behavior change*?

## Where the Real Impact Is

Once implemented, habits require less ongoing motivation, allowing individual to focus on creating additional healthy habits

# Make a Habit, Break a Habit...



## Make a Habit

- Repeat desired behavior in a stable context (time, location, process, associated people)
- Be mindful of cues
- Occasional misses are OK



## Break a Habit

- Notice cues (time, location, process, associated people)
- Disrupt, or remove, cues
- Replace, or at least modify, undesired behavior



\* Strategies based on research by Wendy Wood, PhD

# Employers' Role in Shaping Health Habits

## Enabling Bad Habits



Physical Activity

Nutrition

Sleep

Stress

## Building Good Habits



FREE



>9:00pm





# The Importance of Health Coaching

# Good Health Coaches Are All EARS

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**E**ncouragement

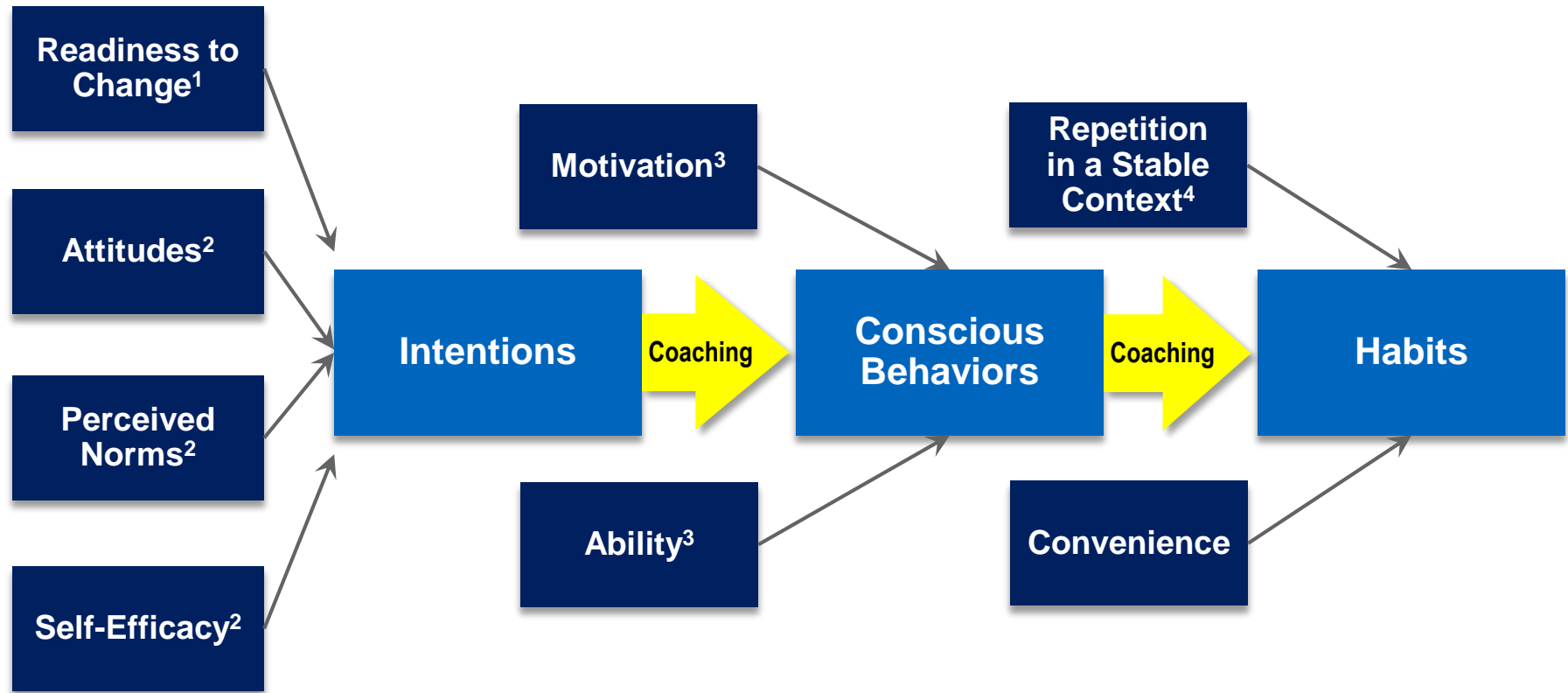
**A**nswers

**+ R**oadmap

**S**ustained Behavior Change



# Health Coaching Ties It All Together



Sources:

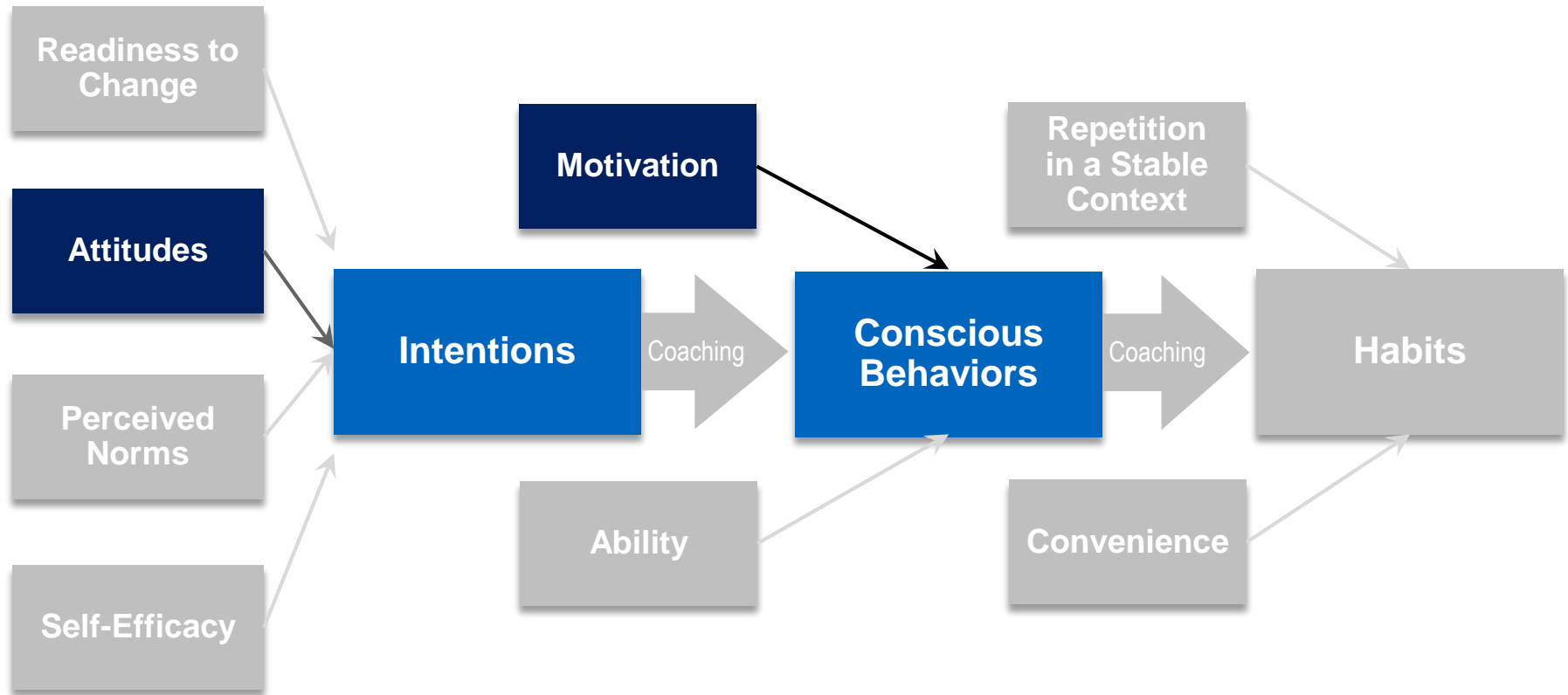
<sup>1</sup> *Transtheoretical Model* developed by James Prochaska, PhD, Carlo DiClemente, PhD, and John Norcross, PhD

<sup>2</sup> *Theory of Planned Behavior* developed by Icek Ajzen, PhD

<sup>3</sup> *Fogg Behavioral Model* developed by B.J. Fogg, PhD

<sup>4</sup> Research in Habit Formation developed by Wendy Wood, PhD

# Limitations of a Fractured Approach





**Pulling It All Together**

# Recall the Four Tenets of Sustained Health Improvement:

## *Keys to Helping Participants Move from **Activities** to **Outcomes***

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4. **Coaching can be** the **catalyst** to help employees pull together all of the above; this coaching may occur through professional health coaches or peer coaches



# Defining Desired Outcomes

## Participation



## Behavior Change





# Some Good Reading on Behavior Change

