An Unhealthy Workforce

Solving America's Health Care Crisis Starts with Health Care Workers

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The Cost of Poor Health

The health of our health care workers is worse than in just about any other industry in the U.S. Employees in this industry (referring specifically to hospitals, health systems, and other health care providers) show higher instances of obesity, smoking, chronic disease, and stress-related illnesses than the average employee in America[1].

An unhealthy workforce in the health care sector has numerous and ominous implications. The most obvious is higher direct benefit costs. According to the 2011 HighRoads Hospital Employer Benefit Study, the cost of providing health care benefits alone to health care employees and their families is $13,313 per employee, per year, when normalized to account for domestic care discounting[2]. This cost compares to approximately $10,730 when all industries are combined[3].

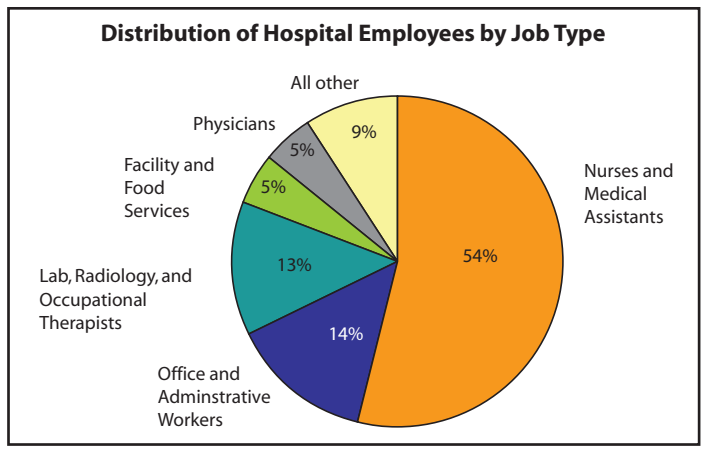
Not only are these premiums (or equivalents of self-funded plans) expensive for the employer, they are burdensome for employees and their families as well. Full-time employees pay, on average, 19 percent towards these premiums. When out-of-pocket costs are added, employees pay approximately 26 percent of the total cost of the health care they receive[4].

As stifling as health benefit costs are, it is only the tip of the iceberg when it comes to measuring the cost of poor health. According to an Institute for Integrated Benefits (IBI) study, productivity loss, measured as potential lost revenue, can be as much as *three times* the direct benefits costs of group health and all disability program expenditures combined[5]. In fact, medical expenses represented only 18 percent of total costs, as illustrated below. (Productivity costs factor in absenteeism, presenteeism, disability benefits, workers' compensation costs, overtime, and turnover costs.)

Lost productivity costs of three times the direct benefit cost is enormous, but it does not account for lost revenue, or indirect costs of inadequate staffing, such as reduced patient satisfaction and, even worse, suboptimal clinical outcomes.

These costs are increasing in an environment where revenues are declining. In the same HighRoads study, health benefit costs were found to have increased 8.5 percent over the past year, yet 63 percent of respondents indicated they had been asked to reduce costs or otherwise operate in a leaner environment as a direct result of the Affordable Care Act (ACA), and 52 percent believe that the ACA will likely result in a decrease in revenue to the organization.

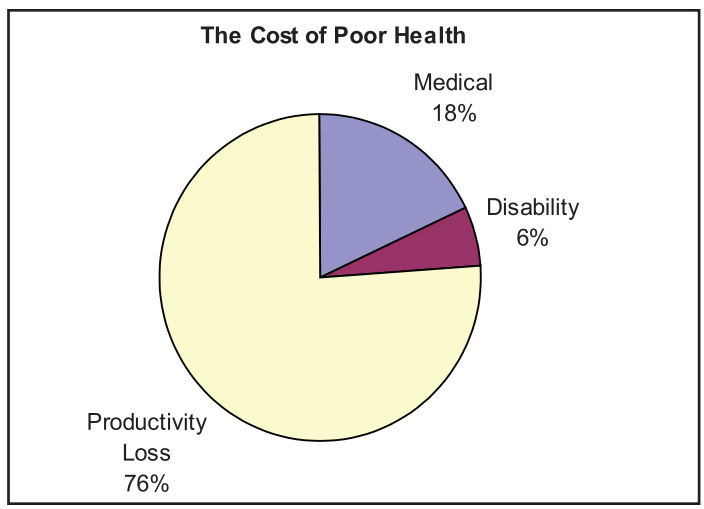
With health care costs at an all time high, and hospital budgets being continually squeezed, a sick workforce in our hospitals threatens patient safety and ultimately influences the overall health of our society. After all, we depend on our health care workers to keep us healthy.



Source: Aetna book of business study – January 2011

Poor Health of America's Health Care Workers

What types of employees work for hospitals and health systems who are really sicker than employees in other industries? The following chart shows the typical distribution of hospital workers by job type. The majority (54 percent) of workers are nurses.[6] In addition, 77 percent of hospital workers, on average, are women.[7]



Source: Integrated Benefits Institute

Based on Thomson Reuters Healthcare data comparing paid claims and utilization of 1.1 million hospital workers to 17.8 million workers in all industries, through the third quarter of 2010, comparing two years, hospitals showed higher levels by double-digits than all industries in four out of five categories as shown below[8]:

	2009			2010		
Measure	**Healthcare**	**US Total**	**% Difference**	**Healthcare**	**US Total**	**% Difference**
Allowed Amount Medical & Rx PMPY	$ 4,377	$ 3,959	11%	$ 4,661	$ 4,124	13%
ER Visits/1000	238.2	197.4	21%	236.2	194.1	22%
Acute Days/1000	270.2	222.1	22%	254.5	215.7	18%
Outpatient Office Visits/1000	5812.9	6164.0	-6%	5970.7	6229.7	-4%
Rx Days Supply PMPY	328.9	286.0	15%	344.4	298	16%

Source: Thomson Reuters Healthcare

The area of utilization that is lower for hospital employees, Outpatient Office Visits, is likely lower because of increased Emergency Room (ER) visits.

According to a recent CIGNA study, hospitals experience higher total costs on a per member basis – 9 percent above national averages. The prevalence of chronic disease was 33 percent among hospital employees vs. 30 percent for all other industries. In addition, hospital employees used the emergency room 12.4 percent more than national norms[9].

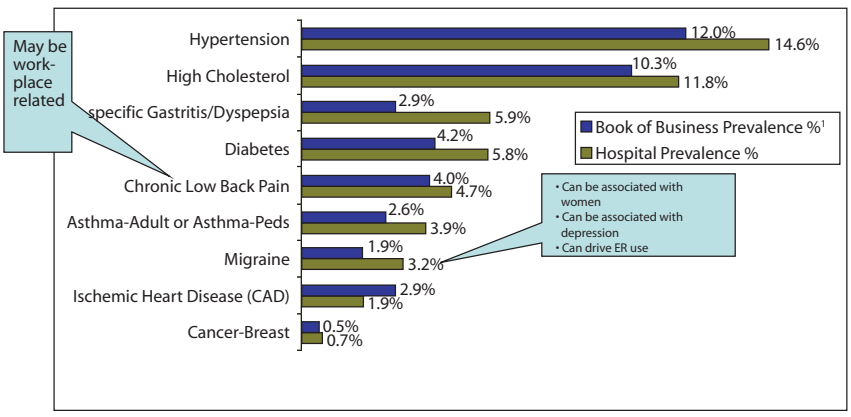
Furthermore, an analysis of outpatient claims data for hospital clients of BlueCross BlueShield of Illinois (BCBSIL), which administers claims for several hospitals through an arrangement with the Metropolitan Chicago Health Care Council (MCHC), demonstrated that usage of outpatient services was 56.6 percent higher and usage of inpatient services was 4.9 percent higher for hospitals than its book-of-business as a whole[10].

The data reveals that hospital employees filed more claims than non-hospital employees for nine out of 10 outpatient services. Usage of laboratory services and Physical and Occupational Therapy were over 100 percent higher[11].

More importantly than utilization is disease prevalence, which is higher for hospital workers than other industries. According to an analysis of the Aetna book of business, hospital employees experience higher levels of hypertension, high cholesterol, gastric disorders, diabetes, lower back pain, asthma, and migraine headaches.[12]

Health care workers face a wide range of hazards on the job, including needle-stick injuries, back injuries, latex allergies, violence and stress. In fact, health care workers are actually experiencing increasing numbers of occupational injuries and illnesses. Rates of occupational injury to health care workers have risen over the past decade, while two of the most hazardous industries, agriculture and construction, are safer today than they were a decade ago[13].

Prevalence of Certain Conditions



Source: Aetna 2011 book of business study

Multiple studies show a strong correlation between the health of a population and its productivity. Risk factors such as inactivity, obesity, elevated blood pressure, and stress all decrease productivity and increase time away from work: in one study, overweight people lost 1.5 times more days from work than people within the weight guidelines, while obese people lost 2.5 times more days from work[14].

At the root of this trend are issues such as the changing of eating and exercise habits of Americans over the past several years. Our changing lifestyle habits have led to an increasing level of avoidable or modifiable health risks and chronic disease. According to the Centers for Disease Control (CDC), chronic diseases account for more than 75 percent of the nation's $2 trillion medical care costs. Modifiable behavior drives 50 percent of these costs and chronic conditions are also major drivers of lost productivity.[1]

Factors Contributing to the Poor Health of our Health Care Givers

Many factors contribute to the poor health of our health care workers. Hospitals are high-stress environments, and the stressed-out employee who comes home tired and drained will likely not have the energy to prepare a healthy meal or exercise.

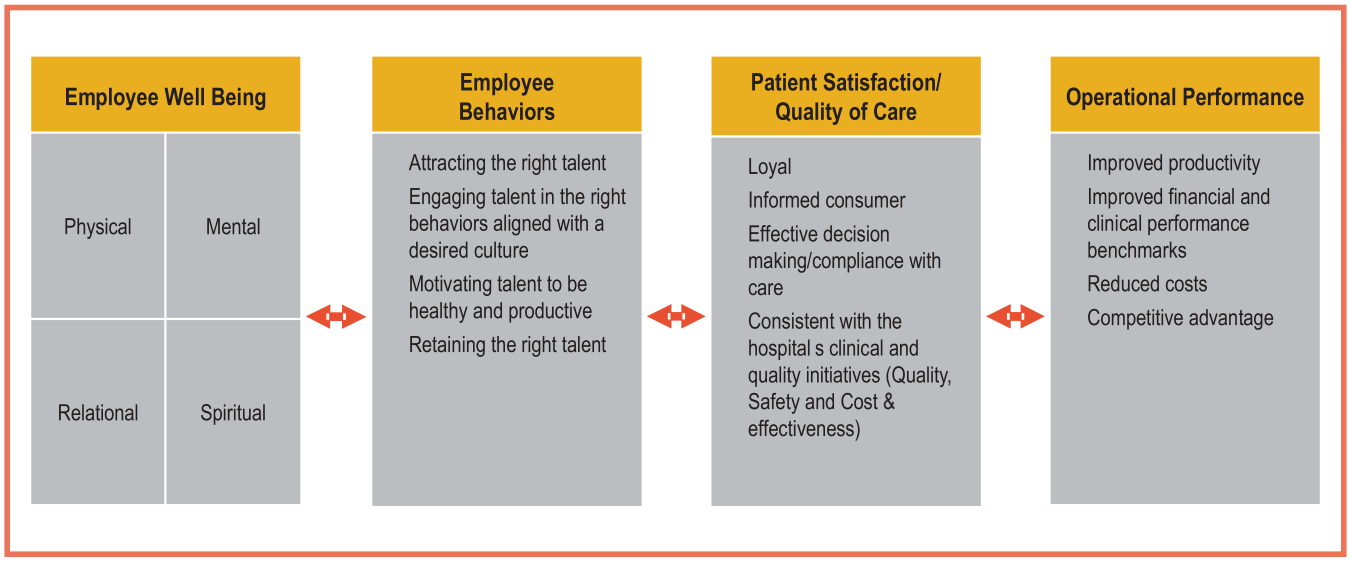
Hospital facilities themselves compound the problem. Despite efforts to improve hospital sanitation for patients and workers alike, exposure to germs and contagious viruses is still an issue. And hospital cafeterias – the most convenient meal option for most workers – are notorious for serving large quantities of unhealthy food and unhealthy snacks.

Finally, the long hours inherent in the health care profession fosters care-giver fatigue. Too often, employees are so busy taking care of everyone else that they don't take care of themselves. While the factors ▶

Did You Know?

Surprising to some, employees in hospitals and health systems have higher rates of:

- Smoking
- Obesity
- Diabetes
- Heart disease
- High cholesterol
- Other chronic conditions



contributing to the poor health may be unique or exacerbated for health care workers, it is part of a trend that looms large in the U.S. overall.

Linkage Between Employee Wellbeing and Patient Outcomes

Wellbeing is a holistic view of our health which includes physical, mental, relational, and spiritual wellness. Our sense of wellbeing directly affects our behavior, which in health care workers directly influences patient satisfaction and the quality of care, ultimately influencing the financial performance of the organization.

We rely on our health care system to help us stay healthy and to effectively and efficiently treat illness when we are sick. Given the enormity of the industry, virtually every American household is directly or indirectly influenced by the health and wellbeing of health care employees. We need our health care workers, from the day-to-day care givers to the highly focused scientists, to be healthy and engaged to help us navigate the stormy waters of the health care crisis.

Leadership Is the Solution

Employees of hospitals and health systems are often motivated by the mission of the organization and the satisfaction that comes along with helping people in times of poor health. Thus it is ironic that while health care organizations strive to treat illness and to improve the health of the communities they serve, hospital leadership too often neglects the wellbeing of the very people responsible for carrying out that mission.

According to engagement studies, senior leadership caring about the wellbeing of their employees is the top driver of employee engagement[15]. Employee engagement drives favorable clinical results. What better way to care about employee wellbeing and improve clinical outcomes than to implement comprehensive and robust wellness and population health management programs, combined with an audit of the cafeteria, vending machines, work hours, and all other environmental factors.

The good news is that many hospitals and health systems are far down the road of an integrated approach to employee health and wellbeing management. Those hospitals that have successfully implemented comprehensive wellness and population health management programs, and facilities that encourage and reward wellness, are those whose senior leaders set the example by their own behavior and who continually promote a culture of health. ■

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[1] The various studies referenced support the hypothesis that workers in hospitals and health systems are less healthy overall than those in other industries.
[2] 2011 HighRoads Hospital Employer Benefit Study. Gross 2011 medical/Rx costs for hospital industry employers will be $9,991 per-employee-per-year (PEPY). This represents a PEPY increase of $782 over 2010 cost. The strategy used to finance domestic (own facility) claims is a significant influencer of the cost of hospital employer medical/Rx plans. Given the unique position of being both a consumer and a provider of health care allows hospitals to reimburse themselves differently than the standard method used by third-party administrators by using a custom discount for charges incurred in their own facilities. Approximately 28 percent of hospital employers surveyed in 2011 took the approach of using a custom domestic discount percentage. Custom domestic discount percentages varied significantly across surveyed employers from 100 percent (charges discounted to $0 billed) to 0 percent (full charges billed). Normalizing all domestic discounts to 50 percent of actual charges – more consistent with broad marketplace discounts – increases the 2011 PEPY gross cost to $10,313.
[3] Towers Watson 2011 Health Care Cost Survey.
[4] 2011 HighRoads Hospital Employer Benefit Study, the most comprehensive hospital health benefit study in the industry based on the analysis of data from hospital-based employers representing approximately 760 facilities and over 485,000 full-time equivalent employees.
[5] As cited in "Benchmarking Study Finds Productivity Loss Dwarfs Direct Benefit Costs," Integrated Benefits Institute, San Francisco June 2000.
[6] Aetna book of business study, January 2011, as provided to the author.
[7] Ibid.
[8] Thomson Reuters/HighRoads partnership data as provided to the author.
[9] Analysis of CIGNA 2009 Book-of-Business as provided to the author.
[10] Metropolitan Chicago Health Care Council (MCHC) claims data for Illinois hospitals administered by BlueCross BlueShield of Illinois (BCBSIL) compared to BCBSIL Book-of-Business for all employers as provided to the author.
[11] Ibid.
[12] Aetna book of business study, January 2011, as provided to the author.
[13] Centers for Disease Control. The National Institute for Occupational Safety and Health (NIOSH).
[14] Obesity's hidden job costs: $73 billion, Stephanie Papas.
[15] Towers Perrin 2007-2008 Global Workforce Study, which included over 5,000 U.S. health care employees surveyed.