



Cities for  
**Workforce**  
Health

## Webinar Series – Part One: **Securing Leadership Support for Workforce Health**

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# Agenda

Introductions

How to Make the Business Case for Workforce Health

Building a Culture of Health

Highlight: City of Mountain View

Leadership Engagement

Questions

# How to Make the Case for Workforce Health

**1. How the health of your employees affects your business**

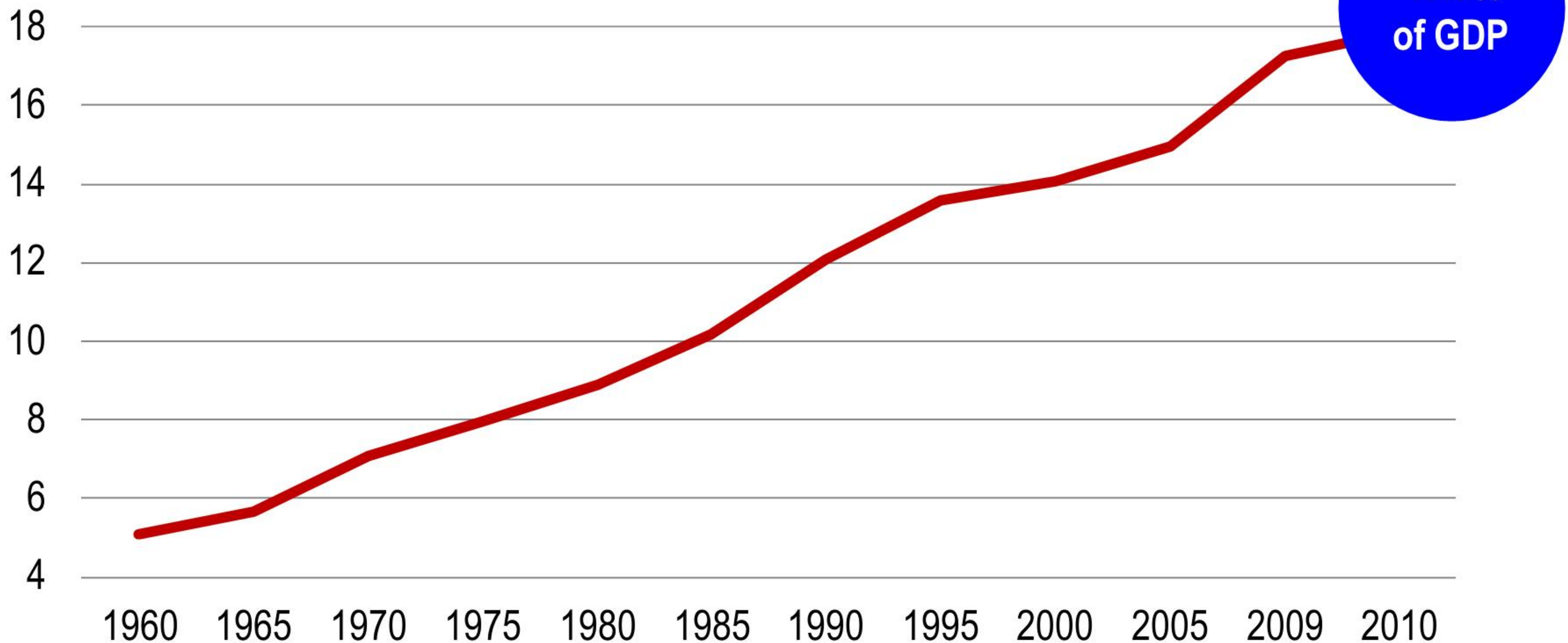
**2. Why employers can make a difference**



# U.S. health care costs

The rate of growth in recent years is expected to grow faster than national income over the foreseeable future.

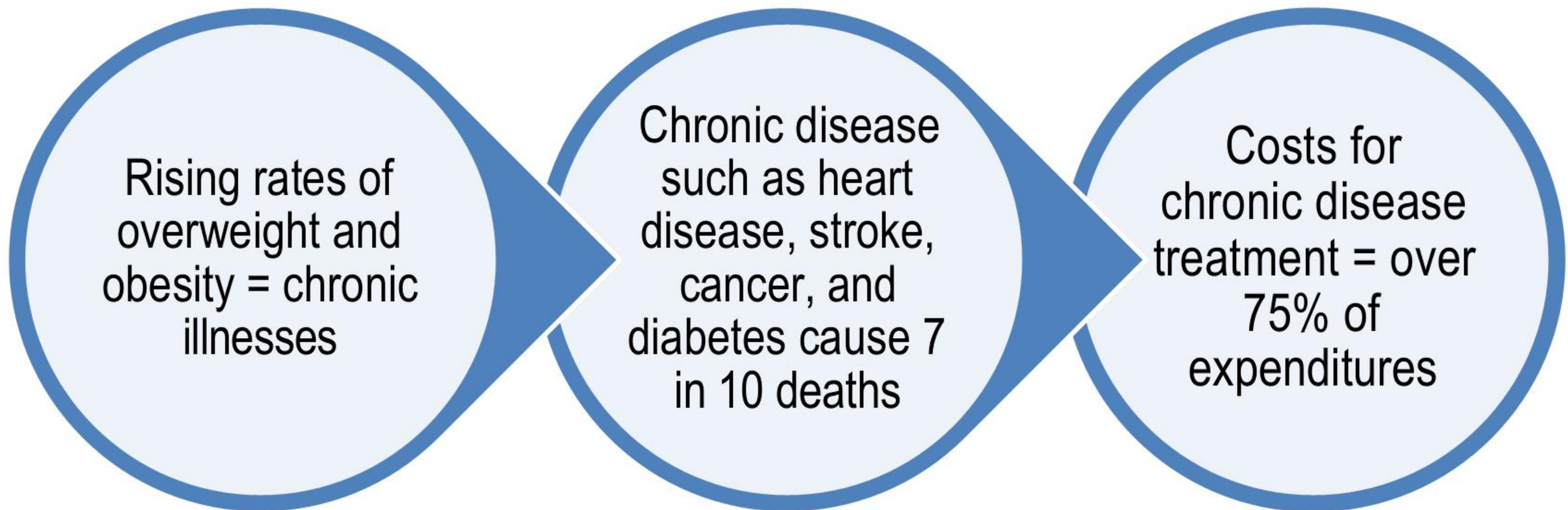
U.S. Health Care as a Percentage of the GDP





# The rise of chronic conditions

Longer life spans and greater prevalence of chronic illnesses has placed tremendous demands on the health care system and employers.





# Chronic conditions: higher use, higher cost

People with **chronic conditions** account for:

**81%**

of hospital  
admissions

At an average cost of

**\$30,655**

for each hospital stay

**91%**

of filled  
prescriptions

At an average cost of

**\$69.91**

for each prescription

**76%**

of doctor's  
office visits

At an average cost of

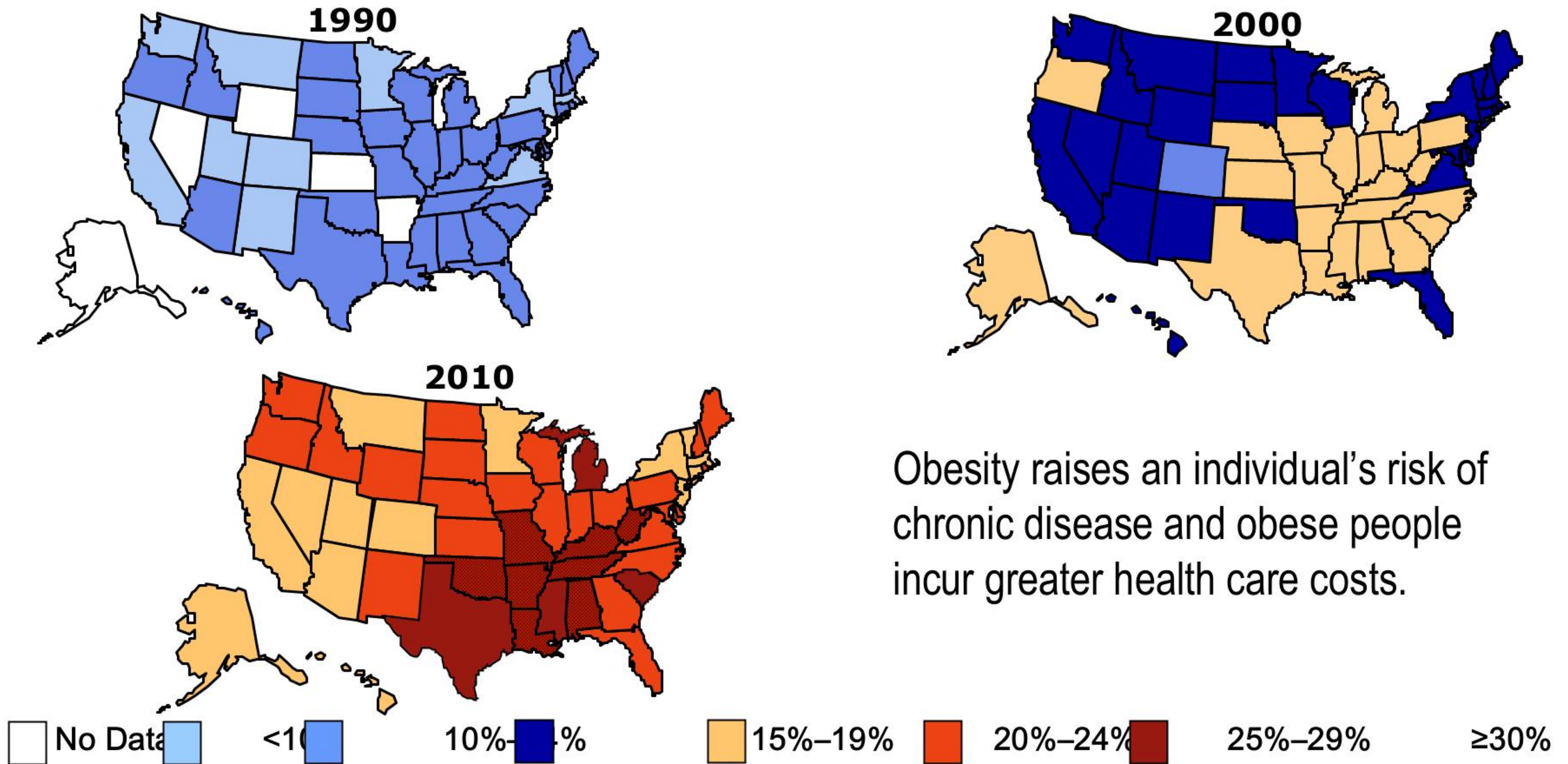
**\$155**

for each doctor's visit



# Trends indicate we're all increasingly at risk

## Obesity Trends Among U.S. Adults





# How do rising costs affect you?



- Health expenditures in the United States neared \$2.6 trillion in 2010, over ten times the \$256 billion spent in 1980.



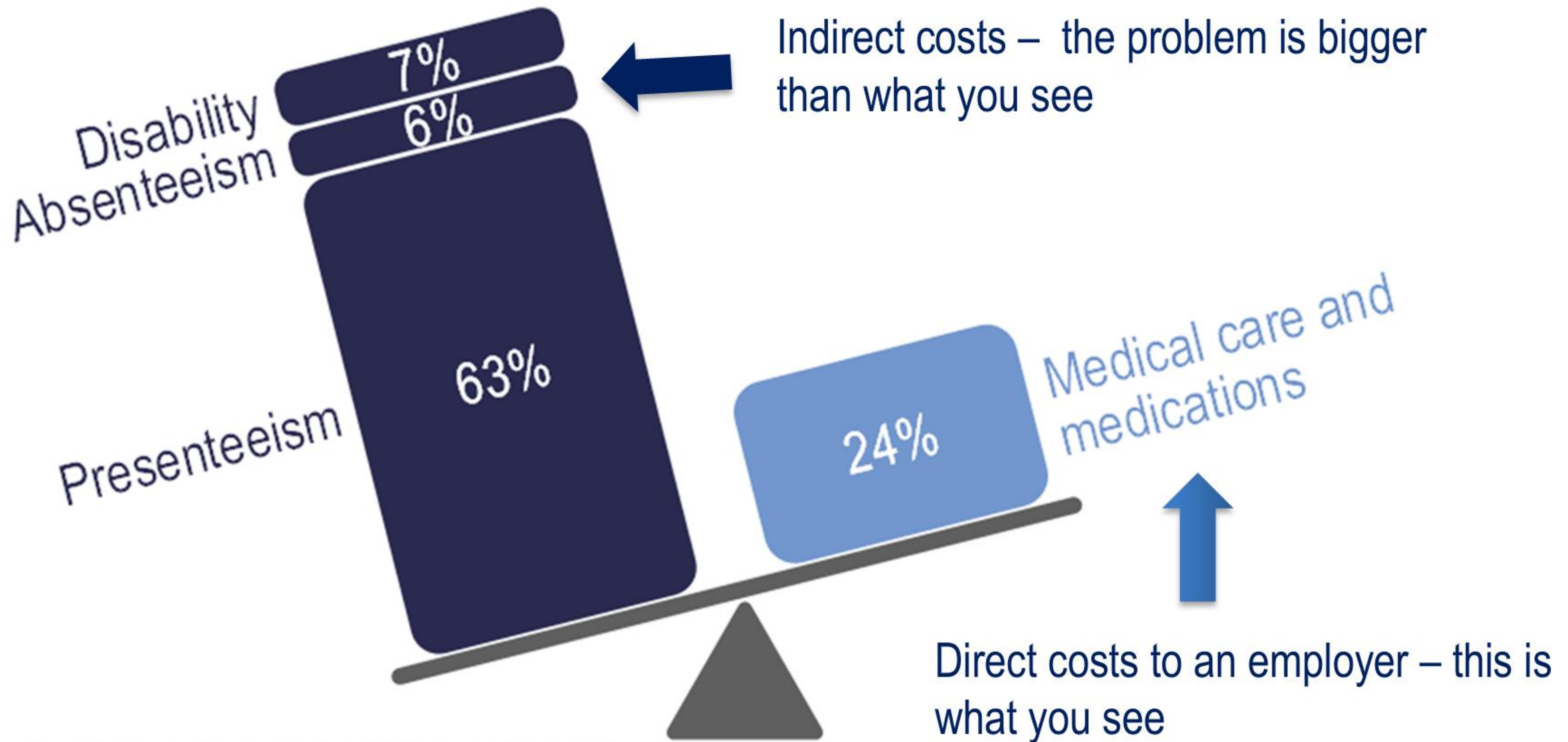
- Since 2001, employer-sponsored health coverage for family premiums have increased by 113%.



- Business leaders are being called upon to make changes at the workplace in order to curb rising costs.



# Costs of health risks for employers

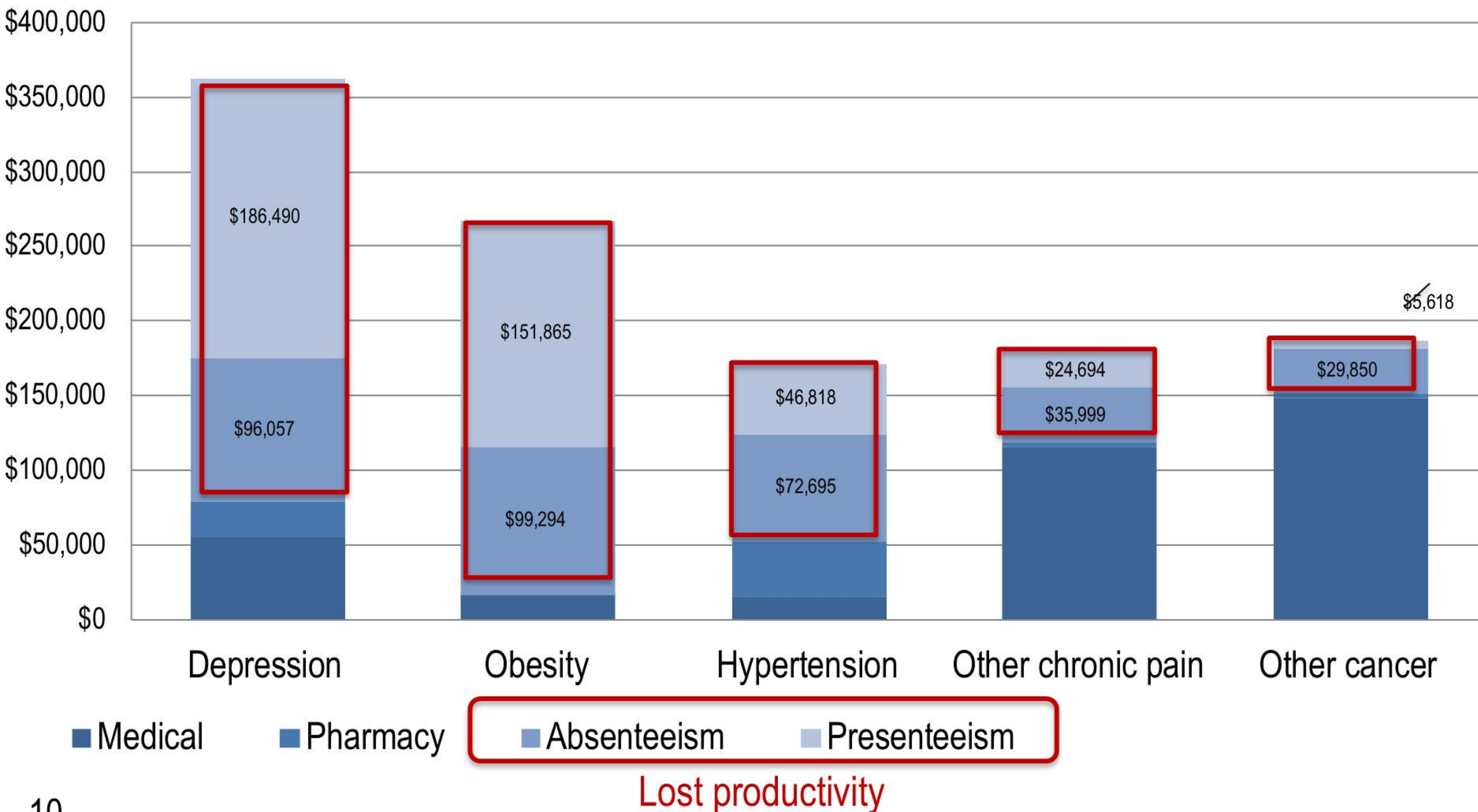


Source: Paul Hemp, "Presenteeism: At Work—But Out of It," *Harvard Business Review*, October 2004.



# Costs of lost productivity

## Costs of Lost Productivity Caused by Chronic Conditions





# Impact of poor health in your workplace

## Presenteeism

### Lost productivity

Not doing well while working

- Errors
- Complaints
- Delays
- Team breakdown

Not doing work on work time

- Unscheduled breaks
- Unfocused time
- Health exams on work time
- Information gathering

## Absenteeism

Not at work

- Unscheduled absence
- Disability
- Workers comp
- Replacement worker

Lost to the workforce

- Permanent disability
- Early retirement
- Premature death
- Spousal illness



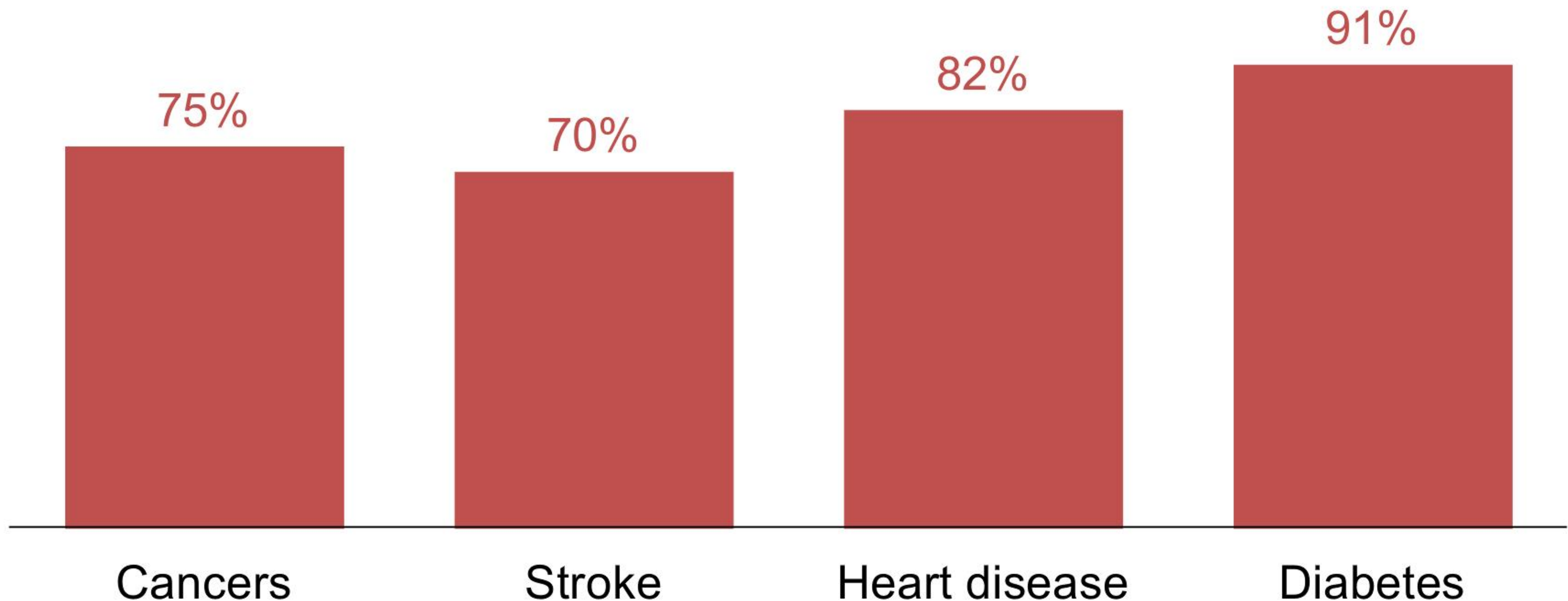
# How to Make the Case for Workforce Health

**1. How the health of your employees affects your business**

**2. Why employers can make a difference**



# Most chronic conditions are caused by unhealthy behaviors



63% of all health care costs are generated by just 10% of employees with chronic conditions



# What are the cost drivers?



- Low physical activity
- Poor diet and nutrition
- Tobacco use
- High alcohol consumption or substance abuse
- High stress
- Poor personal life satisfaction or health perception
- Poor emotional health
- Poor safety practices

- Overweight/obesity
- High blood pressure
- High blood glucose
- High cholesterol
- High triglycerides

- Cancer
- Stroke
- Heart diseases
- Diabetes



# Behavior and chronic conditions compound the problem and add to costs

- **Smokers** are 40% more likely to have work injury
- **Diabetics** have 5 times higher worker's comp medical costs when injured
- **Obese workers** are twice as likely to have work injury, have 7 times higher worker's comp medical costs, and 13 times more days away from work



# Healthy changes start with you

The changing nature of illness has sparked a renewed interest in the potential for prevention to help control costs.

As an employer, you're uniquely positioned to help employees make healthy changes.

Employees are a captive audience – they spend 60% of their waking day at work.





# Influencing health behavior change

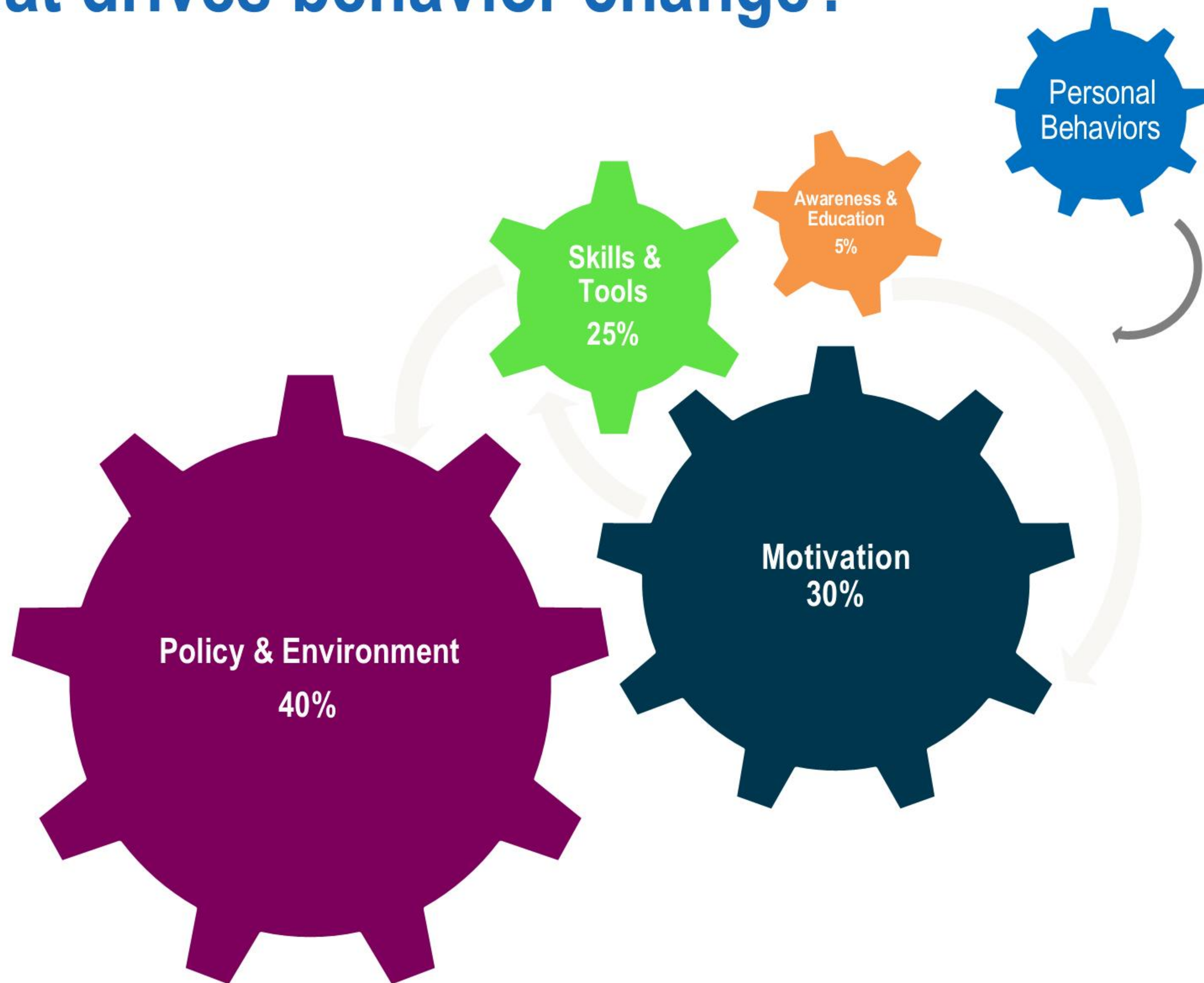
You can help employees change their behavior by adopting healthier lifestyles and lowering their risk of developing costly chronic diseases.

Address how lifestyle choices and health behaviors impact:

- ✓ Health status
- ✓ Medical utilization and costs
- ✓ Productivity, presenteeism, and absenteeism
- ✓ Health disparities



# What drives behavior change?





# Building health into your workplace culture





# Building health into your workplace culture



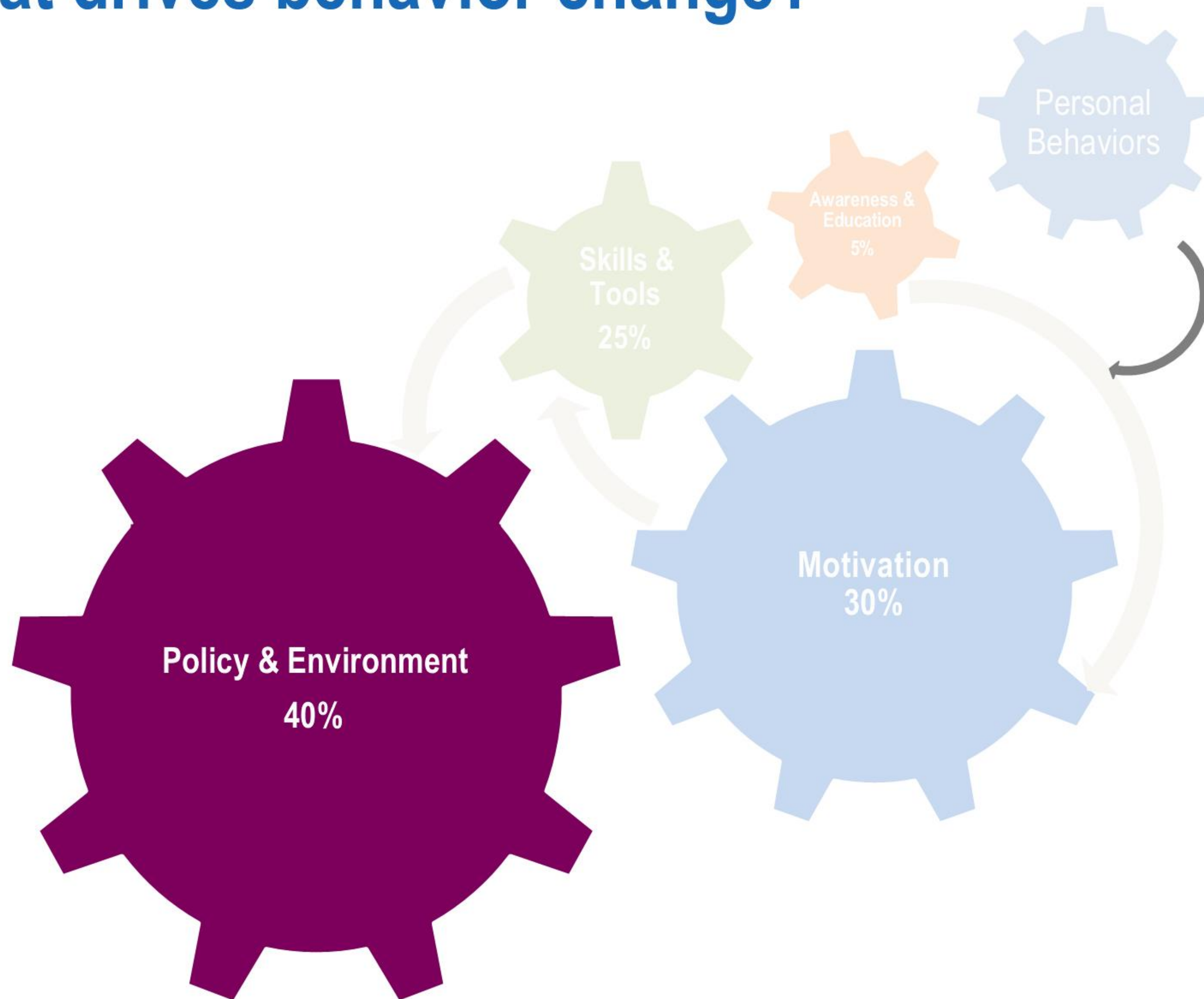


# The workplace is second to home

- **60% of waking day spent at workplace**
- **Food, snacks, beverages!**
- **Friends, real time social networks**
- **Physical activity – or more likely inactivity**



# What drives behavior change?





# No and Low Cost HEAL Policies

- Physical activity breaks
- Walking meetings
- Open stairwells
- Biking and walking between facilities
- Nutrition standards for vending machines
- Nutrition standards for events, meetings, concessions & programs
- Breastfeeding accommodation



# Evidence from California



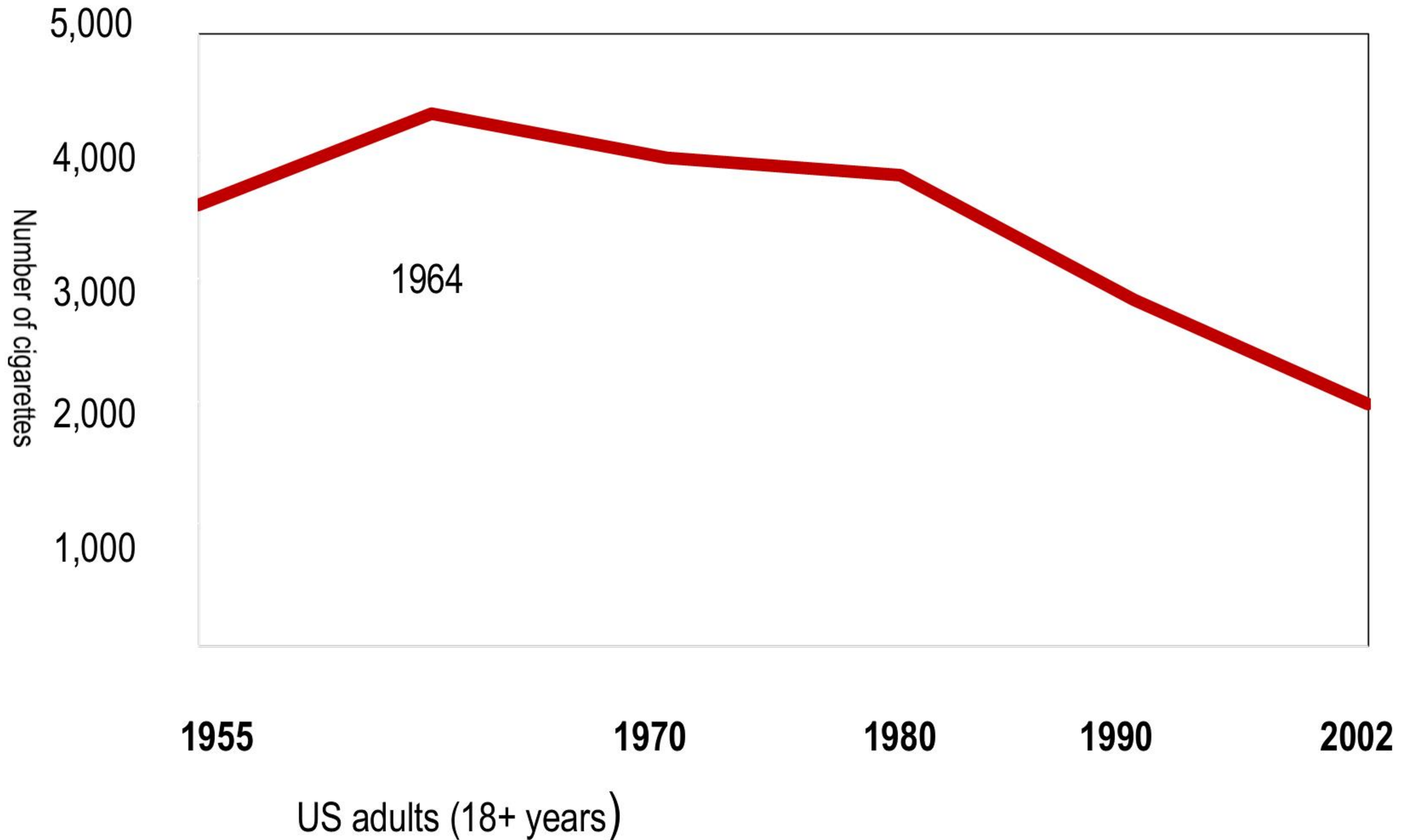


# Remember the smoke filled days!





# Per Capita Cigarette Consumption 1955-2002





# We can do the same for chronic disease





- Diverse community of 74,000 in the heart of Silicon Valley.
- 558 regular employees
- Making the business case for workforce health:
  - Over the last 10 years, direct City costs for health benefits have more than doubled, from less than \$4m to over \$9m.
  - In 8 of the last 10 years, City had double-digit increases in medical premium costs – while revenue growth has never matched that pace and, in fact, revenues dropped in 3 of the last 10 years.
- Building a culture of health:
  - Whenever we could, we used existing employee activities to encourage healthier lifestyles.



## What leadership support looks like at the City:

- City Councils and staff have worked hard to make sure that today's residents have many options for maintaining a healthy lifestyle.
- An Organizational Wellness Statement of Support from the City Manager
- Say yes as much as you can and be patient
- All throughout your organization people are truly ready and willing to lead the way to wellness. We just need to let them.



# City of Mountain View





# Leaders need to walk the talk!





# Questions

- Visit <http://www.cacities.org/citiesforworkforcehealth>
- Flyer, FAQ, and contact info available on the website
- Visit <http://www.healcitiescampaign.org> and link to “contact us”