



## TCoC Reduction Through Organizational Culture



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# TOTAL COST OF CARE REDUCTION THROUGH ORGANIZATIONAL CULTURE



1. Introductions
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  - Background and Maturity Model Concept
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## Learning Objectives

- **Intent:** A cultural transformation with operational rigor is achievable
- **Application:** An intentional process optimizes work and eliminates mis-steps
- **Success:** A healthy and aligned culture creates competitive advantages



## Healthy Enterprise Maturity Model

	Focus on Treatment	Focus on Prevention/Management	Focus on Optimal Health/Behavior
Characteristic	Distinguishing Features		
<b>Health</b>	Provides high quality and cost-effective treatment	Reduces health risks and manages conditions	Optimizes health and fitness
<b>Time-Off</b>	Replaces pay, rehabilitates and returns to work	Advocates safety, accountability and risk management	Promotes life-long health and personal and professional renewal
<b>Workplace Support</b>	Treats minor injuries and/or handles medical emergencies	Detects and prevents problems to avoid more serious health issues	Empowers a culture of health
<b>Behavioral Health</b>	Treats personal and work-related mental health/substance-abuse issues	Addresses factors leading to substance abuse and mental health issues	Stimulates psychological wellbeing (mental, emotional, social)
<b>Communications</b>	Clarifies benefit coverage	Shapes behavior	Promotes proactive approach to health and well-being
<b>Organizational Behavior</b>	Addresses unacceptable behavior	Shapes desired behavior	Leaders model behavior consistent with organization's values
<b>Measurement and Metrics</b>	Measures and manages costs, utilization and treatment outcomes	Measures and targets interventions for prevention and disease management initiatives	Measures, assesses and targets interventions to improve physical, emotional and social capacity

Source: "Making the Case: New Study Shows It Does Indeed, Pay to Become a Healthy Enterprise." <https://www.ifebp.org/inforequest/0161496.pdf>, 2012 Benefits Quarterly



How do aspects of organizational structure and design encourage or discourage optimal behaviors?



## Shift in Thinking

### The Humaculture® Approach Shifts Thinking

From	To
Reactive (Discipline, Treat, Replace Pay, Rehabilitate)	Proactive (Engagement, Motivation, Performance, Fitness, Health)
Entitlement (Indemnify from Poor Work and Lifestyle Behaviors)	Opportunity (Share Risk, Support Healthy Lifestyle)
Siloed Approach	Shared Vision and Coordinated Approach
Driven by Competitive Practices	Driven by Strategy to Create a Competitive Advantage
Market Determines Budget	Intentional Design to Drive Behaviors within Desired Budget
Measurement of Costs (Turnover, Health Care, Absence, Disability)	Measurement of Outcomes (Workforce Ready, Healthy, Motivated, Productive)



What is the focus of your people systems and reward programs?

## The Seven Dimensions of Humaculture®

Dimension	Analogy	Conceptual Examples
Environment	Climate and Terrain	Laws, community, customer needs and wants
Organization	Soil	Entity structure, purpose, job design
Real Assets	Space and Fertility	Capital, other resources, available jobs
Intangible Assets	Garden Arrangement	Brand recognition, organizational culture
People	Plants	Shareholders, employees, customers
Rewards	Nutrient Distribution	Pay, benefits, customer value
Created Value	Harvest	Products, services



Humaculture® is a philosophy of, and systematic approach, to cultivate successful, profitable, aligned, and healthy organizations (“soil”) in which people can thrive.



## How can the Humaculture<sup>®</sup> approach create a distinctive and magnetic workplace culture?

### Envision

- Envision desired culture and employee value proposition (EVP) based on organization vision and mission
- Define elements that make it distinctive and magnetic
- Ensure support for institutional priorities
- Align key stakeholders
- Identify key metrics for success

### Analyze

- Culture alignment and health
- Reward programs for all positions
- Other amenities and benefits
- Distinction between different types of rewards
- The EVP identity relative to key talent competitors

### Optimize

- Determine optimal reward philosophy and align with organizational vision and mission
- Optimize reward programs
- Refine EVP identity, messaging, and communications
- Test EVP identity with current and prospective employees

**We deliver results through rigorous actuarial analysis with customized metrics for success.**



The Humaculture<sup>®</sup> approach can be applied at any level of, or in any area within, the organization.



## What are the dimensions of aligned and healthy cultures?

### Dimensions of Aligned Culture



### Dimensions of Healthy Culture



An understanding of the aspects and dimensions of culture is essential to creating an optimal Humaculture®.

## Outcomes of Humaculture®

- Based on the Healthy Enterprise research an example of the type of impact the Humaculture® approach can make includes:

### TOP QUARTILE OUTCOME METRICS COMPARISON

	TOP QUARTILE	ALL OTHERS	PERCENTAGE DIFFERENCE
Healthy Enterprise Index	78%	50%	58%
<b>Employee and Dependent Health</b>			
• Annual Health Cost (PMPY)	\$3,431	\$3,769	-9%
• Annual Health Cost Increase	\$235	\$302	-22%
<b>Employee Withdrawal Behavior</b>			
• Turnover	8.1%	12.1%	-33%
• Extended Absence	3.9%	6.1%	-37%
<b>Workplace Safety</b>			
• Workers Compensation Cost	0.74%	0.89%	-17%

Source: "Making the Case: New Study Shows It Does Indeed, Pay to Become a Healthy Enterprise." <https://www.ifebp.org/inforequest/0161496.pdf>, 2012 Benefits Quarterly









**Humaculture® has great impact on employee health, withdrawal behaviors, and workplace safety.**





## How does the Humaculturist® ensure all elements are in place for successful change?

Vision	+	Consensus	+	Skills	+	Incentive	+	Resources	+	Action Plan	=	Change
 Vision											=	<b>Confusion</b>
		 Consensus									=	<b>Sabotage</b>
				 Skills							=	<b>Anxiety</b>
						 Incentive					=	<b>Resistance</b>
								 Resources			=	<b>Frustration</b>
										 Action Plan	=	<b>Treadmill</b>



Any work to change the organization will likely struggle or fail if any of these elements are missing.

## What is the role of health and well-being in achieving a Humaculture®?

### Situation

A 12,000-employee health system needed to develop an aggressive strategy to:

- Streamline benefits
- Comply with the ACA, avoid penalties
- Change employee behavior
- Advance its wellness program

### Approach

Articulate a vision, develop a choice architecture to:

- Leverage resources as an integral part of the program
- Promote healthy behaviors and better consumer choices
- Increase participation in the wellness initiatives

### Results Include

- 98% participation in health risk assessments, biometric screenings, and cotinine testing
- 75% of employees verifiably risk free on all six outcome measures,
- \$2.5M in annual cost reduction (drop in costs)
- Employee costs also declined \$2M year over year
- A strategy to meet the coverage and affordability tests for all full time and applicable part time employees



When there is a well articulated vision for a Humaculture® and rewards are aligned to nurture the “plants”, they will thrive.



## How does Humaculture® employ behavioral principles to improve time off and leave design?

### Situation

- A top ranked private university with 2,000 faculty and staff experienced significant use of sick leave
- Existing programs were complex, promoted entitlement
- Faced \$6M annual cost and \$5M in liability

### Approach

- Redesigned leave and disability programs to:
  - Fit desired employee value proposition
  - Drive accountability and workplace behaviors
  - Simplify programs and administration

### Results Include

- An improved workplace culture
- More accountable and reliable workforce as measured by:
  - 52% reduction in unscheduled absence
  - 72% reduction in extended absence
- With additional value of improved employee relations as measured by:
  - 95% reduction in related employee relations issues
  - 29% reduction in high performer turnover and
  - 36% increased low performer turnover



A properly designed PTO program produces an accountable workforce, which was more attractive to high performing faculty and staff who valued reliable support.

## How does Humaculture® provide a context for a successful healthy campus strategy?

### Situation

- An education institution faced:
  - \$4M (15%) annual health care budget shortfall
  - Significant institutional short- and long-term budget constraints
  - Resistance to any benefit reduction or contribution increases

### Approach

- Listen to committee
- Facilitate a shared vision with buy-in from diverse stakeholders, including skeptical faculty
- Develop a strategy and plan to minimize future cost increases

### Results Include

- Minimal university budget increase
- Benefits better aligned with organizational vision and mission
- Faculty and staff were given the opportunity to maintain current contribution levels
- Achieved 80% to 90% participation in wellness programs for 4 years
- Actual cost, including incentives, came in under budget
- Significant energy and enthusiasm for the initiative across the workforce
- Peer recognition for its healthy culture

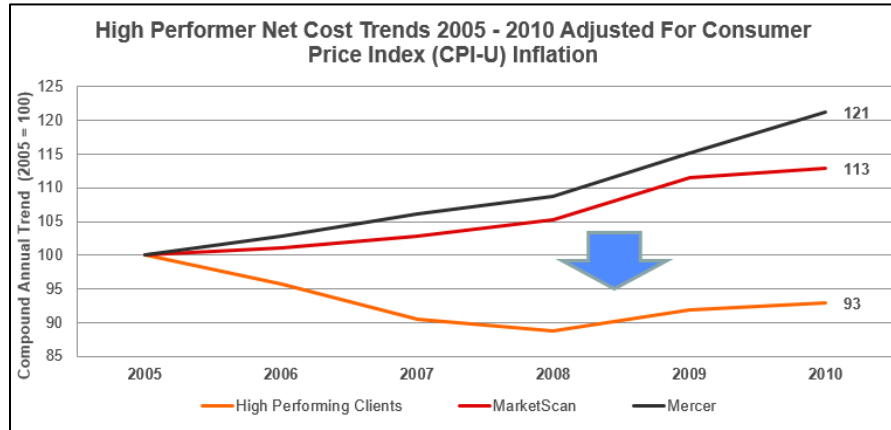


The Humaculture® guiding philosophy assured the healthy campus strategy became a successful initiative.

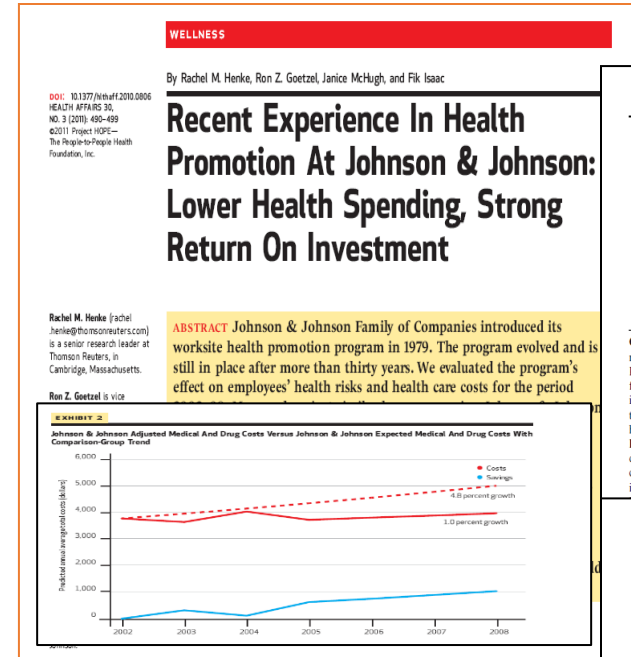
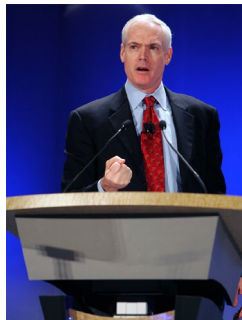
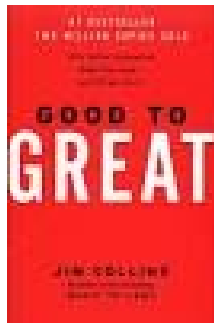


# HealthNEXT Research Thesis

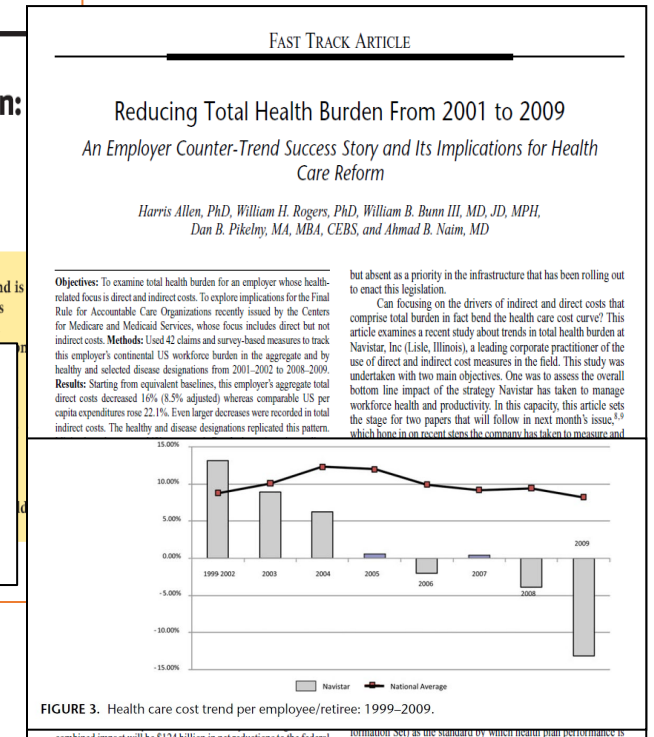
If Culture of Health and Well-being Benchmark Companies bend the curve, create a healthier workforce and provide better stakeholder results – all companies can



*Taking a page from  
Jim Collins*



Johnson & Johnson



NAVISTAR®

HealthNEXT

# In Pursuit of the Truth

## Over a Decade of Research & Testing Best Practice

### Need a strategic plan & corporate medical guidance

#### Tertiary Research:

3<sup>rd</sup> party literature review  
Anecdotal learning



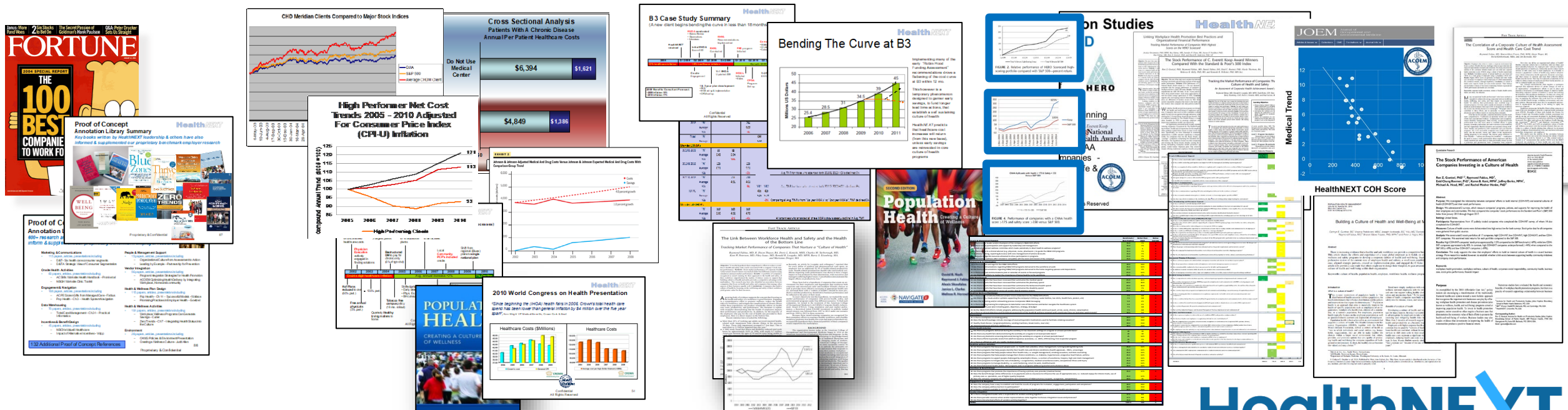
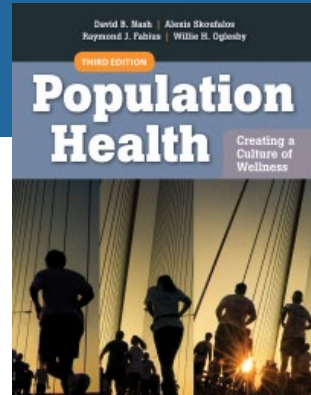
#### Secondary Research:

Internal retrospective research  
Hypothesis generation &  
Benchmark organization research



#### Primary Research:

Prospective application testing  
& Proof-of-Concept



Proprietary & Confidential

# HealthNEXT



# Culture of Health & Well-being Platform High Touch & High Tech

A roadmap, an itinerary, and an experienced guide

- Methodology with a decade of **research and application**
- Leverages **physician executive “NEXTperts”** distinguished by building cultures of health and well-being
- Scalable, easy to use, digital platform:
  - **Utilizes assessments** that leverage artificial intelligence and dynamic publishing
  - Generates of a **customized roadmap with recommendations & tasks**
  - **Tracks progress over time** as gaps from best practice are remedied



Participating enterprises receive a highly customized strategic plan and guidance from their NEXTpert

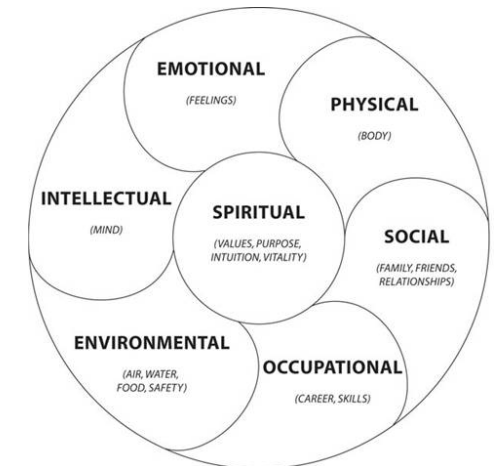
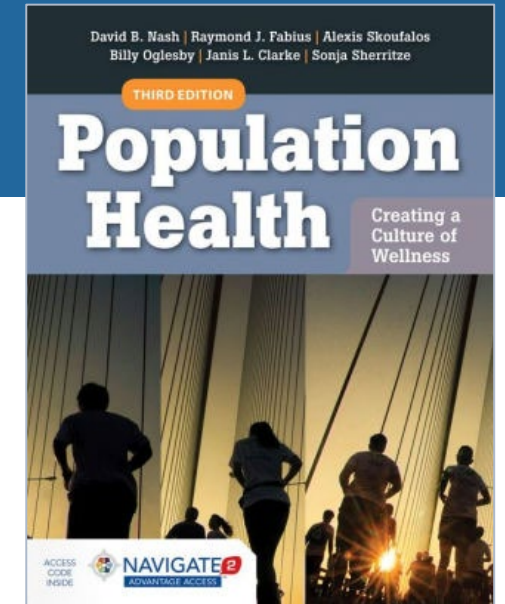
# Reasons to Engage a HealthNEXT Physician Executive NEXTpert

- ☐ Troubleshoot a particular healthcare issue such as Covid-19, flu, RSV, etc.
- ☐ Develop an evidence-based population health strategy
- ☐ Share how benchmark employers create an enduring culture of health and well-being
- ☐ Analyze the illness burden of a population
- ☐ Recommend how to get better control of healthcare costs
- ☐ Reduce/address the prevalence/cost of catastrophic claimants and chronic conditions
- ☐ Help establish support for employees to best navigate the healthcare system
- ☐ Evaluate / help select specific healthcare product and service providers
- ☐ Support the implementation and oversight of workplace health centers
- ☐ Assist with evidence-based benefit design

# HealthNEXT Process Key Tenets

## Clinical and Business Rigor

- **Population Health:** Moving the population along the continuum towards wellness
- **Well-being:** “Health is a state of complete physical, mental, and social wellbeing and not merely the absence of disease or infirmity.” - World Health Organization, 1948
- **Triple Aim:** Building cultures of safety, health, and well-being in sequence with all stakeholders in mind
- **Six Sigma** rigor for Systematic & Continuous Improvement
- **Maturity Model** incorporates nine “Thresholds” of implementation and five intensities of effort (“not present” through “benchmark”)
- **Inter-Reviewer Reliability** – Validated, objective, peer review process



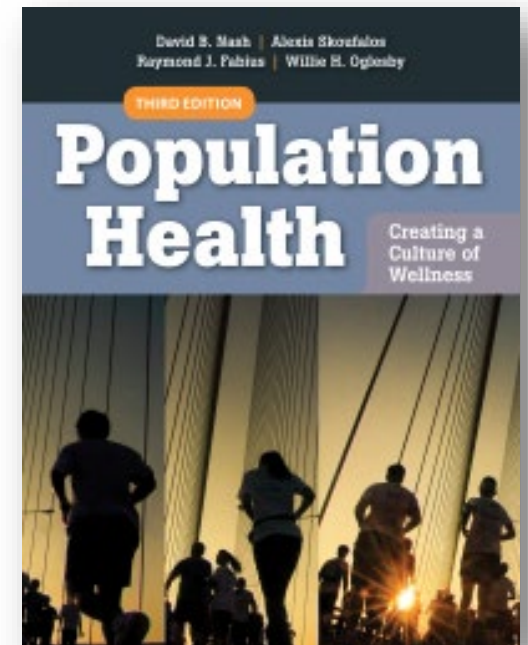


# Managing Across the Continuum

## Our Method Leverages Population Health



**Moving the Population Toward Wellness**



*Leading Textbook  
in the Field*

# HealthNEXT Culture of Health & Wellbeing Comprehensive Management System

TO ACHIEVE A CULTURE OF HEALTH YOU NEED TO IMPLEMENT A CRITICAL MASS OF  
PROGRAMS & SERVICES WITH OPERATIONAL EXCELLENCE

Work Environment      Engagement      Population Health      Wellbeing  
Social Connection      DEI      Financial Fitness      Biometrics  
Vendor Management      Mental Health      Worker's Compensation  
Healthy Eating      Workplace Environment      Incentives      Vendor Integration  
Advocacy      Benefit Design      Health Assessments  
Data Warehousing      Workplace Safety      Ergonomics      Leadership Support  
Management Alignment      Disability      Navigation      Pandemic Response      Communications  
Strategic Planning      Marketing      Data Analytics

**HealthNEXT**

**The Employer  
Assessment includes 10  
pillars and 50 factors  
which are scored and  
sequenced**

**Based on a decade of  
the research  
identifying attributes  
and capabilities of  
best practice  
employer programs**

Culture of Health and Well-being Pillars
Leadership Support / Management Alignment
Well-being Strategic Plan
Workplace Environment
On-site Well-being Activities
Health and Well-being Programs and Activities
Data-Driven Approach: Warehousing/Analytics
Marketing and Communications
Incentive and Benefit Design
Engagement and Navigation
Vendor Management- Oversight and Integration




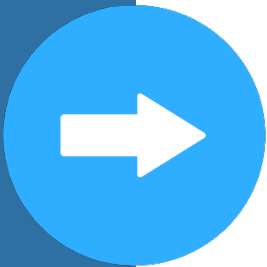
# Application of Maturity Model

## Leadership & Management

Factors: 1 2 3 4 5 6 7

**Factor 1:** Is there a clear leader and/or champion of the company's culture of health and wellbeing efforts?

 Move the slider up or down to select your choice in the below list.



### Benchmark Caliber

There is documented evidence of corporate leadership (videos, signed letters, brochures...) and more than one leader and champion (executive sponsor) support for efforts (documented in videos, brochures, etc.).

### Standardized & Effective

There is a designated corporate leader in the C-suite and champion (executive sponsor) of the organization's health and wellbeing efforts. We suggest appointing more than one corporate leader and champion with documented roles and responsibilities.

### Solid Foundation

There is one designated corporate leader or champion. Consider expanding this to more than one, and frequently promote their efforts through brochures, videos, etc.

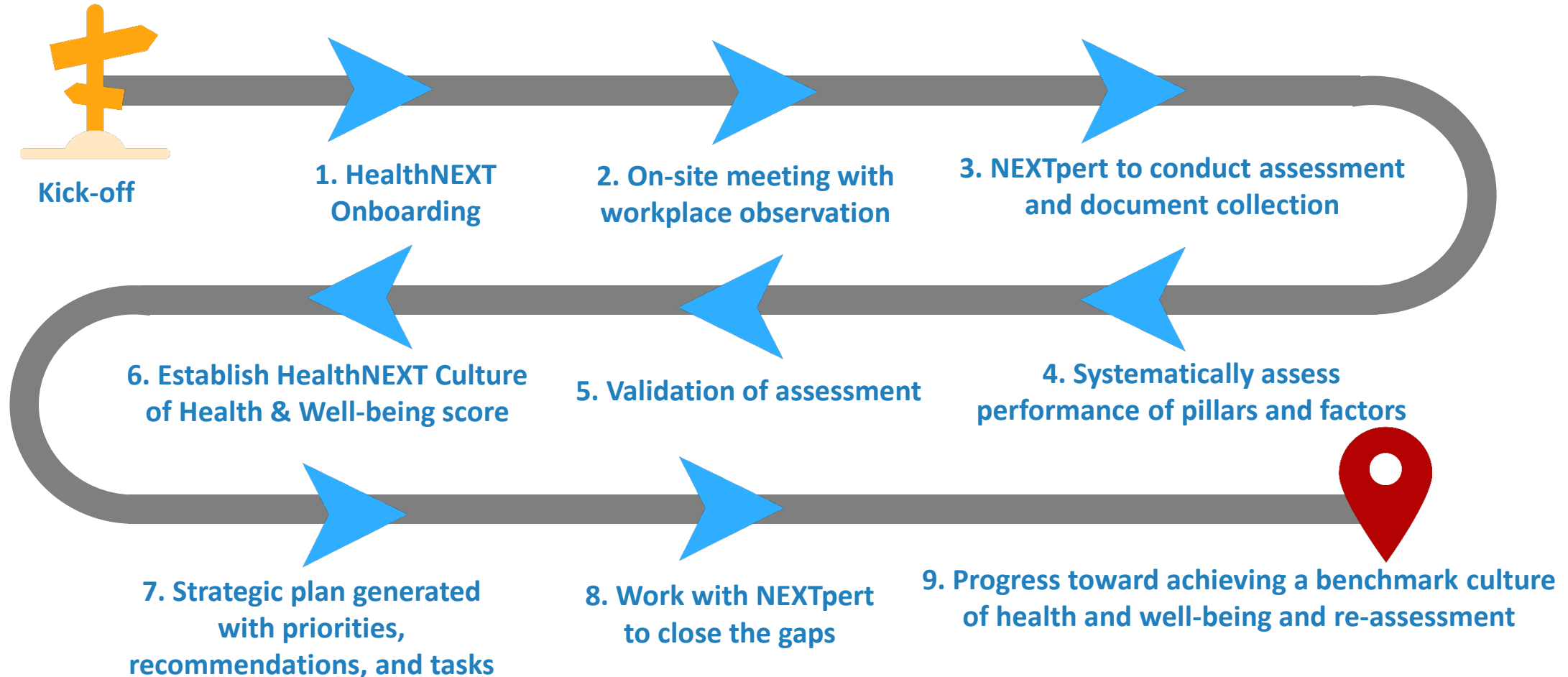
### Getting Started

There is a designated leader or champion somewhere in the organization. We recommend expanding and elevating leader (or champion) visibility, authority and role in the organization; an active executive sponsor is best.

### Not Present

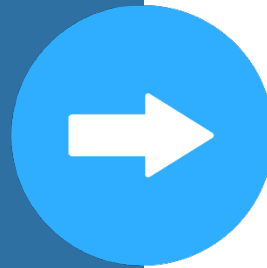
No documented evidence of a leader or champion. Consider expanding and elevating limited leader (or champion) visibility, authority and role in the organization; an active executive sponsor is best.

# The Culture of Health and Well-being Program



# Why Should You Cultivate Your Workforce's Health & Wellbeing?

**IT'S THE RIGHT THING TO DO & GOOD BUSINESS PRACTICE**



1. Control healthcare costs
2. Improve productivity
3. Reduce waste
4. Improve engagement
5. Attract & retain the best talent
6. Enhance workplace safety
7. Improve sales
8. Improve shareholders' returns
9. Stem the tide of obesity
10. Stem the tide of chronic illness

Research supports the importance of building a culture of health and well-being to produce sustainable behavior change and ROI from health and well-being programs.

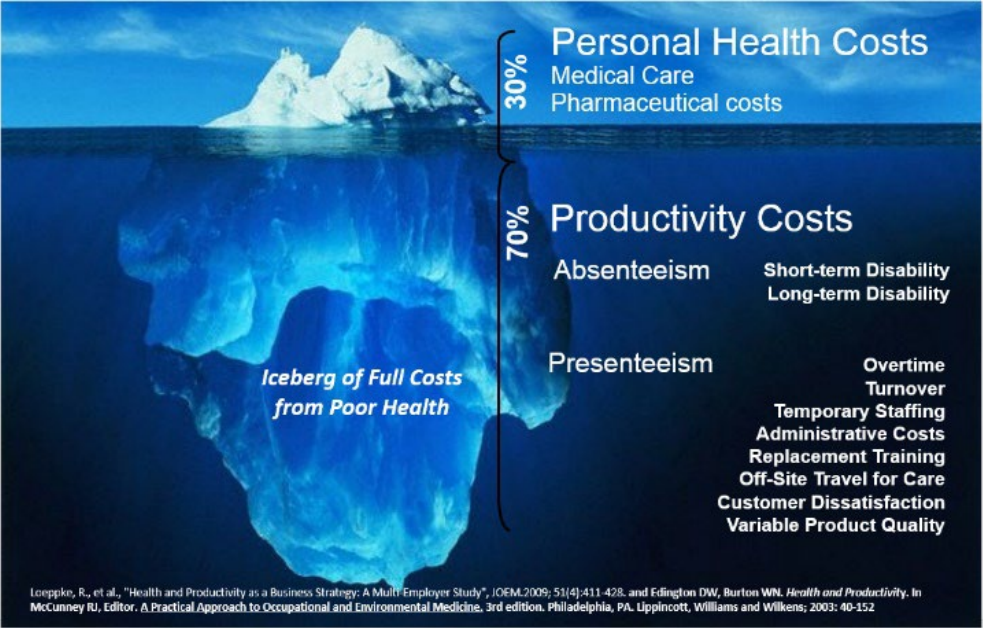
*Skill, Will and NOT ILL*



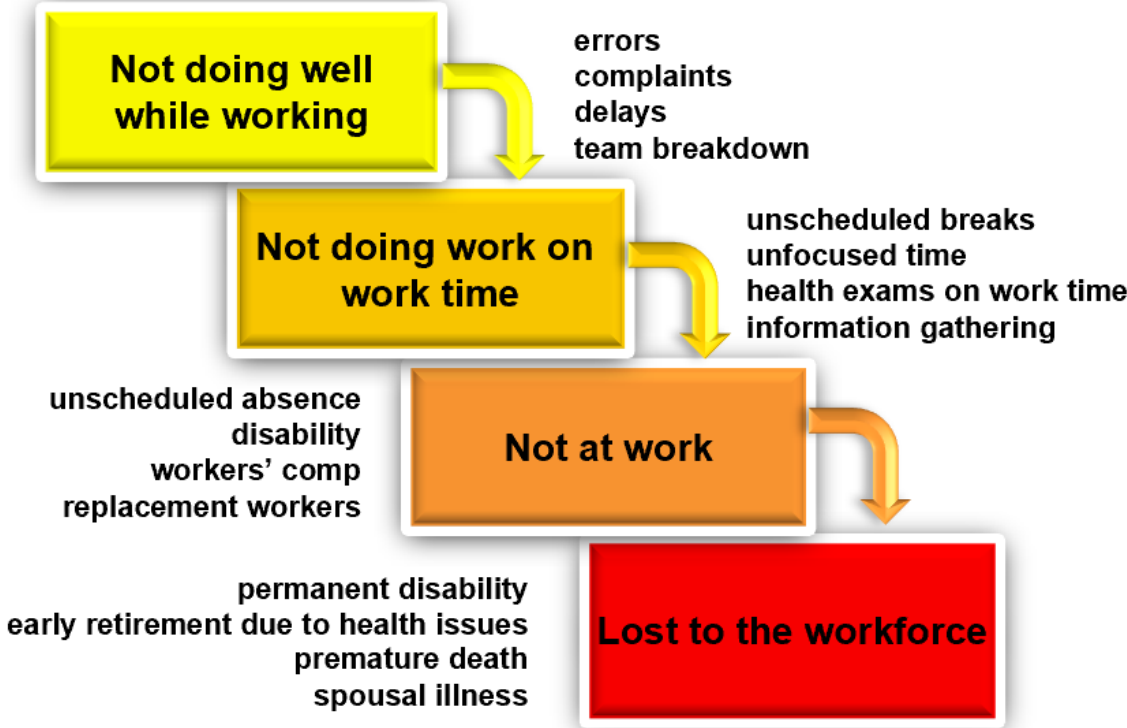


# Impact of Health & Wellbeing

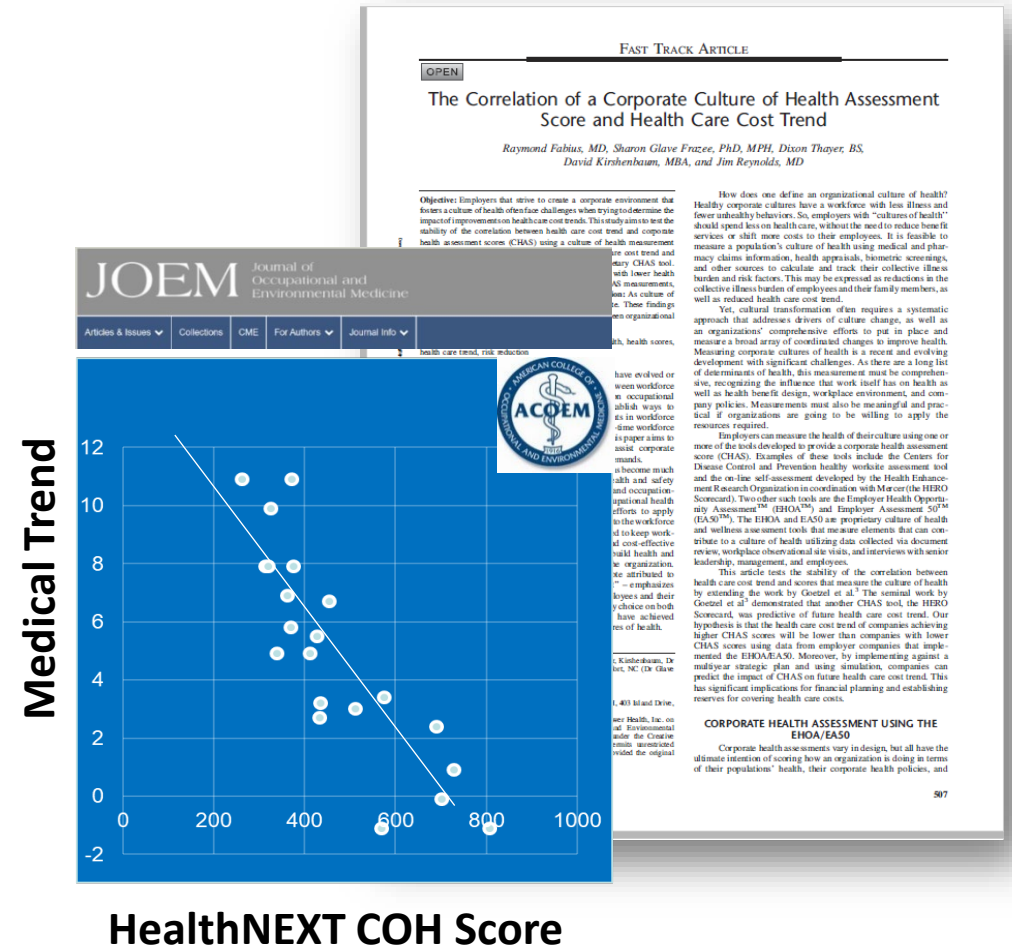
## Continuum Of Employee Performance Outcomes due to Poor Health & Well-being



**For Every Dollar Spent on Health Care  
There Are \$2-3 Lost in Productivity**



- **Provide a competitive advantage in the marketplace**



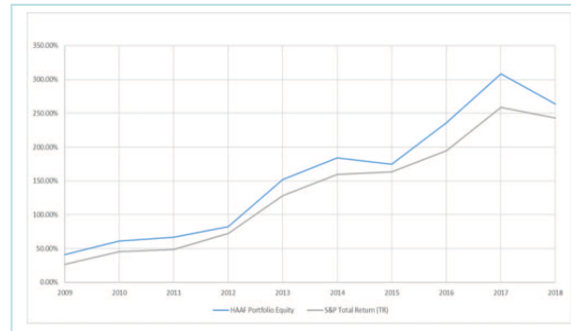
**“Every 50 points reduces  
medical trend by 1%.”**

# Benchmark Culture of Health Companies Outperform on the Stock Market



## Companies That Promote a Culture of Health Safety and Wellbeing Outperform in the Marketplace

**Objective:** The objective of this research is to test the hypothesis that companies distinguished by their commitment to their workforce's health, safety, and well-being outperform in the marketplace. **Methods:** To test this, we analyzed the real-world stock market performance of an investment fund of publicly traded companies selected on evidence demonstrating their pursuit of a culture of health, safety, and well-being. **Results:** This fund outperformed the market by 2% per year, with a weighted return on equity of 264% compared with the S&P 500 return of 243% over a 10-year period. **Conclusions:** Employers, fund managers, and fund investors would be well served by including strategies that assess a company's commitment to the health, safety, and well-being of their workforce when evaluating investments in their enterprise and portfolios.



Culture of Health Portfolio outperformed the stock market by 20% over ten years

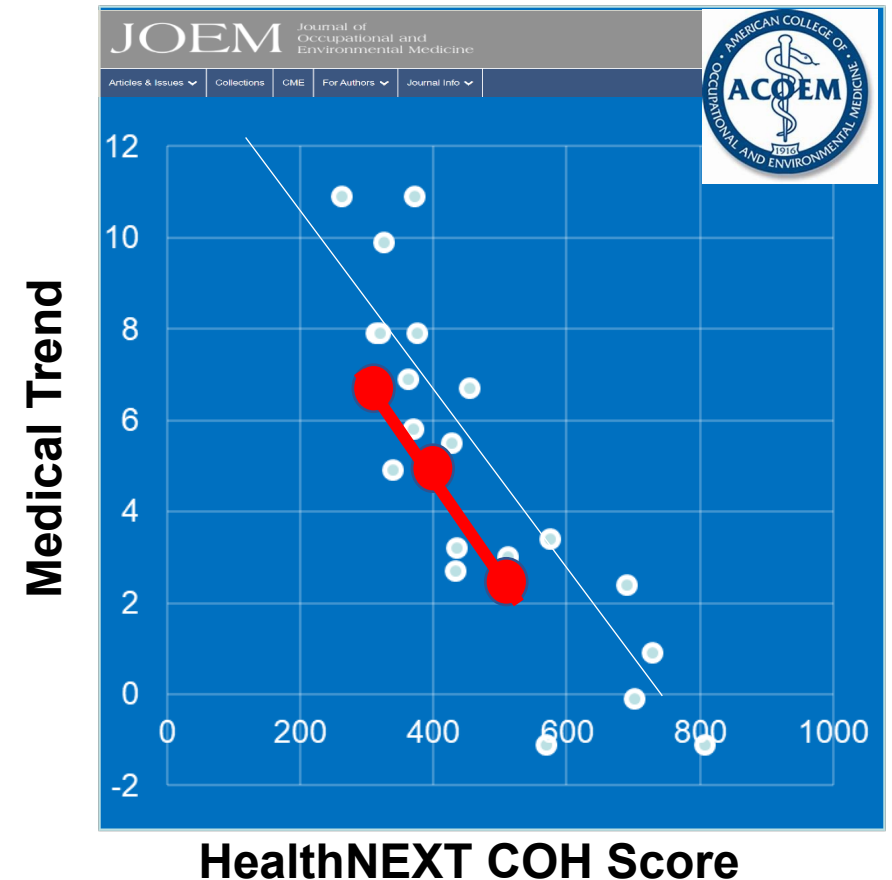
A Portfolio of companies that distinguish themselves by building cultures of health, safety and wellbeing appreciated 20% better than the S&P 500 during a ten year span 2009 - 2018



# Case Study

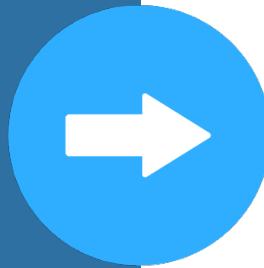
## Large, Iconic Brand (Over 50,000 employees)

- Assessment / RE-assessment process using our methodology
- Key Gaps from Best Practice
  - Weave into corporate culture
  - Marketing vitality
  - Cultivate local wellbeing champions
  - Enhance work environment
  - Leverage data & analytics – cockpit
  - Focus on population health continuum
  - Maximize impact of workplace health centers
  - Vendor management & integration
- Multi-year improvement of these gaps
- Advancing score
- Bending of Medical Trend
- Consistent with our research



# Enterprises That Will Benefit from Partnering with HealthNEXT

From beginning the process through achieving best practice



- **Developing a strategy to build a culture of health and well-being**
- **Validating existing practices**
- **Measuring and reporting progress**
- **Identifying and remediating gaps to advance**
- **Implementing operational excellence and business rigor**
- **Avoiding mis-steps and uncertainty**
- **Any size company**
- **Any industry/location**
- **Any number of locations/offices**
- **On-site/virtual/remote workers**
- **Domestic / global**

# Summary

- **Critical mass of efforts** are required implemented with operational excellence
- Multi-year strategic planning because **sequence matters**
- **Expert clinical guidance** is required
- Right thing to do & **Good business**

## Key Take-aways

- **Intent:** A cultural transformation with operational rigor is achievable
- **Application:** An intentional process optimizes work and eliminates mis-steps
- **Success:** A healthy and aligned culture creates competitive advantages







## Contact Information



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## Steven Cyboran, ASA, MAAA, FCA, CEBS Chief Behavioral Officer, Consulting Actuary

### Experience

Steve Cyboran is an actuary and innovator around people, rewards and benefits. With a quarter century of consulting experience, he has been actively involved in a variety of strategy projects focusing on a behavioral approach to create a healthy culture, refine the employee value proposition, performance, organization effectiveness, health care, financial well-being, disability, and time-off. These projects include a collaborative approach to drive behavior through the design, administration, and implementation to achieve client objectives.

- Assisted a Midwestern university with the redesign of health care, dental, pharmacy, disability, voluntary benefits, and HR technology, resulting in savings of over \$15 million annually through better control of expenditures and without significant benefit reductions.
- Supported a renowned academic medical center with 14,000 employees to standardize time-off and disability programs across eight business units to support the personal renewal of employees, align the programs with total rewards and wellness initiatives, better manage the number of unscheduled absences and disabilities, and differentiate for key talent.
- Supported a health system with 45,000 employees consolidate 100 paid time off programs to align with its healthy culture initiatives and streamline the administration of the programs with metrics measuring success.
- Through the redesign and rollout of leave and disability programs, helped a top ranked private institution reduce unscheduled absences by 52%, reduce extended absence by 72%, reduce high performer turnover by 29%, increase low performer turnover by 36%, and reduce related employee relations issues by 95%.

### Education and Credentials

Mr. Cyboran graduated with distinction from the University of Illinois, Urbana-Champaign with a BS in Mathematics. He is an Associate of the Society of Actuaries, a Member of the American Academy of Actuaries and a Fellow of the Conference of Consulting Actuaries. Mr. Cyboran earned Strategy Culture Alignment Certification by Work-Effects and Outmatch Certified Reseller Certification (Including Pomello Culture tools), and his CEBS designation from the International Society of Certified Employee Benefits Specialists. He is a member of the Society for Human Resource Management. He is also Chicago Chapter former President of the Disability Management Employers Coalition. He is a li-censed Life, Accident and Health agent in Oklahoma, Texas, Kentucky, and New York.

### Publications/Presentations/Research

Steve Cyboran has led research, published articles, been quoted in the news or presented over 150 times. Following are a few examples of his work. Visit

<https://www.cyboran.com/outandabout/> for more examples.

"The Value of a Healthy Culture: Understanding Benefits, Costs and Achieving Results", NACUBO

"PTO in Higher Ed? Absolutely!" Eastern CUPA, Spring Conference

"Why Should Physicians Work for Your Organization? Physician Alignment through a Magnetic Employee Value Proposition" Cyboran.com

"Making the Case: New Study Shows It Does Indeed, Pay to Become a Healthy Enterprise," Benefits Quarterly

"Leveraging an Integrated Health, Absence and Disability Model to Improve Outcomes." Council on Employee Benefits, Peer 2 Peer Call

"The Increasing Importance of Benefits Metrics," WorldatWork Podcast

# Ray Fabius, MD

## Co-founder and President

### HealthNEXT

Throughout his career, Dr. Fabius has garnered medical and business leadership experience in an extensive variety of healthcare management areas including informatics, strategy, operations, network development and oversight, patient management, quality management, disease management, national accounts, occupational medicine, emergency preparedness, worker productivity, wellness, and health promotion, travel medicine, web-based health content delivery, data warehousing, and analytics.

He has served as a physician executive in academics, private practice, managed care, the health insurance industry, e-health, corporate and workplace health, the pharmaceutical industry, and health informatics and analytics. He served as Global Medical Leader for General Electric, Chief Medical Officer (CMO) for Thomson Reuters, Population Health Strategist for Walgreens, and CMO for Truven Health Analytics. He was also the CMO and president of I-trax, Inc. the leading provider of workplace health centers.

He is the author of many articles, book chapters, and five books including the leading textbook on population health entitled Population Health: Creating Cultures of Wellness. Dr. Fabius is also the 2021 recipient of the Bill Whitmer HERO Award for lifetime leadership in the health and wellbeing space. Dr. Fabius has served as the medical advisor for the Greater Philadelphia Business Coalition on Health for the last decade.