The ACHP Initiative grew out of a simple observation: that lack of information about the real value of health services hampers the efficiency of employer health care purchasing. Purchasers have ways to evaluate the quality of other inputs they purchase. They have ways to evaluate the cost-savings created by innovations in production technology and the effects of direct-to-consumer ad campaigns. But, they generally lack comparable ways to evaluate the effects of investments in employee health care or the dollars spent on health benefits programs. IHPM set out to change this situation in order to increase the rationality of employer-sponsored health care purchasing by collaborating with leading academic researchers to develop a model system of health and productivity management in two leading health care markets. Atlanta and Chicago were selected as the demonstration sites. Funding for the initiative has been provided by the federal government through the Centers for Disease Control and Prevention (CDC).

Five pieces of information are needed to make rational health care purchasing decisions, and none of them is typically known to the employer.

1. What kinds of health problems do my workers have? How commonly does each of these problems occur? (Although employers know part of the answer to this question from claims analysis, they lack information on untreated conditions. The latter are often quite common and impairing.)

2. What are the effects of these health problems on work performance, sickness absence, industrial accidents, and disability?

3. What is the monetary value to me, the employer, of these performance losses?

4. How effective are available interventions in reducing these decrements in my company? ("Interventions" is used broadly here to include both conventional medical interventions and other actions that have effects on worker health, such as ergonomic chairs or on-site yoga classes for white collar workers with lower back pain.)

5. What is the ROI for each of these proposed interventions?

No wonder there is so little rationality in the employer-sponsored health care arena without answers to these questions!
But, things don’t have to be this way. Some companies have assembled data to answer all five of these questions and have used this information to rationalize their employee health care services. The companies that are farthest ahead in this regard are those that can most easily measure the performance of their workers, like the major companies that compete with the U.S. Postal Service to provide private delivery of express mail and packages. These companies have exquisitely detailed tracking information on the number of packages delivered by each of their employees, lost packages, and motor vehicle accidents. By combining this information with employee health survey data and medical claims data, they have been able to pinpoint commonly occurring health problems that interfere with the speed and accuracy of deliveries and that lead to vehicular accidents. They have been able to evaluate the cost-effectiveness of interventions that treat these health problems. And, they have been able to use ongoing quality control monitoring to make sure these health care interventions continue to be effective over time.

This same level of rationality in the organization and delivery of health care can be achieved by most companies even when they lack detailed individual-level assessments of worker performance. The trick is to find proxy individual-level measures of worker performance that can be tracked over time and linked to information about employee health and health care. There are a number of ways to collect this kind of tracking data (e.g., 360 peer evaluations, annual performance reviews with supervisors, etc.), but the easiest and the one that can be most widely generalized is to carry out annual employee health surveys.

Such surveys can collect self-report data from employees about their health problems, rates of treatment for these problems, and self-reported work performance. Methodological studies show that workers give surprisingly accurate reports about all these things. In cases where some archival data—such as medical claims and performance review—are available and can be linked to the employee surveys, all the better.

After these surveys are carried out the first time, they can provide answers to the first three questions posed above: How many of my workers have various health problems? How many of these problems are being treated? What are the costs to the employer of these health problems in terms of reduced worker performance, increased sickness absence, and increased disability? If an intervention is put into place to help improve the treatment of one of these conditions, changes in the tracking results obtained from annual replications of the surveys can be used to answer the last two questions: How effective is the intervention in reducing the bad outcomes that are costly to employers? What is the ROI on the intervention? The logic of these evaluations is identical to the logic of the test market studies and market tracking studies that are routinely carried out by the market research departments of most major corporations.

As part of the work carried out to support the World Health Organization (WHO) Global Burden of Disease initiative, a survey instrument was created to collect the above types of information. This is the instrument we are using in the ACHP Initiative.

This instrument, the WHO Health and Work Performance Questionnaire (HPQ), is being used in three ways:

1. WHO is administering the HPQ in national face-to-face household surveys in over 30 countries, with a total of approximately 250,000 interviews carried out in these surveys. The U.S., Canada, Mexico, most Western European countries, and Japan are all among the countries included in these surveys.
2. The HPQ is being added to the annual Health Risk Appraisal (HRA) surveys of a number of large U.S. corporations. These companies have come together as a consortium to compare and contrast results of these surveys for purposes of jointly targeting and evaluating health care interventions aimed at improving worker performance.

3. Some pharmaceutical companies and disease management companies are adding the HPQ to the outcomes included in the experimental evaluations of their products. These will help create a cross-walk to the real-world evaluations that are being carried out in conjunction with the HRA surveys in the consortium of companies mentioned above.

We now want to add a fourth type of HPQ study: market-wide surveys that include information on employees of multiple employers serviced by many health plans, disease management vendors, and third party administrators. The goal is to create a portrait of patterns and associations between worker health and performance in these markets and to assess the care in these markets and organized by health plans and disease management vendors. The information collected in these market-wide surveys can be used in exactly the same way it is used by the companies that carry out annual HRA surveys. The difference is that the information is about the market as a whole as well as about the employees of a particular company. This is an advantage because a market-wide survey has much more potential than a national within-company survey to create a critical mass of data that can be used by local employers to monitor and change the behaviors of local health plans.

An ACHP Data Warehouse will be established to contain not only the HPQ data along with claims data, administrative records, data on health plan/vendor benefits, and data on health plan/vendor performance. The data in this warehouse will be used to provide answers to the questions enumerated at the beginning of this document. Reports will be generated with the results of these analyses that can be used by all collaborating employers to evaluate their employee healthcare spending. The ACHP will offer one-on-one consultation on the interpretation of the reports as well as group seminars to discuss novel ways of health care contracting based on these results. We also hope to develop an ongoing system of quality assurance monitoring with the Data Warehouse that can be used by employers to track the returns on health care investments of new benefit packages and treatment approaches.