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DEPARTMENT OF HEALTH CARE POLICY

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To: Potential HPQ Users
From: Ron Kessler
Re: The Harvard Health and Work Performance Initiative: The Value Proposition
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Most employers lack data about the return on investment in employee health care. Rational decisions about investing in employee health are consequently difficult to make. The Harvard Health and Work Performance Initiative was designed to provide data that can be used to estimate this ROI.

Two tiers of participation are possible. In the top tier, employers include the World Health Organization Health and Productivity Questionnaire (HPQ) in ongoing employee Health Risk Appraisal (HRA) surveys. The trend data obtained in the HPQ can be used in such cases both to estimate the indirect workplace costs of specific illnesses and to estimate the ROI of specific changes in health benefits. Data of this sort can have great value to employers in rationalizing their health care decision-making. A number of large employers are currently collaborating in a consortium with each other and with researchers from Harvard Medical School in this top tier in order to coordinate the selection of interventions and to share information on the estimated ROI of these interventions.

In the lower tier, employers within a single market who are members of their local Business group on Health can collaborate in annual market-wide HPQ surveys that generate information to approximate the more fine-tuned data collected in HRA surveys. Unlike the situation in an HRA, where every employee in a single company is asked to participate in the survey each year, market-wide surveys draw probability samples of employees from a number of different companies and aggregate results to paint a more general portrait of health and work performance in the entire market. While generating less precise data for any one company than a company-wide HRA survey, market-wide surveys can be carried out at low cost to each participating employer and can generate data on general patterns of association that are of considerable value to employers.

Three elements of the value of this lower tier are worth highlighting. First, market-wide surveys can help employers pinpoint the most costly health problems among workers in their labor markets. What proportion of workers have seasonal allergies? Arthritis? Asthma? How costly is each of these conditions in terms of reduced work performance for blue-collar workers in the market? For white-collar workers? For pink-collar workers? While not as precise as having detailed information for the workers in one's own company, good approximations of likely within-company costs can be generated at a fraction of the cost of carrying out a company-wide HRA by participating in a

market-wide survey.

Second, coordinated market-wide surveys carried out on an annual basis can be used to generate valuable information on the average ROI of interventions that are adopted by participating employers in the time intervening between surveys. While not as precise as evaluations based on within-company HRA surveys, aggregate surveys of this sort can nonetheless be of great value to individual employers. Market-wide surveys can document, for example, whether a new arthritis disease management program initiated by a local health plan has a positive or negative ROI over the first year in the market as a whole.

Third, coordinated market-wide surveys carried out on an annual basis can be a value tool for quality assurance of health plan services. Both within-plan and between-plan comparative information can be generated from such surveys on the proportion of employees with specific conditions who are receiving treatment in particular health plans as well as the risk-adjusted work performance of employees with particular conditions in these plans. Trends in these statistics can also be charted in annual surveys to make sure good performance is being maintained and bad performance is being reduced over time.