

How to Switch on Employees[©]
Making the Transition to Outcomes Based Incentives
Bending the Cost Curve while Improving Employee Well Being
Scott Conard, MD, DABFM, FAAFP

How to Change when Change is Hard!

Over the last year the debate on the effectiveness of wellness programs has been called into question. Is there an ROI? Do wellness programs really change employee's behavior and risk illness, disability or death? How do corporations change the behavior and risk of their employees if not through wellness programs? How do we reduce costs without just transferring the risk onto the employees or getting out of the health insurance game completely? Obviously just repeating what we have done is not the answer. New solutions are needed to affect significant change. So where can we look for the answer?

Let's start by asking: do we push hard on education and informing our employees. Asked another way is making sure employees *know what to do* enough? My experience as a doctor would suggest not. As a weight loss expert who has helped hundreds of people lose weight, it is clear that there are many patients who can literally recite encyclopedic knowledge on calorie balance, exercise, food labels, and the latest best seller's strategy on effective weight loss - but they don't lose a pound. *They know what to do, but are not doing what they know.*

Maybe the key is to create or overcome a strong emotional response. In the patients mentioned above, often a life event preceded the significant weight gain. When this occurs there is no question that getting in touch with "what happened" and re-framing the experience in a more empowering and less threatening way makes a difference. But often, there was no preceding trauma, or the traumatic experience is reframed and the trauma resolved through beneficial and significant counseling, but no weight loss occurs. This suggests that attention to emotional issues may not be enough by itself.

Perhaps the environment makes the key difference. One company discovered their employees gain, on average over *twenty pounds* of weight in the first year they are working in certain departments (and this is not muscle weight - it is good old fashion fat). Employees are not allowed to be out of their seats more than 5 minutes an hour, they are rewarded with food when they achieve performance goals, birthdays are celebrated corporately with large cakes and free soft drinks (there are over 500 employees – more than one birthday per day on average), and long work days are common, leading many to work 10 or more hours a day minimizing the time for non-essential out of work activities like exercise.

Challenging environments are not just created at work. At home, the refrigerator often contains soft drinks, cabinets contain potato chips and cookies are baked and shared as a sign of love. Nutritious food is difficult to find and more expensive than fast food. Unfortunately, many obese children and adults do not have the resources to access nutritious food. So perhaps the reason we fail so frequently is that we are not looking at the environment. And yet many companies have very supportive environments without seeing lifestyles improve and health benefit costs move down.

One thing is for sure –within our corporations we are struggling to find the answer to effectively help our employees become healthier and more fit. The result? Higher costs, more sick days, employees not at work, or not functioning at a high level when they are at work.

Finding the Answer - Increasing Employee Engagement: Switching Your Focus

Have you ever been overwhelmed by all the TBU (true but useless) data provided in your Health Insurance Annual Report? It reminds me of looking at a photograph of a car accident – lots to see that went wrong, people hurt, and it is already done. To add insult to injury the report is often six or months after the end of the year and a whole new set of wrecks have occurred. There has got to be a better way!

Let's go back to the somewhat depressing and very sobering annual report on health benefit spend we spoke of earlier. What do we see?

1. We see Sarah, a 50 year old diagnosed with stage 3 breast cancer,
2. John, a 48 year old who had a heart attack at work,
3. Kristin, a 23 year old diagnosed with advanced cervical cancer,
4. Bill, a 37 year old having low back surgery,
5. Randy who had a serious car accident when he fell asleep driving one evening, and
6. Twins born at 26 weeks who spent six weeks in the hospital, and
7. We see many employees with neck, back, hip, knee, chest, pelvic and other pain going to emergency rooms and doctors trying to figure out what is causing their pain, and spending millions of dollars.

With the exception of the twins, these medical problems built up over time – 5 to 15 years, *and didn't have to happen*. What would have had to be done to avoid these tragedies? Basic prevention, wellness, and treatment recommendations – in today's vernacular the evidence based "Gaps in Care," would have had to be closed. Sarah and Kristin would have had to get their screening for cancer done earlier, John would have had to get his metabolic syndrome, blood pressure and cholesterol treated, Randy would have had to treat his sleep apnea, and Bill would have had to maintain his weight and focus more on fitness - all reasonable and very possible goals, but they didn't happen, and won't happen unless something significant changes.

So how do we change this when we have so many other things in our life demanding our attention? What if we moved to the paradigm laid out in the book Switch by Dan and Chip Heath? To illustrate these principles they use the analogy of the three things one must do to change the direction of an elephant walking down a path. To be successful in turning the elephant we must consider three variables;

1. First the rider (think willpower) must know the destination, the steps to get there, why to go there, and there must be a sense that the journey is possible,
2. Second the elephant (our emotions and the inertia of our life based upon habits, beliefs and experience) needs to be inspired, and has to have the journey broken down into achievable, small steps, and where necessary, the employees will need to cultivate and "I can do this" *learner* mindset, and finally
3. The path must be changed. To do this a new path of least resistance based on the easiest terrain, well-formed habits, and following the pack must be addressed.

How do we motivate the rider, change the path, and turn the elephant to a new direction? Let's look at how one company did it.

Making the Turn – Changing to Outcomes Based Wellness

Recently a HR team met to plan next year's health benefits. It started with a review of last year's changes and the outcome. Health costs went up 5%, but the projection for this year was closer to 10% with the new Accountable Care Act changes. Their President had made it clear that the company could not tolerate a 10% increase and they had to find a way to better manage the situation.

There was a general sense of frustration around the table. Catastrophic costs driven by diabetes, surgeries, cancer, and heart disease again were the top challenges and little headway had been made. The wellness program had paid out thousands of dollars to encourage employees to eat better, exercise more, and get their biometric screenings, but participation was still in the low 30% range. The HR team knew they had to make a significant change to make progress.

They studied other companies that had been successful in managing and decided that the keys for success were for every employee and their spouse:

1. Get their biometrics and normalize any that were not to goal,
2. Get age and gender appropriate wellness tests and exams recommended by the United States Preventive Services Task Force (USPSTF) performed by a high quality primary care doctor (preferably a patient centered medical home), and
3. Get the USPSTF recommended screening for cancer and treatment for diabetes, and heart disease performed at high value providers.

All employees were to be moved to a high deductible health plan to increase their involvement and to create a personal investment in making sure they took care of their health and had "skin in the game."

The HR team was really concerned about the reaction by the employees if they made these changes, yet they felt compelled to act. They appreciated their President wanting to save money on health care, and wanted whatever they were going to do to go off without a hitch so that they reached out to the HR staff at several companies that had successfully made this change and got their advice on how to roll out a new plan.

Implementing Outcomes Based Wellness – Making the *Switch*

How does a company switch directions to a plan that will actually improve the health of their employees and reduce health care costs? In the book *Switch* by Chip and Dan Heath, the analogy of a *rider* changing the direction of an *elephant* as it walks down the *well-established (less desirable) path* they reveal that it is *not a single strategy*. Rather all three of these key areas must be addressed to insure success, multiple concurrent, yet not overwhelming or too complex strategies are needed.

To start off let's focus on the first of these factors; the rider. The "rider" must know;

1. The exact destination (To change the rider must know where to go). In health benefit terms, the requirements to get rewarded, or to avoid penalties, must be well articulated. For instance on company decided that employees had to get their biometrics done and get their numbers to goal, identify and see a high quality primary care doctor for USPTSF wellness, cancer prevention and diabetes and heart disease recommended guidelines met.

2. Script the critical moves (The rider must understand the specific steps to complete):
 - a. Biometrics will be done at certain locations without charge for employees throughout the year or get it done at their primary care doctors and send in a form,
 - b. High quality primary care doctor recommendations can be obtained by sending an email or call the Health Pro (see below),
 - c. The list of USPTSF age and gender appropriate tests are available on line or can be obtained with an email or call to the Health Pro.
3. Why go to this destination? (The rider must know why the change is necessary): Treating conditions early or preventing conditions improves lives and saves money. Just acting based on if an employee “feels fine” delays identification of early diabetes, heart disease, and cancer. Early disease must be addressed before symptoms appear.

The rider is much smaller than the elephant and therefore must exert significant energy to change its direction. Clarity, commitment, and a well-designed plan is vital – the resources needed to change make having to do it a second or third time prohibitively expensive in resources and energy.

There must be a sense that the journey is attainable. If the destination seems too far away or the required change too drastic, the rider can lose enthusiasm and focus. Laying out realistic and attainable “baby steps” the rider stays focused and participate.

Insuring the “rider” of your change efforts knows exactly what to do, how to do it, and breaking the steps into manageable steps increases the likelihood of change efforts being successful. But the rider is only one part of the equation.

Motivating Employees. More than Providing Direction

An employee from a remote office location stopped by the office of her President at the corporate headquarters. Unsure of the exact purpose for the visit, the CEO asked thanked her for stopping by and her years of loyal service. Once seated, he paused and asked “how can I help you today?”

She looked at her hands folded in her lap and said, “Two years ago when you announced that we were going to have to get our biometrics done, see our doctor, and get our cancer screening done to qualify for the best health plan I was really angry. I am 28 years old, the single mother of two children and, frankly, I can barely get everything I need to do done and catch a few hours of sleep at night. To tell me I had to do more felt unfair. But I also could not afford to pay more for my health insurance, so I complied. At my exam the doctor found a breast lump and sent me for a mammogram. I then found out that I had stage one breast cancer. To make a long story short, it was a real hassle, but I got my treatment and the doctors say that I am now cured.”

She paused, obviously straining to maintain her composure. She looked at him directly and continued “I can tell you that without you requiring me to get my screening I would have put it off another five years. The doctor told me that if I had waited even one more year my cancer would have spread and my chance of surviving would have been a lot less. So I came here today to tell you thank you. Thank you for caring enough to require me to do the right thing, even though it costs the company more money, and you didn’t have to. Thank you for saving my life, and thank you for giving my kids their mom; they are still young and would have been alone if I had died.”

Surprised, the President expressed his appreciation of her stopping by and the great news that the doctor thought she was healed from her cancer. This was the second time in a month an employee had contacted him to thank him for helping discover early cancer.

Their health plan had gone from just another requirement, to a campaign to catch disease early and to save employees lives. Employees were inspired, and morale was better than ever. They had even begun a program to support “Health Champions” who encourage and support their employees in taking the ‘Baby Steps’ to go from reactive to proactive lifestyles, and to create a culture of wellness.

The *elephant* was being motivated down the path to a new destination. The employees found the feeling (not just understood the task), the change had been broken into realistic small steps, and employees were gaining more knowledge and experience in proactive wellness. A new mindset was emerging. It had taken two years but success was no longer in question.

Charting a New Path. Why Creating New Habits Saves Money

“Contact your Health Pro” became the mantra.

“Which plan should I chose the PPO, HMO, or high deductible plan?” Contact your Health Pro.

“Who is a great female family doctor near my home? Contact your Health Pro.

“Where do I get my colonoscopy done by the best doctor?” Contact your Health Pro.

“How do I find the best, lowest cost place to get my MRI of my back? Contact your Health Pro.

“My doctor says I need glasses, how do I use the vision plan?” Contact your Health Pro.

“I have a 3 month prescription and I don’t know how to do mail order.” Contact your Health Pro

“Where is the best cancer center and which doctor should I see? Contact your Health Pro.

“Do I qualify for a weight loss program?” Contact your Health Pro.

“Have I met all the requirements for the best health plan next year? You guessed it: Contact your Health Pro.

The human resources staff had only a few employees. The new outcomes based program had too many variables, something had to change. In the past employees called HR, they were given the phone number for the insurance plan, the wellness program, the PBM, the vision and dental programs, and so forth. But the number of phone calls and the complexity was too much. Often in frustration employees just gave up, the HR staff was exhausted, participation in programs was low, and costs were not coming down.

A new concierge program was brought in. The Health Pro was introduced. At open enrollment, company meetings, on the back of the health, vision, and dental cards, and on the corporate intranet site numbers and links were provided. Involvement in program and services dramatically increased. Every contact was tracked, behaviors were followed, and results documented.

Calls to the HR department went down significantly, over 40% of employees contacted their Health Pro, participation in mail order prescriptions, the employee assistance plan, the smoking cessation program, and the weight loss program all increased by double digits. The health care costs for CT scans, MRI scans, and colonoscopy were reduced by 50% for dozens of employees, and the use of the “Premium Physicians” who had met quality and cost metrics had increased by over 200% from baseline.

The financial return on investment for the new Health Pro program was reported quarterly and had varied ranged from 5:1 to 8:1 – total health care costs, which had been projected at 5 - 10% were

running closer to 3% for the year, and at one point had actually been negative until triplets were born at 28 weeks and a serious snow mobile accident had put an employee and his wife in the ICU. Finally the Net Promoter Score for the Health Pro was 72 – the highest for any vendor the company used.

As Chip and Dan Heath share in Switch, managing required shaping a new path. The employees had to change their habit from relying on the HR department for all the answers to contacting their Health Pro first. They were beginning to use *all* of their benefits, and to getting providing cost and quality transparency. The “herd” had made the turn and were actually encouraging each other on this new path.

The third key ingredient in making the “switch” was successfully navigated and momentum was building. By managing the three aspects of change the question was not “if” but “how much” success would occur each year.

Bending the Health Care Cost Curve. Making Sure Your Plan Can Succeed

Engaging and activating employees to become more proactive in screening for and managing medical conditions when employees “Feel Fine” is a challenge confronting every employer. Many companies are figuring out how, resulting in lower costs and healthier employees.

Dan and Chip Heath in Switch – How to Change Things when Change is Hard point to key variables in any change management effort. Using the simile of a rider guiding an elephant down a path to your destination they share three areas vital to success. Here are key variables the scripted;

1. *Directing the Rider.* The culture and beliefs of a company are vital in identifying what will lead to successful change management. Start by;
 - a. Identifying successful efforts in the past and understanding why they worked,
 - b. Scripting the critical, necessary moves – like moving to outcomes based benefit design, and
 - c. Pointing to the destination – we are moving from providing insurance to providing a culture that supports proactive early intervention and saves lives, to insure every employee is there for their co-workers, family, and friends.

Mistakes often made by employers in directing the rider include failing to get c-suite support, not appreciating the politics and informal power structure within a culture, not making the key moves clear, not communicating clearly and repetitively, and failing to articulate the goal in a way that an employee’s appreciate and understand the relevance to their *whole* life, not just their time at work.

2. *Motivating the Elephant.* Rational understanding of why and what to do is only one aspect of successful change. Elephants are large, have momentum, and don’t like to change from the well-known, understood, and worn path. Turning an elephant requires;
 - a. Appealing to the “heart” to touch, move and inspire action. “I have a dream” and “We choose to go to the moon” united and solidified a change far more than “here are the three things to be done and why we are going to do them.” Share inspirational moments along the journey so employees appreciate the difference being made by this change.
 - b. Create baby steps. Trying to bite off too much too quickly will choke the process. We all know the joke “how do you eat an elephant? One bite at a time.”

- c. The importance of a learner’s mindset, being open to growth and change, is so obvious it goes without saying, however making this as a theme of the change effort is often overlooked. To embrace a new way of thinking about proactive health requires a shift in mindset from “providing insurance” to “insuring that we are doing what we know to do to empower employees to be healthy and productive at work and at home.”

This is an area of health benefit change that will need significant new attention in most companies. As opposed to directing the employees (telling them what to do), motivating the employees requires the HR team to lean heavily on their EQ (emotional), SQ (social), CQ (cultural) quotients as opposed to only the IQ. Ironically this is perfect for the HR staff, which often appreciate these aspects of their company, but who often reduce the focus when rolling out change efforts to appeal to the CEO, COO and CFO, who rely on a rational, logical approach to run the company.

3. *Shaping the Path.* Employees are busy. Having to stop and figure out aspects of their life, like health benefits, that are not central to everyday success at work and at home slows the development of “muscle memory.” Answering the question “how do I get employees to ‘do the right thing’ to utilize their benefits to the fullest, without having them have to “figure it out” every time is the challenge being addressed.
 - a. The environment must support the change. Making it easier to do what you want them too than going back to their old ways. Healthy on site café’s, on site, near site, or mobile clinics, starting every shift with injury preventing stretching or activity, and on site activity centers change the environment and have been implemented (in the right situation) with success.
 - b. Building new habits such as “contact your health pro” for any benefit related question simplifies and allows employees to confront new challenges in a “just in time” fashion with the development of one simple new habit.
 - c. Elephants (and employees) travel in packs. Behavior is contagious and reaching the “tipping point” where embracing the change you are advocating in the company goes from “you did what?” to “of course, that is what we all do” does not happen overnight but will occur.

As I wrote this I received an email from a human resources director at a rural production facility.

“Hi all. I just wanted to let you know that one of our employees had one of age and gender screenings due to the new benefit plan. An issue was found at an early stage and he will be having surgery to correct it and is expected to be 100%. He told me that if it hadn’t been for our new health plan he never would have gotten the screening and in about a year would have been in a much worse state. So, **thank you** for the new health plans.”

This is a recurrent theme. Plans that encourage and support effective change make a difference. If you enjoyed this eBook, read [Switch – How to Change Things when Change is Hard](#). This only begins to scratch the surface of this revealing, well done book. The research and stories shared from Viet Nam to radishes (and many others) in [Switch](#) provide more examples of how to navigate change successfully and will both entertain and motivate your team.

Scott Conard, MD DABFM, FAAFP
Founder and President Converging Healthcare, LLC
(817)691-4970 & scott@scottconard.com