

Controlling presenteeism

A healthy and productive workforce is the solution

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It’s Monday morning and your employees are at their desks working—to some degree. Bill is having a mild asthma attack that’s making it hard for him to concentrate. Anne is dealing with depression, so she’s missed some deadlines. And Dana is still worn out from the flu, so she made a bookkeeping error that could cause some problems later in the year. They’re at work, but they’re not really all there. This loss of productivity is called *presenteeism*, and it’s more costly to your business than you think. How is your health plan working with you to improve the total health and productivity of your workforce?

PRODUCTIVITY LOSSES: COSTLIER THAN DIRECT MEDICAL EXPENSES

Presenteeism is the loss of productivity that occurs when employees come to work while ill and can’t perform well. Researchers say presenteeism can cut individual productivity by one-third or more. Without access to appropriate preventive care and support tools, employees can become a drain on a company’s profitability.

A greater cost than direct medical expenses

When your employees aren’t at their best, it can have a huge impact on your business. With employees more likely to come in to work sick than take the day off, you’re experiencing higher productivity losses when they’re actually at work but unable to perform. One study showed a 28 percent drop in productivity when employees missed work altogether

versus a 72 percent drop when they were at work while sick.¹

And the cost of lost productivity easily outweighs what employers spend on direct medical costs. Studies show that productivity losses cost employers \$2 to \$3 for every \$1 of direct medical costs such as health care premiums or pharmacy spending.² With the national average of combined direct medical costs hovering around \$7,000 a year per employee, presenteeism-driven productivity losses could cost employers as much as \$21,000 a year per worker.

CHRONIC CONDITIONS CONTRIBUTE TO PRESENTEEISM

Although employees often report to work with minor illnesses (such as a cold), researchers have isolated chronic conditions as the major contributors to presenteeism. But many chronic conditions like asthma and depression

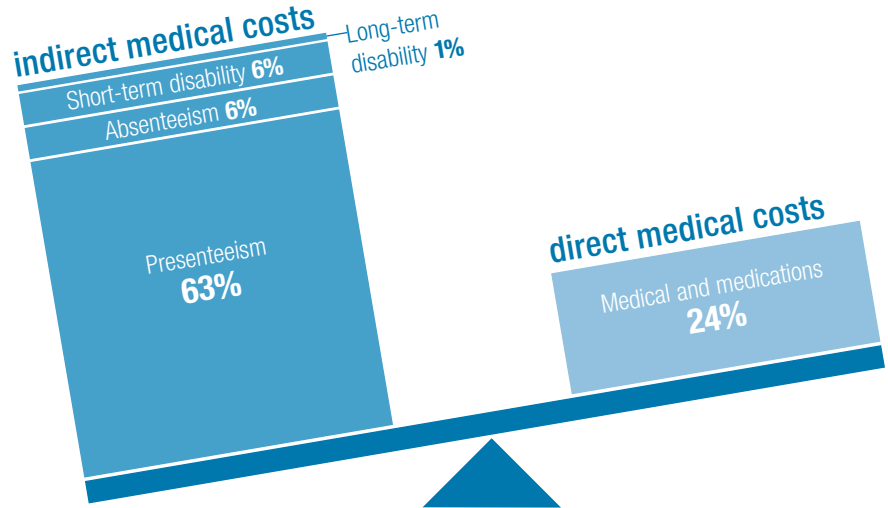
can be effectively managed through preventive care services and positive lifestyle changes.

KEEPING YOUR EMPLOYEES HEALTHIER AND MORE PRODUCTIVE

At Kaiser Permanente, we’ve always encouraged members to take an active role in improving their own health by emphasizing prevention and wellness. Members have a better chance of achieving optimal health and avoiding the pitfalls of presenteeism with the support of integrated care delivery that emphasizes:

- Effective care management programs
- Easy-to-access health improvement programs
- Educational resources
- A wide array of decision support tools

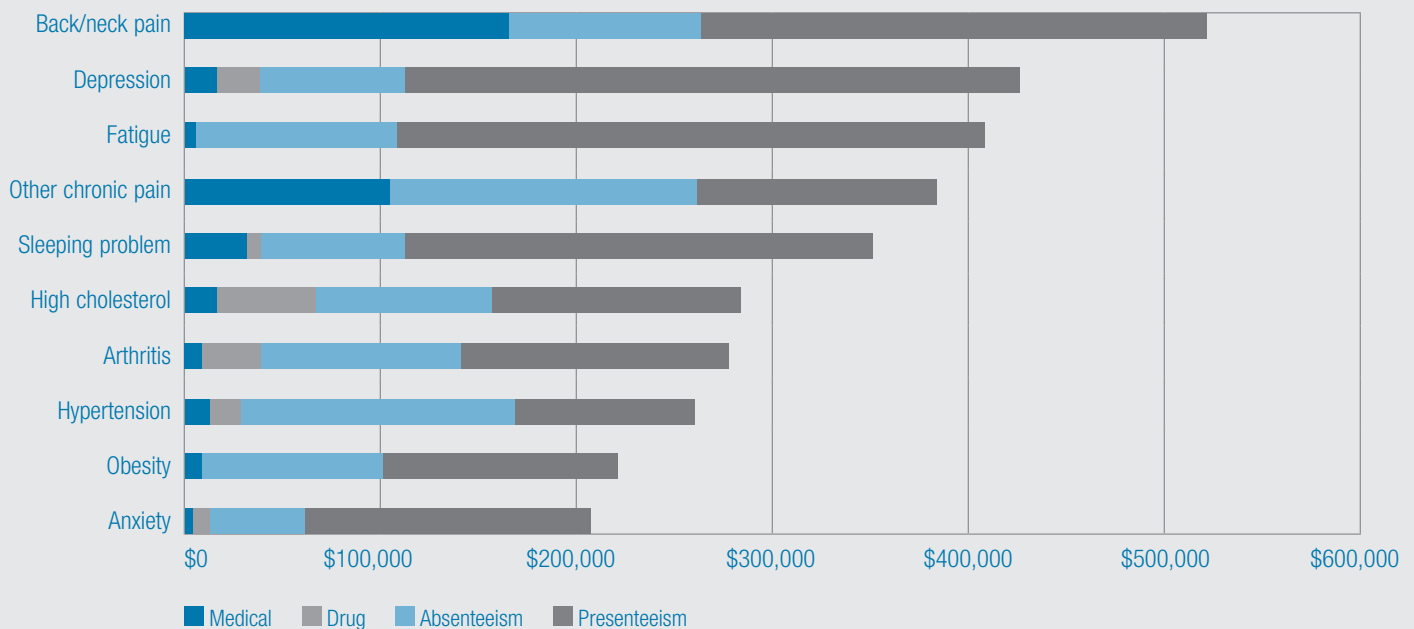
A BROAD VIEW OF HEALTH CARE COSTS



At \$2,000 per year per employee, presenteeism is an estimated 7.5 times more costly to employers than absenteeism.^{3,4}

FOCUS ON THE CONDITIONS THAT DRAIN PRODUCTIVITY

The cost of presenteeism compared to traditional health care burdens



Add to this mix a robust online personal health record that allows members to manage health on their own time and you've got a comprehensive plan to keep employees healthy and productive at work.

Kaiser Permanente's Care Management Institute: A unique resource for preventing and controlling chronic conditions

One of your most valuable resources in helping employees stay healthy and productive by managing chronic conditions is the internationally respected Kaiser Permanente Care Management Institute (CMI). CMI is one of the first organizations in America to earn disease management certification from the National Committee for Quality Assurance (NCQA), as well as multiple awards from the Disease Management Association of America (DMAA). Its innovative, patient-centered practices are shared with Kaiser Permanente physicians nationwide, as well as with organizations such as the Centers for Disease Control and Prevention (CDC). These practices form the basis for Kaiser Permanente Complete Care disease management programs.

KAISER PERMANENTE COMPLETE CARE FOR CHRONIC CONDITIONS

Recently, you may have noticed a swell in the number of disease management programs being offered to employers by health plans. These programs are often provided through one or more third-party vendors that focus only on a certain condition. Our Complete Care disease management programs offer an integrated approach that

SOME CONDITIONS LIMIT PRODUCTIVITY MORE THAN OTHERS

The conditions most attributable to a company's health care costs—and productivity levels—aren't what you might think.^{5,6}

Health condition	Percentage of workforce affected	The cost of lost productivity per employee per year
Back pain	38%	Nearly \$400
Depression	38%	Nearly \$400
Arthritis	33%	More than \$200

After a productivity audit, Pitney Bowes officials were shocked to see they'd lost \$51.7 million (the equivalent of salaries for 1,477 full-time employees) annually in lost production time due to conditions commonly associated with presenteeism.

EMPLOYEE BENEFIT NEWS, DECEMBER 2002

focuses on caring for the whole person. Members with acute and chronic conditions receive personalized, state-of-the-art, team-based treatment from caregivers within our extensive system of professionals. With Complete Care, members receive the treatment, support, and encouragement they need to cope with their illness.

Your employees can count on us for our proven approaches in helping prevent the causes and symptoms of chronic conditions. Your business will benefit from healthier and more productive employees—and a better bottom line.

Our Complete Care programs help with specific conditions

The following Complete Care programs are designed to help members avoid or manage chronic conditions through a CMI-approved combination of clinical care, health education, and self-management tools.

- Complete Care for Allergies
- Complete Care for Asthma
- Complete Care for Cancer
- Complete Care for Cardiovascular Disease (coronary artery disease, stroke, hypertension, congestive heart failure)

- Complete Care for Chronic Pain
- Complete Care for Depression
- Complete Care for Diabetes
- Complete Care for HIV/AIDS
- Complete Care for Weight Management

Research shows a 20 percent drop in productivity due to obesity.

It takes teamwork

Members and their personal physicians work together to manage chronic conditions. The process starts during a routine office visit, when a member's personal physician notices the person has either risk factors or symptoms related to a chronic condition. Often, the first step taken by the physician is to enter the patient into a registry of members who have the same condition.

Registries enable caregivers to reach out to an entire group of patients with the same condition in order to track health trends and monitor the effectiveness of treatments. Members benefit from our registries because they help caregivers track patients' compliance with their doctor's recommendations. If the registry shows that a member missed a scheduled lab test, treatment, or doctor's appointment, the person will be contacted at home. Registries also help ensure that members receive appropriate care for their level of health by grouping patients according to the severity of their condition and offering treatment guidelines for each level.

PREVENTIVE CARE GIVES YOU THE POWER TO HELP

You've got many resources to manage the effects of chronic conditions. The National Center for Chronic Disease Prevention and Health Promotion has identified a number of simple lifestyle changes and preventive activities that can help people live healthier by avoiding serious illnesses and complications. For example:

- Lowering body weight by 5 to 7 percent can prevent or delay type 2 diabetes in high-risk groups.
- Eating more fruits and vegetables reduces risk for heart disease and some cancers.
- Regular physical activity lowers risk for heart attack, colon cancer, diabetes, and high blood pressure.
- Quitting smoking cuts heart disease risk by half in just one year.

One study shows that firms with highly effective health and productivity management programs have 20 percent more revenue per employee and five times lower sick leave.

Both physicians and members are supported by a variety of tools, including Kaiser Permanente HealthConnect®—our leading-edge information technology system that stores members' medical records for easy and secure retrieval by any Kaiser Permanente authorized health professional. The system also provides physicians with powerful decision support resources and a clinical database.

HIGH-TECH HELP FROM KP HEALTHCONNECT

The U.S. government has mandated that all patients have online access to their medical records by 2014. Your employees won't have to wait that long—with KP HealthConnect,

online personal health records are here today. Members can expect greater convenience and access to more of their health information with online services such as "E-mail my doctor's office," "Refill prescriptions," and "My test results."

The My Health Manager personal health record on kp.org allows members to conveniently see test results, send e-mails to their doctor's office, and review recent office visit summaries.⁷ These features are available at no additional cost. Anytime, anywhere access to these online health services improves employee productivity. For example, a study by the University of California at Berkeley and Stanford

University shows that patients who communicated with their doctors online were 50 percent less likely to miss work because of illness.

Avoiding costly complications—our doctors receive alerts about potential drug interactions twice as often as other large providers, and more than seven times as often as sole practitioners.

MEMBER SELF-MANAGEMENT TOOLS

Members are empowered to take an active role in their health care with the KP HealthConnect-enhanced health education and self-care tools available online at kp.org. Member self-management resources include:

My Health Manager personal health record—secure access to convenient features helps members maximize productivity. By e-mailing their caregivers, they don't have to leave work for a doctor's visit—so they're more focused and productive during the workday. In 2007, members sent more than 3 million e-mail messages on kp.org to their doctors' offices.⁸

Healthy living resources—increase employee knowledge about chronic conditions, treatments, self-care techniques, and medications to help them avoid presenteeism. Educational resources include a health encyclopedia, drug encyclopedia, and featured health topic overviews with links to related

classes and community resources. In-person classes at most of our facilities offer hands-on help for a wide variety of chronic conditions and healthy activities.

Healthy lifestyle programs—customized online programs help employees lessen the effects of chronic conditions:

- HealthMedia® Succeed™ health assessment to determine risk factors
- HealthMedia® Relax™ to reduce stress
- HealthMedia® Balance™ for weight loss help
- HealthMedia® Nourish™ for developing healthier eating habits
- HealthMedia® Breathe™ for smoking cessation
- HealthMedia® Care™ for Pain to manage chronic pain
- HealthMedia® Care™ for Your Health for overall chronic conditions management

PHYSICIAN DISEASE MANAGEMENT TOOLS

Your employees' health will benefit from the wide variety of resources that help our physicians stay up-to-date on risk factors and treatment options:

- Your employees will receive prompt attention because regular disease screenings identify members in low-risk, moderate-risk, and high-risk groups.
- Appropriate care is ensured because KP HealthConnect onscreen alerts simplify clinical decision making by providing doctors with updated best-practices guidelines for specific conditions.

92 percent of registered kp.org members have recommended or would recommend Kaiser Permanente because of our extensive online services.⁹

- Members will find it simple to get the benefits of multiple physicians' expertise during consultations because KP HealthConnect enables physicians to view the same patient records simultaneously from various locations.
- Patient safety is protected because allergies and potentially dangerous medication interactions appear as electronic alerts when prescriptions are entered into the system.

KAISER PERMANENTE COMPLETE CARE WORKS

You can expect positive results from our preventive health programs because we rigorously evaluate them to ensure that they meet both employer and employee needs. To get a better idea of how well our disease management programs work, take a look at some of our successes:

Breathing easier with asthma

Positive results for members participating in our asthma management program include fewer hospitalizations, fewer Emergency Department visits, and fewer acute asthma episodes. As a result, members with asthma are away from work less and are feeling better and more productive on the job.

↑ Up—use of asthma controller medications

Use of appropriate asthma medications increased, on average, to 94.6 percent across all Kaiser Permanente regions in 2006.¹⁰ By managing asthma with controller medications over the long term, people with asthma can help avoid medical crises.

↓ Down—use of asthma rescue admissions

Our asthma care management program has helped lower hospitalization rates for our members with asthma to less than half the national rate, according to the National Hospital Discharge Survey. The national rate was 12.5 per 10,000, compared with Kaiser Permanente's rate of 5.4 per 10,000 continuously enrolled members.¹¹ Additionally, our 2005 hospitalization rate of 5.4 per 10,000 members with asthma is substantially lower than the 2010 target of 7.7 per 10,000 patients established by the CDC.

Sweet success in diabetes control

By helping members maintain healthy blood sugar and cholesterol levels, our diabetes management program can reduce the risk of complications that can impair a person's productivity. Our members have successfully controlled their blood sugar levels through self-monitoring, weight control, and healthy eating techniques offered by Kaiser Permanente. That means members with diabetes are feeling healthier and are better able to function at work.

HEALTHY LIFESTYLE PROGRAMS—PROVEN RESULTS*

Healthy lifestyle online programs encourage members to live more healthily, helping them be more productive and keep health care costs down. Since August 2004, more than 250,000 of our members have used at least one of the healthy lifestyle online programs.

HealthMedia Balance—online weight management

- Of approximately 82,000 participants in the weight management program, 37 percent were considered obese or extremely obese—and therefore likely to be less productive at work. The average productivity impairment level due to obesity was an estimated 21 percent.
- Assuming that 37 percent of a workforce of 10,000 employees with an average salary of \$50,000 were obese or extremely obese, the estimated cost of lost productivity would be \$4.3 million.
- Among members surveyed who completed the weight management program, 56 percent lost weight after participating for six months.
- Of members with a body mass index (BMI) greater than 18.5, 39 percent reported dropping at least one point. And 30 percent of the obese members lost 5 percent of their starting body weight.

HealthMedia Breathe—online smoking cessation

- More than 13,000 members participated and 56 percent of those surveyed quit smoking. The average productivity impairment level due to smoking was an estimated 18 percent.

HealthMedia Relax—online stress management

- 56 percent of participants surveyed reported a decrease in personal symptoms of excess stress.

HealthMedia Care for Your Health—online chronic conditions management

- Members who participated in Care for Your Health have chronic conditions such as high blood pressure, obesity, depression, and back pain.
- 70 percent of those surveyed indicated health improvement as a result of the program.

These positive results offer real proof that employees are willing to participate in preventive health programs for lifestyle changes that can lead to presenteeism.

*Kaiser Permanente Program Outcomes, HealthMedia® January 2008.

↑ Up—blood sugar monitoring among members with diabetes

Among our members with diabetes, 90.4 percent in Northern California and 86.1 percent in Southern California received a blood sugar test during 2006. Blood sugar monitoring is crucial to catch problems early, so physicians and patients can work together to reduce risk of the debilitating complications that often accompany diabetes. Across all Kaiser Permanente regions, control of blood sugar among members with diabetes has increased steadily since 1996.¹²

Beating heart disease with cardiovascular disease management

Keeping members with heart conditions healthy and fit for work is the goal of our Complete Care for Cardiovascular Disease. We've had great success in controlling conditions that can lead to heart disease.

↑ Up—number of patients receiving beta-blockers after a heart attack

Beta-blocker treatment after a heart attack can save lives, especially among high-risk patients with diabetes or heart failure. In 2006, members in California who had a heart attack received a beta-blocker prescription 98 percent of the time.¹³

↑ Up—ALL a winner in preventing heart attacks

When studies showed the lifesaving impact of using a combination of three groups of medications, we launched the Aspirin-Lisinopril-Lovastatin (ALL) Initiative to increase the use of these three cardio-

Innovation and excellence get noticed

America's Health Insurance Plans Foundation has noticed the great results of our ALL Initiative and presented Kaiser Permanente's CMI with a 2006 Innovation and Excellence Award: Chronic Care in the Large/Affiliated category.

vascular medications in all patients with coronary artery disease and all patients with diabetes age 55 and older. According to Archimedes, a computer simulation model, use of ALL over 10 years for just 10,000 members with coronary artery disease would result in 4,063 heart attacks avoided, 893 deaths avoided, and more than \$44 million saved.

HELPING EMPLOYEES AVOID PRESENTEEISM

Remember our earlier presenteeism scenario? Here are examples of ways our disease management services can help some of those employees get healthier and increase productivity—at home and at work.¹⁴

Asthma

Bill's asthma wouldn't interfere with his concentration so much if he took advantage of our health education materials, online self-care tips, and asthma care classes. His personal Kaiser Permanente physician would also recommend that Bill attend one of our flu shot clinics and use the HealthMedia Breathe program to quit smoking.

Approximately 54 percent of members participating in the Breathe program report that they've quit smoking. Of those who quit, 95 percent say they're highly motivated to stay smoke free.

Depression

Anne doesn't have to face depression alone. While our disease management program for depression offers careful diagnosis, appropriate medication, and ongoing monitoring of her condition, lots of self-care options are available as well. Our classes and publications can help members understand depression and the importance of continuing to take appropriate medications. Support groups give members a forum to interact with others having similar problems. And our HealthMedia Balance and HealthMedia Relax programs encourage exercise and stress reduction to help counter the effects of depression. Among members who participated in the Relax program, 59 percent reported a reduction in their stress symptoms.

Flu

While not a chronic condition, the flu can take a major toll on health and productivity in a workplace. Dana might have avoided the flu altogether if she and her 7-year-old had taken advantage of our free flu shot clinic.

On our member Web site, flu is one of our featured health topics. Dana can learn how to protect herself and her family from the flu, get advice on home remedies to help everyone feel better,

and discover that staying in bed at home can be a wise course of action.

CHOOSE THE RIGHT PLAN TO MANAGE PRESENTEEISM AND BOLSTER TOTAL HEALTH AND PRODUCTIVITY

When you choose a Kaiser Permanente health care plan, all of our preventive, health, and disease management services

are included at no extra charge. With our Complete Care programs, you'll have the tools to guide your employees from presenteeism to productivity.

Learn more by contacting us at 1-800-893-2971 from 8 a.m. to 5 p.m. Pacific time, Monday through Friday.

ENDNOTES

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- ² Marybeth Stevens, "Present dangers: Presenteeism is the next area of focus as companies seek to maximize their investment in human capital by improving productivity and promoting employee health and wellness—disability," *Risk & Insurance*, March 2004.
- ³ Daniel Sitter, "Presenteeism: The Hidden Costs of Business," eZine articles, June 2005.
- ⁴ Soeren Mattke et al., "A Review of Methods to Measure Health-related Productivity Loss," *American Journal of Managed Care*, April 2007.
- ⁵ Harris Allen et al., "The Burden of Pain on Employee Health and Productivity at a Major Provider of Business Services," *Journal of Occupational and Environmental Medicine*, 47(7):658-670, July 2005.
- ⁶ Ronald Loeppke et al., "Health and Productivity as a Business Strategy," *Journal of Occupational and Environmental Medicine*, 49(7):712-721, July 2007.
- ⁷ Some services not available in all areas.
- ⁸ Kaiser Permanente Internet Services Group, *KP Internet Metrics 2007 Annual Report*, February 2008.
- ⁹ According to participants in a recent survey. Kaiser Permanente Internet Services Group, *KP Internet Metrics 2007 Annual Report*, February 2008.
- ¹⁰ NCQA Commercial HEDIS[®] results for 2007, based on 2006 performance. The source for data contained in this publication is Quality Compass[®] 2007 and is used with the permission of the National Committee for Quality Assurance (NCQA). Any analysis, interpretation, or conclusion based on this data is solely that of the authors, and NCQA specifically disclaims responsibility for any such analysis, interpretation, or conclusion. HEDIS (Healthcare Effectiveness Data and Information Set) and Quality Compass are registered trademarks of NCQA.
- ¹¹ Kaiser Permanente Care Management Institute, *The Right Thing*, October 2005.
- ¹² NCQA Commercial HEDIS[®] results for 2007, based on 2006 performance.
- ¹³ Ibid.
- ¹⁴ *Kaiser Permanente Program Outcomes*, HealthMedia[®], January 2008.

Information in this publication was accurate at the time of production. However, details may have changed since publication. For the most current information on our plans and services, check with your sales executive or account manager.