

MANAGING EMPLOYEE HEALTH GLOBALLY: THE BUSINESS IMPERATIVE

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Agenda








- Setting the global context
- Leveraging new funding mechanism's
- Global Health Management
- Defining Success
- Questions










WHY MANAGE EMPLOYEE HEALTH GLOBALLY?



Setting the global context: Health care inflation

E7 Country	2011 Medical Inflation
 Brazil	9%
 China	9%
 India	12%
 Indonesia	10%
 Mexico	15%
 Russia	15%
 Turkey	10%

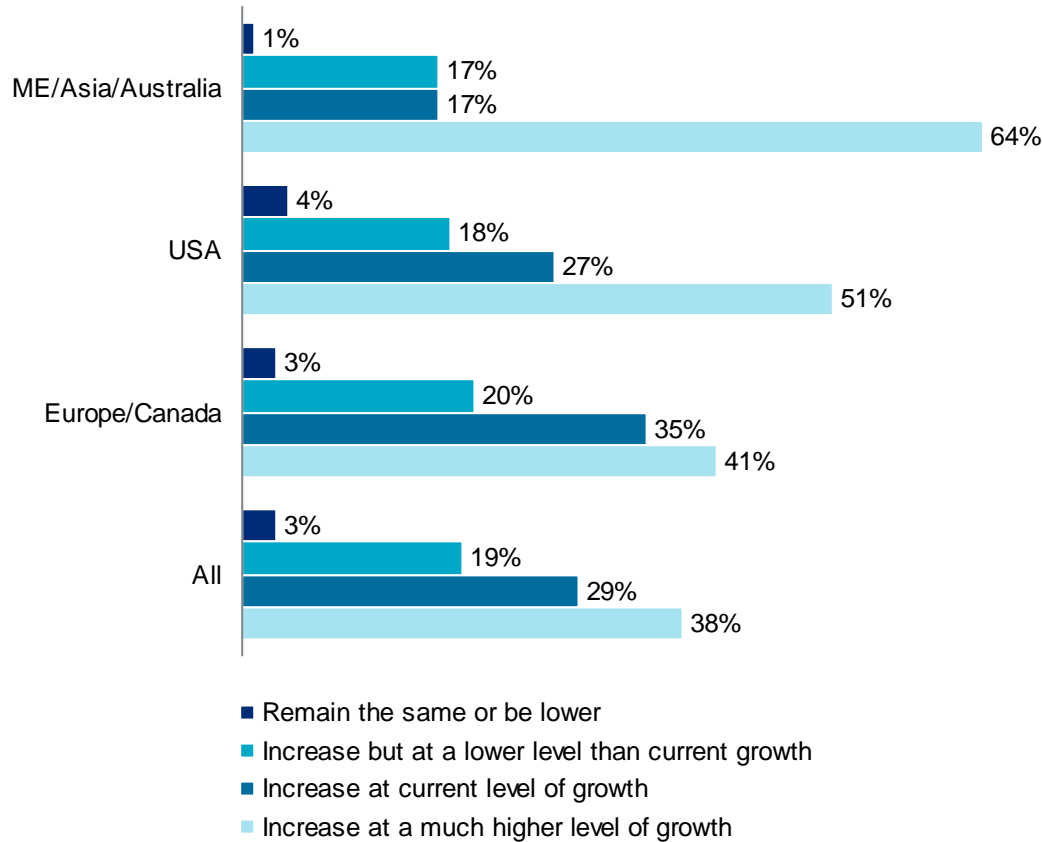
G7 Country	2011 Medical Inflation
 Canada	12%
 France	10%
 Germany	10%
 Italy	10%
 Japan	4%
 United Kingdom	11%
 United States	7%

Source: Marsh and Mercer December 2011 Surveys

Setting the global context:

Employers are concerned about the impact of healthcare cost

How much do you expect health spending to increase in your country?



Reasons for rising costs

- Medical technology advances
- Aging population
- Rising middle class
- Poorer health habits
- Chronic diseases
- Expensive drugs
- Government shifting cost to private sector

Source: PriceWaterHouse Coopers Health Research Institute: Health Cast 2020: Creating a Sustainable Future (2005)

Setting the global context:

A large gap emerging between what governments can afford and what employees need and expect

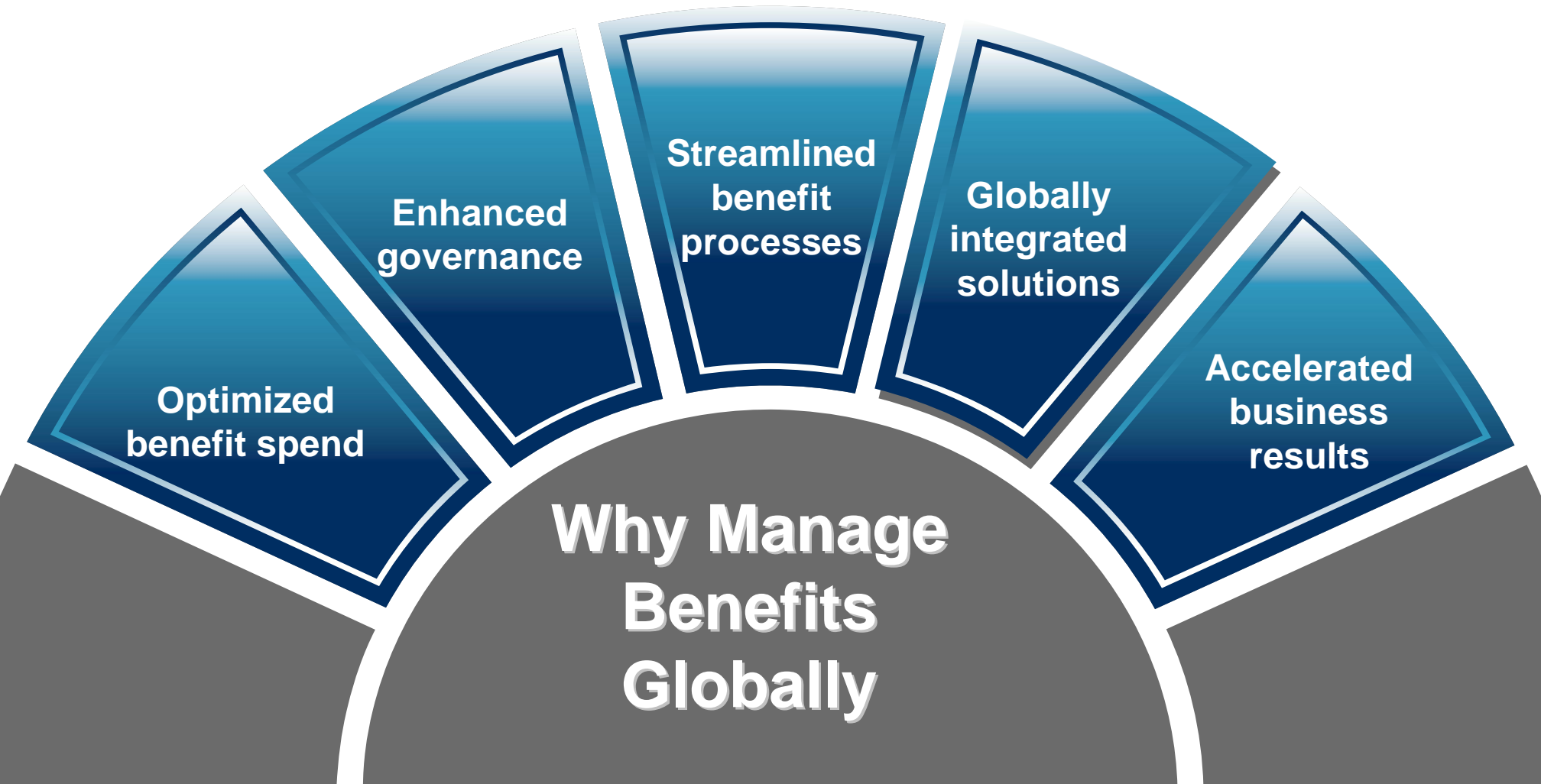




WHY FUND EMPLOYEE HEALTH USING A GLOBAL APPROACH?



Why Global Benefit Management ?



Global Benefits and Global Health Connected

GBM
(global benefits management)



“Global broking of insured benefits”

Savings from:

- Global leverage with insurers, resulting in upfront premium reductions
- Increased savings under pooling
- Savings through reduction in commissions and the provision of consulting services free of additional charges

Focus on premiums

GHM
(global health management)



“Improving employee health globally”

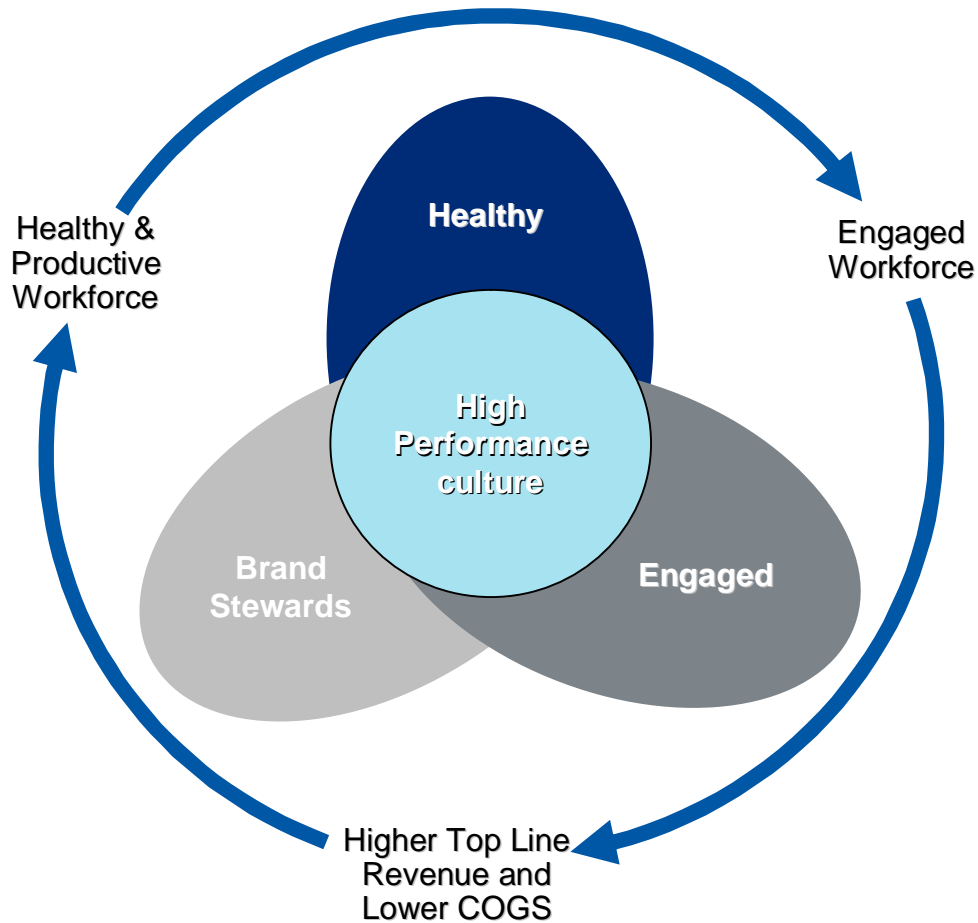
Savings from:

- Prevention and management of treatment-related claims
- “Employer of choice” status
- Improved productivity

Focus on claims and health improvement

As the international health insurance market matures and premiums move to experience rated, smart companies will need to shift to manage what drives claims

Global Health and Wellness Foundation for Investment



Health and Wellness management

- Healthy people are present
- Healthy are less likely to have high claims costs
- Healthy people have less worksite injury's
- Healthy people set a Social Norm

Engagement

- Healthy people are more engaged employees
- Engaged employees are more focused on their customers
- Engaged employees are contagious
- Engaged employees leave the organization less often

Brand Stewardship

- Brands grow business
- Brands matter more in emerging markets
- As of January 2011 Word of mouth is 600 million people on face book
- Employee Based Brand Equity (EBBE)

A GLOBAL APPROACH

The slide features a white background with a thick teal horizontal bar at the top. Below this bar, the text 'A GLOBAL APPROACH' is centered in a dark blue, sans-serif font. The lower half of the slide is decorated with three horizontal lines: a dark blue line that slopes slightly upwards from left to right, a perfectly horizontal dark blue line, and a teal line that slopes slightly downwards from left to right.

Health issues vary considerably by country

% of companies agreeing conditions have impact on employee health/productivity and employer cost

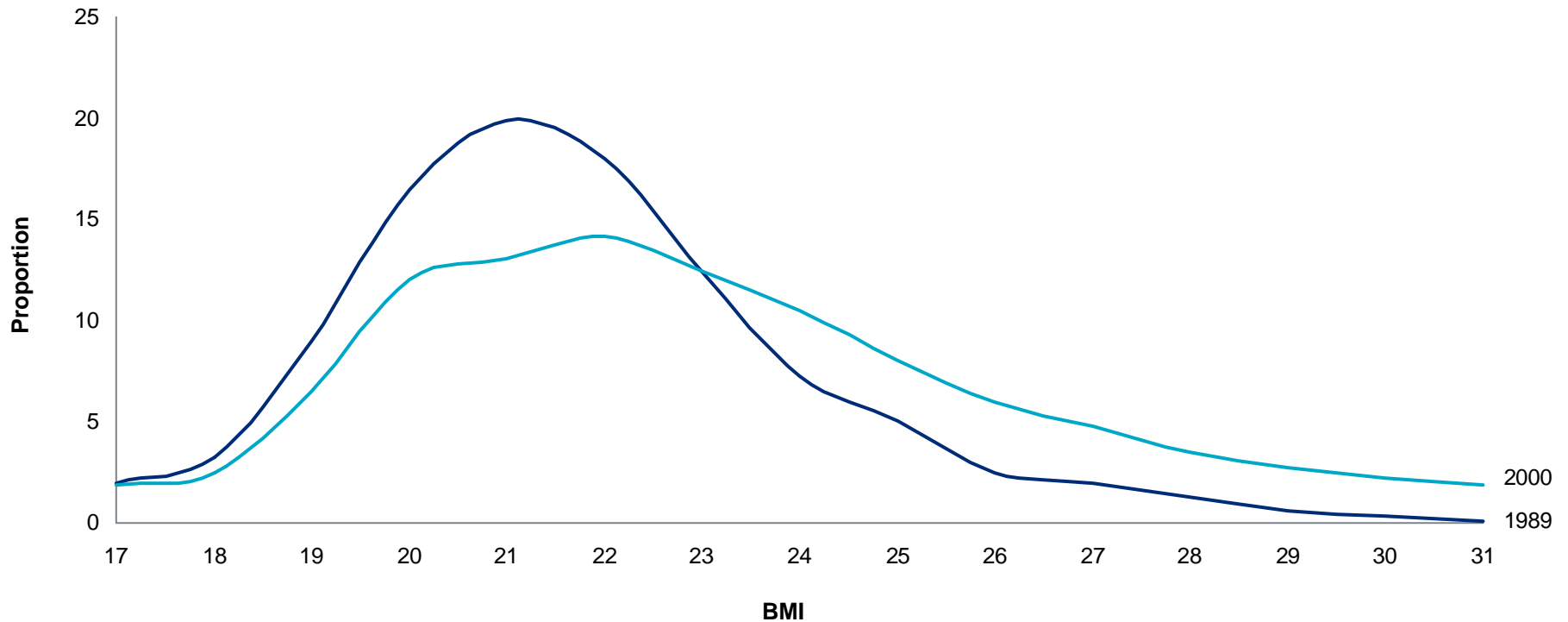
	Diabetes	Heart Disease	Chronic Respiratory	Musculo-skeletal	Cancer	Stress	Depression	Substance Abuse
Global	31	41	37	56	40	70	45	26
China	36	43	43	57	52	72	52	35
Singapore	37	40	38	44	45	58	38	28
Philippines	42	49	51	45	29	74	21	10
Argentina	20	31	29	62	23	69	37	20
Brazil	43	61	47	65	46	75	57	38
Mexico	36	44	41	49	41	76	37	21
Canada	48	51	41	62	50	81	68	30
Poland	10	22	26	50	17	58	21	17
Spain	15	30	21	60	36	51	43	25
United Kingdom	10	20	18	53	37	57	43	12



Source: 2009 Mercer Employee Choice survey measuring employers' perceptions, not necessarily based on actual health data

Shifts in the BMI distribution for Chinese men, 1989–2000

Males



Ref: Wang H, Du S, Zhai F, Popkin BM. Trends in the distribution of body mass index among Chinese adults, aged 20–45 years (1989–2000). *International Journal of Obesity* 31(2007):272–278.

Implementation approach

Build the foundation for success

Strategy and Governance

Development of 3 to 5 year global health business plan

- Executing from the “center” with local input
- Guiding principles
- Branding
- Funding (corporate vs. local)

Global Shared Initiatives and Services

Determination of What Can and Should be Done Across the organization

- Branding and other adaptation
- Programs to be developed and implemented across the enterprise (e.g., health risk assessment, employee assistance plan)

Roll Out

Local Region/ Market Interventions

Determination of Where, When and What is Done at the Site, Country or Regional Level

- Phased launch and/or deeper dive interventions approach
- How locations/regions will be selected
- Level of support provided from the “center” vs. local accountability
- Sharing successful practices across the enterprise

Diagnose within a business context

MERCER

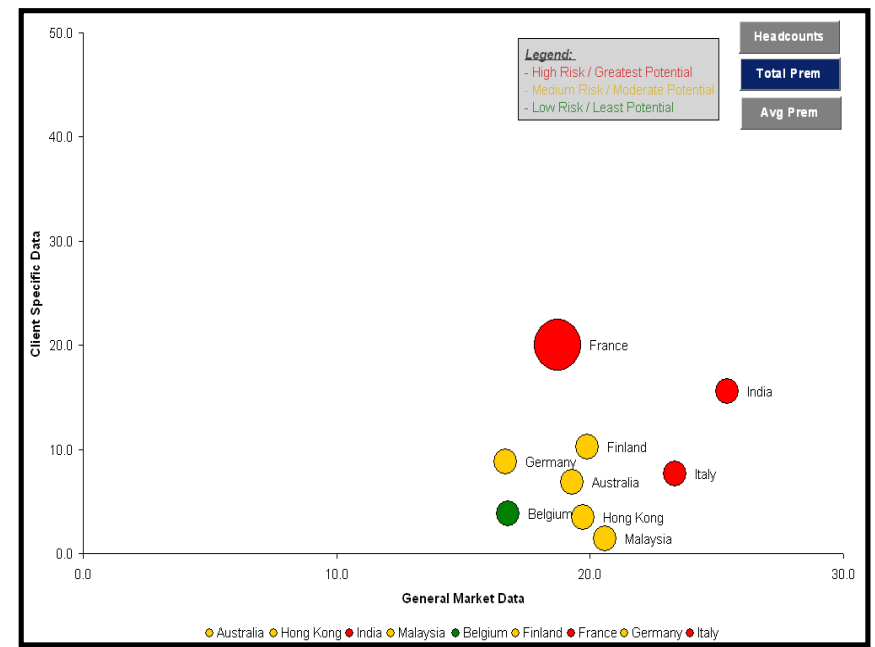
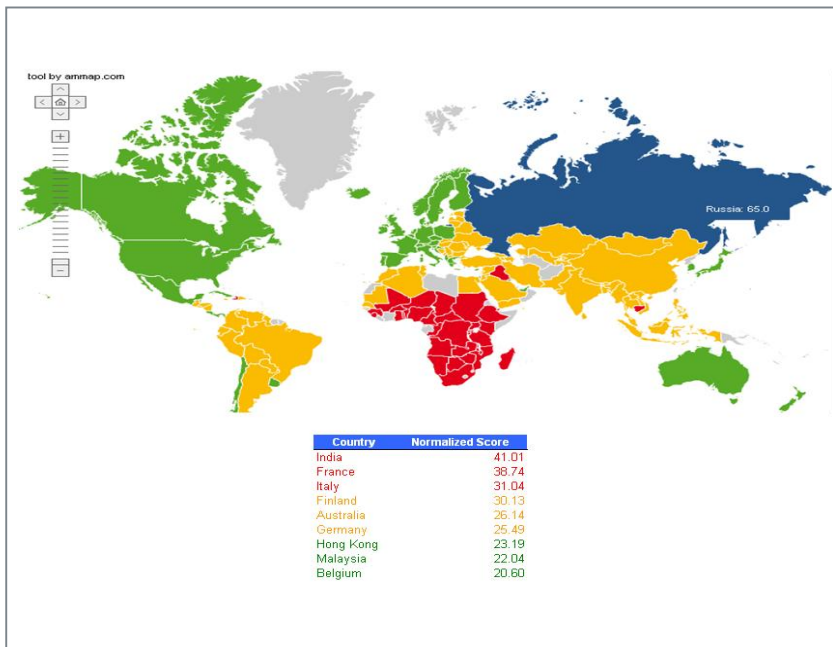
Welcome to Mercer's GH Prioritizer

Instruction:

- 1) Please review "Mercer Default Weighting" for each metric and assign "New Weighting" that you view appropriate
- 2) Please ensure that the new weightings add up to 100%
- 3) Please click "Next Step" to proceed to "Data Entry"

Category	Sub-Category	Mercer Default Weighting	New Weighting	
3. Health and Wellbeing	3.3 Adults aged ≥ 15 years who are obese (%) - female	5.0%	2.5%	
	3.4 Prevalence of smoking any tobacco product among adults aged ≥ 15 years (%) - male	5.0%	5.0%	
	3.5 Prevalence of smoking any tobacco product among adults aged ≥ 15 years (%) - female	0.0%	5.0%	
	3.6 Antenatal care coverage (%) - at least four visits	5.0%	0.0%	
	3.7 Alcohol consumption among adults aged ≥ 15 years (litres of pure alcohol per person per year)	5.0%	5.0%	
	3.8 Population using improved drinking-water sources (%) - urban	0.0%	5.0%	
	3.9 Out-of-pocket expenditure as a percentage of private expenditure on health	0.0%	2.5%	
	3.10 Gallup Wellbeing Daily Experience Score (%)	0.0%	5.0%	
	4. Disease and Disability	4.1 Prevalence of tuberculosis (per 100 000 population)	0.0%	2.5%
		4.2 Diabetes Percentage of people aged 20 years and above with diabetes 2000	5.0%	5.0%
4.3 Disability DALYs lost per 1000 population 2003 or latest available data		5.0%	5.0%	
4.4 Prevalence of HIV among adults aged 15-49 years (%)		5.0%	2.5%	
4.5 Adult mortality rates (probability of dying between 15 and 60 years per 1000 population)		0.0%	2.5%	
5. Infrastructure		5.1 Adult literacy rate (%) - 2000-2009	5.0%	2.5%
	5.2 Number of Internet Users per 1,000 population	5.0%	2.5%	
	5.3 2010 Market Indicator	5.0%	5.0%	
	6. Organizational Readiness to Change	6.1 Leadership support	5.0%	0.0%
6.2 Existing HR resources		5.0%	0.0%	
6.3 Existing clinical resources		0.0%	0.0%	
6.4 Existing champion network		0.0%	0.0%	
6.5 Language requirements		0.0%	0.0%	
6.6 Overall enthusiasm		0.0%	0.0%	
6.7 Decision making requirements		0.0%	0.0%	
Grand Total		100.0%	100.0%	

Next Step



Define Success: Measurement Strategy

Short and Long Term Metrics

Short-Term Measures
(0-12 Months)



Intermediate-Term
Measures (12-24 Months)



Long-Term Measures
(2-5 Years)



Leading Indicators

Lagging Indicators

