



# Achieving Population Health Improvement at the Worksite: The Role of Culture and Organizational Environment

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# Overview

- The Business Case for Corporate Health Efforts
- The Rationale for Inclusion of Culture in Corporate Health Strategies
- Case Study: Analysis of Culture in the Dow Health Strategy
- Summary



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# Business and Financial Case





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# The Business Case

- Total economic impact related to employee and retiree health likely exceeds \$750 million/year for Dow.
- Keeping US health care benefit costs in the lower end of the trend estimates could save Dow as much as \$0.07/ share in 2008.
- Many health care experts have estimated that a third of current benefits expenditures may be spent on unnecessary or inefficient care.
- Most experts agree that 30 - 50% of health care conditions and illness could be modified by preventive health interventions.
- Significant legislative and regulatory actions are developing and pending which will impact health care, particularly in the US.



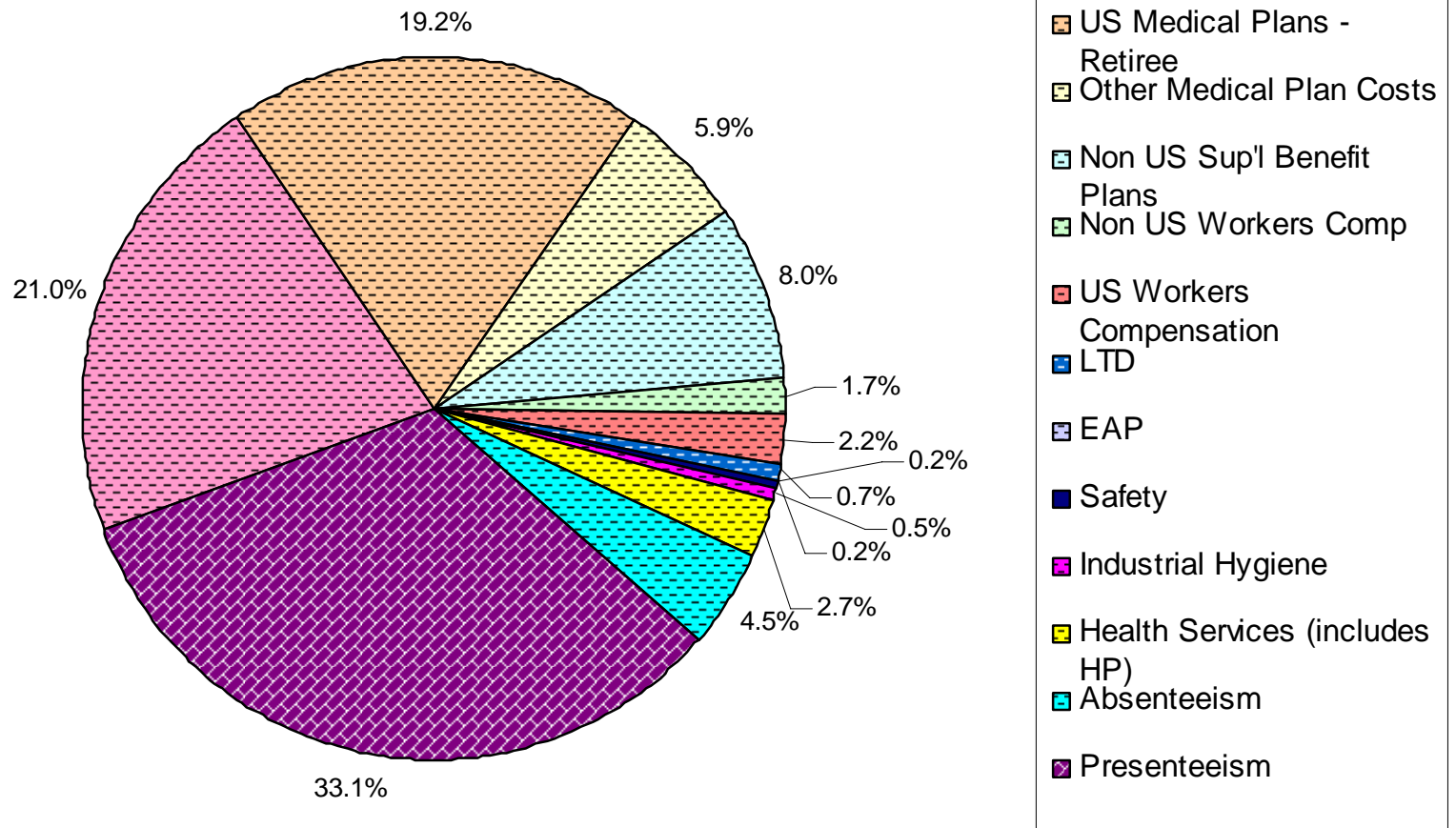
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# The Dow Health Impact Opportunity

The opportunity is to design and implement a Dow Health Strategy that supports an improved financial position relative to the economic impact from health AND creates a climate of support, engagement and satisfaction on the part of key stakeholders (plan participants, health care providers, vendors and Dow leadership).

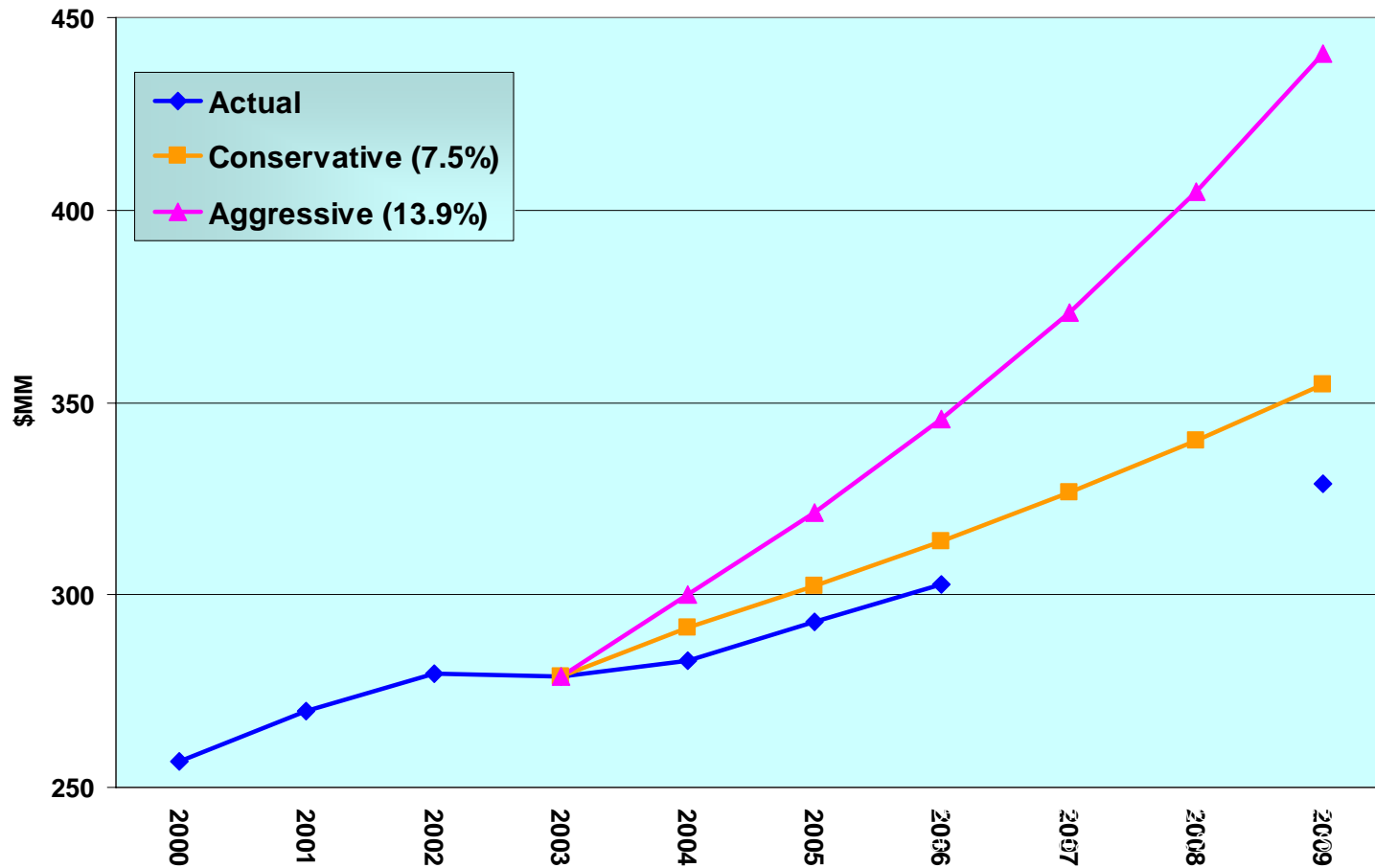


# Total Economic Impact of Health - 2006





# US Direct Cost Trend



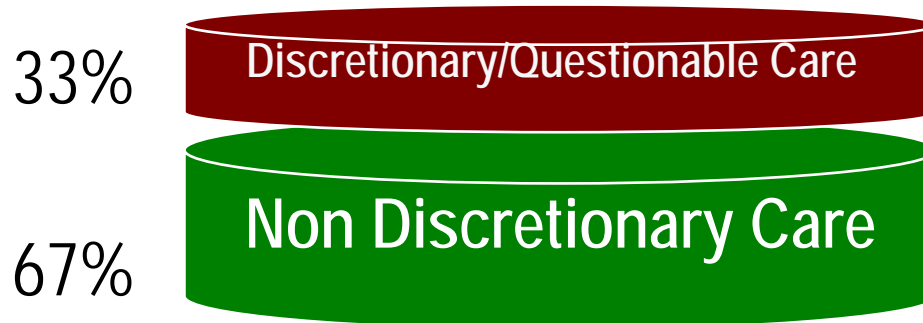
Source: Dow Benefits Center – Medstat Shareholder's Report 2006;  
Kaiser Employer Health Benefits 2003 Annual Survey

# Poor Quality and Effectiveness in Health Care

Research shows that up to 1/3 of medical expenses are unnecessary, counter-indicative, or harmful to the patient.

41% of hysterectomies  
44% of CABGs (coronary bypass)  
41% of PTCAs (balloon angioplasty)  
65% of carotid endarterectomies

*Source: RAND Health*

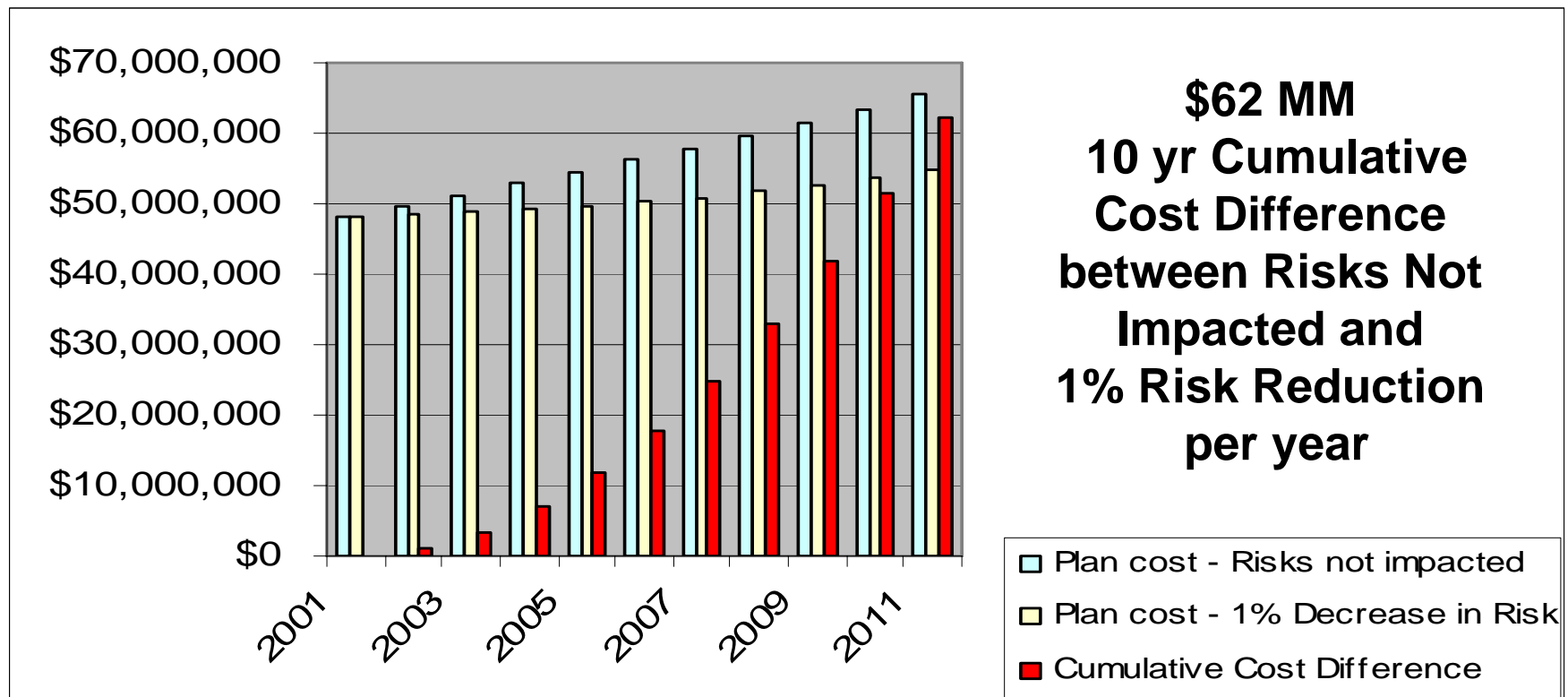


*Source: Towers Perrin citing RAND Health/UCLA Appropriateness Method, 1997*

*Midwest Business Group on Health, Reducing the Costs of Poor-Quality Health Care Through Responsible Purchasing Leadership, 2002.*

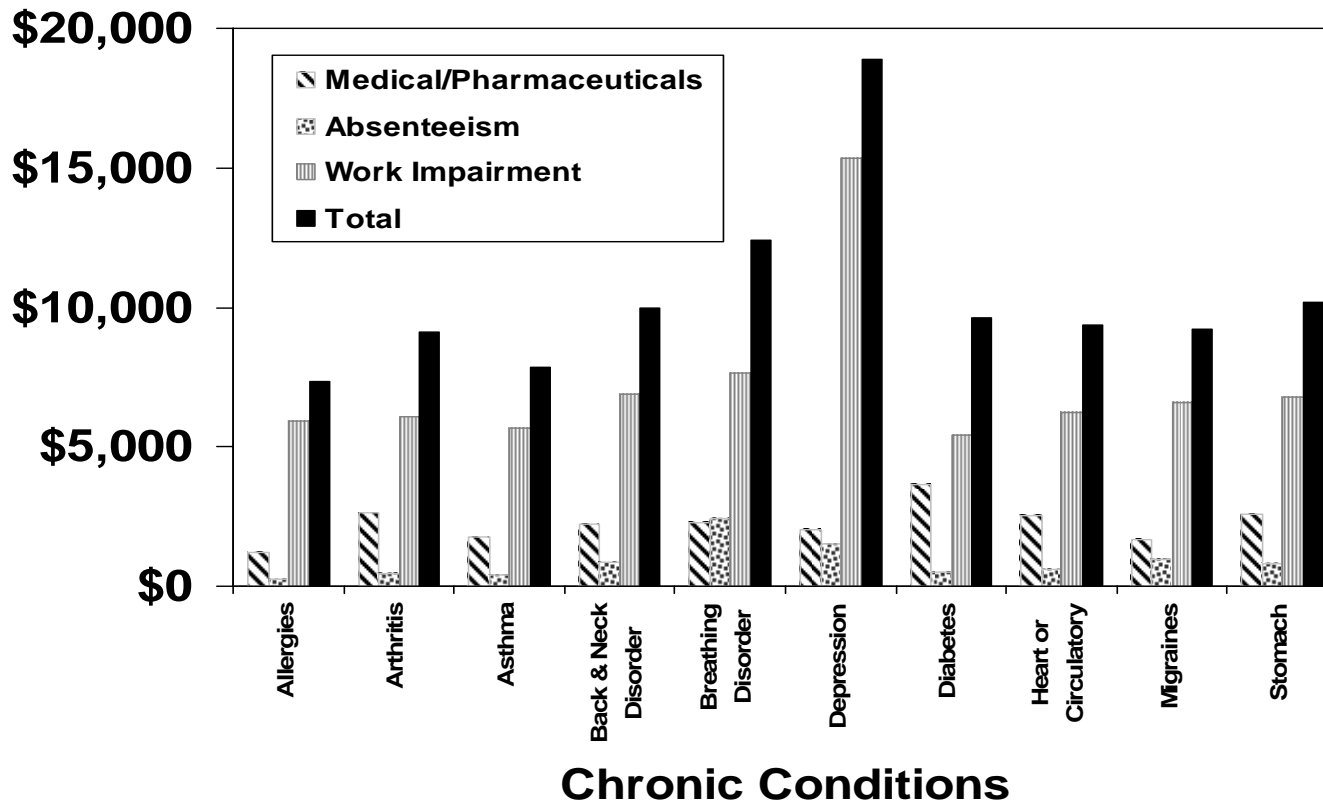


# Example of Impact of Health Risk Factor Reduction on Medical Benefits Plan Costs

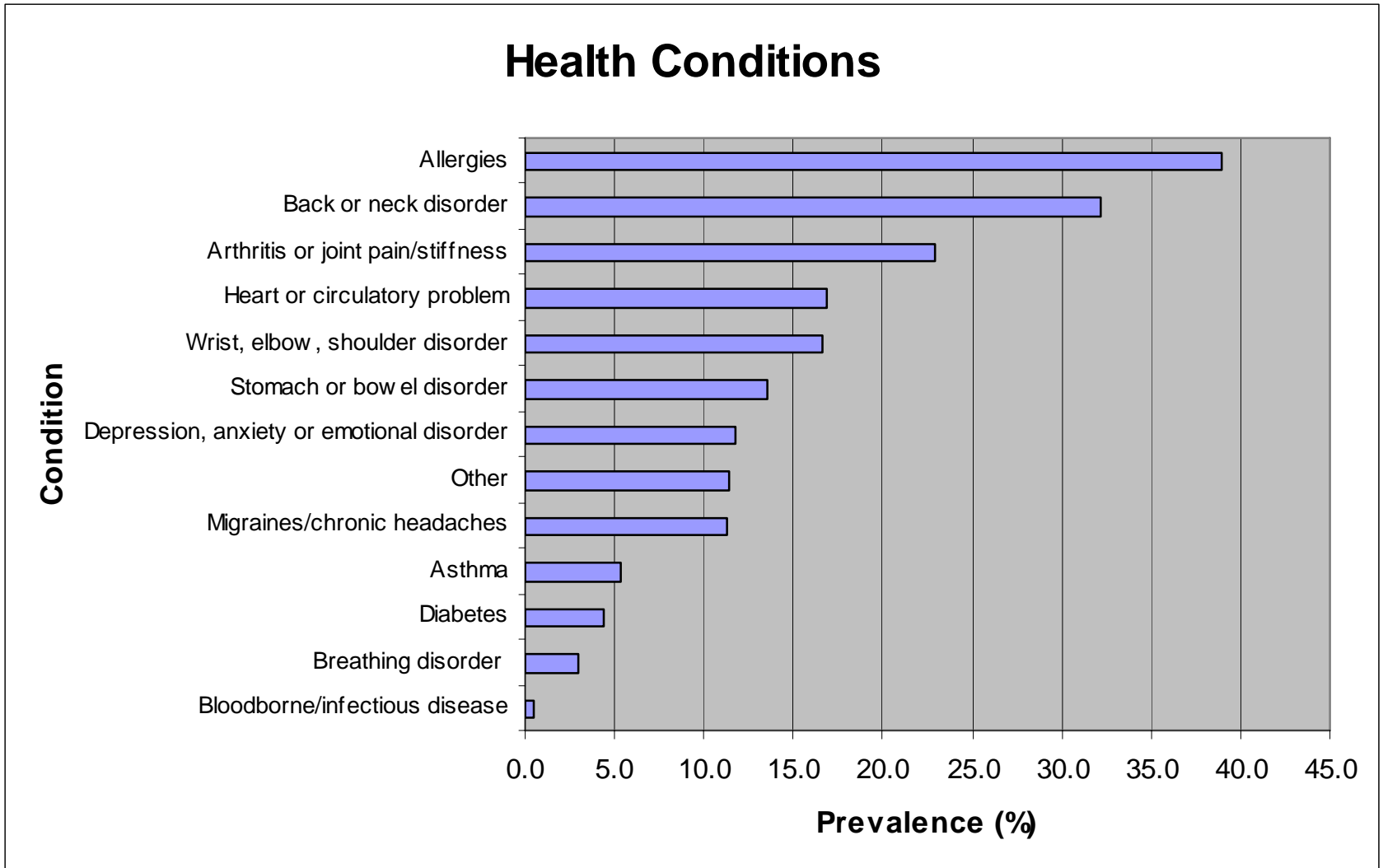


Based on Published Medstat study using U.S. Dow employees (in constant dollars)

# Presenteeism Study - 2002



## Health Conditions





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# Total Costs of Chronic Illness

Prevalence X average economic impact = Economic impact  
for each illness

Rank order illness by economic impact

Examine capacity to impact

Set priorities

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# The Dow Health Strategy

Vision: We optimize health, human performance, and the long-term value for Dow by offering an array of health programs and services for employees, retirees, and dependents as part of being an employer of choice.





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# Some Challenges After the Business Case is Approved

- Defining the optimal array of programs and services
- Establishing a healthy culture
  - Harnessing the power of culture to advance health
- Keeping the “License to Operate” as a corporate health program

# Importance of Culture Focus



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# Organizational Culture Descriptions

- The integrated pattern of human behavior that includes thought, speech, action and artifacts....
- The prevailing behavior patterns... and reflects what is acceptable or not acceptable, what is important or not important.
- "How things get done around here"

Source: Joel Levey, PhD, Michelle Levey, MA, IHPM, 2001

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# Elements of Organizational Culture

- Values
- Heroes
- Rites and Rituals
- Culture Network

Source: Joel Levey, PhD, Michelle  
Levey, MA, IHPM, 2001

- Unique Experiences
- Storytelling

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# Culture Focus in Health Promotion Programs

## Healthy People 2010: Two Major Worksite Objectives

- At least  $\frac{3}{4}$  of US employers, regardless of size will offer a comprehensive employee health promotion program that includes the five elements in Table 4.
- At least  $\frac{3}{4}$  of US employees will be participating in employer-sponsored health promotion activities.

Table 4.

- » **Health Education** focused on skill development and **lifestyle behavior change....**
- » **Supportive Social and Physical Environments**
- » **Integration** of the Worksite Program into the **organization's culture**
- » **Linkage to related programs** like employee assistance, work and family...
- » Worksite Screening Programs linked to medical care and follow up ...



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# Levers That Impact Individual Behaviors

## Benefits Roundtable 2003

1. Rewards/recognition
2. Communication
3. Structure of programs and services
4. Organization health culture
5. Individual beliefs and attitudes
6. Personal health status



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# Organizational Health Culture

- In addition to incentives, communications, and program design, the Roundtable's 2003 Health Behaviors Survey tested the influence of different cultural elements on health-related behaviors.
- The Roundtable's analysis shows that some organizational health culture elements (such as caring about health and open communications) outpace other elements (such as visible senior management support and team-based work) in terms of participation influence.

Source: Benefits Roundtable 2003 Health Behaviors Survey



## KEY ELEMENTS IN YOUR CULTURE

*Cultural elements that drive employee health-related behaviors*

Health Behavior	Top Three Culture Elements		
	1st	2nd	3rd
Preventive Medicine	Company cares about the health and well-being of its employees	Employees communicate comfortably with one another regardless of their position or level	Company has high degree of positive energy regarding personal health and fitness
Exercise	Coworkers care about their health and well-being	Company has high degree of positive energy regarding personal health and fitness	Company makes it easy to discuss matters about health with others
Diet	Company encourages employees to participate in company-sponsored health events	Employees communicate comfortably with one another regardless of their position or level	Company cares about the health and well-being of its employees

Source: Benefits Roundtable 2003 Health Behaviors Survey



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# World Economic Forum, 2007

Preventing chronic disease requires a strategy that starts with gold standards for structuring and measuring success. There are four elements: **Leadership, Culture, People and Process.**

These gold standards require a coordinated approach. For example, active leadership is crucial, but it alone will not guarantee success. It must be coupled with interventions, incentives and measurements.

<b>Leadership</b>	Promote active leadership of senior management in wellness initiatives
<b>Culture</b>	Align wellness goals with business strategy
	Create a supportive environment and culture focused on wellness
<b>People</b>	Target interventions based on unique characteristics of employee population
	Offer incentives to encourage participation and better outcomes
	Use targeted and ongoing mass communication
<b>Process</b>	Collaborate with external parties through public-private partnerships
	Establish evaluation and monitoring programmes to measure change, outcomes and financial impact



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# Considerations for Incentives

Understand the implications for culture

- Intrinsic and extrinsic motivation
- Ownership and responsibility for health and success
- Long-term impact
- Is this the nature of the engagement desired?

Source: Health Promotion Practitioner



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# Dow Experiences with Culture and Health

- Design
  - Integration and development of principles
- Communication Strategy
- Leadership Involvement
  - Leading by Example
- Programs and Services
- Health Services Staff Culture
- Vendors and Providers



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# Dow Health Message Map

- Employee Health – Protection of health for workers, human performance optimization, financial performance
- Public Health Impact – Product stewardship and community citizen responsibilities, financial, educational/ intellectual, physical/ security
- Products for Health Impact – Meeting important societal human health needs



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# Health is Important to Dow

- The health of Dow people is vital to our performance.
- We are concerned about the affordability of increasing healthcare costs and are focused on both good health outcomes and effective management of direct and indirect costs.
- We strive to contribute positively to the communities where we operate.
- We have a mission to constantly improve what is essential to human progress by mastering science and technology.

*Andrew Liveris, President & CEO, The Dow Chemical Company  
Partnership for Prevention, Leading by Example  
June 2005*



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# Communication Strategy

- Focus on shared responsibility and behavior
  - Emphasize the benefits to the individual – both financial and health wise
  - Integrate messages into existing communications and processes, i.e., expand *safety* culture to *health and safety* culture
  - Recognize that health issues are very personal, therefore a heavy-handed approach will not be effective
- Sample objectives:
  - Create a corporate culture that supports people being healthy
  - Extend the “culture of health” to include families and retirees



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# Organizational Health Culture: Leaders

While visible commitment from senior management is not as strong a driver of an individual's participation in prevention, **senior management does have a significant role to play in forging a corporate culture in which employees believe that the organization cares about their health and well-being.**

Benefits Roundtable of the Corporate Executive Board  
January 2004



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# A Strategic Approach to Building a Culture of Health

- "I believe we need a sustained focus on prevention to maintain and improve the health of our people. Prevention has the power to make a real and lasting difference in our individual quality of life...
- ...Our analysis shows that prevention can improve both our direct and indirect health related costs. Our profit potential is inextricably linked to the capability and performance of our employees....
- ...We have recently strengthened our commitment to this effort by adopting a strategic approach to building a culture of health with prevention as a major pillar in our overall plan."

*Andrew N. Liveris, President and CEO*

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# Communication: E-health

- Good Health for the Whole Self
  - Global
  - Brand – builds trust through consistency
  - Intranet site and Internet–web-based self service
    - » [www.dowfamilyhealth.com](http://www.dowfamilyhealth.com)





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## History – Corporate Smoking Policy

U.S. Policy – First U.S. policy implemented in 1993

» *Owned by Human Resources*

» *Supported by Health Services*

Current U.S. Policy - Implemented January 1, 2003

*All Dow property and meetings  
are smoke free.*



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# Culture Impact

## Health Surveillance

- 90% participation in 2004 globally.
- 95% of employees responded that health assessment is a valuable service provided by Dow.

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# Summary

- Organizational culture is an important priority when addressing health.
- Careful consideration of organizational culture can improve success.
- All strategy and implementation approaches impact organizational culture whether intentionally or unintentionally.



Thank You