The Impact of EMPAQ®

27th annual Worksite in the Wellness
March 12th 2008
OBJECTIVES:

- What is EMPAQ®
- UM-HMRC partnership with NBGH on the EMPAQ® Project
- What can EMPAQ® do for your company
- Overview of current EMPAQ® reports and findings
EMPAQ® HMRC TEAM

• Dee Edington  HMRC Director
• Susan Hagen  Analyst
• Chih-Wen Pai  Analyst
• Louis Yen  Analyst
• Wei Zhou  Data Programmer
• Willy Wangsa  Data Programmer
• Amanda Cyr  Project Manager
National Business Group on Health

- NBGH represents large employers and provides practical solutions to its members’ most important health care problems

- The Business Group represents 288 members

- In May of 2007 NBGH and the University of Michigan Health Management Research Center (UM-HMRC) announced a partnership

- The HMRC became the central warehouse for EMPAQ® data and subsequent analysis and benchmarking
What is EMPAQ®?

EMPAQ® = Employers Measure of Productivity, Absence and Quality

Provides methodology and set of standardized metrics to help employers...
  • Accurately measure benefit programs outcomes
  • Benchmark with industry-based productivity measures
What is EMPAQ®?

• EMPAQ® metrics are provided for these benefit program types:
  
  • Workers’ Compensation
  • Short-Term Disability
  • Long-Term Disability
  • Family Medical Leave
  • Group Health
  • Incidental Absence
  • Employee Assistance Program
What can EMPAQ® do for your company?

• Employers use EMPAQ® to:
  • Evaluate internal benefit programs performance
  • Validate improvement via external benchmarks
  • Help foster senior management support for programs
**Employer Participation: 2004 - 2007**

* For submission of certified EMPAQ® data by program type

- 2004: 31
- 2005: 62
- 2006: 77
- 2007: 169
EMPAQ® Certified Data: Employer Submissions*

- Aetna
- AOL
- AON
- Ascension Health
- AT&T/Cingular
- Bayer
- Bear Stearns
- Boeing
- Chevron
- Coors
- Corning
- Dell
- Erie Insurance
- Fiserv
- GAMBRO BCT
- General Electric Co.
- General Mills
- General Motors Corp.
- Gulf Power
- Hannaford Bros. Co.
- Harley Davidson
- H. E. Butt Grocery Co.
- Honeywell
- IBM
- Intel
- JPMorgan Chase
- Lockheed Martin
- PepsiCo
- Praxair
- Pfizer
- Pitney Bowes
- Qwest Comm.
- TBS
- SCANA
- Sutter Health
- UPMC
- Watson Wyatt
- Verizon
- FedEx

* Sample list of 169 direct participants
EMPAQ® Certified Data: Participating Suppliers

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<thead>
<tr>
<th>Aetna</th>
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<tr>
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Process Flow

- **Participant Registration**
- **EMPAQ® Certification Activities**
- **Provide Data to UM-HMRC**
- **EMPAQ® RESULTS**
  - Certified Data Reported by Industry Sector
  - **INDIVIDUAL COMPANY REPORTS**
  - **EASY ACCESS!**
  - **EASY ONLINE SUBMISSION**
  - **SUMMARY RESEARCH REPORT**
EMPAQ® Timeline for 2008-2009

- **Data Submission Period**: 2008
  - EMPAQ® Data Integrity Report: Available immediately after data submission
  - EMPAQ® Benchmarking Report: Available July 15
  - EMPAQ® Annual Summary Report: Available Fall
**LONG TERM DISABILITY**

Company: The Sample Company  
EMPAQ® Program Year: 2006

<table>
<thead>
<tr>
<th>Metric Description</th>
<th>Numerator</th>
<th>Denominator</th>
<th>Calculation</th>
<th>EMPAQ® Reasonable Ranges*</th>
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<tr>
<td>Annual Claim Incidence</td>
<td># New LTD</td>
<td>Average # LTD</td>
<td>70 x $10,846</td>
<td>Low: 1, Mean: 4, High: 10</td>
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<td>Cost per Claim</td>
<td>Total LTD</td>
<td># of Active LTD</td>
<td>$5,206,546</td>
<td>Low: $3,000, Mean: $15,000, High: $50,000</td>
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* The 2006 EMPAQ® Reasonable Ranges were used to report the Low, Mean and High Comparison points. These metric ranges were put together to aid a certified EMPAQ® data submitter in evaluating the reasonableness of their data submission. The high and low numerical ranges have been assembled from actual EMPAQ® data representing hundreds of previous employer participants.

These data ranges are used to alert a data submitter if any of their calculated metrics fall outside the recommended ranges developed for the EMPAQ® metric data submission process. And if so, to provide the data submitter a chance to check the accuracy of their submission and make any corrections before their EMPAQ® benchmark comparison reports are produced.
EMPAQ®
Data Benchmarking
Report Example
Summary Research Report

• Allows employers to:
  • Compare specific program cost, lost-time utilization, and productivity performance with their industry peers
  • Outlines valuable benefit program findings
  • Provides employers with important aggregate and cross-program benchmarking for the health and productivity arena
STD Metric by Industry Type
2006 EMPAQ® Selected Industries

STD Loss Workdays Per 100 Employees

- Manufacturing: 371
- Finance: 293
- Prof. Services: 329
- Health Care: 276
Workers’ Comp Metric by Industry Type 2006 EMPAQ®
Selected Industries

Workers' Comp Incidence
Per 100 Employees

- Manufacturing: 4.9
- Finance: 1.3
- Prof. Services: 1.3
- Health Care: 4.0
Summary Findings from 2006 Data

- The nineteen metrics for STD, LTD and WC accounted for two-thirds of the calculated metrics
  - The average annual incidence rates:
    - STD  9 claims per 100 employees
    - WC  5 claims per 100 employees
    - LTD 6 claims per 1,000 employees

- The average cost per claim for WC was much higher than STD
  - $555 per FTE versus $358 per employee
Summary Findings from 2006 Data

- Family Medical Leave, Incidental Absence and Group Health programs had a larger impact on company operations and productivity.

- FMLA had the highest incidence of claims: 22 claims per 100 employees.
  - Incidental Absence accounted for the most lost workdays - 5 lost workdays per employee.

- Group Health was the costliest with an average of $6,285 per active employee.
For more information about EMPAQ® Contact Amanda Cyr at UM-HMRC

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