



# Health to Wealth



**T**he President and CEO of Safeway, Inc., Steven A. Burd, recently shared this interesting statistic: 70 percent of all health care costs are directly connected to behaviors. This information comes from a variety of resources, including Hewitt Associates, National Center for Health, and *The New England Journal of Medicine*.

Moreover, he revealed, three-fourths of all health care costs are associated with only four diseases and the percentage directly related to behaviors:

**Cardiovascular – 80%**  
**Cancer – 60%**  
**Diabetes – 80%**  
**Obesity – 99%**

Safeway used this research to combat rising health care costs and, more importantly, to create a healthier organization. This isn't the only organization to incorporate this research data into reducing rising health care costs. Dow Chemical, along with Black & Decker, have also become proactive in dealing with this profit and competition killer.

We shouldn't really be surprised by this data, because behaviors are the key to many issues confronting any organization. Customer and employee retention, declining sales, decreasing profits, quality control – all these issues are directly tied to some behaviors. So why should health care costs be any different?

## What Are the Numbers?

According to the National Coalition on Health Care (NCHC) 2008 statistics,

an annual premium in 2008 for a single employee was \$4,700, and for a married employee with two children the premium was \$12,700. Productivity research (wasted time and poor quality), along with other associated costs of hiring new employees and securing new customers, only serves to increase the negative impact to the bottom line.

## Beliefs Are Key

To stem the tide of these rising health care costs, organizations must focus on behaviors and, more importantly, on the beliefs that drive the actions (behaviors) creating the results. Until key underlying beliefs are identified and acknowledged, only then does sustainable change have a chance of actually happening.

In organizations with departmental structures, the Human Resource division can be the driver of this change because they are responsible for all of the human capital within the firm. For this to happen, one significant belief to be changed is "Knowledge is Power."

Alan Deutschman, in his book *Change or Die*, reveals that only one out of 10 people will change when confronted with facts, fear, or force. Knowledge alone won't change people's behaviors. Our national obesity problem offers a prime example: people know that being overweight isn't healthy, but they choose not to change. Their

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## Foundation for Sustainable Behavior Change: Beliefs + Actions = Results or B.A.R.

attitudes (beliefs) prevent them from taking action.

Individuals need to apply what they have learned, and apply it repeatedly, to cultivate a subconscious routine of good habits that bypass direct thought – for example, always ordering steamed vegetables instead of that loaded baked potato or those crispy fries. Applied knowledge is the source of sustainable power. This belief is the first step. Then and only then can our actions (behaviors) be changed to deliver the desired results.

For a second reason to focus on behaviors, look at published health care studies on preventive care services. In a 2008 article, *The New England Journal of Medicine* found “slightly fewer than 20 percent of [preventive] services that were examined save money, while the rest add to costs.” Other studies from the American Heart Association and American Cancer Society suggest even lower savings of 10 percent for preventive services, e.g., blood pressure monitoring, or measuring cholesterol of high-risk heart disease people. Preventive care doesn’t reduce rising health care costs, because it isn’t directed to the behaviors that truly cause the issues.

A third and final reason to look at behaviors is this startling statistic – 10 percent of the population are responsible for 90 percent of the health care costs. Efforts to improve rising health care costs are largely

directed at that 10 percent, effectively ignoring the 90 percent whose behaviors are potentially easier and less expensive to change.

### So What Is the Solution?

For maximum effectiveness, any solution for any problem, issue, or challenge should achieve more than one goal. A four-prong approach is the best solution making the most of any organization’s resources.

First, begin by integrating a self-leadership development process, focused on changing beliefs (attitudes) combined with goal-setting and goal achievement, into the training and development of all employees. Once a plan of action is put into place that has been highly emotionalized for the individual, amazing results do happen. Many employees have never invested the time to plan their future. Actually, most of these folks, along with upper management, place more value on their everyday written grocery list than they do for their future plans. These individuals are living for the moment, much like the overweight Wimpy character in Popeye who said: “I’d gladly pay you on Wednesday for a hamburger today.”

Secondly, specific performance issues within each area of the organization need to be reviewed simultaneously. The development then can also include any new knowledge to close performance gaps such as communication, decision making, fact-finding, etc., for particular departments or individuals. Then adopt a proven goal achievement process, reinforced with a shared goal achievement tool (worksheet). This way, even though sales training and customer service training may focus on different knowledge sets, the use of the same goal achievement process, along with key people or soft skills (self-leadership), remains consistent throughout the organization.

Thirdly, the Five Cs of continuous business improvement need to be always in place:

**Consistency** – The same positive behaviors are demonstrated by everyone all the time and reinforced by management’s actions.

**Communication** – Expectations to desired results are consistently communicated.

**Commitment** – Buy-in from all is part of the process; for without WIIFM, WIIFU will not be achieved.

**Collaboration** – Employees need to work together (teams) instead of being isolated silos.

**Convenience** – For change to a happen, it must be as convenient as possible to further build WIIFM; otherwise, another barrier is created, allowing the conditioned behaviors to take over.

If these Five Cs aren't part of the overall approach, sustainable change simply won't happen.

The fourth action is to begin from a position of strength and not weakness. Assess people, to help them become aware of their talents and then determine what talents are necessary in their current roles. Unfortunately, after years of negative conditioning, from limitations both external and self-imposed, people will often turn non-talents into weaknesses. Then they focus their energies on these weaknesses, while ignoring their talents. The data from these assessments can be integrated into the self-leadership development process, specific organizational roles, and the Five Cs of continuous improvement.

## Before You Start

Return to your strategic action plan, and specifically the values statement within that plan. Given that the purpose of the values statement is the underlying belief that said behaviors



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will help maintain the viability of the organization, then it seems reasonable to conclude that in order for the organization to be healthy (profitable), each individual within that entity should also be healthy.

Remember, 70 percent of health care costs can be directly attributed to individuals' unhealthy behaviors, while 90 percent of the population are being ignored. Connecting the values statement to the behaviors of all employees is strategic in nature and truly, pardon the expression, a no-brainer. Unfortunately, many businesses have failed to make this most logical connection and have suffered

the consequences of rising health care costs.

Rising health care costs can be contained. The result will not only be physically and mentally much healthier employees, but a sustainable high-performance work culture where human capital is truly valued. **N**

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