Health and Wellness are generic terms

- **Health** is defined as the overall mental and physical state of a person; the *absence of disease*
- **Wellness** refers to the state of being in optimal mental and physical health:
  - About living a life full of personal responsibility and therefore taking proactive steps for one's entire well-being
  - A person living life very well controls *risk factors* that can harm them
Types of wellness

- **Physical wellness**
  - The physically well person gets an adequate amount of sleep, eats a balanced and nutritious diet, engages in exercise for 150 minutes per week, attends regular medical check-ups, and practices safe and healthy sexual relations.

- **Emotional wellness**
  - The emotionally well person can identify, express, and manage the entire range of feelings and would consider seeking assistance to address areas of concern.

- **Career wellness**
  - The professionally well person engages in work to gain personal satisfaction and enrichment, consistent with values, goals, and lifestyle.

- **Social wellness**
  - The socially well person has a network of support based on interdependence, mutual trust, respect and has developed a sensitivity and awareness towards the feelings of others.

- **Spiritual wellness**
  - The spiritually well person seeks harmony and balance by openly exploring the depth of human purpose, meaning, and connection through dialogue and self-reflection.
Types of wellness

- Financial wellness
  - The financially well person is fully aware of financial state and budgets, saves, and manages finances in order to achieve realistic goals

- Intellectual wellness
  - The intellectually well person values lifelong learning and seeks to foster critical thinking, develop moral reasoning, expand worldviews, and engage in education for the pursuit of knowledge

- Creative wellness
  - The creatively well person values and actively participates in a diverse range of arts and cultural experiences as a means to understand and appreciate the surrounding world

- Environmental wellness
  - The environmentally well person recognizes the responsibility to preserve, protect, and improve the environment and appreciates the interconnectedness of nature and the individual
Why is health and wellness important?

- **Personal perspective**
  - Healthy and well people are happier
  - Society is increasingly becoming health conscious

- **Employer perspective**
  - Unlocking of full potential
  - Productivity
  - Absenteeism

- **Healthcare financing perspective**
  - Overall sense of wellness prevents illness
  - Chronic diseases account for ± 75% of healthcare costs
  - Healthcare inflation is consistently outstripping consumer price inflation and salaries
  - Many chronic diseases are preventable
Employer perspective
2015/2016 Staying@Work

Global Survey

<table>
<thead>
<tr>
<th>Countries/markets surveyed</th>
<th>Employer respondents have more than &gt;10,000 full-time workers</th>
<th>LATAM Participants</th>
<th>EMEA Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>34</td>
<td>34%</td>
<td>242</td>
<td>247</td>
</tr>
<tr>
<td></td>
<td>Employers completed the survey between May and July 2015 in North America, Latin America, Europe and Asia</td>
<td></td>
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<tr>
<td>1,669</td>
<td>582</td>
<td>598</td>
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<td></td>
<td>APAC Participants</td>
<td>North America Participants</td>
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<td>Including</td>
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<td>• And 9 others</td>
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<td></td>
<td>• And 9 others</td>
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</tbody>
</table>

73% of the respondents have their workforces located in multiple countries and respondents operate in all major industry sectors.
Majority of organisations will increase their focus on building the health and well-being of the workplace

How would you characterize your organization’s primary strategy to encourage healthy behaviors, and what do you expect it will be in 2018?

Almost 2/3 of employers expect that building a culture of health will be the primary strategy to promote healthy behaviour by 2018
Almost 1/2 of employers will be relying on providers and medical professionals

Source: 2015/2016 Global Staying@Work Survey
Cost and affordability of healthcare is an issue

55.6% Growth in gross contributions pabpa since 2000

51.8% Growth in gross claims pabpa since 2000

8.9% Of GDP spent on health

55.9% Of health expenditure is in the private sector
Our healthcare expenditure compares to peers

Health spending, % of GDP

Marshall Islands, United States, Tuvalu, Micronesia, Sierra Leone, France, Moldova, Germany, Sweden, Denmark, Canada, Nauru, Kingdom of Lesotho, Portugal, Austria, Costa Rica, Bulgaria, Cuba, Rwanda, Palau, Greece, New Zealand, Sweden, United Kingdom, Spain, Italy, Japan, Norway, Iceland, Ireland, Nicaragua, Montenegro, Uganda, Brazil, Finland, Switzerland, Slovakia, Saint Lucia, Australia
## Global Medical Trend 2012 – 2014

<table>
<thead>
<tr>
<th>GROSS</th>
<th>2012 medical trend</th>
<th>2013 medical trend</th>
<th>2014* medical trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Firms</td>
<td>7.7</td>
<td>7.9</td>
<td>8.3</td>
</tr>
<tr>
<td>Americas (ex US)</td>
<td>9.1</td>
<td>9.1</td>
<td>9.7</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>8.4</td>
<td>8.8</td>
<td>9.3</td>
</tr>
<tr>
<td>Europe</td>
<td>5.3</td>
<td>5.2</td>
<td>5.4</td>
</tr>
<tr>
<td>Middle East/Africa</td>
<td>8.8</td>
<td>9.8</td>
<td>10.0</td>
</tr>
</tbody>
</table>

*projected

Source: 2013 /2014 Global Health Trends Survey

towerswatson.com
A substantial proportion of the expected inflationary trends can be ascribed to chronic conditions

What are the top three conditions that cause the highest prevalence of claims?

<table>
<thead>
<tr>
<th>Condition</th>
<th>Asia-Pacific</th>
<th>Americas</th>
<th>Americas</th>
<th>Middle East/Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardiovascular</td>
<td>69%</td>
<td>69%</td>
<td>76%</td>
<td>90%</td>
</tr>
<tr>
<td>Cancer</td>
<td>29%</td>
<td>35%</td>
<td>51%</td>
<td>62%</td>
</tr>
<tr>
<td>Gastrointestinal</td>
<td>19%</td>
<td>29%</td>
<td>41%</td>
<td>65%</td>
</tr>
<tr>
<td>Musculoskeletal/Back</td>
<td>14%</td>
<td>15%</td>
<td>53%</td>
<td>62%</td>
</tr>
<tr>
<td>Accident</td>
<td>5%</td>
<td>9%</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Mental health</td>
<td>2%</td>
<td>11%</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
<td>7%</td>
<td>21%</td>
<td>33%</td>
</tr>
<tr>
<td>Substance abuse</td>
<td>4%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: 2015/2016 Global Staying@Work Survey
South Africa is no exception

Chronic Disease Prevalence 2010 - 14

Source: 2015 HQA Annual Report

Almost 1/3 of the population are registered for one or more chronic diseases
The population has aged by 1/3 of a year over a five year period
Chronic disease prevalence has increased by 6.82%
We are also experiencing increasing complexities

Chronic Disease Trends 2012-14

- Hypertension
- Diabetes
- Asthma
- Depression
- HIV
- Ischaemic Heart Disease
- Hypothyroidism
- Cardiac Failure
- Bipolar
- Rheumatoid Arthritis
- COPD
- Schizophrenia

Source: 2015 HQA Annual Report
The bulk of medical expense increase is expected to come from hospital/inpatient services

How do you expect the expenses related to the following service categories to change over the next five years?

Source: 2013/2014 Global Health Trends Survey
South Africa is no exception

Admission Trends 2010-14

Source: 2015 HQA Annual Report
The response...
The top cost management method in 2014 is to limit certain services, thereby capping maximum claims for some treatments.

What are the most effective tools you employ for managing medical costs?

- **Limits on certain services**: 91%
- **Pre-approval for scheduled inpatient services**: 91%
- **Contracted networks of providers for all treatments**: 68%
- **Contracted networks for specific care**: 77%
- **Pre-approval for diagnostic or advanced tests**: 77%
- **Wellness/Wellbeing features**: 64%
- **Second medical opinion**: 77%
- **Chronic condition or disease management programs**: 77%
- **Coverage for catastrophic claims**: 53%
- **Alternative cash allowances (for using public facilities instead of private care)**: 39%
- **Stop-loss insurance**: 29%

Source: 2013 /2014 Global Health Trends Survey
As in prior surveys, respondents identified member coinsurance as the most typical cost-sharing approach in all regions but Europe

How typical are the following cost-sharing approaches for the medical products you offer?

- **Premium cost sharing with employees**
  - Very Typical: 14%
  - Typical: 23%
  - Occasionally: 41%
  - Never: 23%

- **Annual limit on out-of-pocket expense**
  - Very Typical: 9%
  - Typical: 36%
  - Occasionally: 19%
  - Never: 38%

- **Annual deductible**
  - Very Typical: 17%
  - Typical: 48%
  - Occasionally: 14%
  - Never: 38%

- **Member coinsurance**
  - Very Typical: 13%
  - Typical: 27%
  - Occasionally: 27%
  - Never: 32%

Source: 2013/2014 Global Health Trends Survey
The percentage of respondents that say they offer health promotion features (either directly or through a partner) continues to grow

Do you currently offer any of the following wellness features?

- **Fitness programs/challenges (including pedometer)**
  - Offered through our insurance services: 18%
  - Offered by a partner: 20%
  - Not offered, but plan to offer in next 12 months: 19%
  - Not offered, and no plans to offer in next 12 months: 43%

- **Lifestyle and Health Education**
  - Offered through our insurance services: 41%
  - Offered by a partner: 21%
  - Not offered, but plan to offer in next 12 months: 23%
  - Not offered, and no plans to offer in next 12 months: 14%

- **Chronic condition or disease management program**
  - Offered through our insurance services: 34%
  - Offered by a partner: 18%
  - Not offered, but plan to offer in next 12 months: 15%
  - Not offered, and no plans to offer in next 12 months: 33%

- **Tobacco Cessation Assistance**
  - Offered through our insurance services: 15%
  - Offered by a partner: 12%
  - Not offered, but plan to offer in next 12 months: 14%
  - Not offered, and no plans to offer in next 12 months: 59%

- **Second medical opinion**
  - Offered through our insurance services: 36%
  - Offered by a partner: 31%
  - Not offered, but plan to offer in next 12 months: 11%
  - Not offered, and no plans to offer in next 12 months: 21%

- **Biometric Screenings (and/or Annual Physical/Check-up)**
  - Offered through our insurance services: 39%
  - Offered by a partner: 27%
  - Not offered, but plan to offer in next 12 months: 9%
  - Not offered, and no plans to offer in next 12 months: 25%

- **Employee Assistance Plan (EAP)**
  - Offered through our insurance services: 18%
  - Offered by a partner: 22%
  - Not offered, but plan to offer in next 12 months: 12%
  - Not offered, and no plans to offer in next 12 months: 48%

- **Personal Health Risk Assessment/Appraisal (HRA Questionnaire)**
  - Offered through our insurance services: 30%
  - Offered by a partner: 18%
  - Not offered, but plan to offer in next 12 months: 19%
  - Not offered, and no plans to offer in next 12 months: 34%

*Source: 2013 /2014 Global Health Trends Survey*
A look at some South African experience
Approaches to Health Promotion

- Primary prevention
  - Risk reduction by altering behaviours
  - Vaccination
- Secondary prevention
  - Screening
- Tertiary prevention
  - Modification of risk factors that are already in existence
The trends pertaining to health promotion are encouraging

Source: 2015 HQA Annual Report
Primary Prevention: Flu Vaccinations

- In elderly people influenza is a major cause of hospitalisation and mortality during winter months
- Vaccination is highly effective at reducing mortality and morbidity from influenza
- Vaccination can produce a 50% reduction in cases of respiratory illness, pneumonia, hospitalization and mortality
- Immunisation of older people against influenza is likely to be one of the most cost-effective primary healthcare interventions available

*British Journal of General Practice*
Primary Prevention: Flu Vaccinations

Flu vaccine coverage >= 65years(%) (Source: 2015 HQA Annual Report)
The USPSTF recommends screening for colorectal cancer using fecal occult blood testing, sigmoidoscopy, or colonoscopy in adults, beginning at age 50 years and continuing until age 75 years.
Secondary Prevention: Colorectal cancer screening

Source: 2015 HQA Annual Report
## Secondary Prevention: Cervical Cytology

<table>
<thead>
<tr>
<th>Population</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women ages 21 to 65</td>
<td>Screen with cytology (Pap smear) every 3 years. Grade: A</td>
</tr>
<tr>
<td>Women ages 30 to 65</td>
<td>Screen with cytology every 3 years or co-testing (cytology/HPV testing) every 5 years. Grade: A</td>
</tr>
<tr>
<td>Women younger than age 21</td>
<td>Do not screen. Grade: D</td>
</tr>
<tr>
<td>Women older than age 65 who have had adequate prior screening and are not high risk</td>
<td>Do not screen. Grade: D</td>
</tr>
<tr>
<td>Women after hysterectomy with removal of the cervix and with no history of high-grade precancerous or cervical cancer</td>
<td>Do not screen. Grade: D</td>
</tr>
<tr>
<td>Women younger than age 30</td>
<td>Do not screen with HPV testing (alone or with cytology). Grade: D</td>
</tr>
</tbody>
</table>

### Risk Assessment

Human papillomavirus (HPV) infection is associated with nearly all cases of cervical cancer. Other factors that put a woman at increased risk of cervical cancer include HIV infection, a compromised immune system, in utero exposure to diethylstilbestrol, and previous treatment of a high-grade precancerous lesion or cervical cancer.

### Screening Tests

Screening women ages 21 to 65 years every 3 years with cytology provides a reasonable balance between benefits and harms. Screening with cytology more often than every 3 years confers little additional benefit, with large increases in harms. HPV testing combined with cytology (co-testing) every 5 years in women ages 30 to 65 years offers a comparable balance of benefits and harms, and is therefore a reasonable alternative for women in this age group who would prefer to extend the screening interval.

### Timing of Screening

Screening earlier than age 21 years, regardless of sexual history, leads to more harms than benefits. Clinicians and patients should base the decision to end screening on whether the patient meets the criteria for adequate prior testing and appropriate follow-up, per established guidelines.

### Interventions

Screening aims to identify high-grade precancerous cervical lesions to prevent development of cervical cancer and early-stage asymptomatic invasive cervical cancer.

High-grade lesions may be treated with ablative and excisional therapies, including cryotherapy, laser ablation, loop excision, and cold knife conization.

Early-stage cervical cancer may be treated with surgery (hysterectomy) or chemoradiation.

### Balance of Harms and Benefits

- **The benefits of screening with cytology every 3 years substantially outweigh the harms.**
- **The benefits of screening with co-testing (cytology/HPV testing) every 5 years outweigh the harms.**
- **The harms of screening earlier than age 21 years outweigh the benefits.**
- **The benefits of screening after age 65 years do not outweigh the potential harms.**
- **The harms of screening after hysterectomy outweigh the benefits.**
- **The potential harms of screening with HPV testing (alone or with cytology) outweigh the potential benefits.**

---

*Source: Screening for Cervical cancer: Clinical Summary of USPSTF recommendation. AHRQ Publication No. 11-05156-EF-3, March 2012*
Secondary Prevention: Cervical Cytology

Cervical Cytology coverage (previous 3 years)(%)

Source: 2015 HQA Annual Report
Secondary Prevention: Mammography

The USPSTF recommends biennial screening mammography for women 50-74 years.
Secondary Prevention: Mammography

Mammogram coverage (ages 50-74 years in previous 2 years)(%)

Source: 2015 HQA Annual Report
Chronic Disease Management: Flu Vaccinations

Source: 2015 HQA Annual Report
Chronic Conditions: Condition-specific Admissions

Source: 2015 HQA Annual Report
Chronic Disease Management: Diabetes

HbA1c coverage for Diabetic patients (%)

Source: 2015 HQA Annual Report

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Diabetes: Condition-specific Admissions

Source: 2015 HQA Annual Report
Diabetes: All-cause admissions

Source: 2015 HQA Annual Report
Some food for thought…

- Delivery mechanisms and systems
- Funding and reimbursement models
- Patient related issues

Some arrows connecting these concepts indicate双向互动.
Thank you!