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**2008 National Business Group on Health**

**EMPAQ® Benchmarking Report**  
*For 2007 Program Data*

**ABC Company**

**NAICS Industry Type:**

**Finance and Insurance**

**INFORMATION ONLY**



Produced for the National Business Group on Health by  
the University of Michigan's Health Management Research Center

## **Introduction**

EMPAQ<sup>®</sup> (Employer Measures of Productivity, Absence and Quality™) is a set of standardized metrics and benchmarking tools developed by the National Business Group on Health to help employers evaluate the effectiveness of their health and productivity management programs. EMPAQ<sup>®</sup> establishes a consistent method for measuring cost, utilization, and other performance issues internally and within industry sectors.

Various thought leaders from both academic and industry settings have aided in the development of EMPAQ<sup>®</sup> since its launch in 2003. Today, EMPAQ<sup>®</sup> is governed by the Board of the Institute on Health, Productivity, and Human Capital, within the National Business Group on Health. Data collection, analysis, and reporting are administered through a partnership with the University of Michigan's Health Management Research Center.

EMPAQ<sup>®</sup> is a registered trademark of the National Business Group on Health.

## **About the National Business Group on Health**

Founded in 1974, the National Business Group on Health is the nation's only non-profit organization devoted exclusively to representing large employers' perspective on national health policy issues and providing practical, forward-thinking solutions to its members' most important health care and health benefits challenges. Members of the Business Group drive today's health agenda while exchanging ideas for controlling health care costs, improving patient safety and quality of care, increasing productivity, supporting healthy lifestyles, and sharing best practices in evidence-based health benefits design. Recognized as the leading voice of large employers, the Business Group represents over 300 members, primarily Fortune 500 companies and large public sector employers, who provide health care for more than 55 million U.S. workers, retirees, and their families.

The Institute on Health, Productivity, and Human Capital, a fully funded institute within the National Business Group on Health, was established in November 2007 to develop and share solutions aimed at improving employee health and productivity. The work of the Institute examines and supports the business relationships between population health, engagement, and organizational performance. Its mission is to create innovative products, tools, and services that improve employee health and productivity.

## **About the University of Michigan's Health Management Research Center**

Under the direction and guidance of Dee Edington, PhD, the University of Michigan's Health Management Research Center (UM-HMRC) has been in the business of health management evaluation since 1980. During this time, the UM-HMRC has collected health and lifestyle behavior data on over 3 million different individuals and consulted with several large organizations. It has grown to be recognized as one of the top academic research centers in the world studying health management within organizations.

UM-HMRC is comprised of a 39-person team, including ten doctoral-level researchers, possessing a vast array of experience in research, data system programming, data analytics and client services.

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## Guide to the EMPAQ<sup>®</sup> Benchmarking Report

The EMPAQ<sup>®</sup> Benchmarking Report is an assessment of a company's EMPAQ<sup>®</sup> metrics, which are compared internally, by industry sector, and to the total participants. EMPAQ<sup>®</sup> metrics are available for the following health and productivity management programs: short-term disability, long-term disability, workers' compensation, family medical leave, incidental absence, group health, and employee assistance programs. New for 2008, a multi-year comparison is reported for participants who submitted EMPAQ<sup>®</sup> data last year.

**Note:** Although EMPAQ<sup>®</sup> uses a standardized methodology, exercise caution when comparing your company to others or when evaluating your own results over time. Many variables can impact health and productivity outcomes, including factors such as employee demographics (age and gender), pay levels, location, plan design, funding arrangements, corporate restructuring, and/or mergers. The value and integrity of each metric calculation are dependent upon the completeness and accuracy of the data that were provided in the data submission process. EMPAQ<sup>®</sup> Benchmarking Reports are generated for only those programs for which data were submitted. Additionally, multi-year comparisons are not available for participants whose submissions were blinded.

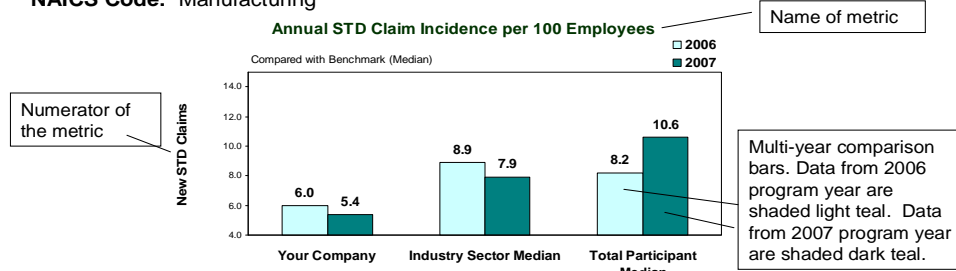
### Basic Report Layout

All EMPAQ<sup>®</sup> Benchmarking Reports are customized by program, company, and North American Industry Classification System (NAICS) code. The benchmarking results for each EMPAQ<sup>®</sup> metric are displayed in a graph and table and accompanied by a brief explanation. See the example diagram below:

#### EMPAQ<sup>®</sup> Benchmarks for Short-Term Disability (STD)

**Company Name:** ABC Company

**NAICS Code:** Manufacturing



	Annual STD Claim Incidence per 100 Employees				Average # of STD Covered Employees
	Min	Median	Mean	Max	
Your Company (n=1)	--	--	5.4	--	139,726
Industry Participants (n=38)	3.1	7.9	10.7	23.5	27,384
Total Participants (n=154)	0.3	10.6	9.1	32.0	25,646
AVERAGE NUMBER STD COVERED EMPLOYEES	62	12,966	25,646	235,738	

Denominator of the metric

For Industry Participants, Standard Deviation: \$123.62; 95% Confidence Interval: \$2,860 to \$4,320  
For Total Participants, Standard Deviation: \$184.58; 95% Confidence Interval: \$2,786 to \$4,543

**Note:** The terms "median" and "mean" are used frequently throughout EMPAQ<sup>®</sup> Benchmarking Reports. The median refers to the mid-point in the distribution of dataset and it divides a population into two equally sized halves. The median is often used for benchmarking purposes.

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## **EMPAQ® Short-Term Disability Metrics**

Short-term disability (STD) provides income replacement to employees disabled due to non-occupational injury or illness, and it may also supplement workers' compensation benefits for lost time due to occupational injuries or illnesses. In general, STD wage replacement covers employee absences that are longer than incidental sick day occurrences but fall short of qualifying for long-term disability coverage.

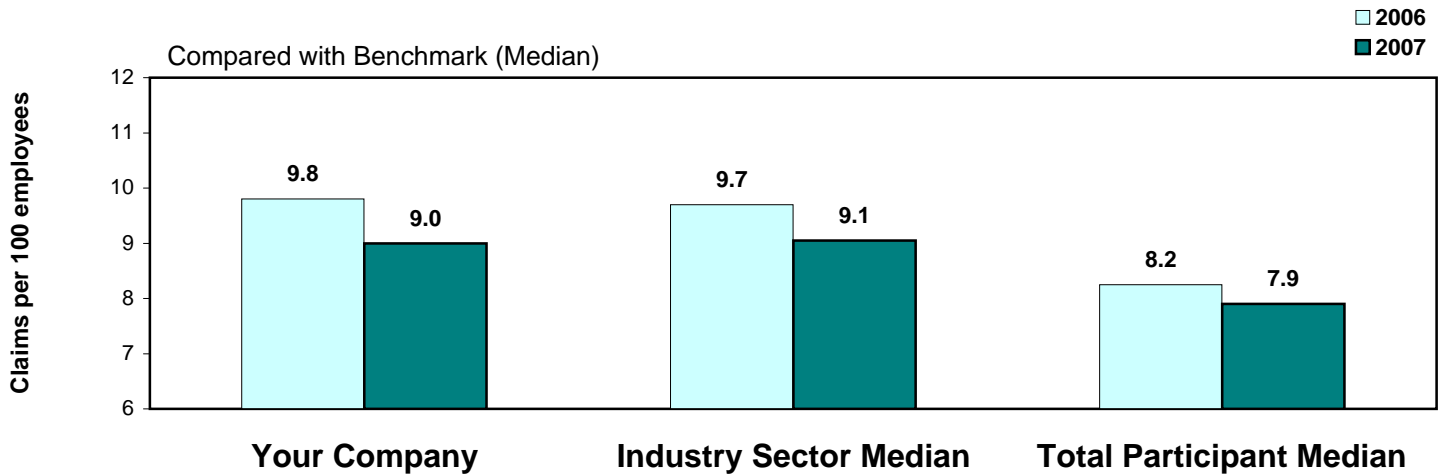
If you require additional assistance interpreting your reports you may contact the EMPAQ® Helpdesk at [empaq@businessgrouphealth.org](mailto:empaq@businessgrouphealth.org).

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# EMPAQ® Benchmarks for Short Term Disability (STD)

Company **ABC Company**  
 NAICS Industrial Category **Finance and Insurance**

## Annual Claim Incidence per 100 Employees - STD



	Annual Claim Incidence per 100 Employees - STD				Average # of Covered Employees
	Min	Median	Mean	Max	
Your Company (n=1)	--	--	9.0	--	5,219
Industry Participants (n=18)	3.9	9.1	8.7	12.3	23,186
Total Participants (n=167)	0.0	7.9	9.5	68.0	20,653
<b>AVERAGE NUMBER STD COVERED EMPLOYEES</b>	<b>665</b>	<b>10,405</b>	<b>19,454</b>	<b>307,519</b>	

For Industry Participants, Standard Deviation: 2.6 ; 95% Confidence Interval: 3.7 to 13.7

For Total Participants, Standard Deviation: 7.6 ; 95% Confidence Interval: 0.0 to 24.5

**Annual Claim Incidence per 100 Employees** represents the number of new approved STD claims per 100 employees in each reporting year. Data are reported as a rate per 100 employees to make them more easily comparable across reporting periods, despite any changes in the number of covered employees across the two time periods. "Annual STD Claim Incidence per 100 Employees" is a valuable metric internally, since a significant variation in incidence among business units can be an indicator of healthy or unhealthy work climates. Similarly, an increase in incidence can also identify areas of the organization with emerging absence and work-climate issues.

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