CEOs Advocate for an Employee Safety Focus: Informed Choice Lowering Health Care Costs and Improving Outcomes by Reframing the Discussion

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Abbreviations

HICs: High Income Countries; LMICs: Low-Middle Income Countries; HR: Human Resource.

Introduction

Patient safety is a global health priority that significantly impacts human lives and financial outcomes. It deserves urgent attention and concerted action from all stakeholders.

Medical Errors are the 3rd leading cause of death in countries like the U.S. and Canada (preceded only by heart disease and Cancer) [1]. According to the WHO, one in every ten patients are harmed while receiving hospital care in High Income Countries (HICs), while 134 million adverse events occur each year at hospitals in Low-Middle Income Countries (LMICs), contributing to 2.6 million deaths annually. In addition to the impact on human lives and livelihoods, unsafe care has high economic and financial costs. In HICs, the direct cost of unsafe care could reach up to 13 % (~\$500 billion) of healthcare expenditure [2].

The safeguarding of patient well-being is an imperative global health concern that profoundly influences both human lives and economic outcomes. It demands immediate focus and collective efforts from all parties involved. We contend that the persistence of unsafe health care is partly due to a widespread lack of recognition among various societal segments regarding this immense global challenge, which affects nearly every family.

Traditionally, corporations and small businesses alike struggle with ever-increasing health care cost. Human Resource (HR) executives struggle with corporate health expenditures only to run up against ever increasing health care needs. Today, mental health issues compete with chronic disease management, advanced diagnostics and more diverse and expensive treatments. To understand these increase cost HR leaders should consider a new approach. Paul O'Neil CEO Alcoa left an indelible mark on workplace safety. Today, in the spirit of Paul O'Neil, we are advocating for health care safety [3]. The delivery of health care inherently involves safety considerations. Informed consent does not practically allow for "Informed Choice". With informed choice the employee/patient retains the power over health care decisions, as opposed to merely consenting to a procedure. This is aligned with the idea that patients should not only agree to a treatment but also actively participate in deciding which treatment is best when multiple options exist with similar outcome. When a surgical procedure is performed without the "informed choice" of the patient, it poses a safety risk due to the potential adverse outcomes that an informed patient might have otherwise declined [2].

Paul O'Neil, during his tenure as CEO of Alcoa, took an unconventional approach. Instead of obsessing over stock prices or revenues, he focused on something seemingly unrelated: worker safety.

"I want to talk to you about worker safety." The room falls silent. Investors exchange puzzled glances. But O'Neil persists: *"I intend to make Alcoa the safest company in America. I'm going for zero injuries."*

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The health care industrial complex accounts for a significant part of corporate spending, 20% of our GDP and is growing.

By prioritizing safety, Alcoa's employees—from the factory floor to the boardroom—began scrutinizing processes. They worked together to prevent accidents, reduce risks, and create a culture of vigilance. The result? Alcoa's safety record soared—it became the safest company in the aluminum industry. And *guess what?* Financial performance followed suit.

Despite health care spending dwarfing other industrial nations, our outcomes, across the board, are amongst the worst. Considering the financial repercussions of unsafe care, we posit that CEOs, particularly of prominent corporations like those in the Fortune 500, could serve as powerful proponents for an employee safety approach, in this instance directed toward better "informed choice" when to their health needs.

Microsoft's Sensitive Uses reporting and review framework allows employees to report sensitive uses of AI and seek guidance, ensuring that AI systems are applied responsibly and ethically. Additionally, AI advancements in healthcare, such as those demonstrated by Epic using Azure OpenAI Service, can improve medical coding accuracy and streamline billing processes, leading to better patient outcomes and more informed choices.

During O'Neil's 13-year tenure, the number of lost work days per 100 employees plummeted from 1.86 to a mere 0.2 [1]. His mantra of "habitual excellence" extended beyond safety, even leading to efforts to eliminate hospital-acquired infections.

So, next time you hear about Alcoa, remember that it wasn't just about aluminum—it was about people, processes, and a relentless pursuit of zero injuries.

The philosophy championed by Paul O'Neil, which prioritizes employee safety, is equally applicable and essential to ensuring safety in health care. It is imperative that HR leaders embrace this approach and foster a culture of proactive engagement in health care decisions among employees. This involves a demand for transparency in outcome and cost data before entering into agreements with health care plans and providers. Moreover, the principle of informed choice, which empowers individuals to make decisions aligned with their values and needs, should be extended beyond employees and their families to include vendors and the wider community. Such a comprehensive application ensures that all stakeholders are equipped with the necessary information to make choices that safeguard their health and well-being.

Rising Health Insurance Cost

The financial burden of health insurance for Fortune 500 companies is significant. As reported by the Kaiser Family Foundation, the average annual premium for employer-sponsored health insurance in 2023 was $23,968 for family coverage and $8,435 for individual coverage, marking a rise from previous years [4]. Among the contributing factors to this increase is the escalation of patient harm resulting from unsafe care. These escalating costs necessitate that corporations urgently adopt strategies to manage expenses effectively. Exploring more cost-efficient health plan options, reducing unnecessary variations in elective care, and addressing supply-driven care are essential steps. Moreover, prioritizing preventive healthcare and guaranteeing the delivery of safe and efficacious care to employees and their dependents are paramount.

How Does Unsafe Care and Medical Errors affect Health Insurance Premiums?

Medical errors and the resulting patient harm have profound repercussions on corporate health insurance expenditures. These errors can precipitate increased medical costs due to additional treatments, extended hospital stays, and repeated admissions, as well as legal liabilities. Consequently, companies may experience a surge in insurance premiums to offset the heightened risks and expenses linked to patient harm. Furthermore, indirect costs such as diminished productivity, employee absenteeism, and reputational damage can amplify the overall financial strain. By stringent patient health safety protocols and quality control measures, companies can alleviate these impacts and maintain control over insurance costs.

How Can Patient Safety help with the Rising Health Insurance Cost?

Implementing an employee based, patient health safety approach can significantly help companies mitigate rising health insurance costs, and more importantly improve employee outcomes (Table 1).

Key Areas	Description
Reduction in Medical Errors and Patient Harm	Medical errors lead to additional treatments, extended hospital stays, and increased healthcare utilization, driving up costs. Targeting employee safety as patients will reduce errors and harm, lowering claims and expenditures, and improving satisfaction.
Improved Health Literacy and Patient Empowerment	Emphasizing health literacy and strengthening employee engagement in their health leads to safer care, better experiences, and reduced costs through better prevention measures. Safer employees mean fewer claims and lower insurance premiums.
Decreased Readmissions and Complications	Improved safety measures lead to fewer hospital stays, readmissions, and complications, reducing major cost drivers. Ensuring better outcomes during initial care helps avoid high costs of follow-up care and additional procedures.
Increased Productivity and Reduced Absenteeism	Safe care for employees and their families results in higher productivity and fewer sick days, reducing direct medical costs and enhancing business productivity, which can lower health insurance costs over time.
Lower Legal and Compliance Costs	Reducing medical errors and improving safety decreases the likelihood of malpractice claims and legal expenses. High patient safety standards help companies comply with regulations, avoiding fines and penalties that impact costs.

Table 1: Benefits of Employee Safety and Health Literacy on Reducing Health Insurance Costs.

Microsoft taking the Lead on Employee Safety

"To empower every person and every organization on the planet to achieve more" Empowerment starts at home and employee "health safety" is at the heart of empowerment for every person and organization on the planet.

For Microsoft, advocating for employee safety is not only a moral imperative but also a strategic business decision that can enhance organizational performance, reduce costs, and improve public trust. Microsoft is well positioned to help lead this important initiative not just amongst the fortune 500 companies but around the world.

As we bring forward new AI empowered platforms, let's also focus on employee safety as part of our empowerment mission. "Employee safety from a health perspective", a new means to saving lives, minimize harm, and increase productivity and human wellness.

Employee Health and Safety: A Core Value at Microsoft Workplace

At the heart of Microsoft is a steadfast commitment to employees' health and safety. Recognizing that a secure and healthy work environment is essential for the team's well-being and success, Microsoft continuously strives to uphold and enhance its safety standards. Kathleen Hogan, EVP and Chief People officer, Microsoft, and her team are leading the charge to ensure every employee feels protected, valued and supported in achieving their best health [5] (Table 2).

Key Topics	Description
Introduction of Employee Safety as a Global Health Priority	Emphasizes the importance of employee safety, including their families, as patients. Highlights the impact on human lives and financial outcomes, advocating for collective action from all stakeholders.
Economic and Financial Costs of Care for Well-Informed Employees	Outlines the direct costs associated with unwarranted care in high-income countries. Stresses the need for corporations to adopt cost management strategies through employee health safety initiatives.
Advocacy for Health Care Employee Safety	Highlights the role of CEOs, especially in large corporations, as influential advocates for patient safety, drawing parallels to Paul O'Neil's approach to workplace safety.
Rising Health Insurance Cost	Discusses the financial burden of health insurance for companies and the role of employee/patient harm in escalating these costs.
Impact of Unwarranted Care on Health Insurance Premiums	Describes how unwarranted care, errors, and harm to employees as patients can increase medical costs and insurance premiums, underscoring the importance of patient safety.
Strategies for Mitigating Health Insurance Costs	Proposes an employee-based, patient safety approach to help companies reduce health insurance costs and improve employee outcomes.

Table 2: Key Topics in Employee Safety and Financial Impact.

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