



**TEXAS**  
**HEALTH STRATEGY PROJECT**  
*Analyze ▶ Understand ▶ Engage*

## Dallas-Fort Worth Business Group on Health THSP Demonstration Project Employer Case Study: **Haggar Clothing Co.**

DFWBGH is excited to share the impressive results of our 3-year **Texas Health Strategy Project** (THSP), completed in 2013.

Seven pace-setting DFWBGH employers learned and applied innovative approaches to value-based benefits design and population health management through this demonstration project. THSP involved:

- A structured, data-driven approach to identify health priorities, determine targeted interventions, and measure results.
- An expanded definition of value-based benefits design.
- Group learning, peer-to-peer networking and collaboration
  - Creating an environment of creativity, idea generation and mutual accountability;
  - Leading to creative solutions and enhancements to existing programs to address employees' health needs.

### Participating Employers

- *Brinker International, Inc.*
- *City of McKinney*
- *City of Mesquite*
- *Energy Future Holdings*
- *Federal Reserve Bank of Dallas*
- *Haggar Clothing Co.*
- *Interstate Batteries, Inc.*

The THSP experience delivered positive results for participating employers, as documented in seven individual THSP Employer Case Studies.

The Haggar Clothing Co. Case Study follows.

To learn more about this highly successful demonstration project, read the [THSP Project Report](#) and find links to the case studies at [www.dfwbgh.org](http://www.dfwbgh.org).

*THSP was sponsored by the Dallas-Fort Worth Business Group on Health and the National Business Coalition on Health with support from Pfizer, Inc.*



*Innovative clothing company “organizes for greatness” and adopts “building a culture of energized, healthy and well-trained associates” as a key strategic initiative for achieving business success.*

## About Haggar Clothing Co.

### Background and Mission

Founded in 1926, the Haggar Clothing Co. is one of the most recognized brands of men’s fine apparel. Haggar is a brand with a legacy of leadership and innovation. In 2005 Haggar Corp. was acquired by a group of private investors. Manufacturing is outsourced, while design, marketing, management and distribution are headquartered in the Dallas-Fort Worth area.

### Company Statistics / Demographics

Worldwide Employees	855
Headquarters Location	Dallas, Texas
Number of Locations	61 in 35 states
Total Number of Covered Lives	540 (295 employees / 245 dependents)
Average Employee Age	41 years
Average Employee Tenure	7 years
Benefit Type	Fully insured, high deductible health plan with health savings accounts

Haggar HR staff used the THSP architecture to develop a strategy called, “Organize for Greatness”. One part of that strategy focuses on wellness of Haggar associates and their dependents and the impact of their wellness on Haggar’s business health.

## Data drives decisions

### Population Health

- Anecdotal feedback indicated that employees were skimping on maintenance and preventive medication therapies due to cost under the High Deductible Health Plan introduced in 2008. This was supported by the fact that average annual medical costs per employee were trending up at a much more rapid pace than average annual prescription drug costs per employee (61% versus 31% year-over-year, 2010 to 2011).
- Health Risk Assessment data showed a higher percent of Haggar employees (45%) in the Medium to High Risk categories versus national benchmark averages (31%), suggesting possible underutilization of drug therapies to treat chronic conditions.
- Senior management placed a high value on employee satisfaction and wanted to add value to the health plan. Integrating subjective and objective data pointed to enhancing the prescription drug benefit to meet this objective.
  - Goal – increase adherence to maintenance drug therapies to manage chronic conditions, prevent acute episodes of disease, move employees toward lower risk categories, and increase employee satisfaction.
  - Intervention – **Prevention through Benefit Design and Engagement** – introduce an enhanced drug benefit for preventive / maintenance medications.
- Baseline health risk assessment data indicated 16% tobacco use among employees.
  - Goal – Reduce tobacco use.
  - Intervention – **Prevention through Benefit Design and Engagement** – engage employees in smoking cessation programs to increase quit attempts and quit rates.

## Business Health

- Baseline assessment found that Haggar senior management values a healthy workforce and supports health and wellness initiatives. New top leadership at Haggar in 2012 initiated an “Organize for Greatness” strategic planning process with an objective of being recognized as a top ten mid-sized employer in DFW. Pay and benefits were identified as areas of focus to reach this objective.
  - Goal – Increase support of health as a key business strategy at all levels of the company.
  - Intervention – Develop strategic initiatives around promoting a **Culture of Health and Well-Being**.
- Baseline assessment indicated an opportunity to enhance cooperation between corporate HR and occupational health staff at the Fort Worth location
  - Goal – Build **stronger health management team**.
  - Intervention — Leverage in-house resources and vendor relationships to develop stronger, more coordinated health and wellness programs.

## Implementing value based interventions

### Population Health

- Implemented **enhanced drug benefits** in May 2012 for prevention or control of conditions including high blood pressure, high cholesterol, diabetes, asthma, osteoporosis, heart attack, stroke and prenatal nutrient deficiency.
  - No deductible, nor co-pay for generics or brand name drugs on a list of preferred drugs.
    - Employees find lists of generic/preferred drugs in printed plan materials and on their health plan’s website.
  - For preventive/maintenance drugs not on the preferred list, there is no deductible, but a 50% co-pay.
- **Tobacco Cessation** - Implemented benefit design changes to incentivize quit attempts and to increase participation in tobacco cessation programs.
  - Introduced a premium differential of 20% in 2012 for tobacco users.
  - During benefits re-enrollment period, all employees must sign an affidavit identifying whether they are users of tobacco.
  - Tobacco users have 6 months to quit; premium increases began in mid-2012.
  - Employees can use any program to quit (a Haggar-sponsored program, or any other).

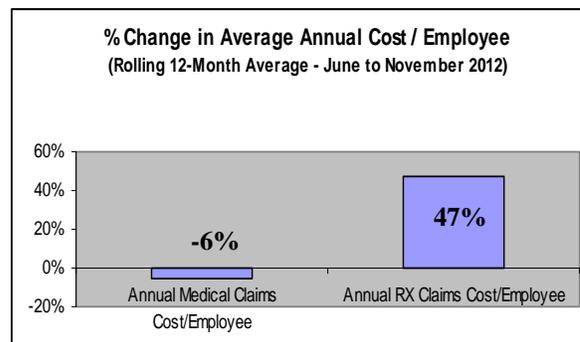
### Business Health

- Promoting a **Culture of Health and Well-Being** - HR department used the principles and planning strategies learned through THSP to identify a set of 6 Strategic Initiatives, with creating a culture of health and well-being at its core.
  - Initiatives were defined around: promoting core values, training, accountability, community involvement, team building and collaboration, branded health and wellness messaging, and recognition as one of the ten best mid-size companies to work for in DFW.
  - Action plans to support each initiative rely heavily on health and wellness related activities such as:
    - Fun runs to promote team building, and participation in the American Cancer Society’s “Relay for Life” to facilitate community involvement.
    - Targeted communications to senior management about the business impact of health to garner additional support for a culture of health.
    - Employee communications with positive benefits and wellness messaging to build employee trust and engagement.
    - Benchmarking research and employee surveys to guide benefit planning toward positioning Haggar as a top ten mid-size DFW employer.
- **Strong Health Management Team** – Haggar HR drew occupational health nurse from the Fort Worth office and Haggar’s health care vendors into joint information and planning sessions to develop health and wellness strategies and action plans.

## Successes

### Population Health

- Enhanced drug benefits
  - Although both the length of time and the data are insufficient to draw a direct correlation, medical paid claims have been trending down since implementation of the enhanced benefit, while prescription drug costs have been trending up (based on rolling 12 month total paid claims and annual claims cost per employee).
  - Unsolicited employee feedback is very positive. One employee said it was the “best drug program ever.”
  - One employee who typically had several hospital admissions annually due to non-adherence to drug therapy has not been readmitted since implementation of the enhanced benefits.
- Tobacco Cessation –
  - 4 of 14 participants in onsite tobacco cessation classes successfully quit; and 2 employees quit another way.



### Business Health

- Senior Leadership supports health as a core strategy for achieving its business objectives to make Haggar an industry leader, recruit and retain top talent, and be recognized as a top ten mid-size employer in DFW.
- HR assembled six multi-disciplinary teams to develop action plans for its 6 Strategic Initiatives under “Organize for Greatness.”

## Key learnings & greatest challenges

- The structured THSP planning process helped HR take a more strategic and disciplined approach to benefits and wellness program planning and implementation including:
  - Greater focus on identifying available data and using data to drive decisions.
  - Planning metrics up front to measure success so programs are more easily evaluated and improved, using the THSP scorecard to measure results and guide future planning.
- Building strong vendor partnerships and expanding the health management team to include other health related departments/staffs improved benefits planning and administration and helped:
  - Articulate shared goals and strengthen cooperation to achieve them.
  - Foster a team approach to finding solutions
  - Increase vendor value
    - Partnered with vendors to tailor programs (such as smoking cessation) to the needs of Haggar.
    - Expanded options through greater awareness of untapped services available through vendor partners.
    - Improved access to actionable data as Haggar learned from other THSP employers what kinds data reporting was available and what to ask for.

## Future goals

- Continue to plan for and implement health related activities to address the 6 HR Strategic Initiatives.
- Explore how to include “wellness” objectives in individual employee goal setting.
- Continue seeking ways to heighten employee awareness of health risks, while improving HR’s access to actionable aggregate data for setting population health priorities and benefits planning, such as through the required biometric screenings introduced for employees in 2012 and for spouses in 2013.
- Use THSP planning principles to guide planning and implementation of a metabolic syndrome improvement program called “Picture Yourself Feeling Better.”
  - Include evaluation planning upfront by identifying key metrics for measuring results through pre and post program biometric screening.