



INVESTING IN HEALTH AND SAFETY

# A Business Case Resource Guide

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## FOREWORD

The world, public health, and CDC have changed considerably over the past few decades. Faced with new challenges and increased responsibilities, CDC has used an “outside-in approach” in gathering input and feedback from its customers, stakeholders, and partners on how better to meet the challenges of the 21st century. CDC, the nation’s premier public health agency, is comprised of the Office of the Director, six Coordinating Centers/Offices, and the National Institute for Occupational Safety and Health. CDC employs over 14,000 people in 40 countries and in 170 occupations. CDC’s vision “Health Protection … Health Equity” embodies the spirit of the agency which, based on scientific excellence, collaborates with its partners worldwide to create the expertise, information, and tools that people and communities need to protect their health through health promotion, prevention of disease, injury and, disability, and preparedness for new health threats.

Health protection through strong partnerships is a key tenet of CDC’s brand identity. Identifying strong partnerships with organizations and groups that have reach, resources, influence, and/or leverage to protect and improve the public’s health is the collaboration paradigm of the 21st century. Clearly, CDC is expanding its partnerships to better reach at-risk populations, maximize research opportunities, and ultimately translate health protection research to practice more rapidly. In doing so, CDC is including the business and private sectors as bona fide partners in its public health mission. Compelling business cases that provide critical information for making investments in health protection provide a platform for our business-sector partners to increase involvement in health protection activities. For a business case to be credible, it should be based on sound science, objectivity, customer input, and continuous assessment of CDC’s customers’ and partners’ needs.

*The Making Investments in Health and Safety: A Business Case Resource Guide* defines terms, describes methods, and provides standards for CDC in collaboration with businesses to develop business cases that are comparable, consistent, and transparent. However, the guide is not intended to provide a “one size fits all” approach for developing business cases. Each case requires careful consideration by the researcher as it is likely to require collaboration from colleagues in other disciplines as well as input from analysts in the private sector. We hope this guide will assist CDC researchers to meet the challenge of providing an additional dimension to the incredible work already being performed by our dedicated professional staff.

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## INTRODUCTION

The economic impact of illness and injury is reflected in higher health care costs and productivity losses borne by businesses, individuals, and society at large.<sup>1</sup> Federal, state, and local government agencies, non-governmental organizations, and businesses can intervene to reduce these costs with health protection efforts aimed at improving health, reducing health care costs, and decreasing productivity losses. These interventions are actions taken on behalf of individuals, families, and communities to improve and protect health status. Interventions cover a wide array of actions from services at the individual level, outreach at the community level, and policies at the population level.

Many interventions to prevent disease, injury, and disability are implemented by businesses, on the premises of businesses, or under the direction of business. Yet, the net benefits of these interventions are often not evident to the businesses that are asked to invest in them. In a competitive market, employers' main objective is to maximize company's performance. Employee's health and safety affect both company revenues and costs. When workers are healthy and safe, morale and productivity are higher and absenteeism (absence from work due to illness or injury) and turnover are lower.<sup>2</sup> Interventions to protect or improve workers' health and safety may result in lower health insurance costs and disability rates. Moreover, investing in workers' health can serve to enhance corporate image which in turn may increase sales and revenues. An example of a conceptual framework of the effects of investments in health and safety on employers' performance is shown in Figure 1.

Companies in the private sector frequently use the business case approach—a statement of the need, value, and risks of proposed projects—to assess a priori the impact of investing in projects that compete for limited resources. Here, the business case approach is proposed for use by CDC in collaboration with businesses to provide information to business decision-makers when contemplating the advantages and disadvantages of investing in health and safety interventions. The business case allows the champion of one or more initiatives to substantiate its viability,

justify the investment of resources, and show efficiency in performance. A good business case follows a logical, sequential, and explicit process. It allows for testing the validity of assumptions and assessing alternative options before they are presented to business decision-makers.

Although business cases for health protection interventions have been developed by CDC and other health agencies, the lack of standards and consistency among competing methods and procedures make comparisons difficult. Business case guidelines for investment analysis have been developed for and used by government agencies in Australia and the United Kingdom.<sup>3,4,5</sup> Guidelines for developing business cases for health and safety protection interventions that take a business perspective remain underdeveloped in the United States. This CDC resource guide presents a methodological approach to conducting business cases for health and safety interventions to be implemented by businesses, on the premises of businesses, or under the direction of business. This resource guide is intended primarily for use by CDC's analysts working in collaboration with analysts in the private sector. CDC and business analysts will find some elements in this resource guide similar to concepts used in economic evaluations of interventions, while other concepts presented may be different.

This resource guide is not intended for use in public sector evaluations because of differences in perspective. While economic evaluations of public health investments take a societal perspective, business cases for public health investments by the private sector take solely a business perspective. This is because businesses are still bound to maximizing earnings, increasing market share, and increasing stock share value regardless of their willingness to invest for the good of society. For a complete guide on how to conduct economic evaluations of public health interventions that use a societal perspective see Haddix et al<sup>6</sup> and the CDC online economic evaluation training course.<sup>7</sup>