

Wellness Efforts Curb High Health Care Costs

Wellness programs and other employee wellness initiatives are proving to be one of the most effective ways to combat skyrocketing increases in health insurance coverage. The rationale is simple: when coverage is proactive as opposed to being reactive (i.e. waiting until “*people are falling apart*”), health care coverage tends to cost less. As a result, promoting and implementing workplace wellness programs – **which the EAP can help devise** – helps an organization’s bottom line. Any business, large or small, that wants to “shape up” its company would benefit from wellness initiatives.

“The main reason to invest in your employees’ health is that your organization will benefit financially over the long haul,” says Thomas Gilliam, co-author (along with Jane Neill) of *Move It. Lose It. Live Healthy: The Simple Truth About Achieving & Maintaining a Healthy Body Weight* (\$19.95, www.moveitloseitlivehealthy.com).

Moreover, according to the Centers for Disease Control and Prevention, more than 75% of all health care expenditures can be attributed to five conditions:

- Congestive heart failure;
- Asthma;
- Diabetes;
- Coronary heart disease; and
- Depression.

However, Gilliam points out that a successful workplace wellness program should focus on body weight – not to “pick on” fat people but because, Gilliam says, being overweight is almost always a root cause of other chronic health issues and injuries. “If there is a ‘magic bullet’ for overall health, it’s achieving a healthy body weight. It may help prevent and treat everything from diabetes to heart disease to cancer to arthritis to depression to costly workers’ compensation injuries.”

Wellness Programs & Related Initiatives Work

What does a successful workplace wellness program look like? The following are a few of the leading employee wellness initiatives and some of their key components and benefits:

❖ HealthFitness Corp., an award-winning, Minneapolis-based provider of integrated health and fitness management services, utilizes employee health management (EHM), also known as worksite health promotion, to improve employee health and performance. According to a survey by Club Business International employers who offer comprehensive wellness programs realize:

- A 25% to 30% reduction in medical and absenteeism costs over three years; and
- Earn a return on investment (ROI) of \$3.14 for every dollar spent on employee wellness.

❖ Highsmith, a Wisconsin-based marketer of school and library supplies, implemented a workplace wellness program approximately 10 years ago. Since that time, its health insurance premiums have been rising at a rate that usually roughly parallels the rate of inflation – compared to the double-digit annual increases more typical at firms that do not have such programs in place. Moreover, workers’ compensation costs have decreased each year, and staff turnover has also slowed. Important components of its program include:

- *Annual onsite health screenings*: Blood pressure, cholesterol levels, and pulmonary function are checked, and mental health is also assessed. Follow-up exams with a physician are also offered.
- *Workplace fitness and healthy eating*: Highsmith also promotes physical health by offering aerobics classes at work and stocking vending machines with low-fat items sold at a discount. The lower costs are possible by having higher-than-average prices for junk food items sold in machines.

❖ Quest Diagnostics®, an award-winning New-Jersey based leading provider of diagnostic testing, information, and services, started the HealthyQuest employee wellness initiative roughly seven years ago as a way to foster a workplace culture that encourages healthy behaviors. Over a three-year period, the initiative helped Quest employees lower their health risks by adopting healthier lifestyles through company programs that include physical fitness, tobacco cessation counseling, and weight and stress management resources. Key accomplishments include:

- *Tobacco cessation*: Employee tobacco usage dropped to an all-time low – 12.7% compared to the national average of 21%. About 3,600 individuals have enrolled in the program to quit their tobacco habit.
- *Healthier food choices*: Through HealthyQuest, the company has also improved the nutritional quality of food served at its onsite cafeterias and vending machines.

❖ Roche, a New Jersey-based pharmaceutical company, found that 39% of its health care expenses were spent on preventable conditions such as heart disease, high blood pressure, and diabetes – but only 3% was spent on prevention! A health-promotion initiative *was* in place, but it was a limited program that focused on lectures, health fairs, and screenings.

As a result, the company spent a year designing a more comprehensive program. First, it identified where employee health was most at risk. To find out, Roche hired an external vendor to manage the data, and they had employees complete a health risk assessment (HRA), with results going to the vendor. (Roche received only aggregate data.) Through the HRA, the vendor identified high blood pressure, smoking, cholesterol, nutrition, lack of exercise, stress, and self-care (e.g. neglecting self-examinations for skin or breast cancer), as the primary health threats faced by employees.

Roche employees have had marked improvements in each of these areas identified by the HRA. This has helped the firm's bottom line.

For instance, over a three-year period, the HRA generated, on average, substantial per-employee savings:

- A \$235 decline in medical costs; and
- A \$206 decline in the cost of absenteeism. Remember, this reduction was for *each* employee. All told, Roche saved \$400,000 over the same period, with a return-on-investment of \$5 for every \$1 spent on workplace wellness.

In addition, Roche fitness-center membership averages around 700 employees per month, and its group exercise programs are nearly always full.

Implementing a Program

If the corporate client does not have a workplace wellness program in place, the following are some suggestions on how an EAP can help start one:

❖ *Gather facts, and tailor your approach*. The EAP should work with HR and/or other management to determine the areas in which employee health is most at risk. This can be done in various ways, such as having employees complete a survey and health risk assessment (HRA). Recognize that the HRA will vary from company to company, and as such, the workplace wellness program will also need to be tailored to the needs of the corporate client and its employees. In other words, what works for one employer to maximize the health of its workers may not work for another. For instance, smoking may be a much bigger problem at one business than at another firm.

❖ *Educate employees*. Some ways to inform employees about the proposed workplace wellness program include a company Intranet, payroll stuffers, posters, and workplace wellness presentations by an EA professional, nutritionist, tobacco-cessation specialist, or other health specialist.

❖ *Choose a program based on small, gradual lifestyle changes*. “Don’t be sucked in by six-month programs or those based on fad diets and other get-in-shape-quick schemes,” Gilliam says. He points out that regular exercise and a moderate, nutritious diet are paramount to success.



❖ *Connect the dots for employees.* Don't hand them a thick manual about the benefits of health and fitness and expect them to suddenly change their ways, according to Gilliam. "You need a complete program that educates and motivates. If you provide support at every possible level, employees are more likely to be successful," Gilliam advises.

❖ *Be committed for the long haul, not the short term.* A six-month workplace wellness program isn't going to cut it, Gilliam says. "It takes about 24 months to achieve a healthy body weight and establish the kinds of lifestyle habits that allow employees to maintain their new fitness levels," he states.

❖ *Be inclusive. Don't single out obese people.* Emphasize the benefits of lifestyle change, and recognize that "fitness" and "thinness" aren't always synonymous. "There are plenty of thin people who eat junk food and never exercise," Gilliam notes. "Even if you have employees who are already doing everything right, a program will help them keep up the good work and maintain a healthy body weight."

❖ *Devise incentives to increase participation in wellness programs.* Even small incentives can help keep people working toward a common goal. One possibility is to set up friendly competitions between departments. For example, the team that collectively loses the most weight is rewarded with an afternoon off. Financial incentives can be major motivators, and they need not be expensive. They can run the gamut, from \$10 to \$100 gift certificates, to gift baskets; certificates of achievement; recognition plaques; T-shirts; and discount coupons. At the aforementioned Roche, employees received \$25 gift certificates for completing the HRA, which resulted in one-third of employees completing the assessment. In addition, physicals and diagnostic tests are offered for both employees and families if they complete an annual wellness activity. "Let's be honest: Walking every day and forgoing your coffee and doughnut can be a drag," Gilliam notes. "People like working toward a concrete reward. Be creative. Make it fun."

❖ *Recognize that incentives have a strong track record of success.* At Eastman Chemical, a HealthFitness client, participation in HRAs rose dramatically when incentives were introduced. In 2005, with no incentives, only 10% of Eastman employees participated. When a \$600 reduction in employee health contributions was offered for participation, completion of HRAs rose to 88% in three years.

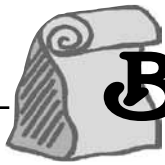
❖ *Start exercise groups.* Human beings are social creatures, and thus much more likely to keep exercising if they have someone to work out with. If aerobics classes or weight machines are too expensive, consider something as simple as a noon-hour walking group.

❖ *Offer classes and trainings on work-life topics.* Don't overlook the connection between physical health and overall well-being. It's been proven that poor mental health, such as depression or high levels of stress, can affect physical health, so it stands to reason that promoting one area will improve the other. For example, according to Lawson Wulsin, M.D., author of *Treating the Aching Heart* (\$22.95, Vanderbilt University Press), depression increases the chances of developing coronary heart disease by about 75%. Consequently, as well as providing seminars for employees on exercise and nutrition, the EAP might offer workshops in areas such as conflict resolution and stress management.

Summary

While health care reform is controversial and complex, most economists agree that the crisis isn't about the *amount* of money being spent – it's the need to spend more *effectively*. Since increases in health care premiums will continue to impact employees' wallets and employers' profit margins, it stands to reason that EAPs need to help increase awareness and lead their clients to better health care policy decisions. ■

For more information, visit www.hfit.com and www.questdiagnostics.com.



Healthy Weight is Crucial

Employers are always looking for ways to control costs and cut expenses – and employee benefits are often at or near the top of the list. It's no wonder: soaring monthly premiums make health insurance a tempting target. However, radical as the notion may seem, Thomas Gilliam, Ph.D., says that rather than chopping away at employee benefits, it's better to *spend* some money on helping them get fit and happy.

"When you think long-term, it makes perfect sense," says Gilliam, co-author (along with Jane Neill) of *Move It. Lose It. Live Healthy: The Simple Truth About Achieving & Maintaining a Healthy Body Weight* (\$19.95, www.moveitloseitlivehealthy.com). "First of all, cutting benefits is demoralizing: it does neither your employees nor your company any favors. The last thing you want is a team of disgruntled employees. Look around your workplace: it's believed that 66% of adults are overweight or obese, which means they're getting more expensive and less productive. Get proactive about helping them achieve healthy body weights and you *will* save money down the road."

How does encouraging employees to achieve and maintain healthy body weights pay off? Gilliam offers the following insights:

❖ **Obese employees have higher medical costs.** According to research journals, an obese worker costs a company an extra \$1,432 each year in health care costs. "Factor in the rising costs of health insurance and the rising number of obese

Americans, and you realize it's only going to get more expensive."

❖ **Obese employees get hurt more frequently and rack up higher workers' compensation costs.** According to a Duke University study, morbidly obese workers were injured twice as often as their healthy body weight counterparts. They had 13 times as many lost workdays, and the average workers' compensation claim was \$51,091 compared to \$7,503 for other employees.

❖ **Obese employees are absent more often.** "It stands to reason that people who are sick more often are also out of work more often," Gilliam says. "Even when they're at work, obese employees are less productive. A study of 341 manufacturing employees found that moderately or extremely obese workers experienced a 4.2% health-related loss in productivity, 1.18% more than other employees, which equates to an additional \$506 annually in lost productivity per worker."

❖ **Obese workers should consider losing weight for their families.** Employee fitness, which includes healthy body weight, should be a family affair. No one wants to be obese, and most people want their children to be overweight even less. Help employees set a healthy example for children by educating them about good nutrition and other healthy lifestyle tips they can share with their families.

Summary

The intent of these recommendations is **NOT** to "pick on fat people," Gilliam stresses. "Fitness" and "thinness" aren't always synonymous. "There are plenty of thin people who eat junk food and never exercise," he notes. Moreover, exercise and fitness are but one component of a successful workplace wellness program – others include tobacco cessation and preventative cancer screenings. However, being overweight is almost always a root cause of other chronic health issues. ■

