

A business case for wellness programs *Des Moines Business Record Sunday, December 17, 2006*

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Bought a new American-made car lately? Did you know that the health-care costs of major U.S. automakers add as much as \$1,500 to the cost of every new vehicle they sell?

Health-care costs consume an estimated 60 percent of corporate America's after-tax profits, according to Garry Lindsay, director of business partnerships for the Partnership for Prevention.

Lindsay was part of a panel discussion on "Controlling Health Care Costs with a Healthy Workforce" hosted earlier this month by the Greater Des Moines Partnership and Iowans for Wellness & Prevention.

"I think that most CEOs make decisions with a lot less evidence than there is right now for the effectiveness of worksite wellness programs," Lindsay told an audience of about 65 people at the lunch-n-learn session. Each participant received a copy of "Leading by Example," a 24-page pamphlet summarizing an executive outreach program spearheaded by the Washington, D.C.-based organization.

"Often, chief executives aren't aware of the business case for instituting worksite wellness programs," Lindsay said. "Multiple studies indicate the return from workplace wellness programs is about \$3.50 for every dollar invested. That's why we put together this booklet. We're trying to make more employers aware by direct CEO-to-CEO communication."

Among the 19 CEOs participating in the Leading by Example campaign is Dean Oestreich, president of Pioneer Hi-Bred International Inc. The Johnston-based global seed company has had a worksite wellness program since 1979.

Jill Norris, Pioneer's preventative health service manager, said her company recognizes the value of such programs.

"As the population ages, there's going to be huge competition for attracting and retaining top talent," she said. "To position yourself as an employer who cares about the health of your employees will be critical."

Among the components of Pioneer's wellness program: 100 percent health insurance coverage for preventative care; disease-management programs in which participating employees are provided credits to their retiree medical savings accounts; an integrated employee assistance and life management resources program; and employee benchmark scorecards that list things employees can do to lower costs, such as using generic prescription drugs, not using the emergency room unnecessarily and taking advantage of preventative exams offered through the health plan.

The company also launched an awareness program earlier this year to promote the use of less-expensive generic drugs rather than name-brand prescription drugs, which has already resulted in a 3 percent reduction in its multi-million-dollar prescription costs annually, Norris said. It also has analyzed the 450 emergency room visits by employees in the past year and found that about 300 visits could have been handled at a less costly urgent care clinic.

Collectively, the measures taken have resulted in quantifiable savings, Norris said. According to a benchmarking comparison conducted for Pioneer by the management consulting firm Towers Perrin, Pioneer's annual per-employee health-care expenses were about \$2,000 less than would be expected for a company its size, which equates to a \$7.8 million per year savings.

Providing a workplace culture that's supportive of healthy lifestyle changes is an important part of a wellness program, said Kerry Juhl, executive director of the Wellness Council of Iowa.

"Research shows that if an individual makes a behavior change and they go back to an environment that supports that healthy change, close to 80 percent will maintain that change over a two-year period," Juhl said. "On the other hand, if someone who makes a behavior change goes back to a non-supportive culture, over that time nearly 80 percent will go back to their old habits."

The Wellness Council's Well Workplace program can provide companies with a blueprint for starting, managing and enhancing a workplace wellness program, and incorporates a rewards program for employees, Juhl said.

Health fairs and other one-time events are fine, Juhl said, but companies must make a long-term commitment to results-oriented programs that will result in cost savings as well as improved health for employees. "We must show CEOs why it's important and how it contributes to the bottom line," she said. "Data collection is essential. That is really the difference between an activity-centered program and a results-oriented program."