

Employers, want to save money? – focus on health

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The quantitative evidence is convincing; comprehensive worksite health promotion programs work! And Colorado employers of all sizes are implementing strategies to take advantage of the potential cost savings. These strategies are a results-oriented approach to supporting and empowering employees to improve their health, thus strengthening the healthy cultures of their organizations. This approach reduces health-related costs paid in insurance premiums, worker compensation, high incidences of absenteeism, and lower productivity.

As highlighted in the CHRA June 2007 Advisor newsletter, behavioral risk factors such as sedentary lifestyle, poor nutrition, smoking, high stress levels, and obesity are increasing in prevalence throughout the country with no signs of decline. Individuals who carry multiple risk factors can generate health care costs 4.5 to 8 times greater than their healthy colleagues.¹ The rate of absenteeism among these high-risk individuals is more than two times greater than that of their healthy counterparts.² In addition, high-risk individuals cost their employers 2 to 12 times more in worker's compensation costs than do their peers at lower levels of risk.³ Employers are catching on.

As health-related costs continue to grow, employers are forced to pass an increasing percentage of the burden on to the employee. This isn't without additional costs; employers face costs hidden in the form of decreased morale and company loyalty, increased turnover, and deflated worksite culture.

But there is an answer! Years of research on the return on investment of comprehensive health promotion programs demonstrate that organizations that follow a comprehensive and structured approach to preventive health see average returns of \$5.50 to every \$1 invested in preventive health.⁴ In addition, there are numerous other benefits such as increased productivity and employee morale, and decreased presenteeism (employees are present, but not working) - that while difficult to measure, arguably make up the most significant return on investment.

Employers of every size, industry, geographic location, and culture can benefit from health promotion programs.

For employers looking to implement worksite health promotion to improve the overall health of their employees and their spouses and dependents, there are a number of tools that can be integrated to determine a baseline assessment of the populations' health to better target interventions. First and foremost, if an employer has a limited budget for health promotion, it is important to know that education will present the greatest return on dollars spent. Education in the form of mandatory or incentivised luncheon presentations, all-staff meetings, or webcasts can help draw out the connections between good employee health and the financial fitness of the employee and of the organization they work for. Information resources such as self-care texts, a nurse help line, a health-oriented website, an annual health fair, and an annual health risk assessment, can empower employees to perform basic self-care, and thereby to avoid unnecessary claims. In addition, employers can make one-on-one consultation (or lifestyle coaching) available to individuals at highest-risk to support behavior change. Other organizations further along in their wellness strategies are using reserves from cost savings to pay for onsite medical clinics as a convenient health resource for employees. Over time, organizations can work with statisticians and actuaries to cross-reference employee-reported data with claims data and absenteeism records in order to pinpoint behavior and cost trends and to more fully understand the overall return on investment of their health promotion strategy.

¹ Yen, L., Edington, D., & Witting, P. (1991). Associations between health risk appraisal scores and employee medical claims costs. *American Journal of Health Promotion*, 6(1) 46-54.

² S. Serxner, The impact of behavioral risk on worker absenteeism. *Journal of Occupational and Environmental Health*, 2001.

³ Musich, et.al., (2001, June) The Association of Health Risks with Worker's Compensation Costs, *JOEM*, P. 534-541. N = 3,338

⁴ Larry Chapman, *Proof Positive: An Analysis of the Cost-Effectiveness of Wellness*, 2005.

Another tool is an annual health risk assessment, which allows employers to target the most prevalent health risks with population-wide interventions and education. When integrating these targeted components it is important to take into consideration what person(s) will manage the administrative aspects of the program, what incentives will be used to encourage participation, and how the program will be promoted.

Some of the most progressive (and not coincidentally most successful) companies are finding creative ways to tie wellness into employee benefits. Approaches include but are not limited to instituting mandatory Health Risk Assessments to become eligible for the company health plan, greater contribution of the health premium to those who participate in wellness, or full benefit conversions to employee Health Savings Accounts (HSAs) with dollars designated for wellness activities. These aggressive benefit-driven initiatives are advantageous because they not only save money, they also serve to make employees more knowledgeable health consumers.

One resource for Colorado businesses is the Metro Denver Health & Wellness Commission (MDHWC) www.mdhwc.org. The Commission is focused on making Denver America's healthiest community. Acknowledging that obesity is linked to chronic, yet preventable, diseases such as type 2 diabetes, heart disease and cancer, the commission is working on strategies that target homes, schools, employers, and communities to stem Colorado's obesity rates.

On October 30th, the MDHWC is partnering with the Colorado Business Group on Health (CBGH) www.cbghhealth.org to host the "**Colorado Culture of Health Conference.**" The event will feature speakers such as Lt. Governor Barbara O'Brien and WELCOA Executive Director, David Hunnicut as well as numerous other healthcare professionals (presenters and vendors) working in the area of prevention. The CHRA is realizing the tremendous importance of the work of the MDHWC and is partnering with the Commission to promote, educate, and recognize leaders in health.

Those interested in engaging in preventive health strategies should visit the Wellness Coalition of America, or WELCOA, one of the front running groups in health promotion. Their website is a virtual library of information for employers, health promotion practitioners, and human resource leaders. They can be found at www.welcoa.org.

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