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Wellness Strategies: *Employer's key to managing and reducing healthcare costs*

Wellness programs are gaining more and more traction as employers find that healthy employees provide more productivity and a decrease in long-term medical costs.

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Wellness Programs (Insurance Based & Employer Based)

Many employers are using different types of wellness programs to engage their employees. There is a direct correlation between certain risk factors and a variety of chronic diseases. One great example of this is smoking. Smoking contributes to heart attacks, lung cancer, asthma, high blood pressure and many other chronic diseases. For this exact reason many employers are implementing programs to help employees quit smoking and offering incentives for those who do quit.

Wellness programs are not just something that employers are using. There are in fact two types of wellness programs. There are employer based and there are also insurance based. Insurance based means that the insurance company agrees to offer incentives such as lower premiums or discounted co pays and deductibles if the plan member agrees to certain lifestyle changes.

It has been proven that healthier people will cost an employer and/or insurance company less. This is why it is crucial that every employer large or small has some type of wellness program in place. The key to reducing long-term health care costs is prevention. Unhealthy behaviors must be eliminated and healthy activities such as proper nutrition, increased physical activity and smoking cessation must be promoted.

Cost Savings and Benefits

When executed properly, wellness programs can save companies a tremendous amount of money. Many large employers have found that by investing in their employee's health they have saved millions of dollars. As an example, one company piloted a wellness program by randomly selecting employees and their spouses to participate in a cardiac rehab and exercise training program for a 6 month period. The result was a decrease of \$1,400 in claims per person compared to the prior year. Almost everyone agrees that wellness programs will save employers money on their health care costs and there have been many studies to support this. One in particular is a study conducted by the Cornell University Institute for Health and Productivity which found that when used correctly, wellness programs can save employers \$300 for every \$100 invested per employee.—Further reductions can come in other areas as well as some studies have found that employees who use their corporate fitness center had 1.3 fewer disability claims per year compared with those who did not.

*For every \$100
invested employers
can save at least \$300
a year per employee.*

The benefits from participating in a wellness program are numerous such as improving employee's—physical health, increasing job satisfaction and providing employees with a more positive and mental outlook. Likewise, it has also been found that employees who actively participate in wellness programs have less workplace injuries, increased stamina, lower levels of stress and higher self-esteem. This all leads to an increase in productivity, a decrease in absenteeism and of course a decrease in health costs which ultimately results in an increase in profitability for the employer.

Conducting a Wellness Inventory

It is not just having a wellness program in place that will guarantee success. Employers must constantly conduct inventory analysis to find out what services and benefits are available. It is crucial to make sure that your company is meeting the needs of your employees and getting the best possible return on investment. The first step is to be able to identify all areas of the organization that are currently offering health-related services. You need to find the answers to questions such as what exactly is

being offered? Who is it being offered to? Are there any out of pocket expenses? The goal is to organize all wellness services into one document.

The next step is to match each service to see if it supports the 6 most common treatable health factors:

- Obesity
- High blood pressure
- High cholesterol
- Smoking
- Lack of exercise
- Mental health (stress, anxiety and depression)

The next step is to group all of the wellness services to their associated health-risk factors to make sure that they are being appropriately addressed. Ask yourself are there any health-risk factors that don't have a wellness service supporting it? Are we focusing too much attention and money on one risk factor at the expense of others? What is our participation rate? How can we increase utilization?

Employees need to see senior management participating and believe that they are committed to improving their employee' health.

It is also important that employees are able to and feel comfortable enough to provide honest feedback. It's important to take surveys and ask your employees what programs they use, why they use those programs, and what other programs would they like to see.

Tips to Increase Utilization

There are a few things employers can do today to increase their employee's utilization. One in particular is quite obvious but most often overlooked which is to involve senior management's active participation in the wellness programs. Employees need to see senior management participating and believe that they are committed to improving their employee' health. In addition, making sure that your wellness program is regularly monitored and evaluated is the key to success.

Many companies have found great success in offering incentives and rewards to encourage employees to participate in wellness programs. Many companies give prizes such as iPods or gift cards to those who are active in their wellness programs. It's also beneficial to survey employees to find out what incentives or rewards would make them more encouraged to participate in your company's wellness program. Using a vendor that specializes in employee engagement can prove quite useful in running an effective and successful wellness program.

Conclusion

Successful wellness programs should:

- Reduce employee absenteeism rates
- Reduce employee turnover rates
- Reduce short-term and long-term disability rates
- Increase employee utilization or participation rates
- Increase employee's healthy habits
- Increase profitability

A continued focus on improving the wellness services offered as well as driving employee engagement is critical to a successful and effective employer wellness program.