



COLBURN GROUP

Wellness Programs Help Avoid Preventable Health Costs

With medical costs on the rise, employers need to consider all possible ways to help employees lower their health care spending. Many of the conditions that give rise to health care spending are preventable, and can be managed—or avoided altogether—with behavioral or lifestyle changes. Workplace wellness programs can provide the tools for employees to adopt the changes that can improve their health and lower their health care spending.

A study published in the American Journal of Health Promotion examined the relationship between group health care costs and 11 modifiable risk factors that are tied to various medical conditions—stress, current or former smoking, sedentary lifestyle, obesity, nutrition, depression, high blood pressure, high cholesterol, alcohol use and blood glucose level. The study found that, overall, these risk factors accounted for approximately 25% of total medical care costs in the studied companies. Almost 8% of costs were related to high stress, and 8% were related to smoking. Another study, published in the Journal of Occupational and Environmental Medicine, concluded that approximately one-third of a studied organization’s corporate costs in medical claims, pharmacy claims and employee absences could be defined as “excess costs” associated with health risks.

Wellness programs offer employers the opportunity to avoid excess health care spending, reduce employee absence rates, and improve employee productivity through encouraging healthy lifestyles. Furthermore, implementing wellness initiatives can aid an employer’s efforts to attract and retain the best employees, and can help an employer build a positive reputation and image in the community.

Wellness initiatives can be simple or complex, and can focus on behavior change for employees overall (such as nutrition counseling, fitness programs and weight management) or for those with a targeted illness (such as asthma, diabetes or hypertension). According to information included in a report prepared by PricewaterhouseCoopers and the Working Toward Wellness initiative of the World Economic Forum, among surveyed U.S. companies, health risk appraisals were the most commonly offered wellness initiative, followed by smoking cessation programs, workout facilities, diet groups, cafeteria healthy food options, gym memberships, exercise breaks and diet counseling.

The Wellness Councils of America describes seven elements as being inherent to successful workplace wellness initiatives—

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1. Having support for the program from senior management, including their involvement in employee communications about the wellness initiative and their being seen as role models for the program.
2. Having in place a team of individuals responsible for the wellness initiative, to avoid individual burnout or loss of leadership in the event of promotions, job transfers or an individual's move to outside of the organization.
3. Collecting data on various factors that are crucial to establishing and designing the program: What do employee health risk appraisals and screenings indicate would be effective wellness programs? What types of health care claims might be modified by a wellness program? What does data on absences and disabilities indicate? What impact might the physical workplace environment have (e.g., ergonomics, heating and ventilation)?
4. Having in place an annual operating plan that includes measurable goals, a timeline for implementation, budgets, an employee communications/marketing plan, and methods of evaluation.
5. Choosing the best interventions based on the data collected and plan developed.
6. Creating an environment that supports the program, along with supporting overall health. For example, if a program targeting obesity is implemented, providing healthy food choices in the cafeteria and in vending machines not only helps employees to change their behavior, but also shows company support for the program.

Though wellness programs will entail some cost, most employers find the investment worthwhile, and that it pays them back over time, with return-on-investment estimates varying. Implement the right kind of program—or programs—for your workplace, and both your company and employees will benefit.