

Wellness in the Workplace

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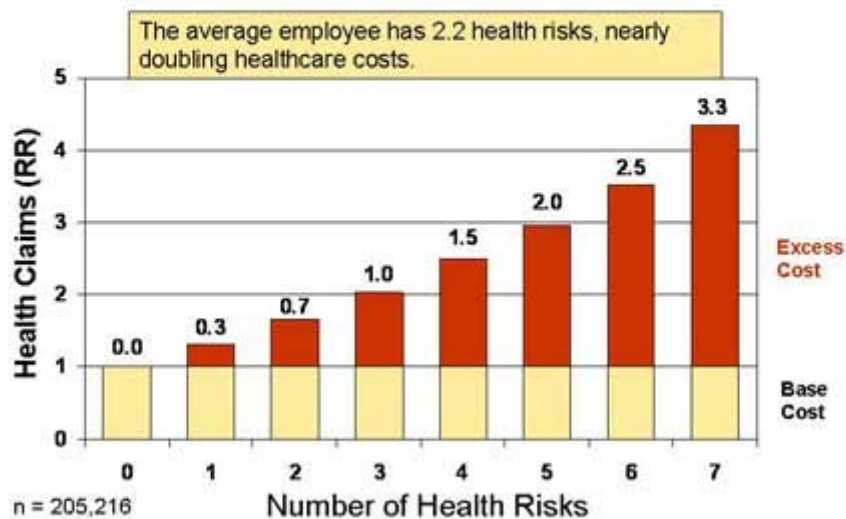
This is a current article, March 2006, that looks at worksite wellness. It's always important to have numbers to substantiate trends. There are a number of pertinent points below.

Dr. Derek Lee

Each year the University of Michigan Health Management Research Center conducts a one-day conference on worksite wellness. The University of Michigan (UM) has been a leader in research of excess costs in the workplace due to poor health practices and risk factors. Here are some of their findings from years of research in worksite wellness. Use these guidelines for controlling high healthcare costs. This is a brief review of worksite wellness principles presented at their conference this year.

- **A comprehensive health risk appraisal (HRA)** is needed to determine high healthcare cost risk factors before you can implement an effective worksite wellness program. The HRA identifies health needs for the company, establishes benchmarks for showing change, and allows you to connect employee health needs with specific opportunities for improvement and change.
- **Persons with risk factors generally have higher healthcare claims** than people without risks.
- **The more risks a person has the higher the healthcare claims.** Use the number of health risks to stratify risk in your organization.

Number of Health Risks and Excess Healthcare Claims Cost



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Source: University of Michigan study.

- **Absenteeism** shows the same relationship to risks as medical costs – the more risks a person has, the higher the number of “work lost” days claimed.

Number of Health Risks and Excess "Work Loss" Days Due to Sickness or Injury

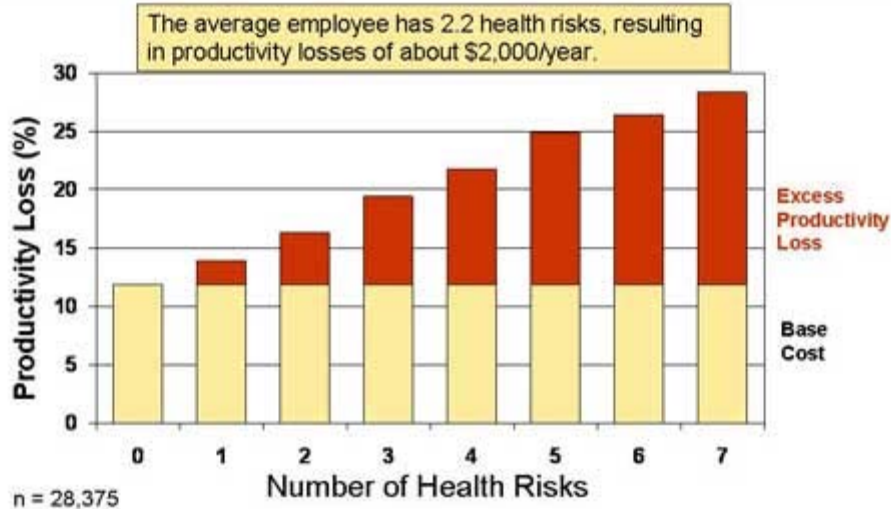


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Source: Summary of 10 Mid-sized U.S. Corporations.

- **If the number of health risks goes down, so do costs.** As risks go up, so do healthcare costs. To manage costs, manage risks.
- **Costs go up twice as fast with an increase in risks** than they go down with lowered risks. Thus, low-risk maintenance (health promotion and prevention) is an important strategy and offers more potential for cost savings and positive return on investment (ROI) than risk reduction and disease management.
- **Risk combinations** and the number of risks present are the major predictors of total healthcare costs.
- **The HRA overall wellness scores** for individuals and company-wide are good benchmarks for measuring changes in healthcare costs as well as changes in health status.
- **Cost containment is closely related to participation** in your wellness program. If you are serious about healthcare cost containment and improving health in the workplace, design your program to attract at least 80% of your workforce. Also plan to include as many spouses and dependents as possible for maximum impact.
- **A comprehensive wellness program** designed to decrease healthcare costs stratifies risks for all employees in a company and provides improvement opportunities as needed:
 - Low-risk maintenance (keep healthy people healthy)
 - Risk interventions for those with risk factors
 - Disease management to minimize complications of chronic health conditions
- **Presenteeism** (at work but performance impaired due to physical or emotional health problems) is generally more costly to a company than excess healthcare claims due to poor health. Presenteeism is related to the number of health risks present and is generally more closely related to mental and emotional health problems than physical health problems.

Number of Health Risks and Productivity Loss



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Source: *J Occ Environ Med.* 2005;47:769-77.

- **For best results**, focus on the person and not just the risk or the disease – treat the person, not the risk factor.
- **“Bending” healthcare cost trends** over time shows proof of success in cost containment. It’s not reasonable to expect a decrease in healthcare costs, but the trend should show a marked bend or slower rate of inflation than before the wellness program began.

Showing Cost Savings from Your Wellness Program



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Source: D. Edington. University of Michigan Conference. 2006.

- A health management **“score card”** evaluating a company’s wellness program should be evaluated primarily on the following:
 - Percent participation of all employees (goal 80% of employees over any 3 year period)

- Percent of employees who are “low risk” (goal 70%).
- **Low risk is defined** by Dr. Dee Edington as having 0-2 risk factors. Moderate risk is 3-4 risks. High risk is 5+ risks.

Risks Linked to Higher Healthcare Costs

- High alcohol intake – 15+ drinks/week
- High blood pressure – 140/90+
- Overweight – BMI 27.5 or higher
- High cholesterol – 240mg/dL or higher
- Low HDL levels – less than 35 mg/dL
- Low life satisfaction – only partly or not satisfied
- Low perception of health – fair or poor
- No regular physical activity program
- Safety belt usage – less than 100% of the time
- Current smoker
- High stress level
- Existing medical conditions (heart disease, stroke, diabetes, cancer)
- High absenteeism rate previous year – more than 5 days/year

Overall Risk Status
Low risk, 0-2 risks
Medium, 3-4 risks
High risk, 5+ risks

- **In future consumer-directed health plans**, such as Health Savings Accounts (HSAs), health management (worksite wellness) will be a key component for implementing health consumerism and healthcare cost containment.
- **Integrating wellness into employee benefits**, preferably participation required for availability of the best health plan, is the best way to make wellness an integral part of the business and insures high participation rates. Employees not participating in the wellness program (and meeting minimal requirements) should pay a higher co-insurance fee than participants. The cost differential should be about \$1,000 per year. Plans using this approach have very high participation rates.
Reference: Edington D. Wellness in the Workplace Conference. Beyond Individual Risks and Behaviors. Health Management Research Center. March 15, 2006.