

Wellness Programs Help Companies Cut Healthcare Costs

LYNNE JETER

Helping employees get healthier is on many companies' New Year's resolution lists. Because the spiraling cost of healthcare remains a major priority for companies of all sizes, promoting healthy behavior with wellness programs leads to a healthier workforce and substantial return on investment.

"When companies take into account that 75 percent of all healthcare costs are incurred by the 15 percent sickest people, it becomes clear that getting their employees healthier is a must," said Kyle Savitz, president of Corphealth, an Orlando-based corporate wellness provider that also provides services in the Tampa Bay area. "Disease prevention saves dollars. More companies are realizing that workforce wellness is a top priority, and company-sponsored wellness programs are now very much in vogue.



"Many companies are going as far as tying pay, benefits and promotion to participation in company-sponsored wellness programs. Healthcare spending has risen at such an alarming rate that the U.S. Senate has just introduced a bill to encourage workplace wellness programs. The Healthy Workforce Act, co-sponsored by Senator Harkin of Iowa and Senator Gordon-Smith of Oregon, if passed, would provide tax incentives – up to \$200 per employee for the first 200 employees and up to \$100 thereafter – to businesses, particularly small and medium sized employers who offer wellness programs."

Why the push towards corporate wellness?

"For one, studies have consistently shown that as employee health improves medical claims, absenteeism and disability costs decrease," said Dr. Gloria Garcia, vice president of Corphealth. "Furthermore, it's been shown that as health risk factors increase, productivity drops. Most importantly, these programs work, and employers realize real savings in direct lower healthcare costs, as well as in better attendance, improved productivity and healthier workers.



**Dr. Gloria
Garcia**

"The fact is that healthier employees demand less costly healthcare. Prevention of costly chronic disease is the goal. Now that wellness is the growing trend, companies need to get started."

Why wellness?

"The basic premise of a corporate wellness program is to identify employees at risk of chronic diseases such as high blood pressure, heart disease, diabetes and cancer, and help them prevent or control these conditions before they become catastrophic," explained Garcia. "Employees now become responsible for poor health and lifestyle behaviors that lead to expensive healthcare. With employers promoting and investing in healthy living, they're creating expectations in the workplace that healthy behaviors are expected and desired. When corporate-sponsored programs are in place, the employee has the tools to succeed in changing poor lifestyle and health behaviors."

The employee also appreciates that their employer cares about their health and is helping them achieve their health goals, Savitz pointed out.

"With a return on investment of approximately \$8.22 savings in direct healthcare costs and absenteeism costs for every dollar invested, the answer for companies is simple," she said.

How do companies get started in wellness promotion?

“A good wellness program has to identify risk followed by targeted behavior modification,” said Garcia. “The first step in identifying risk is for employers to get a snapshot of the general health of their employees. By identifying health trends, companies can implement specific programs based on these demographics. Identifying at-risk populations is typically done through the combination of health screening tests, biometrics and health risk assessments.” Screenings allow employees to see where they are at risk for development of chronic disease, and help them target these risk areas, Savitz noted.

“Screening tests such as total cholesterol with full lipid profile, blood sugar, blood pressure, weight and body fat provide objective data that is the basis for the health risk appraisal,” she said. “The health risk appraisal consists of a health questionnaire completed by the employee. The answers to the questionnaires along with the objective screening data are processed and an individual health profile is given to each employee. A company health profile is also given to employers. Now that we know the population at risk, it’s time to do something about it. A good wellness provider can formulate a successful program to help companies achieve their goals.”

Savitz noted a few introductory effective low-cost corporate-sponsored health promotion activities:



**Kyle Savitz,
ARNP**

- Education, coaching and motivation. “This is a key activity,” she said. “Educational lectures, lunch-and-learns, and literature help people change. Employees start to think healthier.”
- Focusing on fitness is essential. “Obesity and inactivity are major risk factors for preventable disease,” she pointed out. “Getting employees moving goes a long way towards getting them healthy. Many companies have fitness centers onsite. Small companies may be able to get a small gym in place, or could partner with other small neighboring companies and develop shared space with shared costs.”

“Remember, the key to having a successful corporate wellness program is corporate support, employee participation, good program design and follow-up evaluations,” said Savitz. “These programs are not just for big companies. Smaller corporations are very capable of this commitment and able to share the success of the large corporations.”

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