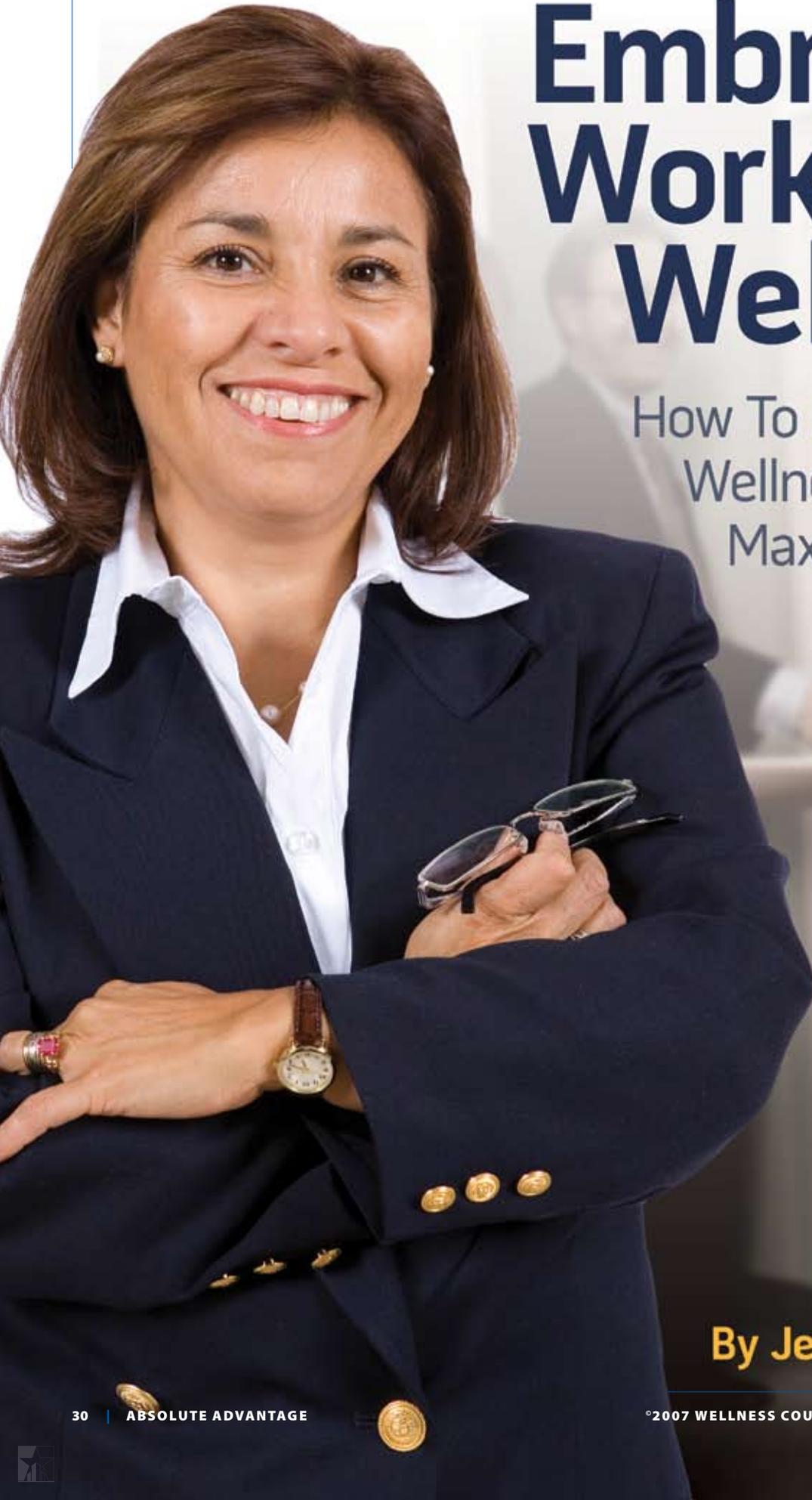


Embracing Workplace Wellness

How To Leverage Your
Wellness Efforts For
Maximum Results



By Jeff Rubleski, MBA



Most business leaders would agree that providing affordable, comprehensive healthcare coverage for employees is a major challenge. With most businesses lacking the pricing power to increase fees for goods and services produced, rising healthcare costs serve to squeeze profit margins to a point where the very existence of some businesses is threatened.

Consider this: Rising healthcare costs don't discriminate between service-based and manufacturing-based businesses. On the service side, Starbucks spends more on health insurance each year for its U.S. employees than it spends on its main ingredient, coffee!¹ And the most publicized manufacturer to struggle with the enormous weight of health insurance costs is GM, which spends more on health benefits for its employees and retirees than on the steel it uses to manufacture vehicles.²

Link Employee Wellness To Health Benefit Plan Design

Over the past few years, there has been a monumental shift in the thinking of progressive business leaders when it comes to workplace-sponsored employee wellness. No longer are enlightened business leaders pursuing wellness as a “fringe” activity that attracts mainly what I call the “worried well.” *Instead, workplace wellness is becoming a sustained business strategy that is literally tied to the fabric of the existing health benefits plan.* When workplace wellness and the health benefits plan are properly integrated, the resulting “synergy” improves employee health and produces

measurable results that CFOs demand from any type of significant investment of corporate resources!

Dee Edington, Ph.D., from the University of Michigan, is renowned for his pioneering work in the field of workplace wellness. I had the good

fortune to attend his 25 Annual Well Workplace Conference last spring. Here is what I consider to be the true “golden nugget” of information that Dr. Edington shared with the attendees regarding the two essential measurable outcomes for worksite health promotion programs:

Dr. Edington's Two Essential Worksite Wellness Outcomes

- 1. 80% of employees and spouses take an annual health risk assessment with biometric testing (blood pressure, cholesterol, body mass index).**
- 2. 70% of employees and spouses have from 0-2 identified health risks.**

To support these critical outcomes, Dr. Edington performed detailed medical claims research over a five year period for a sizeable employee population in the late 1990s through 2002. *His research clearly demonstrated that identifiable health risks, which include smoking, high blood pressure, elevated total cholesterol, diabetes, excessive alcohol consumption and obesity have a direct link to increased medical claims.* In addition, those with lower health risks incur significantly lower medical claims, are present at work more often (a term called presenteeism) and are more productive on the job.



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Employee And Spouse Health Screenings Are Critical For Risk Factor Identification

Employers of all sizes are moving toward financial incentives to attain Dr. Edington's recommended 80% employee/spouse compliance with biometric screening and the completion of a detailed health risk assessment. Aggregate health risk assessment reports from the population of employees and spouses tested (generally a minimum size of 50 participants is required due to privacy requirements) will provide a snapshot of identified risk factors. These identified risk factors will serve as the basis for ongoing worksite health promotion efforts. So how do you get 80% employee and spouse compliance? *Link the compliance or non-compliance to a financial reward or penalty.* The amount needs to be substantial—often hundreds of dollars in increased employee health insurance co-payments are assessed for non-compliance.

Provide the necessary biometric

screening during work hours and schedule the completion of the health risk assessment immediately following the scheduled screening. Properly scheduled screenings and effective financial incentives should get most organizations to the 80% compliance level in the first year of program integration.

Look To Your Health Insurer For Guidance

Most health insurers have a variety of health resources, including online health risk assessments available to customers at no extra charge. Yet, these resources are often underutilized or overlooked when organizations plan their health promotion strategies. Contact your health insurer or your health insurance agent for assistance in your worksite wellness activities. Chances are these professionals will be able to provide solid advice on how to leverage the resources they have available to assist in your wellness efforts. Onsite biometric screenings are provided by a number of organizations, including the Visiting Nurses Association. The fee for comprehensive biometric screening can vary from \$30 to \$50 per participant. Although this service is expensive, its cost is miniscule compared to the ongoing cost of monthly employee/spouse health insurance premiums. This testing will provide an accurate snapshot of the overall health of your employees and their spouses, a necessary foundational element to targeted risk factor reduction. Biometric testing for obesity, elevated blood pressure, elevated total cholesterol and elevated blood glucose levels represent the first line of defense in the early detection and treatment of costly risk factors.

Some Health Insurers Are Offering Real Price Discounts For Healthful Lifestyles

Some health insurers are now starting to offer premium discounts when members participate in the insurer's health programs and take proactive steps to reduce identifiable risk factors such as elevated blood pressure, elevated cholesterol, elevated blood sugar and elevated body mass index.

For example, one new lifestyle-related health insurance product offered to businesses in the State of Michigan is offered by Blue Care Network. The product is called *Healthy Blue Living*, and discounts of up to 10% are given on the premium for businesses that commit to a smoke free workplace and to promote a healthful worksite for employees. This innovative product was introduced in October 2006. Personal responsibility plays a big part in this program. Covered employees and their spouses have 90 days to complete a health risk assessment and to have a check up with their family doctor to determine if they have any of six identified risk factors. If both the employee and covered spouse comply with the program, they continue to receive the original health plan benefit. If they fail to comply with the program, they receive a lowered health benefit program that requires higher deductibles and co-payments for services. The intended result of this program is to reward businesses and individuals with lower costs for pursuing healthful lifestyle practices. Find out if there is a similar plan available in your area of the country. Chances are you will begin to see

similar lifestyle-driven plans in your area, as insurers compete to reward healthful behaviors.

Next Steps

Take a look at your current health benefits plan and your wellness activities. Are they integrated to maximize the significant investment your organization has made in the health insurance coverage for your employees? Integrate worksite wellness and benefit plan design and seek competent advice from your health insurance agent and health carrier on benefit plan design issues. This integration will give your organization the foundation to improve the health of its employees and their spouses. Improved employee health can positively impact worksite productivity and the quality of life for your employees.

Senior management support is critical for building a sustainable employee/spouse wellness program. Program integration needs to be a core operating strategy in your business that is measured by the reduction of health risk factors in your employee and covered spouse population. Secure the necessary funding to implement the necessary program initiatives that will be necessary to support a sustainable program. The result of this could be a more productive workforce and significantly lower long-term healthcare costs. ★

RESOURCES

1. H.S.A. Insider, www.hsainsider.com, Oct. 2006.
2. Ward's Dealer Business, March 1, 2004.



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Suggested Citation: Rubleski, J. (2007). *Embracing Workplace Wellness*. WELCOA's **Absolute Advantage** Magazine, 6(5), 30-33.

