

Impacting the Cost Curve Wellness Trends in 2015

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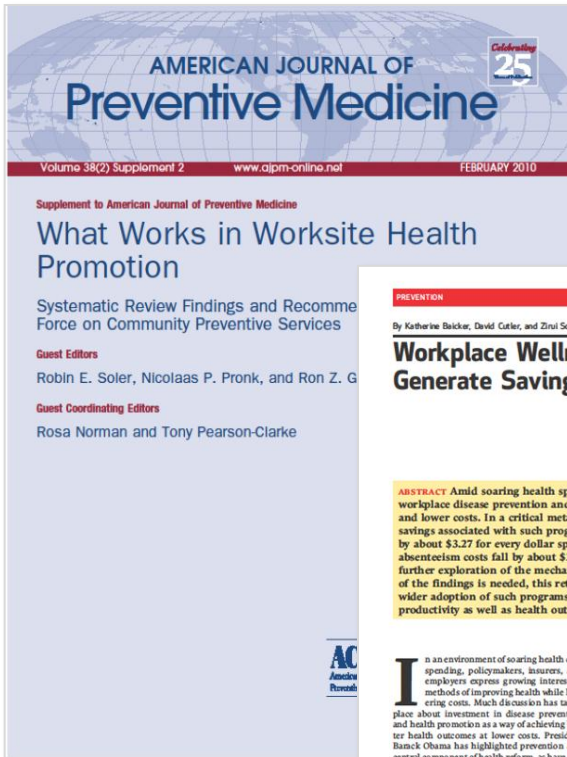
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WEB

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- Does wellness work and when
- Wellness and the cost curve
- Key trends for 2015
- Insight from an employer with a comprehensive wellness program



Supplement to American Journal of Preventive Medicine

What Works in Worksite Health Promotion

Systematic Review Findings and Recommendations on Community Preventive Services

Guest Editors

Robin E. Soler, Nicolaas P. Pronk, and Ron Z. Goetzel

Guest Coordinating Editors

Rosa Norman and Tony Pearson-Clarke



PREVENTION

By Katherine Bakker, David Cutler, and Zhiyi Song

Workplace Wellness Programs Can Generate Savings

ABSTRACT Amid soaring health spending, there is growing interest in workplace disease prevention and wellness programs to improve health and lower costs. In a critical meta-analysis of the literature on costs and savings associated with such programs, we found that medical costs fall by about \$3.27 for every dollar spent on wellness programs and that absenteeism costs fall by about \$2.73 for every dollar spent. Although further exploration of the mechanisms at work and broader applicability of the findings is needed, this return on investment suggests that the wider adoption of such programs could prove beneficial for budgets and productivity as well as health outcomes.

In an environment of soaring health care spending, policymakers, insurers, and employers express growing interest in methods of improving health while lowering costs. Much discussion has taken place about investment in disease prevention and health promotion as a way of achieving better health outcomes at lower costs. President Barack Obama has highlighted prevention as a central component of health reform, as have major congressional reform proposals.^{1,2} Workplace-based wellness programs, which could affect prevention, have been showcased in these reform proposals, the popular press, and congressional hearings.³

This enthusiasm for workplace programs stems in part from the fact that more than 60 percent of Americans get their health insurance coverage through an employment-based plan,⁴ as well as from the recognition that many employees spend the majority of their waking hours in the workplace—which makes it a natural venue for investments in health. There are several reasons that employers might benefit from investments in employee wellness. First, such programs might lead to reductions in health care costs and thus health insurance premiums. Second, healthier workers might be more productive and miss fewer days of work. These benefits may accrue at least partially to the employer (such as through improved ability to attract workers), even if the primary benefits accrue to the employee.

These factors may motivate the increasing interest in such programs among employers—and especially large employers. In 2006, 19 percent of companies with 500 or more workers reported offering wellness programs, while a 2008 survey of large manufacturing employers reported that 77 percent offered some kind of formal health and wellness program.^{5,6} Consistent with the evidence presented below, small firms seem slower to offer such programs, and many of the programs offered are still quite limited in scope.⁷

Several well-publicized case studies have suggested a positive return to employers' investment in prevention. For every dollar invested in the program, the employer saves more than the dollar spent. The Citibank Health Management Program reported an estimated savings of \$4.50 in medical expenditures per dollar spent on the program.⁸ Studies from the California Public Employees Retirement System (CALPERS), Bank of America, and Johnson and Johnson have similarly estimated sizable health care savings from wellness programs.⁹⁻¹¹ Despite

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FEBRUARY 2010 29:2 HEALTH AFFAIRS 1

Research Report

Workplace Wellness Programs Study

Final Report

Soeren Mattek, Hangsheng Liu, John P. Caloyeras, Christina Y. Huang, Kristin R. Van Busum, Dmitry Khodyakov, Victoria Shier



- Sibson's [Healthy Enterprise Study](#) (Winter 2011)
 - Top quartile of Sibson's Healthy Enterprise Study Wellness Index experienced **16 percent lower health care costs** (adjusted for demographics and industry) and a **35 percent lower rate of increase** in costs than all other organizations.
- Harvard University meta-study of 100 peer-reviewed journal articles [Workplace Wellness Programs Can Generate Savings](#)
 - **ROI of 3.27:1** on health care cost reductions (for properly designed programs)
 - **ROI of 2.73:1** on absence and related costs after about three years.
- Chapman et al. [Meta-Evaluation of Worksite Health Promotion Economic Return Studies: 2012 Update](#) includes 55 peer reviewed journal articles
 - **ROI in range of 6:1** (from 3:1) in earlier studies
 - Note: typically 3-5 years for full impact

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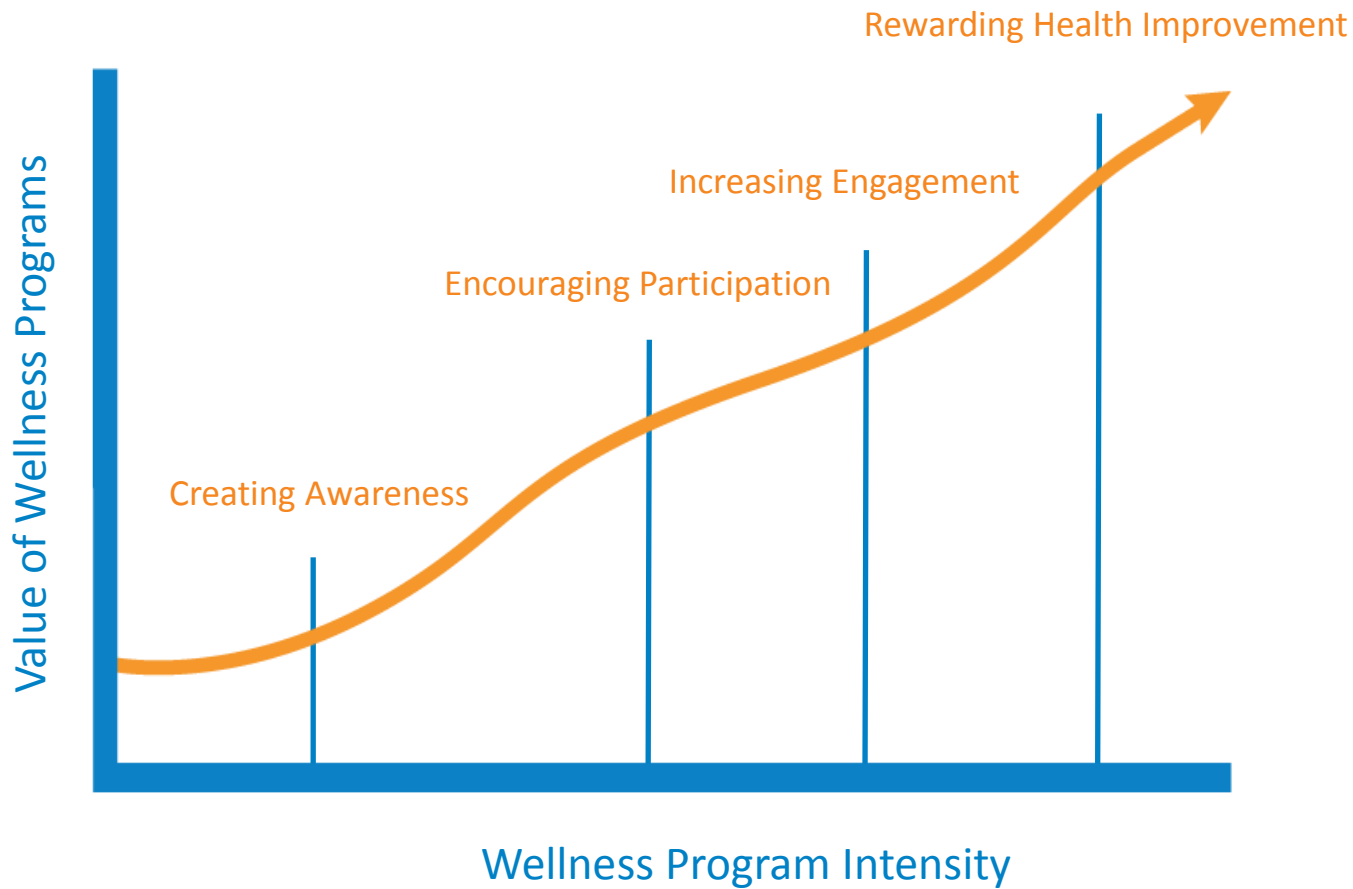
7 key trends

1

Wellness as a strategic initiative

- Why offer wellness?
- What are you trying to solve for?
- People are most important aspect of any organization





2

Wellness regulations front & center

- ACA
- HIPAA
- EEOC

86%

Employers who offer wellness incentives*



*According to a recent survey conducted by Fidelity Investments and the National Business Group on Health

- Principal goal: to avoid “Discrimination” – as you will see, this implicates the ACA/HIPAA, and the ADA
- “Voluntariness”: the ADA wants to make sure that employees are not forced to disclose medical information or submit to medical examinations. So “voluntariness” becomes an important goal.
- Confidentiality is critical: This is a goal of both the HIPAA and the ADA as it relates to the medical information of employees.

Considerations:

- Educate employees on the purpose of wellness programs
- Integrate wellness program with the company's health plans
- Explain and emphasize to employees that health screenings are managed by a third party vendor AND company does not see individual results
- Run a voluntary program – provide employees and spouses an option on whether or not to participate
- Well-designed communication and promotion for wellness programs can be as effective as incentives in terms of achieving high participation levels among employees

3

Holistic wellness approach

- Physical health
- Emotional health
- Financial wellness
- Sleep
- Stress management/resiliency

49% 

Employees lose 1+ hours of productivity a week due to stress

1/3 

Experience insomnia several times per week

4

It's not personal – wait it IS personal

- Personalization/customization for employer
- Personalization for employee



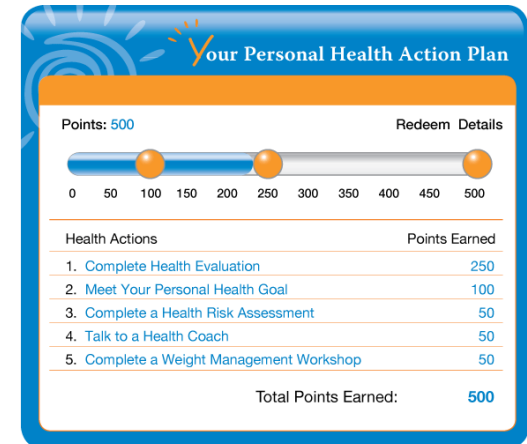
Personalize for the employer

- Use organization's numbers
- Create an easy win
- Incorporate your unique resources
- Wellness provider must know your resources
- Match and enhance company culture



Personalize for the employee

- Right tests, right person, right time
- Outreach
- Personal, ongoing relationships with coaches
- Personal health goal
- Personal action plans



5

Technology is your friend

- Enabler/amplifier for healthy outcomes
- Behavior design: ever present reminder for healthy lifestyle
- Means to an end, not an end itself

65%

have smartphone

25%

use fitness trackers





Sitting is the new smoking

- Combat the effects of sitting all day
- Build a culture that encourages breaks from sitting
- Make it fun
- Host walking meetings





7

Emphasis on effectiveness

- Do wellness programs work?
- How do you define success?
- What to measure?

77%

Achieve personal health goal



VOI

What is your objective and measure against it

Key Metrics

- Participation
- Satisfaction (attitude toward company)
- Health Status
- Health Risk Migration
- Health Care Costs
- Recordable Injuries
- Impact on absence, STD, Worker's Comp

A Key Metric: Improved Health Outcomes

71% achieve personal health goals

77% of at risk employees fax results to MD

39% obese reduce BMI by \geq 1pt/yr (5-10 lbs)

35% pre-diabetics return to normal range

34% uncontrolled diabetics reduce glucose below high risk level



Creating impact for the entire population

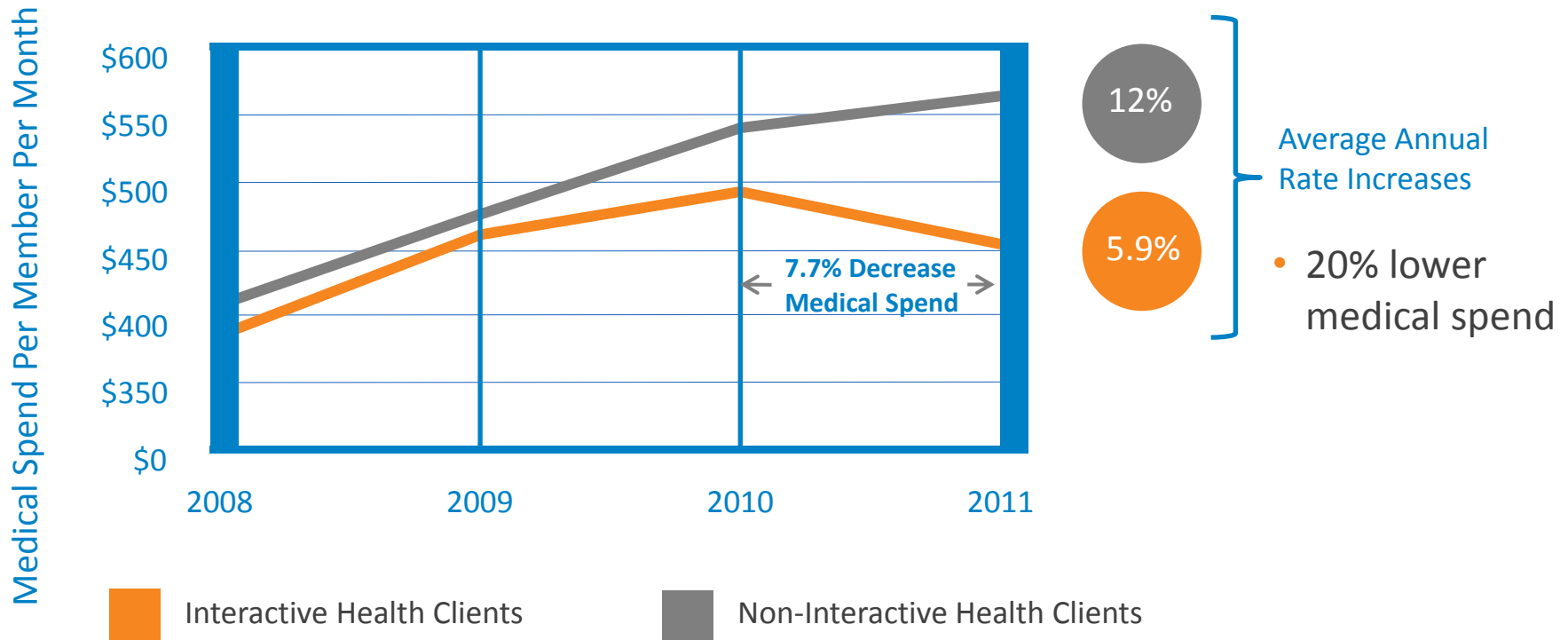
High Rates of Health Improvement: Overall

		Year 1 Risk Level		
		Personal Health Score	-20:0 (Healthy)	1:25 (Moderate Risk)
Year 2 Risk Level	-20:0 (Healthy)	88%	36%	15%
	1:25 (Moderate Risk)	9%	43%	22%
	>25 (High Risk)	3%	22%	63%

High Rates of Health Improvement: Diabetes

		Year 1 Risk Level			
		Level of Diabetic Risk	Healthy	Pre-Diabetes	Diabetes
Year 2 Risk Level	Healthy	94%	41%	17%	9%
	Pre-Diabetes	5%	44%	24%	9%
	Diabetes	1%	11%	30%	16%
	Out of Control	0%	4%	16%	67%

Bending the cost curve



Source: Zoe Consulting, Inc., two-time C. Everett Koop award winning consulting firm; published 8/23/2012

- 1 Wellness as a strategic initiative
- 2 Wellness regulations front & center
- 3 Holistic wellness approach
- 4 It's not personal – wait, it IS personal
- 5 Technology is your friend
- 6 Sitting is the new smoking
- 7 Emphasis on effectiveness





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Questions??