

# Investment in Worksite Wellness: An Essential and Cost Effective Step

By Jara T. Weiss<sup>1</sup>

More and more organizations are finding that it is possible to significantly reduce health care costs, and improve employee health and productivity through wellness and prevention programs.

We are facing a blazing health care crisis that must be extinguished.

While it may be difficult to think about investing in new initiatives under current market conditions, the truth is with the high cost of health care, companies can no longer afford to conduct business as usual. Companies must invest more to tame this raging fire that continues to seethe out of control. According to a *National Coalition on Health Care* report published in September 2008, U.S. health care spending reached 2.4 trillion dollars. Health insurance coverage is the fastest growing distress for employers. The *Henry J. Kaiser Family Foundation* reports that employer health insurance premiums have increased by 87% since 2000 and by 5% in 2008 – twice the rate of inflation.

What can be done to offset these costs? It is estimated as much as \$29 billion could be saved through disease prevention. Yet, “we spend 1% of the total U.S. health care expenditures on disease prevention and health promotion,” this according to Michael Parkinson, M.D., MPH, FACPM, and *President of the American College of Preventative Medicine*. This staggering discrepancy remains despite numerous studies and compelling evidence that worksite wellness programs lower an employer’s costs significantly by promoting a healthier workplace with reduced health risks. This then leads to a decrease in absenteeism, diminishes presenteeism, and fewer workman’s compensation claims are reported.

*The U.S. Centers for Disease Control and Prevention* estimates that 70% of health care costs and medical visits stem from chronic diseases that are largely preventable, or at best, better managed, such as obesity and smoking-related illnesses. Lifestyle changes have been shown to reduce deaths caused by the six leading killers in the U.S. – heart disease, cancer, stroke, respiratory diseases, accidents, and diabetes. Chronic disease is driving our national and organizational costs, steering businesses head on into dire and fiery financial consequences.

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How can we build a culture of health in our work environments, the place people spend most of their time? Through wellness programs, employers can energize the health of their employees and reduce chronic conditions that drive up health care costs. Wellness programs are measurable and benefits include: reducing and controlling health care costs, raising productivity, decreasing absenteeism and presenteeism, and changing lifestyle behaviors that cause chronic disease. Residual effects of worksite wellness programs are happier, more energetic employees who feel better about themselves both physically and psychologically.

The programs offered by wellness professionals can generally be customized for each company's needs. Depending on its specific requirements and preferences, a company can choose from a variety of prevention programs that deal with topics such as stress management, behavioral change (including weight management), nutrition, and disease prevention and management.

Organizations that have a comprehensive health promotion model incorporate medical screenings, health assessments, and on-site clinics and fitness centers. Options like learning libraries, lunch and learns, tobacco free workplaces and healthy snack options allow companies to present their employees with healthy choices. To get their employees involved, these organizations also provide incentives such as gift cards, reduced health premiums, and subsidized gym memberships. Proactive, health-conscious companies sponsor sports leagues and challenges, biggest loser contests, walks, and healthy picnics. These strategies and programs are a few of many a company can implement to create a sustainable culture of health.

Employers may soon have additional reasons to institute worksite wellness programs. The new White House Administration has vowed to alter health care in the U.S., and legislation has already been presented which could include tax credits to companies that institute preventative care programs and health promotion programs. Senator Tom Harkin of Iowa's *HeLP America Act* of 2004, *The Healthy Lifestyles and Prevention Act* is seeking to support Americans and grant them access to enhanced preventative care including appealing incentives, tax credits, up to \$200 per employee for the first 200 employees and \$100 per employee thereafter. Another bill in legislation to provide for increased funding for health promotion is the *Health Promotion First Act* proposed by Senator Lugar.

"One way to reduce employer health care costs, is by reducing the demand for unnecessary medical services," says Dr. Don R. Powell, President and CEO of the American Institute for Preventative Medicine and a 2008 inductee to the *National Fitness Hall of Fame*. "This can be accomplished by teaching employees/members medical self-care. Medical self-care refers to a decision-making process that helps increase efficient and appropriate use of medical services and to make more informed health care decisions," Dr. Powell tells us. This is good news for the company that simply cannot give up valuable employee desk time. Health care costs can be reduced without a huge initial investment.

*The American Institute for Preventative Medicine* publishes medical self-care guides that have proven to save employers \$16 for every dollar spent on the publications. Research in 22 independent studies on the self-care guides demonstrated an average savings of \$70.85 per employee in nine months due to reduced doctor and emergency room visits.

In the 2007 *Annual Employee Benefits Trends Study* conducted by MetLife, 94% of companies of all sizes that have begun wellness programs reported that their medical costs have been reduced. Additionally, they have experienced better employee retention and the ability to attract top talent because of the good will established by the programs.

One important element of these programs, which has been cited by the very successful program developers at General Mills, is that C-suite leaders must be involved in the programs along with other employees in order to achieve optimum success. This involvement has been shown to establish a corporate culture of wellness and ensures the executives embody -- from the top down -- the transformation they seek in the entire organization. Many of the top minds in the field of health care discuss these and related health promotion issues at the *Consumer Health World Conference* held regularly by Transmarx, LLC. Numerous multi-nationals around the world have become increasingly aware of the necessity for worksite wellness programs and the important role these programs play in reducing health care costs.

Investments in wellness initiatives allow organizations to smother the imminent flames of escalating health care expenditures and provide cost savings solutions for eager employers. Wellness programs get to the core of the lifestyle problems and offer cost savings that add up over time, making worksite wellness an investment that employers are discovering they can no longer afford to ignore. In this challenging and unique economy, companies are looking to keep costs down and are seeking innovative ways to ensure a robust and healthy workforce. They can find relief in knowing an investment in prevention and wellness can reduce health care costs and create a culture of good health for any organization.