

TAKING CONTROL OF YOUR CORPORATE HEALTH DIRECTION

A 90 Day Action Plan to Identify Healthcare Risks, Impact Health Care Costs, and Improve Employee Health and Productivity

The health of your employees is important because it directly affects your company's profits, productivity, and business performance, but rising health care costs and an uncertain healthcare policy landscape have many employers questioning how to take control of their corporate health strategy.

There are proven ways to actively manage health care costs by understanding your health risks and engaging employees to make healthier lifestyle choices. This paper outlines five practical ways your organization can drive bottom-line business ROI and more competitive employee benefits. It includes an action plan that can help you identify health care risks, impact health care costs, and improve employee health and productivity in just three months.

The challenge of managing employee health care costs

For most employers, maintaining their current approach to employee wellness and health care is effectively a choice to accept rising health care costs and diminishing employee health and productivity.

According to recent studies:

- Health care costs are rising at twice the cost of living, creating an affordability gap for both employees and employers¹
- Employees pay 40 percent more for health benefits than they did five years ago¹
- There is not a state in the U.S. with less than 20% obesity, while 15 years ago, there was not a state with 20% obesity⁶
- The number of high-risk employees is growing at over 10% a year as obesity and associated diseases become more prevalent⁷

Traditional approaches to managing employee health risks have not proven very effective. Health insurance does not directly improve health or reduce health risks. Claims management programs manage disease after diagnosis rather than investing in prevention of disease. So it's not surprising that only 12% of employers feel their health care vendors are very effective at engaging members in health improvement programs¹.

Controlling health care costs is equally vexing. As an employer, you cannot control healthcare policies, prices or the inefficiencies inherent in the healthcare system. Managing rising health care costs by increasing deductibles, co-pays, and premium contributions is not an effective long-term health care strategy. Employees already bear the burden of over one third of health care benefits costs¹.

But there are some things employers can control. The U.S. Centers for Disease Control and Prevention (CDC) estimates that improving our diet, increasing our activity and eliminating smoking would prevent 80% of heart disease, stroke, type 2 diabetes, and 40% of cancer². This translates to strong health care cost reduction potential. For example, a WellnessPlus client was able to save millions of dollars in health care expenses and limit health care cost increases to half the industry average by actively managing these health care risks and managing employee behavior.

Specifically, there are proven ways business owners can actively manage health care costs and employee health:

- Identify health risks – Conduct comprehensive biometric screenings and health assessments to identify and quantify the risks in the employee base. A brief 10-minute biometric screening can give employees critical health information that could actually save their lives and reduce health care costs.
- Provide health leadership – Make employee health a strategic goal and wellness a business imperative. Developing a workplace culture where employees are accountable and supported for their health and wellbeing is ranked as the top priority for employers in the coming year¹.
- Manage known risk factors—Manage hospital costs and lost employee time associated with preventable diseases. Over 75% of health care costs relate to preventable conditions – such as diabetes, heart disease, stroke and obesity².
- Motivate employee behavior change – Engage employees in an incentive-based wellness program. Most employers agree the biggest challenge to maintaining affordable health benefit coverage is the poor health habits of employees¹.

Five ways a corporate health strategy can lower costs

A comprehensive Corporate Health Strategy that incents employees to engage in healthier lifestyles can help businesses manage health care costs and employee health. There are five practical ways a corporate health strategy can drive a stronger bottom line as well as deliver more competitive employee benefits.

Five ways a Corporate health strategy can improve employee health and the bottom line

1. Quantify the health risks you face and hold employees more accountable for behavior change
2. Manage health care increases by reducing preventable diseases
3. Improve employee health by engaging employees with wellness incentives
4. Improve employee productivity and reduce absenteeism with a wellness program
5. Improve employee benefits quality

Quantify and control health risks

It's hard to manage what you cannot measure. This is a problem when it comes to managing health care because many employers have relatively little information about the health risks and behaviors in their organization. This lack of information makes it difficult to identify their top health care risks and target the highest risk employees and behavior with wellness incentives and education. There are ways to quantify the specific health care risks a business faces and hold employees more accountable for behavior change.

- Conducting comprehensive biometric screenings and health assessments for the entire employee base will help quantify the company risk profile and identify actions that can be taken to reduce risks and improve overall employee health.
- Regular, comprehensive employee assessments provide an empirical baseline of employee health, participation, and outcomes that allow businesses to put in place employee incentives for improved health behaviors and achievements.

WellnessPlus can provide a snapshot of the overall health risks and opportunities in a company, and implement a customized, turnkey corporate health care strategy in less than 90 days.

Manage health care cost increases

Many business owners are not fully aware they can affect hospital costs and lost employee time by encouraging healthier employee behavior. The majority of health care costs are tied to preventable diseases including diabetes, cancer and strokes that can be reduced or avoided with wellness education and incentives.

Unhealthy employee behavior creates health risks, which lead to hard health care costs. An incentive-based wellness program can improve the ability to control health losses, reduce claims and avoid future premium increases. For example, WellnessPlus programs have demonstrated the ability to reduce hospital claims by almost a third by educating, engaging and motivating employees to change unhealthy behavior and reduce your risk profiles.

Already, two thirds of employers are offering financial incentives and discounts to encourage healthier behavior and better control employee health care costs. 19% of companies have started to impose financial penalties on employees with unhealthy lifestyles¹. As a result of changes to the Federal Health Care law, employers now have the flexibility to require workers to pay up to 30% of their insurance costs if they fail to meet specific health standards.

Improve employee health

Employee health has become a business responsibility and a smart investment. Today one in ten people have type 2 diabetes and over a third of the U.S. population is obese according to the CDC². Without active management and support, the health of the average employee will continue to erode based on national forecasts for greater incidence of obesity, diabetes and heart disease – coupled with an aging population. It is likely the number of high-risk employees in the average workforce will grow at a rate of over 10% per year if nothing is done to improve the situation.

Business owners can improve health outcomes by creating a culture where employees are educated, engaged, and motivated to change their behavior and improve their health. This commitment also demonstrates your company cares about the lives of the people who work there.

Improve employee productivity

65% of employers are concerned that the health of their employees is hurting productivity, absenteeism and overall business performance¹. This is because research has shown the corporate costs of poor health on productivity are far greater than the out-of-pocket medical expenses⁴. The impact of lost workdays and lower employee productivity due to health issues costs businesses over one trillion dollars a year according to the Milken Institute³.

A healthy employee is a motivated and productive employee. You can improve employee productivity and reduce absenteeism with a wellness and prevention program that motivates employees to change unhealthy behavior and reduce their risk profile. For example, an analysis of wellness program participants by WellnessPlus found that the highest performing employees also had the highest level of participation in their health and wellness programs.

Improve employee benefits quality

Almost two thirds of employers are cutting benefits and increasing employee contributions to health care expenses as a way to manage rising health care costs according to Towers Watson research¹. This is unsustainable. Allowing benefits to erode unchecked can lead to diminished employee morale, productivity and retention. A wellness program is good way to ensure quality benefits because it allows businesses to reinvest savings from lower employee health risks and lower health care increases into the company benefits program. A wellness program also allows organizations to put in place incentives that allow employees to earn better coverage quality and lower employee insurance contributions by engaging in healthier behaviors. The result is a better outcome for businesses, and a greater sense of control and satisfaction among employees. For example, with over 90% of employees participating in health risk appraisals and education in WellnessPlus programs, WellnessPlus participants achieved greater than 95% employee satisfaction.

How to get started in the next ninety days

A wellness and prevention program is the cornerstone of a corporate health strategy that gives businesses control of their health care risks and costs. A wellness program:

- Gives annual information about employees' risks and documents engagement in behavior changes and achievement
- Provides a simple vehicle for rewarding employees for engaging in healthy behaviors with cash, prizes, reduced contributions to health care premiums, or better health coverage
- Educates and engages employees in healthy activities

A corporate health strategy can be deployed quickly and profitably giving businesses the opportunity to gain greater control in a matter of months. The cost of delay to a business and its employees is significant. A WellnessPlus professional can help you create and execute a customized corporate health strategy that can reduce health care costs and risks while improving employee health in 90 days.

A Ninety Day Action Plan	
Create a snapshot of your company's health care risks and opportunities	Ask your health services partner for a historical recap of the components of your healthcare costs and utilization of preventative care.
Identify risks and behaviors that lead to health care costs	Conduct comprehensive biometric screening and health assessments of your employee base to understand your employees' risk profiles; identify hidden risks and forecast cost savings opportunities.
Optimize your program options to maximize opportunity and limit risks	Adjust plan benefits to target the highest risk employees and behaviors with wellness incentives.
Educate, engage and motivate employees to change behavior and reduce your risk profile	Develop a Corporate Health Strategy that implements a wellness and prevention program that educates, engages and motivates employees to change unhealthy behavior and reduce their risk profile.

Start managing your health care costs today by asking WellnessPlus to provide you a snapshot of a corporate health care strategy with a customized set of wellness plan options and incentives. Or create your health care risk assessment now at [this link](#).

Take the Health Care Plan Risk Assessment Today!

WellnessPlus Contact Information

1018 Highland Colony Parkway
Ridgeland, MS 39157
888-699-7638
WellnessPlus@WellnessPlus.com
www.WellnessPlus.com

Suzanne Schwing
1018 Highland Colony Parkway
Ridgeland, MS 39157
O: 601-607-4285
C: 601-862-8079
F: 601-607-4330
SuzanneSchwing@WellnessPlus.com
www.WellnessPlus.com

Citations

1. 2012 Towers Watson-National Business Group on Health Employer Survey on Purchasing Value in Health Care
2. *F as in Fat: How Obesity Threatens America's Future* 2012 Centers for Disease Control and Prevention, Robert Wood Johnson Foundation
3. *Milkin Institute, an Unhealthy America: The Economic Burden of Chronic Disease* (2007)
4. *Wellness Council of America (Wellcoa)*
5. Finkelstein, EA, Trogon, JG, Cohen, JW, and Dietz, W. Annual Medical Spending Attributable To Obesity: Payer- And Service-Specific Estimates. *Health Affairs* 2009; 28(5): w822-w831.
6. *American Journal of Preventative Medicine (Obesity Statistics)*
7. *University of Michigan Health Management Research Center*