

How healthy employees can Save You Money.

Volume

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If you think wellness programs can't help reduce your health care costs, think again. In fact, start by thinking of wellness programs as loss control for your skyrocketing health care costs. The savings you can achieve are real – if you make a commitment to helping your employees improve their health.

For example, one Wisconsin company was able to reduce its overall health care costs by five percent after implementing a long-term wellness program, which included a quit-smoking component. The program also helped identify employees who, unknown to them, had serious conditions including high cholesterol, high blood pressure and diabetes.

One expert* estimates that:

- 15 percent of all healthcare costs in the U.S are due to sedentary lifestyles
- A 24-year-old female smoker will require roughly \$106,000 to treat all the diseases that will result from smoking over her lifetime
- A 24-year-old male tobacco user will require roughly \$220,000 over his lifetime. (That breaks down to about \$40 in healthcare costs for every pack of cigarettes smoked.)
- Roughly 12 percent of all healthcare costs are related to obesity
- It costs an average of \$1,200 more to treat an obese person than a person of normal weight for the same condition

So, as employees become healthier, costs go down because healthy employees use less health care – that's the most obvious reason that healthy employees save you money. But there's more:

- Employees who are healthier overall are more present and productive on the job. You may not have heard the term “presenteeism” but you've no doubt seen it in action. Employees who aren't feeling well still come to work to be counted “present,” but they're not focused on work. Healthier employees get fewer colds and flu, and avoid “presenteeism.” (A flu shot clinic can help in this regard, too.)
- Healthier employees who are fit and in shape are less likely to be injured on the job. That means lower workers' compensation costs, too.

If your company has never offered a wellness program, start now. If you had a bad experience with an unsuccessful wellness program, it's time to try again.

Here's the secret: Get buy-in from your leadership by pitching a well-run wellness program as loss control for your health care costs. You take steps to prevent theft or spoilage or other forms of preventable waste. A wellness program that helps employees adopt healthier habits is one way to stem the tide of money flowing out of your doors.

Once you have your company's leadership on board, develop a strategy based on the size of your company, your goals, your employees' interests and your commitment to making employee wellness part of

how you do business. (If you're hoping for a one-shot-quick-fix-magic-bullet, stop reading now. You're doomed before you start.)

Wellness programs can run the gamut from simple walking programs to on-site workout facilities, workshops, seminars and more. The details of your program should be realistic for your company and your goals. Here are a few tips to get you started:

1) Start with a baseline:

Begin the program with some kind of measurement so employees have something to measure their progress against. Have everyone step on a scale before starting a walking program, or host a health fair so people can measure their blood pressure or cholesterol, for example. (You'd be surprised how many employees don't know their blood pressure, their cholesterol levels or even how much they're overweight.)

2) Incorporate education:

Part of being healthier is managing your own risk for some serious conditions such as heart disease, cancer and diabetes. That all starts with awareness and education. Do your employees really understand these common conditions or how to reduce their risk of developing them?

3) Consider who you're motivating:

Incentives are great motivators. But a credit for health club memberships mostly rewards people who are already going to the gym. Think about how best to motivate people who aren't aware of their health status, who don't like to exercise or who don't know where to start.

4) Follow the rules:

As you develop your program, rewards and incentives, be sure to consult your insurance agent or carrier to ensure you're not discriminating against anyone. Follow the guidelines for a bona-fide employee wellness program to help you comply with privacy and confidentiality guidelines, among other rules.

5) Keep it up:

Old (especially bad) habits die hard, so a wellness program should be ongoing and consistent in order to help people truly adopt better lifestyles. If an employee can make lasting changes – quitting smoking, achieving a healthy weight, reducing their risk for diabetes, etc. – that's going to have the most impact on bringing costs down.

If you don't know where to start, your insurance agent and your insurance carrier should be able to help you find resources that will work for you. Online resources abound as well. Make the commitment to wellness and your bottom line will benefit.

*Aldana, S. (2007) *The Cost of Unhealthy Behaviors*. WELCOA's Absolute Advantage Magazine, 6 (4) 22-29.

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