

Wellness Incentives Are Paying Off

Companies using a health management program are saving \$2,850 per employee.

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Is your company looking for a way to both decrease its healthcare costs and help employees attain better health? Try wellness programs and make sure to offer incentives. [A recent study from the National Business Group on Health and Watson Wyatt](#) reported that almost half (46%) of the employers they interviewed offer financial incentives to encourage healthy behaviors.

Incentives are translating into bottom-line savings, according to Interactive Health Solutions (IHS), Arlington Heights, Ill., a provider of population health management programs. Companies using their programs spend \$2,850 less per employee on annual healthcare costs.

"Choosing to steer our resources toward preventative care and providing opportunities for health care screening was a shift in philosophy for us. We had been focusing on providing care when people became sick. As result of our screening we were able to help employees avoid some major illnesses and when it comes down to it that's the core of what we want to do for our employees," explains Chuck Aardema, Vice President, Human Resources of totes-Isotoner Corp. The company, headquartered in Cincinnati, Ohio, is the world's largest marketer of umbrellas, gloves, rainwear, rubber overshoes and other weather-related accessories and has 1,100 employees.

To support this new philosophy totes offers 100% preventative care coverage as well as health coaches. And to make it very easy for employees to participate in this voluntary program, employee screenings and evaluations are given onsite during the weekday at most company locations.

"Part of the broad message is that these types of programs can help combat rapidly rising health care costs in general and also can help employees better manage their own costs, explains Karen Logan, Benefits Manager at totes, which was recently named as a finalist in the 2007 designation, Healthiest Companies in America, by IHS.

The IHS program addresses healthcare concerns before they become problematic -- when employees are still at the "no risk" stage. "We employ a very basic premise at our client companies, which is "don't get sick, get help," versus, "get sick, then get help," says Joseph O'Brien, IHS president. "This means that employees are being assessed before they are symptomatic, rather than after they become ill and start incurring medical costs."

"As a company who produces health-related products, our philosophy of emphasizing wellness measures in our workforce was natural. We encourage employees to become more accountable for their health and so we offer lifestyle coaching tied directly to health evaluations," explains Christine Frazier, Manager, Insurance Benefits and Wellness for Nature's Sunshine Products. Nature's Sunshine Products manufactures herbal products, natural vitamins and other complementary products.

Nature's Sunshine does not charge its employees premiums for their health coverage and wants to continue that practice. But with costs increasing they are now asking employees to join the wellness program in order to keep premiums free. In the first year 95% of employees participated. As the program enters its third year, the company is ramping up the requirements and asking employees to meet objectives that have been individualized for them through the IHS program.

"Top-level support for the program has been very important. Our CEO is seated right along with all employees and takes the same health evaluation. Additionally employees had a year to get ready for the program. We communicated through all mediums to make sure everyone understood the objectives of the program," says Frazier.

Those efforts have paid off both monetarily and in terms of better employee health. The company estimates that they have saved \$5.5 million since 2003. (They calculate this by including a 10% increase trend in costs that they *didn't* incur.) Comparing 2006 to 2007, employees' scores on several specific measurements saw significant improvement. Cholesterol levels improved 60%, while glucose measurements improved 62%. Employees saw a 46% improvement in their HDL levels, a 66% improvement in LDL levels and 71% in triglyceride levels. This translates to an overall 61% improvement in scores from 2006.

Gallatin Steel offers its employees incentives to take a Health Risk Assessment. If they take the assessment they receive a 50% reduction in their monthly healthcare cost contributions. That means a family of four would only pay \$50 a month instead of \$100 a month. Ninety-nine percent of the employees took the test. Gallatin, an employer of 500 associates, is based in Ghent, Ky. and produces flat-rolled carbon steel.

And the incentives don't stop there. Physical fitness is a key component of health and one that Gallatin Steel takes seriously. In 2005 they built a 3 mile jogging path and a 2,500 square fitness center. The center is free to employees, open 24/7 and staffed by a full-time trainer. It offers personalized exercise plans as well as noon walks and after work classes. Sixty percent of the employees hold memberships and 35% of those use the facilities on a regular basis. To increase usage, the company offers merchandise and gift card awards.

The company also offers a benefit called Healthy Lifestyle, which is associated with their medical plan. Employees receive \$1,000 per year to spend on health programs. Reimbursable programs include weight loss programs, dieticians' services, physicals and immunizations.

Competitions seem to generate a lot of enthusiasm as well. Gallatin participated in the Body for Life Challenge -- a 12-week healthy living contest based on diet and exercise. And this year the company is creating a Tour to Kentucky bike race.

"Developing a culture that focuses on improving health takes time and resources but is absolutely worth the effort. For companies interested in starting a wellness program, I would recommend putting together a wellness council, like Gallatin did. Our council includes associates working shifts at the plant as well as administrative staff," explains Cathy Hanley, director of HR. "People really appreciate these programs, and I truly believe it gives us a competitive edge."