

A Case for an Intensive Wellness Program: Return on Investment

Goal: Take action and create a culture of health that engages the total population

Results: Lower Healthcare Costs and Increased Productivity.



What drives healthcare costs?

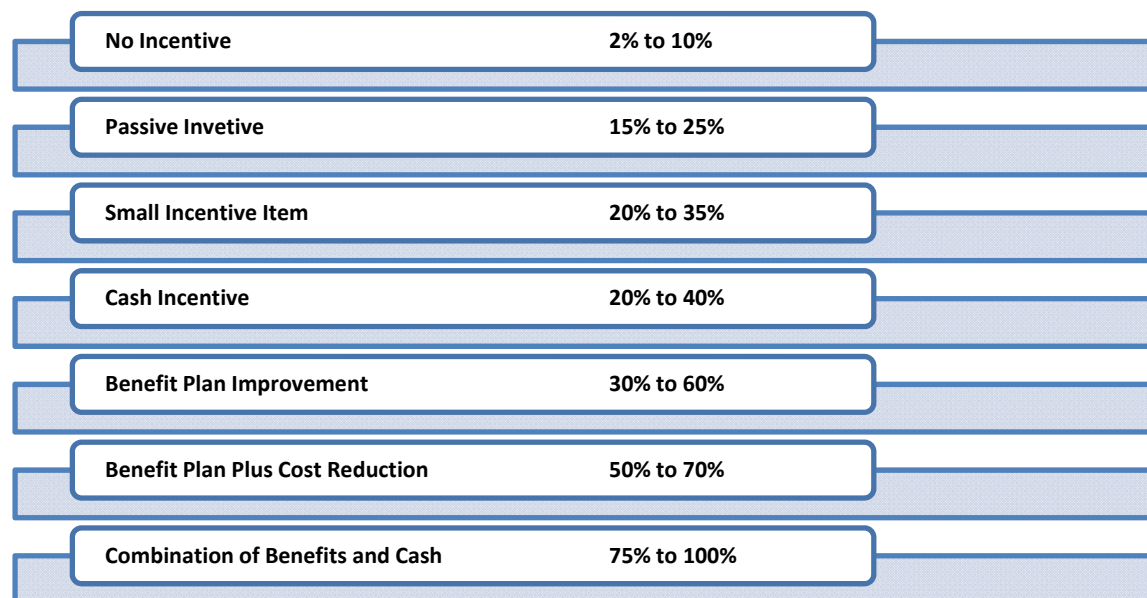
- Disease Risk Factors! Most common include:
 - Tobacco use, Excess Weight/BMI, Lack of Exercise, High Cholesterol, High Blood Pressure, Stress, and Poor Nutrition
- If the County reduces Risk Factors, the County will reduce Healthcare Costs. It's that simple.
- Average ABC Company Individuals at Risk:
 - 64% Low Risk (0-2 risks)
 - 26% Medium Risk (3-4 risks)
 - 10% High Risk (5+ risks)
- Additionally, the higher number of Risk Factors = Greater Lost Productivity
 - Individual with 2-3 risk factors = 4 to 6 hours lost work/week or a total of 6.5 weeks/yr

Association of Risk Levels with Business Cost Measures

Outcome Measure	Low Risk	Medium Risk	High Risk	Excess Cost Percentage
Short-Term Disability	\$ 120	\$ 216	\$333	41%
Workers' Comp	\$ 228	\$ 244	\$ 496	24%
Absence	\$ 245	\$ 341	\$ 527	29%
Medical and Rx	\$ 1,158	\$ 1,487	\$ 3,696	38%
Total	\$ 1,751	\$ 2,288	\$ 5,052	36%

- *"Changes in healthcare costs follow changes in health risk in the same direction. As the number of risks goes up, costs go up."*

The Critical Influence of Incentives on Participation & Engagement

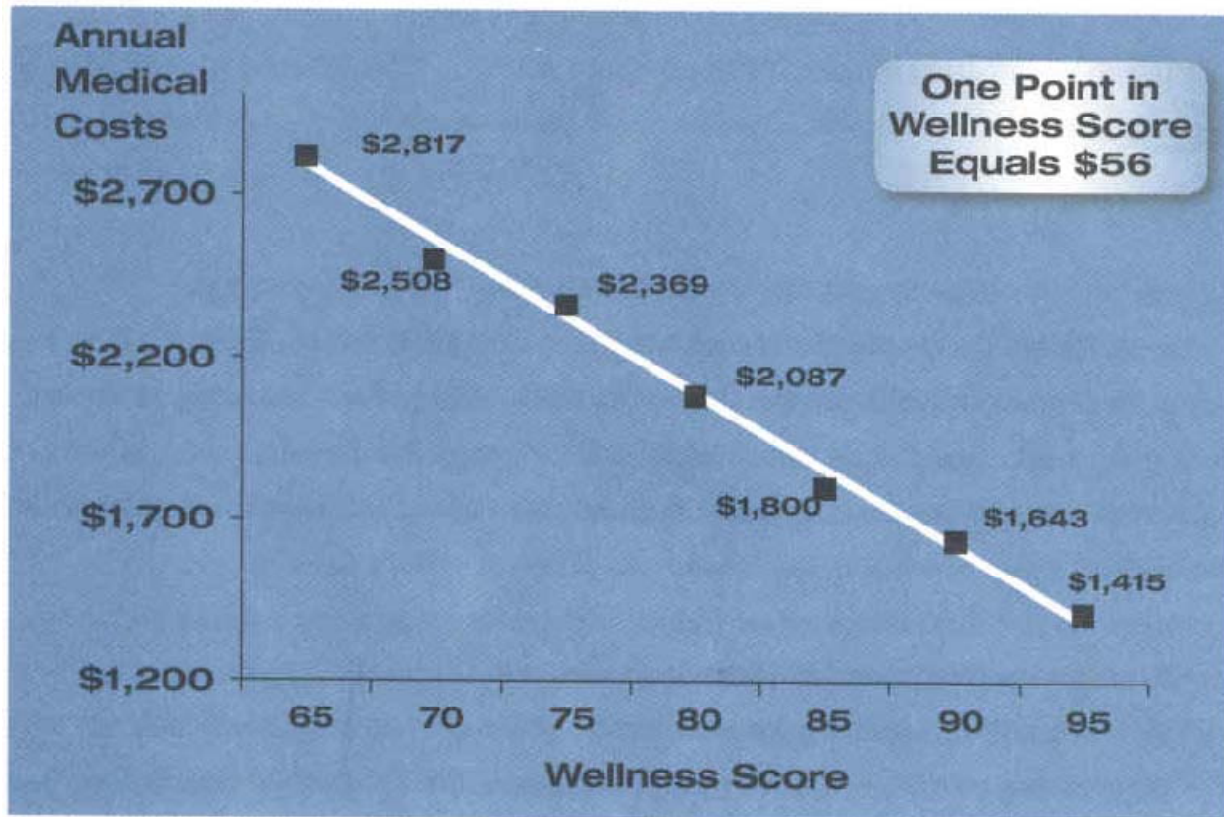


Source: *Zero Trends: Health as a Serious Economic Strategy*, Dee W. Edington, PhD, Health Management Research Center, University of Michigan

Five Fundamental Pillars to Support a Successful Wellness Program



Relationship Between Annual Medical and Pharmacy Costs and Wellness Scores



Yen, McDonald, Hirschland, Edington. JOEM. 45(10):1049-1057, 2003.

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