



Workplace Wellness: Enhancing the Return on Your Wellness Investment

Wellness issues important to you – brought to you by the insurance specialists at Denman Consulting Services, Inc..

According to the Wellness Council of America (WELCOA), the majority health care costs are spent treating preventable chronic conditions. Depending on the health of your employees, this can add up to huge costs for you and your workers. Targeting and helping to prevent chronic conditions among your work force can significantly reduce your health care costs. To increase overall employee health and well-being and achieve these cost savings, many companies are creating wellness programs. As with any major business initiative, the driving factor is getting a strong return on investment (ROI) in developing and maintaining a wellness program. If your program is successful, your employees will become healthier and you will have fewer medical claims and expenses. In addition, if you are self-insured, dollars saved from your wellness program go straight to your bottom line. If self-insurance is not an option for your organization, you can inform your insurance company of your wellness efforts and successes in an attempt to get a lower premium.

In addition to rising health care costs, absenteeism and presenteeism also affect employer profits. Employees are generally physically absent from the worksite due to stress, illness, family obligations or personal issues. Presenteeism refers to employees who show up to work but cannot fully focus on their tasks due to being sick, sleep-deprived or distracted by personal problems. Wellness programs can also address these issues, by helping to lower stress, prevent illness, reduce sleep deprivation and increase employee morale.

If you know how much you are spending on health care, you can estimate how much you are spending on absenteeism with the following calculation: $0.2 \times$ annual health care cost, and presenteeism with the following calculation: $1.8 \times$ annual health care cost.

A recent report in *Health Affairs*, a health care policy journal, suggests that workplace wellness programs can yield substantial ROI, both in terms of employee health and the employer budget. The report, which examined and compared dozens of previously published studies, found that for every dollar spent on wellness, medical costs dropped an average of \$3.27 and absenteeism costs fell \$2.73. If developed and implemented effectively, your company could achieve similar ROI on your wellness initiative.

WHAT YIELDS THE BEST ROI?

There are many strategies that companies can implement to increase the ROI of their wellness programs and truly benefit both the company and its employees – a win-win situation.

1. Utilize Your Insurance Plan to its Fullest

- Most health insurance plans have preventive care benefits for members, spouses and dependents that are free or low-cost and can be used for cancer screenings, Pap smears, PSA tests, mammograms, annual physicals and routine immunizations. These benefits cost employees very little and can help to catch conditions early and prevent future costly claims.
- Communicate these benefits to your employees effectively so they take advantage of them. To do so, send age-appropriate reminders, have outside vendors come in-house to provide screenings and provide vaccination sign-ups for employees. While communicating with employees, keep messages positive and constructive by reinforcing how preventive care will improve their health and help lower future medical bills.

2. Budget for a Wellness Program

- Raise your employee benefits cost by \$100 to \$200 per employee during the next open enrollment to use for your wellness budget. Then, communicate your program to employees with incentives for those who participate in your activities. As part of the incentives, allow employees to earn their \$100 to \$200 back (in cash, premium decreases, gifts, etc.).

3. Create a Targeted Plan

- Identify the biggest problem areas among your employees. Do you have a lot of smokers? Is a large percentage struggling with obesity? Perhaps there is a high rate of diabetes or high blood pressure? Choose the areas with the highest prevalence rates to create your initial programs. Keep in mind – you can always add programs later, once your program has been launched.
- Ask employees what would benefit them the most. Would they be likely to use on-site fitness facilities? Would they prefer discount programs for local gyms? Do they want more education on healthy eating and exercising? Tailor your program to fit your employees' needs, and they'll be more likely to participate and see results.

4. Make Worksite Modifications and New Policies

- Implement changes in your workplace to promote healthy living such as a "Take the Stairs" program, offering healthy vending machine choices, deterring employees from drinking soft drinks, and starting a walking group during lunch.
- If you plan annual company outings, consider adding a fitness component, such as offering a 5k run/walk or company softball game.

5. Communicate "What's in it for Them" to Increase Participation, Morale and Employee Engagement

- Instead of emphasizing how your wellness initiatives will benefit the organization (lower health care costs), stress the benefits of the program for YOUR EMPLOYEES. Send out positive messages such as: "You will feel better," "Your

This article is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice. Readers should contact legal counsel for legal advice.

spouse will want to take you dancing," "You'll have more energy to play with your children," or "You'll improve your health, which will lower your future health care costs."

6. Utilize Free Community Resources

- Make the most of community resource offerings from nonprofit organizations (American Cancer Society, Red Cross), your county health department, chamber of commerce, health care providers and city government. These entities can provide resources for company-hosted wellness events.
- Wellness grants are available from nonprofit organizations and health departments to promote their services and benefit local businesses.

7. Continue to Support and Evaluate Your Program

- In order to have an effective wellness program, you need to make an effort to sustain and support it. You should have a team responsible for managing the program, and you must budget to keep supporting it financially. ROI generally does not occur until two to three years into the program, so it is important to remember that and remind upper management in order to maintain executive buy-in.
- Periodically, evaluate your current program. Survey employees to see if they're satisfied, or what changes they might like to see. Look for ways to increase participation or further the initiatives you've put in place.

Use the above tips to increase your wellness program ROI; your employees' health and morale will improve, and you will save on health care costs.