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NEWSLETTER FOR SEPTEMBER 2006

Wellness programs: Cut your risks, boost your results

Here's more evidence that wellness programs pay for themselves:

One organization in five has seen significant improvement in employees' health status (thereby lowering costs) over the last two years, according to a new Price WaterhouseCoopers study.

Among those reporting improvement, nearly two-thirds (64%) feature wellness programs offering incentives for healthier lifestyles. Three incentives that are getting good results:

1. Health coach outreach. Many firms require employees to work with a personal health coach in order to get a discount on monthly premiums or earn cash incentives.

The most common set-up: On a regular basis, the employee must set up appointments with and report to (either over the phone or face to face) his or her health coach.

But experience has shown there's often a high dropout rate. People get off to a great start - and they're enthusiastic about the incentive - but once they realize there's some effort involved, they lose interest.

The good news: Firms have found a simple-to-arrange alternative that keeps people on the right track. Rather than requiring employees to contact the health coach, a growing number of organizations require participants to take calls from the health coach.

The result: Fewer folks fall off the wagon. There's no outreach effort involved, and the health coach keeps people accountable.

2. Smoking cessation. Despite widespread media attention, just a handful of firms have made a policy of firing smokers.

But an ever-growing number of private and public employers (about 10%) are charging smokers higher cost-shares on their premiums - about $20 to $50 a month on average.

While this strategy has spurred results so far, some legal experts warn it's a major long-term risk for organizations with health plans covered under HIPAA's umbrella.

That's pretty much everyone's but a few self-insured and self-administered government agencies, schools and religious organization health plans.

Reason: HIPAA's anti-discrimination rules forbid you from using health risks as the basis for distributing benefits.

While employees can't sue under HIPAA, they can sue under ERISA (which requires compliance with all federal laws).

What you can do is reverse the plan design: Offer all employees a premium discount, and require smokers to quit in order to earn their discount.

As long as the chance to collect on the incentive stays open to everyone - even a smoker who tries and fails to quit - there's no conflict with HIPAA.

To stay safe under ERISA, too, make sure this incentive is written into your plan documents. It's very risky not to include the exact requirement for the incentive, because it becomes much tougher to disprove a smoker's discrimination claim.

3. Nutritional education/therapy. A newer - and cost-effective - program feature is having a formal employee nutrition-education program administered by a nutritionist.

Just 11% of organizations - 18% of large employers and 7.5% of small to medium ones - have such programs, according to SHRM's most recent benefits survey. Even fewer offer (via their EAPs) nutritional therapy for people with eating disorders.

But the data on these programs show a great ROI: The stronger the firm's emphasis on teaching healthy eating, the faster and more dramatic the reduction in major health claims.

Common plan features: lunch-and-learns featuring healthy food choices, giving out nutrition-linked gift cards and extending obesity-prevention incentives to people's family members.

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Finally! Workable action steps to combat a killer health cost

There's no other employee health threat that costs organizations more - in both financial and human terms - than cancer.

In fact, the average expected employer cost for a newly diagnosed cancer patient's treatment is $83,084. Cancer is also the No. 1 cause of employee absences of 30 or more days.

Some great news: An employer coalition recently issued a series of concrete action steps any firm can use to fight cancer among employees and their dependents.

The coalition, called the CEO Roundtable on Cancer, recommends:

~ employee health-risk assessments. This is the most important part of getting any cancer-prevention program off the ground.

~ cancer screenings. Best practice is to pay the cost for at-risk employees to get screened for everything from skin to colorectal cancer. It can prove to be a big money- and grief-saver in a relatively short period of time.

~ education repetition. Employee education has a cumulative effect, so plug your cancer-prevention resources early and often, and

~ selective use of health coaches. If you can't afford a wellness program that gives everyone access to a health coach, consider a coach for people with three or more risk factors on a health-risk assessment.

Whatever you'd pay for these services would be far cheaper than a single preventive cancer case at your organization, finds the coalition.

In conjunction with the American Cancer Society, the coalition created a "Gold Standard" accreditation for firms that establish and enforce these and other key prevention polices.

Other key steps: banning smoking on your premises and having smoking cessation, diet and nutrition programs.

Long-term, accredited firms could enjoy premium discounts as health insurers recognize the certification.

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Study: Obesity hurts day-to-day productivity

We already knew obese employees had disproportionately high absenteeism rates and health costs.

Now there's evidence many of these employees also tend to be less productive when they're at work, too.

Nearly 7% of obese employees report difficulties doing their daily work, according to a new white paper from Leade Health.

That's more than double the rate (3%) reported by employees who maintain a healthy weight.

Even scarier - despite stepped-up educational efforts, obesity rates rose again in the U.S. last year.

Obesity is now the No. 1 health risk for employees, according to claims data analysis by the American College of Occupational and Environment Medicine.

Info: http://snipurl.com/paper281

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Despite tight budget, we launched a successful wellness program

Starting a wellness program was a major goal for our organization. We knew such programs could be a big help in keeping our long-term health costs under control.

We wanted to make sure we did it right. But like most smaller firms, we lacked the budget to afford the fancy bells and whistles high-profile plans sometimes feature.

To get our program going - and employees participating - we'd have to be creative in our set-up and administration of the plan.

Setting up the main wellness plan was simple.

We simply informed our insurance carrier we were interested in adding some of their wellness options, and told them how many employees we had.

Given our budget constraints, we started with a few basic options, like an onsite cholesterol screening.

Then we found other ways to make the plan more comprehensive.

We contacted several local nonprofit health associations and community agencies to see what services they offered that weren't included in our carrier's plan.

Examples: The local branch of the American Health Association offered free blood-pressure testing. The American Cancer Society helped us find a dermatologist who offered skin cancer screenings.

Meanwhile, a nonprofit men’s health group referred us to low-cost prostate cancer testing.

The agencies also provided us with educational materials for employees.

All of this came at either no additional cost to us and employees or, at most, a nominal fee.

Of course, having these services available and getting people to use them are two different things.

Before we scheduled any screenings, we focused on employee education.

We hung "get tested" posters on the employee bulletin board, stuffed reminders in payroll envelopes and did targeted health-info mailings by age and gender.

We got a strong response. Employees wanted to know how to participate. So then we set up dates for the tests that were available onsite.

Another key: To get tested, we required employees set up specific appointment times for themselves, rather than "dropping by" when they had time. In our experience with other informal programs, people forgot or got bogged down with other tasks.

Sure enough, the typical participation rate for the screening was 75% - people signed up early to get the most convenient appointments and then made sure they kept them.

Our program covered screenings for a wide array of serious health conditions, yet cost us little to start.

As our health savings grow, we can invest it in building up the wellness program offerings even further.

(Janice Holmes, HR manager, Custom Paper Group, Alpha, NJ)

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