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Best Practice Approaches to Successful Wellness Programs

Introduction

A successful company recognizes that proactively managing the health and fitness of its employees creates a major competitive advantage that drives profits. Unfortunately, there are some companies that resist change and fight vehemently to maintain the *status quo*, even when the evidence for change is overwhelming.

According to the Organization for Economic Cooperation and Development, the U.S. spends, on average, *two times* more per capita on healthcare than any other developed nation.

But, how can this be when we have fewer acute care beds, fewer practicing physicians per 1,000 people, and a smaller percentage of people over the age of 65?

Our healthcare costs are largely driven by this fact: *More than 30% of our population is obese*. This is, on average, twice that of any other developed nation.

Obesity: Just the Tip of the Iceberg

So, what is the price of obesity? When people with a healthy weight are compared to those who are obese, healthcare costs are 25% higher for those with a BMI of 30-35, 50% higher for those with a BMI of 35-40, and 100% higher for those with a BMI greater than 40.¹

Also, a recent analysis from Duke Medical Center found that obese workers filed twice as many workers' comp claims as those with a healthy weight. In addition, the number of medical claims resulting from these claims were seven times higher, and workdays lost from work injury or illness were 13 times higher than for non-obese workers.² *And, here's the shocker: Obesity is just the tip of the iceberg.*

According to Dee Edington, Director of the University of Michigan Health Management Research Center, medical and pharmacy costs are only 25% of the total cost burden a company bears due to poor employee health. Such indirect costs as workers' comp, absenteeism, "presenteeism" (when an

employee goes to work in poor health and/or fitness), and short- and long-term disabilities account for 75% of your company's cost burden. So, if your company lowers its healthcare risk and de-creates its medical and prescription costs by \$1, then it will save an additional \$3 in indirect costs.

How to Implement A Best in Class Wellness Program

Successfully implementing a wellness program for your company may seem like an insurmountable task, but it's not. This article will break down the process into seven steps.

Step 1: Recognize the Risks

The first step is to recognize that the health and fitness of your employees is a risk, and that proactively managing that risk will help build your bottom line.

I could fill your office with a dump truck full of data that confirms that a healthy and fit employee is more productive, has lower absenteeism and presenteeism rates, and has lower healthcare, workers' comp, and short- and long-term disability costs.

But, until you are convinced of that, nothing will happen. As the old adage goes, "Whether you think you can or can't, you're right!"

Step 2: Collect the Data

Next, determine what your company's healthcare risk "looks" like. Each employee population is unique and driven, in large part, by the company's culture. So, collect data from your employees to find out what your specific healthcare risks are. Use the following three tools to capture employee health and fitness data.

Health Risk Assessments

Health risk assessments (HRAs) are employee self-reporting tools used to gather family history and health, fitness, nutrition, and safety information. HRAs are ideal for companies with workers at multiple jobsites.



For the best results, HRA forms should be written in both English and Spanish, and should be available online and in paper form. Because HRAs are typically administered by a third-party vendor, employees are usually more comfortable releasing this personal information.

Be sure to stress the high level of confidentiality of this process to your employees. Also, set a deadline for the forms to be completed. If the HRA completion is optional, then offer an incentive that fits your company's culture.

Or, if employees must complete an HRA in order to participate in your company's health plan, allow them two months to do so during open enrollment. If they don't complete the forms in time, then don't allow them to enroll in your plan.

Biometric Testing

Biometric testing measures your employees' height, weight, and blood pressure; blood is also drawn for a blood profile. This testing uncovers hidden risks that your employees may not know exist (such as high blood pressure or high cholesterol), and is most cost-effective when done in a group setting.

For your hard-to-reach employees, allow them to go to a doctor or clinic in your provider network (or contract with a group of clinics) for this testing. Regardless of the setting, make sure nurses are available to interpret the test results.

These nurses should also provide information on exercise, nutrition, and smoking cessation programs, in addition to physician referrals, when necessary.

Claims Data

Basically, claims data provides information about which employees are seeing a doctor and for what reasons. However,

because of the policies in the *Health Insurance Portability and Accountability Act of 1996* (HIPAA), you will need to employ a third-party vendor to produce personal health management reports for your employees, and to conduct "health coaching" outreach calls.

You should also consider purchasing claims data management and predictive modeling software. This would allow you to drill-down to: 1) find out exactly what diseases and conditions are driving your company's costs, 2) model different plan designs, and 3) track the impact of the various risk management strategies that develop as a result of this process.

Step 3: Prepare for Acceptance

The third step is to ensure "organizational readiness." This is the degree to which your employees are ready to accept change – that is, to become healthier. Just like safety practices, wellness goals must be embraced by everyone from the CEO down.

The most common method of assessing organizational readiness is by conducting two surveys – one for management and one for employees. Then, have someone who's qualified interpret the results. To have a successful wellness program, you must first address those in leadership positions.

A wellness initiative is never "killed" by the employees. It usually dies because someone in a leadership position is afraid to embrace change or does not want to lead by example.

So, you have to educate management first, then your employees. While posters, newsletters, or short wellness presentations at weekly safety meetings are all effective tools, leadership is the most effective. If management is participating and advertising its results, then others are sure to follow.

Step 4: Take Charge

Next, put someone capable in charge of your company's wellness initiative, and create a wellness team to ensure that the "team captain" does not suffer from overload.

Step 5: Build Relationships

Build partnerships with experts in the field, such as health-care providers, wellness companies, and health associations. I recommend that you first maximize the resources your healthcare provider offers.

Your company's HRA and biometric testing data must be synchronized with its claims data and then analyzed by someone who can explain what it all means. The goal is to determine what diseases and conditions are driving

Web Resources:

1. **The University of Michigan Health Management Research Center:** www.hmrc.umich.edu/who
2. **Journal of Occupational and Environmental Medicine:** www.joem.org
3. **Journal of the American Medical Association:** <http://jama.ama-assn.org>
4. **Archives of Internal Medicine:** <http://archinte.ama-assn.org>
5. **American Journal of Lifestyle Medicine:** <http://ajl.sagepub.com>





your company's claims, and then set up proactive initiatives to turn the tide in its favor.

Most healthcare providers offer standard reports that give some insight into what's going on. However, these systems are limited in the details they are able to provide. If you want more detail, most large insurance brokers use claims analysis software that will produce more information than your healthcare provider's system.

Larger companies should contract with outside vendors to have their data warehoused in a sophisticated data analysis software program. This allows for maximum drill-down into your data and ensures that you own it, regardless of which healthcare provider or third-party administrator you use.

Anyone can produce a two-foot-high stack of reports, but the key is having an expert analyze and summarize the data, and advise you about what to do.

National health associations (such as The American Cancer Society) are excellent resources designed to raise disease awareness, provide behavioral tips to help reduce risk, and give advice on treatment resources. These associations reach out to the business community and create partnerships with employers who choose to be proactive.

Your company may also want to partner with a health coaching service, either through its healthcare provider or a specialized vendor. The best coaching services offer unlimited incoming and outgoing calls to your employees.

Step 6: Implement the Program

Now that you have identified the partners you are going to work with, it's time to develop an implementation strategy.

The key to success: Start the education process about six months in advance of rollout, and don't introduce everything all at once. Also, ensure that your employees bring home the educational materials you give them, since about half of your claims are likely to come from dependents.

Implementing your wellness program one step at a time makes it easier for your employees to embrace these changes.

Step 7: Review the Results

Finally, review and update your wellness program. Now that you are developing a culture of health and fitness, you'll need to give your program regular "checkups" to ensure its positive impact on your employees and their claims.

The partners identified in Step 5 can help develop a series of baseline reports to measure your employees' migration from higher to lower risk. You will also want to calculate how much you are spending per employee per year on healthcare, and compare your trend to national averages.

Conclusion

It's important to remember that a wellness initiative does not produce results overnight. Your first round of data gathering establishes a baseline to measure progress in successive years.

And, for your company's wellness program to be effective, all three pieces of data (HRAs, biometric testing, and claims data) must be used to determine if your employees are taking the necessary steps – not only to care for their diseases and conditions, but to improve their general level of health and fitness.

If you carefully manage your company's healthcare risk and proactively invest in the health and fitness of your employees, your efforts will pay big dividends in the long run. **BP**

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Endnotes:

1. *Journal of Occupational and Environmental Medicine*, Vol. 49, number 12, December 2007.
2. "Obesity Increases Workers' Compensation Costs," www.dukehealth.org/HealthLibrary/news/10044.