

National Indications of Increasing Investment in Workplace Health Promotion Programs by Large- and Medium-Size Companies

Jennifer M. Childress, MS, CHES; and Garry M. Lindsay, MPH, CHES

Worksite health promotion programming has received growing interest over the past 20 years. In 1985, the Office of Disease Prevention and Health Promotion (of the United States Department of Health and Human Services) launched its first survey of national worksite health promotion practices. Subsequent to that, there have been three follow-up surveys, the most recent findings published in 1999. The 1999 survey reported that 90% of worksites were offering at least one type of health promotion activity to their employees. The results from the 2004 National Worksite Health Promotion Survey,¹ currently in the publication process, compares health promotion programming among worksites between 1999 and 2004, and more fully assesses the degree to which worksites are meeting the *Healthy People 2010* goal of having 75% of all worksites, regardless of size, offering comprehensive programming to employees. The 2004 National Worksite Health Promotion Survey, sponsored by Partnership for Prevention, Watson Wyatt Worldwide, and the Office of Disease Prevention and Health Promotion surveyed a nationally representative sample of over 1,500 worksites and found that employers offered a wide range of health promotion activities to their workers. However, only 6.9% of the responding worksites offered all five key elements that define a “comprehensive” worksite health promotion program: (1) health education, (2) links to related employee services, (3) supportive physical and social environments for health improvement, (4) integration of health promotion into the organization’s culture, and (5) employee screenings with adequate treatment and follow up. Controlling for worksite size, industry type, staffing, and experience, worksites from agricultural or financial sectors and those with a dedicated staff person were significantly more likely to offer a comprehensive program.²

Along the continuum of worksite health promotion program

elements, the level of sophistication usually correlates with the amount of resources invested. Despite the fact that the growth, and in some cases the very sustainability of business, is linked to employee health, many employers do not view worksite health promotion as being a core component of their business strategy. Yet, the issue surrounding the cost of health is at the forefront of business leaders’ minds. Over the past four consecutive years, CEOs responding to the Business Roundtable’s *CEO Economic Outlook Survey* have cited healthcare costs as their greatest cost pressure.³

“...research has documented that high-risk employees are also high-cost employees with higher medical and pharmacy expenses.”

Leveraging the workplace to improve health is good for employees and good for business. It’s not just the direct costs of healthcare that companies have to take into consideration. The indirect costs of poor health (e.g., absenteeism, disability, presenteeism) can be two to three times higher than direct medical costs (see Figure 1).^{4,5,6,7} Productivity losses related to personal and family health problems cost United States employers \$1,685 per employee per year, or \$225.8 billion annually.⁸

A study conducted at The Dow Chemical Company helped illustrate the total economic impact of employee health, including indirect costs. The analysis illustrated a staggering \$750 million economic impact from employee health status by determining

Jennifer M. Childress, MS, CHES, is a Fellow at Partnership for Prevention. Ms. Childress can be reached at jchildress@prevent.org or 1656 Hope Drive, #1438, Santa Clara, CA 95054. Telephone: 202-558-4357.

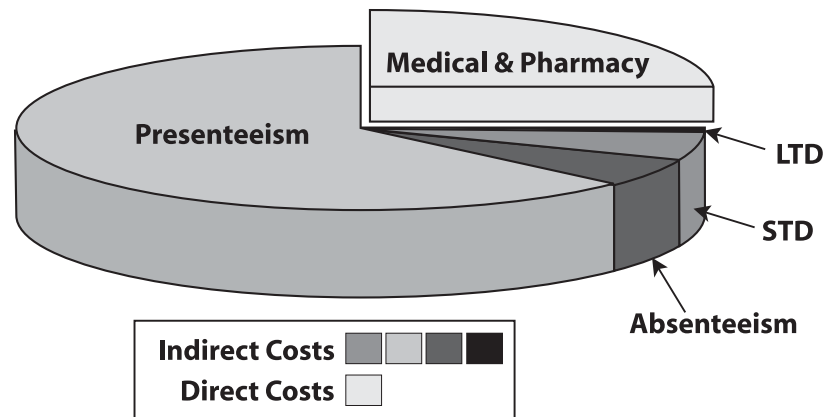
Garry M. Lindsay, MPH, CHES, is a Senior Fellow and Director of Business Partnerships at Partnership for Prevention. Mr. Lindsay can be reached at glindsay@prevent.org or 1015 18th Street, NW, Suite 200, Washington, DC 20036-5215. Telephone: 202-375-7804.

that the indirect cost associated with “presenteeism” far exceeded the costs of absenteeism and medical treatment combined. Spurred into action by these findings, Dow established a comprehensive health strategy with the goals of improving health, reducing health risks, managing costs, and improving health-related productivity (presenteeism).⁹

The Dow Chemical Company’s “comprehensive health strategy” includes worksite health promotion integrated with other health-related initiatives. In recent years, many large companies have taken a similar approach by aligning previously separate functions, such as benefit design, occupational and environmental health, occupational and non-occupational disability management, Employee Assistance Programs (EAPs), work-family programs, together with worksite health promotion initiatives and incentives, to address overall employee health and productivity. Large employers are targeting the needs of employees and designing services that will drive the actions of both employees and the health plan/provider. Collectively these combined efforts are often referred to as employee health management, Pioneer Hi-Bred International, Inc. provides another example of an integrated preventive health and wellness program as part of a business strategy supporting the health and well-being of employees, their families, and retirees through maximum engagement and capability. The program aim is to attract and retain a world-class workforce, assure quality, efficient, sustainable, and affordable healthcare, with a safety goal of zero occupational injuries and illnesses. Health plans and programs are designed to encourage prevention, disease management, and the efficient use of the healthcare system and planning for future healthcare needs. Pioneer’s program is integrated with the EAP, and life management with search, referral, and counseling services including childcare, eldercare, financial and legal assistance.¹⁰

Employee health management includes: linking employee health efforts with the company mission, data management, benefit design, supportive environment, programming, and evaluation integrated within a cost-effective business strategy. For more information on these components, and how they apply to organizations, please refer to the Health Management Initiative Assessment in *Leading by Example: Improving the Bottom Line Through a High Performance, Less Costly Workforce—CEOs on the Business Case for Worksite Health Promotion*.¹¹ There is strong evidence supporting the cost-effectiveness of investing in employee health management including worksite health promotion. Healthy employees are more productive and consume fewer corporate resources in the form of benefit

Figure 1.
Relative Contribution of Direct and Indirect Costs Within a Large Financial Services Corporation



Source: Edgington DW, Burton WN. Health and productivity. McCunney, RJ: *A Practical Approach to Occupational and Environmental Medicine*. Philadelphia: Lippincott Williams & Wilkins. 3rd ed. 2003:140-152.

Table 1.
Worksite Wellness Program Awards

2006 C. Everett Koop National Health Awards Winners

- USAA – Take Care of Your Health Program
- Honorable mention: Roche, Inc., and Washoe County School District

(<http://healthproject.stanford.edu/koop/2006winnerindex.htm>)

2006 Innovation in Prevention Award Winners

Large employer (greater than 500 employees)

- Perdue Farms – Perdue Health Improvement Program – Large Employer
- Washoe County School District – Washoe County School District Wellness Program

Small employer (500 or less employees)

- Hudson River Healthcare – Step Up for Wellness

(<http://www.hhs.gov/news/press/2006pres/20061026.html>)

2006 Wellness Councils of America (WELCOA) Well Workplace Winners (Platinum)

- The Beacon Mutual Insurance Company
- Syngenta
- Motorola, Inc.
- Nebraska Methodist College
- The Principal Financial Group
- International Business Machines
- Lincoln Plating
- The Nebraska Medical Center
- Merrill Lynch
- Monongalia Health System

(<http://www.welcoa.org>)

payments for medical care, short- and long-term disability, and workers' compensation.

- A review of 73 published studies of worksite health promotion programs shows an average \$3.50-to-\$1 savings-to-cost ratios in reduced absenteeism and healthcare cost.¹²
- A meta-review of 56 published studies of worksite health promotion programs shows:¹³
 - Average 27% reduction in sick leave absenteeism,
 - Average 26% reduction in healthcare costs,
 - Average 32% reduction in workers' compensation and disability management claims costs, and
 - Average \$5.81-to-\$1 savings-to-cost ratio.

Potential savings from average risk reduction is \$153 per person per year, compared to a savings of \$350 from risk avoidance (e.g., prevention).^{14,15}

Forward-thinking organizations understand the link between the health of their organizations and their employees, and many have been recognized nationally for their efforts by receiving the C. Everett Koop National Health Awards (see Table 1) the Wellness Councils of America Well Workplace Awards (see Table 1), and/or the Innovation in Prevention Award from the Secretary of Health and Human Services (see Table 1). Two elements that are critical to program success, senior leadership support and establishing a supportive environment,¹⁶ are among the criteria upon which candidates are evaluated. In 2004, Partnership for Prevention launched the *Leading by Example* CEO-to-CEO initiative to encourage communication at the senior-most levels regarding investment in employee

health management strategies. The first publication released in 2005 featured 19 CEOs, including three state governors. Partnership has recently partnered with the US Chamber of Commerce on a new edition of the publication, which will feature 15 Chamber member companies. In addition to completing a Health Management Initiative Assessment, a tool to assess, in comprehensive terms, areas in which the programs are excelling and areas for improvement, the *Leading by Example* CEOs (see Table 2) have committed to:

- Assuring that senior management is committed to health promotion as an important investment in their human capital.
- Aligning health and productivity strategies with their business' goals.
- Educating all levels of management regarding the link between employee health and productivity, and total economic value.

The aim of the *Leading by Example* initiative is to increase senior executive awareness and involvement in employee health management strategies by transforming the paradigm in which employers view employee health as an investment to be maximized, rather than as a cost to be minimized.

So where does this leave us? Rising healthcare costs are driving changes in how traditional worksite health promotion programs are structured and positioned within large organizations. In past years, worksite health promotion primarily included activity-based programs focused on individuals to improve unhealthy lifestyle choices—lack of exercise, smoking, being overweight, and so forth. More recently, research has documented that high-risk employees are also high-cost employees with higher

Table 2.
Current Leading by Example Participating CEOs and Organizations

| <i>Leading by Example: CEOs on the Business Case for Worksite Health Promotion*</i> | <i>Leading by Example: Leading Practices for Employee Health Management**</i> |
|---|---|
| George DeVries, American Specialty Health | Harold Jackson, Buffalo Supply, Inc. |
| H. Edward Hanway, CIGNA Corporation | James W. Owens, Caterpillar |
| Delos M. Cosgrove, Cleveland Clinic Health System | Neal Patterson, Cerner Corporation |
| Rick Wagoner, General Motors | Jack Donahue, DonahueFavret Contractors, Inc. |
| Duncan Highsmith, Highsmith Inc. | Robert W. Lane, Deere & Company |
| William C. Weldon, Johnson & Johnson | John C. Erickson, Erickson Retirement Communities |
| Dean Oestreich, Pioneer Hi-Bred International, Inc. | Marc LeBaron, Lincoln Plating |
| Michael Critelli, Pitney Bowes | Daniel Ustian, Navistar International Corporation |
| Gov. Ruth Ann Minner, State of Delaware | Jeffrey B. Kindler, Pfizer Inc. |
| Andrew N. Liveris, The Dow Chemical Company | Jeff Sterba, PNM Resources, Inc. |
| Dick Davidson, Union Pacific Corporation | Surya N. Mohapatra, Quest Diagnostics Incorporated |
| Mary Sue Coleman, University of Michigan | Andrew N. Liveris, The Dow Chemical Company |
| Thomas J. Donohue, US Chamber of Commerce | Lee Scott, Wal-Mart Stores, Inc. |
| John P. McConnell, Worthington Industries, Inc. | Danny Wegman, Wegmans Food Markets |
| Anne M. Mulcahy, Xerox Corporation | |

* Partnership for Prevention ** Partnership for Prevention and the US Chamber of Commerce
For more information on the Leading by Example initiative, visit www.prevent.org/LBE.

medical and pharmacy expenses. Research has also demonstrated that low-risk maintenance (keeping healthy employees low risk) is a necessary strategy for productivity and cost containment. Rather than reducing health benefits or shifting costs to employees, forward thinking organizations are now focusing on improving the health of their overall workforce populations through integrated health management strategies, including worksite health promotion with the support of committed

leadership. The amount of evidence supporting the business case for investing in employee health management, along with the identification and recognition of leading practice programs to serve as models, demonstrates growth and investment in the field of worksite health promotion and employee health management. We need to continue to analyze and promote innovative and effective programs in order to further increase the investment in workplace health promotion. **NCMedJ**

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Caregivers Don't Need To Do This Alone!

- ◆ Significant increase in the number of persons providing care to a friend or family member age 60 or older from 2000 to 2003
- ◆ Over 25% of adult North Carolinians now provide care to an older friend or relative
- ◆ Almost half of those receiving care are reported to have memory loss or dementia

Many people need the support of others who are in similar situations or perhaps the support of a professional. They may need education on caregiving issues. Caregivers may need respite or a "time-out" from their caregiving duties. Seeking information on what services are available and assistance to help connect with these services can be an important first step.

North Carolina Family Caregiver Support Program
<http://www.dhhs.state.nc.us/aging>