



Simple Wellness Solutions

*Need support creating
a wellness program
at your work?*

*Get in touch with us at
416.456.18.57*

*info@proactivemovement.com
www.proactivemovement.com*

EHS Today

Health and Productivity as a Business Strategy

By: Sandy Smith (March 1st, 2009)

Source: <http://ehstoday.com/health/wellness/health-productivity-strategy-0309/>

Think a few sneezes, a case or two of high blood pressure or a sprained back won't impact your employer's bottom line? Think again.

Last month, Ron Loeppke, M.D., M.P.H., executive vice president of Health and Productivity Strategy for Alere, discussed the relationship between health, productivity and business strategy at the first annual Health and Productivity Forum sponsored by the Integrated Benefits Institute (IBI) and the National Business Coalition on Health (NBCH).

"U.S. employers today are significantly underestimating the overall costs associated with poor employee health, while also failing to fully assess the diseases and health conditions that drive these costs," said Loeppke. "We want to help employers understand that one of the best ways to lower costs is to provide programs that encourage health and wellness."

Loeppke points to the results from the largest multi-employer study to date to confirm that the health of the workforce inextricably is linked to the productivity of the workforce and, therefore, to the health of the bottom line. In the study, productivity losses from absenteeism and presenteeism, combined with direct medical costs, amounted to four times the direct medical costs alone. Health-related productivity costs are four times higher than medical and pharmacy costs.

The results from the study clearly demonstrate that by measuring productivity losses from absenteeism and presenteeism caused by chronic illnesses, employers and health plans have a chance to identify the health conditions responsible for these losses and add them to their health enhancement program to significantly improve their overall health cost savings.

Costr Drivers

The study found that the 10 most costly health conditions calculated from measuring medical and pharmacy costs alone (cancer, back/neck pain, coronary heart disease, chronic pain, high cholesterol, GERD, diabetes, sleeping problems, hypertension and arthritis) differed significantly from the 10 most costly conditions identified from a combination of productivity losses and direct medical costs (musculoskeletal conditions, depression, fatigue, chronic pain, sleeping problems, high cholesterol, arthritis, hypertension, obesity and anxiety).

What the study demonstrates is that the burden of illness and poor health risks of unhealthy employees endangers companies more than rising medical costs and that managing claims costs alone has not adequately addressed the broader cost of health conditions.

When an employer's medical and pharmacy costs are added to health-related productivity losses such as absenteeism and presenteeism, the average estimated full-cost impact in the United States is nearly \$13,000 per employee. Using U.S. Department of Labor statistics showing approximately 137 million non-farm employees in the United States, the overall annual cost impact on the workplace is an estimated \$1.7 trillion.



Simple Wellness Solutions

*Need support creating
a wellness program
at your work?*

*Get in touch with us at
416.456.18.57*

info@proactivemovement.com

www.proactivemovement.com

“The resounding consensus ... is that staying with the status quo of our current health strategies in the workplace is not an option,” said Loeppke, who also co-chairs the American College of Occupational and Environmental Medicine’s section on Health and Productivity. “The clock is ticking — for both the health of our workers and the health of our economy.”

Late last year, the National Business Coalition on Health released the results of an annual member survey that evaluated the quality and efficiency of employer-based healthcare plans. The survey found that more health plans are reducing barriers to essential treatments. For patients with diabetes, for example, 27 percent of health plans waive co-payments for essential drugs and equipment and 33 percent of health plans reduce co-payments. For hypertension, 20 percent of health plans waive co-pays for drugs and equipment and 28 percent reduce co-pays. For preventive health visits, 43 percent of health plans waive co-pays.

Gaps in care

The results also show there is still work to do to reduce gaps in care. Employer health plan administrators need to use their data to ensure employees are receiving preventive treatment such as cancer screenings, as research shows early screening saves lives.

Additionally, employers need to be careful about cost-shifting in their health care plans, as it may cause employees not to seek essential and preventive health services.

Just as employees should be encouraged to be educated consumers of health care options and treatments, employers need to be educated about their health care plans. And with everyone looking to save money and cut costs these days, \$1.7 trillion in missed opportunities and poor employee health seems like a mighty high price to pay for not acknowledging the impact of employee health on the bottom line.