

Choosing the Right Type of Worksite Wellness Program

Research shows that untargeted health-promotion campaigns have little long-term impact.

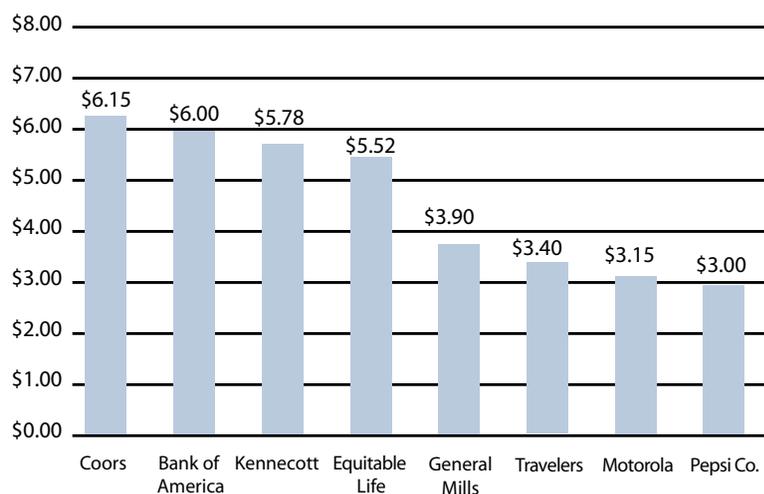
Chronic diseases, which rob individuals and families of their health and happiness, represent major costs to employers in the form of health-care and disability costs, lost productivity, and absenteeism.

Worksite wellness programs should address risky behaviors that can help your employees eat healthier, increase their level of physical activity, help reduce stress, lower blood pressure and cholesterol, and quit smoking. Wellness programs should focus on assisting employees achieve and maintain their optimal health status.

Comprehensive worksite-health programs focused on changing lifestyle behavior have been shown to yield a \$3 to \$6 return on investment for each dollar invested. It takes about three to five years after the initial program investment to realize these savings.

Ninety-three percent of U.S. companies offer some type of health-promotion program for their employees, but is it the right type?

Dollars Saved for Every \$1 Invested



Primary Types of Worksite Wellness Programs

Programs focusing on disease management. These programs monitor and treat specific illnesses. Disease management follows the 80/20 rule: 80 percent of health-care costs are spent on 20 percent of employees. Disease management is reported to have a \$7 to \$10 return on investment within a year. The 20 percent of employees requiring the greatest medical expenditures today are generally not the same 20 percent who will cause the greatest health expenses a year or two down the road.

Programs focusing on health enhancement and risk management. These programs focus on lifestyle-behavior change, and offer a \$3 to \$6 return on investment within two to five years, according to a 2004 report issued by the National Business Group on Health. It is important to note that a \$3 to \$6 return on an entire employee population produces a higher total savings than does disease management.

Good Data Drives Good Business Decisions

- Based on more than 120 research studies, the National Business Group on Health reported that, within five years of program implementation, overall benefit-to-cost ratios (return on investment) of:
- \$3.48 in reduced health-care costs per dollar invested.
- \$5.82 in lower absenteeism per dollar invested.



The Cost of Risk Factors* Per Employee Annual Medical Cost (2004 Dollars)



Adapted from Musich, Edington, et al. (2004), Am J of HP, Vol. 18(3): 264-268

* Risk factors include smoking, poor diet, high blood pressure, and obesity