
Why Not Wellness?

Some companies are
fighting the health care
battle through positive
action

By Dennis Passovoy



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Introduction

You can't pick up a news magazine or watch a news program without hearing about the failings of the country's health care system. So much energy is focused on the negative side of health care, but what about attacking the problem from the positive side—wellness?

At renewal time, most companies look at their health benefits and try to find ways to cut costs. The truth is, however, that many companies have a limited ability to affect health insurance rates. They are fighting an uphill battle, and they often end up offering fewer benefits, which, in turn, puts them and their employees at a disadvantage.

Some visionaries, fed up with letting health care manage them, have taken control. Instead of slashing benefits to cut costs in the short term, they are investing in a wellness program that will lead to both short-term and long-term benefits for the company and its employees. The short-term benefits include positive attitude, teamwork and less absenteeism, all of which lead to higher productivity. Long-term benefits include less employee turnover, as well as healthier employees, resulting in fewer medical claims and, thus, potentially lower insurance rates.

Management Buy-In

There are a variety of wellness programs available, but one of the critical components of any successful wellness program is that senior management must be fully behind it. Austin based nFusion started a wellness program in November 2006 at the request of the company CEO.

"He told me wellness was a top priority when I came on board," said Nikki Hickman, director of organizational development. "He recognized the potential win-win for employees in adopting a healthy lifestyle, and the organizational benefits of higher productivity, lower health care costs and lower absenteeism rates."

Employee Participation

Another critical component is participation. To get busy employees—even well-intentioned ones—to change their habits, you have to offer them incentives. The prevailing wisdom is that it takes \$300-400 in cash and/or value per employee per year as incentives to get enough employees to participate to make the program a success. Although many companies balk at the idea of spending more, the investment will pay off over the long-term if the wellness program is implemented correctly.

This investment makes the most sense when a wellness program is bundled with a Health Reimbursement Arrangement (HRA) or Health Savings Account (HSA). In most cases, an employer implementing an HRA or HSA will have significant premium savings due to the higher deductibles. Funneling some of the savings into the wellness plan becomes a major win-win for both the employer and the employees.

Most wellness programs encourage employees to earn points by participating in a variety of ways, including charity runs, cycling events and completing a fitness assessment. Although some programs allow employees to earn even more points if they hit specific fitness goals, most focus exclusively on employee participation.

It's up to the individual company to decide what to do with the points. Companies with the most successful wellness programs have some sort of reward program in place so that employees win cash or gift certificates if they hit quarterly and yearly targets. Others offer free gym memberships or aerobics classes at work and make sure that vending machines are stocked with low-fat, healthy items sold at a discount.

Hickman said about one-quarter of nFusion employees are actively participating across all elements of the wellness plan, and more than 50 percent participated in an on-site health screening, for which nFusion covered most of the costs.

"We went in with our eyes wide open," Hickman said. "We didn't expect high participation the first year, but as employees become accustomed to the program and observe coworker transformations, over the long term, we expect to have higher rates of participation."

Wellness Champions

The third critical component for success is the wellness champion. My own company, Resource Financial Group, recently started our second wellness program. The first failed because we didn't have an internal champion, but we feel positive that this program will be successful. This time we have a six-person wellness committee that meets regularly and comes up with ways to keep the rest of the employees excited about the program. You can realize a certain amount of success just by getting employees to think about wellness. They might not always make the right choices, but at least they are thinking about the right choices. Eventually, that awareness leads to changed behavior.

Hickman said she learned from last year that they need more than one person in charge of promoting the wellness plan. She said it's important to have a cross-functional team that represents all departments and assists in promoting upcoming events and answering questions.

"This is a long-term commitment, one that we discussed at great length, because there is a cost involved," Hickman said. "It's a matter of changing perspective, not just of wellness, but on the view of medical insurance. We decided to shift from a short-term to a longer-term vision, one aimed at changing employee behaviors and gaining healthier employees, which, in turn, should bring fewer claims."

Wellness plans have some immediate benefits as well. Several nFusion employees have lost weight and lowered their body mass index (BMI), a measure of body fat based on height and weight. Also, through the health screening, one employee was alerted that his cholesterol level was not within the ideal range—after he had gotten the all-clear from his doctor. When he got the results from the health screening, he took them back to his doctor, who agreed that he did need to manage his cholesterol.

“The wellness plan prompted awareness, but it also prompted him to evaluate some of his lifestyle choices,” Hickman said. “He is now running 14-16 miles every week and has achieved the Platinum level (the highest participation level in nFusion’s wellness program). He’s also on the management team, which further supports the program from the top down.”

Hickman has decreased her own body fat by 5 percent and lost 15 pounds in less than a year through another part of the program, which encourages employees to go to a partner gym for two fitness assessments per year. Hickman completed both fitness assessments and through the advice of a personal trainer reached her desired goal.

Company Culture

Wellness comes down to company culture. Businesses that perceive their workforce and health benefits as a necessary evil generally can’t see beyond the immediate investment to the bottom line: The health and happiness of your employees has a direct impact on your company’s financial health.

“Offering a wellness program was a great fit for us culturally,” Hickman said. “Many of our employees were already making healthy behavioral choices, so why not get rewarded for them? The others have some wonderful incentives for improving their habits.”

It’s my belief that over ninety percent of most company’s corporate assets walk out the door each night. What are you doing to bring yours back the next day?

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