Overview of (and Rationale for) Workplace Wellness Programming

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Outline

- Update on Health and Wellness
- Summary of Worksite Health Promotion (WHP)
  - Summary of Economic Research
- Key Elements of Worksite Programming
  - Health Risk Appraisals
  - Web Based Health Promotion Tools
  - Best Practices
Update on Health and Wellness
Health Care Crisis

- Health care spending is projected to grow at an annual average rate of **5.8%** (2010-2020)
  - Growth is 1.1 percentage points higher than expected growth in Gross Domestic Product (GDP).
- By 2020, health care spending is projected to be **19.8%** of GDP (**17.6%** in 2010).
- Health care spending will reach **$4.64 trillion** in 2020 (half coming from government sources).
Healthy Lifestyles are the Major Cause of the Health Crisis

- Nearly 69 percent of U.S. adults and 32 percent of children are either overweight or obese.

- More than half of all Americans currently live with one or more chronic disease, including heart disease, stroke, diabetes and cancer.

(Institute of Medicine report, Feb 2012)
Financial Implications of Obesity and Unhealthy Lifestyles

- Two thirds or more of health care costs are driven by our lifestyles and daily choices

- Obesity responsible for a 27% rise in health care costs
  - The cost of obesity (excluding overweight) in a company with 1000 workers is approximately $285,000 annually (Finkelstein, 2005)

- Obesity also increases disability and absenteeism costs and decreases productivity
Preventable health risks are associated with higher health care costs

<table>
<thead>
<tr>
<th>Risk factor (prev.)</th>
<th>Low risk</th>
<th>High risk</th>
<th>Difference</th>
<th>(%)</th>
<th>adj%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depression (2%)</td>
<td>$1,679</td>
<td>$3,189</td>
<td>$1,510</td>
<td>90%</td>
<td>70%</td>
</tr>
<tr>
<td>Stress level (19%)</td>
<td>1,579</td>
<td>2,287</td>
<td>708</td>
<td>45%</td>
<td>46%</td>
</tr>
<tr>
<td>Blood glucose (5%)</td>
<td>1,691</td>
<td>2,598</td>
<td>907</td>
<td>54%</td>
<td>35%</td>
</tr>
<tr>
<td>Body weight (20%)</td>
<td>1,571</td>
<td>2,318</td>
<td>747</td>
<td>48%</td>
<td>21%</td>
</tr>
<tr>
<td>Smoking (19%)</td>
<td>1,503</td>
<td>1,950</td>
<td>447</td>
<td>30%</td>
<td>20%</td>
</tr>
<tr>
<td>Smoking current</td>
<td>1,503</td>
<td>1,873</td>
<td>370</td>
<td>30%</td>
<td>14%</td>
</tr>
<tr>
<td>Blood pressure (4%)</td>
<td>1,716</td>
<td>2,123</td>
<td>407</td>
<td>24%</td>
<td>12%</td>
</tr>
<tr>
<td>Exercise (32%)</td>
<td>1,567</td>
<td>2,011</td>
<td>444</td>
<td>28%</td>
<td>10%</td>
</tr>
<tr>
<td>Cholesterol (19%)</td>
<td>1,678</td>
<td>1,962</td>
<td>284</td>
<td>17%</td>
<td>-1%</td>
</tr>
</tbody>
</table>

Source: Goetzel et al. (Hero Study – AJHP)
Medical Costs for Low Risk and High Risks Employees

Source: Goetzel et al. (Hero Study – AJHP)
Facts about Health Promotion

- Obesity and chronic disease are largely preventable!
- Few adults follow health guidelines: Only 1 in 20 adults engage in all of the top 6 healthy behaviors*
  - Regular exercise
  - Healthy fat intake
  - At least 5 servings of fruits and vegetables
  - Non-smoking
  - Limited drinking
  - Maintaining a healthy body weight
- Most people find it difficult to adopt health lifestyles and need support to do so.

*American Heart Association Survey
Benefits of Worksite Programming

- The prevalence of preventable health risk factors can be reduced through worksite health promotion programming.
- Worksite health promotion programs have been consistently shown to provide economic benefits (savings > costs).
- Beyond cost—wellness can improve quality of life, build morale, reduce absenteeism, improve productivity and improve retention.
Summary of Worksite Health Promotion
Process for Worksite Health Promotion

- **Identify potential problems:**
  - risk factors
  - lifestyle practices

- **Promote healthy lifestyles:**
  - Promote sense of personal responsibility for health
  - Provide effective risk reduction systems
  - Offering motivation and support

- **Monitoring and improve programs**
  - developing tracking and feedback mechanisms
  - evaluating outcomes
Summaries of Benefit-Cost Studies in Worksite HP (Aldana, 2001)

- **Health care cost containment:**
  - 88% of studies (21 of 24) found positive results
  - Range of ROI: $2.30 - $5.90 per dollar spent
  - Average ROI = $3.35

- **Absenteism:**
  - 87% of studies (14 of 16) found positive results
  - Range of ROI: $2.50 - $10.10 per dollar spent
  - Average ROI = $4.90
Summaries of Benefit-Cost Studies in Worksite HP: (Goetzel, 2005)

- Corporate Health Management Programs
  - ROI ranged from $1.49-4.91 (median = $3.14)

- Demand Management Programs
  - ROI ranged from $2.19 – 13.00 (median = $4.50)

- Disease Management Programs
  - ROI ranges from $7.33 – 10.38 (median = $8.88)

- Multiple Category Programs
  - ROI ranged from $5.47 – 6.47
Summaries of Benefit-Cost Studies in Worksite HP: (Baicker, 2010)

- Meta Analyses (Criteria for Inclusion)
  - Studies described a well-defined intervention
  - Studies had well-defined treatment and comparison groups (Experimental or Quasi-Experimental design)
  - Studies represented analysis of a distinct new intervention

- Results (based on 22 studies out of 100 reviewed):
  - Average sample size > 3000
  - Average during of study = 3 years
  - Average Return on Investment (ROI):
    - ROI for medical cost savings = $3.27
    - ROI for absenteeism = $2.73
Summaries of Benefit-Cost Studies in Worksite HP: (Chapman, 2012)

- **Meta Evaluation (Criteria for Inclusion)**
  - 1. Multicomponent Programming.
  - 2. Workplace Setting Only.
  - 3. Reasonably Rigorous Study Design. (CaseControl, Quasi-Exp / Exp)
  - 4. Original Research.
  - 5. Examine Economic Variable.
  - 7. Statistical Indicator of Effect.
  - 10. Minimum Length of Intervention Period (12 month)

- **Results for Top 10 ranked Studies:**
  - Mean ROI = $5.34 + / - 5.19
  - Median ROI = $4.12
Cost Effectiveness: Determining the Most Cost Effective Approaches

1. Screening and Feedback
2. Programs and Classes
3. Incentives
4. Treatment for High Risk
5. Counseling and Support

- How Much of a “Dose” of Health Promotion is Needed to Produce a Benefits or to Save Money?
Costs of Worksite Health Promotion Programming

- **Level 1**: Screening W/Feedback
- **Level 2**: Screening W/Feedback Programs & Classes
- **Level 3**: Screening W/Feedback Programs & Classes Incentives
- **Level 4**: Screening W/Feedback Programs & Classes Incentives Treatments for high risks
- **Level 5**: Screening W/Feedback Programs & Classes Incentives Treatments for high risks Counseling and support groups
Savings From Worksite Health Promotion Programming

Level 1: Screening W/Feedback

Level 2: Screening W/Feedback Programs & Classes

Level 3: Screening W/Feedback Programs & Classes Incentives

Level 4: Screening W/Feedback Programs & Classes Incentives Treatments for high risks

Level 5: Screening W/Feedback Programs & Classes Incentives Treatments for high risks Counseling and support groups

Costs - Savings
Evaluation is Critical for Evaluating Savings and Determining Cost Effectiveness

Cloud Cover Caused by:
- Failure to Evaluate
- Failure to Track Outcomes
- Inadequate Use of Data
Background on Health Risk Appraisals

Comprehensive Health Risk Appraisals (HRAs) provide the foundation for most worksite wellness programs.
Why Health Risk Appraisals are Needed

- Provide baseline evaluation to determine collective needs in the population
- Identify high risk populations for targeted programs
- Identifying participant’s “readiness to change”
- Provide means for individualized feedback
- Provide exposure and marketing of program
Advantages of Health Risk Appraisal (HRA)

- They provide system to track or compile results in a computerized database
- They provide a built in method to provide personalized feedback (Benefit to Participant)
- They provide aggregate data summarizing risk factors in different segments of the population (Benefit to Organization)
Report Options from Standard HRAs

- Individual Reports
- Trend Reports
- Aggregate Reports
- Physician Reports
Example of Web-Based Health Promotion Tools for Worksites

“Health Risk Appraisals are a necessary, but insufficient component of worksite wellness programs”
(CDC Community Guide)
Advantages of Web-Based Health Promotion Tools

- Provides employees with a personalized tool to help guide lifestyle change (Benefit to Participant)
- Facilitates creation and tracking of behaviorally based incentive programming (Benefit to Organization)
- Provides basis for documenting program participation (needed for documentation of incentives).
- Assists with targeting at-risk population groups with appropriate interventions.
- Tracks the progress of individuals and groups over time.
Sample - Programming Tracker

- Allows a variety of activities and events to be listed:
  - Key Health Practices
  - Health Events
  - Wellness Challenges
  - Self-Study Projects
  - Other Wellness Goals

- Allows participants to view "Wellness Points" or "Credit" totals for those activities.

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Sample - Tracking of Biometrics and Goals

- Shows changes in biometric and wellness goal information for each month on this screen.
- Recommended values are listed so that you are always aware of your wellness goals.
- Provides a summary of goals meet and wellness credits for the month.

*The 4 Priority Wellness Goals are: Waist Girth, BMI, Cholesterol (Total and HDL), and Blood Pressure.

Summary: You currently meet 2 out of the 4 Priority Wellness Goals listed above.
Credits: Total wellness credits for this month (goal is 800 credits/month): 72
Best Practices in Worksite Health Promotion

Building effective programs takes time and continued evaluation
Successful Programs Build over Time and Include Evaluation

- Age and gender matched
- Adjusted for baseline illness burden using ERGs
- Expressed in 2001 dollars adjusted for inflation
# Sample Calculation of ROI

<table>
<thead>
<tr>
<th>Estimate of Savings using only measured data for all participants</th>
<th>Savings per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absenteeism</td>
<td>= $109,026</td>
</tr>
<tr>
<td>Medical and Pharmacy Claims</td>
<td>= $368,730</td>
</tr>
</tbody>
</table>

\[\text{Net savings} = \$212,506\]

<table>
<thead>
<tr>
<th>Administrative Costs</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Administration</td>
<td></td>
</tr>
<tr>
<td>1 FTE Staff</td>
<td>$42,000</td>
</tr>
<tr>
<td>.17 FTE Assistant</td>
<td>$7,000</td>
</tr>
<tr>
<td>Program Analysis / Reporting</td>
<td></td>
</tr>
<tr>
<td>.20 FTE Analyst</td>
<td>$16,250</td>
</tr>
<tr>
<td>Flex Incentive Dollars Paid to all participants</td>
<td></td>
</tr>
<tr>
<td>$200,000</td>
<td></td>
</tr>
<tr>
<td>$265,250</td>
<td></td>
</tr>
</tbody>
</table>

\[\text{Net savings} = \$9.66 \text{ per employee per month}\]

\[\text{ROI} = 1.8\]
Characteristics of Best Programs

1. Top management support
2. Strong budget
3. Linkage of program to business goal
4. Effective communication
5. Effective incentive programs
6. Supportive culture and environment
7. Evaluation component
8. Communication of evaluation results
Advantages of Campus-Based Program

- Programming can be more comprehensive
- Activities are customized and individualized
- Expertise is available
- Communication channels are familiar
- Confidentiality is secured (IRB process)
- Programming enhances student learning
- Evaluations provide pilot data for research
- Programming can be enhanced over time
Thanks for your attention!
Obesity Trends* Among U.S. Adults
BRFSS, 1985

(*BMI ≥30, or ~ 30 lbs. overweight for 5’ 4” person)
Lifestyle change can be facilitated through a combination of efforts to enhance awareness, change behavior and create environments that support good health practices. Of the three, supportive environments will probably have the greatest impact in producing lasting change.” (O’Donnell, 1989)