

Agenda

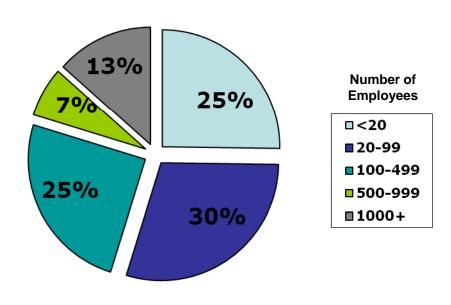
- One look at U.S. employment
- Our definition of "Wellness"
- Understanding employer realities
- Important underlying trends
- A new "Wild Card" Health Care Reform
- A list of key factors for your organization
- Summary of main points





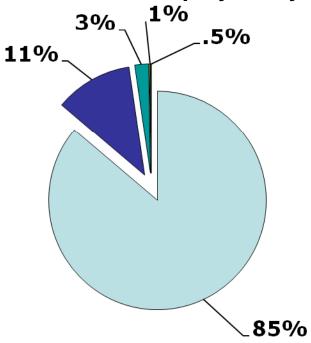
Overview of Civilian Employment

Employees by Employer Size



N = 119,971,942 Civilian Employees

Numbers of Employers by Size



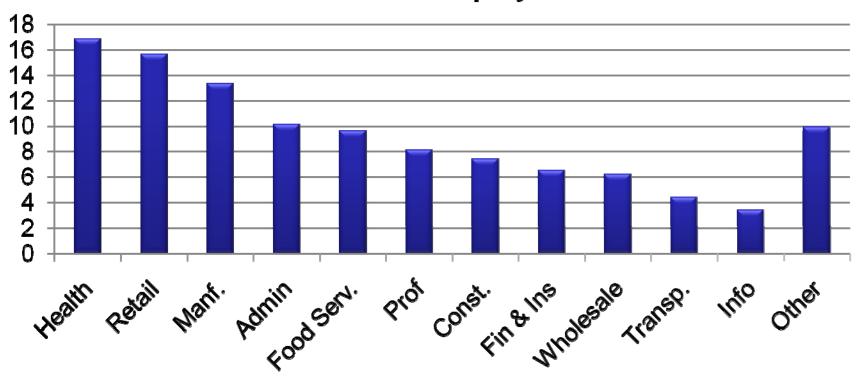
N = 7,601,461 Employers

Source: The National Data Book, 2010



U.S. Employment Composition

Millions of Employees

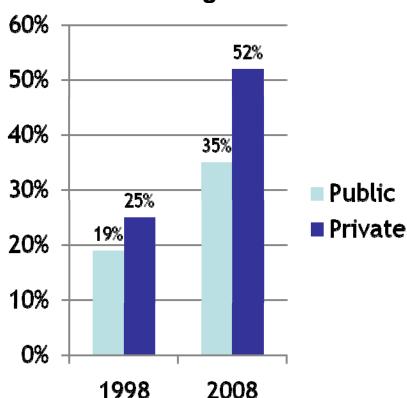


Source: The National Data Book, 2010



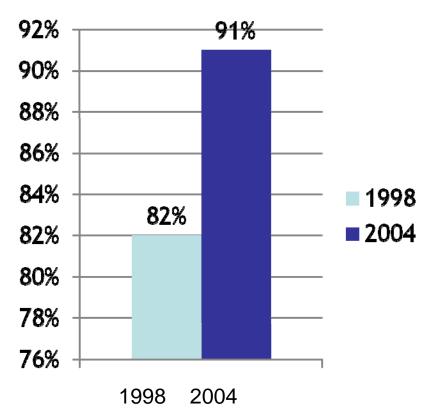
Extent of Worksite Health Promotion in U.S.

Percent of Workers with Access to Wellness Programs at Work



Source: Bureau of Labor Statistics at www.bls.gov/opub/cwc/cm2010041ar01p1.hrm

Percent of Employers >50 EEs with a Wellness Program



Source: Linnan L, et.al., Results of the 2004 National Worksite Health Promotion Survey. Am J Public Health. 2008 Aug;98(8):1503-9.

Results of National Surveys

Type of Programs Offered	1985 Survey	1992 Survey	1999 Survey	2004 Survey	
Exercise/Physical Fitness	27%	41%	36%	20%	
Smoking Control	36%	40%	34%	19%	
Stress Management	27%	37%	35%	25%	
Back Care	29%	32%	53%	45%	
Nutrition	17%	31%	23%	23%	
High Blood Pressure	16%	29%	7%	37%	
Screening					
Weight Control	15%	24%	15%	21%	
Off-the job Accidents	20%	18%	na	na	
Job Hazards/Injury	na	64%	na	na	
Prevention					
Substance Abuse (EAP)	na	36%	28%	45%	
AIDS Education	na	28%	25%	15%	
Cholesterol Reduction	na	27%	23%	20%	
Mental Health	na	25%	12%	na	
Cancer Detection/Prevention	na	23%	4%	22%	
Medical Self-	na	18%	14%	24%	
Care/Consumerism					
STDs (Sexually Transmitted	na	na 10%		na	
Dis.)					
Prenatal Education	na	9%	12%	19%	
Employer Participants	N=1358	N=1507	N=1544	N = 1553	



Programming Overview

Size Category

$$21 - 99 = Small$$

$$100 - 499 = Medium$$

$$500 - 999 = Large$$

$$1000+ = Very large$$

Programming

- Very limited programming
- Limited programming
- Moderate programming
- Extensive programming
- Moderate programming

About 7% of employers have comprehensive programs



Next.... Our Definition of "Wellness"

Our Definition of "Wellness"

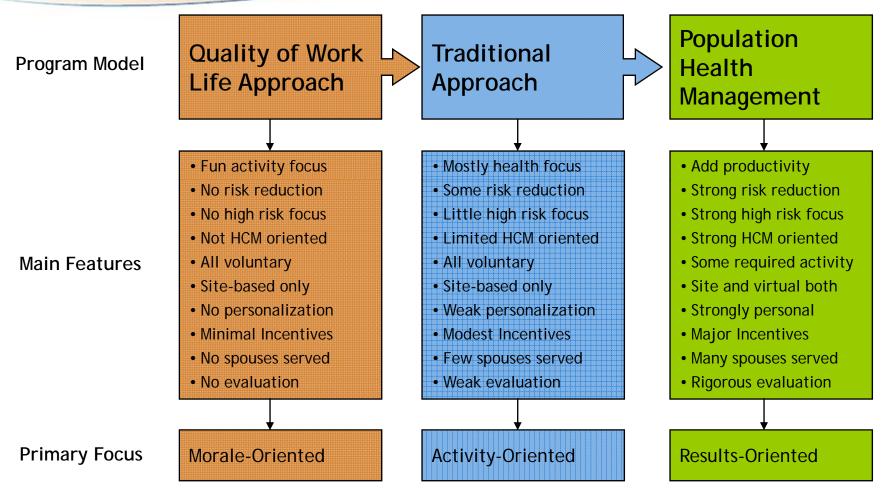
Wellness: "An intentional choice of a lifestyle characterized by personal responsibility, moderation, and maximum personal enhancement of physical, mental, emotional and spiritual health."

Worksite Wellness Program: "An organized program in the worksite that is intended to assist employees and their family members (and/or retirees) in making voluntary behavior changes which reduce their health and injury risks, improve their health consumer skills and enhance their individual productivity and well-being."

Source: Chapman, Planning Wellness, Chapman Institute, 2008, p. 213. (available on Amazon.com)



Program Model will Affect Outcomes



Source: Chapman, Planning Wellness, Chapman Institute, 2008, p. 213. (available on Amazon.com)



Next....



Understanding Employer "Realities"

- Most are small employers
- Economic malaise
- Increased competition
- Loss of jobs
- Shift away from manufacturing
- Diversification of the work force
- Aging of the work force
- End of paternalism
- Need for increased productivity
- Non-profits and government need to be efficient
- Less able to absorb high costs
- Strong entitlement expectations
- Fast pace of change





Next.... **Important Underlying Trends**

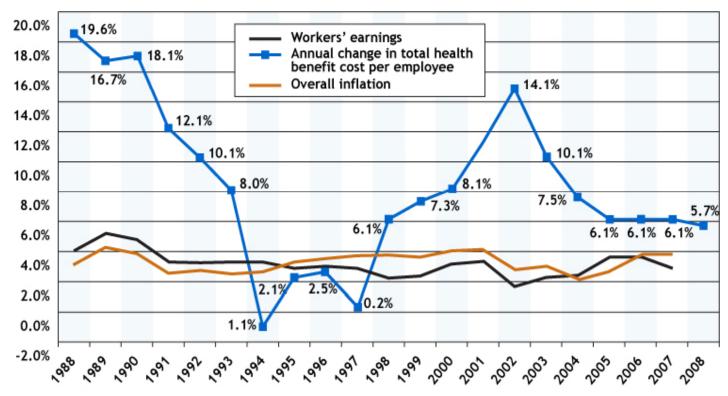
Increasing Preventable Mortality and Morbidity

Causes of Dead	n No. of De	2000 olodic	peatrs 2	A krimini	A Mutritic	TO Street	ments seco su	ONE OF	Second Ho	nt disease	e Me	In Blood Ex	Pressive C	rinking or Environ	hrent hreat	*od
Heart Disease	709,894	29.5%	Х	Х	Х	Х	Х	Х	Х	X	Х	X		Х		
Cancer	551,833	22.9%		Х	Х	Х	Х	Х					Х			
Stroke	166,028	6.9%	X		Х	Х	Х		Х	Х	Х					
Lung Disease	123,550	5.1%	X			Х							Х			
Accidents	93,592	3.9%			Х		Х					Х	Х			
Diabetes	68,662	2.9%	X	Х			X	Х	Х							
Flu & Pnuemonia	67,024	2.8%	Χ	Χ		Х										
Alzheimers	49,044	2.0%	Х	X	Х			Х								
Kidney Disease	37,672	1.6%	X						Х	Х	Х					
Blood Poisoning	31,613	1.3%		X	Х							Х				
Total	1,898,912	79.0%														
	Cancer Stroke Lung Disease Accidents Diabetes Flu & Pnuemonia Alzheimers Kidney Disease Blood Poisoning	Heart Disease 709,894 Cancer 551,833 Stroke 166,028 Lung Disease 123,550 Accidents 93,592 Diabetes 68,662 Flu & Pnuemonia 67,024 Alzheimers 49,044 Kidney Disease 37,672 Blood Poisoning 31,613	Heart Disease 709,894 29.5% Cancer 551,833 22.9% Stroke 166,028 6.9% Lung Disease 123,550 5.1% Accidents 93,592 3.9% Diabetes 68,662 2.9% Flu & Pnuemonia 67,024 2.8% Alzheimers 49,044 2.0% Kidney Disease 37,672 1.6% Blood Poisoning 31,613 1.3%	Heart Disease 709,894 29.5% X Cancer 551,833 22.9% Stroke 166,028 6.9% X Lung Disease 123,550 5.1% X Accidents 93,592 3.9% X Diabetes 68,662 2.9% X Flu & Pnuemonia 67,024 2.8% X Alzheimers 49,044 2.0% X Kidney Disease 37,672 1.6% X Blood Poisoning 31,613 1.3%	Heart Disease 709,894 29.5% X X Cancer 551,833 22.9% X Stroke 166,028 6.9% X Lung Disease 123,550 5.1% X Accidents 93,592 3.9% X Diabetes 68,662 2.9% X X Flu & Pnuemonia 67,024 2.8% X X Alzheimers 49,044 2.0% X X Kidney Disease 37,672 1.6% X Blood Poisoning 31,613 1.3% X	Heart Disease 709,894 29.5% X X X Cancer 551,833 22.9% X X Stroke 166,028 6.9% X X Lung Disease 123,550 5.1% X Accidents 93,592 3.9% X Diabetes 68,662 2.9% X X Flu & Pnuemonia 67,024 2.8% X X Alzheimers 49,044 2.0% X X Kidney Disease 37,672 1.6% X Blood Poisoning 31,613 1.3% X X	Heart Disease 709,894 29.5% X	Heart Disease 709,894 29.5% X	Heart Disease 709,894 29.5% X	Heart Disease 709,894 29.5% X	Heart Disease	Heart Disease	Heart Disease	Heart Disease	Heart Disease	Heart Disease



Health Benefit Costs Continue to Increase

Total health benefit cost change vs. workers' earnings and general CPI, 1988-2008

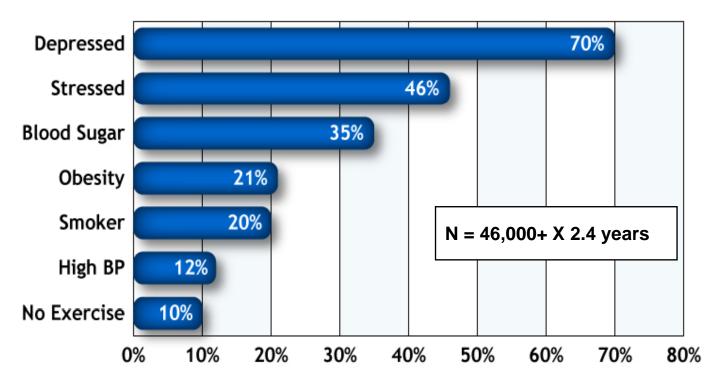


Source: Mercer Employer Health Care Survey, 2008



Health Risks Increase Health Costs

Annual Health Plan Cost Per Employee



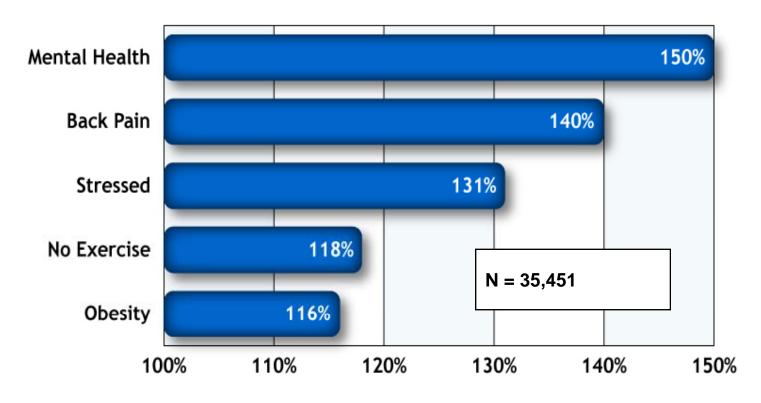
Percent Higher Annual Health Plan Costs

Source: Goetzel RZ, et. al. (1998, October). The relationship between modifiable health risks and health care expenditures: An analysis of the multi-employer HERO health risk and cost database. *JOEM*, 40(10):843-54.



Health Risks Increase Sick Leave Use

Annual Sick Leave Absenteeism per Employee



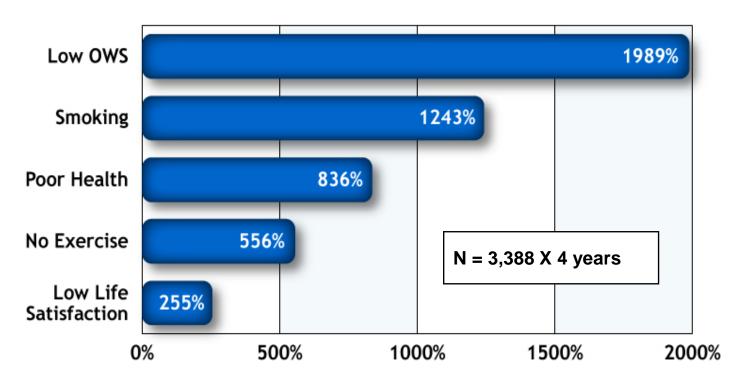
Percent Higher Absenteeism

Source: Serxner, S., et al., (2001). The impact of behavioral health risks on worker absenteeism. JOEM, 43(4), 347-354



Health Risks Increase Workers' Comp Cost

Annual Workers' Compensation Cost per Employee



OWS = Overall Wellness Score

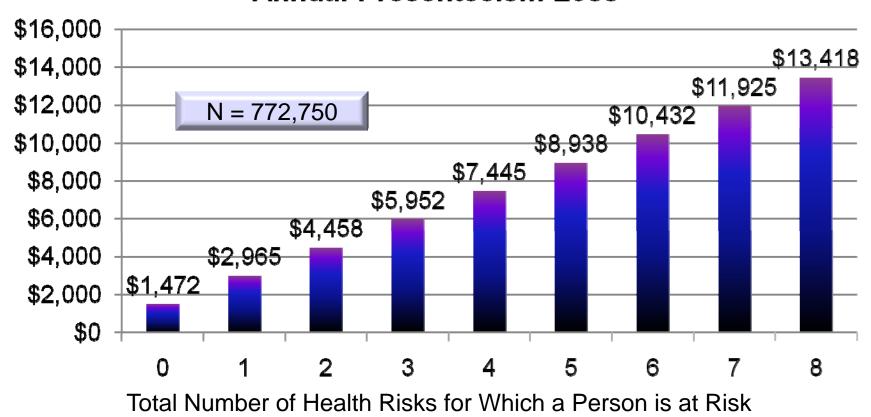
Percent Higher Annual WC Costs

Source: Musich, S., et. al., (2001, June). The Association of Health Risks with Workers' Compensation Costs, JOEM,, p. 534-541.



Health Risks Increase Presenteeism Cost

Annual Presenteeism Loss

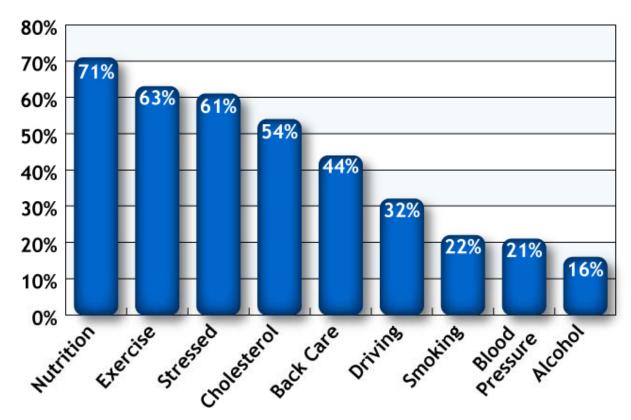


Source: Riedel, J., et. al., Use of a Normal Impairment Factor in Quantifying Avoidable Productivity Loss Because of Poor Health, JOEM, March, 2009, 51(3):283-295.



Health Risks are Very Common

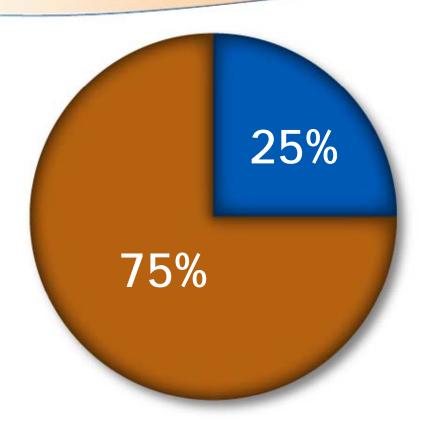
Percent of Working Adults with Major Risk Factors



Source: Summex, 2006



Many Health Costs are Potentially Preventable



- Preventable
 - Depression
 - Stress
 - Blood Sugar
 - Smoking
 - Obesity
 - Blood Pressure
 - Sedentary Life
- Not Related

 $N = 46,026 \times 6 \text{ years}$

Source: Anderson, et. al., (2000, Sept/Oct). The Relationship Between Modifiable Health Risks and Group-Level Health Care Expenditures, *AJHP*, 15(1), p. 45-52.



Summary of Why Wellness is Important for Employers

Tangible Benefits

- ✓ Improve EE health
- ✓ Reduce sick leave
- ✓ Reduce use of health benefits
- ✓ Reduce workers' comp costs
- ✓ Reduce disability costs
- ✓ Reduce presenteeism losses

Intangible Benefits

- ✓ Improve employee morale
- ✓ Increase employee loyalty
- ✓ Reduce organizational conflict
- ✓ Increase productivity
- ✓ Improve employee decisionmaking



Next.... A New "Wild Card" - Health Care Reform

A New "Wild Card" - PL 111-148 PPACA



- Uncertainty
- Complexity (457 sections)
- Non-market solutions
- Increased coverage
- Phasing of change
- Expect market changes in response
- Growing interest in prevention (Good!)

Next....



Key Factors for Your Organization

- Aging work force?
- Economic pressure?

Salary and wage strain?

Increased competition?

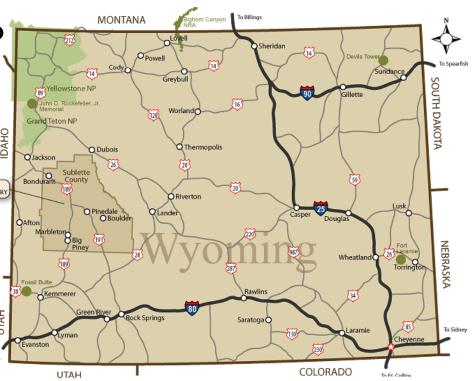
Declining productivity?

Low morale?

Eroding retention?

• Tougher recruitment?

• Same old - same old? Take on





Next.... Summary of Main Points

Summary of Main Points

- A large percentage of employers already engage in some form of "Wellness."
- There are a number of major realities that are affecting most employers in the private and public sectors.
- The underlying trends affecting most employers are making Wellness more important.
- One of the most important perspectives is to consider the full economic rationale for Wellness: HP, SLA, WC, DM and presenteeism costs.
- Another important choice is to select the "right" program model for your organization.
- Wellness needs to be a strategic business objective not just a tactical concern.
- The "bottom line" issue is preservation and enhancement of each organization's human capital.



The Chapman Institute

At www.ChapmanInstitute.net

- #1 Books on Worksite Wellness
 - ✓ Planning Wellness (213 pages)
 - ✓ Using Wellness Incentives (189 pages)
 - ✓ Proof Positive (204 pages)
 - ✓ Program Evaluation (179 pages)
- #2 Online Educational Modules on Worksite Wellness
 - √Wellness practitioners and consultants (200+)
 - ✓ Consumers (50+)
- #3 Online 60 min Educational Modules for Certification
 - ✓ Levels I through V (12 modules for each level)



