

FIVE KEYS TO A SUCCESSFUL WELLNESS PROGRAM

by Todd Whitthorne, President, ACAP Health

The term “wellness program” has come a long way. It wasn’t long ago that whenever I used the term, people would respond with a furrowed brow and a “What’s that?” Now, when I mention “wellness program,” more times than not, the response is a nod and an “Oh yeah, we have one of those!”

For most companies, a wellness program is par for the course, much like water coolers, holiday parties, and 401ks. The problem is not all wellness programs are created equal and, more

importantly, most of them do not make much of a difference. There, I said it...most wellness programs are a big waste of time!

Most...but certainly not all.

Five requirements exist for a wellness program to be successful, and the first one may surprise you.

1

STOP CALLING IT A WELLNESS PROGRAM!

What does wellness even mean? Let’s be honest, companies are encouraging employees to be healthier to increase productivity and save the organization money. The driving force is economics, not necessarily philanthropy. And there’s nothing wrong with that – companies primarily exist to generate a profit. Unfortunately that has become increasingly difficult in light of annual increases in the cost of health care.

“Wellness” is a vague term that usually includes components such as lunch-and-learns, fruit and vegetable challenges, and fun runs. These activities are all great and can contribute to the overall culture of an organization, but if you are serious about improving the health of your troops, you need to be laser-focused on measurable outcomes. That means making sure you prioritize and incentivize the factors that will make a difference...and then measuring the results!

If your efforts are not measurably improving clinical risk factors, you are simply spinning your wheels.



2

LOOK IN THE MIRROR

What kind of company are you? Are you willing to create a culture that holds employees accountable for their behavior or do you just offer a few “wellness” options that may or may not be embraced by the workforce? If the latter, you won’t slow the production of disease and you will not have much, if any, economic impact.

If a company really wants to move the needle around health, it is imperative that its leadership engages in some honest dialog. At McGohan Brabender, we use a tool with our clients called Core Beliefs. It’s an exercise that asks some very tough questions to help the decision-makers really get a handle on what they want and what they are willing to do to achieve it.

Here’s an example of a question we ask:

HOW DO YOU FEEL ABOUT THE FOLLOWING?

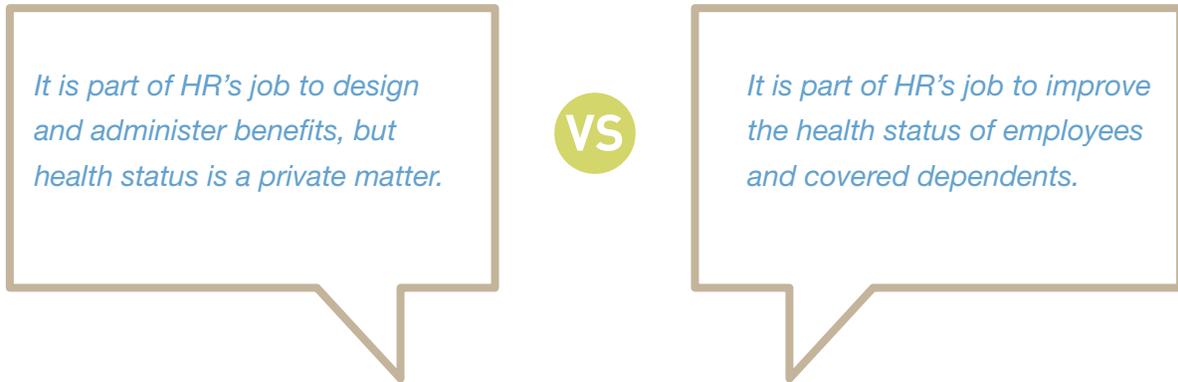
As an employer, the limit of your role is to provide access to market competitive health insurance and to share in paying the cost.

VS

As a provider of health benefits, it is your responsibility to influence personal behavior and medical outcomes.

There is no right or wrong answer and it is probable that an organization will fall somewhere in between the two extremes. The real goal is to help leadership define “rights” and “roles.”

HERE'S ANOTHER EXAMPLE OF WHAT WE USE TO HELP AN ORGANIZATION DEFINE ITS POSITION REGARDING HEALTH CARE:



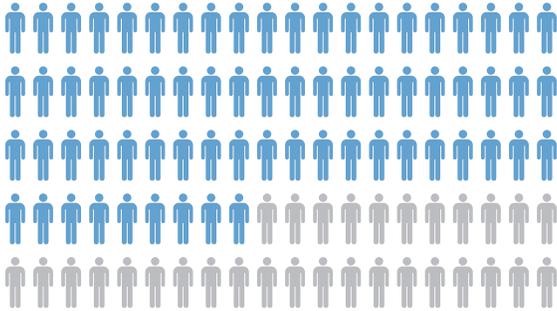
Remember, the only way to improve corporate health is to get individuals to change the behaviors that heighten the risk factors we know lead to claims. If an employee has “skin in the game,” the odds that a positive change will occur improve dramatically. It ultimately boils down to accountability.

Think about your driving habits. If you knew getting a speeding ticket would not cost you a dime, would you think twice about exceeding the speed limit? Probably not. The same concept applies to our health. If someone else is paying for that office visit, acid reflux medication or bypass surgery, we are much less likely to skip the Krispy Kreme or go for a walk.

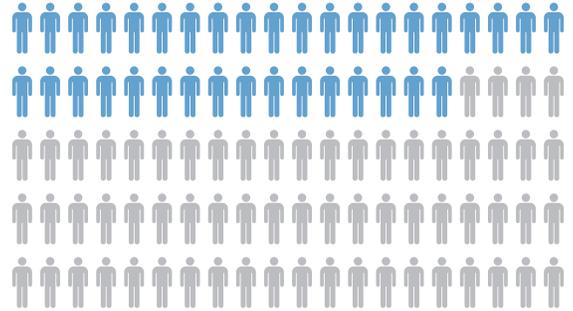
For some companies that's an easy concept to embrace. The leadership understands the status quo is not a sustainable option. They recognize they must get their employees to participate in their own health care. Other companies fear the fallout. They believe their employees will complain and that morale will suffer. We have found success depends on how the message is communicated. Now that the Affordable Care Act is a reality, most employees understand they have to be more accountable. Messaging and strategy are critical. Are the changes perceived as “carrots” or “sticks”? Keep in mind that often the sticks can be painted orange.

ACCESS THE PROBLEM

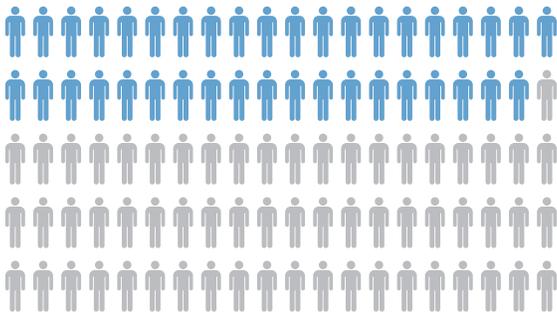
If your organization has 100 employees, and they reflect the national averages, then:



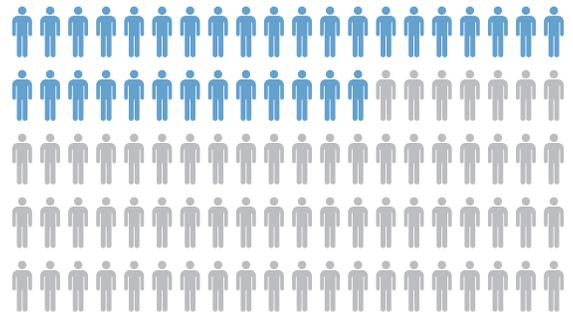
69 ARE OVERWEIGHT



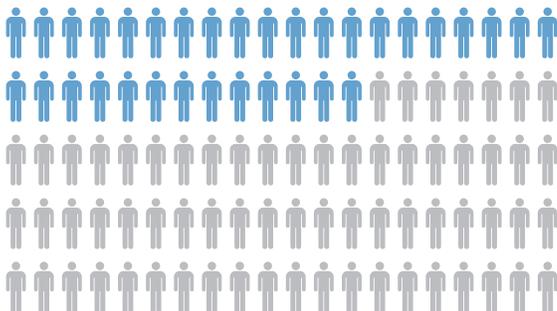
36 OF THOSE ARE OBESE
(A BODY MASS INDEX ABOVE 30)



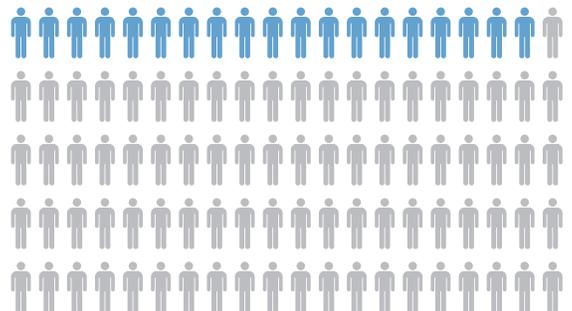
39 HAVE PRE-DIABETES
(THIS IS THE NUMBER WE NEED
TO PAY PARTICULAR ATTENTION
TO... THE CLOCK IS TICKING)



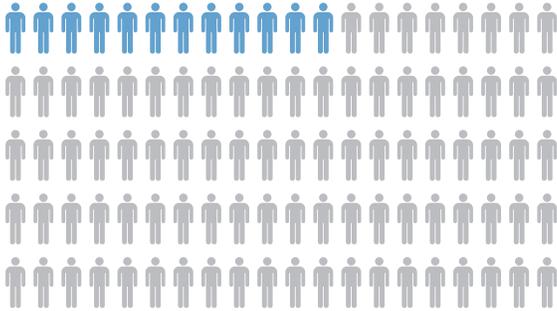
33 HAVE HIGH BLOOD PRESSURE



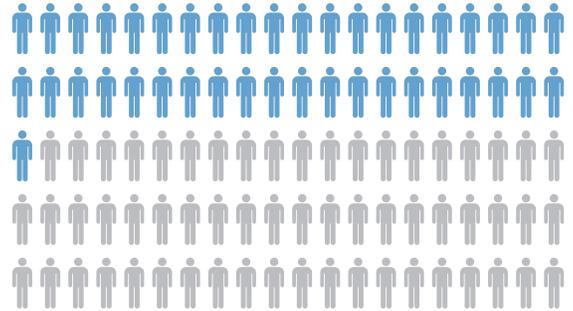
33 HAVE HIGH TRIGLYCERIDES



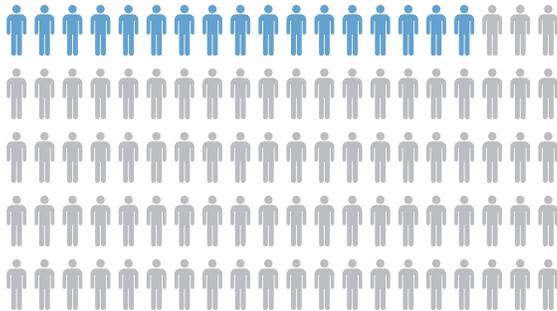
19 SMOKE



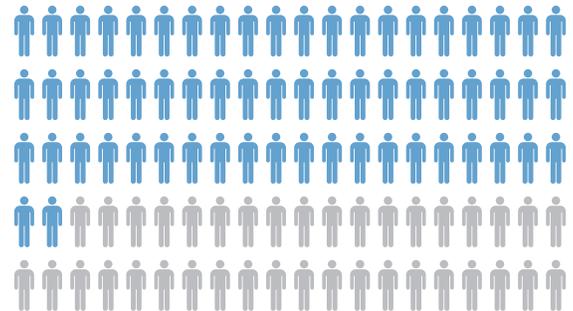
12 HAVE DIABETES
(3 OF THEM DON'T KNOW IT...YET)



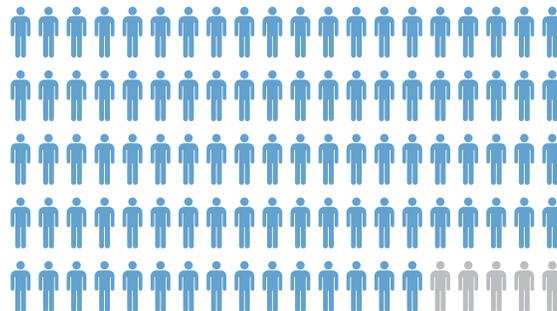
41 LIVE WITH CHRONIC PAIN



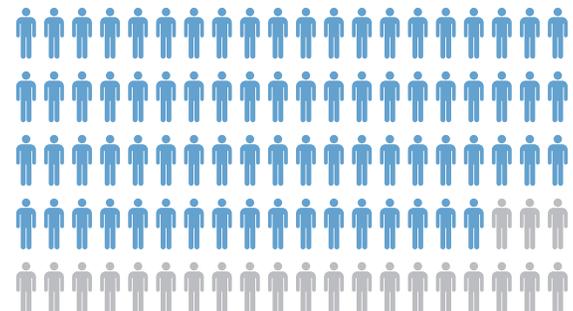
17 HAVE HIGH CHOLESTEROL



62 HAVE SLEEP ISSUES



**95 FAIL TO GET ENOUGH
PHYSICAL ACTIVITY**



77 STRUGGLE WITH STRESS



So, how does your company measure up? Are you better than average, just average, or worse? You can't know unless you measure. This requires conducting biometric screening and health risk assessments on an annual basis. The assessment should include height, waist circumference, a simple survey of family history (e.g. cancer, heart disease, stroke, diabetes, etc.), and blood pressure. It must also include a fasting blood analysis, which measures cholesterol (including HDL and LDL), triglycerides, blood glucose and, for those who qualify, hemoglobin A1c.

The biometric screening can either be done in a doctor's office or during an onsite assessment. (These are often conducted during open enrollment or at an annual health fair). There are many local and national companies that offer onsite biometric screenings; however they are not all created equal. Be sure to ask for references and do not select solely based on price. More than likely, you will get what you pay for. Also, be sure to check with your health insurer or broker to see if the screening is potentially a covered expense. Furthermore, participation in annual screenings might allow your employees to receive a discount on their premiums of up to 30%, which is a very powerful carrot.

Your real opportunity to improve both the health of your employees and the cost of health care is to prevent pre-diabetics from becoming diabetic. More than 90% of diabetes cases are Type II diabetes, which is primarily a "lifestyle disease" attributed to both obesity and physical inactivity. In other words...it's preventable! From an impact perspective this is your "low-hanging fruit."

Another definition of pre-diabetes is something called metabolic syndrome. Metabolic syndrome is a cluster of conditions – increased blood pressure, high blood glucose, excessive body fat around the waist, elevated HDL cholesterol, and elevated triglycerides – that dramatically increase the risk of heart disease, stroke and diabetes. When an individual has three or more of these conditions they, by definition, have metabolic syndrome. It is estimated that at least 25% of adults in the United States have metabolic syndrome and more than 50% of those are above the age of 50.

Metabolic syndrome increases the risk of diabetes five times. If just the blood glucose is greater than 100 mg/dL, then the risk of diabetes goes up seven times. However, if an individual has metabolic syndrome that includes high blood glucose, the risk of diabetes goes up 21 times... that's 2100%!

This is a perfect example of why it's critical that you accurately assess your workforce. If you don't measure, you will never know how many serious and expensive illnesses lie in wait.

DEFINE YOUR STRATEGY

Once you understand what your organization is facing, you have to develop a strategic game plan. By combining your biometric data with demographics and claims history, you can now accurately predict what your future costs will be. Then you can design a plan that will not only improve employee health, but also flatten the cost curve.

The cost of your health care ultimately boils down to just two factors: utilization and price. To effectively move the needle, you must focus on both.

By aggressively working to improve the health of your workforce you will lower utilization. Your employees simply won't need to rely on the system as much. That will only happen by positively impacting the appropriate risk factors. For instance, if only 3% of your workforce smokes, investing in a smoking cessation program is not a good use of time or resources. However, if a significant percentage of your workforce has metabolic syndrome, then that would be a great place to start.

Since 2009, McGohan Brabender has offered companies a behavior modification program, delivered through distance learning, which is designed to reverse metabolic syndrome. It has been used by more than 600 organizations nationally and its success rate in reducing metabolic syndrome is over 40%. That's an example of a strategy that produces a measurable return on investment.

You also need to focus on price...what are you paying for medical procedures and services? There are several "stakeholders" in the health care equation – patients (employees), employers, doctors, hospitals and insurers. As you probably know, not all of these stakeholders are in alignment.

For a variety of reasons, what patients ultimately end up paying has always been somewhat of a mystery. The idea of asking your doctor, insurance company or hospital what something will cost before having it done is almost unheard of. We just go where the doctor tells us, pay a co-pay, wait to get a bill(s), and hope (maybe even pray) that our insurance covers most of the charge(s).

That's all beginning to change. Since both employees and employers usually "have skin in the game" it makes sense to do some shopping before, rather than after the fact. As it turns out the cost of an MRI, which is really just a snapshot, can vary from \$640 to \$1,942 depending on where you go for the service. The variance for a CT scan ranges from \$544 to \$2,580. An in-network knee replacement can vary from \$29,377 at location A to \$57,504 at location B. Obviously this offers a tremendous opportunity for savings.

More importantly, once you get access to the data, you will find there is an inverse correlation between quality and price. I know that sounds crazy but it is an absolute fact. Many times the lowest priced option for a particular service or procedure also has the best customer service scores along with the lowest complication and readmission rates. Until now, this type of information was not available to the patient/customer.

RELY ON EXPERTS

This focus on price transparency is saving some employers millions of dollars. The McGohan Brabender price transparency tool provides clients an average ROI of 8:1. For those companies that have a culture of trust and open communication, the results are even more dramatic.

By researching and understanding your options, you will be able to design a three to five year strategy that, ideally, will provide measurable health improvement and economic impact.

It seems since the passage of the Affordable Care Act in 2010 things are changing on an almost weekly basis. It is imperative that you link all of your health care initiatives. You may

need assistance to make sure you stay on top of regulations and are compliant with the law.

While compliant wellness programs have been sanctioned by law since the 1990s, there are significant changes for employers. As of January 1, 2014 employers can charge a 30% differential on health care premiums based on outcomes such as body mass index, cholesterol, blood pressure, blood glucose, etc. The amendment also allows for a 50% differential for smokers. This gives employers a tremendous ability to hold employees accountable while still complying with the rules established by HIPAA, GINA, ADA, ERISA, etc. HIPAA privacy issues matter for all size companies but can be a particular challenge for smaller organizations.

MOVING FORWARD

Right now, the “twin locomotives” of population health (i.e. diabetes, obesity, physical inactivity) and the Affordable Care Act are colliding. This is truly a pivot point in our country's history and there's no question that the economic carnage will increase.

Companies have one of two choices:

- a) cover your eyes and pretend everything is going to be just fine **or***
- b) evaluate your options and develop a plan that will measurably improve the physical and fiscal health of your organization.*

There are plenty of case studies showing that companies in the second category are reaping significant rewards. I encourage your company to be one of them.

