

**FROM A STICK TO A CARROT  
DID AMERIGAS SAVE A LIFE?  
By Peter R. McClung**

With 71% of employers offering incentives to improve employees' health, many benefits professionals have discussed whether incentives work best as a carrot or a stick (Central New York Business Journal, *More employers offering wellness program incentives* by Eric Reinhardt, September 5, 2008). Some feel the stick approach harms employee relations, resulting in most employers' designing incentive programs based on positive reinforcers. AmeriGas Propane, Inc. took a unique approach to preventive testing.

***AmeriGas takes a stand***

Last year, AmeriGas gave employees an ultimatum. Get your preventive testing done, or you may not receive medical benefits in the future. The time for an optional or carrot-style wellness program had passed and the stick was out and ready.

As reported in the Wall Street Journal on July 12, 2009, although this was an unusual step, the decision was based on evidence of a significantly higher employee death rate than the national average. There was a **moral imperative** to engage with employees to have them live a healthier life, and a **business reason** to invest in the testing to get employees on the road towards health success.

***The results***

After measuring completion factors, implementing an extension period, and an exhaustive appeal process for employees, Operation Save-A-Life completed its first cycle in early 2009. At the end, just a handful of employees are losing benefits eligibility for the next period. After the program, AmeriGas conducted an employee survey and found that Operation Save-A-Life had not only an immediate impact on employees' lives, but that the whole effort was seen as positive by employees.

Carol Guinan, Benefits Director at AmeriGas, states, "We know of six women that found breast cancer at a much earlier stage, due the program, and several individuals found issues with their heart before they normally would have." In the survey, 40% of respondents stated that they did one or more of the following:

- Changed eating habits/started a diet
- Quit smoking
- Began an exercise regimen
- Now take medication
- See a doctor more frequently, now that a health condition has been diagnosed.

Carol said, "Several managers scheduled their employees for their tests all together," promoting health at the workplace. Since eliminating copayments for generic drugs based on disease state, "our diabetic drug utilization is up 8% and cholesterol medication is up over 13%. We know that this program has saved lives."

The most surprising outcome of the survey and the program is that 75% of employee respondents said they would recommend that other companies institute a similar program. This result can be attributed to the full suite of employee communication tools

utilized by AmeriGas, including letters and DVDs, participation by their health vendor's (Aetna) Medical Director, and personal messages from their own employees and CEO.

While the results from the employee survey show success, there were several aspects of the original Operation Save-A-Life that needed to be tweaked as the program proceeded. In certain cases, codes for the specific tests could not be extracted from provider billing, which required liberalizing the program requirements to satisfy the total number of required tests. Also, additional communication on getting preventive services done at a primary care physician's office instead of more costly locations like an urgent care center or local hospital would have limited some of the medical expense. Both issues have been addressed for the next set of employees entering the program.

With employees receiving preventive screenings and subsequent medical care, the initial health care expense financials were expectedly higher. AmeriGas will monitor the longer term picture for lower long-term health care expenses based on the preventive screenings prescribed through Operation Save-A-Life. What first looked like a stick was perceived as a carrot by many employees.

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