WELLNESS: FUTURE WAVE OR CURRENT FAD?
By Peter R. McClung

What does wellness mean to you? A spa day? How you feel on the beach soaking in the rays? Giving away your daughter on her wedding day? Losing those 10 pounds that have been nagging you all winter? Finally being rid of that back pain you've had since shoveling during that last storm? While wellness means something unique to everyone, it's where you may be heading next in your health benefit design. Benefit organizations are asking: are wellness programs the next wave, or the next flavor-of-the-month fad?

Most employers want their employees to be well. A well employee is productive and generally not consuming health care benefits. We know that wellness is good for your employees, but how much should you invest and will there be a specific Return on Investment to your organization? According to Wayne Burton, MD, Medical Executive from JPMorgan Chase: "The stars are all aligned. You have the health plans saying this is the right thing to do. You have benefits people hearing it. You have the senior executives at the corporations saying this is what we have to do to manage our healthcare costs and that it is the right thing to do for our employees. This is a golden window of opportunity for our country."[1]

In the past several years, investments in chronic disease management have had varying success rates, based on the 80/20 rule (20% of your population is responsible for 80% of the cost), so it would make sense for management to focus on changing employee behavior to help limit costs. Wellness programs inherently assume that investing in the 80% of employees not yet causing the highest cost can mitigate future healthcare costs through behavior change. This modification can be categorized in two forms:

- **Behavior change for the emerging ill.** With obesity increasing at alarming rates, obesity-related claims do not arise until very late in an individual's health status. Thus, if a proactive, wellness engagement can change or delay the emergence of obesity, there is potential for savings due to the reduction of health risk. While earlier screening for disease can result in increased findings, the hope is it is much earlier when health costs would be less than finding later, where significant costs would occur.

- **Maintenance for the current well**. As we age, our consumption of health care steadily increases. Employers who are eliminating jobs are not generally bringing in new (younger) employees to offset the cost of aging in their existing populations. Wellness programs attempt to defy those costs by maintaining good practices of the well to avoid behavior-related future costs.

These two focus areas do have a consistent theme: how do you measure non-events that could have occurred as a result of behavior change? In addition, employers are unsure how long an employee will stay with the company, and wonder if they will reap the rewards of wellness programs and behavior change, with longer lag periods for potential savings than benefit or employee cuts.

So what do employers say? Roberta Murray, the Wellness Manager for Tyco Electronics based in Berwyn, PA, describes "The Healthy Point$ Tracker" (the incentive program of **The Wellness Advantage**, Tyco Electronics' wellness program) which allows employees and their spouses to each earn up to $250 for the year by completing certain tasks such as gym membership, weight loss programs, disease management participation, lifestyle modification program, attending an on-site class, or completing a preventive exam. "We have organized 40 wellness champions nationwide who oversee the wellness activities in all our US locations. The champions are made up of RN/HR/other employees who have a passion for wellness."

[1] Edington, Dee W., PhD. *Zero Trends: Health as a Serious Economic Strategy*. Health Management Research Center, University of Michigan. 2009. Print.

Tyco developed **The Wellness Advantage** two years ago after discovering that 67% of their population was overweight (26% of the population was considered obese) based on self-reported weights in their Health Risk Assessment (in which 87% if employees participated). One measure of success of Tyco's wellness programs has been early detection of high blood pressure and melanoma through onsite screenings.

Tyco Electronics' management is taking the wellness program global due to their belief in not only bottom line cost savings associated with wellness activities, but the increased productivity and morale of employees currently involved in the program. As Roberta Murray states, "From an employer standpoint, it will help us address and plan for future medical costs with an aging population and chronic disease."

Not all employers feel that wellness programs provide enough rewards to their organizations to invest significantly in formalized multi-site programs. For example, a large national hospital system feels that wellness programs and activities are best managed on the local level, with drives, runs, and activities providing a level of connection with each site that corporate structure and corporate oversight don't provide.

Wellness programs and initiatives are highly individualized for each employer and plan sponsor – approaches that work for some plants or sites don't work for others – because of various factors including company culture, employee age, and current values. In some cases, an automated phone call from the CEO has resulted in a 90% of Health Risk Assessment completion, where others needed a significant contribution penalty to achieve the same result.

The need to reduce current medical health trend expenses will continue and health care reform will encourage increased wellness efforts. Wellness programs in multiple forms will emerge as employers struggle with how to affect employee behavior, reduce risk, and manage medical expenses.

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