

Turning Bad News into Best Practices

How to Bounce Back from the Health Care Crisis

A Special White Paper Report by Scott Foster, Corporate Wellness Expert



Employer medical costs have increased by 140 percent over the past ten years. Health insurance costs will likely overtake profits by 2008. Medical systems and employees alike face paralyzing double-digit cost increases. It's enough to make you sick (if you can afford it).

But if you tune out the collective groans, you'll hear success stories rising above the din. Those stories prove that you, too, can begin turning bad news into best practices by following three simple strategies.

Stop Shifting Gears

Cost shifting, a tactic used liberally by businesses over the past ten years, has left nearly everyone with higher premiums, co-payments, and deductibles. As a result, the average employee health insurance contribution has increased more than 143 percent since the year 2000. If resourceful corporations have failed in achieving health cost efficiency, how can they expect their employees to do it for them?

Possibilities offered on the economic side of the health care equation have been exhausted; attempts to squeeze physician contracts, reduce reimbursements, and limit access to care no longer yield significant results. However, the demand side (i.e., health behaviors and the need for care) offers untapped opportunities to save money while making employees happier.

The dramatic shift needed for businesses to tap demand-side opportunities is exemplified by a stark reality: preventable illness makes up about seventy percent of employer health care costs, yet less than five percent of employer health care dollars are spent on

prevention. Conversely, more than 500 studies have documented the positive impacts of prevention programs, including significantly reduced medical costs.

True "trend mitigation" depends on your ability to achieve high employee participation and stop upward risk flow. To be successful, you must prioritize employee health as a key operational objective.

Become Transparent

How much did your last trip to the emergency room cost? You may never know, because the third-party health insurance to which you subscribe may inadvertently hide medical costs from you and your employees alike.

The solution is to achieve cost transparency through improved communication and benefit plan design. Most employees jump at the chance to lower benefit costs, especially when it lowers their out-of-pocket expenditures. They just need to learn how.

Consumer-Driven Health Care (CDHC) may be the answer. CDHC emphasizes employee "cost empowerment" through a high-deductible health plan, offset with a health savings account (HSA) and funded by the employer (provided that the employer participates in programs designed to understand and improve employee health behaviors). The most successful models fund the entire deductible if the employee is actively involved with a preventive health program.

Second That Emotion

Health care includes a powerful emotional component that affects employee morale and productivity. Losing a team member to a dangerous condition such as a heart attack can be emotionally devastating. But it can also help establish a forum for change. Fortunately, there is a less calamitous eye opener.

The fact is, you and your employees are probably not as healthy as you think you are. When providing Wellco HealthHammer™ testing to clients, we have never finished a single day without identifying a handful of "walking time bombs." Learning the truth about your employee's health, as well as your own, represents a tremendous opportunity to save money and quite possibly save lives.

Bouncing back from an economic health care crisis takes time and numerous strategic alliances. Still, with a little effort, you can turn bad news into best practices by incorporating the three strategies outlined above. As author Ashleigh Brilliant said, "Good ideas are common; what's uncommon are people who'll work hard enough to bring them about."

Scott Foster is Chief Wellness Officer of Wellco Corporation. Scott has generated millions of dollars in cost savings for his clients. His experience includes frequent consultations and speaking engagements with Fortune 500 companies such as Home Depot, MetLife, SBC, and 3M. He is an active consultant to the Michigan Department of Health, columnist for the Oakland Business Review, facilitator for the superstars of wellness at wellnessroi.com, and an executive committee member of the Oakland County Wellness Coalition. Often featured as a media expert, Scott is certified as a Health Promotion Director by the world-renowned Cooper Clinic in Dallas, and he was awarded a Lipid Clinic Facilitation certificate by Chicago's Midwest Lipid Clinic. Scott has also worked as a cardiology clinician, administrator, and consultant for hospital systems. For more information contact Scott's toll-free number at (866) 636-WELL (9355) or visit www.wellcocorp.com.



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