

The Moment of Force

Four New Ways to Favorably Leverage Healthcare Costs

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



The Greek scientist, mathematician, and inventor Archimedes once said, "Give me a place to stand and rest my lever on, and I can move the earth." Although he had a mechanical lever in mind, the same philosophy applies to reducing healthcare costs.

By resting your financial lever on one of four new cost-saving fulcrums, you can reduce the burden of employee healthcare costs more easily and effectively than by brute force. In fact, the solution is less about muscle than it is about manipulating simple techniques to maximize employee health.

In fact, none of this is problematic if you choose the right wellness firm. To that end, there are seven important characteristics of HRAs that you should keep in mind when partnering with a wellness firm to help implement/manage your corporate wellness program.

Educate Your Employees

Founded by Benjamin Franklin and Dr. Thomas Bond in 1751, Pennsylvania Hospital helped the poor and sick residents of colonial Philadelphia. As our nation's first hospital, Pennsylvania Hospital was an early leader in quality public health care. It also helped predispose future generations towards treating, rather than preventing, disease.

In fact, many experts believe our system should be referred to as "sick care" or "disease care," but least of all, "health" care. Yet, the charity and compassion of our forefathers cannot be blamed for the current health financial crisis. Franklin and Bond never dreamed of health insurance as a

company sponsored health benefit (let alone cost \$8,500 per employee or consume up to half of corporate profits). Nor should our history be thought to justify continued dependence on a payment system that unintentionally hides the true cost of medical care.

Employers can save money by communicating to employees that the true cost of medical care is much more than the cost of their deductible. In addition, they can help employees avoid costly services by choosing a generic medication or calling a nurse advice line to determine if a physician visit can wait until normal office hours.

Encourage Preventive Care

The business of medicine parallels manufacturing in many ways. From continuous quality improvement to Six Sigma, both industries have sought to lower costs by improving processes and reducing errors. However, manufacturing has an edge over medicine because it has learned the value of preventing a mistake rather than repairing it afterwards.

Corporate healthcare costs are rising at the fastest rate in our history. If you do nothing, you can expect your medical costs to rise by 11% annually for the next 5 years. That being the case, how long can your business survive without healthy and productive employees?

The fact that eighty percent of your healthcare costs are related to ten modifiable risk factors illustrates how employee health promotion is a sound investment. Far from being an added expense, preventive care needs to be part of the business model as much as “safety” and “quality.” Research shows an average return on investment of \$3.72 in reduced healthcare costs and \$5.06 in reduced absenteeism costs per dollar invested in employee health promotion.

Start by arranging for your company health insurance to cover 100% of preventive care for your employees. Talk to your benefits provider or use the US Preventive Services Task Force guidelines as a model. Your employees should not be discouraged from preventive care that is proven to prevent unsafe health conditions.

Make Healthcare Personal

Messages about rising healthcare costs are of great concern to corporate executives, yet preventive care remains a low priority. The messages lose impact because they lack personal relevance.

Remember the movie “City Slickers?” During one of the better scenes, Curly (Jack Palance) tells Mitch (Billy Crystal) that life is about “one thing,” but you have to find out just what that thing is for yourself. Mitch spends the rest of the movie looking for his “one thing” and ends up much better as a result.

As a small business, you may not have the benefit of negotiating your medical insurance premiums like a larger, experience-rated business. However, you do have the advantage—and corresponding benefit—of rapid program deployment. Put another way, the same employee health risks that drive costs also drive absenteeism, productivity, short- and long-term disability; what “one thing” would be best improved for you if your employees were healthier?

Offer Health Risk Appraisals

When providing Wellco ZeroTrend seminars and workshops to clients, I am often asked how to stop the dangerous and costly flow of employee health risks. I usually respond by saying that organizations should offer company-paid, onsite HRAs to every employee. The HRA should include biometric measurements (cholesterol, blood pressure, diabetes risk, etcetera) and a scorecard including “cluster” analysis (overall risk score, behavioral risk score, cardiovascular risk score.)

Because they have the potential to save money and even save lives, HRAs have become the foundation for effective employee health maintenance and improvement programs. An effective HRA can be integrated with employee health coaching sessions, health seminars, and employee incentives for participation. The more convenient and well integrated the HRA, the more likely employees are to participate (and the more likely you are to see positive results).

So don't throw up your hands and walk away from the healthcare crisis. Instead, use the proper combinations of lever and fulcrum to

overcome resistance. You may not move the world, but you *will* move closer to financial equilibrium.

Scott Foster is a partner and corporate wellness expert, for Wellco, a leading provider of corporate wellness systems for organizations who want to stop employee health risks before they become more dangerous and costly. Scott has generated millions of dollars in cost savings for clients such as Chrysler, Home Depot, MetLife, SBC, and 3M. He is a consultant for the Michigan Department of Health, Chairperson of the Michigan Cardiovascular Business Alliance, a featured columnist for "Health Michigan" and an executive committee member of the Oakland County Wellness Coalition. Scott is facilitator for wellnessroi.com, a resource that provides interviews and commentary from the nation's wellness superstars. 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 previously served as a hospital administrator and clinician. For more information, contact Scott, toll-free, at (866) 636-WELL (9355) or visit www.welcocorp.com.



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