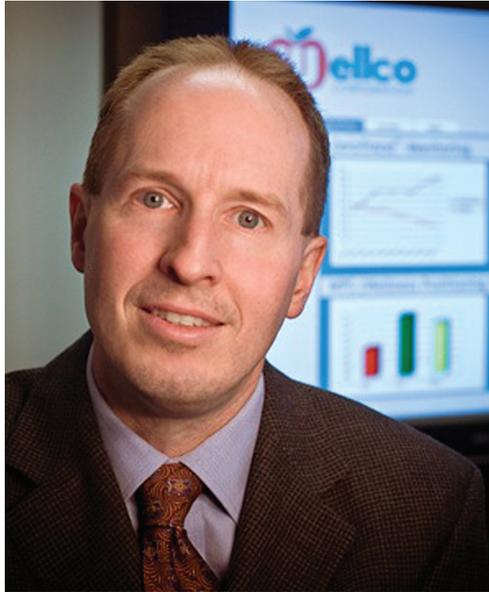


The Good, the Bad, and the Ugly Truths About Wellness ROI



By Scott Foster

The debate over the effectiveness of wellness programs has risen to the crescendo of a tabloid talk show. You'll hear voicing of arguments and affirmations, and, by the end of the show, participants may be angry enough to throw a chair. The posturing often originates in academic communities filled with passionate, well-intentioned, and biased experts who are always up for a good rebuttal.

The lack of consensus among those same academicians has grabbed the attention of the media, creating confusion for businesses that are already weary of bipartisan bickering. Renowned football coach, Knute Rockne said, "Most men, when they think they are thinking, are merely rearranging their prejudices."

Business leaders, just as those who lead in sports, need to understand which decisions will be most effective. Digging deeper than the surface can help you understand the choices your business must make about wellness programs, their effectiveness, and the kind of ROI you can expect from them.

The Good

Approximately 50 scientific, peer-reviewed studies confirm the effectiveness of robust wellness programs for reducing medical costs, including these credible findings:

The Community Guide concludes, based on

a CDC review on authoritative wellness research, that comprehensive wellness programs improve health behavior, medical conditions, and costs. This provides solid confirmation that effective wellness programs improve productivity, blood pressure, cholesterol, and reduce fat intake. Additional improvements include increased healthcare utilization, fewer health risks, and better figures for alcohol, tobacco, and seatbelt use.

Health Affairs contains a report published by a trio of Harvard economists concluding that well-implemented wellness programs reduce medical costs by \$3.27 and absenteeism by \$2.73 for every dollar invested into the program.

Independent research by companies such as Procter & Gamble, Johnson & Johnson, Citibank, Highmark, and Progressive Corporation verify positive ROI for wellness programs ranging between \$1.65:1 and \$4.70:1.

The Bad

Several reports have found wellness programs to be less effective, including the following from noteworthy publications:

RAND Health presented a report to congress indicating that the average health costs savings for wellness programs were insignificant at \$7 per participant (after program costs). While most employers believed their wellness programs were working, only half measured program impacts.

The Wall Street Journal highlighted a report by a contrarian author and health consultant and originally published in Health Affairs alleging exaggerated results and ineffective wellness programs.

The Ugly

Employers eager to make cost-effective health purchasing decisions often feel lost among all the voices driven by their need for personal gain or profit. The voices vying for your attention include the media, marketers, and politicians.

The media outlets need to dig deeper to give their audience real facts they can use in the decision-making process, rather than simply headlines and highlights. For instance, the press release for the RAND Health report was more critical than the report itself and is often used to inaccurately summarize the report.

Wellness programs is the new buzzword phrase in the health and benefit industry. However, RAND Health found that most wellness programs in the \$6 billion wellness industry do not work. This offers little surprise to the 69 percent of employers reporting a lack of satisfaction with their current health and wellness metrics. The 65 percent of employers who do not currently evaluate their health and wellness efforts, along with the 98 percent who do not have accurate savings measurements may be surprised and confused. Choose wellness programs wisely and avoid vendors promising ROI claims in excess of 5:1 ratios.

Depending on party affiliations, you can expect to hear that wellness programs will help companies pave the way to great riches or bankruptcy. Business must move beyond party lines in order to leverage genuine opportunities for effective health and wellness initiatives.

What Works Best?

At the end of the day, the case for the effectiveness of well-administered health and wellness programs is substantial. Well-run programs will, at the very least, pay for themselves, in addition to adding positive business ROI. Effective programs provide leadership support, strong health appraisals, resource referrals, coaching, measurements, and incentives.

Your wellness story begins with your own definition of wellness along with your belief of the value of a healthy workforce is to your organization, and whether adding effective wellness programs will help your business grow and flourish in the future. The solution is less about arguing and more about taking action by working with trusted partners, using best practices, following your instincts, and fine tuning your initiatives over time.

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