



# Prescription for a healthy workforce

Comprehensive wellness programs are creating healthier workers and improving bottom lines

By Karen Gaspers, associate editor

**W**hile many companies have been focused on safety management systems like behavior-based safety or Six Sigma, health promotion has quietly been putting down roots.

International Truck and Engine Corp. started its wellness program a decade ago. The program began with the company encouraging employees to complete a health risk appraisal, and has been evolving ever since. “The initial health risk appraisal gave us the view of the potential,” explained Thomas J. Slavin, occupational safety and health manager for the Warrenville, IL-based company.

In addition to collecting useful information, the program marked a significant culture change toward a focus on prevention. “We’ve never focused on prevention before. In industry, we’ve always argued about who’s going to pay – it’s co-pays and deductibles and stuff – but we really don’t look at preventing the disease in the first place or keeping the disease from progressing to a higher cost state,” Slavin said.

Slavin added that safety has been involved in the process almost from the beginning, because the company realized it made sense for the various functions within its walls that were all working toward the same goal – healthier employees – to work together.

International Truck isn’t alone in opening its eyes to the potential benefits of health promotion. According to a survey conducted by Watson Wyatt and the National Business Group on Health, the number of employers encouraging lifestyle change through a health plan doubled in 2004, and 70 percent of respondents said they are using disease management programs to address specific diseases.

“There’s tremendous opportunity out there and we’re just scratching the surface,” Slavin said. “The more we learn about what’s effective, the more it’s going to grow. I think it’s certainly a big part of our future.”

## Wellness explodes

Health promotion – whether you call it wellness programs, disease management programs or even health and productivity initiatives – really took off with companies about three years ago.

One reason for the jump has been the increasing availability of reliable data, much of it focused on productivity and financial benefits. “It wasn’t until new research was done showing the real benefits both to companies and to employees from a business standpoint that these programs really took off,” said Ann Brockhaus, a consultant for ORC Worldwide in Washington.

For example, a recent Brigham Young University study found employees who participate in wellness programs miss fewer workdays, and the decrease in absenteeism translates into a cost savings of nearly \$16 for every dollar spent on the program.

But the biggest driver is skyrocketing health care costs. The rush to wellness “is really coming from people concerned about the cost of health care and the high use of health services, many of which are driven by lifestyle choices, not random illness and accidents,” said Helen Darling, president of the National Business Group on Health, Washington.

The United States spent almost \$1.8 trillion in 2004 on health care, according to the Insurance Information Institute, New York. That figure is expected to jump to \$3 trillion by 2013. Employers shoulder an increasing portion of that expense. According to the U.S. Census Bureau, of the 242 million Americans covered by insurance in 2002, 175 million were covered through group insurance with their or a family member’s employer.

In turn, awareness is growing in the United States that largely preventable factors are driving these health care cost increases. “Today, the leading causes of injury, illness and death are chronic,” explained David Hunnicutt, president of the Wellness Councils of America, Omaha, NE. “Out of the 2 million plus people who die each year, 1 million die as the result of preventable illness.”

Hunnicutt named smoking, followed by obesity, poor nutrition and lack of physical activity, and high-risk alcohol consumption as the leading causes of preventable death. These are all, in essence, lifestyle choices that drain employers.

Coupled with that, most Americans work and the population is aging. Baby boomers are starting to turn 50, Hunnicutt noted, and as they age new health problems are coming to light. “You’ve got lots of folks, due to age and



not paying attention to preventive health practices for the last 20 years, who are starting to lose their health and that’s really got our attention,” he said.

As a result, employers are realizing their money would be better spent on prevention. In the United States, the majority of health care resources are spent on active disease, and roughly 80 percent of health care resources are consumed by 30 percent of the population – those who are at-risk for developing problems or who already have a disease, Hunnicutt explained. “So you have this massive system sucking resources, but

we are spending it on issues after people get sick,” he said. “That’s a losing proposition, and I think employers are realizing that. And employers say, ‘Why do I have to wait to incur 20 percent increases [in health care costs] every single year before I start focusing on prevention?’”

According to International Truck’s Slavin, the company has seen measurable reductions in health care costs. Compared to national trends for similar employee populations, its costs have fallen to half. “Typically health care costs are in the range of 10 percent to 20 percent for national numbers,” Slavin said. “Our actual numbers in 2004 are between 5 and 6 percent. And so far this year, it looks like we are beating that. We are making progress.” In addition, Slavin said absenteeism has been reduced 50 percent, generating further cost savings and raising productivity.

### Feature at a Glance

Keeping today’s workers safe and healthy goes beyond the traditional workplace to encompass off-the-job issues that affect productivity. More and more companies are turning to health promotion activities to address this business imperative.

#### Key points

- Soaring growth of health care cost increases have spurred the growth of wellness programs.
- When companies turn to health promotion, they often take a multidisciplinary approach that includes occupational safety.
- Integrating safety and wellness is very much a trial-and-error process, but as more companies get involved, it will become easier to share best practices and knowledge.

## Prevention meets promotion

When companies turn their attention to health promotion, one of the first issues they tackle is the integration of wellness with occupational safety programs, according to Steve Newell, a consultant for ORC Worldwide.

Doing so makes perfect sense to Hunnicutt. “I really see wellness and safety as being joined at the hip because they are really two sides of the same coin,” he said.

ORC has certainly seen this trend among its own members, most of whom are global, Fortune 200 companies.

The group recently launched a task force, Integrating Employee Wellness Strategies, to help its member organizations address the issue of integrating health prevention and promotion. Newell said more than 90 members from 50 companies signed up to participate.

According to ORC’s Brockhaus, integrating wellness and safety is a topic that has been discussed among occupational safety and health physicians for at least five or six years. Now, a growing number of safety and health managers are embracing this responsibility. Brockhaus

## One company fired workers who refused to quit smoking both on and off the job. Some people applaud; others ask ...

# How far is too far?

**A**s health care costs have skyrocketed, so too has companies’ interest in promoting health to reduce those costs. According to a survey conducted by the American Management Association, New York, top programs include smoking cessation, exercise and fitness, blood pressure management, weight management, stress management, cholesterol management and nutrition programs. Such programs essentially target personal lifestyle choices. Can companies tell workers what to do on their personal time?

Weyco Inc., an Okemos, MI-based medical benefits company believes it can. Weyco fired four employees in February because they rejected the company’s ultimatum to quit smoking. The company began random drug testing for nicotine at the beginning of this year, and said it would fire workers who failed the test or refused to quit smoking both at home and at work. Last year the company banned smoking during office hours and began assessing smokers a \$50 monthly fee before banning tobacco use outright in 2005. The company’s owner has said he will target overweight workers next.

While Weyco is an anomaly, according to Helen Darling, president of the National Business Group on Health in Washington – “I actually think we are such a long way from that kind of step by any large number of people” – the company’s action does raise valid questions about personal choice while off the job. But when it comes to smoking, most Americans support company intervention – because it saves them money.

According to Darling, recognition is growing of a direct relationship between behaviors such as smoking and health care costs. She said the tipping point for smoking came in the late 70s, early 80s when it finally sank into the public’s conscious that tobacco was harmful to smokers and those around them, as well as that “it made people sick for a very long time before they died.”

Then, when the first recession of the new millennium hit and employers were faced with double-digit increases in health care costs, companies decided they could no longer absorb the burden and began passing cost onto employees. Employers cover approximately 80 percent and employees 20 percent, Darling said. “But it’s 20 percent of something that’s twice as expensive,” she said. For example, if family coverage for one employee is \$12,000 annually, his or her 20 percent share is \$2,400.

“Suddenly, how you feel about cost drivers, when bearing some of the cost, is quite different,” Darling said.

In other words, rising health care costs are supplying companies with buy-in – at least for smoking cessation programs. Because smokers help drive co-pays up, you’d better believe non-smokers, who make up the majority of Americans, are in favor of tougher attitudes toward tobacco users.

That’s not to say everyone believes Weyco’s radical solution is the answer. In a national survey of safety and health managers, nearly three-quarters of respondents – 72 percent – said employers shouldn’t be allowed to fire workers who smoke away from work. More than 900 people cast votes in the poll, conducted by Safety.BLR.com, Old Saybrook, CT. Respondents were asked what they thought of the Weyco smoking policy.

In addition, a study conducted by the Society for Human Resource Management, Alexandria, VA, found that while nearly one-third of U.S. employers have introduced smoking cessation programs, only 5 percent prefer not to hire smokers and only 1 percent flatly refuse to hire individuals who smoke.

pointed out that five years ago occupational doctors and nurses would have primarily populated ORC's new task force initiative. But the group has an equal number of health and safety managers. "People with safety and industrial hygiene backgrounds suddenly see this as part of their charge, to integrate health protection programs with health promotion programs," she said.

That's because "[the integration of health promotion] has evolved from a medical initiative, to being a business opportunity to being a business imperative," Newell explained.

### **Cost savings not the only reward**

Citing health care costs as the sole cause of this trend is too simplistic, Newell warned. Yes, health care is driving wellness, he said, but companies also see other values. The process began with occupational physicians who believed integrating wellness was the right thing to do, he said. Then others realized it added value to the company. "The more you do it the more you see that it's beneficial," Newell explained. "It goes beyond cutting costs and productivity – it can get into corporate social responsibility and other looming issues."

### **Food factor**

How aggressive companies may become toward smoking is not indicative of what they can – or want – to do in other areas, such as obesity. "People immediately take the leap and say, 'That's what's going to happen around obesity,' but it's not," said David Hunnicutt, president of the Wellness Council of America in Omaha, NE. One reason is that obesity doesn't have the clear science behind it that tobacco use does, Hunnicutt noted.

According to Darling, "People are just beginning to understand the relationship between overeating, obesity, and disease and disability." They may not make the connection between their diabetes or knee problems and their weight, and instead blame genetics or age. Weight also is a common dilemma for Americans – two-thirds of us are either overweight or obese – and eating is necessary to live, while smoking is not. All these factors garner weight issues much more sympathy and tolerance than smoking, Darling said. "It's a little tougher for the less than one-third to feel hostile to the other two-thirds," she said.

But that will change eventually, Darling added. She believes Americans are no more than five years away from the kind of tipping point that has already occurred for smoking.

### **Seeking balance**

While attitudes are changing, safety professionals must walk a fine line to promote employee health through a wellness program while balancing an employee's right to personal choice.

The best way to help employees without turning them off is to "use positive incentives, not negative, and give lots of options," Darling advised. "Don't do things that put people on the spot. You want to be helpful, supportive, encouraging."

An example would be a company that offers an at-work weight management program free of charge. If some employees find it more convenient to use a community-based program near their home, the company should offer to support those employees at the same level.

Or if the workplace is located in an office park that has a grassy area and sidewalks, a company could post a sign explaining that walking the path during the lunch hour adds up to X number of miles or burns X number of calories. "Do something that's positive and encourages people to do it, but doesn't make people do it or penalize them if they do or don't," Darling said.

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However, Hunnicutt warned that rising health care costs may make the invasion issue moot. "The economy cannot sustain the rate at which health care has been going up," he said. "If health care costs double in the next 5-7 years, measures will be a lot more draconian than they are now."

So while it's an employee's right to make personal lifestyle choices, even if they aren't healthy, employees can expect, now more than ever, to share in the financial consequences of those choices.

"It's not realistic for people in this country to expect to eat the food that they want or choose to exercise or not, choose to smoke, do all of these health habits and just expect they can have a gold card when it comes to health care, that someone else is going to pay for it. It's just not realistic," Hunnicutt said.

– Karen Gaspers

Corporate social responsibility focuses on a company's community involvement, environmental policies and human rights record. When done successfully, this is a shot in the arm for company branding, publicity and even recruiting efforts. "They see a business advantage to being socially responsible," Newell said. "The integrated health and wellness is an easy thing to get a two-for. Not only are you doing something good for the business that increases productivity, but also it's socially responsible and you can get points for that."

Stakeholders also are aware that the best programs are those involving collaboration between safety and health, human resources, medical, benefits people and others. "That's where the success stories are," Newell explained.

Newell also said collaborating with safety makes sense because the safety department already has the delivery systems and trust in place that a wellness program needs to reach employees. "What happens in these collaborations is that they use a lot of the systems in place for getting information out to injured workers and for goodwill," he said.

The business health group's Darling said a multidisciplinary approach is now common, including personnel from safety, human resources and medical. She noted the team's job is to identify the company's health problem drivers. Each team member brings a different perspective to the table, to create a comprehensive picture.

This "holistic approach" – looking at all aspects of a company that are impacted – is at the heart of safety and wellness integration. At NIOSH's "Steps to a Healthier US Workforce" symposium last fall, NIOSH director John Howard told attendees, "For too long there has been a disconnect within our prevention communities – between those interested in control of risks from work and those focused on risk reduction outside the workplace. In the 21st century, we can ill afford to continue the separation of occupational safety and health protection from health promotion – continued fragmentation of effort must be converted to coordination of effort."

The sense of urgency Howard alluded to has much to do with the nature of work today. In a paper commissioned by

## Managing health and improving productivity

In a special report from the Wellness Councils of America, Ron Goetzel, director of the Institute for Health and Productivity Studies at Cornell University, Ithaca, NY, outlines eight strategies stakeholders can adopt to promote and implement an organizational health and productivity management initiative.

**1 Show the connection between health and productivity.** An emerging area of study and research, literature does exist supporting the link. Amass available resources and effectively communicate the "state of the science" to senior management.

**2 Expand the definition of productivity.** In an increasingly service-oriented economy, productivity is no longer simply counting "widgets." For example, employers are becoming more aware of "presenteeism" – when employees show up for work but are mentally on vacation – and how it affects productivity. Challenge managers to verbalize what they mean when they say "productivity" as the first step in changing their mindset about health promotion.

**3 Highlight current organizational expenditures** directed at health and productivity management programs. Identify dollars in the separate budgets of departments and functions such as workers' compensation, disability, medical benefits, employee relations, human resources, staff recruitment and training, disease management, and absence management. The effort will show how much is budgeted overall.

**4 Compare yourself to norms and best practices.** Find out what the best organizations do to keep their costs down.

**5 Identify health and productivity conditions** that most affect the bottom line. Find out specifically where the organization is most hurt. Conduct a thorough examination of existing databases – medical claims, absence records, disability experience, employee attitude surveys and more. Combined with wage and benefits paid information, it can generate informed estimates on the potential productivity losses associated with specific diseases or other health risks.

**6 Commit to collaborate.** Cast yourself as a catalyst for change. Work to break down the barriers between departments or functions.

**7 Implement solutions.** Don't limit problem-solving to using health promotion programs and practices known to be effective. Learn about programs in other departments that could be enhanced. Facilitate collaboration between programs in various departments that would be more effective if tied together.

**8 Measure, measure, measure.** Establish effective measurement and monitoring systems that document program results. The data will not only support your current efforts, but also help you fine-tune future initiatives and justify ongoing investments.

NIOSH and presented at the symposium, Ron Z. Goetzel, director of the Institute for Health and Productivity Studies at Cornell University, Ithaca, NY, noted “as a society we are moving toward a knowledge-based economy that relies heavily upon the creativity, mental stamina and intellectual capacity of workers.” This emphasis on the intellectual productivity of workers, rather than the physical alone, has prompted companies to turn to integration as a way to improve that capacity. Managing health issues effectively and efficiently, by providing access to and taking advantage of health promotion programs, means workers can devote more time, energy and attention to the job at hand. They also are more likely to be safe.



### Making integration work

Newell said companies have no blueprint for marrying wellness and safety. “It depends on the opportunities in the company. It depends on what the company’s culture will accept,” he said. However, Welcoa’s Hunnicutt sees several “logical places” for wellness and safety to work together. “There are so many areas in which safety and wellness have absolute, complete synergy,” he noted. One is alcohol consumption. On the safety side, high-risk drinkers bring hangovers and other fit-for-duty issues into the workplace, while on the wellness side high-risk consumption leads to health problems such as heart disease, he said.

Other areas of collusion include fatigue, musculoskeletal disorders, and physical activity and nutrition. “Nutrition is going to be the new frontier, Hunnicutt added. “Nutrition is what keeps you more alert, keeps you healthier overall, which allows you to avoid accidents and at the same time avoid poor health.”

In any case, integration usually starts with a champion. According to Brockhaus, it works best if the champion

also happens to be the company CEO, or at least someone very high in the organization. This person can be at a different level if they have the ear of the CEO and can be very articulate about describing the opportunities for both employees and the company, she added.

For International Truck, the mainstay of its wellness program is still the health risk appraisal. According to Slavin, more than 95 percent of the company’s non-union population participates. That’s because those who don’t participate pay an extra \$50 per month in health insurance premiums.

The information gleaned, while kept confidential, is used to determine the biggest problem areas and to track progress. The challenge is finding programs that work. Currently, much of the program is trial-and-error because not enough being done in this area, Slavin noted. But turning back is not an option. “It’s an evolutionary process, it’s continuing,” Slavin said. “We’re adding disease management benefits all the time. It goes beyond wellness.” **S+H**

### For more information

- 🔗 College of Occupational and Environmental Medicine  
[www.acoem.org](http://www.acoem.org)
- 🔗 Health Enhancement Research Organization  
[www.the-hero.org](http://www.the-hero.org)
- 🔗 Information from the May 13 symposium on workplace health protection and prevention, Center for Business and Public Policy at Georgetown University’s McDonough School of Business  
[www.msb.edu/prog/cbpp/safety/main.htm](http://www.msb.edu/prog/cbpp/safety/main.htm)
- 🔗 Institute for Health and Productivity Management  
[www.ihpm.org](http://www.ihpm.org)
- 🔗 Institute for Health and Productivity Studies at Cornell University  
[www.ccpr.cornell.edu/IHPS.html](http://www.ccpr.cornell.edu/IHPS.html)
- 🔗 ORC Worldwide  
[www.orc-dc.com](http://www.orc-dc.com)
- 🔗 Steps to a Healthier US Workforce  
[www.cdc.gov/niosh/steps/default.html](http://www.cdc.gov/niosh/steps/default.html)
- 🔗 Wellness Councils of America  
[www.welcoa.org](http://www.welcoa.org)

### Relevant sessions: National Safety Council’s 93rd Annual Congress & Expo

**Session 92:** Good Health = Good Business  
at Johnson & Johnson  
Thursday, Sept. 22  
1:30 - 3 p.m.