Curing Health Care Inflation

By Bill Simpson

It may not be long until a job applicant’s 5K time, bench press, blood pressure reading, and waist-to-hip ratio (it’s replacing the body mass index [BMI] as a leading indicator of potential health problems) become almost as important to an employer as the candidate’s job skills and experience.

As employers struggle with the cost of sick care, many of them are trying to reduce the size of their medical insurance premiums by filling their offices and factory floors with workers committed to a healthful lifestyle. To achieve that goal, many businesses are now promoting good health through their worksites, the places where adults spend more of their waking hours than anywhere else.

At Lancaster General Health, the Wellness Center is aggressively promoting better health through a wide range of programs. Rosemary Search, manager of community health and wellness, said, “Wellness is a
growing part of our business. We work closely with our own employees. We offer worksite wellness programs and services such as smoking cessation and weight management.”

In theory, a healthy, vibrant, energetic, and enthusiastic workforce will be a valuable and profitable asset for any business. Logic 101 says that healthy workers who show up full of vim and vigor every day will produce better profits for a business than sluggish workers who take long cigarette breaks and frequent sick days, but theories don’t always translate into realities. Cold fusion, for example, seemed like a brilliant scientific breakthrough, but the world is still waiting for that allegedly endless supply of clean and cheap energy.

So is a wellness program truly a wise expenditure for a business? Will the ROI justify exercise bikes in the breakroom, chiropractors and massage therapists on staff, carrots in the vending machines, and company-paid memberships in the local gym? The ultimate answer to that question lies on the bottom line, and determining the final “yes” or “no” will require the analysis of the answers to many contributing questions including these:

1. Are healthy employees really more productive than unhealthy ones?
2. Can an employer-sponsored “wellness program” improve the health of the company’s employees?
3. Will a company-sponsored wellness program ultimately reduce the cost of medical insurance?

They’re some of the crucial questions that a business owner must answer before paying for any program designed to improve the health of his or her workers, and a look at the research does reveal many studies that show healthy workers outperform unhealthy ones and programs that promote wellness among employees pay excellent dividends.

A study recently completed by Northwestern University’s Feinberg School of Medicine found that workplace wellness programs return between $3 and $15 for every dollar spent by the employer. The ROI rose as employers became more aggressive in promoting their programs, and the returns came from increased worker productivity and from lowered costs for health insurance.

To Julie Evarts, those findings are self-evident, but they don’t tell the whole value of wellness programs. Improving her employer’s bottom line is the reason why she has her job as health management coordinator at Engle-Hambright & Davies, but she views her mission as something more important than saving or making money. “What I do helps to save lives.”

She’s a nationally recognized authority in the field of employee health promotion and a member of the National Panel of Advisors of the Wellness Council of America, an organization dedicated to improving health through the workplace.
In her position, she develops wellness programs, even though she hates the term “wellness”, and she brings a deep passion to her job. “I see people in the hospital, and I know that they don’t need to be there. Seventy percent of the health problems in this country are a direct result of lifestyle choices.

“What we have is a sick care system. A doctor typically sees 50 to 60 patients a day for 7 to 11 minutes each. He’ll say, ‘We have a pill for that.’ Our goal is to avoid the reason for the pill.

“We’ve seen an astronomical rise in costs, and employers are bearing the burden. Cost shifting has reached its maximum. Deductibles can’t go any higher.”

The overriding problem, as she sees it, is that the United States has a culture that accepts poor health as the norm, and the situation is still getting worse. Statistics show that 65 percent of Americans are now overweight, and an absolutely frightening projection concerns today’s children. “This is the first generation of children not expected to outlive their parents,” Ms. Evarts said.

The reason for that prediction is the rapidly rising number of children who are inactive, overweight, and suffering from diabetes. They’re not in the workplace yet, but they will be soon, and their failing health is a poor indicator for the nation’s future economic health. If a wellness program inspires parents to turn off the computer and send their children outside to play, then everyone will benefit.

Ms. Evarts said that a successful health program has many aspects, and the most important is to develop “a business culture of health.” That means the program will include both small steps and big ones. Small ones can include having more healthful food choices at the company picnic and providing places for workers to take a walk on their breaks.

The bigger steps will focus on major causes of illness such as smoking and carrying extra weight. Public health authorities have been trying to eliminate tobacco use since the Surgeon General’s report came out in 1964, and while the number of smokers has declined in the last 46 years, smoking is still a costly and dangerous habit for about 20 percent of the American population.

Most of the efforts to end smoking have been voluntary, but a different anti-smoking measure is coming into the workplace, and this trend is much stronger than simply encouraging workers to say good-bye to their cigarettes and passing laws that prohibit smoking in public places.

Businesses are now refusing to hire smokers. The number is still tiny, but Pennsylvania’s first policy that forbids smoking in new employees recently went into effect. Susquehanna Health System, which operates two hospitals in Williamsport and one in Muncy, implemented a practice of not hiring smokers on January 1, 2010. In addition to prohibiting any tobacco use on hospital grounds, the policy states:
“Susquehanna health does not hire tobacco users. If a new service partner tests positive for nicotine use during their drug screen, they will not be hired. They may be reconsidered for employment after 90 days if they have ceased using tobacco products and do not test positive for nicotine.

If the individual, after this 90-day period, is offered another position and again tests positive for nicotine, they will not be considered for future employment with SH for a period of one year.”

It’s a policy that seems certain to generate a negative reaction from at least a small segment of the local population, and Tracie Witter, spokesperson for Susquehanna, said, “For the most part, it’s been well received. Organizations with like missions have been very supportive. The new policy reflects our mission. A few letters to the editor have complained, but smokers are not a protected class.

“Smoking is the #1 cause of preventable deaths in the United States, and the ACLU has said that it does not oppose our policy. Our goal is to inspire a culture of quitting.”

Kim Smith, a partner in the law firm of Hartman Underhill & Brubaker and a specialist in labor and employment law, confirmed the legality of such a policy. “It is a trend that we’re seeing. Smokers are not a protected class. I’m not a smoker myself, and I personally have mixed feelings about it. The goal for any employer should be to find the best person for the job, and smoking is no different from other health issues.

“I understand the need to control costs, but this seems somewhat radical. Businesses might do better to implement cessation programs.”

A policy of not hiring smokers may seem new and extreme, but it’s actually an idea that has been around for a long time, as this letter between two of America’s inventive geniuses shows:

From the Laboratory

Of

Thomas A. Edison

Orange, N.J.

April 26, 1914

Friend Ford

The injurious agent in cigarettes comes principally from the burning paper wrapper. The substance thereby formed is called “Acrolein.”
It has a violent action on the nerve centers, producing degeneration of the cells of the brain, which is quite rapid among boys.

Unlike most narcotics this degeneration is permanent and uncontrollable.

I employ no person who smokes cigarettes.

Yours

Thos A Edison

Mr. Ford included Mr. Edison’s letter in a booklet entitled The Case Against the Little White Slaver in which he described and quantified the detrimental effects of cigarettes. One finding he published was: “As a result of a series of experiments by Dr. A. D. Bush, it has been ascertained that tobacco smoking causes a decrease of 10.5 per cent in mental efficiency.”

Tobacco smoke and extra pounds are obvious signs of workers who are likely to file more insurance claims than their peers, but a less visible problem may be even more expensive and more dangerous. Workers who use alcohol and illegal drugs can have horrible effects on both the bottom line and on worker safety.

Jeanne Troy, director of development and communications for Drug Free Pennsylvania, said, “A drug and alcohol program and a wellness program complement each other. One without the other really doesn’t work. One incident with an impaired worker could cause a business to close and put people out of work. Employers are understanding that. Eighty percent of the companies we work with have a zero tolerance policy.”

Still, substance abuse remains a workplace problem, and these are some of the results:

• Employee absenteeism is four to eight times higher than normal for problem drinkers.
• Substance abusers are 33 percent less productive and cost their employers $7,000 annually.
• Forty-seven percent of industrial injuries can be linked to alcohol abuse.
• Thirty-eight percent to 50 percent of all workers’ compensation claims are related to substance abuse.
• Substance abusers are three times more likely to use medical benefits than other employees.
• Eighty percent of drug users steal from their workplaces to support their habits.

Smoking, being overweight, carrying extra pounds, and substance abuse are all factors that can severely damage a bottom line. Implementing a wellness program is one way to improve employee health and the
company’s profits. Julie Evarts believes that every company of every size can benefit from such a
program, and she realizes that one of the biggest challenges to any such program is the 80/20 Rule, which
means that 20 percent of a company’s employees will be responsible for 80 percent of the insurance
claims. Reaching that 20 percent may be the biggest challenge of all, but it’s a necessary step in controlling
insurance costs.

She has developed many successful wellness programs, and she understands what drives their success.
First, “It must be driven by senior management.” Employers truly must lead by example, and a business
owner who bicycles to work or leads a group run after work will enhance his or her credibility.

It’s also important to be realistic and to be patient. “In the first year of its program, the city of Lancaster
saw an increase in claims because people took preventive steps like going to the doctor and having
screenings.

“Over time, that will lead to a decrease in hospital stays, in the cost of stays, and in the number of acute
admissions.”

Rosemary Search said the results will not show up overnight. “The payoff time is 2 to 5 years.”

One unknown factor in the wellness movement is the looming health care bill, which may seek to impose
much more responsibility and expense on individuals for their own health insurance. In a January 6, 2010,
article in Cleveland’s The Plain Dealer, reporter Stephen Koff asked, “If your company or insurer offers a
wellness program and you don’t go, should you have to pay higher insurance rates than those who
attend?”

That’s a possibility because the Senate version of the bill has provisions that could penalize people not
only for refusing to go to health screenings or exercise programs, but also those who attend but continue
to smoke or don’t bring down their blood pressure or body mass index.

So is a wellness program a good investment? Rosemary Search certainly thinks so. “Prevention and
wellness are the keys to lowering costs. They can help to keep workers healthy, functional, and
productive.”  🌟