

FALL RIVER EMPLOYEE BENEFITS



The ROI of Wellness Programs

The United States spends more per capita on healthcare than any other country and our costs to do so exceed those of other countries, relative to the size of the economy or GDP.

Yet, we don't have better health outcomes.

Although most people know they would benefit from living a healthier lifestyle, sometimes it is hard to get the motivation to take action. It can be much easier for individuals to do so if they have a wellness support system. Since employees spend more than half of their waking hours at work, the workplace can be a powerful cultivator of health and wellness programs.

One common challenge is justifying the investment and expected return on wellness programs to senior management. To help, we've compiled data from companies across America about the returns other companies have achieved on their wellness programs. But first, here's data supporting the need for these lifestyle changes in the first place.

While some factors are systemic, a major contributing factor to rising healthcare costs in America is the intrinsic lifestyle choices Americans make. Between 71% and 91% of chronic diseases like heart disease, cancer and diabetes are caused by an unhealthy lifestyle. According to a Wellness Council of America survey:

- 🍁 83% of respondents did not have a good diet
- 🍁 65% were overweight or obese
- 🍁 67% didn't get enough exercise to achieve the health benefits typically associated with physical fitness

Let's get back to our premise that the workplace can be a powerful influence on these statistics. In addition to feeling better, healthy employees boost a company's bottom line. They experience less sick time, take fewer disability days and suffer lesser risk of premature deaths. According to the Centers for Disease Control, more than 75% of employers' healthcare costs and productivity losses are related to employee lifestyle choices. Therefore it's good business to provide employee information and tools that will empower them to incorporate healthy behaviors into their lifestyle.

FALL RIVER EMPLOYEE BENEFITS

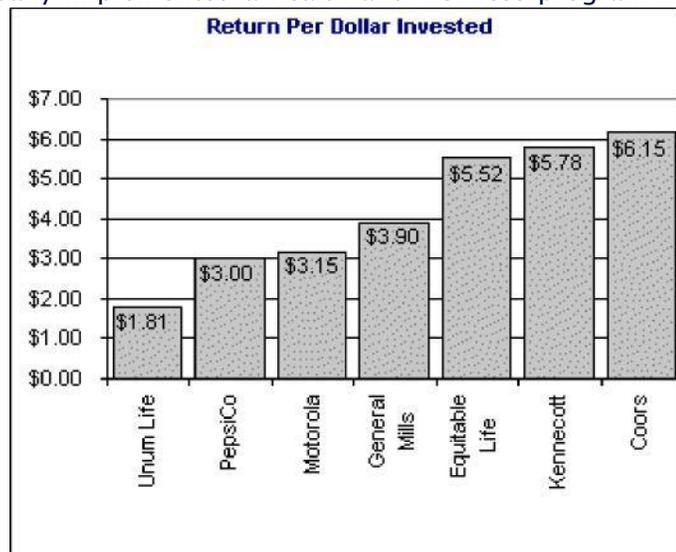


According to the Wellness Council of America, every \$1 investment in wellness programs saves, on average, \$3 in healthcare costs. Aurora Health Care reports that a review of 32 studies on corporate wellness found that claims costs were reduced by 27.8%, physician visits declined by 16.5%, hospital admissions declined by 62.5%, disability costs reduced by 34.4% and incidence of injury declined by 24.8%. That's pretty compelling data!

Many companies nationwide have adopted wellness programs with excellent results.

Citibank: When the company implemented a health management program, they reported an estimated ROI of \$4.56 to \$4.73 saved per \$1 spent on the program, far exceeding the national average of \$3 saved for every \$1 spent.

Johnson & Johnson: When the company implemented a health and wellness program in which 18,331 employees successfully participated, the company reported an average annual savings of \$8.5 million over four years. That's \$34 million!



Blue Cross Blue Shield of Indiana: After implementing a corporate fitness program, the company realized a 250% ROI, yielding \$2.51 for every \$1 invested.

Capital Metro: The Center for Disease Control conducted a case study on Capital Metro, the local transit authority in Austin, TX. Four years after implementing a wellness program pioneered by Health & Lifestyles, the program reported saving the company \$750,000 and a total ROI of \$2.47 for every \$1 invested.

Here's further proof that an effective program increases worker productivity and reduces associated costs:

- 🍁 **DuPont's** Health and Wellness Program decreased disability days by 11,726 days.
- 🍁 **Coors Brewing Company** reported that workers who participated in their company health and wellness program decreased their absentee rate by 18%.
- 🍁 **Canada Life Insurance** reported a decreased turnover of 32.4%.

FALL RIVER EMPLOYEE BENEFITS



All of these case studies demonstrate that implementing a wellness program in the workplace can improve a firm's employees and, therefore, bottom line in numerous ways. One of the best incentives to start a wellness program is that it doesn't take much improvement to make wellness initiatives pay off; less than a 1% reduction in risk factors can result in a positive ROI for your organization.

Can you afford NOT to take advantage of what a properly designed wellness strategy can do for your organization?