

## Employers Focus on Worker Wellness to Keep Health Costs Down



**April 21, 2008 – A new Aon Consulting survey finds that employers continue to focus on trying to keep their workers healthy and productive as a way to hold down their workplace health care costs.**

An Aon news release about its 2008 Benefits and Talent Survey involving more than 1,100 U.S.-based companies found that 64% of employers follow a benefits strategy focusing on employee health and productivity.

Wellness programs are the most common, increasing three-fold from 2007 to 2008, according to Aon. About 46% of employers are implementing smoking cessation programs this year, up from 14% of employers in 2007.

The Aon announcement found the top five workplace wellness programs in 2008 were:

- Promotion of exercise/physical activity -- 68% (19% in 2007),
- Disease management programs -- 60% (18% in 2007),
- Health risk appraisals -- 48% (14% in 2007),
- Biometric screening -- 47% (12% in 2007), and
- Telephone health care coaching -- 46% (14% in 2007).

"These figures show that employers now recognize the link between employee lifestyle behaviors and medical spend," said Tom Lerche, Aon Consulting's Health Care practice leader, in the news release. "Chronic conditions, for example, are influenced by smoking, obesity, poor nutrition and leading a sedentary lifestyle, and account for more than 60% of healthcare costs. Through stress management, weight management and smoking cessation programs, employers can focus on the root causes of these chronic conditions to reduce health risk factors among employees and dependents, which lead to a lower rate of increase in health care costs."

According to Aon, 23% of employers are offering incentives to take health risk appraisals. Twenty percent of employers are providing incentives such as tobacco cessation or weight management programs.

About 22% of employers offer non-monetary awards such as gift cards and merchandise. Only 10% of organizations offer employees a premium contribution reduction, Aon said.

The majority of employers surveyed said they do not have a process to measure program impact or track return on investment. Aon found organizations do not track:

- Overweight employees - 92%,
- Tobacco users - 87%,
- Biometric data as a result of employee screenings - 79%, or
- Participation in corporate disease management programs - 69%.

"Tracking and benchmarking employee metrics must go hand in hand with implementing wellness programs and must be measured to determine the return on investment and changes in productivity," Lerche said in the news release.

According to Aon Consulting, tracking and benchmarking will enable an employer to:

- Evaluate benefit plan performance, including health management vendor performance;

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- Identify main reasons for medical costs and implement effective value-based strategies for new programs; and
- Determine return on investment and the effectiveness of wellness programs in improving health status and lowering service utilization.

The amount families spend on employer-sponsored health care per year continues to edge closer to one month's salary. According to the survey, the median annual contribution for family health care coverage is \$3,120, which is a 15% increase from 2007 and a 22% increase from 2006.

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