THE WELLNESS COUNCIL OF AMERICA PRESENTS

making the case for workplace wellness programs

Changing Lives and Transforming Culture
The Wellness Council of America (WELCOA) was established as a national not-for-profit organization in the mid 1980’s through the efforts of a number of forward-thinking business and health leaders. Since then, WELCOA has helped to influence the face of workplace wellness in the U.S. Today, WELCOA has become one of the most respected resources for workplace wellness in America. With a membership in excess of 4,000 organizations, WELCOA is dedicated to improving the health and well-being of all working Americans.
On the following pages, you will find important information addressing the alarming rise in health care costs and the impact it is having on American business. In addition to this disconcerting information, you’ll find important information about how employees’ unhealthy lifestyles can be very costly to organizations. With the overall health status of the American workforce waning, employers would be well-advised to consider taking immediate & significant measures to enhance employee health and productivity.

To do nothing in a time of rapidly escalating health care costs is simply unacceptable—this “do-nothing” strategy will bankrupt the American system of health care and take American business and its employees along with it.

At the Wellness Council of America, the nation’s premier provider for workplace wellness resources and material, we have found that modest investments in workplace wellness programs result in significant savings. With numerous studies documenting the specific outcomes of workplace wellness programs, now more than ever, it’s an ideal time to incorporate workplace wellness programs as a primary health care cost-containment strategy.

To help you connect the dots, we’ve provided compelling information on the following pages.

“...In 2011, WELCOA will offer 4 Certifications and 8 Webinars.

As part of our mission, WELCOA is dedicated to providing a variety of training opportunities each year. Drawing from the latest science as well as best practices in the field, WELCOA offers dynamic and nationally recognized seminars, webinars, and certification opportunities that engage workplace wellness practitioners, business leaders, and health professionals all across the country.

Find out how you can take part:
http://www.welcoa.org/consulttrain/about.php

There is no other organization fully dedicated to worksite wellness. WELCOA is a leader in providing valuable, trustworthy resources. This niche is WELCOA’s alone.”
Health care costs are taking on excruciating toll on American businesses and their employees. Consider this:

• Health care expenditures in the US have now surpassed $2.3 trillion in 2008, more than three times the $714 billion spent in 1990, and over eight times the $253 billion spent in 1980.
• This means that, in 2008, U.S. health care spending was about $7,681 for every American man, woman and child—or more than $30,000 for a family of four.
• Presently, health care accounts for 16.2% of the nation's Gross Domestic Product (GDP); this is among the highest of all industrialized countries and more than four times what we spend on defense.
• The annual premium in 2008 for an employer-sponsored health plan covering a family of four averaged $12,500—about as much as an entire year’s pay for a person working at minimum wage.
• In that same year of 2008, premiums for employer-based health insurance rose by five percent, or two times the rate of inflation; for small businesses with fewer than 24 employees, premiums rose at 6.8 percent.
• If predictions hold, a family of four in the next seven to nine years will spend around $64,000 annually on healthcare.
• The cost of healthcare has increased to 274 times what it was in 1950 even though the average cost of all other goods and services increased only eight times.
• Recently, Starbucks’ chairman recently noted that his company spends $200 million per year on insurance for its employees—more than the company spends on coffee.
• An estimated 81 percent of all American’s now take at least one prescription medication every day—the average prescription now costs $70.
• The cost of American health care is rising so rapidly that it is predicted to reach $4.2 trillion, or 20 percent of our GDP, by 2016.
• A recent Harvard university study showed that 68 percent of surveyed people who filed for bankruptcy had health insurance—but in spite of it they struggled with an average out of pocket medical debt of $12,000.
• Another study indicated that 1.5 million families lose their homes to foreclosure every year due at least partly to medical bills.
• One out of every five Americans already has so much medical debt that he or she is paying it off over time.
• It is estimated that approximately 237 million of the 310 million Americans are enrolled in a health care plan—employers provide coverage for 68% of this insured group.
• While consuming one-sixth of our economy—the lions’ share of our healthcare expenditures do not produce any tangible products that can circulate or be sold abroad.
PART II
Unhealthy Lifestyles Are Very Costly To American Business

There’s no question that an enormous portion of health care expenditures are driven by unhealthy lifestyles.

Consider the following:

• Chronic diseases—preventable things like heart disease, cancer, stroke, etc.—cause 70 percent of deaths in America and are responsible for three fourths of health care spending.

• What’s more, lifestyle-related chronic diseases – heart disease, cancer, diabetes – are the leading causes of disability in the U.S.

• Approximately 40% of all deaths in the United States are premature and, again, largely preventable— at least 900,000 deaths annually are related to tobacco use, poor diet, sedentary lifestyle, misuse of alcohol and drugs, and accidents.

• Chronic conditions account for an estimated 75% of the nation’s $2 trillion medical care costs, which translates to over 15% of the U.S. gross domestic product.

• In another decade, when the 80 million baby boomers reach old age, the incidence of those illnesses and the costs of managing them will increase enormously.

• Almost 66% of the increase in health care spending can be attributed to increasingly unhealthy lifestyle behaviors; most prominent among these is obesity.

• Two comprehensive scientific reviews identified 83 peer-reviewed studies reporting that people with unhealthy lifestyle habits have higher medical costs.

• Employees who are considered to be high-risk for certain health conditions can be expected to account for 25% of total medical costs; this according to a large study of six large private-sector and public-sector employers. Since this analysis did not include the costs of moderate risk levels or other risk factors, the total impact of unhealthy lifestyle on employer medical costs is much higher than 25%.

• Recent research indicates that there is a direct relationship between modifiable lifestyle risks and lower worker productivity, and relevant data suggest that the costs to employers in lost productivity due to poor employee health may be substantially more than the direct medical and disability costs.

• Unhealthy lifestyles often lead to chronic disease, many of which cannot be cured and require years or decades of expensive treatments. The chart below lists estimated annual costs of selected unhealthy lifestyles and chronic diseases including obesity, smoking, inactivity, diabetes, and cardiovascular disease. (Costs are inflated to 2008 estimates based on the Consumer Price Index.)

• A hospital room in the US costs up to $1,700 per day.

• A routine adult visit to an emergency room costs about $700.

• The average cost of an uncomplicated hospital birth is $8,800.

• A moderately simply cardiac stress test is about $1,900.

• If an employee has a heart attack, you can expect to spend $45,000 to $50,000 but if your heart attack lands you in intensive care that will cost an extra $850 per day.

• Average initial treatment for common cancers runs about $40,000 with the total cost averaging about $375,000 according to the Department of Commerce.
PART III
The Overall Health Status Of The American Workforce Is Not Good

Stated mildly, the overall health of the American workforce is not good. And as the boomers get older, the health status of the American worker will decline even further. This is bad for your business and for the people in it.

Consider the following:

- Almost one-third of Americans entering the work force today (3 in 10) will become disabled before they retire. Freak accidents are NOT the culprit. Back injuries, cancer, heart disease and other largely preventable illnesses cause the majority of long-term absences. The average long-term disability will last 2.5 years.

SMOKING

- Presently, about 20 percent of the population smokes or use tobacco products.
- Smoking is responsible for approximately one in every five death in the US.
- Smokers die an average of 13 to 14 years younger than non smokers.
- Smoker develop coronary heart disease two to four times more frequently than non smokers.
- Lung cancer—most of it smoking related—is the most common fatal cancer among men and women combined and is the most common cause of cancer in the world.
- Many people underestimate the harm of secondhand smoke, which is now clearly documented.
- Many companies nationwide have implemented aggressive smoking policies and some companies such as Union Pacific Railroad are no longer hiring smokers.

Annual Costs of Unhealthy Lifestyle
(Billions - 2008 Dollars)
OBESITY
• America’s obesity rate is the worst in the world and is almost universally believed to be a major predictor of future illness, particularly diseases that are most difficult and costly to manage; diabetes, cardiovascular disease and cancer.
• Obesity is linked to more than 30 medical conditions, including all of the most destructive chronic degenerative disease; heart disease, stroke, cancer, diabetes, age-related dementia, and osteoarthritis.
• Cancer is closely linked to obesity. Obesity is the greatest risk factor for colorectal cancer among women as well as uterine cancer. Women who gain more than 45 pounds after age 18 are twice as likely to develop breast cancer.
• Obesity is very closely related to with heart disease and stroke. An estimated 46 percent of all obese adults have high blood pressure, one of the major risk factors for cardiovascular disease.
• Over 75 percent of the deaths related to high blood pressure occur in people who are obese. Up to 90 percent of all people with type 2 diabetes are overweight or obese.
• Obesity is a predictor of osteoarthritis particularly of the knees and contributes to degeneration of the joints.

PHYSICAL INACTIVITY
• Only 3 in 10 adults get the recommended amount of physical activity.
• Some 37% of US adults report they are not physically active at all.
• Heart disease is the leading cause of death among men and women in the United States. Physically inactive people are twice as likely to develop coronary heart disease as regularly active people.
• According to nationally renowned exercise scientist Dr. Steve Blair, physical inactivity and low fitness is perhaps the most important predictor of morbidity of mortality that we know of. Low fitness accounts for more sickness and deaths in the population than anything else that we’ve studied.

THE IMPACT OF AN AGING POPULATION
As the boomer’s age, it is estimated:
• One quarter of all Americans will have heart disease
• One in 12 Americans will have asthma
• One in fourteen Americans will have diabetes
• One in seven Americans will develop Alzheimer’s.
• Approximately one in five Americans will have arthritis, already the country’s leading cause of disability.

THE BOTTOM LINE ON POOR HEALTH
If you look at it from a medical and financial perspective, the country simply cannot exist this way going forward. When we look at the issue of obesity and lack of physical activity, we will have a major fiscal and social problem in the country in the not too distant future.

— Dr. Tyler Cooper, Cooper Center

…Over 4,000 organizations are taking advantage of their WELCOA membership!

Join today to give your wellness practitioners access to WELCOA training sessions.
As part of our mission, WELCOA is dedicated to providing a variety of training opportunities each year, to help practitioners take their wellness programs to the next level. Drawing from the latest science as well as best practices in the field, WELCOA offers dynamic and nationally recognized seminars, webinars and certification opportunities to support and train wellness practitioners and business leaders all across the country.

Discover all the benefits of WELCOA membership:
http://www.welcoa.org/member/benefits.php

Good Health is Good Business!
Visit WELCOA’s front page—to learn more about how to make your workplace a Well Workplace!
http://www.welcoa.org
Part IV
Workplace Health And Wellness Programs Improve Health and Yields Major Saving

To combat rising health care costs and to improve employee health, many employers are beginning to realize the workplace wellness programs are a wise investment. Consider the following:

- Comprehensive scientific reviews identified 378 peer-reviewed studies showing that worksite health promotion programs improve health knowledge, health behaviors, and underlying health conditions.
- A systematic scientific review suggests that the impact of lifestyle changes on all-cause mortality in coronary artery disease patients compares favorably with cardio-preventive drug therapies (see chart below).
- In a large clinical trial with a population at high risk for developing type 2 diabetes, lifestyle intervention (58% reduction) was nearly twice as effective in preventing diabetes as pharmaceutical treatment with metformin (31% reduction).
- Several scientific reviews indicate that worksite health promotion programs reduce medical costs and absenteeism and produce a positive return on investment.
- The most definitive review of financial impact reported the following:
  - 18 studies indicated that these programs reduce medical costs, and 14 studies indicated that they reduce absenteeism costs.
  - 13 studies calculated benefit/cost ratios and all showed the savings from these programs are much greater than their cost, with medical cost savings averaging $3.48 and the absenteeism savings averaging $5.82 per dollar invested in the programs.
- Combined workplace health enhancement and risk management intervention strategies focused on lifestyle behavior change have been shown to yield a $3 to $6 ROI for each dollar invested in 2 to 5 years.
- Demand management interventions (i.e., self care, decision support) have been shown to yield a $2 to $3 ROI for each dollar expended in reduced medical costs within a one year period and limited data indicates a similar return in the second year. This makes demand management a reasonable way of offsetting much of the 5-year cost of the overall program while the much larger ROI impact of health enhancement and risk management interventions is building over the long term.
- Disease management interventions have reported up to $7 to $10 ROI for each dollar invested on medical costs within one year, and it’s likely that disability-linked programs will yield a similar ROI although little research has yet been reported.

To learn more about the power of workplace wellness programs and how they can improve employee health and transform corporate culture, be sure to log on to www.welcoa.org.
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