

WELLNESS IN THE WORKPLACE

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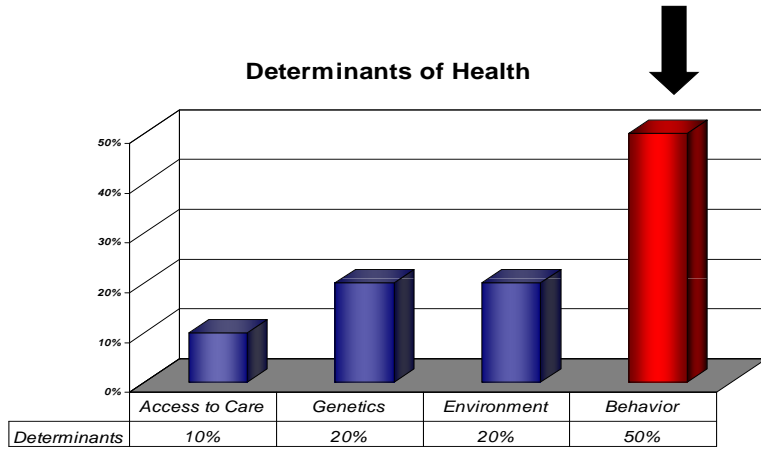


Should Employer's Get Engaged?

- As the number one source for providing healthcare distribution.....the answer is a resounding
 - **YES!!!!!!**
 - But with budgets tight and time short, how do you get started?
 - What works? What doesn't work?



Demand – What Drives Health Care Resource Consumption



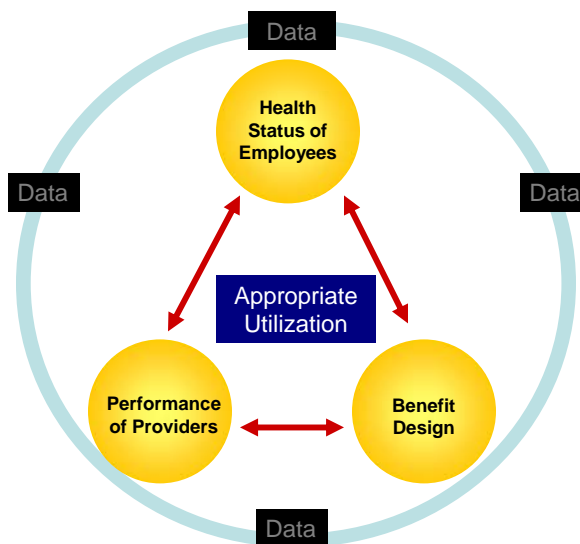
SOURCE: Center for Disease Control and Prevention (CDC) 2004



Major Areas to be Aligned

Promoting:

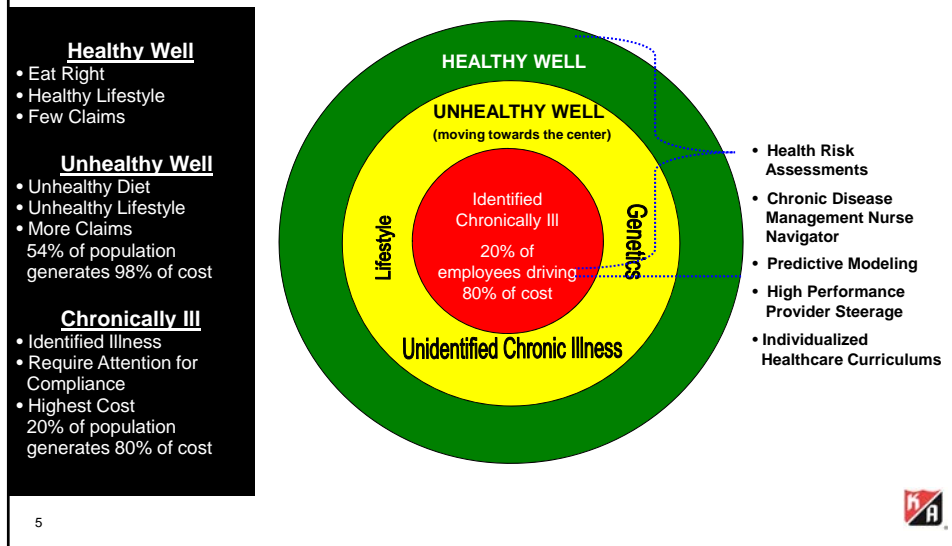
- Consumerism – members assuming more responsibility for healthcare
- Appropriate care delivered by physicians
- Benchmark health status and progress of members
- Benefit design strategies that incent healthier behaviors
- Claims cost control strategies



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Wellness Stratification



What Companies Do

- Set up incentives and wellness programs to reward the “Healthy Well”
- Think there is nothing they can do with those chronically ill (the 20%).
- “Tip toe” around the Unhealthy Well.
- Stay with plan designs that do not get employees engaged in their own health and accountability for costs.



What Carriers Are Doing

- Providing information on their websites so employees get engaged.
- Pricing up for “co-pay” plans.
- Providing “on-call” telephone doctors.
- Providing disease management programs.
- Providing LOTS of wellness options.
- Profiling physicians.
- Prescription cost comparisons.



Wellness Program.....Or Not?



With all of this information, it is easier now than ever to start a Wellness Program.

There are definite “do’s and don’ts” to getting started.





Starting Your Company's Wellness Program

- Proactively managing the health and fitness of your company's employees is a great way to contain healthcare costs.
- Unfortunately, many employees resist this change in the delivery of our healthcare system.
- Employers have recognized they cannot continue with increases year after year and remain status quo.
- Employers need to take charge and a good first step is in implementing a wellness program.

Setting Up a Program That Works

1. Treat your healthcare plan like you do your other risk exposures. Recognizing your risks and then proactively managing them is the key to reduction of risk. We are overloaded with information daily and hear buzz words in every source of our media. The first step is in recognizing there is a problem. Now you have to be determined to do something about it.

Top Down

2. Management has to buy into the risks and participate in the reduction of it. A wellness committee should be set up and must include employees at all levels of the organizational chart. This is not an “hourly” problem; **it is a healthcare risk problem.** Aren’t we all on the healthcare plan?



The Road Map

3. Begin with a Health Risk Assessment.

This is the employee’s road map to their personal risk factors. Ensure it is HIPPA compliant (working with your current insurance carrier will ensure this and there are other stand alone products that do as well).

- Most are online and all are private (HIPPA strikes again).
- Easy to take and a great personnel resource for the employee.



The Road Map (continued)

If you have over 50 employees, you will be able to receive an aggregate of the responses. If not, a survey can help as well.

This will assist your wellness committee on which direction they should take as it will determine your company's top risk factors.



Carrot or Stick?



4. **Establish rewards for participation.** As much as we would all like to believe that everyone will take good care of themselves, the national statistics prove otherwise.

“Cash is King” - without a cash incentive of some sort, most of your employees will not participate.

Make the cash incentives meaningful. You know your employees best – what will motivate them? A gas card? A gift certificate? Cash? Money into their HSA account? Premium differentials?

Check with your insurance carrier to see what is available within your current plan. Many carriers have incentives built into them that you are already paying for through your insurance premiums.



Preventive Physicals – A Must!

5. **Encourage all employees to get a preventive physical.**

Most, if not all, insurance policies provide this at no cost to the employee.

Consider bringing in a nurse to do biometric testing at your worksite.

Again, reward the employees for having their physical.

- At a recent seminar an insurance carrier listed the number one factor that scared underwriters the most.
- Can you guess what it is?



Data, Data and More Data!

6. **Get as much claims data as you possibly can on your group.** If you are a small group in Minnesota, this is going to be a challenge, but at a minimum, compare your claims data year-to-year.

Larger groups and self-funded groups will have much more access to their claims data. Work with your broker on analyzing your data to see if trends are developing.

Be aware of some short term costs that could be involved.



A Long Term Commitment

7. Prepare for the long haul. Employee engagement and wellness initiatives are not a passing phase.

Despite all of the evidence of the diseases that are created by obesity, it is at an all time high in America. Type II Diabetes was named an "epidemic" in a Time magazine article in 2010.

The evidence of the diseases caused by smoking have been around for decades, yet people still smoke. This, despite Surgeon General warnings for years!

Know that many employees are not going to embrace a wellness culture immediately, but over time, many will.

Have your wellness committee sign on for several years and provide a budget for them to work with. Again, check with your insurance carrier to save your company \$\$ up front.

Starting a wellness program with a bang and then dropping it off a few months or a year later, is a disastrous approach!



Where To Go For Help?

8. Look to outside relationships to assist you.

Your broker, other established wellness companies, associations across your state, etc., are there to help you get start and keep going on your path to a healthier workforce.

Many free programs are available through the American Heart Association, American Diabetes Association, American Cancer Society, etc.



Is A Wellness Program Subject to HIPPA?

- In most cases, YES. (All cases with a group health plan)
- Prohibits discrimination in coverage based on health factors.
- May reward for participation in wellness, but certain criteria must be met.
- Cannot/should not reward based on outcomes (ex.: a certain amount of weight loss, certain amount of physical activity). Specific factors must all be met if reward is based on specific outcomes. Not recommended for most wellness programs, especially those of smaller employers.

• Source: Wellness, What's Legal, What's Not - Susan Nash and Bob Carpenter



A Compliant Wellness Program

- Voluntary testing of enrollees.
- Employer encourages preventive care (posters, fliers, emails).
- Reimbursement of health club membership.
- Reimburse for cost of smoking cessation.
- Bulletin board with health tips.
- Reimburse for cost of a weight loss program.
- Premium discount for participating in program *
- All records must be kept confidential and separate from employment records!
- * Subject to EEOC guidelines. Approximately 20% of single coverage

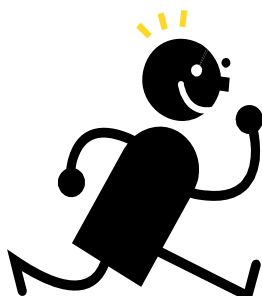


Words of Caution

- If your company is going to implement a Wellness Program that has strict guidelines, seek legal advice. There are smoker protection laws, the ADA, the EEOC and various other legal traps/land mines you could get your company into.



Crawl, Walk, Run



- Start with a program you know you can implement.
- Do not make it too difficult to administer or roll out.
- Get enthused.
- Everyone should participate in management, especially the owner.
- Work on a goal of overall wellness, not just going after one particular behavior (such as smoking, weight, etc.).



QUESTIONS

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