



IMPACT OF EMPLOYEE HEALTH ON BUSINESS SUCCESS

ANALYSIS AND RECOMMENDATIONS REVISITED

**PREPARED BY
TRANSAMERICA ADVANCED MARKETS**

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AUTHOR'S NOTE

This updated white paper addresses vital issues regarding the health of the American workforce. Any discussion of occupational health, particularly those elements that focus on disease prevalence, disease treatment, and its economic burden is unavoidably complex. Wherever possible, the author seeks to simplify and uncomplicate the presentation of statistics to the reader.

Information sources and the methodology behind any data gathering is subject to many variables. Confusion arises when different researchers report discordant findings based on conflicting assumptions, the quality of sampled datasets and any inherent biases. Spoiler alert — not everyone agrees with the utility of workplace wellness programs. Opposing viewpoints add valuable context to any discussion and do not, by themselves, invalidate the merits of other researchers.

Why include statistics from as far back as 2014? It takes time to collect and analyze population health data as well as to assign a monetary value to the direct and indirect costs created by the burden of disease. Readers can be assured all statistics used in this white paper, however dated, reflect the most current peer-reviewed evidence in the published literature even if the raw information is a few years old.

Regrettably, there are no uniform, real-time statistics available to support every concept presented in this report. The author has attempted to identify these gaps as best possible, to offer the most valid evidence available, and to transparently communicate how overall trends, not arguable isolated datapoints, forge the pathway to improved employee and corporate health.

INTRODUCTION

“For a company to perform well as an organization, it needs healthy people, and the fewer healthy people you have, the worse your business outcomes.”¹

Nicolaas P. Pronk, Ph.D.
Vice President of Health Management and Chief Science Officer
Health Partners, Bloomington, MN (Used with permission)

At the end of the day, no employers would knowingly leave the front door to their business unlocked. They would not tolerate shoplifters or their own employees pilfering merchandise because these behaviors would have a direct, adverse effect on profitability — the core metric of business success. A healthy, resilient workforce is often described as the most valuable asset of any business. Yet many employers witness the deterioration of this asset as they continue to shoulder the aggregate direct and indirect economic burden of employee illnesses in the form of absenteeism, excessive employee turnover, workflow disruption, lost productivity, increased health insurance premiums, and the enduring impact of permanent disabilities — all significant threats to profitability.

This paper will explore how the status of corporate and employee health are inextricably bound, with emphasis on proactive measures business owners can implement to resolve the enormous challenges employee health expenditures create. The rationale for establishment of **workplace health programs*** is then discussed.² Beyond reducing expenditures, the effective application of comprehensive wellness strategies and voluntary employee benefits may generate dual rewards: moderation of total healthcare costs while significantly boosting productivity, employee health and satisfaction, and business profitability — regardless of the size of the workforce.

* Also known as workplace wellness programs and workplace health promotion programs, workplace health programs are a coordinated and comprehensive set of health promotion and protection strategies implemented at the worksite that includes programs, policies, benefits, environmental supports, and links to the surrounding community designed to encourage the health and safety of all employees. (U.S. Centers for Disease Control and Prevention, 2014)

BACKGROUND

The involvement of employers in their workers' health is a relatively recent phenomenon. Prior to World War II, Americans paid out-of-pocket for most healthcare services and prescription medications. In response to unpopular post-war federal wage and price controls, employer-paid health benefits were exempted from both wage controls and income taxes. It comes as no surprise they quickly became entrenched as an assumed benefit. Within 20 years, employer-provided health insurance was practically universal for full-time workers.^{3,4}

Healthcare costs have been rising, often faster than inflation, creating an increasing gap between how much money Americans have to spend, and what it costs to receive healthcare. In fact, one analysis suggests that since 2006, the average deductible has risen seven times faster than average wages.⁵ By the 1990s, many business owners pursued various “wellness programs” to maintain a healthy workforce and preserve a healthy bottom line by theoretically reducing employer healthcare expenditures. That approach was met with mixed results.

Enactment of the Health Insurance Portability and Accountability Act (1996) forbid employers from discriminating against workers based on their health status while encouraging employers to launch wellness programs. The Affordable Care Act (2010) has expanded the practice. Business owners became financially vested in improving employee health.^{6,7} Meanwhile, since private industry pays an enormous sum toward employee healthcare, it impacts the entire economy by translating into higher prices for its manufactured goods and services. Simply put, one way or another we all pay.

If that's the case, is there any way to pay less? As a first step, it's important to clearly grasp the enormity of employee health-related expenditures.

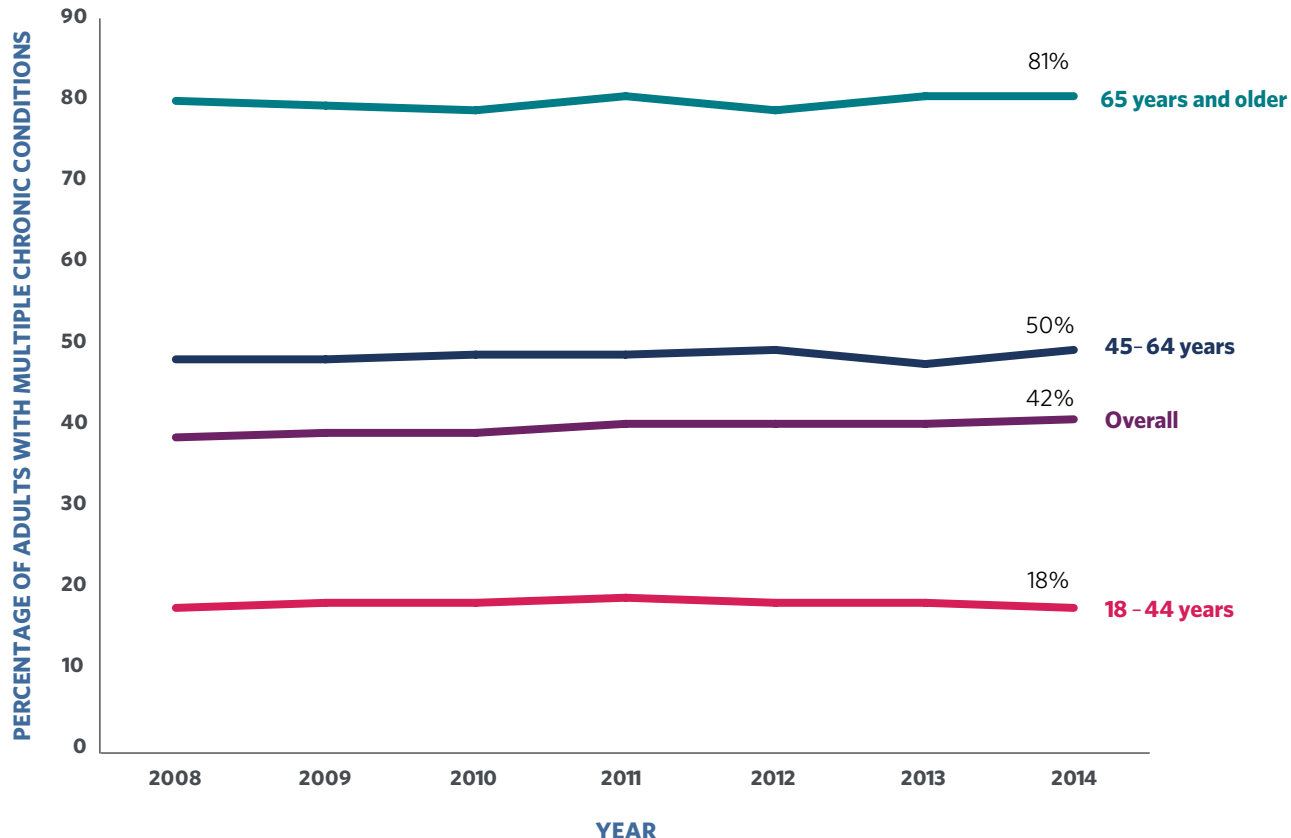


HOW HEALTHY IS AMERICA'S WORKFORCE?

Based on the most current government data, annual healthcare expenditures in 2020 represented 19.7% of U.S. gross domestic product, estimated at \$4.1 trillion.⁸ Most money spent on healthcare is for the working age population,³ and most employers' dollars are spent on chronic health conditions — physical or mental conditions that last more than one year and cause functional restrictions or require ongoing monitoring or treatment.^{9,10} Hundreds of diagnoses qualify, but the most prevalent chronic health conditions include high blood pressure, cardiovascular disease, diabetes, and chronic back and neck pain.^{3,9} In terms of total employer healthcare costs, these truly are the “big ticket” items. Collectively, these conditions dominate employer health expenditures, and so it follows strategies that lower their incidence and/or severity should generate significant cost savings to the business owner. Going forward, since the price of group healthcare coverage is based significantly on previous claims, future employee and employer health insurance premiums are favorably affected.

Chronic health conditions are common. Based on the most recent available data, 60% of American adults, including those age 65 and over who may or may not be in the workforce, have at least one, 42% have more than one, and 12% have five or more chronic health conditions.¹⁰ That's important to know because management of chronic health conditions drives the largest share of healthcare costs.^{11,12} Costs of treating multiple diagnoses increase in an exponential, not linear, fashion. Pivotal research from the RAND Corporation (2014 data) revealed annual healthcare expenditures for employees with five or more chronic conditions were 14 times greater than for employees with no chronic conditions.¹⁰ After all the bills are paid, it ends up that 20% of workers account for 80% of employer healthcare costs.¹³ This trajectory also increases individual employee healthcare spending, paying more for prescriptions and out-of-pocket expenses. The prevalence of multiple chronic health conditions increases with age as illustrated below:

PREVALENCE OF MULTIPLE CHRONIC CONDITIONS, BY AGE (2008-2014)



Buttorff C, Ruder T, Bauman M. Multiple chronic conditions in the United States. Santa Monica CA, RAND Corporation, 2017.



With progressively increasing longevity, the U.S. population is skewing older. Meanwhile, its birth rate continues to decline.¹⁴ The youngest baby-boomers are now 55 years old. Interestingly, by 2030 it's projected 25% of the current U.S. working population will be 55 years and older.¹⁵ These older employees are a valuable asset to any organization. They tend to be the most skilled and most experienced, so it benefits the employer to keep them healthy and on the payroll.

The pathologic mechanisms for chronic health conditions often begin in early adulthood, but they don't clinically manifest themselves until later in life. Health screening can identify abnormalities before more serious problems emerge.¹⁶ The majority of employees in the United States have laboratory evidence of chronic disease, and 1 in 3 is likely to have an unidentified disease.¹⁶

The cellular and molecular basis for human disease is multifactorial. We know genes play a role, as do behavioral and environmental aspects. Clinical researchers and epidemiologists have identified specific risk factors for the most common chronic health conditions. These are characterized as modifiable and non-modifiable risk factors. And while it is true you can't change your DNA (at least not yet), you can stop smoking. For any specific individual the impact of these known risk factors can be variable, less absolute. For example, being obese does not automatically mean you will develop high blood pressure or glucose intolerance.

Health expenditures are a significant operating cost for any business.¹⁷ The CDC reports 90% of the nation's \$4.1T in annual healthcare expenditures are for people with chronic medical and mental health conditions.¹² Given the enormous financial sums committed to preserve employee health, it's puzzling why some employers remain unaware of the risk factors responsible for the most common chronic health conditions. Here's where workplace wellness initiatives fill that gap.

Workplace wellness has two main components: lifestyle management initiatives and chronic disease management (CDM) initiatives. **Lifestyle management** requires voluntary employee participation, and beginning with the first day of enrollment, these employees immediately experience healthier living. There may be opportunities for elevating their level of physical activity at work. They may receive nutritional counseling and health status education. They may finally choose to stop smoking. Health assessments and periodic screenings, combined with HIPAA-compliant biometry, can identify which workers are at greatest risk for the development of the most common chronic health conditions.¹⁶ Aggressive, early intervention may delay or even prevent the onset of disease and usually offers the best long-term clinical outcomes.¹⁶ Chronic disease management (CDM) initiatives are often provided in partnership with the employer's insurance carrier. Although prescription medications comprise the largest spend in the employer's CDM budget, other elements include drug adherence programs, jobsite CDM counselors, telemedicine support, and nurse on-call resources. These activities and others are intended to help employees better manage chronic diagnoses like diabetes, COPD, heart disease, kidney disease, and back pain.

The evolution of workplace safety practices over past decades is an excellent model to study when weighing the potential benefits of launching a workplace wellness program.^{18,19} Today, most business owners recognize the importance of work safety regulations and employer policies regarding injury prevention, whether reinforcing simple office ergonomics or addressing more serious hazards prevalent in select industrial sectors like transportation, manufacturing, mining, and utilities. The gains in worker safety and the corresponding cost reductions for their employers have been extraordinary.^{18,19} It is hoped workplace wellness programs can achieve comparable financial and societal success.



FOUR TARGETS TO HELP REDUCE EMPLOYEE HEALTHCARE COSTS

Preventive medicine advocates agree too many members of the U.S. workforce engage in too-little physical activity, consume a diet loaded with too many energy-rich (calorie-rich) foods, are too frequently dependent on nicotine from tobacco, endure excessive workplace stress and long hours, then too often opt for alcoholic beverages before compromising the next workday's performance with inadequate restorative sleep.^{17,20,21} **Does any of this sound familiar?**

LET'S EXTRACT THE KNOWN RISK FACTORS FOR CHRONIC HEALTH CONDITIONS FROM THE ABOVE DESCRIPTION:

- **Physical inactivity** and poor fitness are powerful predictors of early death. The workplace environment is increasingly sedentary.^{22,23} More than two-thirds of adult workers fail to meet established minimum standards of daily physical activity. Even modest improvements can have a major beneficial impact.^{22,24}
- **Obesity** and poor nutrition shorten life by contributing to the development and severity of all major chronic health conditions.^{23,25} Nearly forty-two percent of American adults are obese as determined by body mass Index (BMI) calculations, and 73% of adults are either overweight or obese.²⁶
- **Smoking** has been identified by the Centers for Disease Control and Prevention (CDC) as the leading preventable cause of death in America. According to the most recent CDC statistics, 16% of all U.S. adults smoke either conventional or electronic cigarettes.²⁷ Smoking related illnesses cost society over \$300 billion a year, including more than \$225 billion in direct medical costs.²⁸
- **Excessive alcohol consumption** by a minority of America's working-age drinkers is responsible for one in 10 total deaths among working-age adults.²⁹ Economically, employers are far greater penalized through loss of worker productivity compared to aggregate alcohol-related healthcare expenditures. Either way, it's money down the drain.



These factors, whether alone or in combination, are principally responsible for the prevalence of the most common “big ticket” chronic health conditions.

When added to the cost of injuries in 2018, these four common diseases collectively accounted for 18% of all employer healthcare spending:³

\$66 million

Hypertension affects over 78 million adults and is a major cause of stroke, heart attack, and kidney failure. Total annual health costs are \$66M.²⁵

\$351 billion

The cost of caring for cardiovascular disease is more than \$351 billion a year: nearly \$214 billion for heart disease, and over \$137 billion in lost productivity.³⁰

\$101 billion

Diabetes affects nearly 30M Americans, more than 9% of the population, with roughly 1.7 million new diagnoses each year. Total annual health costs are over \$101 billion.³

\$87 billion

Chronic back and neck pain occurs in about 50% of all adults. Total annual health costs total \$87B.³

But there is much more to consider. In addition to these direct medical costs, the economic burden to employers is further magnified as a result of lost worker productivity generated by these chronic conditions. According to a recent CDC report, the combined effect of five chronic diseases or risk factors — high blood pressure, diabetes, smoking, physical inactivity, and obesity — cost U.S. employers \$36.4 billion a year because of employees missing work.²¹ Absenteeism alone costs U.S. businesses \$225.8 billion every year.¹⁷

It's also important to note these statistics do not take into account significant additional medical costs generated by employees whose management of other existing chronic health conditions is complicated by these common disorders.³¹ As an example, routine gallbladder removal surgery in a diabetic adult with hypertension carries far greater cumulative morbidity and mortality risk compared to the clinical outcomes in otherwise healthy individuals.

No less worrisome, management of one chronic disorder can complicate the management of other health conditions. Consider the obese employee suffering from chronic obstructive pulmonary disease who is also a type 2 diabetic. The routine administration of chronic steroids to treat the COPD can greatly upset glucose metabolism and health status in diabetics. From there complications ensue, and medical complications are expensive.

THE ECONOMICS OF A HEALTHY WORKPLACE

“Workplace wellness is a ‘win-win’ strategy, improving both employees’ health and employers’ bottom line.”³²

Jeffrey Levi, Ph.D.
Executive Director
Trust for America’s Health
(Used with permission)

Good health is more than the absence of disease, and a healthy workforce generates more than a reduction in employee health claims. Lower overall employer health expenditures are just one component of improved profitability. An expanding body of data confirms businesses which foster improved employee wellness also experience improved business outcomes compared to their competitors as reported by productivity metrics, employee satisfaction, financial reports, and even gains in stock price.³³

Beyond regulatory compliance, what are the major drivers behind workplace wellness? Altruistic and socially responsible employers may implement wellness programs purely to improve the lives of their workers. Some see it as an opportunity to retain and recruit the best employees while polishing the firm’s public reputation as a highly desirable workplace. A stronger motivation likely rests with the need of business owners to control healthcare costs.^{34,35} Every time you hire or retain an employee, you automatically inherit the financial burden of their habits, lifestyle choices, as well as expenditures related to any current or future chronic health conditions.

One point deserves special mention. Although this report highlights how workplace wellness can elevate suboptimal employee health, it would be unfair and inaccurate to place blame exclusively at the feet of employees. Work itself can be unhealthy! Beyond that, stress created by long hours, mounting debt — including student loans — as well as increased productivity demands in an understaffed workplace can generate significant adverse employee health consequences. Employer workplace wellness programs represent just one component to enhancing employee health — not the sole solution to this complex problem.

A good deal of employee morbidity invariably traces to the lack of preventive care, unhealthy lifestyle choices, and suboptimal chronic disease management. This introduces unanticipated costs to business operations which include: absenteeism, increased employee turnover, lost productivity, the fulfillment of ADA-mandated accommodations, and premature death. The recruitment and training of temporary

or permanent replacements is an expensive undertaking. Even the most qualified replacements need time to develop the skills necessary to restore normal jobsite workflow. Given all of these issues, an accurate tabulation of total costs is elusive.

Culturally, it’s even harder to quantify other impactful yet intangible “expenses” such as diminished morale among fellow employees and loss of institutional memory when an experienced employee is absent. Just as true, employees returning to work after a prolonged medical absence, a situation called “presentism,” often exhibit impaired performance. The cumulative effect is global decreased productivity — something that definitely can be measured.

Having digested that grim news, now consider what happens when people feel good about their employment situation and like to come to work.¹ It does not take an advanced degree in economics to see how people are attracted to organizations that provide meaningful work, foster economic security with job satisfaction, and provide resources that elevate physical and psychological health. The unspoken belief might be “Working here means that I’ll have a better life.” But wait, it gets better. Happy employees are great ambassadors. They surround themselves with like-minded coworkers and may attract highly qualified applicants because they can rightfully boast about the satisfaction they experience as valued employees in a health-focused, dynamic workplace. Other prospects may be drawn to the company simply because it appears to be a fun place to work that fuses productivity with healthy behaviors — work hard, play hard.

As hinted at earlier, the potential rewards to businesses that embrace workplace wellness aren’t limited to employee health cost savings. A healthy workforce that appreciates an overall sense of well-being, reinforced by management’s concern for their continued good health, directly contributes to the successful achievement of business goals.¹ Let’s see how that works.



WELLNESS AND CORPORATE PROSPERITY

You've undoubtedly noticed how the analysis in this presentation has tilted toward the potential benefits of reduced employee health costs. As good as that sounds, there are added economic benefits beyond cost savings that reinforce the wisdom of workplace wellness programs, ultimately improving the financial health of the businesses themselves.

Whereas chronic disease management generates faster and larger cost savings, lifestyle management efforts take time to yield results.³⁶ They typically appear years later and favor the profit side of the ledger in the form of less absenteeism, greater retention, increased productivity, etc. These benefits are real, but they can remain invisible, undocumented, and unappreciated unless their impact is thoughtfully quantified.³⁷ Fifty years of workplace wellness research preaches patience when assessing outcomes. This advice runs contrary to a shareholder-focused business culture which demands results every quarter. More research needs to be done to accurately measure the full benefits of lifestyle management initiatives.



Within some organizations, the sustainability of workplace wellness programs may be jeopardized if no return on investment (ROI) can be demonstrated. This has become a major point of contention between wellness program advocates and critics. Some believe spending on lifestyle management and chronic disease management initiatives is not exempt from the necessary financial discipline inherent in every business model. In simplest terms, no free pass. Workplace wellness has to be held accountable, like all other budgeted activities, and demonstrate how it contributes to the bottom line.

Proponents of workplace wellness generally agree with this sentiment with one important caveat. Measuring the ROI for a workplace wellness program should not be approached similar to, let's say, a pharmaceutical company weighing the launch of a new drug where concrete data drives consensus decisions. Factors such as employee turnover, changing policies, privacy concerns, and serial insurance carriers greatly complicate workplace wellness ROI computation.²⁴ One major criticism of a highly publicized analysis of the Illinois Workplace Wellness Program⁷ was ROI cannot be accurately measured by using a randomized clinical trial model that compares different pools of employees-participants versus nonparticipants — because you end up with lots of apples and oranges.²⁰ Workplace wellness advocates challenge the validity of any ROI litmus test to justify the sustainability of any workplace wellness program in its entirety.³⁶ Instead, break it down to more visible components. Consideration of ROI may be better applied when measuring objective outcomes of targeted approaches to achieve specific, high-value employee wellness goals such as decreased sick days, fewer hospitalizations, and a rise in the percentage of nonsmoker employees.³⁶

Critics will likely respond with accusations of “cherry picking” because a focused analysis could be biased toward the most successful or most popular initiatives. Where does the debate end? Success cannot be measured in terms of average pounds, average steps, and average number of pills, or average fewer dollars spent. Remember, the workforce is a large collection of individuals, each with a unique life story hinged to a unique health risk profile. A stated goal of this whitepaper is to simplify the big ideas and uncomplicate them. The following hypothetical exercise is one such attempt. Imagine if the annual financials report “0% net improvement” in profitability after funding a corporate workplace wellness program for 2 years. Before pulling the plug, consider these real-world outcomes.

WHAT HAPPENS...	OUTCOME
If only 12% of obese participants achieved significant reductions in excess body weight	Everybody WINS!
If only 8% of diabetic participants stabilized their serum glucose and restore normal HgbA1c values	Everybody WINS!
If only 4% of employee smokers successfully quit cigarettes	Everybody WINS!

In all three scenarios, the participating employees and their employer both benefitted by means of improved personal health and health status awareness, elevated work performance, lower overall healthcare costs and much more. Who could knowingly walk away from these success stories buried deep within the reported aggregate statistics? Is there a better way to track results?

Corporate wellness leader and founder of TotalWellness Alan Kohll advocates a more holistic approach when evaluating the efficacy of a wellness program. Employers should combine ROI with VOI (value on investment). These are the measurable indicators that should be analyzed when determining VOI.²⁴

- **Improved culture of wellness:** An effective wellness program establishes the foundation for a strong culture of wellness, encouraging and promoting employee well-being:
- **Increased employee education:** Help employees learn and build awareness about health status, high-risk behaviors, and healthy lifestyles.
- **Improved health status:** Help employees become physically and mentally healthier. Measure improvements with health assessments and biometric screenings.
- **Employee feedback:** Distribute feedback surveys and conduct feedback sessions to learn what is working and needed improvements to the program.

Additional rewards transcend traditional ROI metrics and speak directly to the prosperity of the population. It starts at the workplace. Employers have an immediate impact by deciding where they locate, the food they serve, and the opportunities they provide employees for physical activity. Employees bring those positive habits home to their communities, generating a ripple effect. Healthy employees require less healthcare resources, have lower out-of-pocket expenses, and keep more of their money. This advances the well-being of their families and the entire community.²⁰ Now, take a moment and put the calculator down. Is there intrinsic value operating a company that fosters a supportive culture of health, one that engages satisfied, fit, and secure workers? How would customers perceive the quality of products and services upon learning their purchases help underwrite this powerful change?





RX FOR SUCCESS: SMALL STEPS CAN YIELD HUGE RESULTS

As reflected throughout this report, America's healthcare ecosystem deals with huge population numbers and colossal sums of money. Regardless of business size, it can seem overwhelming for company stakeholders to thoughtfully absorb the issue of employee health expenditures. But here's the good news about dealing with big numbers: 1% of ten billion dollars is \$100,000,000. In other words, even modest, tiny improvements to workforce health can generate significant cost savings to a business and contribute to increased profitability.

Employers do not need to overhaul the entire healthcare system (although America would be grateful). Start small and dream big. Investment in a well-designed workplace health initiative should start with those elements best aligned with the corporate culture and business goals. Also, it needs to be tailored to the needs of the workforce. A drug manufacturer with 22,000 employees worldwide needs a different strategy compared to a community bakery. It can all be scaled as circumstances dictate.

Specific startup guidance is offered later in this report, however, businesses should initially consider focusing their efforts on the risk factors leading to those "big ticket" items like hypertension, cardiovascular disease, diabetes, and chronic spine pain.³ Identify where employee health dollars are currently going. Wellness programs can be organized into lifestyle management and chronic disease management silos. Since chronic disease management yields the greatest long-term reduction in employer health costs (as much as 86% in hard healthcare cost savings),¹¹ it has to be incorporated into any effective workplace wellness program. Lifestyle improvements (health assessments, biometric screenings, improved physical activity, enhanced nutrition, health status education, etc.) that mitigate the most common risk factors, even by small increments, can translate into enduring savings for a company and an elevated state of well-being for employees.²⁴

Remember, good health doesn't happen in a vacuum. It's worth emphasizing lifestyle management and chronic disease management initiatives are not mutually exclusive, meaning they should not be viewed as adversarial — polarizing healthy versus unhealthy employees. They do not compete. Business owners need to implement both if they seek to reduce overall employer medical costs.³⁶ A workplace wellness program that screens for impaired glucose metabolism can identify those at risk for developing diabetes, while the employer-sponsored walking club can help existing diabetics gain better control over their weight. A successful smoking cessation program can benefit otherwise healthy smokers as well as those employees already suffering from chronic respiratory ailments.

CHALLENGES TO EMPLOYEE ENGAGEMENT

Regardless of the thoroughness of any initiative's conceptualization and design, a high level of employee participation is required for any workplace wellness program to be effective.³⁸ Employee-shared beliefs, a core ingredient to the workplace culture, ultimately define whether buy-in occurs.

It's not easy to remold a company's collective mindset. It requires an investment of resources and authentic commitment by ownership.^{38,39} Workers are often skeptical of new campaigns — even those offering real value by focusing on those specific domains which spur better overall living. Well-planned communications and strong managerial support (i.e., active involvement by leadership) can favorably nurture the establishment of a culture of health, distinguishing well-planned workplace wellness programs from other short-lived jobsite campaigns or one-off experiments.^{24,39}

Incentives and disincentives (mostly financial) are expensive, yet they are broadly used by employers to optimize participation in health assessments and health screenings, and to encourage employees to achieve biometric outcomes. This approach reinforces the notion that positive improvements — even if only partial improvements — advance the success of the overall initiative. According to a report published by the Kaiser Family Foundation, corporate expenditures on incentives (2019 data) averaged a maximum of \$783 per employee — up from \$430 in 2010.^{40,41} Experts claim improved communications and strong organizational commitment can reduce the cost of those incentive investments.

REVIEW OF SCIENTIFIC EVIDENCE

All of this sounds promising, right? Given that in 2019, 84% of companies with 200 or more employees were already promoting some type of jobsite wellness program,⁴⁰ does anyone know if these strategies really work? That is to say, do any employees get healthier and do their employers actually achieve measurable financial benefits?

Results are hard to measure, highly variable and vigorously contested. Study findings are often based on heterogeneous data pools, and they fail to segregate lifestyle management from disease management. The quality of individual initiatives is often unmeasured.^{20,24,35} Results are often reported using different outcomes measurements, and they are always subjected to the biases of study investigators. Advocates and critics often disagree on study design, study participant selection, details regarding specific interventions, as well as the interpretation of the results. It gets squishy at times, but one always has to leave some room for common sense.

HERE IS WHAT WE KNOW.

Properly developed, executed, and evaluated workplace wellness programs make a difference.^{20,42,43} Workplace lifestyle management initiatives improve employee physical activity, resulting in long-term weight loss, improved blood pressure control, stabilization of glucose metabolism, normalized lipid profiles, and fewer employee smokers.

Not everyone is convinced. Some authors complain workplace wellness programs fail to reach their targets, as they may not demonstrate improved physical fitness across the entire organization or aggregate indicators for cardiovascular risk were unchanged after 12-18 months. Two important points warrant consideration. First, reiterating a key concept mentioned earlier, individual well-being cannot be generalized "in aggregate."³⁶ The discouraging findings mentioned above should not cause undue alarm because any favorable change can still contribute to a positive impact for individual employees. Most doctors would agree modest weight loss combined with improved daily nutrition and smoking cessation beneficially contribute to restoring



cardiovascular health. Second, when thinking about the total person, the concept of wellness extends beyond their BMI or level of physical conditioning. Other vital domains include emotional health, balanced nutrition, preventive care, effective self-management of existing medical conditions, and adequate restorative sleep.

Interestingly, the best overall wellness gains were reported by the highest-risk individuals,⁴² which is exactly what employers want. A workplace wellness program needs to be comprehensive with clear and reasonable goals. Offering discount gym memberships without tracking participation and results becomes a nice perk most appreciated by the already fit employees, but does it really move the needle?

A frequently overlooked point deserves consideration: since healthcare costs perennially outpace inflation, they will always rise. Therefore, projected costs reported in future dollars will always be a bigger number. Even if total workforce healthcare utilization was unchanged from year-to-year, the total costs would still rise. When attempting to interpret the economic value of workplace wellness programs, don't concentrate on absolute dollars. Instead, assess the trends resulting from changes to annual growth in total medical spending. The goal of the organization is to reduce that rate of growth. Once again, we have a situation where a 1% improvement can have a colossal impact.

One global healthcare company sets the industry standard when it comes to effective implementation of workplace wellness. Johnson & Johnson analyzed seven years' data (2002-2008) from its longstanding worksite health promotion program Live for Life (initially launched in 1979). Compared to national averages at similar large companies, J&J (30,000+ eligible employees) reported 3.7% lower average annual growth in total medical spending with ROI of between \$1.88 and \$3.92 saved for every dollar spent on the program.⁴⁵ A decade later, this study continues to be praised as the gold standard in workplace wellness execution and analysis because the accountants provided real data when comparing total medical expenses and employee participation. Since then, similar analyses identified gains at many other major organizations including Dow Chemical, SAP, PepsiCo, Proctor & Gamble, and Vanderbilt University.

Some observers are not convinced these publicized savings are genuine. Critics suggest instead employer healthcare cost savings may be derived from "unidentified mechanisms" or from cost shifting to nonparticipating employees by having them pay more for their care. In return, this penalized subpopulation is actually subsidizing the healthier and incentivized employees.⁴⁰ In their view, there's no neutral position: incentivized participants are rewarded and nonparticipants are penalized. Consider the following example. The practice of offering lower deductible health insurance plans to incentivize employees who participate in corporate wellness programs means nonparticipating employees' are saddled with higher premiums and deductibles which may, paradoxically, drive underuse of nonparticipants' preventive medical services and prescription drugs for their chronic health conditions. As a result, the already unhealthy become unhealthier.

There is an ongoing robust debate regarding the true benefits of jobsite wellness programs. No one has all of the answers. That being said, most employers would choose to have healthier employees with positive attitudes that required less medications, fewer sick days, and shorter hospitalizations.



DESIGNING AN EFFECTIVE WORKPLACE WELLNESS PROGRAM

You'll recall the four targeted risk factors linked to the most prevalent chronic health conditions: physical inactivity, obesity, smoking, and alcohol abuse. Initiating a workplace wellness program can focus on these wellness targets while introducing elements that support management of existing employee chronic health conditions. Successful organizations design their wellness programs with high relevance, impact, and intensity calibrated to the specific needs of the local workforce.³⁵

A comprehensive, multi-dimensional approach to workforce wellness adopts best practices in program design. There's no substitute for committed leadership, relevant employee education, and transparent communications regarding goals and expectations. An effective lifestyle management program begins by identifying employee health risks, promoting incentives that encourage employees to address those specific risks, and convincing employees to rethink their unhealthy behaviors.^{24, 38, 42} Consultation is available from employee benefits advisors and numerous national organizations that specifically focus on workplace health program design (see Appendix). Get advice from groups whose recommendations rely heavily on sound, evidence-based, real-world findings.

Calibrate the scope of the jobsite wellness program to the size and goals of the organization.^{35, 38, 45} Successful programs start small and grow organically. Reliance on outsiders or third-party vendors may not be the best match. Employees need to know their corporate leadership is fully invested. That means active, visible participation by management — more perspiration and less sloganeering.³⁹

With regards to maximizing employee engagement when launching a workplace wellness program, Lowensteyn and colleagues described elevated worker participation and sustained overall health benefits by incorporating principles of gamification (use of game design elements in a nongame context) that included goal setting, overcoming challenges, performance feedback, reinforcement rewards, social connectivity, and just plain fun.⁴² An evidence-based wellness program should be loaded with live interventions by trained counselors, volunteers, and coaches. Web-based solutions can be a useful adjunct, however, nothing matches the sustainable impact generated by face-to-face interactions.⁴⁵ Policies should be framed so as to create a supportive social and physical environment that reflects the organization's promotion of healthy behaviors.

ARMED WITH THIS INFORMATION, THE RECOMMENDED INTRODUCTORY ELEMENTS FOR AN EFFECTIVE WORKPLACE WELLNESS PROGRAM INCLUDE:¹⁷

- Employee health assessments and health screenings
- Enhanced workplace physical activity: onsite exercise facilities, trainers, sit/stand desk configurations, discount memberships (gyms, aquatics, yoga studios, etc.), organized walking groups
- Healthy onsite nutrition choices and available nutrition counselors
- Smoking cessation

Remember, everything need not be in place at the beginning. As previously demonstrated, small, positive steps have a powerful effect on the numbers.

CONCLUSIONS

Good health is expensive. Chronic illness costs far more. A healthy workforce generates enhanced productivity and reduces direct and indirect operational costs to any business. Employee health-related expenditures are expected to continue to outpace inflation for the foreseeable future. Since net profits indicate the overall vitality of any business, those activities which reduce the aggregate economic burden related to employee health may further bolster the company's success.

Workplace wellness programs are an established strategy to counter the leading risk factors (e.g., physical inactivity, obesity, smoking, and alcohol abuse) which contribute to the chronic health conditions that degrade the workforce. There is abundant objective scientific evidence that properly designed and executed workplace wellness programs utilizing best practices generate significant financial and societal benefits for both employers and employees.

Agonizing over the scope and magnitude of society's health problems can lead to paralysis. Doing nothing about this dilemma may be a dangerous course of action for business owners. Although the numbers are staggering and the costs are breathtaking, they cannot be reversed or stabilized on their own. The same applies to the physical and mental health of the workforce — the greatest asset of any business. A properly developed workplace wellness program can address these concerns. Employers should adopt best practices when designing workplace wellness programs. Incremental improvements in workforce health can translate into immediate and enduring financial rewards for business owners and their employees — and that should make everyone feel better.

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APPENDIX

EMPLOYEE RESOURCES TO BUILD A WORKPLACE CULTURE OF HEALTH*

CENTERS FOR DISEASE CONTROL AND PREVENTION

Worksite Health ScoreCard

http://www.cdc.gov/dhdsp/pubs/worksite_scorecard.htm

Essential Elements of Effective Workplace Programs and Policies for Improving Worker Health and Wellbeing. DHHS (NIOSH) Publication Number 2010-140.

<http://www.cdc.gov/niosh/docs/2010-140/pdfs/2010-140.pdf>

Best Practices for Tobacco Control Programs

https://www.cdc.gov/tobacco/stateandcommunity/best_practices/

HEALTH ENHANCEMENT RESEARCH ORGANIZATION

HERO Best Practices Scorecard

Employee Health Management (EHM) best practices scorecard designed to help organizations learn about best practices for promoting workplace health and well-being, and to discover opportunities to improve and measure progress over time.

<https://hero-health.org/hero-scorecard/>

AMERICAN HEART ASSOCIATION

My Life Check: Health Assessment Tool

Popular online tool that encourages individuals to take actions and form habits to move toward ideal heart health.

<https://mlc.heart.org/#/>

Workplace Health Playbook: Strategies for a Healthy Workforce

Website with case studies, forums, and advice for creating a successful wellness program.

<https://playbook.heart.org/>

AMERICAN COLLEGE OF OCCUPATIONAL AND ENVIRONMENTAL MEDICINE

ACOEM Annual Awards Recipients

<http://acoem.org/About-ACOEM/ACOEM-and-OEM-History/ACOEM-Award-Recipients>

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES

Substance Abuse and Mental Health Services Administration
Model Plan for a Comprehensive Drug-Free Workplace Program

<https://www.samhsa.gov/sites/default/files/workplace/ModelPlan508.pdf>

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