



How Much Do Wellness Programs REALLY Save Employers?

We sales guys are great at highlighting the many benefits of the products we sell, and employee wellness programs are certainly not exempt from the hype. "Healthy workers will save you money," we say time and again, and most folks seem to think that makes good common sense. Thankfully, more and more research into the benefits and cost-savings of employee wellness programs is validating these presumptions.

In early January, The American College of Occupational and Environmental Medicine (ACOEM) released the article below to announce the findings of a study published in the *Journal of Occupational & Environmental Medicine*. Led by physicians from The Vitality Group – yes, they're trying to sell you wellness programs – the study combined results from several independent research sources and yielded some very promising conclusions....

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Cost Reductions of 18 Percent and Higher Are Possible, Researchers Estimate

Workplace health promotion programs have the potential to reduce average worker health costs by 18 percent — and even more for older workers, reports a study in the January *Journal of Occupational and Environmental Medicine*, official publication of the American College of Occupational and Environmental Medicine (ACOEM).

Jonathan P. Dugas, PhD, and colleagues of The Vitality Group, Chicago, combined data from two major studies to estimate the possible savings in medical costs from reductions in key health risk factors. The study focused on seven risk factors or medical conditions typically addressed by workplace wellness programs: physical inactivity, low fruit and vegetable intake, smoking, overweight/obesity, high blood pressure, high cholesterol, and alcohol abuse.

The results suggested that — if all heightened risk factors could be reduced to their "theoretical minimums" — total medical care expenses per person for all working age adults would be reduced by about \$650, or approximately 18 percent. The possible savings increased with age: up to 28 percent for older working adults and retirees.

Employers are very interested in workplace wellness programs to improve the health and well-being of the workforce — with resulting savings in medical costs, among other benefits. But there are conflicting reports on the potential for long-term savings.

One widely repeated figure, attributed to former Surgeon General C. Everett Koop, is that preventable illness makes up about 70 percent of the burden and costs of illness. While the cost reductions estimated in the new study are more modest, Dr. Dugas and coauthors write, "The potential savings from workplace wellness programs are still quite large and supportive of widespread interest by employers."

While the maximum savings estimated are unlikely to be achieved immediately, Dr. Dugas and colleagues add, "Medical care savings from workplace wellness programs will increase with time given that more eligible wellness program members participate, effective control of heightened risk factors improves, and greater risk reversal can be achieved."

Source:

Bolnick H, Millard F, Dugas JP. Medical care savings from workplace wellness programs: what is a realistic savings potential? *J Occup Environ Med.* 2013;55(1):4-9.

About the Journal of Occupational and Environmental Medicine:

The *Journal of Occupational and Environmental Medicine* (www.joem.org) is the official journal of the American College of Occupational and Environmental Medicine. Edited to serve as a guide for physicians, nurses, and researchers, the clinically oriented research articles are an excellent source for new ideas, concepts, techniques, and procedures that can be readily applied in the industrial or commercial employment setting.