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Workplace Wellness: A Wise Investment Promoting a Healthy Lifestyle Beneficial to Everyone

Here it is ... 2005 ... and surprise, surprise! Your health insurance costs have increased once again. I can't remember the last time when either myself or one of my partners was able to deliver a renewal to any of our clients and say, "Good news! You have a decrease in health-care costs this year." Employers are frustrated, because no matter what they do, or how hard they try, their health-care costs keep going up.

Employees complain about their share of the premium, though typically they are only paying a small percentage of it (I hasten to add that they don't think it's a small percentage). Insurance agents are scratching their heads looking for more new and innovative ideas to lower, transfer or otherwise move the cost away from the employer who is getting smacked right between the eyes with rates that continue to increase year after year.

A Closer Look

Let's take a look at the picture. What have we done over the last 10 years to reduce our costs? Let's start with the players. We have physicians, hospitals, pharmaceutical companies, labs, insurance companies, rehabilitation facilities and diagnostics, etc. If you talk to any physician, I'm sure you're going to find that their increases, if any, over the last 10 years have not been substantial. At a meeting six months ago, a prominent health-care provider showed that they were reimbursed approximately 16 cents on the dollar from all sources on billed charges. The pharmaceutical companies would have us believe that though their costs have been increasing by double digits for the last several years, that they're actually reducing costs overall by reducing hospital stays. There are more than 200 new biotech drugs, or specialty drugs, that are projected to come on the market in the next two years. And they will come at a cost. Insurance companies keep telling us their margins are dropping and that the reserves they have, while on the surface appear large, on a per insured basis, represent 60 to 90 days of claims. So where do we go?

Speaking only for our firm, if you take our largest clients and track their expenses, the same answer comes up over and over again. A very small percentage (2 percent to 3 percent) of the total insured lives of our employers generate 40 percent to 60 percent of the total claims. These are typically severe illnesses with high-cost ramifications. The question becomes, how many of these claims were preventable? If it is only 10 percent, that would represent a huge dollar amount. I'm talking about the claims that come because we don't take care of ourselves. We eat the wrong foods, we don't exercise, we smoke, and we get so tied up in our lives that we forget to take care of ourselves. Unfortunately, if we work for you, we cost you money! Though it has been discussed for years, I think we have finally reached the time where employers are beginning to understand that they have to take an active and sustainable role in the overall health of their employees.

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Wellness Benefits Everyone

I'm sure most of us have heard of the company who gave their employees 15 months to quit smoking. If not, they were fired. While I don't subscribe to that philosophy, I understand the frustration employers face. We recently have been promoting wellness in the workplace. In fact, our own company just went through its screening with a carrier in May, and based on the size of our company, we cannot affect our costs by reducing claims. However, if our employees are healthier, they may take fewer sick days, or perhaps they may be more productive in the workplace ... either of which is a benefit. We think it's important enough for the overall health of our people that we instituted the wellness policy anyway. I know the cynics will say, "My employees don't care what I say or do; they won't attend meetings like that. I'm wasting my money." But imagine if 10 percent of your work force actually paid attention to their health. As I stated at the beginning of this article, 2 percent to 3 percent of your insured lives generate the largest part of the costs. Isn't it worth a little investment in your own people to help them stay healthy and maybe protect your wallet in the process?

What Are The Benefits?

Workplace wellness programs can have many benefits for both employers and workers. The most important benefit is healthier, happier lives for workers. By providing wellness programs employers can help employees to understand their current health status and how to reduce health risks.

Here are some benefits to consider:

Employees

- More job satisfaction
- Healthier behaviors
- Less illness and fewer injuries

Employers

- Less absenteeism
- Lower health benefit costs
- Greater productivity
- Improved work environment

Sources: The Wellness Institute and the Simcoe Muskoka District Health Unit

The Bottom Line

A final note on the subject of wellness. You did not start out unhealthy; it took some time to get where you are today. It works the same in reverse. You can plan on three to five years to reap the fruits of your efforts. Believe! It will be worth it! ★

For more information on wellness in the workplace, contact Joe Kelly at Hubbard Bert Karle Weber at 814/453-3633 or kelly.j@hbkw.net