

Michigan Purchasers Health Alliance Annual Fall Kick-off Conference - ROI

Scott Foster, Chief Wellness Officer, Wellco

Logic



- Health care spending continues to rise at the fastest rate in our history.
- Health care expenditure recently rose by an average of \$597 per employee, to an average total annual cost of \$8,424 -- representing a 140% increase over the last 10 years (1).
- Health insurance expenses are the fastest growing cost component for employers. Unless something changes dramatically, health insurance costs will overtake profits in 2008 (2).
- The average employee contribution to company-provided health insurance has increased more than 143 percent since 2000. Average out-of-pocket costs for deductibles, co-payments for medications, and co-insurance for physician and hospital visits rose 115 percent during the same period (3).

Emotion

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"The handle on your recliner does not qualify as an exercise machine."

- "If I knew I was going to live this long, I'd have taken better care of myself."*
- Mark Twain

- *“Do you know that in the 40 years of Framingham we have never had a heart attack in anyone with a total cholesterol under 150?”*
William Castelli, MD, Director
Framingham Heart Study
- Heart attack treatment is one of the most profitable hospital services (4).

Procedure	Cost in United States
Heart bypass	\$130,000
Heart valve replacement	\$160,000
Angioplasty	\$ 57,000
Hip replacement	\$ 43,000
Hysterectomy	\$ 20,000
Knee replacement	\$ 40,000
Spinal fusion	\$ 62,000

Source = American Medical Association, June 2007

Application



Don't worry about people stealing your ideas. If your ideas are any good, you'll have to ram them down people's throats.
- Howard Aiken

- *“Risk Reduction has a potential employer value of \$153/person/year vs. \$350/person/year for risk avoidance.”*
Dee Edington, Ph.D.
Director, University of Michigan Health Management Research Center
- There are now more than 500 studies documenting the health impacts of health promotion programs (5).
- Of 13 studies reviewed, the mean benefit was \$3.72 in reduced health care costs and \$5.06 in reduced absenteeism costs per dollar invested in the program (6).
- Preventable illness now makes up approximately 70% of the burden of illness and the associated costs in the United States (7).

- Less than 5% of health care dollars are spent on prevention (8).

Best Practices



“Good ideas are common - what's uncommon are people who'll work hard enough to bring them about.”
 - Ashleigh Brilliant

Recommended Resource	Website
Wellco	www.wellcocorp.com
Wellness ROI - Superstars of Wellness	www.wellnessroi.com
Centers for Disease Control and Prevention	www.cdc.gov/nccdphp/dnpa/hwi
Michigan Surgeon General	www.michigan.gov/surgeongeneral
National Business Group on Health	www.wbgh.org
Partnerships for a Healthy Workforce/ Partnership for Prevention	www.prevent.org

For More Information

For questions or for a complimentary issue of *Well-equipped*, electronic market intelligence, tips, and trends, contact:

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About Wellco.

Wellco is a leading provider of corporate wellness systems for organizations who want to stop employee health risks before they become more dangerous and costly. Wellco is the developer of the award-winning HealthHammer™ employee health risk appraisal and management system.

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4. Daniel Q. Haney, *Money Stalls Heart Procedure*, Associated Press, October 5, 2003.
5. *Absolute Advantage*, Wellness Councils of America, 2002 May/June, p12.
6. Aldana S. Financial impact of health promotion programs: A comprehensive review of the literature. *American Journal of Health Promotion* 2001 May/Jun (in press); 15(5).
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