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Employers trying prevention as cure to health care costs

By Joanne Wojcik

To keep health benefit spending in check, employers increasingly are managing the health of their employees-as well as their dependents-not just the cost.

“It’s pure folly to think we can manage health care costs if we don’t manage health,” said Dr. Kelly Victory, chief medical officer for Cleveland-based Whole Health Management, a company that provides onsite health care clinics to employers.

“The way people react to their health care needs is tantamount to waiting until your car breaks down on the freeway before deciding to get the oil changed,” she said during a session at the National Business Group on Health’s 2006 Business Health Agenda, held March 15 – 17 in Washington.

Instead, employers should intervene early to prevent an employee’s unhealthy lifestyle from causing disease, she said.

“We really wanted to move away from a discussion of copays and coinsurance and premium and back to the focus of what’s driving health care costs, and that is the health of our employees,” said Fred Williams, director of benefits and strategic alliances at Quest Diagnostics Inc. in Lyndhurst, N.J., which in 2005 launched a wellness initiative that aims to achieve that goal, called Healthy Quest.

Several other speakers at the conference said also that their companies are seeking to manage employees’ health.

Cisco Systems Inc. brought all of its healthcare related vendors-including fitness center operators, insurers, disease management program vendors and the cafeteria vendors-together to develop a “lifestyle risk management” program, according to Dr. Pamela Hymel, corporate director, integrated health at the San Jose, CA based technology company.

The company also is launching a communications program to encourage employees to access their personal health records, she said during a keynote address at the conference.

“Many people don’t know they’re not in good health,” said David Kasiarz, vp-compensation and organization capacity, at Somers, N.Y.-based Pepsi Bottling Group Inc, who spoke during another session.

Examinations of employee health can help employees target problems. When Alcoa Inc. held a health fair, 38 individuals were identified as having critically high blood pressure, defined as higher than 160/80, according to Brenda Barlek, manager of health and welfare benefits in Pittsburgh for the aluminum producer. “The nurses wouldn’t let them return to work,” she said.

To make its employees more health-conscious, Pepsi Bottling's worksite clinics hold "clinics" themselves, each month focusing on a different topic such as "Foot Awareness Month," or "national Nutrition Month," Mr. Kasiarz said.

Because more than half of employer health care costs are generated by dependents, and not employees, "we need to engage family members, too," said Ms. Barlek. She said Alcoa uses the Internet to provide health information to both employees and dependents.

Employers with male-dominated workforces, especially, should have a strategy for communicating with female partners of the employees, who are the real health care decision makers in the home, said Noel Obourn, president of national accounts at CIGNA Healthcare in Hartford, Conn.

"If you're only talking to your employees, guess what? You're not talking to the health care decision-makers that are influencing the health of your employees," she said. "Mom makes the call. And so it's very important to not only think about our employees as consumers...but also to think about how we reach into the home in new and creative ways and engage the consumer that might actually be making most of the health care decisions that influence my company's bottom line."

David Beech, a senior consultant at Watson Wyatt Worldwide in Universal City, AA, said in his discussions with employers last year, he found their focus had changed from managing benefits to managing health, and one of the ways employers are doing this is with onsite employer-sponsored clinics.

These aren't just urgent care centers, Mr. Beech said, but a "comprehensive, integrated solution really targeted on health and health improvement that really can be an important engine for driving this transformation from managing benefits to managing health."

In addition to providing primary and urgent care services, onsite employer-sponsored clinics provide preventive health care and wellness education, disease and case management and address other work-related issues, including stress management, Mr. Beech said.

According to Wyatt's annual 2005 health and productivity survey, onsite clinics were cited by employers for managing both short and long-term health risks.

And the savings can be substantial, he said, since about 25% of health plan costs are related to services that can be provided onsite. "You can save about 20% of that 25%," he said.

But there are also side benefits: When employees and their dependents use onsite clinics, they are less likely to seek care in emergency rooms or use specialists. In addition, absenteeism is reduced, resulting in increased productivity, Mr. Beech said.