Unmanaged Health Benefit Costs Are Derailing Your Bottom Line!

Health Benefits Train Wreck – It’s Coming!

“We can no longer tolerate treating people who make poor choices”!

Surgeon General - Richard Carmona
qtd. Washington Post 3-11-03

Health Benefits Costs Crippling Organizations!
Is your organization able to accept *double digit* health benefits cost increases? The national average =

- 2004/2005 is 17.8% - **Help**!
- 2005/2006 is 14% - **Squeeze**!
- 2006/2007 is 18% - **Change**!
- 2007/2008 is 12% - **Ouch**!
- 2008/2009 is 9% - **Stop**!
- 2009/2010 is 25% - **Must Stop**!

*Empowering individuals and organizations to live healthier, more productive lives – Self Responsibility!*

© 2009 Fitness In Today’s Times (FITT), Inc. All Rights Reserved.

*www.CenterVBHM.Com* (Value Based Health Management)
Are You Ready To Manage Benefits?

- Do you *wait* for people to get sick and then *spend top dollar* to stabilize their health?
- Should you make a paradigm shift from benefits “*entitlement*” to employee “*responsibility*”?
- Why not dramatically improve employee *productivity & quality of life*?
- Why not control/reduce health care costs?
Managed vs. Unmanaged – Cost of Care:

Health Care Time Bombs! (HCTB)

Costs broken down by average HbA1c %

Adults with diabetes

6% 7% 8% 9% 10%

Adults with diabetes, hypertension, and heart disease

6% 7% 8% 9% 10%

*Northern California Kaiser Permanente: 1994 costs for 85,209 persons with Diabetes versus the same number of control patients.

% of Your Employees – HCTB?
Why Corporate Wellness?

Ask the leaders –

“Our research time and again confirms the benefits of healthier, fitter employees. They have fewer and lower long-term medical claims, they are absent less, their disability costs are much lower, and their perceived personal productivity and job/life satisfaction levels are higher.”

Peter Soderburg
President
Johnson & Johnson
FITT’s Healthy By Choice Results:

Unhealthy Employees subtract from the bottom line every year:

• FITT’s Wellness at Holy Cross Hospital kept their self-funded TPA health benefits cost to $\frac{1}{2}$ the national average over four years.
• We helped BDM employees significantly reduce their function age.
• We improved staff productivity at TRW by reducing Stress and ↑ Fitness.
• We improved staff productivity at MAMSI by reducing Stress and ↑ Fitness.
• We cleaned up smoking & poor nutrition at Ourisman Automotive Dealerships.

Wellness empowers employees take charge of their own health –

Responsibility versus Entitlement:

• More productive workforce.
• Reduction in health benefits utilization.
• Reduction in health benefits premium cost!
Health Benefits Costs – Managed!


- Based on Individual Risk Behaviors:
  - Smoking, % Fat, BP, & Cholesterol ↓ “healthy”!
  - Incentivised Compliance – “pass all four tests, annual co/pay premiums are reduced $780 individuals & $1,560 families”!
  - 4y Wellness Program “flat” health care costs vs. 40% ↑nationally.

*STEVEN A. BURD – Chairman/CEO Safeway
Here’s The Problem!

“Are we developing ingenious, technologically sophisticated, and expensive treatments for established disease while ignoring the fact that the malady is potentially preventable & reversible?”

YES!

Dr. Alexander Leaf
Chairman of Preventive Medicine
Harvard Medical School

Safeway’s “”Carrot versus Stick
Poor Fitness Is Deadlier Than Disease – On-Site Wellness Is the Answer!

- Exercise is greatest factor in reducing risk of death; exceeds beyond Smoking, Heart Disease, Diabetes, HBP, etc.*
- Study of 6,213 patients, average age 59y: risk of death dropped 12% for each increment of MET exercise increase.
- 6 year study sets precedent for fitness intervention!

Higher Fitness Levels Reduce Risk of Death By 200%*

*New England Journal of Medicine, qtd. in Washington Post 3/12/2002
Companies are applying a business model to managing health care costs*: 
- Focus on increased co-pays & deductibles $2,500.
- Increased dependent’s premium costs.
- Raised employee premiums.
- Manage pharmaceutics supply chain.

Ignoring the most important element; Individual Responsibility for health to reduce total benefits use:
- Empower employees to take personal responsibility for lifestyles.
- Provide wellness programs – education & exercise.
- Provide incentives for motivation!
- Implement penalties for non-wellness participation!

*“New Rules for Managing Health Costs,” Watson Wyatt Worldwide Research Reports
The Health Benefits Cost Solution!

On-site Corporate Wellness.

- Employee Health Risks can be reduced:
  - Henry Ford 1916, “The Case Against the Little White Slaver” vowed not to hire smokers.
  - Steel Case 2007, bans tobacco use for all employees 24/7!
  - Scotts Turf Builder 2008, bans tobacco use on-site.

- How many changes are you ready for?
- Can you continue to pay the annual health bills regardless of Unhealthy Behaviors?
**FITT Incentives – Wellness Interventions:**

Daily Thoughts/Choices & Daily Actions/Behaviors are influenced by:

15 Commandments of Wellness.

FITT’s Quarterly Wellness Points schedule is based on 15 Behavioral Principles and Rewards Compliance!

- Breakfast = 1 point
- 64 oz. H₂O Daily = 1 point
- Positive Affirmations = 1 point
- Adequate Sleep = 1 point
- Stretching = 2 points
- Aerobic Exercise = 5 points
- 4 Balanced Meals = 2 points
- Humor = 1 point
- Positive People = 2 points
- Strength Training = 4 points
- Eliminating Negativity = 2 points

**Commit to a Lifestyle Change!**

Quarterly Wellness points:

- **1,525 points** = Wellness Superstar!
- **1,120 points** = Living a Wellness lifestyle.
- **800 points** = Well on your way.

- Participate in Regular Preventive Medicine Medical Screenings = 25 points - Quarterly
- Wear Seatbelts = 25 points - Quarterly
- Participate in Monthly Screenings = 5 points
- Attend Monthly Workshops = 15 points