


# FACTFILE

## Wellness Pays

Hospitals and health systems are often among the largest employers in their communities. As such, hospital leaders face challenges related to workforce health and healthcare costs similar to those faced by other employers. Obesity is fast-growing public health issue; if current trends continue, 103 million American adults will be considered obese by 2018. Developing a framework for effective workforce wellness programs is an increasingly important part of managing the rising cost of healthcare for employers and improving employee productivity. 

### OBESITY-ATTRIBUTABLE HEALTHCARE SPENDING

The United States is expected to spend \$344 billion on healthcare costs attributable to obesity in 2018 if rates continue to increase at current levels. Obesity-related direct expenditures are expected to account for more than 21% of the nation's direct healthcare spending in 2018. At the state level, Oklahoma stands to benefit the most if obesity levels remain steady. This would provide a potential savings of \$1,200 per adult or a savings of more than \$3.2 billion for the state.

| Lowest Expenditures: Obesity-Attributable Healthcare Spending (\$/Adult) |       |       |         |
|--|-------|-------|---------|
|  | 2008  | 2013  | 2018    |
| Colorado   | \$235 | \$378 | \$864   |
| Connecticut  | \$279 | \$455 | \$1,052 |
| Virginia   | \$327 | \$492 | \$1,053 |
| Massachusetts  | \$296 | \$482 | \$1,119 |
| Rhode Island   | \$293 | \$491 | \$1,163 |

| Highest Expenditures: Obesity-Attributable Healthcare Spending (\$/Adult) |       |       |         |
|---|-------|-------|---------|
|   | 2008  | 2013  | 2018    |
| Oklahoma  | \$417 | \$747 | \$1,906 |
| Ohio  | \$433 | \$755 | \$1,877 |
| Kentucky  | \$433 | \$750 | \$1,836 |
| Missouri  | \$450 | \$761 | \$1,834 |
| Mississippi   | \$441 | \$738 | \$1,757 |

SOURCE: *The Future Cost of Obesity: National and State Estimates of the Impact of Obesity on Direct Health Care Expenses*, [www.americashealthrankings.com/2009/spotlight.aspx](http://www.americashealthrankings.com/2009/spotlight.aspx).

### HEALTH AND PRODUCTIVITY MANAGEMENT FRAMEWORK

Leadership and corporate culture are the foundation of a health and productivity management program. Program design and implementation, along with evaluation, are also necessary to build a program that improves health and saves money.

- Leadership and management support.** Demonstrate organizational commitment and leadership supported by engaging mid-level management, sharing program ownership with all staff levels, and leading by example.
- Organizational culture and policies.** A healthy company culture that includes a supportive physical environment and supportive policies such as healthy food, flex time, and no tobacco.
- Alignment of business and health goals.** Explicit connection of health goals and programs to the organization's core business objectives and principles.
- Wellness champion.** Identified wellness coordinator/champion, council, or employee-driven advisory board.
- Sustainability.** Scalable and accessible programs.

SOURCE: *HPM Framework*, Ron Z. Goetzel, PhD, Thomson Reuters.

### Employers' Share of Premiums

While federal healthcare reform may have some impact on who pays for healthcare insurance, employers that do provide coverage have traditionally absorbed a majority of the cost, anywhere from 65% in Colorado to 82% in Indiana. In these 2008 figures, we see the dollar amount shared by employee and employer for family coverage.

| Rank (1=low  51=high)    | Employee Contribution | Employer Contribution | Total    |
|--------------------------|-----------------------|-----------------------|----------|
| United States            | \$3,394               | \$8,904               | \$12,298 |
| 1. Idaho                 | \$2,562               | \$8,275               | \$10,837 |
| 2. Iowa                  | \$2,524               | \$8,423               | \$10,947 |
| 3. Hawaii                | \$2,597               | \$8,447               | \$11,044 |
| 4. Oklahoma              | \$3,619               | \$7,434               | \$11,053 |
| 5. Alabama               | \$3,265               | \$7,854               | \$11,119 |
| 6. North Dakota          | \$3,388               | \$7,790               | \$11,178 |
| 7. Louisiana             | \$3,607               | \$7,600               | \$11,207 |
| 8. Arkansas              | \$3,085               | \$8,135               | \$11,220 |
| 9. Michigan              | \$2,522               | \$8,799               | \$11,321 |
| 10. Mississippi          | \$3,458               | \$7,905               | \$11,363 |
| 11. South Dakota         | \$3,503               | \$7,879               | \$11,382 |
| 12. Ohio                 | \$2,642               | \$8,783               | \$11,425 |
| 13. Montana              | \$3,823               | \$7,615               | \$11,438 |
| 14. Nevada               | \$3,575               | \$7,912               | \$11,487 |
| 15. Kentucky             | \$2,918               | \$8,588               | \$11,506 |
| 16. Missouri             | \$2,994               | \$8,563               | \$11,557 |
| 17. Nebraska             | \$3,173               | \$8,475               | \$11,648 |
| 18. Georgia              | \$3,814               | \$7,845               | \$11,659 |
| 19. Kansas               | \$2,954               | \$8,708               | \$11,662 |
| 20. Utah                 | \$2,760               | \$9,023               | \$11,783 |
| 21. Virginia             | \$3,854               | \$8,081               | \$11,935 |
| 22. Colorado             | \$4,151               | \$7,801               | \$11,952 |
| 23. Texas                | \$3,872               | \$8,095               | \$11,967 |
| 24. South Carolina       | \$3,377               | \$8,691               | \$12,068 |
| 25. New Mexico           | \$4,021               | \$8,050               | \$12,071 |
| 26. California           | \$3,398               | \$8,856               | \$12,254 |
| 27. Arizona              | \$4,136               | \$8,156               | \$12,292 |
| 28. Tennessee            | \$3,366               | \$8,936               | \$12,302 |
| 29. North Carolina       | \$4,115               | \$8,193               | \$12,308 |
| 30. Pennsylvania         | \$2,971               | \$9,368               | \$12,339 |
| 31. Maryland             | \$3,920               | \$8,621               | \$12,541 |
| 32. Oregon               | \$3,297               | \$9,288               | \$12,585 |
| 33. Illinois             | \$3,366               | \$9,237               | \$12,603 |
| 34. Florida              | \$4,412               | \$8,285               | \$12,697 |
| 35. Wyoming              | \$3,052               | \$9,682               | \$12,734 |
| 36. New Jersey           | \$3,286               | \$9,503               | \$12,789 |
| 37. New York             | \$3,376               | \$9,448               | \$12,824 |
| 38. West Virginia        | \$3,056               | \$9,831               | \$12,887 |
| 39. Wisconsin            | \$3,301               | \$9,655               | \$12,956 |
| 40. Washington           | \$3,258               | \$9,778               | \$13,036 |
| 41. Vermont              | \$3,435               | \$9,656               | \$13,091 |
| 42. Maine                | \$4,017               | \$9,085               | \$13,102 |
| 43. Rhode Island         | \$2,960               | \$10,403              | \$13,363 |
| 44. Alaska               | \$3,248               | \$10,135              | \$13,383 |
| 45. Delaware             | \$3,373               | \$10,013              | \$13,386 |
| 46. District of Columbia | \$3,834               | \$9,593               | \$13,427 |
| 47. Connecticut          | \$3,075               | \$10,361              | \$13,436 |
| 48. Indiana              | \$2,472               | \$11,032              | \$13,504 |
| 49. New Hampshire        | \$3,922               | \$9,670               | \$13,592 |
| 50. Minnesota            | \$3,279               | \$10,360              | \$13,639 |
| 51. Massachusetts        | \$3,363               | \$10,425              | \$13,788 |

SOURCE: Henry J. Kaiser Family Foundation, [statehealthfacts.org](http://statehealthfacts.org); [www.statehealthfacts.org/comparetable.jsp?typ=4&ind=271&cat=5&sub=67&sortc=3&o=a](http://www.statehealthfacts.org/comparetable.jsp?typ=4&ind=271&cat=5&sub=67&sortc=3&o=a).

#### Upcoming Topic:

- > Healthcare Consumer Sentiment Index.

### FACT FILE PARTNER:



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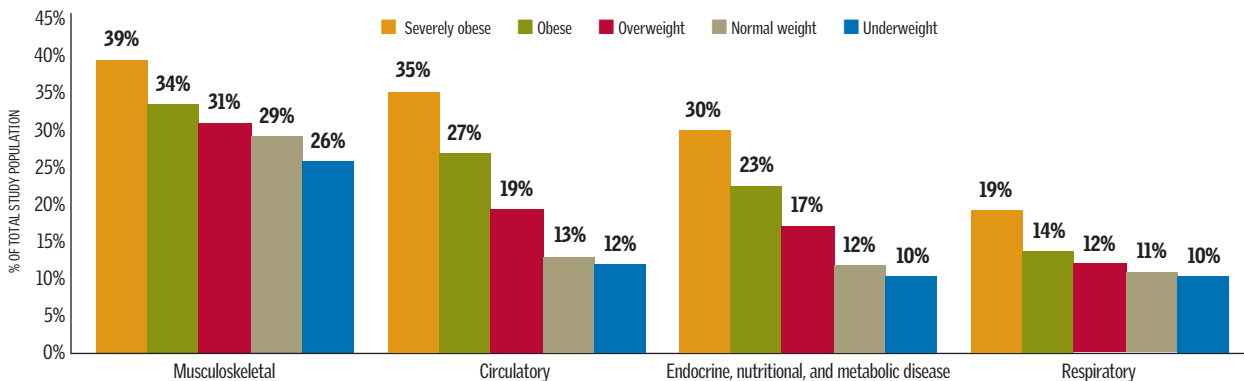
[thomsonreuters.com/healthcare](http://thomsonreuters.com/healthcare)





## BMI AND PREVALENCE OF HEALTH CONDITIONS

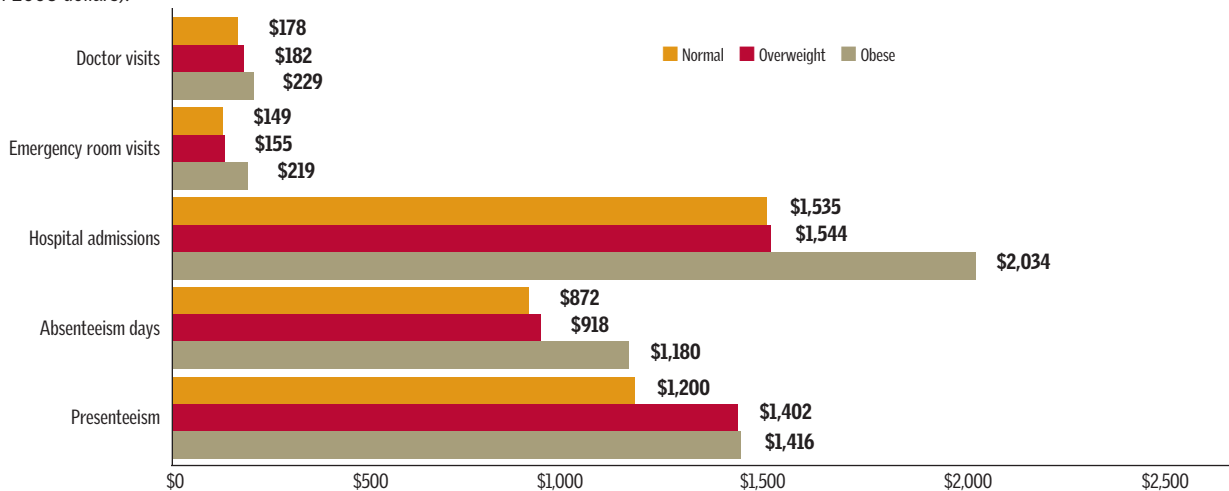
One analysis found that heavier employees experienced a greater variety of health issues. This analysis also found that BMI tends to increase with age, and while more men reported to be overweight or obese, more women were severely obese.



SOURCE: "Economic Costs of Obesity to Self-Insured Employers," *Journal of Occupational and Environmental Medicine*, September 2008; [http://journals.lww.com/foem/Abstract/2008/09000/Economic\\_Costs\\_of\\_Obesity\\_to\\_Self\\_Insured.2.aspx](http://journals.lww.com/foem/Abstract/2008/09000/Economic_Costs_of_Obesity_to_Self_Insured.2.aspx).

## ESTIMATED ANNUAL COSTS BY BMI CATEGORY

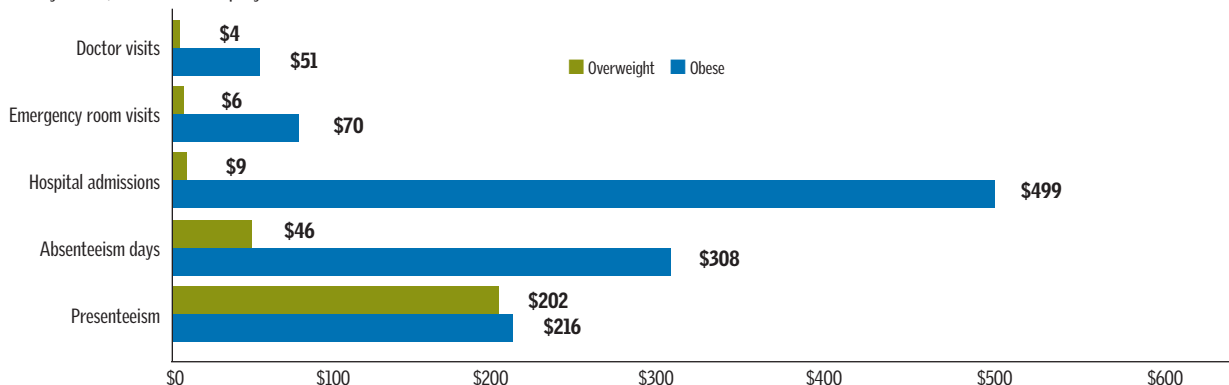
Obese employees experience greater rates of doctor visits, ER visits, hospitalizations, absenteeism, and presenteeism than normal-weight employees. This analysis also took into account the relative financial impact of excess weight on these measures. Notably, productivity measures such as absenteeism and presenteeism cost employers roughly the same as doctor visits, ER visits, and hospitalizations (\$2,596 vs. \$2,482 per employee per year in 2006 dollars).



SOURCE: "A Multi-Worksite Analysis of the Relationships Among Body Mass Index, Medical Utilization, and Worker Productivity," *Journal of Occupational and Environmental Medicine*, January 2010; [http://journals.lww.com/foem/Abstract/2010/01001/A\\_Multi\\_Worksite\\_Analysis\\_of\\_the\\_Relationships.9.aspx](http://journals.lww.com/foem/Abstract/2010/01001/A_Multi_Worksite_Analysis_of_the_Relationships.9.aspx).

## ESTIMATED EXCESS MEDICAL AND PRODUCTIVITY COSTS

Productivity losses were almost five times greater (\$524) than doctor and ER visits (\$121) for obese employees, demonstrating the importance of including productivity measures in estimates of the total financial burden of obesity to employers. While excess per employee per year costs may seem modest (approximately \$644 per obese employee), just within the sample for this study these costs totaled nearly \$2.47 million (\$644 multiplied by the 3,834 obese employees).



SOURCE: "A Multi-Worksite Analysis of the Relationships Among Body Mass Index, Medical Utilization, and Worker Productivity," *Journal of Occupational and Environmental Medicine*, January 2010; [http://journals.lww.com/foem/Abstract/2010/01001/A\\_Multi\\_Worksite\\_Analysis\\_of\\_the\\_Relationships.9.aspx](http://journals.lww.com/foem/Abstract/2010/01001/A_Multi_Worksite_Analysis_of_the_Relationships.9.aspx).

