

A WELLNESS PROGRAM

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Although our individual business owners usually come to us for our expertise in insuring their operations, others expect us to provide a full line of insurance products. Some expect us to insure their hangars, some their automobiles. The commercial operations, FBOs, maintenance facilities, accessory operations, etc., expect us to meet all their insurance needs. So, as you read this article, accept the fact that I am an aviation specialist who has done his research by interviewing the CS&A Employee Benefits staff. I am so taken with the concept of risk avoidance that their comments just make sense.

Employee Benefits:

Most businesses provide employee benefit packages for their employees. Some are very comprehensive programs and others are designed for basic coverage with few frills. Obviously, cost is the major consideration for most employers whether the premiums are paid by the employer or the employee. Unfortunately, the typical employer will shop for the cheapest plan without any consideration for or thought about what really drives the premium quotations.

One area that should be addressed and could be said to be the real culprit is the loss ratio of the group. Does the insurance company make money insuring the group or does it lose money? This aspect is usually overlooked by the employer and could lead to a critical question. What action could I take to reduce my insurance cost? What makes up the cost of health insurance?

As a business owner, I have been guilty of shopping for the cheapest price without giving a thought to the real cause and makeup of the true cost of health care. Did you know that approximately 80 percent of all health insurance premium dollars are the direct result of claims? This leaves only 20 percent for the cost of administration and profit. Sure the higher medical costs grow the more pressure will be applied on the claims dollar. The government can blame this on the doctors, the hospitals, the drug companies, the employers or anything else it wants to blame, but the true cause is the poor health of the American public. Poor health can be controlled if we could just impress upon our fellow citizens that a healthy lifestyle is the key to good health and will result in decreased dependency upon the health care system whether paid for by the employer or the insurance company or provided by the government.

Well, you and I cannot change an entire nation, but we can have a great effect on our companies and our employees and their families. Can you imagine if you could eliminate obesity within your company? What if all your employees and their families stopped smoking? I know smoking is on the decline, but we still have a long way to go. As the smoking habit declines, lung-related problems are greatly reduced. Exercise and a healthier lifestyle coupled with improved eating habits can go a long way toward reducing our dependency on the medical profession. Combine the healthier lifestyle with

medical screening programs and a focus on early detection, and every employer will be well on their way toward significant premium savings and a true minimizing of cost.

Hey, I am all for a wellness program but how do you get your employees to participate and not cheat?

Have you ever thought about sharing in the cost of the program based upon wellness participation? An employee's bank account speaks much louder than the insistence of the employer. Let their bank account talk. This could be handled through a deductible program or a premium sharing program. Those that participate pay less and those that don't pay more. In fairness, time to comply must be allowed. Who knows, it may just be fun for all involved.

Some employers offer a goal and bonus program that includes employee lunches. Expensive? Yes. The benefit is that all employees would profit two ways. They would have a free and nutritionally well-balanced lunch, and they would be taking one more step toward their wellness goals. What an incentive.

Time line? Nothing happens overnight. It may take a significant period of time for the health claims to show a meaningful improvement. As the average employee's health improves, the incidence of illnesses will decline resulting in fewer trips to the doctor and fewer insurance claims. Fewer claims translate to an improved loss ratio and lower health insurance premiums. I can promise you one thing. If implemented and continued, a good wellness program will more than pay for itself in premium savings, employee satisfaction, and good employee attendance.

Don't know where to start? The Benefits staff at CS&A has researched a number of resources that offer help to companies that are installing wellness programs. It depends upon what you want in a program as to what you will have to pay a company to come in and develop a program for you. In our county, we have a service that will install a wellness program for a small per employee monthly fee. Some states underwrite the cost of such a program. We know several HR firms that will be much more expensive but will probably deliver much more predictable results. Wellness advocates claim that every dollar invested in an employee wellness program will yield a return of three dollars in reduced insurance premium, medical expense, and absenteeism.

The wellness industry has become so sophisticated that it can be accompanied with a new service called predictive modeling. Predictive modeling allows more insight into the expected results from a strong wellness plan.

Today's wellness programs are far more advanced than those of the early pioneers of wellness. The less specific programs had a high failure rate, not because the philosophy was bad but because the implementation was non-specific. The HR experts can almost guarantee success and, as a result, eventual dollar savings in reduced absenteeism and reduced health insurance cost.

In today's political climate, with the threat of socialized health care, this entire conversation may be a waste of time. Who knows what twists and turns our leaders may inflict upon the American people. I expect, no matter what the government does, the employer will be on the line for some of the cost and a strong wellness program will continue to minimize his overall expense.

A healthier employee base will allow savings in reduced medical insurance cost and fewer days of absenteeism. I am betting that the ends will justify the means.