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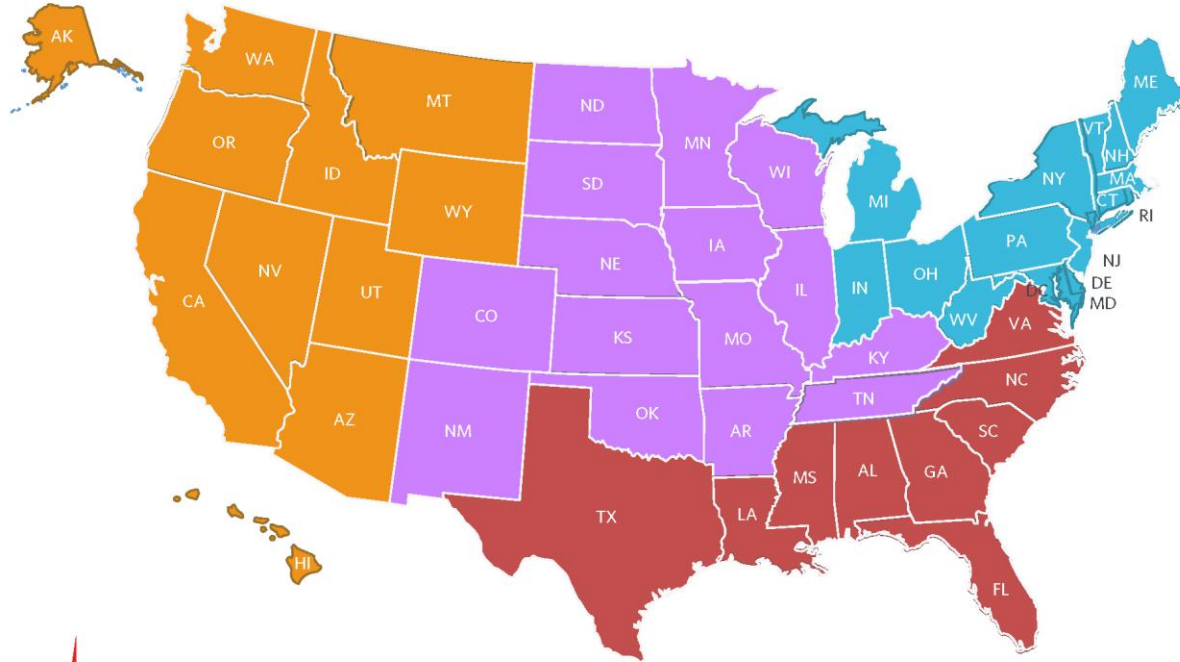
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IMPACT OF EMPLOYEE HEALTH ON BUSINESS SUCCESS

ANALYSIS & RECOMMENDATIONS

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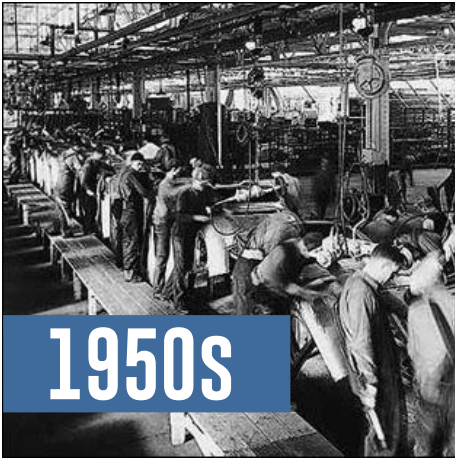


“For a company to perform well as an organization, it needs healthy people, and the fewer healthy people you have, the worse your business outcome.”¹

Nicolaas P. Pronk, PhD

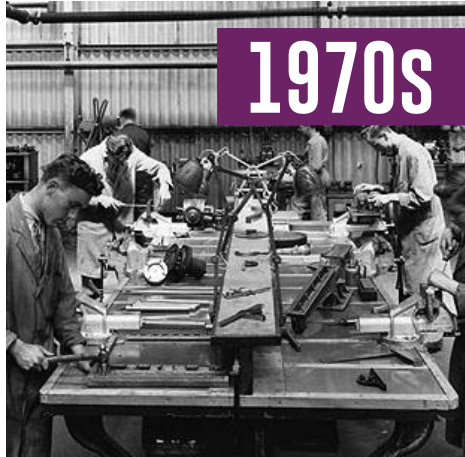
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EMPLOYER INVOLVEMENT IN EMPLOYEE HEALTH



1950s

EMPLOYER INVOLVEMENT IN EMPLOYEE HEALTH

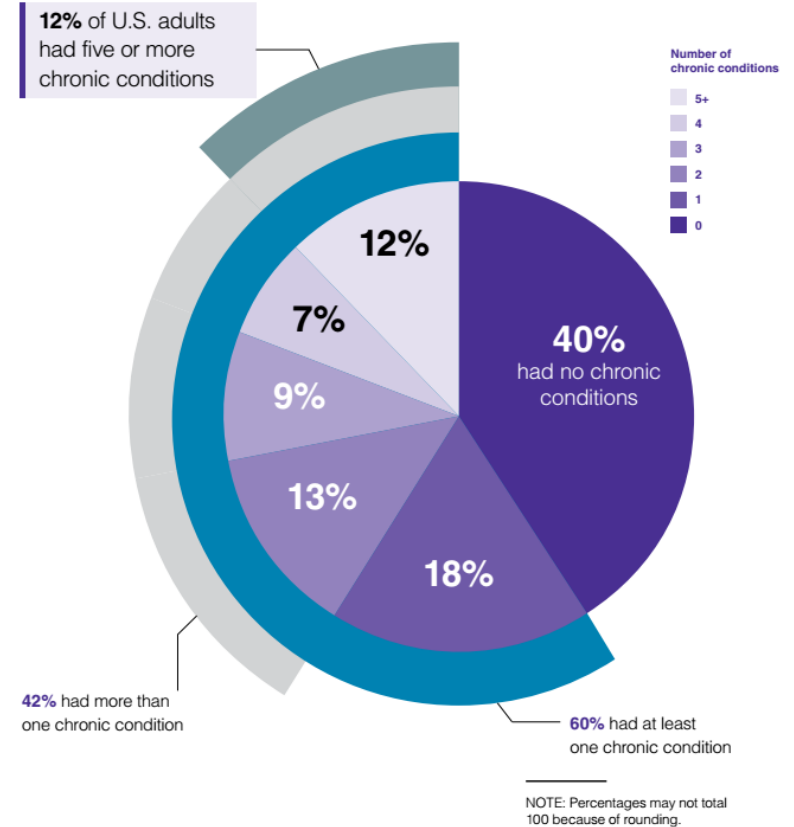


HOW HEALTHY IS AMERICA'S WORKFORCE?

- Healthcare \$3.8T (17.9% GDP)¹
- Most employer health costs support chronic health conditions.²
- Most prevalent jobsite illnesses:¹
 - Hypertension
 - Cardiovascular disease
 - Diabetes
 - Chronic pain

PREVALENCE OF CHRONIC HEALTH CONDITIONS

Chart adapted from RAND Corporation. "Multiple chronic conditions in the United States." 2017.



NUMBER OF CHRONIC HEALTH CONDITIONS RISES WITH EMPLOYEE AGE

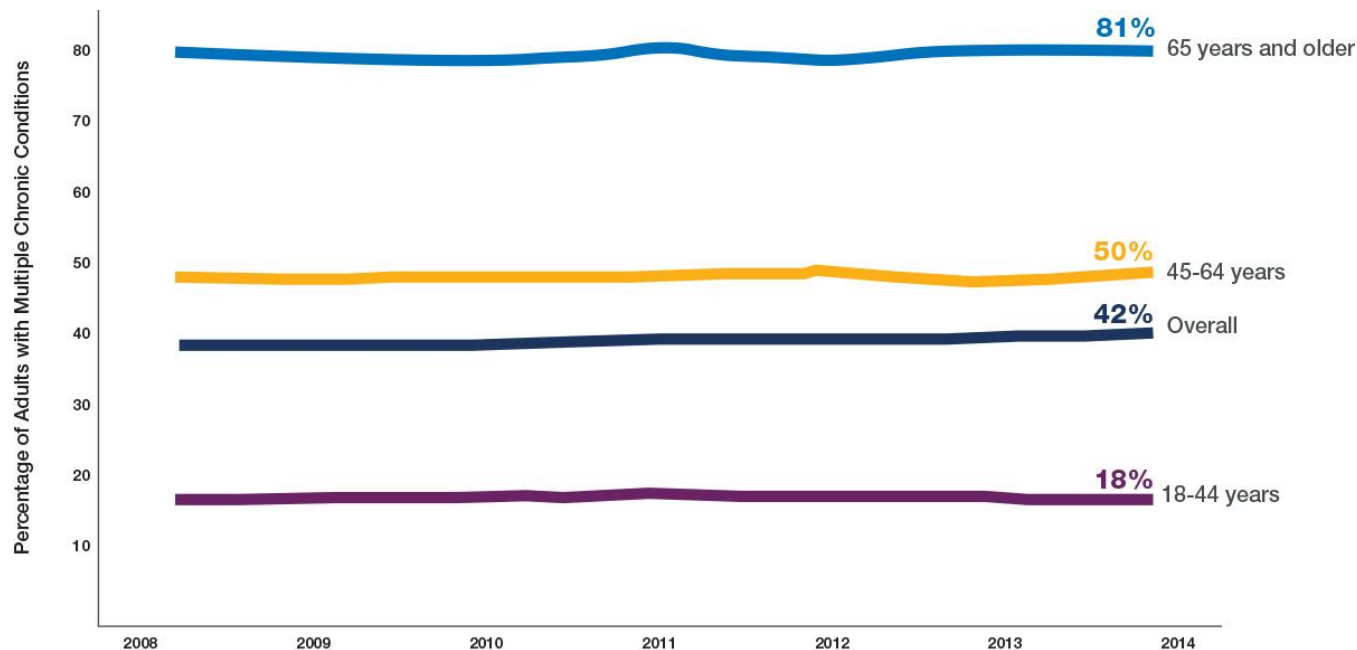


Chart adapted from RAND Corporation. "Multiple chronic conditions in the United States." 2017

UNDERSTANDING RISK FACTORS

- Chronic disease mechanisms start early
- Signs and symptoms delayed until adulthood
- One-in-three workers has an undiagnosed condition
- Risk factor determination
 - Modifiable (environment, behavior)
 - Nonmodifiable (DNA, hereditary mutations)
- Impact of risk factors variable



WORKER SAFETY MODEL

WORKER DEATHS

-63%

WORKER INJURIES

-74%

Percentages are as of 2020.

RISK FACTORS

RISK FACTORS

- Physical inactivity
- Obesity

BIG TICKET ITEMS

\$ 66B

\$214B

\$190B

\$ 87B

THE ECONOMICS OF A HEALTHY WORKPLACE



EMPLOYER DRIVERS

- Altruism
- Social responsibility
- Recruitment and retention
- Enhance reputation
- Control healthcare costs





PRIMARY COSTS OF AN UNHEALTHY WORKFORCE

- Absenteeism
- Employee turnover
- Lost productivity
- ADA accommodations
- Premature death
- Recruiting and training replacements

REWARDS OF A HEALTHY WORKFORCE



BALANCE SHEET

- Lifestyle management
- Profitable results take time
- Financial gains difficult to measure
- Patience is required
- More research needed

CALCULATING THE GENUINE ROI

- Wellness stimulates prosperity
- Healthy employees can have more money to spend on other things
- Benefits ripple through the economy
- Trust your common sense



THE BEAUTY OF BIG NUMBERS

\$10 Billion

START BY TAKING SMALL STEPS

- Make it a good fit
- Tailor to your needs
- Target 'big ticket' items
- Track current healthcare expenses
- Use disease management resources
- Lifestyle management initiatives

EMPLOYEE VS. EMPLOYEE?

Disease
Management

Lifestyle
Management



EMPLOYEE ENGAGEMENT



ESTABLISHING BUY-IN

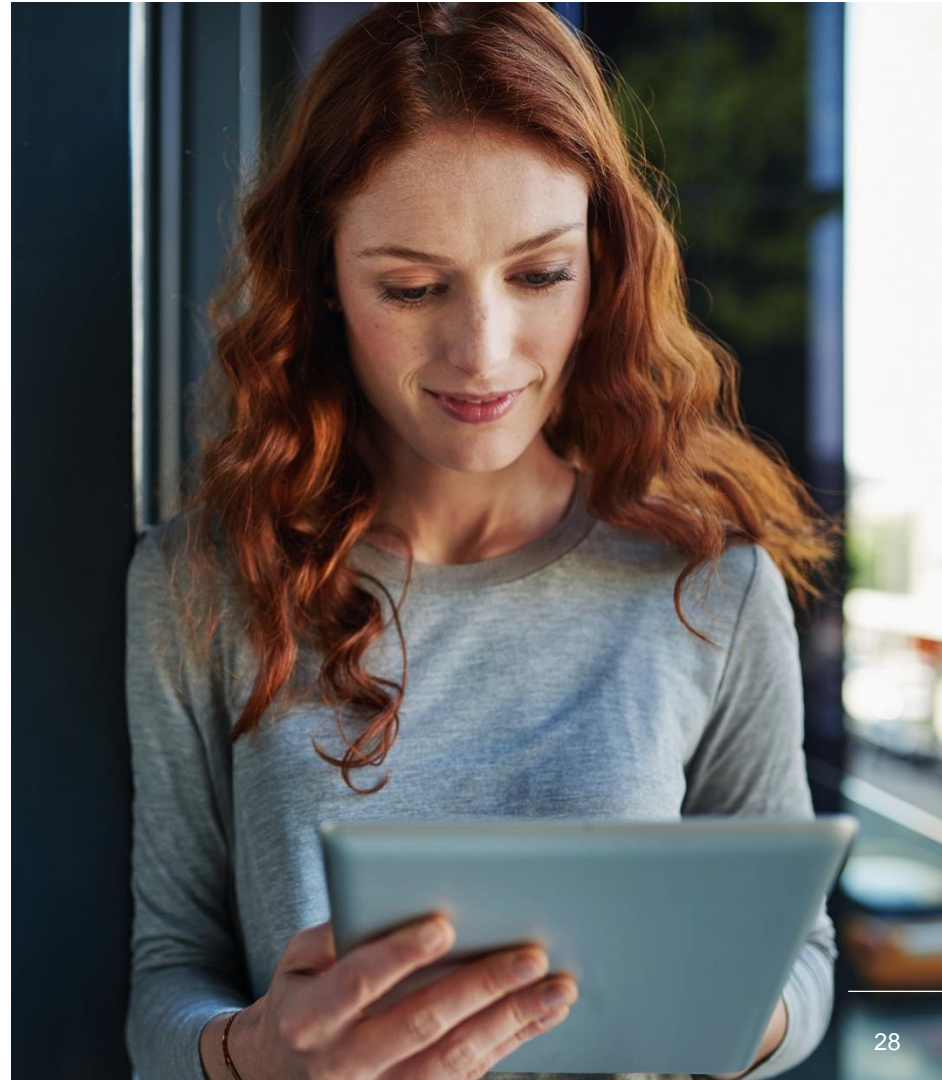
- Invest resources
- Committed leadership
- Acknowledge skepticism
- Focus on better living
- Communications
- Managerial support



INCENTIVES & INVESTMENT

- Employer goals
 - Individual participation
 - Desired health status
 - Achieved improvements
- Positive gains boost overall success
- Incentive costs rising
- Influential leaders can trim these costs

REVIEW OF SCIENTIFIC EVIDENCE



ADVOCATES AND CRITICS DISAGREE

- Results hard to measure
- Different datasets
- Lifestyle vs. disease management
- Initiative quality?
- Research bias
- Flaws in study methodology



WHAT WE KNOW

- Better workplace wellness programs work
- Risk factors favorably impacted
- Favorable changes, even small ones, can make a big difference
- Employees at highest risk benefit most
- Set clear, reasonable goals
- Comprehensive programs fare best

SUCCESS STORY

- 2009: 28.2% cost reductions¹
- J&J *Live for Life* program
- Reduced growth in healthcare expenditures²
 - \$1.88 - \$3.92 ROI
 - Transparent bookkeeping
- Similar models elsewhere posted comparable results

¹ Health Affairs. "Recent experience in health promotion at Johnson & Johnson: lower health spending, strong return on investment." 2011

² JOEM. "Do workplace health promotion (wellness) programs work?" 2014



DISPUTED DATA: WHO PAYS?



EMPLOYER PERSPECTIVE

- Healthier employees
- Positive attitudes
- Fewer medications
- Fewer sick days
- Shorter hospitalizations



SOLID FOUNDATION

- Best practices
- Committed leadership
- Education
- Communications
- Identify health risks
- Incentives
- Expert consultation





SIZE MATTERS

- Go organic
- Management participation
- Go live or go home
- Face-to face interactions
- Consistent, caring policies

VALUABLE RESOURCE



transamericacenterforhealthstudies.org



LESSONS LEARNED

- Health assessments
- Health screenings
- Increased physical activity
- Elevated nutrition
- Smoking cessation

ALMOST THERE!

- Good health is good business
- Health costs will continue to rise
- Reduce health expenditures by improving workforce wellness
- Target modifiable risk factors
- Solid supportive research



SUMMARY & CONCLUSIONS

- Enormous challenges
- Take the first step
- Combine lifestyle and disease management initiatives
- Adopt best practices
- Leverage the power of big numbers
- Small improvements, applied globally, can generate financial and societal rewards

THANK YOU!

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