

BULLETIN

Healthy Employees Foster Healthy Profits



By Dan Sulzner
Loss Prevention Consultant

INTRODUCTION

In searching for ways to control seemingly uncontrollable healthcare costs, corporate America is

discovering the true value of a healthy workforce. Today, more than ever, businesses and organizations are seeking to protect and maintain the health, safety, and productivity of each and every worker. These forward thinking strategies

are paying big dividends in terms of reduced healthcare costs, higher levels of productivity, and increased profits.

In this issue of the Bulletin, Midwest Employers Casualty Company identifies some factors contributing to this health, safety, and productivity

movement and discusses some of the strategies being used to enhance profitability.

FACTORS FUELING THE HEALTH, SAFETY, AND PRODUCTIVITY MOVEMENT

The health, safety, and productivity movement has become a topic for boardroom agendas across the country. Among the environmental factors driving this interest and discussion are:

Statistics indicate that healthcare spending approached \$1.8 trillion in 2004 and accounted for approximately 15.5% of the country's gross domestic product.

Rising healthcare costs. Rising healthcare costs pose a challenge to virtually all businesses. Recent government statistics indicate that



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Loss Prevention
Consultant

healthcare spending approached \$1.8 trillion in 2004 and accounted for approximately 15.5% of the country's gross domestic product. With no end in sight, some analysts predict that one out of four dollars spent on personal consumption will be directed toward healthcare at some point in the future.

"Rich" employee benefits. High medical costs translate into high employee benefit costs. Businesses have come to rely upon "rich" employee benefit plans to attract and retain skilled labor and talent in the workplace. However, many employees do not understand how to manage the total cash outlay associated with some of the more generous plans and they can over-utilize medical services. This drives up costs even further.

Sustaining maximum productivity. Healthy workers are productive workers, and productive workers produce profit. However, productivity plummets when employee positions go unfilled due to sickness or injury. Even if an impacted employee is at work, but is distracted by an injury or illness, productivity declines at the workplace.

ESTABLISHING THE LINK BETWEEN HEALTH, SAFETY, AND PRODUCTIVITY

Searching for a solution to rising healthcare costs led to the realization that an employee not being on the job was a much bigger problem than simply paying doctor bills and hospital costs (direct costs). Injuries and illnesses, whether arising at work or at home, not only

Many employees do not realize or care to manage the total cash outlay associated with some of the more generous plans and they tend to over-utilize medical services.

drive healthcare costs but also result in absences from the workplace and reduced levels of productivity. The indirect costs are much more significant than the direct costs. In searching for ways to control rising medical costs, businesses began to realize the more sizeable threat employee absence had on performance. Clearly, there is a linkage among health, safety, and productivity and an incentive to improve all three.

Whether managing health, safety and productivity in a compartmental fashion or through an integrated program structure, the key is developing a plan that

will address the needs of your specific working population. The range of alternative plans is expansive and the variations are virtually endless. **What at one time was viewed as an expense is now viewed as an investment in human capital.**

TYPES OF PROGRAMS AIMED AT IMPROVING HEALTH, SAFETY, AND PRODUCTIVITY

Health and Wellness Programs. Many are recognizing the worksite as a place conducive to good health. Health and wellness programs are designed to encourage workers to change their behaviors to reduce the risk of injury and illness. Some of the key components to wellness programs today include stress management, screening programs, exercise and physical fitness programs, health insurance education, disease management seminars, nutrition seminars and smoking cessation seminars. Other common features include preventive care incentives, health risk appraisals, ergonomics training, lifestyle stress reduction and pre-employment screenings.

Some companies hold annual health



fairs at which individuals can undergo personal health evaluations and obtain educational pamphlets and brochures. Internet access to educational materials has also become popular. Some companies hold formalized weight management and counseling programs on premise. Others subsidize gym memberships or have built dedicated gyms and weight rooms to address the needs of a concentrated group of employees. The addition of walking trails and outdoor activities has also become popular for corporate campuses with space. Slowing down building elevators is another way companies have encouraged their employees to get active and take the stairs. Piping in music makes the stairwells even more appealing.

Many business leaders have long recognized that an investment in employee health was an investment in human capital. Positive changes in lifestyle can improve health and delay the onset of disability. Employees who enjoy good physical and psychological health are likely to be on the job and more productive during their time there. The question for businesses is not whether to invest in wellness and prevention programs but how to invest.

Safety and Loss Control. Safety and loss control programs will vary depending upon a company's operational exposures, workforce characteristics, and historical accident patterns. However, most successful programs share some common characteristics including a strong management commitment to safety and loss control principles, a comprehensive education and

training program, and genuine receptiveness to employee input and suggestions.

Basic fitness, strength and knowledge about health and fitness can be important safety assets. In many cases, they are the first line of defense against muscle strain and injury. Some employers have begun to include physical conditioning as part of their daily safety routine.



Safety and loss prevention compete with such corporate issues as productivity, sales, profits, globalization, rising healthcare costs, and many other issues that affect survival. Employees who work in a safe work environment feel valued and tend to be more effective and productive employees.


Integrated Programs.

Integrated health, safety, and productivity management programs are emerging as a business imperative aimed at improving the total value of human capital investments. They rely on joint management of human resource benefits and programs that employees may access when they are sick, injured or balancing work/life issues. They include health insurance, disability, workers' compensation, employee assistance programs, paid sick leave, and occupational safety programs. Also included are programs to improve morale, reduce turnover and increase productivity. Integrated programs are logical because they often have the same mission, same clientele, same challenges and goals, and similar training. In its simplest forms, employers integrate wellness and prevention to create a more effective safety, healthy and productivity approach. The aim is to provide employees with intervention

before health risks occur or a chronic condition becomes serious.

SUMMARY AND CONCLUSION

At Midwest Employers, we believe the world is changing rapidly and our clients are changing with it. Midwest Employers has

invested in services designed to keep your employees healthy, safe, and productive and will work with you to achieve that next level of improvement and savings. For more information, contact Steve Link at slink@mwecc.com or 1-877-632-2474 or visit our website at mwecc.org. 

MECC Web Seminar Schedule – Call 1.877.632.2474 for Information

- Workplace Violence 6.21.07 Dan Sulzner
- Medicare Set-Asides 6.26.07 James Pocius, Esq.
Marshall, Dennehey, Warner, Coleman & Goggin, Scranton, PA
- Effective Modified Duty Programs 7.12.07 Jan Wesselmann, RNBS, PNP
Workers' Compensation Manager, Shawnee Missions Medical Ctr., KS
- Achieving Maximum ROI from 7.19.07 Michael Melnik, MS, OTR, President, Prevention Plus, Inc.
Your Safety Training
- Back Safety 7.25.07 Dan Sulzner
- Addressing Workplace Stress 8.7.07 Mark Raderstorf, MA, CRC, CCM, Licensed Psychologist
& Mental Health President, Behavioral Medical Interventions
- Workplace Drug Testing 8.21.07 Mary Pick
- Preparing for an OSHA Inspection 8.30.07 Dan Sulzner



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14755 North Outer Forty Drive, Suite 300
Chesterfield, Missouri 63017
<http://www.mwecc.com>
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