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## Friday FACTS

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### Most Employers Favor Health Promotion Programs to Contain Health Care Costs

Survey Finds Education, Incentives, and Interventions Lower Costs and Improve Productivity

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Most large U.S. employers are offering health promotion and disease management programs to enhance or maintain the health of their workforce and address skyrocketing health care costs. A new survey of 960 large employers by global HR outsourcing and consulting firm Hewitt Associates, found that 95 percent of surveyed organizations offer some form of health promotion program, an increase of 7 percent since 1995.

"More employers than ever before favor health promotion and condition management programs because they have the potential to provide cost savings, reduce absenteeism and improve the welfare of employees, dependents and retirees," said Camille Haltom, a health care consultant with Hewitt Associates. "Companies are increasingly interested in implementing comprehensive health management strategies that provide some level of assistance or education for all individuals in their population, regardless of current health status."

#### According to survey results, trends in health promotion initiatives include:

- \* Seventy-five percent of employers currently provide or plan to provide disease management/condition management programs to employees in 2003. Conditions covered by these programs most typically include asthma, cancer, diabetes and heart disease. "Employers that have some history with condition management are beginning to measure the financial and clinical impact of disease management programs and early signs are encouraging because these programs have the potential to influence behavior," said Haltom.
- \* Employers' use of financial incentives/disincentives over the past nine years has increased dramatically from 14 percent in 1993 to 40 percent in 2002. The purpose of the incentives or disincentives is to encourage modification of behavior. Incentives can take the form of reimbursement for weight control programs or monetary rewards for participating in a health risk appraisal or a fitness program.
- \* Nearly a third of employers (29 percent) are offering health risk appraisals, during which employees are asked to complete health history questionnaires. The questionnaires are used to detect preventable health conditions. Health risk appraisals are increasingly being used as a referral mechanism for condition management or other health promotion initiatives. "This percent is also on the rise due to the ease with which online appraisals can be administered," explained Haltom.
- \* A majority of employers (71 percent) offer education and training programs to encourage employees to assume greater responsibility for their health choices and to promote a healthy lifestyle. "We have seen a shift in how education initiatives are delivered. Fewer employers are offering classroom settings in favor of providing online information via Internet or intranet applications," Haltom explained.
- \* Seventy-six percent of employers offer health screenings, an 8 percent increase over 1996. Health risk screenings for employees are physical or biomedical tests that screen for specific health conditions, performed when symptoms aren't present, to detect disease or health risks that might lead to disease. Tests can be conducted on-site (15 percent), through the medical plan (25 percent) or by both methods (60 percent). In particular, employers are encouraging employees and dependents to participate in age-appropriate cancer and general health screenings for early detection and treatment that can potentially lead to better outcomes.
- \* Special programs such as flu vaccinations, prenatal care, well baby/child care or a nurse hotline are offered by 80 percent of surveyed employers, up from 68 percent in 1996.
- \* The vast majority of companies (83 percent) in the survey offer additional initiatives, that are designed to heighten employee awareness of healthy behaviors or to provide an opportunity or incentive for employees to become involved in a health activity. Some of the initiatives include offering a smoke-free workplace (57 percent), health fairs (42 percent), onsite employer-owned fitness facilities (36 percent) and employer-sponsored sports teams/tournaments (29 percent).

A copy of Hewitt's survey, "Health Promotion/Managed Health Provided by Major U.S. Employers in 2002-2003," is available for \$125 from the Information Desk at Hewitt Associates, 100 Half Day Road, Lincolnshire, IL 60069, (847) 295-5000, [infodesk@hewitt.com](mailto:infodesk@hewitt.com); <http://www.hewitt.com>.

"Aim above morality. Be not simply good; be good for something." - Henry David Thoreau, author