

# The Dallas Morning News

## Dallas-area companies turn to employee wellness programs to help curb health costs

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As the nation grapples with taming health care costs, local employers are finding wellness programs to be their own makeshift health reform solution.

For an average family of four in Dallas, medical care and health insurance this year will cost nearly \$17,000. Of that, 59 percent – or \$10,000 – will be paid by the employer, Dallas-based risk management firm MHBT found in a survey of 139 local businesses.

Local experts say that rather than wait on federal action to curb health care costs, companies should take proactive measures for immediate savings.

"When you talk about health care and health care reform, it must include a focus on self-care," said Michael Nadeau, president and CEO of Viverae, a Dallas-based provider of wellness programs.

Poor health choices account for 75 percent of the \$2.5 trillion – or \$8,160 per U.S. resident – spent on health care, Nadeau said.

Employers need to provide an environment that promotes healthy living, Nadeau said.

Take Hill & Wilkinson General Contractors, for example. The Plano-based construction company with annual revenue of \$235 million saw medical claims for its 211 employees, 71 spouses and 108 dependents jump 14 percent from \$932,770 in 2006 to \$1.07 million in 2007. Claims jumped 17 percent, to \$1.2 million, in 2008.

Past attempts at promoting healthy living failed because at any given time, 150 of Hill & Wilkinson's construction employees were working at remote locations. They also faced communication gaps with

Spanish-speaking construction workers.

Viverae's bilingual staff provided on-site health screenings and gave cash incentives of up to \$660 for an employee and spouse to participate in the program, which included things like periodic screenings, preventive exams, quarterly physicals and weekly boot camps.

As a result, Hill & Wilkinson improved its health. For instance, a 10-week on-site tobacco cessation course, followed up with monthly meetings, led to a 7 percent drop in the number of members at high risk for tobacco use.

From February 2008 to January 2009, the average claim amount for employees in the wellness program was \$3,720, compared with \$4,443 for other employees.

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Nadeau said that although most companies fear rising health care costs, they have not made a commitment to a year-round, concerted effort.

"One problem has been employers bringing in these programs ad hoc: 'It's January, so let's lose some weight,' " Nadeau said.

Controlling health care costs first should start with addressing the sickest employees, said Rich Williams, president of Advance Plan for Health, an Irving-based health benefits company. He said 5 to 10 percent of employees are driving 70 to 80 percent of a company's health care costs.

"What's happened is the old adage: 'You don't know what you don't know,' " Williams said. "You throw money at issues that are not the root of the problem."

The Catholic Employee Benefit Group had such an issue. The Irving-based benefit supplier to the Texas dioceses' 1,100 employees and family members experienced annual medical cost increases of 20 to 30 percent.

The group's population is older and more male-dominated than a typical company's employee population; many priests, for example, work until age 75.

After Advance Plan for Health conducted a health assessment, it discovered that poor diabetes management among 10 percent of the Catholic group's population was driving 80 percent of its health care costs.

Clergy Wellness Days with free health risk assessments were set up in each diocese. One diocese offered an incentive for employees who got an annual physical.

This year, their medical costs are expected to increase just 3 percent, an estimated \$600,000 in savings from what costs would have been with a 20 percent cost increase.

"Each diocese was spending up to 30 percent of their day just dealing with insurance issues and claims," said Jim Smith, president of the Catholic Employee Benefit Group. "Now it only takes about 5 percent of our day. The plan has been a success. We're promoting it to other dioceses."

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