

Reducing Healthcare Costs *for Employers*

Employee Benefits Series

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Employers Prepare for Reform Grants to Fund Wellness Programs

The new health care reform law incentivizes wellness and prevention, but so far only provides that help to small employers.

The Patient Protection and Affordable Care Act (PPACA, Pub. L. 111-148 and 111-152), provides \$200 million in funding (in fiscal years 2011-2015) for wellness programs to employers with fewer than 100 employees and offers other incentives to employers that focus on workplace wellness.

To qualify, Section 10408 of the PPACA requires that a program must include: health awareness initiatives; efforts to maximize employee participation; initiatives to change unhealthy behaviors and lifestyle choices; and efforts to create a “supportive environment.” Applying will be arduous and will require soul-searching, says Connie Gee, an employer wellness adviser and vice president of MedVision in Tampa, Fla.

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Although the grant forms and application instructions are not yet available, employers should expect these to be similar to standard government grant forms. They'll require a written business plan in which the company's wellness program is organized and described with steps that will be taken to get it started, Gee says.

Applications will be taken beginning this summer, and the funding will be available from 2011 to 2015, provided there is enough money and the program isn't flooded with applications like last summer's car rebate program. The U.S. Department of Health and Human Services (HHS) will decide who meets criteria and who will receive the grant money.

Note: Look to future issues of this newsletter for ongoing coverage of the cost impacts of health reform.

Wellness Grant Elements

The first step in either writing a wellness grant and/or planning for a new wellness program is to handle the wellness plan as a business strategy. It should address organizational needs, objectives, how wellness can increase the company's effectiveness, as well as how it will lower costs. For example, if low morale and productivity or reduced workforces are concerns, then companies should argue that wellness is an answer to those issues. If lowering costs is an objective, the employer should assess and report data showing how costs have risen and how wellness might bend that curve.

Second, assess employees' health risk, workers' compensation issues and chronic diseases to determine where the chief focus should be in a wellness strategy.

Third, employers will need to show that they've adopted wellness as part of their organizational culture and that they have talked with employees and are addressing their specific needs. The communication plan should address how the company typically shares information with employees, whether this is through electronic means, staff meetings, newsletters or town hall-type meetings.

"Get as many employees involved as you can in providing input and decision-making

for this business culture change," Gee suggests. "That alone will help improve the engagement of wellness programs because employees have helped develop it."

The written plan should include:

- the company's background, wellness program vision and mission statement;
- specific goals and objectives, including data collected about existing health issues;
- a communication plan, timelines and methodologies;
- who and how the program will be managed; and
- how the program will meet federal grant criteria, if the company is applying for a wellness grant.

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Wellness Program Expert Suggests Cost-savings Strategies

Employers who plan to start a wellness program for potential cost savings might focus on best practices demonstrated to succeed in improving employee health and cutting health care costs.

- Reduce worker's compensation claims by providing back conditioning or back strengthening programs, suggests Connie Gee, M.B.A., vice president of MedVision of Tampa, Fla.
- Provide free screenings for blood pressure, glucose, and cholesterol. Catching cardiovascular diseases and diabetes early is a key to saving health care costs, she says.
- Address psychosocial issues like stress, depression, and anxiety. "Especially in the current job environment, there's an incredible rise in depression and anxiety," Gee notes.
- Offer employees a body composition analysis, nutritional education/counseling, and weight loss options.
- Form walking programs, promote stair climbing, and start onsite fitness classes with the goal of getting employees moving.
- Identify people at risk for chronic illness and follow their medication and treatment adherence to prevent them from becoming high risk cases.
- Promote and educate employees about mammography, ob/gyn check-ups, and prostate tests. These screening measures can identify problems early when they can be treated at an affordable cost. By waiting, the costs can escalate by 10 times as much.
- Initiate smoke cessation and counseling. Chronic obstructive pulmonary disease (COPD), which is an end result of lifetime smoking, can also be expensive to treat.

"You want wellness programming that will keep your low-risk people at low risk and their health claims at low cost," she adds. 🏠

Reform Grants (continued from p. 4)

Employers could hire a grants writer or assign someone in the company to make the application. There is guidance available, including software with standard government proposal tools through <http://www.proposalkit.com>, by Cyber Sea Inc. of Redmond, Wash., Gee says.

The business plan needs to include descriptions of various components of the wellness program, including health awareness initiatives, employee education, preventive screenings, and health risk assessments. Another component is describing how to engage employees, and get them to participate in the program. A process for achieving employee buy-in should be described. Equally important is a description of an employee

behavior change strategy. It's important to include evidence of methods that have worked for other businesses. Another component is to describe how the workplace supports wellness efforts. For instance, if a company puts in place an antismoking policy, will it be willing to back that up with free smoking cessation classes for employees?

The last part of the action plan is an outline of how the employer will measure claims data, employee surveys, audits and focus group feedback to assess health improvements. Grant applications will require this step, as well. "Look at data to determine if you've seen any reduction in risk factors," Gee says. "Measuring it lets you see the results of your wellness program and tells you what needs to be adjusted if necessary. 🏠"