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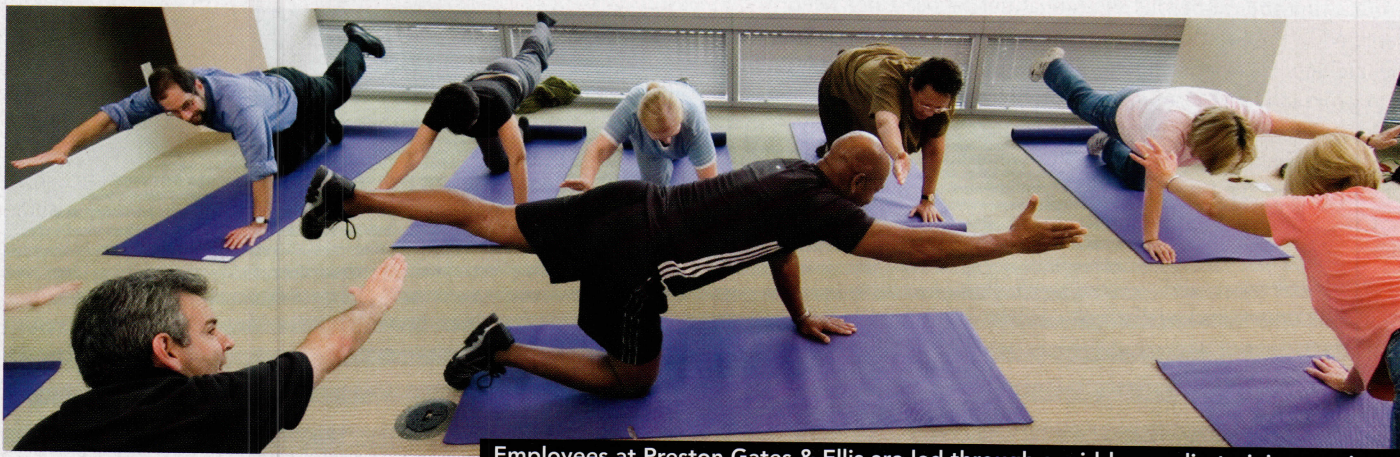


TOP 20
VENTURE CAPITAL
COMPANIES

By Cynthia Scanlon

Stepping Up Wellness

Area employers partner with unions to get employees healthy



Employees at Preston Gates & Ellis are led through a midday cardio training session.

NUMBERS CAN sometimes speak louder than words, and when it comes to health care costs borne by employers, they can be frightening.

King County, with 13,000 employees, got its own fright when it looked at its numbers. In 2005, the county's health care costs were \$107 million. By 2009, costs were projected to soar to \$176 million. Something had to be done to rein in those costs.

The county took the unprecedented step of opening its books to union members and calling for their support. In concert with the unions, the county pieced together a new health program that it hopes will save \$40 million over the next three years through telephone outreach, health risk assessments and behavior changes, leading to reductions in co-payments and benefit access fees. The program also will provide ongoing support and education to members with such chronic conditions as diabetes.

King County is one of many organizations that have taken up "wellness" programs in an effort to cut health care costs. According to the Society for Human Resource Management, 62 percent of employers now offer a wellness program, and another six-percent plan to implement one. But, like King County, many organizations are getting the support of unions so they can become more aggressive in pushing employees to take responsibility for their health care.

The moves come amid soaring health care costs across the nation. The nation's total health care bill will come to \$2.16 trillion this year, up from \$1.4 trillion in 2001, according to The National Business Group on Health. Of the total, \$745 billion is derived from private insurance payments, which are mostly picked up by businesses. The average cost per working American comes to \$8,748, of which businesses are paying \$6,852.

"It's a train wreck," says Robert Carpenter, vice president of wellness at ComPsych Corp., a Chicago company that provides businesses with a variety of employee assistance programs, including work-life and wellness services. "So companies are asking, When do we reach a point where we are no longer profitable, based on the increase in health care costs?"

To stem the bleeding, many organizations today are going to unprecedented lengths to get employees to commit to their own health by offering in-depth wellness programs and other health initiatives. These programs began sprouting up in the early 1990s. They usually offered some form of health-related newsletter and perhaps a discounted gym membership or nutritional guidance class. Employees didn't always choose to participate. That's now changing. The programs of today are far more comprehensive. They include a host of medical screenings: blood pressure, cholesterol, cancer and mammogram, as well as a variety

of online health risk assessments, seminars and even on-site medical clinics. And employees are pressured to take part.

PARTNER WITH THE UNIONS

With wellness programs becoming more personalized, and potentially intrusive, labor unions are being brought into the equation. King County, for example, negotiated for a year with 95 bargaining units to make sure its employees bought into the program.

"Labor has been key to the success of Healthy Incentives," says Brooke Bascom, communications director for the Health Reform Initiative. "[King County Executive] Ron Sims went to the unions and said, 'Our situation is dire.' He laid out the financial situation, and the numbers made sense to labor. They realized changes had to be made."

King County was able to achieve this unparalleled partnership in large part through the Joint Labor Management Insurance Committee, which was designed to represent 25 labor unions in negotiating employee benefit packages. "We got a seat at the table and saw the data firsthand," says Dustin Frederick, business manager of the Public Safety Employees union. "We were shown the facts and asked, 'What do we do about it?' It created a trust factor and opened our eyes to health care costs."

The unions informed their members they would not have to endure more premium

cost-sharing if they would fully participate, take the health risk assessment and make behavioral changes. The membership agreed. King County expected 60 percent participation in Healthy Incentives. To date, 90 percent are participating, according to Bascom.

Swedish Medical Center has also partnered with its unions to help drive its wellness initiatives. "We have a joint labor-management benefits committee," says Michael Shea, director of compensation and benefits. "The union is partnering with us because they see we can't continue double-digit health care inflation costs. They have seen that we are earnest in wanting to do the right thing, and that's what has made them comfortable in partnering with us."

ASSESSING HEALTH RISKS

But the benefits of in-house wellness programs are not limited to unionized work forces. Businesses may find that taking steps to ensure their employees are healthy not only improves their individual health, it cuts down on claims and can lead to a drop in premiums.

That's what happened at the Seattle law firm Preston Gates & Ellis LLP. The premiums the firm pays to Blue Cross actually dropped from 2005 to 2006, when many other businesses were seeing theirs go up. In 2005, the firm launched its first wellness program, including exercise classes, lectures on diet, nutrition and healthy living and stress-reduction techniques. Debra Sobelson, the firm's benefits administrator, thinks there's a connection between that and lower premiums. "I would like to think so," she says. "We think the way to approach this is to keep people healthy so they don't get sick and need care."

"If we're going to deal with this in the long term, we're going to have to get serious about developing these programs," says Ken Thorpe, chairman of the Department of Health Policy and Management at Emory University's Rollins School of Public Health in Atlanta. "For these programs to be successful, they have to be engaging, and they've got to get people to sustain their participation."

At the heart of many beefed-up wellness programs is the health risk assessment (HRA), a sometimes highly detailed personal health questionnaire that employees, and sometimes spouses, voluntarily fill out. The questionnaires can sometimes ask deeply personal questions about someone's health habits and lifestyle choices. Some companies are so intent on having employees fill out an

HRA that they offer financial incentives, paying upwards of \$50 to \$100 for a completed questionnaire (it's \$50 at Preston, Gates & Ellis). Those who don't fill it out could be subject to higher premiums and co-pays. From the results, employees who are determined to fall into high-risk categories can be contacted by phone by someone from the employer health plan to discuss options.

Kevin Corrigan, director of human resources at Preston Gates & Ellis, has experienced disquieted employees confronting him after an unexpected phone call from the firm's contracted health partner, Summex Health Management. "They tell me in an alarmed tone that someone called to ask them about their personal health," Corrigan says. "And I reply, 'Yes, I'm glad to hear that. We pay them to do that.'"

Corrigan concedes that this "coaching" is voluntary, and if employees don't warm to the notion of a stranger calling them, they can ask to be dropped from the list. "But this is a campaign, and inherent in any campaign is tension," he says. "It's something we don't apologize for. We think that given our collective health care costs, we have more than a legitimate interest in implementing this approach."

Many of the firm's employees taking part in a noontime cardiovascular training session in an unused conference room are not so concerned about the intrusive questions, because they see the greater good from it.

"As long as it's confidential and it's not going to affect your health care coverage, I think it's a good thing," says Cheryl Watanabe, a legal secretary at the firm.

Wendy Leahy, a legal assistant, agrees that the program is important for the individuals as well as the firm as a whole. "It's not just about the money, it's about having a healthy work environment," she says between workouts with a personal trainer the company brought in. "I think it's important, especially in today's work environment with a corporate atmosphere, where if you don't like the policy, there's the door." It's also a way to give something back to the company, she adds.

Katy Bruya, senior vice president of human resources for Spokane-based Washington Trust Bank, feels the same. The bank started its wellness program in 2001 and officially partnered with Summex Health Management in 2004 to offer health risk assessments to its 740 employees. "It is our business," she says. "We pay a lot of money for benefits for our employees. We want them to be healthy, and

we want to control health care costs."

As employees are asked to reveal more of their personal health information to employers and outside consultants, the legal ramifications have become critical. The Health Insurance Portability and Accountability Act (HIPAA), for example, requires strict safeguards to protect private health information. Rebecca Williams, RN, JD, a partner with Seattle law firm Davis Wright Tremaine LLP, says such concerns can be best addressed by companies contracting a third party to collect and evaluate confidential health information. The third party would, in turn, be legally bound to abide by HIPAA regulations.

Trainer Kelvin Thomas assists legal assistant Wendy Leahy.



"Privacy was a big concern of our employees and our unions, which is why we decided to go with an outside vendor," says Bascom. "We have the claims information on individuals, but we will never see the behavior-related information that people have submitted online. Our vendor, Harris HealthTrends Inc., takes care of our HIPAA protections."

Wellness initiatives seem to be paying off for many companies. According to the *American Journal of Health Promotion*, of 32 studies they analyzed, 28 showed a positive return on investment for prevention, averaging \$3.48 in benefits for every dollar invested.

"We are encouraged by our health risk assessments this year," says Washington Trust Bank's Bruya. "Our wellness score went up nine points for our high-risk group."

Where employees once complained to King County about "Big Brother" interfering in a personal decision, now, says Bascom, "there has been a real change in behavior and people are engaged in improving their health." In the future, employees may find that health and wellness have become central to their employment, like it or not.

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