Introduction

Rising health care costs—the big elephant in the room. It's eating up our individual savings and our corporate profits, yet curbing its appetite can be extremely difficult. One can argue that the painful effects of these costs have hit harder inside the corporation than anywhere else.

If we combine rising health care costs with the effects of poor employee health on lost productivity, we find startling statistics. One study estimated that health related lost productivity time cost employers $225 billion per year. At the same time, health care costs have risen at an unprecedented rate. Employee healthcare costs doubled from 1990 to 2001 and are projected to double again by 2012 (Stewart, W.F. et al., 2003). According to another study by the Kaiser Family Foundation, premium costs for coverage rose 131 percent from 1999 through 2009. Employers pay approximately 74 percent of this cost. With this in mind, it is no wonder that according to a recent Met Life survey, over 57 percent of large employers (500+ employees) and 16 percent of small employers offer some form of wellness program. The benefits of wellness have been well documented by some—General Motors, Safeway Foods, Lincoln Industries, DuPont, and SAS are examples, yet many companies have not experienced the same success.

The purpose of this paper is to examine current approaches taken toward corporate wellness and to present a more complete model that helps address some of the difficulties experienced by many when trying to implement a successful wellness program and culture throughout the organization.

The problem

The fact is, most wellness efforts are experiencing low participation rates and declining program engagement. A study conducted by The International Society of Certified Employee Benefit Specialists found that the majority of employers with wellness programs reported participation rates that were less than 25 percent. These findings were consistent with results found by a study conducted by Maritz Research in 2008, which found that while the frequency of companies reporting they were implementing a formal wellness program was rising, (from 35 percent to 42 percent between 2006 and 2008), the average participation rates in these programs were virtually unchanged. The study found that 25 percent of respondents participated a few times a year in 2008, and participation on a weekly basis was even more discouraging at 16 percent.

These numbers should be particularly alarming to proponents of the wellness approach to curbing healthcare costs. After all, risk assessments, screenings, nutritional tips, and exercise programs will not reach their intended goal if they are not utilized to levels that bring about real change. At the end of the day, signing up for a program, or even identifying a health concern, must be followed by ***action*** taken by the employee, on a reasonably consistent basis, if we expect health and well being to improve. This point seems to get lost at times when looking at successful program design. Remember, the primary reason for implementing corporate wellness into the organization is to decrease health care costs (although other major advantages such as reduced absenteeism, increased employee engagement, employee retention etc., can't be denied).

