

# Healthy Employees Foster Healthy Profits

Today, more than ever, businesses are seeking to protect and maintain the health, safety, and productivity of their employees, which is paying big dividends in terms of reduced healthcare costs, higher levels of productivity, and increased profits.

## **FACTORS FUELING THE HEALTH, SAFETY, AND PRODUCTIVITY MOVEMENT**

**Rising healthcare costs.** Rising healthcare costs pose a challenge to all businesses. Recent government statistics indicate that healthcare spending approached \$2.5 trillion in 2009 and accounted for approximately 17.6% of the country's gross domestic product.

*(Courtesy of Centers for Medicare & Medicaid Services (CMS), Office of the Actuary, National Health Statistics Group/Kaiser Family Foundation March 2009 newsletter)*

**"Rich" employee benefits.** High medical costs translate into high employee benefit costs. Businesses rely upon "rich" employee benefit plans to attract and retain skilled labor and talent in the workplace. However, many employees do not understand how to manage the total cash outlay associated with some of the more generous plans and they can over-utilize medical services. This drives up costs even further.

**Sustaining maximum productivity.** Healthy workers are productive workers, and productive workers produce profit. However, productivity plummets when employee positions go unfilled due to sickness or injury. Even if an impacted employee is at work, but is distracted by an injury or illness, productivity declines at the workplace.

## **ESTABLISHING THE LINK**

Injuries and illnesses not only drive healthcare costs but also result in workplace absences and reduced productivity. An employee absence due to injury or illness (indirect cost) is a much more significant problem than simply paying doctor bills and hospital costs (direct costs). The key to improving health, safety, and productivity is developing a plan that will address the needs of your specific working population.

## **TYPES OF PROGRAMS AIMED AT IMPROVING HEALTH, SAFETY AND PRODUCTIVITY**

**Health and Wellness Programs.** Health and wellness programs are designed to encourage workers to reduce the risk of injury and illness by changing their behaviors. Key components to wellness programs today include stress management, screening

*Source: Midwest Employers Casualty Company*

programs, physical fitness programs, disease management, nutrition and smoking cessation seminars and more. Employees who enjoy good physical and psychological health are likely to be on the job and more productive.

**Safety and Loss Control.** Safety and loss control programs will vary depending upon a company's operational exposures, workforce characteristics, and historical accident patterns. Safety and loss prevention compete with such corporate issues as productivity, sales, profits, globalization, rising healthcare costs, and many other issues that affect survival. Employees who work in a safe work environment feel valued and tend to be more effective and productive employees.

**Integrated Programs.** Integrated health, safety, and productivity management programs rely on joint management of human resource benefits and programs that employees may access when they are sick, injured or balancing work/life issues. They include health insurance, disability, workers' compensation, employee assistance programs, paid sick leave, and occupational safety programs. Also included are programs to improve morale, reduce turnover and increase productivity. The aim is to provide employees with intervention before health risks occur or a chronic condition becomes serious.

*Source: Midwest Employers Casualty Company*