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## The Road to Wellness Is Starting at the Office

*Employers' Efforts to Push Preventive Care Begin to Show Both Health and Cost Benefits*

BY M.P. MCQUEEN

WHEN CADMUS COMMUNICATIONS Corp. began requiring employees to undergo a health-risk assessment to qualify for medical coverage, some workers feared their medical conditions could cost them their jobs. But Stephanie Metzger credits the mandatory testing with possibly saving her life.

Ms. Metzger, a Cadmus Communications accounts manager, says a screening revealed she had swollen thyroid nodules, one of which turned out to be cancerous. "If I had gone to my doctor, I could not have gotten that test because I didn't have any symptoms," says the Ephrata, Pa., resident. Because it was caught early, Ms. Metzger, who was then 32 years old, stayed in the hospital just 24 hours after surgery and then received outpatient treatment. Doctors now say she is cancer-free.

Like Cadmus, a growing number of companies in recent years have sought to cut medical costs by integrating so-called wellness programs into their health-care coverage. Though many programs are still in their early stages, a number of them are starting to show some positive results—both in terms of cost savings for employers and improved health for employees.

Cadmus, a publishing-services company in Richmond, Va., says its overall health-care costs grew \$500,000 last year, after rising by \$2 million in each of the preceding four years, an improvement the company attributes in part to its nearly two-year-old wellness program. As a

result of the mandatory screenings, about 140 employees went on medication to control high blood pressure and an additional 150 went on cholesterol medication. Hospital stays fell sharply. Other companies, including supermarket chain Safeway Inc. and mortgage giant Freddie Mac, also say they have saved money through efforts to keep their workers healthier.

Many wellness programs make available free or low-cost health screenings. Some companies have installed on-site medical clinics to encourage workers to seek preventive care. Other companies require that workers undergo health-risk

assessments in order to qualify for medical coverage. Employees deemed at risk, for conditions such as diabetes, heart disease and obesity, might then receive a phone call from a nurse suggesting follow-up action. A recent survey by consulting firm Hewitt Associates found that 42% of companies offered some type of health-risk assessment in 2005, up from 29% in 2001.

It might seem surprising that some companies are expanding the availability of medical services for workers. For years,

employers instead have sought to control access to care, by such means as requiring primary-care physician referrals to see specialists and increasing employees' share of premiums and co-payments. A recent survey by Kaiser Family Foundation found that since 2000 the average annual worker health-care premium contribution jumped 83% to \$2,973 for family coverage.

But in recent years a growing number of companies and insurers have been trying to remove some barriers to care

based on evidence that suggests early detection and intervention will save money in the long run, especially for chronic diseases such as cancer and heart disease.

"Catching something early is cheaper than a catastrophic event," says Cindy Ellis, Cadmus's benefits manager. Although the company's wellness program pushed costs up sharply last year for diagnostic screenings and prescription medicines, as more employees sought earlier intervention for health conditions, this was more than offset by savings in hospital fees. Cadmus says its employees last year spent half as many days in the hospital as compared with 2004.

Safeway also says it has saved money as a result of new programs that eliminated certain co-payments to encourage more preventive health care, though it declined to provide detailed figures. The company last year began covering 100% of the cost of annual adult physicals, well-child exams, colonoscopies and mammograms for its 10,000 nonunionized employees.

And Freddie Mac says it has saved \$900,000 a year in medical and lost-productivity costs from installing an in-house clinic for its 5,000 employees in 2004. The clinic, which offers such routine services as annual physicals, flu shots and allergy tests, saves the company \$117 every time an employee is seen in-house instead of by an outside provider, a Freddie Mac spokeswoman says.

But some wellness programs have generated controversy for being autocratic, at least at first. To qualify for medical coverage, Cadmus last year began requiring a health-risk assessment of its 3,000 employees and their covered spouses. The assessment consisted of an online questionnaire, a blood-pressure check and a finger-prick blood test for cholesterol.

Employees were assured the results would be known only to Cadmus's health insurer, Cigna Corp., and wouldn't lead to punitive premiums. Still, 17 employees dropped coverage rather than comply. "Associates were frightened and fearful. They thought that we were going to find out who was unhealthy and terminate those people," says Lisa Licata, Cadmus's senior vice president of human resources.

In return, employees got some new perks under the redesigned plan: Low-cost screenings for clogged arteries and thyroid problems, on-site mammograms, low-cost flu shots, and subsidized visits to

### To Your Health

Employers and employees are starting to see some positive cost and medical results from corporate wellness programs:

- Such programs typically offer **health screenings** free or at little cost.
- Some employers require workers to undergo a **health-risk assessment** to qualify for medical coverage.
- At-risk employees may be **contacted by a nurse** suggesting follow-up action.
- Workers can get perks like **subsidized weight-loss** and quit-smoking programs.

a nutritionist. Cadmus installed blood pressure cuffs at work sites so employees could self-check. It gave away free pedometers to encourage exercise. The company even changed cafeteria and vending-machine offerings, charging more for regular soda than diet, for example.

The assessments yielded some surprises: Although only 28% of employees volunteered that they were overweight, tests showed 78% actually were. The screenings also turned up many cases of hypertension and high cholesterol. Cigna nurses contacted the at-risk employees and referred them to doctors for follow-up care. Employees weren't required to take prescriptions or change their lifestyles to keep their medical coverage.

"They used to discourage you from taking these expensive tests," says Ms. Metzger, the Cadmus employee treated for cancer. "But I paid \$25 and look what happened; it was worth it. Then insurance kicked in and I paid very little out of my pocket," she says.

Ms. Ellis, the Cadmus benefits manager, says she believes a voluntary wellness program wouldn't have yielded so many positive results. "In the best scenario, you get maybe 40% participation" with a voluntary program, she says. Cigna says it recently instituted a similar program for its employees after seeing the results at Cadmus.

While Cadmus threatened to withhold health-care coverage from employees who didn't participate in the program, other, mostly larger, companies typically use incentives to encourage preventive care. Such programs usually apply to employees regardless of their choice of health-care plan, even those with high-deductible plans. At Molson Coors Brewing Co., for example, employees of the company's U.S. unit receive a \$200 discount on their annual health-care premiums for filling out a health-risk appraisal form and following up on any

## Gesundheit

More employers are willing to invest in keeping their workers healthier. Here are some types of "wellness" benefits increasingly finding their way into the workplace

BENEFIT	WHAT IT IS	SOME COMPANIES THAT OFFER IT
Health-risk assessments with inducements to employees to participate	A questionnaire and possible blood test to help insurers identify patients at high risk for chronic illnesses to offer them disease management and counseling. Employer can make coverage conditional on completing the assessment, or provide a bonus for completing it.	Cadmus Communications Cigna AstraZeneca Nationwide Mutual Insurance Molson Coors Brewing Co., U.S. unit
Annual physicals and screening exams for cancer, heart disease, etc. covered at low or no cost	Employers waive insurance co-payments for physical exams, colonoscopies, pap smears, etc.; or provide free screenings for employees.	Safeway Rodale
On-site full-service medical clinics	Places doctors and nurses in worksite clinics to provide immunizations, screenings and treatment of minor illnesses.	Discovery Communications Freddie Mac Harrah's Entertainment Genentech (dental)
Discounts on weight control programs; health-club reimbursement; smoking-cessation programs	Company subsidizes the cost of programs meant to curb obesity, smoking, etc.	Dell Inc. Hyperion Solutions Marriott International

medical advice. U.S. employees of AstraZeneca PLC, the pharmaceutical company, receive a \$50 monthly discount on their health-insurance premiums in return for undergoing an annual health-risk assessment, a company spokeswoman says.

Dell Inc. last year started giving employees who agree to a health-risk assessment a deduction, currently \$75, from their annual health-care premium. Those who complete a wellness program for managing health risks get an additional \$225 deposited into an account that reimburses employees for medical expenses. While results aren't in yet, "we have every reason to believe it will be worth

our investment and pay off for employees as well," said Kathleen Angel, Dell's global benefits director.

Companies also are setting up on-site medical clinics to provide primary and preventive health care for workers, at lower cost. Media group Discovery Communications, a unit of Discovery Holding Co., and casino operator Harrah's Entertainment Inc. contract with Whole Health Management Inc. to operate workplace clinics staffed with physicians and nurses. Discovery estimates it has saved \$1 million a year since starting its clinic in 2004. The clinic is available to its 1,500 employees in Maryland and their dependents over the age of 14.