

# Best Practices in Health and Wellness Benefits

What's the secret to slashing health care costs in the short term? Unfortunately, there isn't one. However, a consistent, long-term commitment to health care education and wellness can make a lasting impact, according to *The Principal 10 Best Companies—2008*.

Here's what you can do to implement the health and wellness best practices of *The Principal 10 Best Companies—2008*:

- **Focus on wellness.** A comprehensive wellness program, such as the Jewelers Mutual Insurance Company program, includes:
  - A health-risk assessment
  - On-site health screening that includes biometric screenings (such as blood tests)
  - Targeted health management programs for high-risk conditions (blood pressure, cholesterol, weight management)
  - Positive lifestyle and educational materials and events
  - Approaches that actively engage employees
  - No-cost or low-cost preventive care
- **Take a long-term approach to wellness.** SAE International expects to save \$19,000 in claims in just one year thanks to its wellness program. But it didn't happen overnight. The company created its wellness program over 20 years ago. "I firmly believe it's had an impact on our claims utilization over the years," says Carole Faust, the organization's benefits and payroll manager.
- **Offer on-site nurse visits.** At Jewelers Mutual, employees can make appointments with an on-site nurse once a month—saving them a trip to the doctor's office and catching health problems early.
- **Use your employee assistance program (EAP).** SAE International's EAP offers no-cost webinars on wellness topics. The organization sends out monthly reminders to employees about the latest wellness webinars.
- **Prevent workers comp injuries.** A focus on preventing workers compensation injuries helped 1<sup>st</sup> United Services Credit Union cut its workers comp costs by a whopping 88 percent. That savings helps to offset the cost of other health care benefits.
- **Compare apples to apples.** "We do extensive research on the quotes that come to us to make sure we really understand the prices, features, and benefits of all our benefit providers," says Rachel Frazier, vice president—human resources and training, 1<sup>st</sup> United Services Credit Union.

- **Help employees quit smoking.** The Spiratex Company and A.Y. McDonald, both manufacturers, took steps to ban or reduce smoking at the workplace. “We have a large population of smokers,” says Cheryl Grissett, corporate human resource director, The Spiratex Company. “We knew it would be difficult.”

Over several months’ time, both companies helped prepare employees. The Spiratex Company offered to pay for nicotine patches. A.Y. McDonald offered smoking cessation classes. And both companies educated employees on the benefits of quitting. “Our employees came through with flying colors,” says Grissett. “We hope we’ve helped them quit smoking altogether.”

- **Listen to employees.** According to employee feedback, the provider of Torch Technologies’ flexible spending account was “struggling to administer the plan effectively,” says Julia Michaux, the company’s human resources director. “As a result of that feedback, we found another provider. Our employees are not afraid to tell us what they think.”
- **Work with a financial professional.** All of this year’s 10 Best Companies use a financial professional for at least part of their employee benefit program. “Our brokers are an integral part of our team and process. They help us negotiate better renewals, give us a feel for market trends, provide benchmark data and statistics and help keep us updated on compliance issues,” says Janet Owens, vice president—benefits and welfare, North Island Credit Union.
- **Expand wellness offerings.** Jewelers Mutual Insurance Company lifted the cap on its wellness benefits. “We believe that long term, the key to lower health care costs is to not need them,” says Connie Rank-Smith, the company’s vice president of human resources. “An investment in wellness is a long-term investment in the health plan. Now we say, ‘If it’s wellness, it’s covered’.”
- **Consider a health reimbursement account (HRA).** Jewelers Mutual began offering an HRA after analyzing benefit use and holding employee focus groups. “We had a plan in which the first \$500 of everyone’s expenses are paid. The next \$1,000 was a deductible. Forty percent of our employees never hit their \$500 deductible. And we learned through focus groups that the \$1,000 deductible was really tough,” says Rank-Smith.

The company’s financial professional recommended an HRA. “We tested the waters with a few focus groups. Employees would rather pay a \$500 deductible up front and then have the health reimbursement for \$500 and then do another \$500 deductible. It was an easy concept for employees to grasp,” Rank-Smith says.

- **Make physicals free.** CENTRIA recently removed all copays and coinsurance for annual physicals. “All routine testing is company-paid for physicals. That’s an important part of our wellness initiative. We think in the long term, wellness is the only way we’ll reduce health care costs and maintain benefits,” says Bob Burick, director of administration at CENTRIA.
- **Give a premium rebate for wellness participation.** When employees at Jewelers Mutual go through the health risk appraisal and the associated biometrics blood work, they get a wellness score. “That score will give them a rebate on their premium. If they choose not to participate in wellness, they don’t get a rebate. If they qualify, it’s good for a year. Sixty-six percent of people on our health plan qualified for a rebate based on their score,” says Rank-Smith.

- **Savings bonds work, too.** CENTRIA employees who participate in the health risk assessment and biometric screenings—and participate in one other wellness activity within the year—get a \$100 savings bond.
- **Educate for good times and bad.** Thanks to CENTRIA’s ongoing, open communication, employees have an easier time understanding things like premium increases. “When we’ve had to increase the cost to employees for healthcare, there was no surprise. We discussed it six to nine months ahead of time. They may not have liked it, but there was no surprise,” says Mark Sherwin, the company’s president.
- **Update health plan wording.** The health plan at Jewelers Mutual Insurance Company specified it would pay for routine mammograms. “If a woman has a questionable mammogram just once, they will never have a ‘routine’ mammogram again. Therefore, the following year when they go back, the mammogram wouldn’t be covered,” Rank-Smith explains. The company changed the plan wording to address that issue.
- **Give out free pedometers.** The instant feedback of pedometers can help employees walk more. During its employee recognition week, 1<sup>st</sup> United Credit Union gave away free pedometers. “The pedometers were a huge hit. We see employees walking throughout the day,” says Frazier.
- **Customize wellness programs based on utilization.** Work with your health insurance provider to identify your organization’s biggest health challenges. Then create wellness programs to help employees address those issues. Based on their group’s data, 1<sup>st</sup> United Credit Union’s provider designs programs—such as smoking cessation, weight loss and lowering cholesterol—for their employees.