

# Employee wellness programs provide significant savings over time

March 7 2012, By Laura Kennedy

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Employees who participated in a health-improvement program had fewer medical costs than non-participants, according to a new report in the *American Journal of Health Promotion*. In addition, three year employer savings outpaced the program costs with a return on investment (ROI) of almost \$3 to \$1.

“One of the unique things about this study is that it reports detailed ROI by year,” said lead author Seth Serxner, Ph.D., of OptumHealth in

Minnesota. “The study provides support for continued investment, but reminds employers that health management is a multi-year investment strategy.”

Comprehensive health and productivity management (HPM) programs typically offer a variety of services such as health-risk questionnaires, telephone “advice lines,” lifestyle-improvement opportunities and disease-management programs. The programs are becoming increasingly common as employers struggle to control medical plan [costs](#) while improving employee health. Yet, according to a recent survey by the nonprofit National Business Group on Health, more than 75 percent of large employers that offer HPM programs say they do not know their return on investment for the programs.

To determine ROI, Serxner and his colleagues examined wellness program participation and medical claims data for close to 50,000 employees of a large financial services corporation. They used innovative analytical techniques to compare net medical and prescription claims paid by the company for people who participated in one or more of the HPM services with those who did not participate at all. After accounting for the costs to implement the wellness program, their analysis revealed a loss in year 1 with net savings in years 2 and 3. The company’s overall return on [investment](#) (ROI) during the three-year study period was 2.45:1.

The Serxner study “confirms a growing body of work showing a positive ROI within 2-3 years for health management interventions, looking at the savings in [medical costs](#) alone,” says LuAnn Heinen, vice president of the National Business Group On Health.

The “next frontier” in employee productivity research will be looking at how better [health management](#) can reduce absenteeism and increase engagement at work, says Heinen. “This is where the most exciting cost

savings and performance improvement opportunities will be found in the years to come.”

**More information:** Serxner, S., Alberti, A., Weinberger, S. (2012). Medical Cost Savings for Participants and Nonparticipants in Health Risk Assessments, Lifestyle Management, Disease Management, Depression Management, and Nurseline in a Large Financial Services Corporation. *American Journal of Health Promotion*, 26:252-259.

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