Cost – Justifying Wellness Programs to Reduce Ergonomics Risk Factors

Presented by:
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Our Injury Reduction Achievements

• Injury rates have steadily dropped
• Ergonomic injury rates dropped similarly
• Sharing of information, engineering controls made this possible
• Society awareness of ergonomic issues has helped reduce risk
• How are we doing now?
Chart 2. Nonfatal injury and illness incidence rates by case type, 2003 -- 2005

TRC = Total recordable cases
DART = Days away from work, job transfer or restriction cases
DAFW = Days away from work cases
DJRT = Days of job transfer or restriction cases
ORC = Other recordable cases

We’ve Hit a Plateau

- Injury and illness rates have leveled off
- New approaches needed to attain a “zero injury” objective
- As manufacturing is outsourced and off-shored, traditional injury reduction opportunities are limited
- Exploring a link between wellness and ergonomic risk factors is a proactive means to break the plateau
Ergonomic Risk Factor Reduction

- Non-health related ergonomic risk factors have been addressed
- To continuously improve, we cannot neglect the human risk factors, i.e., chronic health conditions
- But can our efforts impact injuries?
- The answer is probably yes
  - Lack of studies to definitively say “yes”
  - Wellness programs already proven cost-effective
Chronic Health Conditions

Studies show that these conditions are linked to Musculoskeletal Disorders (MSDs):

- Obesity
- Diabetes
- Hypertension
- Smoking

These conditions are “preventable” or at least “impact-able”
Impacts from Chronic Conditions

Establishing the “Cost Burden” of Poor Health
Median HPM Costs Per Eligible Employee (1998 $)
Medstat/IHPM/APQC Benchmarking Study

Group Health
$4,666
47%

Turnover
$3,693
37%

Unscheduled Absence
$810
8%

Non-Occupational Disability
$513
5%

Workers’ Compensation
$310
3%

Total Poor Health Median Cost is $9,992!
Health Promotion Programs’ Payback

CDC Literature Review:

- 42 studies showed decreases in absenteeism, disability/Workers’ Comp costs and health care costs
- $3 - $6 ROI for each dollar invested
- $2 + savings in health care claims for hypertensive employees

\(^2\text{Data from CDC’s Reducing the Risk of Heart Disease and Stroke, A Six Step Guide for Employers}\)
Health Promotion Programs’ Payback

Study by the Steps to a Healthier Workforce
Policy and Practice Working Group

• Literature Review Results
  ➢ Savings ranged from $1.40 to $13.00 per dollar spent
  ➢ Median savings were $3.14 per dollar spent
The Link between Wellness & Ergonomics

- Chronic conditions are documented risk factors of MSDs
- It is possible to manage chronic conditions
- By managing the conditions, the personal risk factors linked to ergonomic injury are reduced
Connections to Ergonomics

- Smoking is linked with neck pain that may be caused by nicotine-induced reduction in circulation.
- Lack of physical activity increases susceptibility to ergonomic injury.
- Low cardiovascular fitness is a risk factor for disabling back pain.
Specific Impacts from Obesity

- Obesity – ergonomic impacts?
  - Ulnar deviation of the wrists when reaching around the body
  - Lack of flexibility
  - Fluid build-up
  - Increased risk of back injury
  - Material handling and the fulcrum effect
  - Increased pressure on the disks
Average Health Care and Lost Productivity Costs per Full-time Employee per Year for 88 Companies in the U.S., 2002.

- **GH**: $5,617
- **WC**: $981
- **STD**: $4,845
- **LTD**: $178
- **Sick Leave**: $6,052
- **Unpaid Leave**: $945

**TOTAL = $18,618 PER YEAR**

**FIGURE 1 LEGEND**
- **Health Care Costs**
- **Lost Productivity Costs**
- **GH**: Group health (employees and dependents)
- **WC**: Workers compensation
- **STD**: Short term disability
- **LTD**: Long term disability
- Unpaid leave (incidental absences) - unpaid leave associated with an employee's or dependent's serious health condition, as permitted under the Family Medical Leave Act
Cost Justification Approaches

- ROI for wellness vs. health care costs well-documented
- Ask if any funding is available
- Does HR or other departments (Occupational Health, Health Club) have a budget for health awareness?
- Take advantage of the HR relationship to discuss benefits and health care cost reductions
- Team with HR!
Making the Case

- Show current ergonomic injury rates
- Show injury rate demographics that illustrate plateau effect
- Know your company’s, NCCI’s, or Liberty Mutual’s average claim cost
- Discuss link between chronic health conditions and ergonomic injury
- Show wellness programs pay for themselves, without even considering injury reduction
Presenting the Case

- Present some wellness strategies
- Ask for funding!
- Rejected? Present additional low and no-cost alternatives
- Ask for upper management commitment and statement instead – maybe a success story
- Show the results of the program and ask for funding again!
Key Components of the Program

- Top management support
- Present as team initiative
- Program champion
- HR involvement/awareness
- Encouragement to participants
- Frequent awareness promotions
- Link health/wellness to corporate values
- Quarterly progress reports
Other Desirable Elements

- Incentives to participate
- Emphasize quality of life, not just cost-cutting
- Incentives to continue participating
- Health monitoring tools (blood pressure checks, scales)
- Access to healthy foods at cafes
- Providing time during work hours to exercise
- Program participant celebrations
The First Steps

- Chart out some strategies
- Start out small with an awareness campaign
  - Introduce program, why it is important and that the company cares about your health
  - See if executive has a success story to share
  - See if some expenditures are possible
  - If no funding, use recognition, peer pressure, word of mouth; they are all “free”
Low/No-Cost Strategies

- Recognition of successes through postings, company newsletters
- Use peer pressure
  - Competition between departments
  - Competition within departments
- Will health care insurer provide funding?
- More success stories to increase participation and create buzz
Partner with External Groups

- Schedule a health care provider talk
  - Many hospitals and clinics have an outreach budget
- Use a local health club
  - Virtually every club has membership drives
  - See if the club will partner with your company
  - See if the club and your company can develop incentives
More External Groups

- Centers for Disease Control and Prevention, Division for Heart Disease and Stroke Prevention - www.cdc.gov/cvh
- American Diabetes Association - www.diabetes.org
- American Heart Association - www.americanheart.org
- American Stroke Association - www.strokeassociation.org
- National Business Coalition on Health - www.nbch.org
- National Business Group on Health - www.wbgh.org
- Wellness Councils of America - www.welcoa.org
- Partnership for a Healthy Workforce - www.prevent.org/phw.htm
Program Strategy

Step 1. Present the ROI data about wellness and health care costs

✅ Ideally, provide range of alternatives to decision makers

✅ Have detailed plans of partner involvement

✅ Can the program be used as a public relations event?

✅ Do senior managers participate in wellness including local races, marathons or other competitive sports
Program Strategy

Step 2. Link the chronic conditions to ergonomics

- Use the documented research
- Explain how and why chronic conditions and ergonomics are linked

Step 3. Explain that injury rates are at a plateau

- Wellness is proactive approach
- A “zero injury” philosophy should embrace new approaches
Conclusions and Call to Action

- The ROI data for wellness is there – use it!
- Provide a range of alternatives
- Take advantage of no/low-cost activities
- Monitor the injury rate to demonstrate product effectiveness
- Present results and request funding again!
Thank you for your time

Questions and Discussion
References


2-From CDC’s Reducing the Risk of Heart Disease and Stroke, A Six Step Guide for Employers


4-“Musculoskeletal Disorders and Workplace Factors,” Appendix B, Individual Factors Associated with Work-Related Musculoskeletal Disorders, Edited by Bruce Bernard, M.D., Ph.D., NIOSH, July 1997