

Business Case for Employer Sponsored Individual Health Risk Assessments

Employer members of the Hawaii Business Health Council have a high interest in health care since health care costs represent one of their largest operating expenses and 40% of employee health conditions are preventable—as measured through a Council wellness initiative. Those employers that have implemented health risk appraisals have noted the following:

By focusing on health improvement, one employer expects to save \$13 million over five years just from encouraging employees to take the health risk assessment—with 73% of employees participating. The successful use of the HRA was the result of a well planned communication campaign including:

- ❖ Email support and introduction from the CEO
- ❖ Posters
- ❖ Newsletters
- ❖ Web cast
- ❖ Email postcards
- ❖ Reminders

This employer uncovered a \$13 million opportunity for savings by addressing health promotion—over a 20% potential cost reduction.

Current research shows the following cost savings for additional employers using HRAs:

Bank of America—Using an HRA and education information showed over 2 years a 10% decrease in health costs with a \$163 per participant decrease in cost compared to a \$15 per non HRA participant increase in cost.

Proctor & Gamble—With a comprehensive health promotion program that uses an HRA, over a 3 year period demonstrated 29% lower health costs for participants, 36% lower lifestyle related costs, lower inpatient days, fewer hospital days and hospital admissions.

DuPont—Results for a two year period with a comprehensive health promotion program including an HRA, showed a 2.05 to 1 return on investment.

Johnson & Johnson—Results for 5 years with a comprehensive health promotion program demonstrated lower inpatient costs increases for participants (\$43) than non participants (\$76)

CalPERS—Using an HRA and education mailings, showed improvement in one year in the aggregate HRA scores as well as decreases in utilization and decreases in claim costs.

Hawaii Business Health Council ROI with HRA Use

Duke University—With a comprehensive health promotion program with an HRA as the entry point, demonstrated 4.6 fewer absence hours after 3 years

One employer member of the Hawaii Business Health Council conducted a preventive health screening as an additional part of their approach to using the health risk assessment. The screening included blood pressure and blood testing for hypertension, anemia, cardiac disease, kidney disease, diabetes, liver disease, gout, and prostate cancer as well as height/weight and personal health history. This employer had over 60% of their employees participate with 75% of those having repeated screenings since 46% had abnormal lab results. Information provided as part of the feedback to participants included education about what to do for elevated cholesterol, borderline diabetes, and hypertension. Nine (9) percent of the employees changed an abnormal test result. This produced a savings of \$495,086 for an annual return on investment of 4:1.

4:1 ROI with HRA plus health screening