

Wellness plans suffer through anemic use

Plan saves employers \$3 in claims for every \$2 they spend

by Rob Roberts, *Staff Writer*

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Here as well as nationally, however, participation in wellness programs remains largely limited to employees of large companies.

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Two years later, more than 75 large employers, representing 58,000 of the insurer's 900,000 local members, participate in the program. But Bowser said the company's 2007 Community Health Scorecard reveals that a broader wellness initiative is called for.

Released during an Oct. 4 health summit, the score card revealed that the average Kansas Citian smokes more, exercises less and packs more pounds than the average American.

To help improve the community's health, which will be tracked through future score cards, BCBSKC will begin offering wellness programs to smaller employer groups during the next year and, eventually, to individual health plan members, Bowser said.

For about \$2.50 a month per employee, A Healthier You offers large employers on-site, online and telephonic tools to improve employees' health and lower insurance costs.

Participating employers are saving \$3 in claims for every \$1 spent on the program, Bowser said. Despite the savings potential, however, most employers remain slow to belly up.

According to the 2007 **United Benefit Advisors** Health Plan Survey, the percentage of 1,000-plus-employee companies offering wellness plans increased to 37.7 percent in 2007 from 29.5 percent in 2006.

MORE EMPLOYEES, MORE WELLNESS

The nation's largest employer-sponsored health plan survey shows that the number of companies offering wellness plans is growing but that few small companies are offering the plans.

Number of employees	Wellness plan offered in 2006	Wellness plan offered in 2007
Less than 25	0.7%	2.9%
25 - 49	1.5%	3.5%
50 - 99	3.5%	5.4%
100 - 199	5.2%	9.2%
200 - 499	12.1%	19.7%
500 - 999	21.2%	25.6%
1000+	29.5%	37.7%
All employers	4.4%	7.4%

SOURCE: United Benefit Advisors
 2006 and 2007 Health Plan Surveys

Of all 11,723 companies surveyed, however, 7.4 percent offered wellness plans this year -- an increase from 4.4 percent last year.

Adoption among companies with fewer than 200 employees remains in the single-digits for two reasons, said Ron Dutton, president of **R.J. Dutton Inc.**, an employee benefits advisory firm in Overland Park.

One reason is that insurers like BCBSKC don't yet offer wellness programs for small companies, said Dutton, whose company is a member of United Benefit Advisors. The other reason is that small employers don't receive the direct benefits from wellness investments that their larger counterparts do.

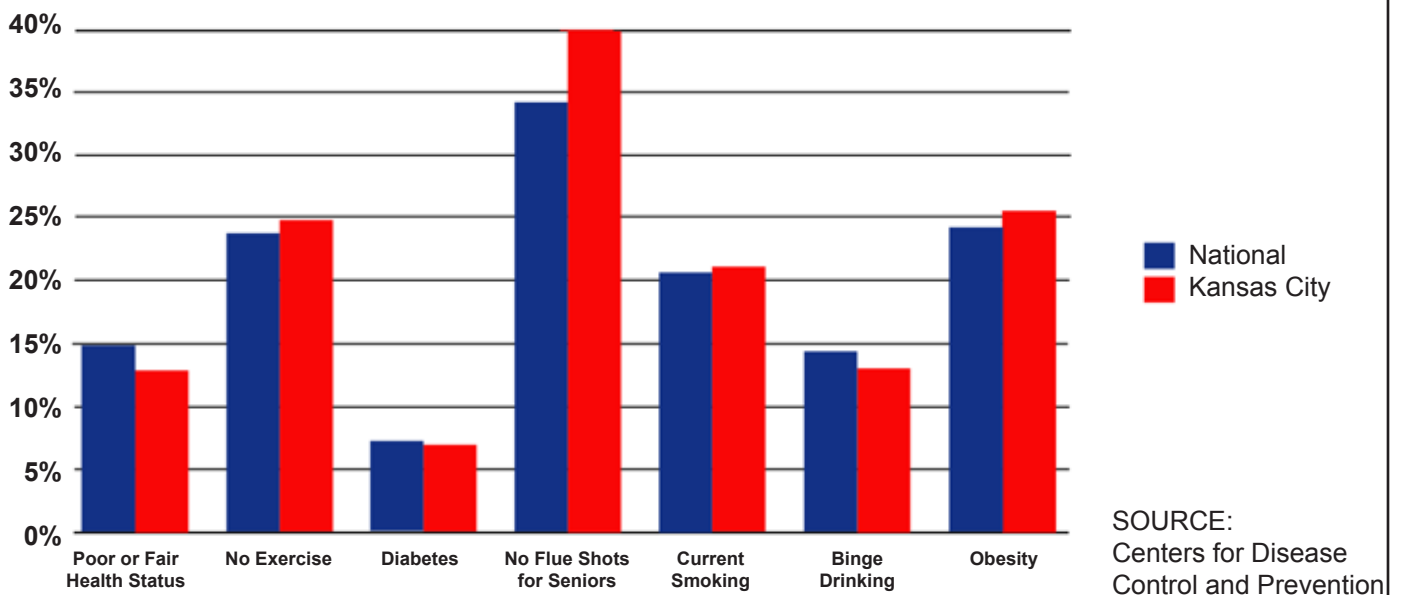
Large employers with self-funded insurance plans are the most likely to spend money on wellness programs because their savings on claims fall directly to their bottom lines, Dutton said.

Large, fully insured companies that invest in wellness programs also can save money through premium decreases tied to lower claims rates, he said.

"Wellness programs also reduce claims for small employers," he said. "But that doesn't translate to lower premiums because smaller employers don't have the leverage with insurers."

KANSAS CITY vs U.S.

A Community Health Scorecard compiled by Blue Cross and Blue Shield of Kansas City shows that this community doesn't stack up so well.



Nevertheless, United Benefit Advisors began contracting with **Matria Healthcare** last year so that **UBA** members could offer small companies comprehensive wellness programs for as little as \$2.02 a month per employee.

Such programs, including a similar offering from **Aetna**, may not lower small companies' premiums, said John Ritter, a benefits consultant with **Metzler Bros.** Insurance in Kansas City. But small employers still stand to profit through decreased absenteeism and increased productivity.

"Unfortunately," Ritter said, "most small employers still seem to be caught up on what's the best plan they can get for the lowest price, and they aren't asking about wellness."