

Employee Health and Wellness: A Paradigm Shift?

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How many times have you heard that we are experiencing a paradigm shift in the way we approach something? Thomas Kuhn, in his 1962 book, “The Structure of Scientific Revolutions,” coined the term paradigm shift to describe a change in basic assumptions within the ruling theory of science. Since then, the term has gained more informal popularity and is used to describe everything from the evolution of Western society to the consistency of peanut butter or the movement of the three point line in college basketball. I recently heard that employee health and wellness was also undergoing a paradigm shift. I’m pretty sure that healthcare in general has been

undergoing a paradigm shift of some sort ever since I started practicing medicine in 1981. Back then it really bothered me that something I had just spent 11 years trying to learn was about to suddenly change. Today I understand that change isn’t always what it appears to be.

In the late 1970s and early ‘80s, health and wellness was the rage among the 30-something crowd. I belonged to a local health club and a slot couldn’t be found to slide into on the indoor track after work on weekdays. We jogged and socialized and generally felt like we were going to live to be 100, without the first Advil. CEOs were in on this as well, and those that also jogged were convinced that all of their employees should jog and stay healthy just like them. Thus was born the “wellness” program.

The idea sounded great. Just get everybody to eat right, sleep right, exercise, and meditate and the whole company would be one superhuman bundle of energy, ready to be harnessed for the corporate good. Then somewhere between the sweat on the jogging track and the donuts in the boardroom, the wellness program usually got dusted, because nobody could convince anybody that there was a real return on investment. Let’s face it—money talks.

Wellness didn’t go completely away, however. It still sounded like a good thing to do, and intuitively, everybody wants to be healthy. Many companies have had good intentions and promoted health and wellness. There have been the brown bag lunches where the health topic “du jour” has been discussed. Many companies have annual health fairs where you can get your blood pressure checked and are told that your cholesterol is slowly clogging your arteries. Wellness boards advise on a monthly topic, such as self breast exams or prostatic enlargement (no self-exam here, please). But usually in the end, the efforts are somewhat fruitless and poorly productive because nobody wants to spend the money to have a real program.

According to the Integrated Business Institute, or IBI, the problem is not the worth of an employee health and wellness program, but how we view it in the scheme of an overall benefits plan. The IBI is a nonprofit organization that is comprised of many stakeholders: large employers, insurance companies, healthcare providers, pharmaceutical companies, and third party administrators. The IBI analyzes health and productivity issues as they affect traditional benefits programs such as worker's compensation, group health, and non-occupational lost time from work. Their research has shown that the traditional view of benefits programs shared by most CFOs, CEOs, and business owners is that health related benefits are a cost to be managed, reduced, or shifted to their employees. There is disconnect between benefits programs and how they drive productivity and thus, the bottom line.

Few companies really make an effort to put a number on what it costs them for an employee to be absent from work, much less what the walking wounded cost. I have come across a few that have, but how they use the information is confusing and often frustrating. One human resource manager/safety director proudly told me that to have one employee (let's call him Fred) absent from the assembly line for one day costs the company \$3,000 in lost product. Fred makes about \$10 an hour. I asked the HR manager how much he might be willing to spend to keep Fred healthy, happy, and on the line. He wasn't interested in spending anything because "we can't afford it." Math wasn't always my strong suit, but like Jethro, I did some quick "ciphering" and estimated that the company had lost about \$30,000 that year on Fred alone. It seemed like spending a few hundred dollars through a corporate wellness plan to keep Fred working might have been money well spent.

When companies begin to look at the full cost of lost productivity, benefits programs like health, wellness, and disease management, start to look more like an investment with a measurable return, rather than a cost to be cut. The challenge will be for benefits managers and those providing the services to put lost productivity from poor health into the revenue, earnings and cash flow measurements, whereby financial officers and owners of small businesses can really understand. And the programs must be sound, data-driven programs, while a little less on the intuitive side. They must be programs with measurable outcomes. This doesn't have to be as complicated as it seems. Most of the metrics are already available, such as the rate of absenteeism, turn-over, healthcare utilization, and profit per employee.

Being healthy hasn't really changed in the past 30 years. For the most part, people still suffer from the same diseases and ailments they have always had. What has changed is the way we evaluate human capital and how it is expended in the workplace. American companies can't compete in a global economy on wages, taxes, and the cost of doing business. We stay competitive, only because we have been able to leverage the most productivity out of our workers than anyone else in the world. Whatever it takes to keep people healthy and improve their quality of life, I'm all for it—even if we call it a paradigm shift..