

CREATING A CULTURE OF WELL-BEING

Where we are today.

The cost of health care is rising and it is projected to continue to rise if organizations and individuals continue on the same course.

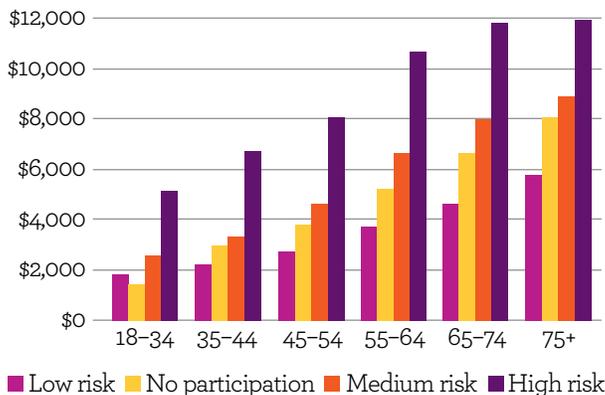
Why are costs rising?

Employers are spending more today than ever before on the poor health of their employees. Most of this spending is on diseases and illnesses caused by **modifiable behaviors** that affect health plan spend, presenteeism, absenteeism, workers' compensation and disability.

The cost of doing nothing.

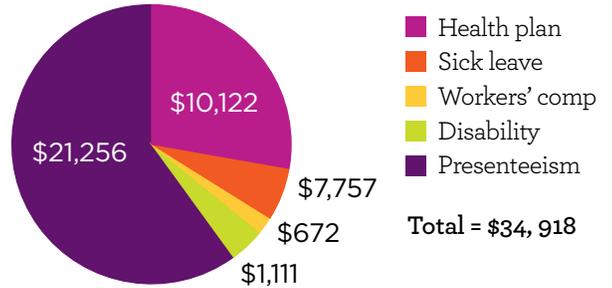
The graph below illustrates the fact that as we age, our risk level increases. High-risk employees cost more than low-risk employees. And, due to age or illness, higher-risk employees will become more costly. The way to lower costs is by slowing the deterioration of health in your workforce by keeping the low risk low and helping the high risk manage their conditions. This can happen by developing a culture of well-being with targeted health improvement and awareness programs. This will help create slow but steady improvements in your organization which translate into lower costs, greater productivity and improved revenue.

Cost of doing nothing



Source: Dee Edington's Research – Cost of doing nothing Graph. Zero Trends, Dee Edington, 2009.

Average Annual Cost Per Employee in 2010



Source: Goetzel, JOEM & Collins Presenteeism Study of Dow Chemical (used to determine Presenteeism costs) 2010.

How do I change this course for my organization?

In an effort to improve the health and change the modifiable behaviors of their employees, many organizations offer “wellness programs.” Few employers build a culture of well-being into their everyday work environment.

A culture of well-being enables employers to be more successful at changing unhealthy employee behaviors. It supports health improvement more than a culture that ignores it, or doesn't seem to value healthy employees. It's more than a glossy poster of the food pyramid in the lunch room or a corporate discount at the local gym. It's a commitment and a plan that needs to be understood, embraced and shared by the entire organization.



Source: 2012 - 17th Annual Towers Watson/National Business Group on Health Employer Survey on Purchasing Value in Health Care, page 3.

GO YOU.



“We believe that the rising cost of health care represents perhaps the most significant threat to the long-term economic security of workers and retirees.”

U.S. Government Social Security Advisory Board, September 2009.

Overweight and obesity

Of the U.S. adult population over 20 years of age:

- 33% are overweight
- 36% are obese
- 6% are extremely obese

Source: Center for Disease Control website 2012 Fast Facts (Table 67).

Absenteeism:

- Unhealthy workers’ absenteeism costs employers more than \$153 billion in lost productivity every year.*
- Every day an employee calls in sick, it costs the average employer \$341 per missed day.
- 38% of all absences are related to health issues.**

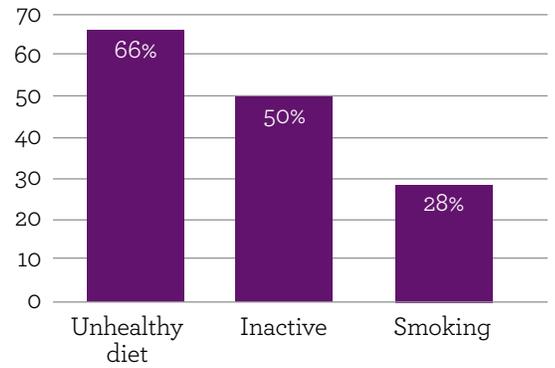
Being absent from work influences one’s ability to do work, which in turn influences their ability to do their job. When the ability to do their job is negatively impacted, an employer can expect to see its bottom line suffer.

* Source: Gallup-Healthways Well-Being Index, 2011.

** Source: Aon Hewitt – Senior VP of national absence management consulting practice leader, 2013.

Daily health habits truly affect workplace productivity

According to research by Population Health Management, 66% of employees are likely to report having lower levels of productivity at work due to an unhealthy diet. Similarly, 50% and 28% of employees are likely to report having lower levels of productivity at work due to inactivity and smoking respectively.



Source 2012: Merrill RM, Aldana SG, Pope JE, Anderson DR, Coberley CR, Whitmer RW. Presenteeism According to healthy behaviors, physical health, and work environment. Popular Health Management.

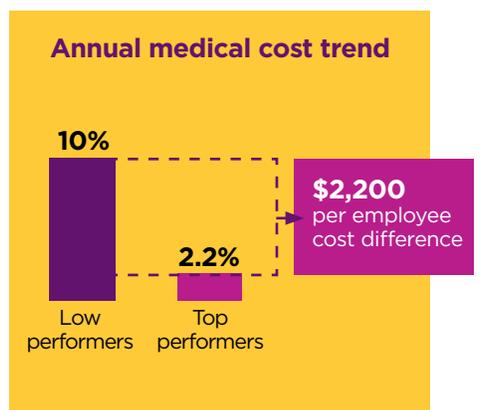
Employers who foster a culture of well-being see the results throughout their organizations. Their employees are likely to be healthier, more productive and more “connected” to the organization’s mission and goals. A recent study showed that these organizations that have developed a culture of well-being see the following results:

- 11% higher revenue per employee
- 28% higher shareholder return
- 18–28% lower medical costs per employee
- 37% higher sales
- 31% higher productivity
- 3x higher creativity

Source: 2009/2010 North American Staying @ Work Report: The Health and Productivity Advantage. Towers Watson.

Healthy cultures pay dividends

A study done by Towers Watson/National Business Group showed that health care costs can be significantly improved, too. In the study, companies with a culture of well-being experienced a consistent median health care cost trend increase of 2.2%. Those without a culture of well-being experienced a median health care cost trend increase of 10% – some trends were as high as 25%. The per employee cost difference between companies with and without a culture of well-being was \$2,200. That translates into a \$440,000 cost advantage for a company with 200 employees.

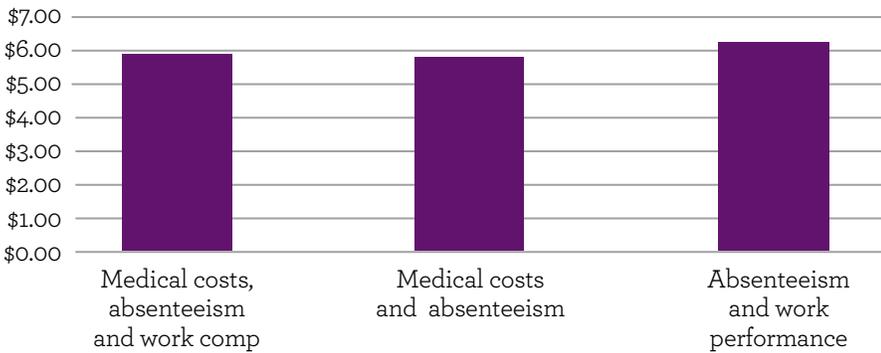


\$440,000
saved per 200 employees

\$400
lower employee premiums

Source: 2012 – 17th Annual Towers Watson/National Business Group on Health Employer Survey on Purchasing Value in Health Care, page 3.

The Return on Investment (ROI) is clear. Years of meta-analyses have shown that the ROI for implementing health improvement programs is an average of \$5.50 savings in absenteeism and medical costs for every \$1 spent on health improvement initiatives. These studies have not yet included the savings from decreased presenteeism in their ROI.

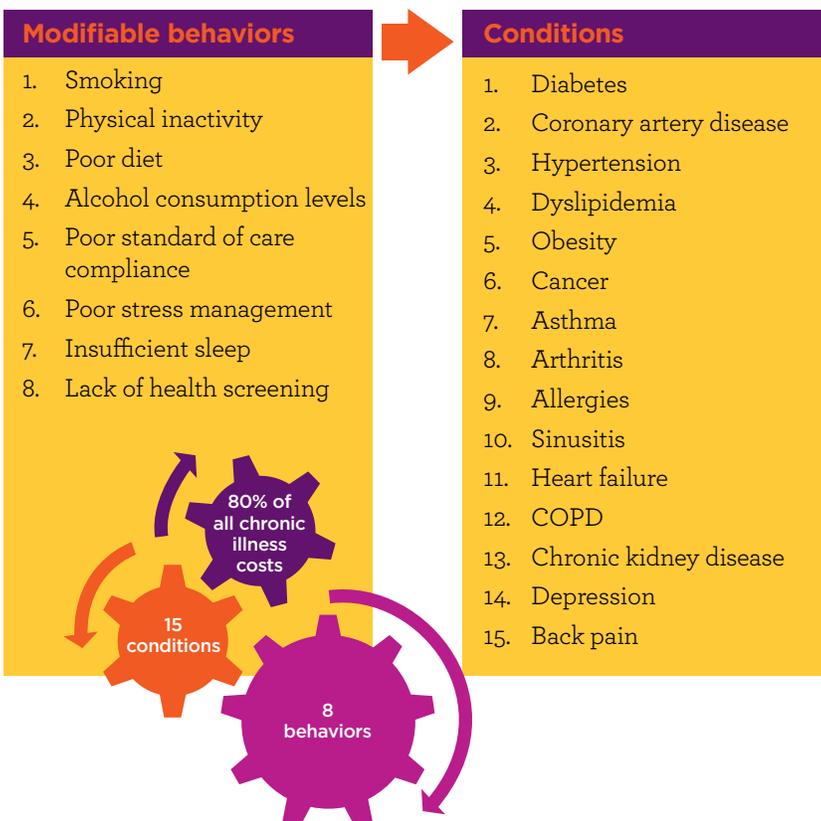


Graph based off of data from
Source: Baicker, Cutler, Workplace Wellness Programs Can Generate Savings, Health Affairs, 2010.

Where to focus? What needs to change?

Developing a culture of well-being allows your employees to recognize and improve specific modifiable lifestyle habits that may be hurting their happiness and performance, and costing you money. Helping employees improve these modifiable lifestyle habits will help lower absenteeism, lower medical costs and increase productivity among your employee population.

These eight MODIFIABLE behaviors contribute to these 15 conditions which drive 80% of the chronic illness costs:



Source: The World Economic Forum "The New Discipline of Workforce Wellness. Enhancing Corporate Performance by Tackling Chronic Disease." 2010.

Nutrition and daily physical activity:

Sleep, fatigue, stress, heartburn and other ailments caused by poor health choices affect levels of productivity while at work. A study examining the effect of diet, exercise and smoking on workers' productivity levels found:

- Employees who had a hard time exercising during the day were 96% more likely to report productivity loss.
- Employees who smoke were 28% more likely to report lost productivity.
- Employees who rarely eat fresh fruits, veggies and other healthy foods were 93% more likely to report productivity loss.

Source: Population Health Management, 2012 (study: Brigham Young University, the Center for Health Research at Healthways & the Health Enhancement Research Organization).

Sleep and fatigue:

A study examining the impact of fatigue on lost productivity revealed that one out of every four lost hours were fatigue related. Employees with fatigue cost an estimated \$136 billion in health-related lost productive time annually.

Where do I start?

Work with your Cigna Health Improvement Team to develop a strategy that fits your needs and goals. They will help you:

- Identify your population's health status and help your employees know their own risks through biometric screenings and health assessments.
- Focus on getting high participation, engagement and employee satisfaction for every program you implement.
- Make a plan, set goals and evaluate your progress toward those goals throughout the year, year over year, adjusting as needed to get results.

Creating a culture of well-being is more than providing programs that promote health. It's a commitment to improving health. And a plan to make it a way of life. To learn how we can help your company, contact your Cigna account manager.



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