



Introduction

A Health Risk Assessment (HRA) is a tool used to help individuals determine the risk factors in their lives, often including questions related to nutrition, physical activity, smoking, sexual behavior, and more specific information such as cholesterol levels, waist size, and blood pressure.

This issue brief examines the cost savings associated with HRAs, examples of employers that have successfully used HRAs to improve their employees' health, and ways for state health agencies to promote and implement these assessments. The last section provides case studies of state governments that have implemented worksite wellness programs which incorporate HRAs. This issue brief aims to provide information and resources so that organizations can begin implementing HRAs and associated programs and policies. State health agencies may also be a means of information and assistance for all businesses and state agencies that would like to develop worksite wellness programs that include HRAs.

According to the U.S. Department of Health and Human Services, by 2015, health care spending in the United States is projected to reach \$4 trillion (about \$12,300 per person) and equal 20 percent of the Gross Domestic Product. Health care consumes about one-third of most states' spending, and spending on health care for employees is the states' second highest expenditure next to Medicaid. The direct health care costs associated with overweight and obesity represent a significant portion of total annual U.S. health care expenditures, with estimates ranging from 4.3 percent of total expenditures to as much as 9.1 percent.¹

HRAs are tools that give employees the opportunity to understand their health problems and follow-up with a doctor if they find they have critical needs. Also, by understanding their risks, employees may be able (with the support of their employers) to implement certain lifestyle changes, such as increased physical activity and improved nutrition, to promote wellness and prevent future chronic diseases. These results combined will create a healthier workforce, which can ultimately benefit the employer. The employer rewards can include reduced sick leave and greater productivity due to the lack of health problems within the workforce. In the long run, healthier employees can help keep health care costs down. This is important as health care costs for employers continue to increase. Therefore, an HRA is one innovative tool that can be used by businesses and government to lower this burden.

Savings Associated with HRAs

Studies of health assessments and wellness programs in the workplace have shown a cost-benefit ratio of three to one, usually over a three-year period. This translates into a \$3 savings in health care for every \$1 spent on the wellness program. A study by the Johnson & Johnson Health and Wellness Program examining the long-term impact of wellness programs, found significant decreases in expenditures for outpatient and office visits (\$45.17), mental health visits (\$70.69), and inpatient hospital days (\$119.67) among employees. Across all categories, total savings were \$224.66 per employee per year.²

In terms of return on investment (ROI) or cost-benefit analysis, implementing HRAs costs very little compared to the long-term projected benefits. Several large private-sector employers

who implemented HRAs have reported reductions in overall health care costs:

- Bank of America experienced a \$164 decrease in health care costs per HRA participant compared to a \$15 increase in health care costs among those who did not participate in an HRA.³
- Proctor and Gamble observed decreases in health care costs over a three-year period through its comprehensive health promotion program that uses HRAs. These decreases included 29 percent lower health care costs for participants, 36 percent lower costs related to chronic diseases and other conditions associated with certain unhealthy lifestyles such as poor nutrition and physical inactivity, lower inpatient days, fewer hospital admissions and hospital admissions.⁴
- DaimlerChrysler evaluated its wellness program and found that employees who completed one, two, or three health risk assessments had health care costs that were lower by \$112.89, \$134.22, and \$152.29, respectively. In addition, employees who had completed at least one health risk assessment and participated in an additional wellness activity had an average cost savings of \$200.35 per year.⁵

Getting Started

Organizations face many challenges when implementing HRAs. One of the first may be how to get your employees to participate. In order to encourage higher participation rates, employers can offer incentives such as money, reduction in insurance premiums, and other perks such as health club access. Some specific examples of employer incentives include:

- Colorado state employees receive \$10 as an incentive.⁶
- Destiny Health Corporation, a provider of high-deductible health insurance, offers perks such as airline travel miles, discounted vacation packages, and health club rebates to members who maintain healthy behaviors.

Offering health risk assessments is a key part of this program.⁷

- Arkansas provides a \$20 monthly reduction in insurance premiums to state government employees if they participate in a voluntary health risk assessment.⁸
- South Dakota state government employees receive \$100 if they attain a personal health goal and \$50 if they participate in a health assessment.⁹
- The Delaware Health Rewards Program gives \$100 to employees who improve their health or maintain their good health.¹⁰

It is important to determine what incentives would be most valuable to employees in an organization. Providing incentives, however small, may help increase participation. Completing an HRA takes relatively little time, but some employees may need encouragement.

Many employers have found that creating and working with an internal workplace wellness committee, including representation from as many areas of the organization as possible, is important. For example, this committee can collaborate with management to determine what “rewards” would be feasible when trying to entice employees to complete health risk assessments. It also may be used to determine what type of support will be provided to employees after they submit the assessment. Will the organization establish an exercise program or supply fresh fruit for the break room? There are many strategies available to employers in order to assist their employees in achieving healthier lifestyles.

State Case Studies

North Carolina- HealthSmart

In 2004, Governor Mike Easley unveiled a statewide disease prevention and management program for state employee health plan members. The program has three components: health promotion and disease prevention, worksite wellness, and disease management.

The program provides members with health education programs and tools, screenings to help identify and manage health risks, interactive Web sites and online tools, and other benefits to improve employee health. In particular, the Web site focuses on evaluating employees' health and linking them to lifestyle improvement programs. These health assessment tools on the Internet are powered by WebMD and are available 24 hours a day, seven days a week. Among the tools that are provided is a fast and easy HRA survey that estimates an employee's risk for specific diseases. There is also a Personal Action Plan based on the HRA results, which includes goal-setting assistance and tracking tools for monitoring progress and results.

The total estimated savings for the pilot wellness programs in North Carolina totaled an estimated \$22.5 million.¹¹ In one 18 month pilot program focused on employees at risk for heart disease, stroke, or diabetes the expected number of new cases of diabetes decreased by 20 percent, heart disease by 10 percent, and new cases of stroke by 12 percent.¹²

Delaware- Health Rewards

The *Health Rewards* program implemented by Governor Ruth Ann Minner has shown great potential for cost savings through HRAs. The program includes comprehensive testing and screening for common risk factors associated with unhealthy lifestyles, allowing employees to receive feedback, follow-up evaluations, and incentives to improve overall health. It originated as a partnership pilot program, between the State of Delaware and Cardio-Kinetics, a Newark-based cardiac rehabilitation and preventive medicine facility.

The program is voluntary and was limited to the first 1,500 active state employees who signed up. The program is offered at no cost to employees who must also be enrolled in one of the state's Group Health Insurance programs.

Participants complete a health history questionnaire and other assessment tools, such as blood work for cholesterol and glucose, blood pressure, and strength training. Each participant receives his or

her results, along with recommendations to reduce any risk factors. They are also randomly assigned to one of three groups to examine different methods of follow-up that may be beneficial to employees. All employees who are part of the program will be re-assessed after one year to look at progress or improvements that may occur in their health condition.

Health Rewards was created to address the state's significant budget shortfall. After examining state employee health claims and utilization data, members of the State of Delaware's Employee Benefit Committee found that that, overall, state employees were not very healthy. In addition to the high health care costs, employees' poor health status increased absenteeism and contributed to inefficiency. Delaware decided to actively attempt to lower the cost of claims incurred by the state's self-insured health plan.

The state experienced direct savings of more than \$62,000 in the first year, not including the indirect long-term savings from the improved health of their employees. In 2004, the project expanded to 3000 assessments with participants broken into 3 groups of 500. They each received the same assessment, fitness prescription, fit-stop follow-up and one year reassessment. One of the groups also received intense intervention including monthly coaching and newsletters while another group was offered a \$100 incentive for improved or maintained health status after one year. The study will determine what, if any, follow-up is most beneficial for employees. The estimated savings for the expansion project are \$1,860,000 annually. The funding for the program's expansion was \$400,000, which included the costs for the health assessments, follow-up and incentive payments. The program is funded by the state through the Employee's Group Health Insurance Program.¹³

Commonwealth of Virginia- CommonHealth

CommonHealth is an employee wellness program available to state employees through their state benefits package. This program allows employees to screen for potential health risks

and learn how to live healthier. CommonHealth is offered to all Virginia state employees who work at participating agencies and their covered family members over the age of 18 living in their homes.

A large part of this program is the HRA and medical screening, which screens and evaluates blood pressure, blood chemistry analysis, resting heart rate and optional colon cancer screening self-test. The HRA is a confidential questionnaire which asks questions about a participant's medical history and lifestyle, evaluating stress level, physical activity, nutrition, use of tobacco and home safety.

The information from the HRA and screening are analyzed and compiled into a confidential personal report. This can then be used as a tool for the participant to examine their current lifestyle and make appropriate changes to be healthier. The report lists the possible health risks and along with this, there is a "P.L.A.N. (Personal Lifestyle Achievement Navigator). of Action," which provides complementary health information to help interpret results and realistic goal-setting strategies. Included in the follow-up are a variety of programs and health-related activities at state agencies, including exercise, stress management, smoking cessation, weight loss, nutrition, men's and women's health issues, medical self-care, and video library. State employees also receive a quarterly wellness newsletter with a self-assessment section and other information for participants to improve their health.

In order for employees to participate, their agency must decide to participate. The agency then appoints a coordinator to attend a two-day training. CommonHealth suggests that an agency appoint an Advisory Committee to help plan activities. Any employee of an active agency may participate in CommonHealth activities.

As of spring 2005, there were 579 individual locations participating in this program and in 2003-2004, there were 45,577 participants in 1,974 health promotion programs. In 2004, 8,587 employees participated in completing a

lifestyle questionnaire and medical screening. Approximately 81 percent of participants reported that the screening influenced them to make a health behavior change.¹⁴

Arkansas- The Healthy Arkansas Worksite Wellness Program

In 2004, Governor Mike Huckabee launched Healthy Arkansas, a program aimed at improving the health of Arkansans through lifestyle changes. The Arkansas Department of Health and Human Services works with the Governor's office on this program, along with the Arkansas Department of Education, Stamp Out Smoking (SOS) Program, Healthy Baby, the Arkansas Center for Health Improvement, Eli Lilly and Company and Gerber Foods Company.

Among the many methods of addressing wellness in Arkansas through the Health Arkansas program, the Arkansas Department of Health has developed a worksite wellness program. This program includes a guide and Web site with tools and resources for any organization, agency, or business in the state to use in order to develop worksite wellness programs.

A variety of information and resources are available to employees, including assessment tools and links to HRA examples. The state also provides information on marketing and how to increase participation, including point of decision prompts, employee commitment contracts, assessing employee readiness to change behavior, creating environmental conditions and policies to aid behavior change, etc. The guide provides a step-by-step planning process to increase success in developing a worksite wellness program.¹⁵ Since the inception of the Healthy Arkansas Initiative, the Web site averages 30,000 visits per month.¹⁶

Also included in Arkansas' worksite wellness program is a yearly health risk assessment for all state employees. To reward participation, employees receive reduced insurance premiums and additional discounts for adopting healthy lifestyles. Since beginning the program in 2004,

50 percent of the state's workforce has participated.¹⁷

Health departments can be a valuable resource for all businesses and agencies in the state who seek to implement worksite wellness programs. By providing useful information, the Arkansas Department of Health is promoting worksite wellness, including health risk assessments to improve the health of all employees in the state.

Conclusion

State health agencies play a pivotal role in disseminating, promoting and implementing worksite wellness policies. As an emerging strategy to address the obesity epidemic and related chronic disease, worksite wellness has shown improvements in health outcomes, cost-savings, and is a promising strategy to improve wellness in a large portion of the population. This is especially true in state government, which often consists of the most employees in a state's workforce and consequently the largest percentage of health care costs.

In particular, in order to make a business case for these policies, health risk assessments have been shown to be very effective in reducing costs in private businesses. This can easily be translated over to the public sector, allowing for huge cost savings. Health agencies can lead by example by implementing HRAs, demonstrating a commitment to wellness along with the opportunity to save money and improve productivity.

The case studies provide examples of states that have made commitments to worksite wellness. These innovative programs, although recent, have shown great promise and return on investment. States, by leading in promoting worksite wellness and health risk assessments, can improve the health of a large population and reduce health care costs.

¹ U.S. Department of Health and Human Services, Centers for Medicare and Medicaid (2004) *NHE Projects 2005-2015, Forecast Summary and Selected Tables*, www.cms.hhs.gov/NationalHealthExpendData/03_NationalHealthAccountsProjected.asp accessed on 9-29-06.

² U.S. Department of Health and Human Services (2003) *Prevention Makes Common "Cents,"* <http://aspe.hhs.gov/health/prevention/prevention.pdf> accessed on 9-29-06.

³ Hawaii Business Health Council ROI with HRA Use, *Business Case for Employer Sponsored Individual Health Risk Assessment*, www.nbch.org accessed on 9-29-06.

⁴ Ibid.

⁵ U.S. Department of Health and Human Services (2003) *Prevention Makes Common "Cents,"* <http://aspe.hhs.gov/health/prevention/prevention.pdf> accessed on 9-29-06.

⁶ Colorado Department of Personnel & Administration (2006) *DPA HealthLine*.

⁷ U.S. Department of Health and Human Services, Office of Disease Prevention and Promotion (2005) *Risk Assessments: The Picture of Health*, www.healthfinder.gov/news/newsstory.asp?docID=527393 accessed on 9-29-06.

⁸ NGA Center for Best Practices (2006) *Creating Healthy States: Building Healthy Worksites*, www.nga.org/center accessed on 9-29-06.

⁹ Ibid.

¹⁰ National Governor's Association (2005) *Health Rewards: State of Delaware Employee Wellness Project*.

¹¹ NGA Center for Best Practices (2006) *Creating Healthy States: Building Healthy Worksites*, www.nga.org/center accessed on 9-29-06.

¹² State of North Carolina Office of the Governor (2004) *Gov. Easley Unveils North Carolina HealthSmart for State Employees*, www.ncgov.com/asp/subpages/news_release_view.asp?nrId=1537 accessed on 9-29-06.

¹³ National Governor's Association (2005) *Health Rewards: State of Delaware Employee Wellness Project*.

¹⁴ CommonHealth (2005) *Annual Report to Managers*.

¹⁵ Healthy Arkansas (2006) *Worksite Wellness*, www.state.ar.us/ha/worksite_wellness/index.html accessed on 9-29-06.

¹⁶ Executive Summary Government to Citizen (2006) *Healthy Arkansas Initiative*.

¹⁷ Fixin' Healthcare (2006) *The Lifestyle Chronicles- NGA Wellness Where We Work- State Initiatives*, http://fixinghealth.blogspot.com/2006/03/lifestyle-chronicles-nga-wellness_08.html accessed on 9-29-06.

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