

Using a Wellness Program to Control Costs

Retail distribution firm headquartered in Westchester, NY with 164 employees spread out over 3 states.

Key Challenges

Working with this client to control costs a few years ago, we were able to stem the rate of increases for a time by modifying their benefit plan structure and implementation of a new funding strategy. As time went on and their renewals began to rise markedly, it was time to shift gears and present new solutions.

MBA Solution Presented

Our team had repeated previous suggestions that this client strongly consider implementation of a wellness plan. A properly designed wellness program that we could design, has the potential to return \$3-\$5 in savings for every dollar invested in the program. Wellness programs can help prevent illnesses, reduce the costs associated with health care issues, lower the rate of employee absenteeism and boost employee morale.

We outlined a program design encompassing the following key components:

- A strong buy-in from company leaders...a successful program starts with a commitment from all levels of management, including ownership.
- Establishing a culture of health...developing policies, practices and activities in the workplace that focus attention on the employee's physical, emotional and social well-being. Involving employees in the process, gathering staff feedback and suggestions.
- Communication and education...raising awareness of all aspects of the program through regular, customized methods, targeting resources available and the potential impacts for those utilizing the program.
- Incentives...to increase employee motivation and rewards for achieving stated health goals.

Measureable Results

After designing a program tailored to the company, a vendor was selected, and the program was implemented. Two years after commencement, the program results have become apparent...a culture of "well-being" has become established throughout the company, employee morale is up, there's a sharp reduction in employee absenteeism.

These changes resulted in the most recent medical renewal coming in at a level 30% lower than the prior 5-year average.