

The Wellness Forum

Cost Reduction Health Care Plans

Empowering individuals to take control of their health;
Empower employers to take control of health care costs

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Costs associated with healthcare are going up.

These include not only the actual cost of pharmaceutical drugs and medical services, but also loss of productivity, absenteeism, and turnover. This trend is unlikely to change anytime soon.

According to the Department of Health and Human Services, for every 100 employees, you as an employer should expect the following:

- 25 have cardiovascular disease
- 12 are asthmatic
- 6 are diabetic
- 26 have high blood pressure
- 30 have high cholesterol
- 38 are overweight
- 21 smoke
- 31 use alcohol excessively
- 20 don't wear seatbelts
- 24 don't exercise
- 44 suffer from stress

All of these conditions are expensive to manage using traditional approaches to medical care.

What These Conditions are Costing You

If you do nothing, you can expect costs associated with healthcare to go up between 6% and 12% per year. The average annual employer cost for health insurance is near \$6800 per employee, which means that you will most likely pay an additional \$400-\$800 per year per employee for health insurance alone. But this is not the only expense related to poor health.

Presenteeism is a term coined by economists that means employees are present at work but their productivity is impaired because they have one or more health conditions like the ones listed above. Results from the largest multi-employer study to date show that productivity costs can be as much as four times higher

than those associated with medical care and drugs. The totality of medical care, drugs, and health-related productivity losses like absenteeism and presenteeism are estimated to cost you, the employer, about \$13,000 per year per employee.

A well-designed cost reduction program can cut these risks in half or even eliminate them.¹

Employers have struggled to address these issues, and most have focused on trying to contain health insurance costs, reducing benefits and increasing the percentage of premiums paid by employees. While this strategy has allowed for the continuation of many benefit plans, it does not address productivity issues, or combat continually increasing costs.

Fortunately, there is another, better answer – ***teaching employees how to change their health outcomes through diet and lifestyle change***. This results in lower utilization of medical services. It is estimated that 85% of healthcare costs are for chronic, degenerative conditions, most of which are preventable and many of which are treatable by consuming a proper diet, getting enough exercise and reducing stress.

This strategy not only addresses direct medical costs, but also has been shown to increase productivity, reduce absenteeism and turnover, and improve employee morale and satisfaction.

The Wellness Forum's Programs

The Wellness Forum has been in business for over 14 years, and is the world's leader in programs designed to improve health through diet and lifestyle change. We have worked with individuals, employers and schools throughout the U.S. and in many foreign countries, using programs that have been scientifically proven to stop or reverse common health issues and reduce the costs of medical care.

Using lifestyle change to reduce medical costs has been proven to be effective for cost reduction. Between 1997 and 2001, individuals selected by Blue Cross/Blue Shield of Minnesota were taught by Dr. John McDougall how to improve their diet and lifestyle habits. The participants experienced, as a group, a 44% annual ***reduction*** in healthcare costs, while non-participants' costs ***increased*** by 12%.

Dr. Caldwell Esselstyn at The Cleveland Clinic has stopped or reversed heart disease in hundreds of patients using dietary intervention. At an average cost of \$1500 per patient, his program is considerably more cost effective than bypass surgery, angioplasty, and drugs. Many of his patients had incurred hundreds of

thousands of dollars in medical bills for drugs and procedures; those costs were eliminated for most patients after dietary intervention.

Studies have shown that these types of results are predictable for most of the chronic conditions that are costing you the most money. The Wellness Forum's cost reduction programs are modeled after programs like those referenced above that have been proven to improve health and lower costs.

Wellness Forum Programs Are Different

Most "wellness" programs offered in employment settings do produce some results. However, most are effective at *managing* disease, when in many patients, the diseases can be stopped or reversed with the right strategies. This means that many type 2 diabetics, can become *former* diabetics; many people with coronary artery disease can get rid of their disease and avoid both medications and expensive procedures; and patients with common conditions like arthritis and autoimmune diseases can get rid of them rather than managing them. This reduces costs significantly, as you can see from these cost comparisons:

Osteoarthritis	\$5700/yr ²
Autoimmune diseases (like rheumatoid arthritis)	\$15,500/yr ³
Crohn's Disease (Group I patients)	\$37,135 ⁴
Multiple Sclerosis	\$50,000 ⁵
Diabetes	\$11,744 ⁶
Cardiovascular Disease:	
Annual Cost for Lipitor	\$700 ⁷
Bypass surgery	\$61,800 ⁸
Angioplasty	\$22,020 ⁹
Chronic Lymphocytic Leukemia	\$33,000 first year ¹⁰

The cost for our programs, which can reduce and even eliminate most of these costs is as low as \$100 per person!

You've Been Given Inaccurate Information!

There is substantial information in the medical literature about the relationship between diet and health, proving that diet can not only prevent, but also stop and reverse common diseases. So, why don't most people know about it, and most important, since you are paying the healthcare bills for many people, why don't *you* know about it?

The reason is that most medical professionals, drug companies, hospitals, and insurance companies make money by taking care of an increasing population of sick people who stay sick. There is more money to be made with drugs and procedures than there is in telling people to eat differently. These companies and providers are counting on your not having this information in order to continue to offer their services profitably.

Here's How Our Programs will Affect Your Bottom Line:

If you're a sole proprietor:

Our programs will teach you how to rebuild and/or maintain your health, and to become a much savvier consumer of medical services. You'll most likely be able to significantly increase your deductible, which will in turn significantly decrease your insurance premiums. You'll also be using fewer medical services and drugs, which will reduce your out-of-pocket healthcare expenses too.

If you are a small company that is not self-insured:

Most small companies are grouped in pools for determining insurance premiums, but almost all companies will save money with a Wellness Forum plan. Healthier employees are more productive, and miss less work. Healthier people use fewer medical services, which can lead to higher deductibles for insurance plans, which reduces costs. And, many groups as small as 25 can become self-insured if they have a healthier workforce and less risk (we can assist you in obtaining this type of coverage for your group).

If you are a larger company that is self-insured:

Your costs will be affected directly by implementing Wellness Forum plans. Employees with expensive conditions to treat can often stop medications and avoid hospitalizations and procedures. These savings drop right to the bottom line and result in decreased costs.

We're sure you have questions!

At this point, you're curious, and you need the answers to important questions like how this program works, how employees can be motivated to participate, and the costs involved.

The next step is to call us for more information; we'll regularly conduct workshops via teleconference that cover everything from a review of the research that proves that our programs work to the logistics of implementing a plan like ours in your company.

¹ Employer Health Benefits – Annual Survey, The Kaiser Family Foundation, Kaiser Family Foundation website accessed September 13, 2007.

² Maetzel A, Li LC, Pencharz J, Tomlinson F Bombardier C. The economic burden associated with osteoarthritis, rheumatoid arthritis, and hypertension : A comparative study. *Ann Rheum Dis*, 2004;63(4):395-401

³ <http://www.samedanltd.com/?mod=magazine&id=12&page=article&issid=132&pid=2694&readall>

⁴ Feagan BG, Vreeland MG, Larson LR, Bala MV. " Annual cost of care for Crohn's disease: a payor perspective." *Am J Gastroenterol*. 2000 Aug;95(8):1955-60.

⁵ Kobelt, G "Costs and Quality of Life in Multiple Sclerosis: A Cross Sectional Study in the USA."

⁶ American Diabetes Association "Economic Costs of Diabetes in the U.S. in 2007"

⁷ <http://www.nytimes.com/2005/10/15/business/15statin.html>

⁸ http://healthcarebluebook.com/page_Results.aspx?id=29&dataset=hosp

⁹ http://healthcarebluebook.com/page_Results.aspx?id=29&dataset=hosp

¹⁰ Danese, M, Gleeson M, Reyes C et al. "Cost of CLL in Medicare Patients *J Clin Oncol* 26: 2008 May 20 suppl; abstract 17531