

## Put White River Health System to Work for You

### ***Health Matters***

White River Health System understands the challenges local businesses face with the rising cost of healthcare. We want to partner with employers in our community to address these issues head-on to help the people of our community live happier, healthier, and more productive lives.

Wellness programs, such as White River Health System's CommHealth program, are one thing many employers are exploring to help improve employee morale, overall health, increase productivity, and decrease healthcare costs. There are substantial benefits to these programs, and they can be designed to address the specific needs of your employees. Consider White River Health System as your partner in improving employees' health.

We invite you to explore our website for information about what's happening in the world of health reform and how your community hospital is working to further address the needs of our community.

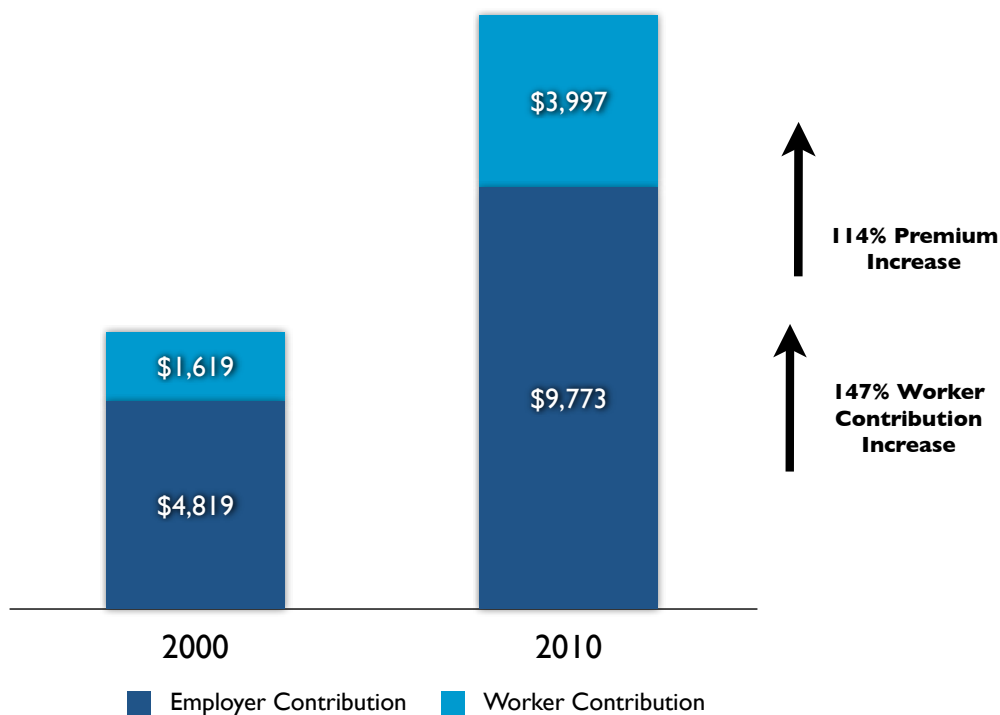
There's no better time than now to slow the growth in healthcare costs, and there are a number of things you can do. The following resources will help you understand the drivers behind the cost of care and the solutions and best practices producing results for employers around the country.

## ***Reason For Change: Addressing An Unhealthy America***

Within the past ten years, healthcare premiums have more than doubled, rising from \$4,083 in 2001 to \$9,821 in 2011, with employers paying a large portion of that cost. On average, employers around the country paid an additional 8.8 percent in 2011 than what they paid in 2010 for employee health insurance premiums.<sup>1</sup>

Although it's hard to imagine our country spending more on healthcare, year after year healthcare expenditures continue to outpace inflation, and all the while, Americans aren't getting healthier. Finding ways to contain costs is a major topic of debate as the financial burden for employer-sponsored health coverage increases and cost sharing shifts significant financial responsibility to employees.

**Average Annual Health Insurance Premiums and Worker Contributions for Family Coverage, 2000-2010**

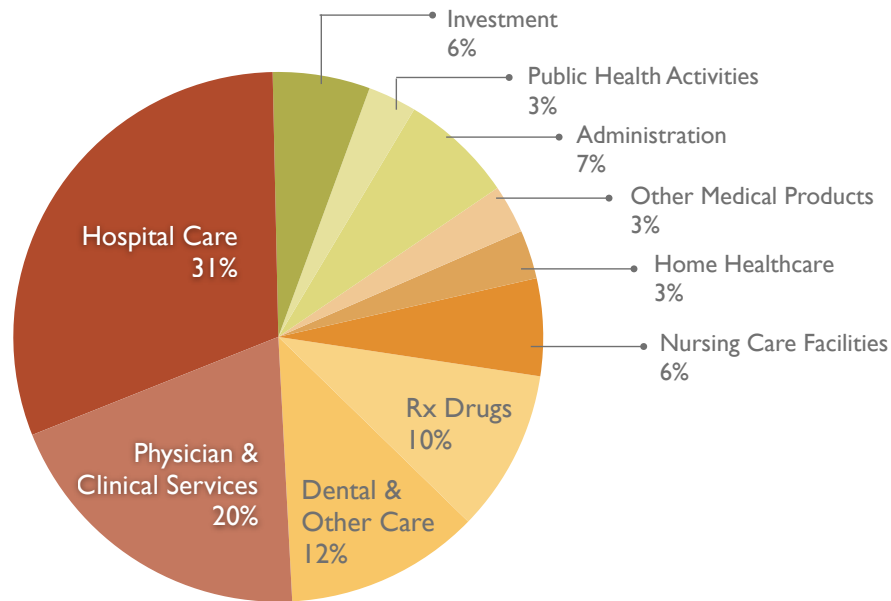


Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2000-2010

Hospital care and physician/clinical services account for nearly half of our country's health expenditures. Technology, prescription drugs, chronic diseases, an aging population, and administrative costs also play a role in driving the cost of healthcare. Consumers of healthcare don't have the ability to influence all of these factors, but we can take proactive steps to decrease the number of people with a chronic disease, which accounts for over 75 percent of national healthcare expenditures.<sup>2</sup>

# Spending Distribution, by Category

TOTAL SPENDING: \$2.5 TRILLION

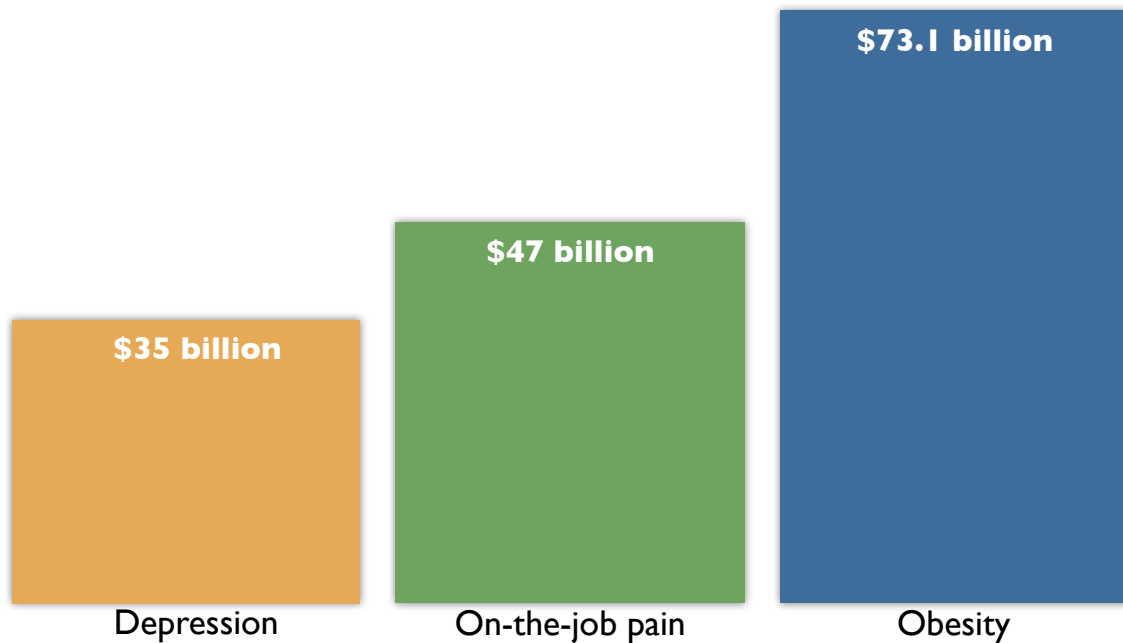


*(Source: Centers for Medicare and Medicaid Services, Office of the Actuary, 2009)*

Chronic diseases are often preventable through changing unhealthy lifestyles early on, yet cost hundreds of millions of dollars to employers each year. In 2005, it was recorded that 133 million adults had at least one chronic disease – one out of every two adults in the United States.<sup>4</sup> Obesity, one of the more preventable chronic conditions that exists today, is becoming an epidemic in our country. In 2010, more than 30 percent of Arkansans were considered obese, up 6 percent from 2009, ranking the state 43<sup>rd</sup> out of 50 states.<sup>9</sup>

Each year, obesity among full-time workers costs employers \$73.1 billion, a staggering statistic. To put it in perspective, this is equivalent to hiring 1.8 million workers at the average American annual salary of \$42,000. Obesity is not the only condition to blame for rising costs. Depression, of which chronic conditions and poor health contribute to, also costs employers more than \$35 billion a year in reduced performance. On-the-job pain, including back pain, headaches and arthritis, accounts for as much as \$47 billion a year in productivity loss.<sup>8</sup> While these statistics may be discouraging at first, they should be seen as a call to action in the workplace.

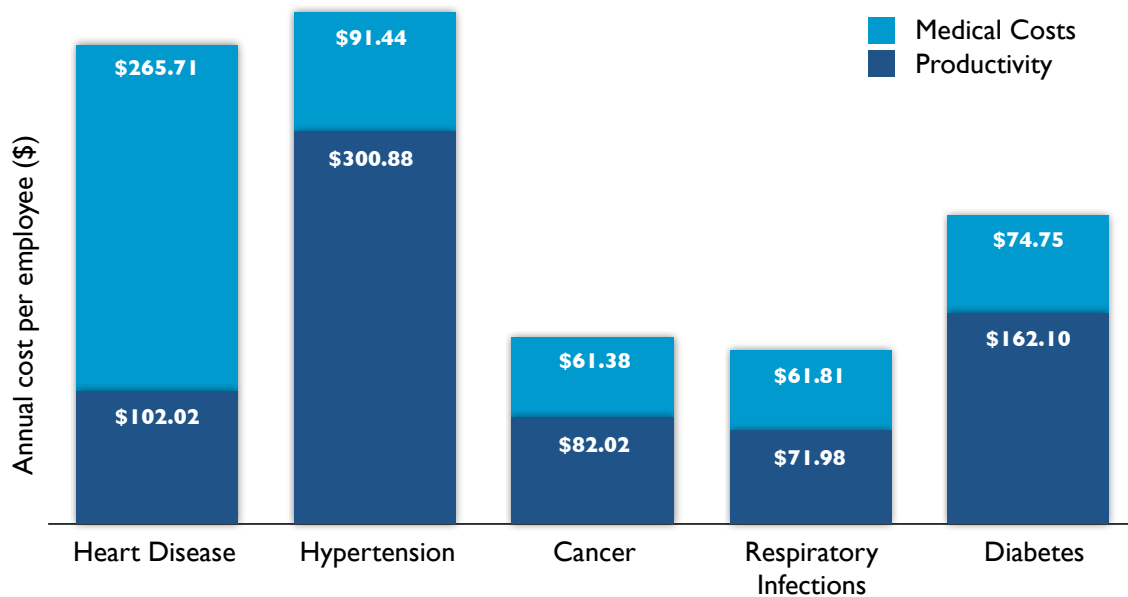
# Annual Employer Costs of Chronic Conditions



*(Source: Mayo Clinic Health Solutions' "The True Cost of Poor Health"; JOEM, 2010; 52: 971-976)*

An unhealthy workforce doesn't just drive up healthcare costs. Absenteeism due to illness costs employers \$55 billion annually. Presenteeism—lost productivity as a result of employees showing up to work when they are not 100 percent mentally or physically healthy—costs employers \$250 billion annually.<sup>7</sup>

# Costs of Chronic Conditions in Productivity and Medical Costs



A study of over 46,000 employees from six large U.S. companies showed employees with a high risk for heart disease had healthcare expenditures 228 percent higher than employees not at risk. For employees at risk of stroke, expenditures were 85 percent higher than those not at risk.<sup>6</sup>

Chronic diseases are preventable. The Centers for Disease Control reports a lack of physical activity, poor nutrition, tobacco use, and excessive alcohol consumption are four primary health behaviors that can be changed to decrease the likelihood of chronic disease.<sup>4</sup>

These four lifestyle changes go a long way in improving individuals' health and healthcare costs. Oklahoma saves approximately \$4.4 million a year as a result of just 1,155 state workers who quit smoking.<sup>5</sup> Worksite wellness programs, such as Oklahoma's smoking cessation program, are effective in addressing our nation's escalating healthcare costs, but most importantly, they have the impact of changing lives for the better.

While we can't fix everything, we know a good place to start. If we ever want to see change, White River Health System and local employers must work together. Learn more about the resources we provide to address these challenges head-on and help you cultivate a healthier workforce at our website.

## SOURCES:

<sup>1</sup>[Employers health costs to rise in 2011](#)

<sup>2</sup>[U.S. Health Care Costs](#)

<sup>3</sup>[Heart Disease and Stroke Prevention – Addressing the Nation's Leading Killers: At a Glance 2010](#)

<sup>4</sup>[Chronic Diseases and Health Promotion](#)

<sup>5</sup>[Medicare: A Prevention Plan that Could Lower Costs](#)

<sup>6</sup>[Reducing the Risk of Heart Disease and Stroke](#)

<sup>7</sup>[Controlling the Cost and Impact of Absenteeism: Why Businesses Should Take a Closer Look at Outsourcing Absence Management](#)

<sup>8</sup>[The Mayo Clinic's "True Cost of Poor Health" White Paper and U.S. Preventative Medicine](#)

<sup>9</sup>[America's Health Rankings, Arkansas 2010](#)

## ***What Are Other Employers Doing?***

### **Case Studies & Best Practices From Around the Country**

Approximately 84 percent of U.S. businesses have implemented at least one wellness program, and within the year, an additional 7 percent are expected to start one.<sup>1</sup> It's no wonder considering wellness programs have proven themselves to be a successful way to address rising costs. Of 56 studies on worksite wellness programs published in the American Journal of Health Promotion, the average reduction in absenteeism was 27 percent, reduction in healthcare costs was 26 percent, and the reduction in workers' compensation and disability claims was 32 percent.<sup>2</sup>

Below is a list of companies and organizations that have successfully implemented employee wellness programs and seen significant ROIs. We stand ready to help you actualize the same success here at home.

#### **Case Studies:**

- [Motorola](#)  
More than 30,000 employees benefit from Motorola's well-established program. While non-participants experienced an 18 percent increase in healthcare costs, participants in the wellness program only experienced an average increase of 2.5 percent. Motorola saved \$3.93 for every dollar spent, saving the company \$6.5 million annually in healthcare costs.
- [Johnson & Johnson](#)  
Johnson & Johnson started its wellness program in 1979 with the hopes of its employees becoming "the healthiest in the world through education and easy access to health promotion programs." Since then, the program has been incredibly successful. The results have lowered the company's healthcare spending by approximately \$400 per employee per year, decreased employee absenteeism, and reduced employees' health risk factors.
- [Nestlé's "Wellness for Me"](#)  
Nestlé implemented an in-house wellness program aimed at increasing employees' interest in nutrition and overall wellbeing with the philosophy of "healthy minds in healthy bodies." The program offers training sessions for healthy eating habits, provides healthy food options in the company cafeteria, access to a fitness studio with trained instructors, and check-ups three times a year.

- [Highsmith, Inc.](#)  
The efforts of Highsmith, Inc.'s wellness program reduced the number of employees with high-risk cholesterol levels by 53 percent and employees with high blood pressure by 52 percent. The company offers financial incentive for participants with the requirement that once a year they receive an annual health screening provided by the company. Further, if they meet certain requirements, Highsmith agrees to pay 75 percent of an employee's premiums, which drops to 60 percent if they don't meet the requirements.
- [Manatee County School District's HealthVantage](#)  
Recognizing the need to lower their healthcare costs, Manatee County School District implemented a wellness program that saved \$1.3 million in healthcare expenses in the first half of 2010. Overall, preventative care efforts offered through the wellness program decreases medical expenses by 14 percent.

SOURCES:

<sup>1</sup>[Businesses roll out, ramp up wellness programs](#)

<sup>2</sup><http://www.inc.com/guides/2010/05/wellness-program.html>

## ***Our Local Healthcare Reality***

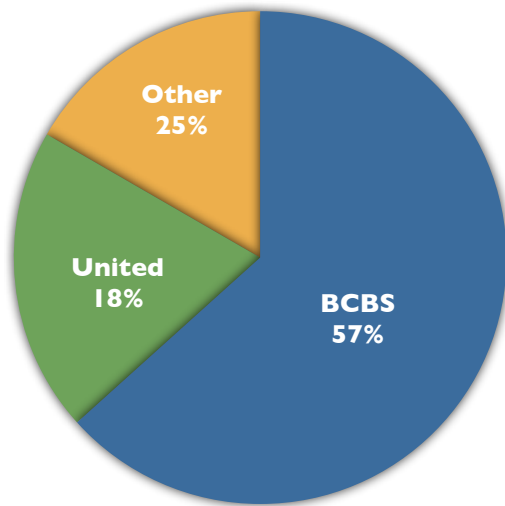
With the full implementation of health reform on the horizon, the future of healthcare is uncertain. Yet there are a few things we know for sure. We know that controlling costs and improving the overall health of our community is critical. Doing more with less is our healthcare reality.

As your local hospital, we have a responsibility to lead the effort in improving the healthcare environment in our community, starting with a more competitive insurance market and increasing choice for employers and their employees. That's what we are working to do.

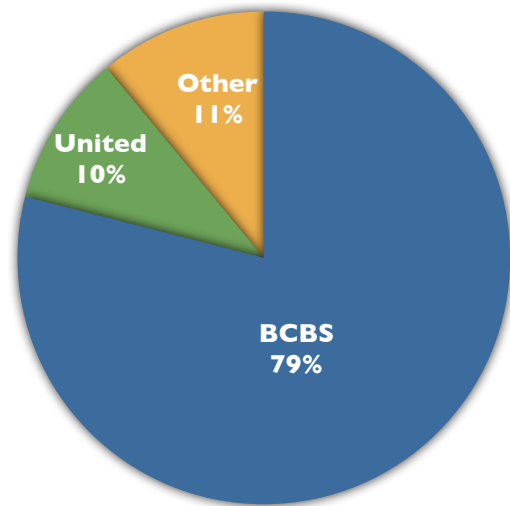
### **THE CHALLENGE**

Today, Blue Cross and Blue Shield of Arkansas currently controls nearly 80 percent of the Batesville market and two-thirds of the Arkansas insurance market. This type of monopolistic market restricts choice and is a situation that benefits no one except Blue Cross.

Blue Cross controls **more than three-fourths** of Batesville's insurance market, making it difficult for other insurance plans to compete.



**ARKANSAS INSURANCE MARKET**



**BATESVILLE INSURANCE MARKET**

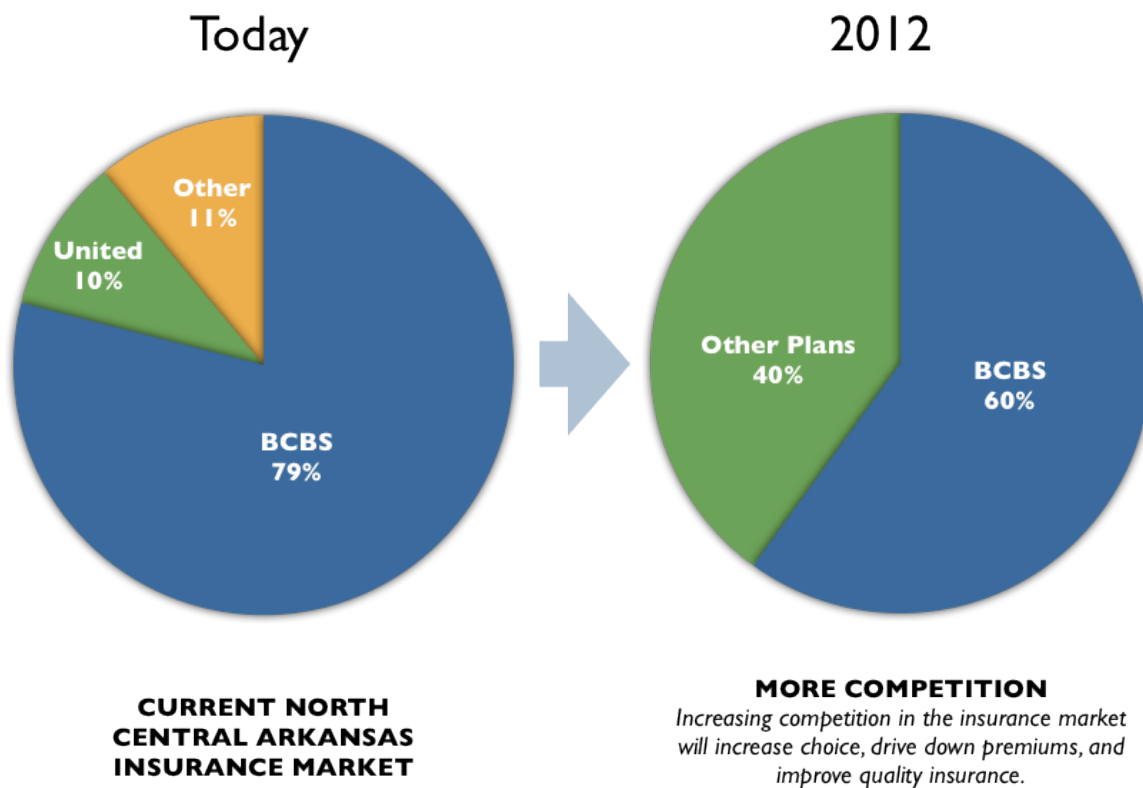
Sources: American Medical Association, "Competition in Health Insurance: A comprehensive Study of U.S. Markets: 2010 Update."; Health Care for America Now: Arkansas Consumers Pay the Price for Health-Insurance Market Failure

### THE SOLUTION

A more competitive market is an important step toward improving quality and driving down costs. We believe employers deserve choice when it comes to their health insurance and together we can work to overcome our unique market challenges. By exploring other insurance options for your employees we can work together to increase choice for everyone.

Over the next 12 months we are focused on working with employers and local businesses to understand their options and increase choice in health insurance. Together we can make our insurance market a more sustainable model that encourages competition as a way to improve quality and drive down insurance costs.

Please contact us if you are interested in learning more about how we can work together to improve healthcare in our community.



## ***Information & Materials***

We understand how important it is to have access to resources to support a healthy lifestyle for you and your employees. At White River Health System, it is our mission to provide quality healthcare not only through treatment, but also through prevention.

Consider us your partner in improving your employees' health. Through our CommHealth program, we offer worksite wellness and health education programs, including diagnostic and screening events aimed at improving employee health and reducing healthcare costs.

To learn more about the services we offer, visit our website, or contact our [Wellness Coordinator](#) at (870) 262-1587.

## ***Contact Us***

If you are interested in scheduling a meeting with us to talk more about how we can work together to improve local healthcare and what you can do to help, please contact Woody Castleberry at (870) 262-1160 or [wcastleberry@wrmc.com](mailto:wcastleberry@wrmc.com).