The Salt Lake Tribune

Utah hospital chain pushing harder for employee wellness

By kirsten stewart

The Salt Lake Tribune

Published: July 18, 2011 07:54AM
Updated: July 18, 2011 10:24AM

Add St. Mark's Hospital to the growing list of employers turning up the volume on employee wellness.

The hospital, and five others in Utah owned by HCA MountainStar, is offering workers just one health insurance option in 2012 — unless they submit to an annual health screening. Those who decline the evaluation will be placed in a high-deductible plan with low premiums but high out-of-pocket costs.

Those who agree to step on the scales and get their cholesterol, blood pressure and blood sugar levels checked will have their choice of three health policies.

"We promote healing of our patients. Why wouldn't we want to do the same for our employees?" said Kevin Allred, MountainStar's vice president of Human Resources.

Companies have, for more than a decade, dangled rewards for healthy behavior as a means to contain health care costs and boost employee productivity. Now more are adding monetary penalties to the mix, upping the stakes and begging the question: do wellness programs work?

Experts say it's a question complicated by an ever-changing legal landscape and hinging, in part, on an individual program's design.

But it's one that MountainStar and its parent company, Hospital Corporation of America (HCA) — one of the largest hospital chains in America — is determined to help answer, said Allred. "Most employers are looking for ways to control costs and make employees more healthy. We're really serious about it."

Carrots and sticks • Last year HCA wooed workers into wellness screenings with "credits," money that people could use to cover co-payments and other non-covered medical expenses. But only half of HCA's 4,300 Utah employees signed up, Allred said.

This year the company hopes to boost participation to 80 percent, said Kelly.

Some employees are wary and fear that their health information will be used against them.

"I smoke, I'm overweight and have diabetes, which I've kept under control along with my blood pressure. What's to prevent them from jacking up my rates?" said a clerical worker at a MountainStar hospital, who asked not to be identified for fear of losing her job.

"If you're a full-time employee and you go to work every day and do your job, you ought to get the same insurance as everyone else," she said.

Kelly said health screens will be done by a third party, results will be confidential and all employees, regardless of their health status, will pay the same premiums.

And it's not all sticks, no carrots. Employees who agree to more thorough, individualized health assessments will also be eligible for up to a $500 deposit into their Health Reimbursement Account.

With national figures showing up to 75 percent of all health care spending in America stems from preventable, chronic illnesses, federal law has become more permissive on workplace wellness.

Setting the rules • The Health Insurance Portability and Accountability Act (HIPPA) allows companies to give workers who participate in wellness programs discounts, rebates and other rewards of up to 20 percent of the cost of their health coverage. National health reform will raise that to 30 percent in 2014.

Employers, however, can't discriminate. The rules have to be the same for everyone, but they can make employee participation a prerequisite for the best, cheapest plans, said Bob Gorsky, CEO of HPN Worldwide in Chicago, which helps employers build wellness programs.

"We're … saying if you want to be in a plan that's going to take care of you, then you need to accept some responsibility for things you have control over," he said.

Federal rules also prohibit employers from penalizing workers for failure to meet corporate benchmarks. For example, a company can't force employees to stop smoking or to lose weight.

But it can help workers set and reach new health heights. And it can grant premium rebates and discounts to those who reach targets, whether it's exercising three days a week or cutting out sugar, said Gorsky.

"We think the best route to go is to link incentives with actions versus improvement, because inevitably people will struggle with something that might be hereditary. But we don't want to let anyone of the hook for not trying."

The debate over results • Corporate America is fast adopting the strategy as studies show it reaps dividends. A 2010 study by Harvard researchers, published in the journal Health Affairs, found that for every dollar spent on wellness programs, companies save $3.27 in medical costs and $2.73 as a result of reduced absenteeism.

"Insurance companies and hospitals all make more money as health costs rise. But employers are the whipping boy," said Darrell Moon, CEO of Behavior Innovations in Murray, which helps employers design and administer wellness programs.

Just more than two years ago, the company had 30 clients, mostly in Utah. Now it's expanded into states across America, said Moon.

There are skeptics. Health behavior experts have long suspected compliance is greatest for people who already have healthy lifestyles. And there's scant research illuminating which levers work best. Do workers value smoking cessation over visits with a personal trainer? Or do dietician-ordered meal plans do the trick?

"It may save money for insurance companies and employers, but unanswered is whether employees are paying more or benefitting from better health," said Shelly Braun, director of health reform for the Utah Health Policy Project.

New research shows people with high deductible plans, like the one guaranteed by MountainStar, don't use necessarily use health care more wisely, said Braun. "They're just not using health care."

The University of Utah's hospitals and clinics have long given employees discounts for health improvements, making coverage virtually free for some. But the university hasn't yet determined whether it's paying off in fitter, more productive workers, said hospital spokesman Christopher Nelson.

The Obama administration is providing guidance to employers looking to innovate on the wellness front and awarding grants. And the Centers for Disease Control and Preventions are starting to evaluate programs.

But Moon is a believer.

Focus groups with employees suggest some resist initially, but most come to realize they're hurting themselves, not their employer, he said. "Maybe that's what we need in this country for people to wake up to a less sedentary lifestyle and shun fast food. We all pay the price for an unhealthy society."

kstewart@sltrib.com

Twitter: @kirstendstewart
