The value of wellness programming

A comprehensive wellness program inclusive of organizational assessment, C-suite support, consistent application of program deliverables, and regular evaluation can be effective in decreasing costs for an organization. Metrics used to determine efficacy include productivity, absenteeism, retention, and medical costs. The relationship tends to be one of correlation vs. causation grounded in a philosophy that the more employees adopt healthier behaviors, the less likely they are to develop health risks, leading to a reduction in filed claims for preventable conditions and thereby decreasing future claims.

ROI for Employee Wellness Programs

Research on the ROI for employee wellness programs is typically positive and is largely dependent on employee engagement and senior leadership support.

Employee Wellness Programs and Health Care Costs

Harvard researchers found that on average, for every dollar spent on employee wellness, **medical costs fall $3.27**, and **costs related to absenteeism drop $2.73**.

The International Foundation of Employee Benefit Plans determined most employers **saved $1 to $3 in their overall health care costs for every dollar spent on an employee wellness program**, including direct costs such as workers' compensation claims, as well as indirect costs, such as improved retention and increased productivity.

The Rand Wellness Programs Study found the disease management component of the studied wellness program was **responsible for 86 percent of the hard health care cost savings**, generating $136 in savings per member, per month, and a 30 percent reduction in hospital admissions.

Specifically targeting high risk employees within a program (considering body fat, blood pressure, anxiety level and other measures), Harvard Business Review reports:

- **57 percent were converted to low-risk status** by the end of the six-month program
- **Medical claim costs declined by $1,421 per participant**, compared to the previous year
- Every dollar invested in the employee wellness program **yielded $6 in health care savings**.[5]

continued

For a more comprehensive picture of the ROI for employee wellness programs, consider its impact on culture, engagement, and productivity.



A reduction in:

- Costs related to health and presenteeism
- Number of employee absences
- Length of time employees are away from work
- The cost of sick pay



An increase in:

- Workforce engagement
- Workforce productivity
- Workforce retention, as they know you care about their overall wellbeing
- Workforce motivation
- Workforce and customer relations

In conclusion, to assess the efficacy of a comprehensive wellness program, metrics must be utilized from all dimensions of employee wellbeing, including morale, productivity, retention, absenteeism, and health risk conversion.

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