

by Courtenay Wolf

A WEIGHTY ISSUE



Benefits guru David Lind, David P. Lind & Associates, has become the go-to guy for Iowa companies seeking to benchmark their offerings and costs against others. Since 1999, Lind has been tracking the rise in health care costs.¹

ASK ANY IOWA BUSINESS OWNER, CEO OR CFO TO DISCUSS EMPLOYEE BENEFITS AND THE CONVERSATION WILL EVENTUALLY TURN TO THE ELEPHANT IN THE ROOM—UNSUSTAINABLE YEARLY INCREASES IN HEALTH CARE COSTS. THAT WAS TRUE BEFORE THE 2010 FEDERAL HEALTH REFORM LAW WAS PASSED AND IT'S TRUE TODAY. EXPERTS LIKE LIND SAY THAT UNTIL WE GET SYSTEMIC CHANGES THAT ADDRESS THE ROOT CAUSES, WE WON'T BE ABLE TO SOLVE THIS PROBLEM.

BUT SOLVE IT WE MUST, BECAUSE THE CURRENT PATH WE'RE ON IS UNSUSTAINABLE. Since 1999, total health insurance premiums in Iowa have risen 145%, an average of 11.1% a year. In 2011, the average increase was 10.1% before any adjustments to the plan. Over that same time period, employee contributions have risen 109%.

In sharp contrast, Iowa's average weekly wage increased by only 35.6% from 2000 to 2010.² By 2020, Lind projects that if we don't find a way to bend the cost curve, the combined employer and employee cost of health care for an average family will rise from 26% to 57% of total salary.³

Premiums are only part of the story. To afford the increases, employers are forced to pass on more costs to employees. The trend in Iowa and nationally is higher deductibles and higher co-pays. In Iowa, the average single deductible has jumped to \$1,498 in 2011 from \$565 in 2004, a staggering increase of 165%. The average family deductible has jumped to \$3,181 in 2011 from \$1,185, an increase of 168% in just seven years.

SMALL BUSINESS PAYS MORE

Small Iowa businesses and rural households pay substantially more. Businesses with fewer than 50 employees averaged health insurance increases of 16%

or more in 2011. Over 100,000 Iowa businesses have between two and nine employees, and another 13,000 have fewer than 250 employees. Many are located in rural communities. Iowans working for the smallest rural-based employers (two to nine employees) pay almost \$2,000 more in family deductibles per year than their urban counterparts.⁴

While 20.1% of Iowa companies funded Health Savings Accounts (HSAs) and/or Health Reimbursement Accounts (HRAs) in 2011 to offset the increased costs for their employees, it is the larger companies who were more likely to offer those programs and at least partially fund them to help offset the higher deductibles. Businesses with fewer than 50 employees were less likely to offer this help.

THE ROOT CAUSE

Lind points out that insurance premium increases are artifacts of the increase in the cost of health care. While there are ongoing discussions on how to address cost issues—from rewarding doctors for outcomes to better communication and electronic health record tracking—to understand the core issue, we need to look at the increasing U.S. obesity rates.

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According to the U.S. Centers for Disease Control and Prevention (CDC), one in three Americans over 20 is obese and another one in three is overweight. In Iowa, the numbers are similar, with nearly 70% obese or overweight. The result? Two-thirds of adults are far more vulnerable to such chronic diseases as stroke, heart disease, cancer, diabetes and a host of others. The CDC estimates that health care costs for chronic disease treatment now account for over 75% of national health expenditures, a stunning number.

THE GOOD NEWS

While chronic diseases are among the most expensive to treat, they are also the most preventable. Experts used to believe that our genes were the primary cause of heart disease, cancer, diabetes, stroke and other chronic diseases. We now know that lifestyle choices are responsible for 80% of the cause, while our genes take the rap for only 20%.

Average weight was relatively stable until the early 1980s. Over the past 30 years, there's been a dramatic shift upward, the result of many small changes in lifestyle and diet. Lind likens the whole situation to the analogy of the frog in the boiling pot. You know the story: The frog will jump out if tossed into a pot of boiling water, but will cook when the water is heated gradually. Like the frog that doesn't notice it's being cooked until it's too late, we have adjusted and adapted.

We're finally recognizing that this is indeed a crisis, with an enormous downside impact on businesses, individuals, our economy and even national security, as obesity hampers recruitment for the military. Public

The new Blue Zones Project helps Iowa companies and communities identify changes that make healthful choices the default choices more often.



officials and business groups are joining together to identify how we can turn this around.

This brings us back to employee benefits and the growing emphasis on employee wellness programs. U.S. companies find themselves on the front lines of the effort to change what Dr. David Katz, prominent Yale Prevention Research Center director and the force behind the NuVal nutrition rating system adopted by Hy-Vee, refers to as an “obesogenic culture.”

While 80% of Iowa employers of 250 or more have some type of wellness program, many smaller employers believe an effective program is out of reach for them. Only 32.5% offer any type of wellness information, and far fewer offer active programs. A better understanding of the causes of the epidemic of obesity and being overweight shows that much can be accomplished with little or no financial investment.

BENDING THE CURVE

How did we get into this crisis? There doesn't appear to be one smoking gun. It turns out that it's a lot of

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small things. We've engineered activity out of our lives in hundreds of ways. At the same time, we've witnessed an explosion in the availability of tasty, inexpensive foods high in fat, sugar and salt. Additionally, many entertainment options keep us sitting in front of screens during our leisure time. At every turn, it's become easier and more culturally accepted to make the unhealthy choice. “We're victims of our own success,” says Katz.

To bend the curve back toward health and save billions of dollars in Iowa each year in health care costs and lost productivity, Laura Jackson, an executive vice president at Wellmark Blue Cross and Blue Shield and a champion of the new Blue Zones Project™ (part of Iowa's Healthiest State Initiative) says we must make it easier to make healthy choices our default choices at work, in the community and at home.

That's where wellness programs really shine. Full-time employees spend half or more of their waking hours at work, so the impact of the environment and culture on habits and health can't be overstated.

GETTING STARTED

You don't need an expensive gym, a dedicated wellness coordinator or a big budget to create a successful program. But one thing will make or break the effort: Leadership.

It literally starts with the business owner, CEO, CFO and top executives. They need to see the value of making needed changes and link the effort to the vision, mission and goals of the organization. They need to lead by example.

“Without the support of the leadership team, it's difficult to make any lasting change, so it starts there,” says Amy Liechti, Iowans Fit for Life worksite wellness coordinator and author of the “Healthy Iowa Worksites” toolkit for employers. It isn't necessary to start big. As a matter of fact, Liechti advises against

Iowa-based grocery chain Hy-Vee places registered dietitians in stores and offers the NuVal nutrition scoring system to support healthful eating.



WELLNESS RESOURCES

making too many dramatic changes at once. “Our focus is start small. People often think they have to take on everything, but that’s too overwhelming.”

Jackson agrees. “We didn’t try to do everything at once. We made gradual changes.” For instance, initially Wellmark added healthy options to their vending machines. As their wellness initiatives gained momentum, they eventually eliminated all unhealthy options. “We make the healthy choice the easy choice,” says Jackson. “We don’t tell people they can’t have a candy bar at work, but if they want it they’ll have to bring it in.”

Adopt the buddy system, advise Jackson and Liechti. Research shows that people do far better at changing habits and behaviors when they have the support of others. Try setting up teams to walk together on breaks. Make it easy by identifying one- to two-mile walks inside and outside, and consider kicking it off with a contest. Or make a small investment in pedometers and reward teams who log the most steps in a given time period. Make sure the rewards are nonfood related.

You’ll identify other changes as you take a close look at your own company culture. Are you still serving food at meetings? Change to healthier options or eliminate the food altogether. Do team-building and reward events revolve around meals? Try to find other activities, and when food is served, be sure there are plenty of healthy selections. Is it easier to take the elevator than the stairs? Strategize on how to change that.

While no one change will turn the tide and reverse a 30-year trend, many small changes will have an impact. Once wellness becomes part of your company culture, it will spill over into families and communities.

The growing recognition of the scope of this crisis has unleashed a surge of creative problem-solving across Iowa and the nation. Check out the resources we’ve listed and partner with fellow leaders to implement changes that will result in a healthier and more productive workforce, helping to address the root cause of our unsustainable health care cost increases.

¹All Iowa employer statistics, unless otherwise noted, come from the ©2011 Iowa Employer Benefits Study, conducted by David P. Lind & Associates, L.C. Results are based on 958 responses from 3,477 randomly selected Iowa employers with two or more employees.

²Iowa Workforce Development

³David P. Lind & Associates, L.C.

⁴Real Iowans Research Initiative, “Iowans Speak Out on Their Health, The Rural-Urban Divide,” July 15, 2011, University of Iowa College of Public Health.

Blue Zones Project A centerpiece of Iowa’s Healthiest State Initiative, supported by Wellmark Blue Cross and Blue Shield, Healthways and Blue Zones. The focus is on lifestyle and environment. The Blue Zones Project helps companies and communities identify key changes that encourage individuals to make healthy choices their default choices more often. The project is based on research in areas around the world called Blue Zones where people live long and healthy lives.

Contact: Bruce Middlebrooks, bruce.middlebrooks@healthways.com
Website: www.bluezonesproject.com

County Health Departments Each county in Iowa has a health department. Call to discuss the types of services they can provide as you develop or improve your wellness program.

Healthier Workforce Center for Excellence A University of Iowa College of Public Health project, funded by the CDC National Institute for Occupational Safety and Health. Its focus is to identify strategies that work to reduce injury and improve the health of workers through workplace interventions. An ergonomist and nutritionist are available to work directly with Iowa businesses to help assess and improve workplace and employee health.

Contact: Matthew Lozier, coordinator and outreach director, matthew-lozier@uiowa.edu
Website: www.public-health.uiowa.edu/hwce/index.html

Hy-Vee Dietitians Many Hy-Vee stores across Iowa have registered dietitians who offer private consultations and group programs for a reasonable fee.

Website: www.hy-vee.com/health/hy-vee-dietitians/default.aspx

Iowans Fit For Life Funded by the CDC and run by the Iowa Department of Public Health. The program is focused on nutrition and physical activity. Staff works closely with the Healthier Workforce Center for Excellence and has published the “Healthy Iowa Worksites” toolkit for employers, a free comprehensive guide for starting a wellness program. Go to www.idph.state.ia.us/iowansfitforlife/common/pdf/healthy_worksites_toolkit.pdf to download it.

Contact: Amy Liechti, worksite wellness coordinator, amy.liechti@idph.iowa.gov
Website: www.idph.state.ia.us/iowansfitforlife

Live Healthy Iowa A Web-based program of the Iowa Sports Foundation. Brings together friends, families, businesses and communities in team-based wellness challenges designed to promote positive lifestyle change.

Contact: Nicole Bruce, nicole@livehealthyiowa.org
Website: www.livehealthyiowa.org