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Create Healthy Results

Company Overview

- Privately owned, multifamily real estate company with a portfolio of 4,000 residential units; 250,000 square feet of commercial space
- Massachusetts and Rhode Island, 11 locations
- 160 employees

Program Components

- Program initiated to address health care costs.
- Strong support from senior management.
- Program is managed by an advisory committee that meets quarterly and a wellness committee that meets monthly.
- Communication was done through managers because one-third of workforce doesn't have e-mail.
- Initiated the program with several small activities.
- Implemented a health risk assessment and employee needs and interest survey.
- *Know Your Numbers* campaign. During the campaign, free health screenings were held and employees completed health risk assessments providing employees with key numbers to know and improve their health status.
- Participated in Massachusetts Department of Public Health *Working on Wellness* grant program.
- *Walk off* physical activity challenge.
- Annual 5K race for employees.
- Offer nutrition "lunch and learns."
- Stress relief—chair massages.
- Wellness and benefits fair.
- Environmental supports—vending machine choices.

Program Success Story

- Doubled budget from first year to second year.
- More than 50% of employees participated in health risk assessment.

CEO Statement

"Investing in our employees is one of the best investments we can make as a company."

Understanding the Total Costs of Poor Health

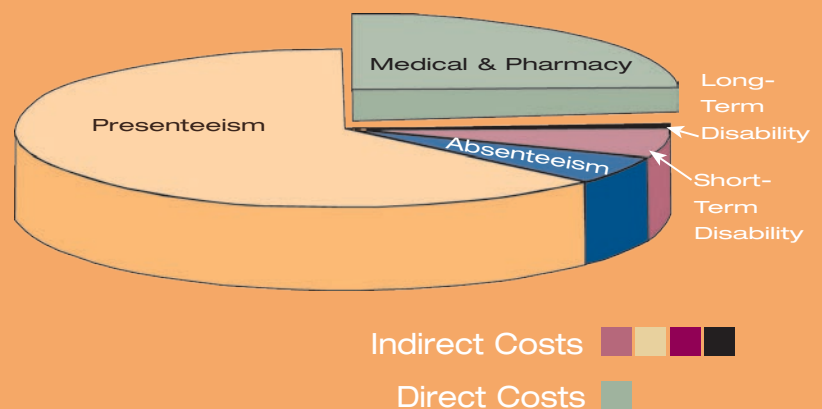
Small/medium-sized employers have limited influence on their direct medical costs because their health premiums are affected by the insurer's experience with all covered employers within a particular health plan (e.g., fully insured). However, they can have a significant influence on controlling *productivity-related costs* (e.g., so-called "**indirect costs**") associated with poor health status. Ongoing research has documented that these indirect costs, which include absenteeism, disability, and presenteeism (being physically on the job, but not being fully engaged), can be **two to three times the direct medical costs**.¹⁰⁻¹⁵ (See chart below.)

To the small/medium-sized business owner, the indirect costs of poor employee health can be detrimental to business operations and profitability. The good news? Health promotion programs have been shown to substantially reduce not only direct medical costs, but also indirect costs.¹⁰⁻¹⁵

The bottom line? Although it's difficult for small/medium-sized business owners to control escalating health premiums, they can have a considerable influence on controlling *productivity-related costs* associated with sick days, disability, lost days due to workers' compensation claims, and on-the-job impairment (e.g., presenteeism) by encouraging and supporting a healthy workforce.

IS YOUR ORGANIZATION AWARE OF THE TOTAL COST BURDEN OF POOR EMPLOYEE HEALTH?

Relative Contribution of Direct and Indirect Costs Within a Large Financial Services Corporation



Source: Edington DW, Burton WN. Health and productivity. In: McCunney, RJ: A Practical Approach to Occupational and Environmental Medicine. 3rd ed. Philadelphia: Lippincott Williams & Wilkins; 2005:140-152.¹⁰

