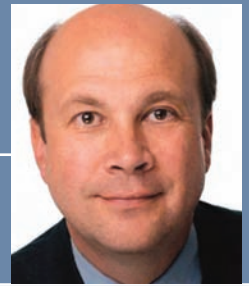


Health Promotion Works



Jeff Sterba
Chairman, President, and CEO

“Shifting your health management strategy from an illness model to a productivity model is grounded by a wealth of research that demonstrates the efficacy of worksite health promotion,” says Steven G. Aldana, PhD, Professor of Lifestyle Medicine, College of Health and Human Performance, Brigham Young University.

Research supports the benefits of worksite health promotion programs as summarized below. In the remainder of this report:

- Review key employer- and employee-oriented concepts and strategies that address worksite health and productivity.
- Accept the challenge to champion health promotion efforts.
- Begin to lay out a worksite health promotion strategy.

SAVINGS PER DOLLAR INVESTED IN WORKSITE HEALTH PROMOTION PROGRAMS

From a review of 73 published studies of worksite health promotion programs³⁸

- Average \$3.50-to-\$1 savings-to-cost ratio in reduced absenteeism and health care costs

From a meta-review of 56 published studies of worksite health promotion programs³⁹

- Average 27 percent reduction in sick leave absenteeism
- Average 26 percent reduction in health costs
- Average 32 percent reduction in workers’ compensation and disability management claims costs
- Average \$5.81-to-\$1 savings-to-cost ratio

In a critical review of 12 new studies published between 2000 and 2004, all studies reported “favorable clinical and/or cost outcomes.”⁴⁰

“We’ve successfully kept medical cost increases modest because we view the wellness of our employees as a partnership.”

PNM Resources, Inc.

PNM Resources LIFE Steps Program

Company Overview

- Type of industry: Energy/Utilities
- Number of employees: 3,441

Program Components

- Multitude of seminars, services, and facilities
- Incentives to encourage healthy behaviors
- Free Health Risk Assessments (HRAs)
- HRAs coordinated with medical vendors and tied to employee enrollment (more than 80%) in disease management programs

Program Highlights

- Wellness program in place for 20 years
- *Summer Meltdown*: 8-week weight loss contest—450 employees lost 3,000+ pounds
- Self-insurance allows medical benefits design based on both employee and company needs, while partnering with vendors to improve benefits and control costs
- All Preferred Provider Organization (PPO) plan selections provide up to \$600 per covered life per year of 100% plan-paid preventive benefits
- Since 2004, annual increase in medical costs has been less than 5%

CEO Statement

“We’ve been successful keeping medical cost increases to an average of 3% over the last four years because we view the wellness of our employees as a partnership. By participating in wellness programs and preventive care, our employees and their families are seeing only very modest increases in premiums and, most importantly, enjoying a better lifestyle.”

