



Kaiser Daily Health Policy Report


Friday, April 03, 2009

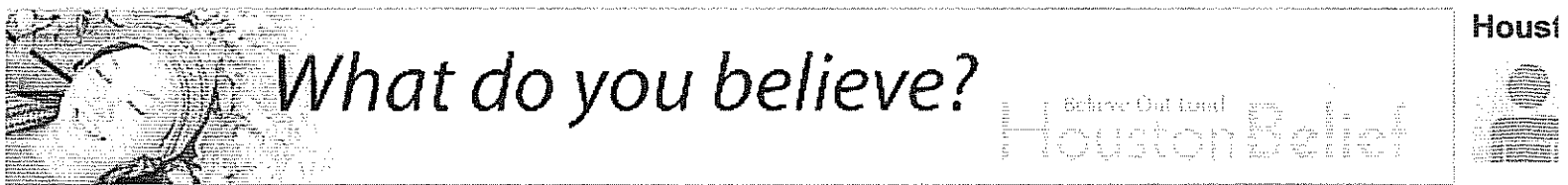
Health Care Marketplace

More Large Employers Offer Chronic Disease Management Programs To Reduce Health Care Costs

Eighty percent of large U.S. companies this year are offering chronic disease management programs for workers in an effort to reduce health care costs, up from 51% last year, according to a new survey by *Hewitt Associates*, the *Houston Chronicle* reports. Hewitt surveyed 343 large companies and found that more employers are targeting costly chronic diseases -- such as diabetes, heart disease, asthma and depression -- rather than workers' eating or exercise habits. Hewitt estimates that a company with 9,500 workers and 500 retirees younger than age 65 spends between \$18 million to \$22 million on health care just for those with diabetes.

The survey found that companies are targeting chronic conditions by offering employees personal health coaches, on-site health clinics and copayment waivers for needed medications. According to the *Chronicle*, results among companies vary, but those that have had success in persuading employees to lead healthier lifestyles report spending 10% to 30% less per year on medical care after two to five years (Sixel, *Houston Chronicle*, 4/2).

 Additional information about the survey is available [online](#).



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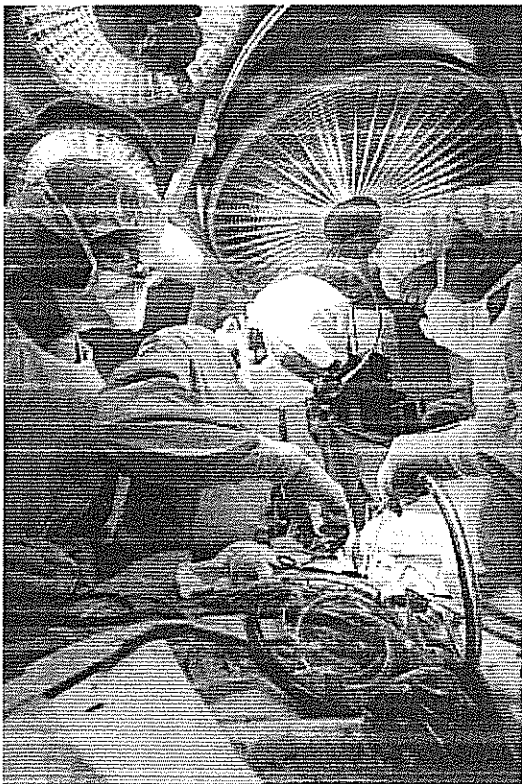
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Companies learn health can be productive

Four out of five in survey aiming to stop disease earlier

By L.M. SIXEL HOUSTON CHRONICLE
April 2, 2009, 9:29PM



Joyce Dopkeen NYT

A patient undergoes heart bypass surgery. Heart disease is one of the sicknesses that companies are trying to head off.

After launching walking programs, hosting yoga sessions and picking up the tab for health club memberships, companies are ramping up their wellness initiatives.

But instead of just focusing on better diet and exercise choices, companies have targeted a narrow band of chronic — and expensive — diseases such as diabetes, cardiovascular disease, asthma and depression.

According to Hewitt Associates, 80 percent of companies are trying to improve the chronic health condition of their employees this year by taking steps like assigning personal health coaches, setting up on-site clinics for easy medical access and waiving co-pays for essential drugs.

That's up from last year when 51 percent of companies launched specific disease management programs, according to the study that surveyed 343 large employers.

"Companies are starting to understand that wellness is a productivity tool," said Jonathan Lack, executive director of the Houston Wellness Association, a 600-member group that includes 120 companies and that focuses on health management.

The new focus comes at a time when health care expenses are rising dramatically for employers. Hewitt estimates a company with 9,500 employees and 500 pre-65 retirees spends \$18 million to \$22 million on medical care just for its diabetic population.

The costs are even greater when sick time is factored in, said Kathy Harte, co-leader of Hewitt's health and clinical consulting practice in Norwalk, Conn.

Identification, persuasion

The big challenge, however, is to identify those with chronic diseases as well as those on their way to getting sick and then persuade them to participate, said Harte.

And believe it or not, they do, said Joseph Jasser, regional medical director for Houston for Concentra, an industrial medicine and urgent care provider.

"Most have done their fad diets already," said Jasser, and found that a protein-heavy or carbohydrate-limiting program doesn't work. "No one wants to have high cholesterol and no one wants to have heart disease."

Jasser emphasizes basic prevention for the high-risk group. "Usually if you have the obese smoker, you'll have heart disease, high blood pressure and diabetes."



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TARGETED CONDITIONS

Hewitt Associates surveyed 343 large U.S. employers and found a spike this year in the number focused on chronic disease management. Sixty percent of the companies have at least 5,000 employees.

Companies targeting a condition in 2009:

- Diabetes: 75 percent
- Cardiovascular disease: 69 percent
- Asthma: 56 percent
- **Depression: 32 percent**

Companies targeting condition in 2008:

- Diabetes: 46 percent
- Cardiovascular disease: 40 percent
- Asthma: 36 percent
- Depression: 17 percent

Source: Hewitt Associates

If you can change their lifestyle — cut out smoking, eat better and exercise — then they're healthier and companies end up spending less for medical care, said Jasser. Results vary, but companies report they spend 10 percent to 30 percent less a year after two to five years.

About two years ago Service Corporation International zeroed in on diabetes. It's one of the most expensive and pervasive chronic medical conditions for the company's 21,000 North American employees; but it's also one of the most controllable with proper medicine, diet and exercise, said Jane Jones, vice president of human resources.

Wider risk assessment

Focusing on diabetes has another advantage — because it's so closely connected to obesity, high blood pressure and smoking, the death care company can address that trio of issues that lead to other health problems.

SCI expanded its health risk assessment program and offered a monthly reduction in health care premiums to employees who fill out the survey.

Diabetics are then encouraged to sign up for periodic phone calls from a nurse about whether they're taking their medicine, exercising

regularly and seeing a physician, said Jones. The company has also sponsored fundraising walks and bicycle rides as well as introduced programs to lose weight and quit smoking.

To make sure diabetics take their medicine, SCI is considering whether to deeply discount insulin and other critical medicines or waive the out-of-pocket fee altogether, she said.

Seeing co-workers cope

To encourage others to participate in the program, the company has started profiling diabetic employees for its in-house publication. There have been some real success stories and people feel more confident coming forward when they see how their co-workers are coping, said Jones. Jonathan Watts, a senior analyst in business development, said he appreciated his profile.

Watts, a Type 1 diabetic who was diagnosed three years ago at age 21, explained how he lost 60 pounds in less than a month, his vision blurred and he experienced overwhelming fatigue.

"A lot of people were surprised," he said, especially since he was relatively old to be diagnosed for what's commonly known as a child-onset disease.

While the data isn't in yet, SCI anticipates it will save \$500,000 in health care costs the first year, said Jones. Even though it's paying more for prescriptions, the number of hospitalizations should fall.

"If you're taking your medication, you're less likely to end up in the emergency room," said Jones.

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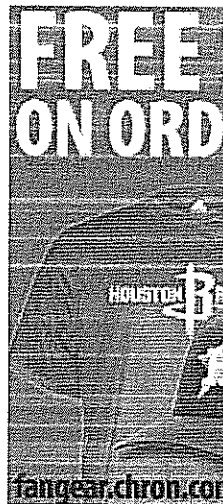
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