

# Workplace wellness plan saves money over the long-term, new study shows

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A Midwest utility company learned firsthand that it pays to keep healthy employees fit, reaping a net savings of \$4.8 million in employee health and lost work time costs over nine years.

A University of Michigan study of workplace wellness programs is one of the only longitudinal studies of its kind, said co-author Louis Yen, associate research scientist in the School of Kinesiology's Health Management Research Center.

Over the nine years, the utility company spent \$7.3 million for the program and showed \$12.1 million in [savings](#) associated with participation. Medical and pharmacy costs, time off and worker's compensation factored into the savings, said Alyssa Schultz, research area specialist intermediate.

The findings are good news for companies looking to implement wellness programs, said Dee Edington, director of the U-M Health Management Research Center and principal investigator.

"One of the advantages of the study is it shows that a sustainable program will give you savings," said Edington, also a professor in the School of [Kinesiology](#) and a research scientist in the U-M School of Public Health. "Previous studies looked at programs that are short and intense and cover the same people."

The U-M study differed in three important ways. First, it shows that

wellness programs work long-term, even though the employees who participated aged during the study. Second, the study took into account all bottom line costs for implementing the wellness plan. For instance, indirect costs such as recruitment and costs for changing menus. Most studies include just the direct costs to the company for paying for employees who participate. But even using the very conservative U-M figures showed a cost savings, Yen said.

A third difference is that it looked at lost work time as well as pharmacy and medical costs, Schultz said. The employees who participated in all years saw those costs had increased by \$96; those who participated in some of the years rose \$230; and [costs](#) for those who never participated jumped by \$355. The program cost \$100 per year per employee whether the employee participated or not. Therefore, a participation-related savings of \$257 and \$125 was calculated for the employees who participated in all years and those who participated in just some years.

Slowly, companies are realizing that while insurance plans must care for sick employees, those plans must also include wellness plans to keep healthy workers healthy, Edington said.

"It's still a large company activity, but the growth (in wellness plans) is in the medium-sized companies," Edington said.

So what should a company do when looking for a benefit plan for [employees](#)?

"You want a benefit plan that will take care of your sick people but also keep your healthy people healthy and working," Edington said.

Provided by University of Michigan

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