



More firms using incentives to prod employees to fitness

By [Kelly Kennedy](#), USA TODAY
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In the past two years, many employers already have adopted financial incentives to encourage people to lose weight, join a fitness program or get a physical exam, according to a survey last month by the National Business Group on Health.

"There was a long time when employers felt this was a personal issue," said [Helen Darling](#), president of the organization, "but in the last five years, the dramatically increasing health care costs because of obesity have changed their minds."

Employers have seen serious problems related to obesity, she said, including higher rates of depression, absenteeism, low productivity and more medical claims. An overweight employee costs employers \$5,000 more a year in health costs than a healthy-weight individual.

The survey of 335 employers found that the share of companies that used financial rewards in health management programs increased to 54% in 2011 from 36% in 2009. In 2012, about 80% of companies plan to offer financial rewards.

The survey also revealed that the percentage using penalties, such as for smoking, more than doubled — from 8% in 2009 to 19% in 2011. Nearly 40% of the companies surveyed plan to use penalties next year.

The shift comes ahead of a provision in the [Affordable Care Act](#) that allows employers to spend 30% of employees' health insurance premiums — or up to 50% with the [Department of Health and Human Services'](#) approval — on wellness incentives starting in 2014.

Some employers say behavior-influencing incentives are showing results.

At Health Care Service Corp., a health benefits company made up of four Blue Cross and [Blue Shield](#) programs and Dearborn National, medical claim costs fell more than \$1 million in a year, according to Lauren Plungas, spokeswoman for HCSC.

With incentives such as cheap gym memberships and "prizes" for hitting goals, HCSC's fitness program has 5,000 members. Those employees have saved HCSC an average of \$17 a month in medical costs, while those not enrolled have raised its health costs by 5%.

Debbi Brooks, divisional vice president of the wellness program at HCSC, said some of the changes have been too substantial to be coincidental.

Employees who work out one to two times a week have 8% lower medical costs than those who don't work out; those who work out two to three times a week have 28% lower medical costs; and those who work out more than three times a week have 44% lower medical costs.

"It's good business to have a healthy population," Brooks said. "It really is the right thing to do." To get results, HCSC set a company goal for employees to lose 20 tons of weight and tied it to March 2012's performance bonus. Co-pays are waived for those who get an annual wellness exam — and they earn \$100.