

Corporate Fitness and Health Care Costs

Today, 85% of U.S. companies provide their employees' health and fitness programs. Corporate fitness programs help alleviate the negative impacts of unhealthy employee behavior, such as obesity, smoking, and injury on health care costs. *Improving employee fitness is simply good for business for the employer.*

Obesity

- Seventy percent of all illnesses are due to lifestyle-related causes such as obesity and physical inactivity.

Source: CDC & U.S. Department of Health and Human Services.

- Obese individuals spend more on both health care services and medication than daily smokers and heavy drinkers. They spend 77% more on medications. Only aging has a greater effect--and only on expenditures for medications.

Source: RAND Corporation, 2005.

- Obesity increases costs in the workplace. The annual per capita increase in medical expenditures and absenteeism associated with obesity ranges from \$450 to \$2,500 per obese employee. The estimated cost of obesity at a firm with 1,000 employees is about \$285,000 per year.

Source: IDEA Fitness Journal, January 2006.

Smoking

- Each smoker costs an employer an additional \$3,856 a year in health care costs and lost productivity.

Source: Billings Gazette, December 10, 2005.

- Nationwide smoking attributable productivity losses from 1997-2001 cost \$92 billion.

Source: Centers for Disease Control, June 2005.

Corporate Fitness Results and ROI

- For every dollar spent on employee fitness and prevention, the ROI yielded an average of \$3.48 in direct health care savings.

Source: Benefits and Compensation Digest, December 2004.

- Employees who increased their activity levels from 0-1 times per week to more than 3 times per week reduced their medical claims by an average of \$2,202 per year. (*imagine the savings*)

Source: Managed Care, 2004.

- U.S. health care costs doubled from 1990 to 2001 and are projected to double by 2012.

Source: Creating Healthy States: Building Healthy Worksites, February 2006.

- In 2006, employer health insurance premiums increased by 7.7%- two times the rate of inflation. The annual premium for an employer health plan covering a family of four averaged nearly \$11,500. The annual premium for single coverage averaged more than \$4,200.

Source: National Coalition on Health Care, 2007.

- Employers who invest in worksite health promotion programs can see a return of \$3-\$6 for every dollar invested over a 2-5 year period. Documented savings are observed in medical costs, absenteeism, worker's comp claims, short-term disability and presenteeism (lower on-the-job efficiency due to employee health problems.)

Source: American Journal of Preventive Medicine, December 2005.

- The lifetime medical costs related to diabetes, heart disease, high cholesterol, hypertension, and stroke among the obese are \$10,000 higher than among the non-obese. Among the overweight, lifetime medical costs can be reduced by \$2,200 to \$5,300 following a 10% reduction in body weight.

Source: The Economics of Obesity, 2001.

- Employers who invested in worksite health promotion programs saw a 28% reduction in sick leave absenteeism, 26% reduction in use of the health care benefit, 30% reduced worker's comp claims and disability management and reduced presenteeism losses.

Source: The American Journal of Health Promotion, 2003.

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Corporate Fitness Case Studies & Benefits

Companies everywhere are experiencing the benefits of using corporate fitness programs by seeing lower health care costs and improved employee attitudes around the office.

Case Studies

- Medical claim costs were 55% lower among corporate fitness program participants than non-participants over a six year period- an average of \$478.61 for participants, versus \$869.98 for non-participants at Steelcase Corporation.

Source: The American Journal of Health Promotion, September/October 1991.

- On average, health care claim costs for IBM employees who exercise 1-2 times a week are \$350 a year less than those who don't exercise at all.

Source: BenefitNews.com, March 2006.

- Over five years, Blue Cross Blue Shield of Indiana realized a 250% return on its corporate fitness program investment—\$2.51 for every \$1 invested. Between 1990 and 2004, the number of obese adults in Massachusetts rose 80%. Blue Cross Blue Shield of Massachusetts found that with every 1% increase in body mass index, an individual's annual health care costs goes up \$120.

Source: Boston Globe, March 22, 2006.

How your Business can Benefit

Return on Investment

- Bank of America realized a return of \$6 for every \$1 spent on its health-promotion program. --*American Journal of Health Promotion*
- Pepsi Co found that its corporate fitness program produced a 300% ROI. --*Fitness Systems*
- New York Telephone saw a return of \$1.95 for every \$1 spent on corporate fitness. --*Compensation and Benefits Management*

Reduced Employee Turnover

- Tenneco found that employees who participated in its corporate fitness program were 13% less likely to leave the company than those who did not. --*Business & Health*
- The annual turnover rate for participants in British Columbia Hydroelectric's fitness program was 3.5%, compared to a company-wide average of 10.3% --*Cigna*
- Toronto Life Assurance reported that turnover of employees in the wellness program was 1.5%, versus 15% for non-participants. --*Economic Benefits of Enhanced Fitness, Roy Shepherd*

Reduced Absenteeism

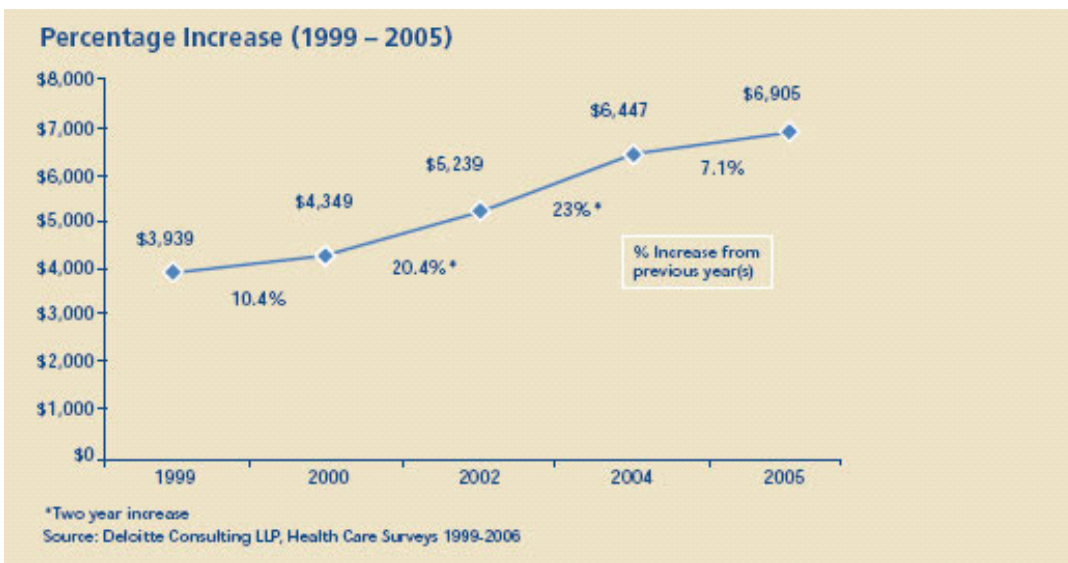
- The average annual per capita increase in medical expenditures and absenteeism associated with obesity ranges from \$450 to \$2,500 per obese employee. Costs increase along with BMI. The combined annual per capita cost of being an obese man, including medical expenses and absenteeism, ranges from \$460 to \$2,030. For women the per capita cost ranges from \$1,370 to \$2485.- *IDEA Fitness Journal, January 2006*
- Northern Gas Company employees who are in the corporate wellness program use 80% fewer sick days than non-exercising employees. --*Riverside Occupation Health Services*
- Coors has saved over \$2.3 million in lost wages due to absenteeism. --*Business & Health*
- Johnson and Johnson watched its absenteeism rate fall by 15% within two years of introducing a fitness program. --*Human Resources Executive*

HEALTH STATISTICS

Maladies Data

U.S. Population Stats:

- 200M are overweight
- 120M have chronic stress
- 75M have diabetes
- 72M have heart disease
- 65M have high BP
- 59M are clinically obese
- 50M have arthritis
- 40M have sleep disorders
- 34M have depressive illness



Health care costs are rising... What are you waiting for?

Costs of an Unhealthy Workforce

- Annual cost of a "healthy" diabetic \$3,150
- Average cost of a heart attack \$15,700
- Average cost of a stroke patient ~\$45,000*

IMAGE Fitness & Performance can help you!

If only 5% of a 1000 person company participates in our Corporate Fitness Program,

statistically 10 individuals with pre-diabetes could be cured - *a savings of \$31,500 or more per year!*

Physical Activity*

Reduces Risk of:

- Heart disease
- Developing diabetes
- Developing high blood pressure
- Developing colon cancer
- Dying prematurely
- Feelings of depression
- Feelings of anxiety

Promotes:

- Psychological well-being
- Weight control
- Healthy bones
- Strong muscles
- Flexible joints
- Overall health and wellness

** CDC / Surgeon Generals 1996 Report on Physical Activity & Health*

WHAT WE DO

We will come to your facility and meet with each employee privately. Together, we will establish realistic health and fitness goals and develop a physical activity plan for them. We will follow-up with each employee individually via phone and confidential e-mail throughout the duration of the program. Seasoned consultants with the expertise to develop and drive a results-oriented wellness program