

# *WORKPLACE WELLNESS: HEALTH IMPROVING OR COST SHIFTING?*

*JILL HORWITZ*

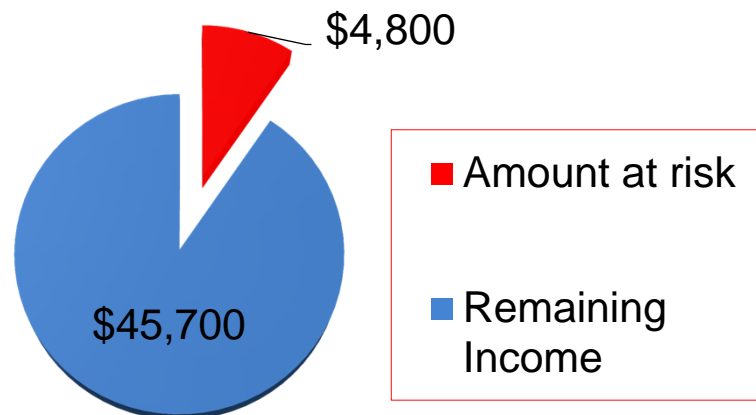
*PROFESSOR OF LAW*

*UNIVERSITY OF CALIFORNIA, LOS ANGELES*

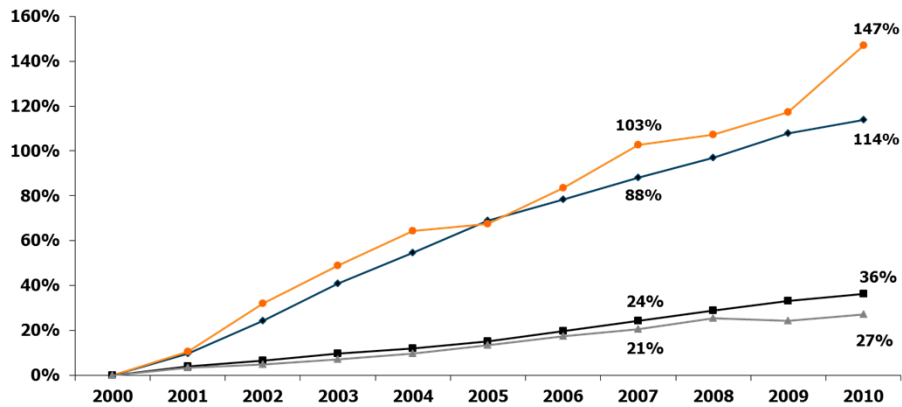
*ALLIANCE FOR HEALTH REFORM & THE ROBERT WOOD  
JOHNSON FOUNDATION*

*MAY 31, 2013*

*APPROX. 10 % OF ANNUAL  
MEDIAN HOUSEHOLD INCOME*

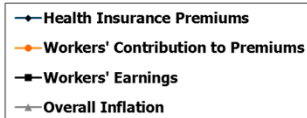


*CUMULATIVE INCREASES IN HEALTH INSURANCE PREMIUMS,  
WORKERS' CONTRIBUTIONS TO PREMIUMS, INFLATION, AND  
WORKERS' EARNINGS, 2000-2010*



Notes: Health insurance premiums and worker contributions are for family premiums based on a family of four.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2011. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April), 1999-2011. Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1999-2011 (April to April).



## KEY ASSUMPTIONS

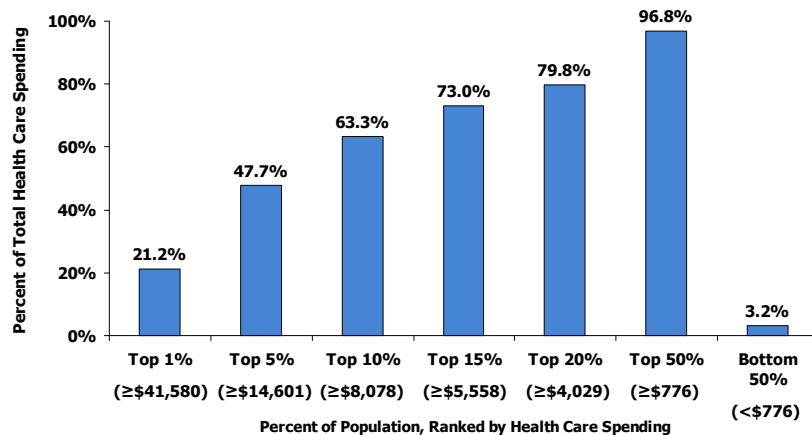
1. Employees with identifiable risk factors spend more than other employees on health care
2. Financial incentives → employees with identifiable risk factors to change their behavior
3. Changes in behavior → improved health status and decreased disease incidence → cost savings

(And other assumptions: cost savings accrue to employer rather than Medicare, another employer, or the employee alone)

## STUDIES RE: HEALTH FACTOR AND MED COST

Health risk factor	Number of Studies		
	Higher spending	Lower spending	No significant difference
Obesity or high body mass index	14	1	7
High blood pressure	8	0	9
High cholesterol	4	1	10
Tobacco use	7	1	11
High blood glucose	4	0	2
Excessive alcohol use	1	2	8
Stress or other emotional factor	10	0	5
Inadequate exercise	8	1	9

## Concentration of Health Care Spending in the U.S. Population, 2006



Note: Dollar amounts in parentheses are the annual expenses per person in each percentile. Population is the civilian noninstitutionalized population, including those without any health care spending. Health care spending is total payments from all sources (including direct payments from individuals, private insurance, Medicare, Medicaid, and miscellaneous other sources) to hospitals, physicians, other providers (including dental care), and pharmacies; health insurance premiums are not included.

Source: Kaiser Family Foundation calculations using data from U.S. Department of Health and Human Services, Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey (MEPS), 2006.

<b>Ratios</b>	<b>Obesity</b>	<b>Heart condition</b>	<b>Current Smoker</b>	<b>Hyper-tension</b>
<b>Female / Male</b>	1.074	1.163	0.714	1.074
<b>Nonwhite / White</b>	1.466	0.803	0.936	1.344
<b>Low / High Education</b>	1.216	1.327	1.228	1.463
<b>Low / High Income</b>	0.969	1.135	1.056	1.098