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Healthy return

Businesses are turning to employee wellness programs to battle rising health plan payouts

BY ERIN LAWLEY
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Health care costs are one of the top concerns for employers and many are looking for ways to cut benefit costs to keep their bottom lines healthy.

Besides consumer-driven, high-

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Gallagher Benefits Services

deductible health plans – which shift much of the cost of health care from employer to employee – wellness programs are gaining traction as a way rein in rising employer health care costs.

"Some employers have done as much as they can with plan design changes and pushing costs to employees," says Chris Williams, senior benefits consultant of Gallagher Benefits Services in Nashville. "So they're trying to figure out how to tackle this escalating health care monster."

Last year, insurance premiums rose by 7.7 percent, faster than the 3.5 percent inflation rate and the 3.8 percent increase in worker earnings. The Centers for Disease Control estimates medical costs for people with chronic diseases such as diabetes, account for more than 75 percent of the nation's \$1.4 trillion medical care costs. An estimated \$75 billion in medical expenditures in 2003 were attributed to obesity alone.

The types of wellness programs available to employers vary as much as the companies that provide them. There are insurers that offer gym discounts, fitness companies that design workout plans and health coaching firms that customize employee health strategies.

On the fitness front locally, D1



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D1 Sports Training's Kyle Feldman talks with Diane Cothran of Comdata. Behind them, Comdata's Kevin Clouse exercises with assistance from D1's Jovanna Vick.

Sports Training in Franklin is customizing fitness and nutrition programs for companies. That can mean helping them build in-office workout spaces, create healthy cafeteria meal

choices or offer smoking cessation and biometric screening.

For Brentwood-based financial ser-

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WELLNESS: Programs make financial impact

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vices company Comdata Corp., D1 built a 3,000 square-foot gymnasium with locker rooms and showers that employees can use 24 hours a day, seven days a week. An on-site strength and conditioning coach is available to help employees achieve personal goals, lead group fitness courses and plan the cafeteria menu.

"But for other companies we work with that don't have as much space, we can go into the boardroom and use bocce balls and (resistance) bands to get them a thorough workout," says Courtney Fulmer of D1. "It's highly customizable."

Comdata began working with D1 when CEO Gary Krow began a training program at the Cool Springs facility with his executive team. After a few months, Krow decided he wanted to provide the team-building and fitness benefits to all his employees.

"The results have been very positive, from the standpoint that we've had such an increase in utilization," says Diane Cothran, senior vice president of human resources for Comdata. She adds use of the fitness center was moderate at first, but now 200 of the company's 800 employees use the center regularly.

"We've had employees who have lost double digits in weight and those that have lost triple digits in weight," Cothran says.

"We also know a number of people who no longer have to take medications for things like diabetes and high blood pressure."

The financial impact is difficult to pinpoint, however, because Comdata's health care spending is rolled into that of its parent company, Ceridian.

To determine financial impact of corporate wellness programs, some employers work with companies such as Gordian Health Solutions in Franklin, which makes a point of analyzing



Krow

return on investment for every company it works with.

Gordian contracts with large employers to engage employees individually and determine what their health risks and goals are.

Employees are put on customized plans to help them safely reach their goals and their progress is monitored in phone conversations.

Coaching can include standard health topics such as weight loss, nutrition and management of chronic health problems. The company also consults on other topics that can lead to higher health care costs and decreased productivity, but are often overlooked. They include migraine

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Comdata

headaches, hypertension and other conditions.

"They don't show up as a significant dollar item on health costs, but there is significant cost lost in productivity for those kinds of conditions," says Roger Reed, executive vice president of operations at Gordian.

The company uses a proprietary system to analyze return on investment for clients and touts an average of \$1.70 returned for every dollar invested.

"Some are greater than two to one," says Roger Reed, executive vice president for operations at Gordian. "Still, getting a 40 percent return on investment is pretty impressive and when you add it up over a larger group of employees, it can turn into millions of dollars."

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