

Your Company Wellness Program — Is it Working?

There are 500 workplace wellness vendors in the United States. Combined sales for their industry is \$6 billion a year. Here's why. Of the employers in the country with 50 or more workers, 51% of them offer a wellness program.

That is according to a study done by RAND.

Large and medium companies spend \$521 per year per employee on those wellness programs. That's twice the \$260 spent in 2009 says Fidelity Investments and the National Business Group on Health.

Most — RAND concludes— are a good recruiting and retention tool but the wellness programs don't work that well.

These programs promise employers that having them can help control healthcare spending. Studies by RAND and places like the University of California say they don't. Few employees stop smoking, and weight loss on average is about a pound a year.

Janet Coffman of the University of California, San Francisco said people that stop smoking rarely stop smoking for long and weight loss is iffy. "Even in studies that found statistically significant weight loss, it was not always sustained," she said.

RAND say vendors often promise a return of \$3 for every \$9 spent on wellness. That, too, is not happening.

But do employers care? No. RAND said the employers they surveyed were "overwhelmingly" confident that workplace wellness reduced health costs to their company. The catch is that only 44% actually evaluated that claim and just 2% of that group found savings in their program.

The bottom line is that healthcare costs per employee fell less than \$2.38 per month for participants compared to non-participants. And by year five it was \$3.46 per month. That means the numbers are statistically zero. In fact, RAND says they are so close to zero that there is just as much chance that chance had something to do with the drop as a wellness program.



By the way, RAND's conclusions come from talking with 600 businesses with 50 or more employees.