

# Healthy Employees, Healthy Profits:

## A Stronger Business Case for Employee Health Management Programs

**It's a simple but potentially paradigm-shifting reality for senior business leaders: Healthy employees lead to healthy business metrics.** For decades, the health management industry has focused primarily on building a value story only around medical cost savings. The reality is that for many business line management leaders, such as chief operating officers, VPs of sales or business unit general managers, medical cost savings may not be a priority. It's time to look beyond these traditional metrics and start focusing on metrics that can capture the attention of business line management leaders who can champion the case for employee well-being.

### A Paradigm Shift

Next-generation health and wellness research will focus on business performance metrics.



### 3 Key Insights

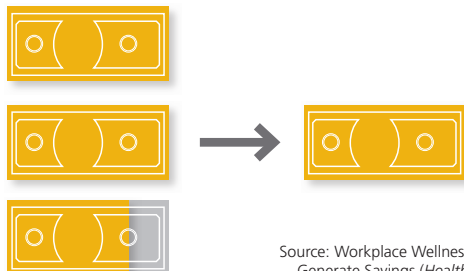
- #1** The health management industry and their partners in human resources have spent decades building a value story for health management that focuses on a medical cost savings model.
- #2** Medical cost savings may not be a priority for line management leaders within organizations. As a result, human resource leaders may have difficulty gaining support for their health management programs.
- #3** It's time to re-focus our value story on key business performance metrics, which are a priority for line management leaders. In doing so, health management programs will gain additional support and attention within organizations.

### How We Demonstrate Value Today

#### Medical Cost Savings Paradigm

In a key meta-analysis of the literature, researchers from Harvard University found that **medical costs fall by about \$2.73** for every dollar spent on health management programs.

## \$2.73 : \$1 ROI

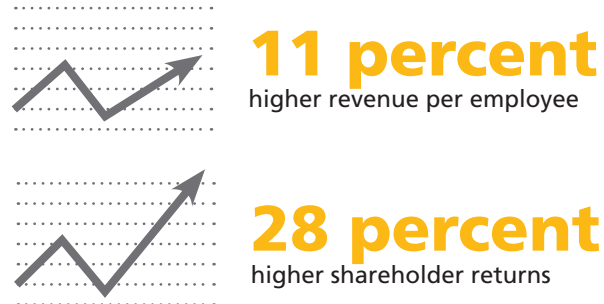


Source: Workplace Wellness Programs Can Generate Savings (*Health Affairs*, 2010).

### How We Should Demonstrate Value Tomorrow

#### Business Performance Metrics Paradigm

Companies with the most effective health and productivity programs experienced **11 percent higher revenue per employee and 28 percent higher shareholder returns.**



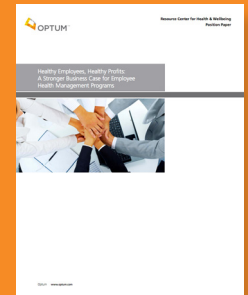
Source: The Health and Productivity Advantage: Staying@Work, Towers/Watson & National Business Group on Health, 2009/2010.

#### The Bottom Line

“Showing that health management programs have a direct impact on a business’s performance metrics not only holds the promise of creating more demand for these programs but also more acceptance of these programs by line management, a key constituent within organizations that can make health and wellness a priority.”

—Erin Carnish, SVP, Optum

Read the position paper **“Healthy Employees, Healthy Profits: A Stronger Business Case for Employee Health Management Programs”** for a fresh perspective on how organizations can make health and wellness programs a priority.



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