



# WORKPLACE MANAGED CARE RESOURCES/UPDATES by Fax

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Summarized from: **WHAT'S THE ROI?**

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This recent article in the Association for Worksite Health Promotion's (AWHP) Worksite Health magazine notes the increasing popularity of health and productivity management (HPM) programs. These programs, designed to save companies money by improving the health and productivity of employees, can take several forms: fitness programs, smoking cessation, disease screening, educational seminars, or a combination of approaches.

Companies that have, or are considering, HPM programs naturally want to know if the savings on health costs outweigh the cost of the program. Research on the subject has been scattered. The authors of this article fill the gap by analyzing existing literature reviews on return on investment (ROI) studies associated with corporate HPM initiatives. They examined key studies in three areas: health management, demand management, and disease management. The objectives were to identify well-conducted studies that exemplify best practices in analysis, document the range of estimates found in the studies, and comment on factors that may influence outcomes and ROI estimates.

The researchers analyzed 21 studies; 9 involved health management programs, 6 involved demand management programs, 3 involved disease management programs, and 3 involved multicategory programs. Health management programs promote prevention and wellness. Demand management programs encourage appropriate use of medical care. Disease management programs target specific conditions with established practice guidelines. Results are as follows:

HPM Program Type	Median Return on Investment	ROI Range	Sample Size
Health Management (n=9)	\$3.14	\$1.49-4.91	517-49,249
Demand Management (n=6)	\$4.50	\$2.19-13	460-5,647
Disease Management (n=3)	\$8.88	\$7.33-10.38	176-1,671
Multicategory (n=3)	\$5.97	\$5.47-6.47	4,712-22,933

The authors note that HPM programs vary widely and that a number of approaches should be considered when implementing a program. They also have methodological concerns with the studies they examined. None of the studies showed a negative or zero ROI; although this outcome is possible, it is unlikely to appear in a study. Only a few of the studies allowed for inflation or discounting; not doing so overstates costs and benefits in later years. ROIs did not necessarily correlate with expenditures; some expensive programs produced relatively modest ROIs. However, programs targeted at high-risk populations may produce significant savings even if costs are high. Overall disease management programs provided the best ROIs; health management programs provided the lowest. This is because disease management programs target small groups; whereas health management programs are usually companywide.

The authors conclude by noting that companies must closely examine their target groups before implementing an HPM program. Because the possibility of an unfavorable outcome is real, companies should use caution when extrapolating from the literature and conduct rigorous evaluations of any programs they wish to implement.

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