

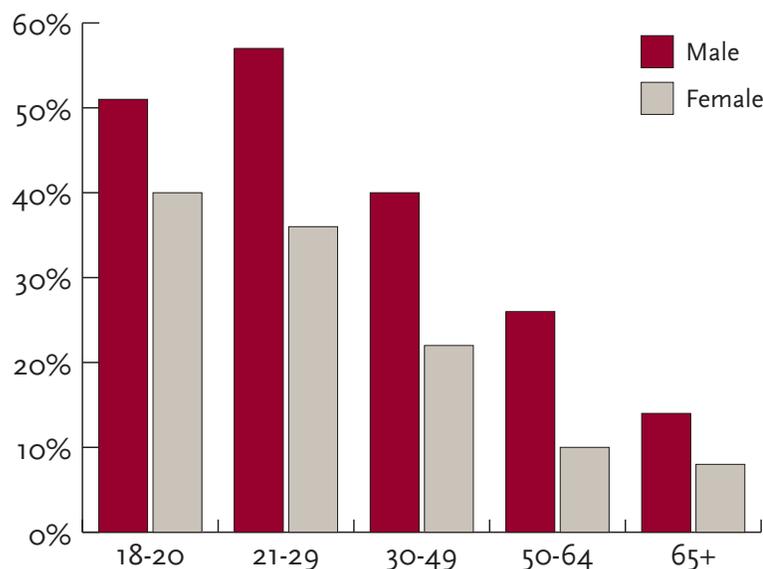
## HEALTH BEHAVIORS AND HEALTH CARE COSTS IN THE MULTIGENERATIONAL WORKFORCE

### Are risky health behaviors prevalent among older and younger workers?

Among workers over the age of 65 responding to the National Health Interview Survey [2003-2007], 12% of respondents reported that they are current smokers, 21% are risky drinkers, and 75% are not following recommended leisure-time exercise.<sup>1</sup>

In a 2008 study on substance use problems, it was found that drug and alcohol use “was greater among younger workers ages 18-29 years, with more than half of these workers reporting one of the four types of use [illicit drug use only, problem drinking only, heavy drinking only, or both drug use and problem/heavy drinking]. Although 30-49 year olds had a lower rate of substance-use problems, 4 out of every 10 male workers in this age group reported problem use.” Among workers aged 50-64, 16% of men reported problem drinking. (See Figure 1)<sup>2</sup>

Figure 1. Weighted proportion of worker reporting problem use of drugs or alcohol by workers' age and gender, 2002-2003



Source: Waehrer (2008).

A 2006 analysis of data from the 2003-04 National Health and Nutrition Survey shows that among adults aged 20 to 39 years, 28.5% were obese, while 36.8% of adults aged 40 to 59 years and 31.0% of those aged 60 years or older were obese.<sup>3</sup>

### To what extent do risky health behaviors contribute to excess health care costs of older workers and younger workers?

According to analysis of data from the UnumProvident Disability Database (2005), “medical costs are reported to rise at an estimated 25% from age 40 to 50 and 35% from age 50 to 60. Age is less a factor in health care costs than the presence of such risk factors as smoking, obesity, lack of exercise, and diabetes.”<sup>4</sup>

“Health risk factors [such as smoking, obesity, uncontrolled blood pressure, etc.], double and triple the healthcare cost of the older worker. For example, the health cost differential between the low-risk 40 and 50 year old and the high-risk 40 and 50 year old is 3.0 and 2.8 times higher respectively. The health costs for the 60 year old with low risk is an estimated 2.4 times lower than the health risk for the high-risk 60 year old.”<sup>4</sup>

In a 2002 study of 135,000 current and retired employees of a large company, 44% of excess health care costs for individuals less than 45 years of age were affected by the presence of behavioral health risk factors [obesity, smoking, sedentary lifestyle, high blood pressure], with or without self-reported disease. For individuals aged 65 and over without self-reported disease, 8.2% of excess health care costs were affected by such factors. <sup>5</sup>

### What are employers doing to promote healthier lifestyles for their employees?

According to a 2009 survey of 489 US employers, “nearly six in 10 companies (58%) offer lifestyle improvement programs, up from 43% in 2007, while 56% offer health coaches compared with 44% in 2007. The number of weight management programs is also on the rise, offered by 52% of companies, up from 42% in 2007. Also, health risk appraisals are offered by 80% of companies, up from 72% in 2007.”

In a 2008 survey of employers, HR leaders and benefits managers indicated that to improve the health and productivity of their workforce, for the 2008 plan year [their companies] have implemented wellness benefits, like disease management (60%), promoting exercise and physical activity (68%) smoking cessation programs (46%) and health risk appraisals (48%). <sup>6</sup>

According to a 2008 MetLife survey, “wellness incentives offered by employers include credit towards benefits (10%), additional time off (12%), waiving deductibles (12%), reduction of medical plan contribution (20%), gifts and prizes (27%), and gym/fitness center discounts (29%).” <sup>7</sup>

### Could employers’ efforts to promote a healthier lifestyle among employees reduce health care costs?

In a 2008 TowersPerrin survey of 500 employers, among “high-performing” employers [those who have been successful in keeping health care cost increases lower than 5% per year], “72% of high-performing companies say they play a significant role in employee health management (e.g., by identifying and managing health risks, and helping employees manage chronic conditions), compared to about one-third (33%) of low-performing companies. <sup>8</sup>

In a 2008 study of 890 employees participating in a workplace obesity management program, “over 1 year, 7 of 10 health risks decreased. Of total projected savings (\$311,755), 59% were attributed to reduced health care expenditures (\$184,582) and 41% resulted from productivity improvements (\$127,173), a \$1.17 to \$1.00 ROI [return on investment].” <sup>9</sup>

According to analysis by the Milken Institute, lower obesity could reduce cases of illness by 14.8 million in 2023, which would cut \$60 billion from the national treatment bill and improve GDP by \$254 billion. A parallel calculation for smoking suggests that lower tobacco use could be responsible for 9.4 million fewer illnesses in 2023, along with \$31 billion less in treatment costs and \$79 billion in added productivity. <sup>10</sup>

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