Do you consider money spent on health care coverage an expense or an investment? Every health care dollar you spend as an employer is a way to build a healthy foundation for your business. After all, healthy, productive employees provide you with an experienced, stable workforce—and that helps your business be profitable and remain one step ahead of the competition.

Total Health & Productivity is a newsletter that provides you with information on what drives up health care costs, and presents services and strategies you can use to improve the health and productivity of your workforce. And we’ll offer up some of the tools and resources that our members use to achieve and maintain good health, including preventive services, online tools, and disease management programs that are all built right into our care delivery—without additional costs or opt-in programs. It’s an approach that leads to better communication and collaboration among doctors and other caregivers, pharmacists, and patients—and helps you build a stronger business.

Wade Overgaard
Senior Vice President
Sales and Account Management

Kaiser Permanente. Thrive
What’s really driving up business costs may surprise you

Thinking that if you just had lower premiums your business expenses would decrease? That could help, but what really helps control business expenditures over the long term is making sure that your employees aren’t suffering from presenteeism—being at work but underperforming because they’re struggling with an illness or helping someone in their family manage a health condition. And these aren’t always critical illnesses like cancer or heart disease. They’re manageable conditions like back and neck pain, depression, and stress.

Costs associated with presenteeism are even greater than costs associated with absenteeism and short-term disability. For every dollar you spend in direct medical costs, presenteeism is an indirect medical expense that costs your business an additional $2–$3. With the national average of direct medical costs hovering around $7,000 or $8,000 a year per employee, productivity losses from presenteeism could cost more than $14,000 a year per worker. With a healthy workforce, you’ll gain more than increased productivity—you’ll be protecting your business’s most valuable asset.

The cost of presenteeism

- Presenteeism represents as much as 60 percent of total health care costs.
- At any one time, presenteeism makes one-third of a company’s workforce less productive.
- One in eight employees is in chronic pain—costing businesses an average of five hours a week per employee in lost productivity.
Harnessing technology to improve productivity

Other providers can’t give your employees the control over their health care that they get with My health manager at kp.org. With a wide range of industry-leading online tools, members can conveniently manage their health care whenever and wherever they like—with fewer phone calls and less time spent away from work.

Managing your care: Keeping it fast and at your fingertips

A broad view of health care costs

Improving Employee Productivity with Kaiser Permanente—and see a return on your health care investment

- After participating for 90 days in our chronic conditions wellness program, members reported a nearly 10 percent increase in productivity—that can add up to $4,735 in productivity savings a year per participant!

- Our Care Management Institute found that using a combination of aspirin, lisinopril, and lovastatin (ALL) medications as part of cardiovascular disease management efforts could reduce the risk of heart attack and death by at least 71 percent and lead to average cost savings of $600 per patient per year.

- In a five-year period, we decreased the rate of hospitalization due to heart failure by 32 percent.

Harris Interactive poll shows consumer demand for high-tech tools

<table>
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<tr>
<th>Desired Features</th>
<th>% of Consumers</th>
<th>Would like</th>
<th>Available</th>
<th>Kaiser Permanente</th>
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<tr>
<td>Electronic medical record</td>
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<td>Secure e-mail with doctors</td>
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<td>Internet appointment scheduling</td>
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A broad view of health care costs

- Long-term disability: 1%
- Short-term disability: 6%
- Absenteeism: 6%
- Presenteeism: 63%
- Direct medical costs: 24%
- Indirect medical costs: 76%

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**Absenteeism:** 6%

**Presenteeism:** 63%

**Direct Medical Costs:** 24%

**Indirect Medical Costs:** 76%
In 2007, there were more than 30 million member visits to kp.org. Nearly 60 percent of those involved services that many other providers only provide during an office visit or phone call.

- **My test results**—members viewed test results at kp.org 6,569,351 times.
- **E-mail my doctor’s office**—members saved a lot of time and money in office visits by e-mailing their doctors—for free—a total of 3,148,741 times.
- **Request appointments**—instead of making a phone call, members went online to request 3,590,742 routine appointments for primary care.
- **Refill prescriptions**—4,642,408 prescriptions were refilled online—and in many cases the prescriptions were mailed home at no extra charge, saving a trip to the pharmacy.

<table>
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<tr>
<th><strong>Compare what members get with My health manager</strong></th>
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<td><strong>Kaiser Permanente members can...</strong></td>
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<tr>
<td><strong>Easier refills</strong></td>
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<td><strong>Quicker results</strong></td>
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<td><strong>Greater convenience</strong></td>
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<td><strong>Better integration</strong></td>
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**Chronic conditions checkup: asthma**

Asthma costs employers as much as 80 percent in lost productivity. And more than 70 percent of asthmatics also suffer from other chronic conditions, such as allergies and obstructive lung disease—leading to even greater productivity losses and medical expenses. Managing the condition well can add tremendous gains to a business’s bottom line. Asthma facts:

- An estimated 50 million Americans suffer from asthma, which accounts for $10 billion in direct medical costs every year, including $5 billion in prescription drug costs.
- Leads to approximately 24.5 million missed workdays annually.
- Accounts for one-quarter of all Emergency Department visits in the United States each year.
- Doubles the cost of annual care for adults.

**BREATHING EASIER AT WORK**

Our members with asthma take fewer sick days. Here’s what we’re doing to help members make their 40-hour workweek more productive:
• Reducing the number of hospital stays—our asthma patients are hospitalized less than half as much as those treated by other providers.4

• Helping members get better, faster—in one year, our members’ asthma-induced hospital stays dropped by 7 percent, lowering the cost of care by as much as $1,755 a day based on average hospital costs.7

• Managing symptoms to avoid medical crises—from 2003–2006, members increased their controller medication use by nearly 30 percent. Everyday use of controller medications helps members avoid flare-ups and Emergency Department visits.8

Presenteeism losses drive up the cost of asthma

Presenteeism costs due to asthma symptoms equal 72 percent of total health-related expenses.

Highlight on a healthy customer—A-Z Bus Sales

COMPANY PROFILE
For 30 years, A-Z Bus Sales has sold and serviced school, commercial and transit buses in California and Hawaii. The company employs more than 150 people, spread out over two California sites, Colton and Sacramento.

A HEALTHY INVESTMENT WITH MEASURABLE RETURNS
Barbara Hileman, the company’s HR director, was looking for a long-term approach to wellness that would maximize the company’s health care investment—and reduce future rate increases. She asked Kaiser Permanente to help her develop a wellness program.

OUTSTANDING RESULTS FOR ALL PARTICIPANTS
With the support of Kaiser Permanente, A-Z Bus Sales has signed up nearly 40 percent of their employees in the wellness program. Every one of the participants has seen results including:

• Fewer sick days, increased productivity
• Improved blood pressure
• Lowered cholesterol
• Less required medication for illnesses like diabetes
• Better stress management to prevent stroke and heart disease
• Lost weight, reducing the likelihood of developing other conditions

Wellness program results: “Our employees are happier and safer. And we’ve eliminated workers’ compensation issues.”

—RICK ECKERT, GENERAL MANAGER
Kaiser Permanente shares a common goal with us: to keep our employees healthy and happy. The support you’ve shown—educational materials, your onsite visits, and wellness programs and classes—is something that we can’t get anywhere else. And with your help, we’ve absolutely seen a jump in wellness.

—BARBARA HILEMAN, HR DIRECTOR

**Steps to Wellness at A-Z Bus Sales**

- **Support from company leaders**—President Jim Reynolds and CEO George Tillery approved a budget to start the wellness program and participated in wellness activities alongside their employees.

- **Worksite encouragement**—weekly wellness club meetings, educational e-mails, and incentives for participation are all part of the package. “Before” photos were taken of all participants and placed in their personal workbooks.

- **Tools to succeed**—the company gave employees pedometers, water bottles, and personal health journals and equipped the worksite with scales and blood pressure monitors. Water coolers are now available throughout the workplace. A new walking track is located in the parking lot, and the company regularly schedules group activities like softball and bowling.

- **Help from a health care partner**—we regularly attend monthly employee meetings to share information on topics like stress management. And we’ve distributed materials that describe the services available at no charge to members.

**In her own words—an employee success story**

“The walking track in our lot is the first place you’ll find me every morning. I come to work early to walk for 30 minutes. I’ve lost a good deal of weight and quit smoking. As a result I’m better able to focus on my job during the day. I don’t think I would have been as successful as I have been, to date, without our club.”

—ROSE HALPIN, EMPLOYEE AT COLTON SITE

**Endnotes**


To learn more about the health and productivity resources available to our business partners, please contact your account manager or sales executive.