

Healthier Employees, Fatter Bottom Line

How to lower costs and increase profits in an out-of-control healthcare environment.

An Emerging Epidemic

Your business is probably already spending an arm and a leg on employee healthcare, and it's only projected to get worse. If the current trend continues, total healthcare costs per employee will double within six years.¹ Hewitt Associates reports that on the current track, businesses will bear an average annual cost of **\$28,530 per employee by 2019.**²

The most important factor in reducing healthcare cost is widely recognized as improving individual health behavior. In an attempt to curb skyrocketing healthcare costs, many U.S. businesses are turning to traditional wellness programs.

Unfortunately, most companies don't achieve the desired result with traditional wellness programs, and their healthcare costs continue to spiral upward.

There is little your business can do to control the rising cost of health insurance, which translates directly to how much money your business exhausts on healthcare. But is there something you can do about how much care your employees need and use?

A brief background of wellness programs provides some insight.

The Traditional Wellness Program

Wellness programs in the U.S., estimated to be available to employees in 58% of large companies and up to 85% of all businesses, are the most popular and prolific healthcare and insurance cost mitigation measures.^{3,4} They are preventive programs designed to reduce healthcare demand, duration, and total cost.

Studies show that wellness initiatives can be profitable investments.⁵ Perhaps the best indicator of the potential value of wellness programs is that 22 of *Fortune* magazine's "100 Best Companies to Work For" – businesses that enjoy national recognition for their desirable benefit packages, including wellness programs – plan to add a total of 87,750 jobs this year.⁶ While other companies shed jobs in the current economic downturn, businesses with effective wellness offerings expect substantial growth.

So why don't all companies achieve the same success with wellness initiatives?

Missing the Mark

Unfortunately, most companies don't achieve the desired cost savings with wellness programs largely because these initiatives suffer from two serious limitations:

- Most have low employee participation.
- Most don't address the most important causes of healthcare expense.

Most employee wellness programs are plagued by low participation.

Wellness offerings are only as effective as the degree of employee participation. Fewer than 10% of smokers, obese workers, and chronic ailment sufferers (diabetes, heart disease, asthma, etc.) participate in available health programs designed to alleviate their symptoms or modify their unhealthy lifestyle habits.⁷

In addition, the problem runs deeper than tepid employee participation. Traditional wellness programs aimed at modifying blood sugar, obesity, smoking, blood pressure, and sedentary lifestyle **fail to target the two costliest causes of healthcare expenditure: depression and stress.**⁸

3 out of 4 workers describe their job as stressful.

Increasingly, employees perceive stress as endemic in the American workplace. Over half of surveyed employees claim that they work under a great deal of stress, and 77% indicate that they feel "burnout" on the job.⁹ Over 40% of American workers describe their job as "very stressful," and three out of four believe that workplace stress is problematic.^{10,11}

While some stress is unavoidable—and even essential to optimal performance—the evidence suggests that existing

levels of job stress routinely produce unfavorable health and business outcomes. The Centers for Disease Control link stress to increased risk of cardiovascular disease, musculoskeletal disorders, **depression**, and workplace injury.¹² Studies also correlate stress with suicide, cancer, ulcers, and impaired immune function.¹³

The relationship between high workplace stress and negative health consequences is well described in medical literature, but employment practices continue to intensify employee stress levels. Productivity expectations climb along with the proliferation of technological tools that permit constant contact with work, causing a corresponding increase in the average number of weekly work hours and a nearly universal inability to truly disconnect from the job. All of these factors increase stress-related health issues, thereby increasing costs as well.

**Stress and
depression cause
147% higher
healthcare costs.**

- WebMD reports that stressed employees generate **46%** more healthcare costs annually, and depressed staff members cost **70%** more to insure and care for than non-sufferers.¹⁴
- The University of Maryland reports that in a study of more than 46,000 employees, stressed and depressed staff members generated **147% higher healthcare costs** than their coworkers.¹⁵
- A Thomas Reuters study revealed that depression sufferers were more than twice as likely to use short-term disability leave than their healthier counterparts; further, when depressed employees took disability leave, their mean short-term disability cost was **three times** higher than the control group.¹⁶
- Corporate Wellness Today reports that severely depressed employees generated **five times** higher short-term disability costs.¹⁷ Worse, those figures don't address the lost productivity and absenteeism that accompany depression.

In contrast, obesity, smoking, high blood pressure, and lack of exercise each only raise costs by 21% or less.¹⁸ It's clear that traditional wellness programs don't address the most important contributors to the healthcare cost burden.

The business implications are clear: to reduce your healthcare costs, **your wellness program needs to mitigate the effects of workplace stress.**

A Better Wellness Option

Because low employee participation rates and ineffective focus limit traditional wellness program effectiveness, savvy businesses are turning to a more viable wellness solution.

One of the most effective and affordable wellness tools available to employers and business owners is surprisingly simple: helping employees take **frequent destination vacations**. Three out of four executives regard regular vacations as an essential tool to prevent burnout and improve job performance, and two out of three believe that vacations improve creativity and innovation.¹⁹

The medical community agrees. A Duke Occupational Mental Health report cites destination vacations as an important strategy to reduce stress and prevent burnout.²⁰ Lower stress levels correlate strongly to lower disease risk: men who vacation regularly are 32% less likely to develop heart disease, and women enjoy a 53% reduction in heart attack risk.²¹ A Framingham study shows that women who vacation more than once every two to five years are **eight times less likely** to suffer heart attack and premature morbidity than those who vacation only once every six years.²²

How Regular Vacations Benefit your Business

- **32% lower heart attack risk (males)**
- **53% lower heart attack risk (females)**
- **8 times lower premature morbidity risk**
- **2 to 3 times lower depression risk**

The Mayo Clinic reports what is perhaps the most compelling benefit of stress reduction from an employment cost perspective: lower stress correlates with reduced risk of depression.²³ It's not surprising that those who take regular destination vacations are **two to three times less likely** to suffer from costly depression than their non-vacating coworkers.²⁴

Destination vacations reduce stress and prevent burnout.

Vacationers are two to three times less likely to suffer from depression.

“Staycations”
rarely reduce
stress.

2 out of 3
employees gave
back vacation
days last year.

Unused employee
vacation time costs
U.S. businesses
\$532B every year.

To Go, or Not to Go

When employees do break away from work, vacation cost and planning hassle often persuade them to stay at home during their vacation time. Unfortunately, merely staying home from work does not often result in significant stress reduction.

“Staycations,” or vacation time spent at home rather than at a vacation destination, often become little more than catch-up periods for household chores. Most employees find the temptation to remain electronically connected to work too strong to resist.²⁵ As a result, “staycationing” employees reap few of the positive health benefits enjoyed by their vacationing counterparts.

Traveling to a vacation destination is an important method of generating the necessary distance from work and home stressors to facilitate reflection, foster effective coping, restore primary relationships, and mitigate the physical and mental effects of stress.²⁶ It’s not enough just to enforce vacation time use – **your business benefits most when your employees take regular destination vacations.**

The Permission Problem

Unfortunately, while vacations are critical to productivity and health, workers need more help taking all of their time off. Despite the correlation between workplace stress and adverse health conditions, **two out of three** surveyed workers did not take all of their allotted vacation time in 2009.²⁷

Americans give back an average of \$76B annually in unused paid vacation time.²⁸ At first glance, that figure seems like a boon for employers, but research indicates that the cost in increased healthcare claims, absenteeism, burnout, reduced productivity, and workforce turnover exceeds \$7 for each \$1 “saved” through unused employee vacation time.²⁹

Why don’t employees take all of their allotted time away? Three reasons dominate: staff members don’t feel they can afford a quality vacation; workers don’t have the time or inclination to plan a quality vacation; and, most importantly, **employees don’t believe that their employers want them to go on vacation.**³⁰

Reasons Employees Skip Vacations:

- Cost
- Planning hassle
- Perceived employer disapproval

Employees often shorten or skip their vacations altogether because of a pervasive belief that business owners and managers expect high-value employees to regularly **sacrifice personal time** for the good of the company.³¹ Executives rarely hold this belief, as most employers understand the value of vacations, yet employees often worry that taking a vacation makes them appear to care too little about their work.³²

It's clear that businesses need help convincing their employees that vacations are not only *allowed*, but are in fact *necessary* for a productive, healthy, and well-adjusted workforce.

Introducing Vacation Wellness™

ZōEScent created Vacation Wellness™ to improve returns, business productivity, and employment cost reduction. Because the concept targets stress and depression directly, and functions as a high-value employee wellness benefit, it is not uncommon for businesses to achieve a **6 to 1 return** on a Vacation Wellness™ program investment.³³

Vacation Wellness™ is a sharply focused, holistic business strategy designed to mitigate healthcare and turnover costs. A Vacation Wellness™ program helps restore employees' work and life balance to improve personal health, job satisfaction, and productivity.

Structured as an employee benefit, the Vacation Wellness™ program offered by ZōEScent encourages employees to utilize all of their vacation time to take destination vacations. This program addresses all three major reasons most employees skip vacation time:

- **Price.** Members and their families gain access to premium 4- and 5-star vacation packages at wholesale pricing or better. Our unique travel provider relationships and large-scale sourcing methods allow employees to save substantial sums on their vacations, encouraging them to take more and better trips than they could otherwise afford.³⁴
- **Planning.** Members enjoy hassle-free vacation planning by choosing from over 250 professionally planned trips annually, covering a wide variety of vacation interests and removing the difficulty and frustration of a lengthy search for quality, affordable accommodations. Trip genres range from sporting event packages to exotic luxury destinations.
- **Employer Permission.** Offering a Vacation Wellness™ program for your staff demonstrates unequivocal executive commitment to employee work-life balance, and helps foster a productive and healthy workplace culture.

Unlike traditional wellness initiatives, the Vacation Wellness™ program offered by ZōEscent enjoys enthusiastic employee participation. Of the 100,000+ memberships activated since the program's inception, **89%** of members who have taken one or more destination vacations are still members today.

The reduced stress, depression, and health risks experienced by regularly vacationing employees translate directly to improved productivity and profit. Because Vacation Wellness™ targets stress and depression directly, and achieves enthusiastic employee participation, it is a high-value employee wellness program. Discover how Vacation Wellness™ can become a cornerstone of your healthcare cost reduction strategy.

[Request a No-Obligation Vacation Wellness Consultation Today.](#)

About ZōEScent

ZōEScent is a pioneer in the business profit enhancement arena. We devised Vacation Wellness™ as a simple approach to workforce performance and health improvement, yielding powerful second- and third-order profitability and cost mitigation effects. Our strategic, holistic approach to healthcare cost reduction, employee retention improvement, and productivity enrichment generates elegant solutions with immediate impact.

ZōEScent
Save time. Save money. Live well.

Notes

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