Value of wellness programs to public sector organizations

Benedicta Omalemi Nikaly-Ekpemina

The University of Montana

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THE VALUE OF WELLNESS PROGRAMS

TO PUBLIC SECTOR ORGANIZATIONS

By

Benedicta Omalemi Nikaly-Ekpemina
B.Sc. Nursing, University of Ibadan,
Nigeria, 1983.

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the requirements for the degree of

Master of Public Administration
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Approved by

Chairman, Board of Examiners

Dean, Graduate School

Date

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CHAPTER ONE

INTRODUCTION

There is a growing awareness among people today that health should not be thought of solely in terms of pathogenic agents of disease. Factors such as living habits or life styles significantly affect the health of individuals. This new public pre-occupation with 'Wellness' is assuming the dimension of world wide obsession. This can be seen clearly in the content of television programs and commercials, popular magazines, and daily newspapers.

In recent years, thousands of projects and programs all over the world, initiated by governmental and nongovernmental organizations as well as private individuals, have focused on the need for members of the community to adopt healthy life styles. For example, the Surgeon General's Report of 1979 (cited in Parkinson And Associates, 1982:8-9), and the National Conference On Health Promotion In Occupational Settings Report (Department of Health, 1979:1-7), all addressed and emphasized this theme. Also, the World Health Organization's theme for World Health Day in 1986 was “Healthy Living Every One A Winner”.

This new awareness is causing health care providers to reconsider the role that preventive medicine can and should play in the delivery of health care services. They are echoing what public health practitioners have known and advocated for years: that preventive medicine is safer and cheaper to practice than curative medicine. Although curative and preventive medicine are not incompatible, the nature of the practice of modern medicine and the history of medicine itself have centered upon curative medicine. This overemphasis on
curative medicine may now be changing in favor of a greater emphasis on preventive medicine.

In the private sector, concern about employee health, coupled with new government regulations and increasing health care costs, are forcing managers to re-examine the various ways of meeting the health care needs of employees. A broad survey of American industries conducted by the Bureau of Labor Statistics shows that between 1966 and 1972 total payment for insurance and health benefits jumped by 100 percent (Batisella and Rundell, 1978). This trend seems to be continuing. Higgens (1988) found that in 1987 the cost to employers of providing health benefits increased by 7.9 percent as against 7.7 percent in 1986.

As a result of these cost pressures, private organizations are taking the lead in finding lasting solutions to the problem of providing adequate health care for employees at a reasonable cost. To this end, various programs have been initiated that could help organizations to meet the health needs of their employees. These programs have been called by different names in different organizations, including Wellness, Employee Assistance, Health Promotion, and Healthy Living.

Although the development of such programs vary from one organization to another, most tend to emphasize the same basic concepts of preventive medicine. These include promoting healthy life styles, exercise, and nutrition, as well as assistance for mental or emotional problems, and alcohol or drug dependency.

It is clear from the few studies that have been conducted on Wellness programs that they may be a good means by which managers can reduce health care expenses if they are properly designed and managed (Parkinson and Associates, 1982, and Cunningham, 1982). One of the
most extensive studies of the effects of such programs was conducted in Canada in 1977 and 1978. The study found that there was improved general fitness among participants, decreased absenteeism and employee turnover, and improvement in morale and attitude of participants with respect to their work environment and personal health (cited in Cunningham, 1982:113).

A survey of three organizations in Missoula that operate such program produced similar findings. For example, according to Siegler (interview, Nov. 1988), St. Patrick Hospital has been able to reduce its insurance premiums by about 25 percent since inception of the program five years ago. Gordon Opel, Coordinator of the Wellness program at the University of Montana, believes that the program has done a lot towards increasing employee morale and that workers have become more aware of their health needs. Although these findings are subject to various interpretations and in themselves are not conclusive, it is evident that Wellness Programs may produce important benefits for organizations whether private or public.

The specific focus of this study is the value of Wellness programs to public sector organizations. Considering the success of the Wellness concept in private organizations, Wellness programs may hold a great potential for benefitting public sector organizations. Accordingly, this paper addresses the following research questions:

1) What benefits might Wellness programs provide to public sector organizations?
2) Are Wellness programs viable for public organizations in the State of Montana?
3) What types of Wellness programs, if any, might best be adopted by public organizations in Montana?

This paper provides the basis from which further studies may proceed. Hopefully, it will
inspire governments in Montana to look further into Wellness Programs as one of the many ways by which they can solve the problem of providing adequate health care to employees at a reasonable cost. As the following analysis makes clear, a healthier and more productive workforce, and increased control over health care costs, are the principal benefits at stake.

WELLNESS AS A MEANS OF REDUCING HEALTH CARE COSTS

The last decade has witnessed steady advances in medical technology which have generally improved the quality of health care and increased life expectancy in the population as a whole. An unfortunate consequence, however, is that health care costs are spiralling out of control and easy access to health care has become almost impossible for many people as a result.

Health care spending in the United States currently stands at 11.3 percent of the Gross National Product (Arnett, Mckusick, Sonnerfield and Cowell, 1986). The Health Care Financing Administration (cited in Enthoven and Kronick, 1989), recently projected that according to present trends health spending will reach 15 percent of GNP by the year 2000. Table 1 illustrates how health care spending is consuming an increasingly larger proportion of the GNP. According to Enthoven and Kronick (1989:29), “These growing trends are adding greatly to the deficits in the public sectors, threatening the solvency of some industrial companies and creating heavy burdens for many people”.
TABLE 1

Aggregate and per capita national health expenditure by source of funds and percentage of gross national product: selected calendar year, 1978-1983.

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<td>Percentage of Gross National Product</td>
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Source: Adopted from Health Care Financing Review 6 (Winter 1984):3

Table 1 shows health care expenditures for a six-year period (1978-1983). During this brief period, expenditures on health care increased from 8.8 percent to 10.8 percent. There is little doubt that this inflationary trend will continue into the 1990s. Given present economic conditions, this spells great trouble ahead for the health care industry.

An important factor that is likely to complicate this problem of rising health care costs is the anticipated aging of the population of the United States. The ‘Age Wave’ factor is significant because it is going to add an extra pressure on the already overburdened health care system. As observed by Levit, Lazenberg and Waldo (1986:5),

The population of the United States gradually is aging. Although each age group is healthier than it’s counterpart in previous decades, one consequence of more older Americans is a need for more health care, because older people require more hospital and nursing home care, for example, than younger people do.

The working population is also expected to grow in the next decade and more retired people are expected to return to the work force. According to Doering, Rhodes and Schuster (1983:12),
----the work force of the 1980s will be characterized by 25-34 year-olds; the 1990s will be dominated by early-middle-agers (35-44 years) and the first two decades of the twenty-first century by older workers, late-middle-agers and retirees (45 years and over).

The implication of this is that employees will be faced with an increased burden of having to provide medical coverage for an aged working population. This could lead to further increases in health care costs for organizations and higher insurance premiums.

The implication of an aging workforce and skyrocketing health care costs for public sector employees in Montana cannot be overemphasized. The poor condition of the economy and the resulting cutbacks in funding demands an alternative approach to health care programs in the state. Wellness programs, the subject of this paper, represent a preventive approach to medicine which could offer a partial solution to the difficult problem of providing adequate health care to public sector employees while controlling costs.

ADVANTAGES OF PREVENTIVE MEDICINE

Given the nature of illness in today's highly technological world and its relationship to modern life styles, it is unlikely that pumping more money into research and high technology alone will provide a long lasting solution to the problem of rising health care costs. Studies have found that "killer diseases" such as heart diseases and cancer, are associated with life style habits. So far, advances in medicine have not been able to come up with a cure for these diseases. Also, curative medicine has not been able to find solutions to mental illness which has been around for a long time.
Given the well established failings of the curative approach to medicine, the preventive approach to medicine offers an important avenue for exploring how to improve the health of employees while controlling costs. The logic behind preventive medicine is to maintain health so that expensive curative care is unnecessary.

The recent interest in Wellness programs strongly reflects the re-assessment of the importance of preventive measures in the present day health care system. Wellness programs encourage a change in life styles by emphasizing individual responsibility for health and self care.

Wellness programs may help to alert members of society to the various ways in which unhealthy life styles or behaviors contribute to unnecessary illness, disability and premature death. They can also help to lessen the demand on the already overburdened health care system. According to Levey and Loomba (1973:52),

From a national economic policy point of view, it is a wise investment to pay today to obviate some medical problems tomorrow. Prevention now may keep the recipient from totally becoming dependent on society in 10, 20 or 30 years. These public expenditures for specific kinds of personal health services may be viewed as part of a national investment policy. Justification for public investment in personal health is that healthy people are more productive in the long run.

CONCLUSION

Common sense dictates that if employees can be encouraged to pursue healthy lifestyles, and if medicine can be oriented towards early intervention and prevention, then many potential health problems can be averted before reaching a crisis point. This study represents an assessment of the possible benefits of adopting Wellness programs in the public sector.
CHAPTER TWO

THE VALUE OF WELLNESS PROGRAMS

This chapter traces the evolution of Wellness programs and highlights those findings which indicate the value of Wellness programs to public organizations. Taken as a whole such findings seem to indicate that Wellness programs do have positive contributions to make to any organization.

THE ORIGIN OF WELLNESS PROGRAMS AND CONCEPTS

Today's comprehensive Wellness programs evolved from two early types of programs: the Employee Assistance Program (EAP) and Occupational Alcoholism Program (OA). EAP and OA programs were developed by management to help employees and their families cope with unmanageable problems in a positive and confidential way. A major goal of these programs was to enhance the retention rate of employees whose problems are likely to have serious effects on the quality of their lives and consequently on their productivity.

Before the 1940s, no formal services existed in industries to help employees who were experiencing emotional difficulties, substance abuse or alcoholism. Such employees were tolerated until job performance deteriorated below acceptable standards and then they were terminated. Recruiting and training new employees, however, was costly, and employers gradually realized the wisdom of rehabilitating current employees. As a result, the first occupational Alcoholism programs were established in the 1940s. These programs were mainly
counselling programs to control alcoholism in the workplace. Services provided were designed to rehabilitate alcoholic workers and restore them back to their jobs. Companies such as Dupont Corporation, Kemper Insurance and Eastman Kodak were among the first to have well developed and organized OA programs.

By 1950 OA programs had become widely established among companies and by the 1960s most organizations had OA programs of some kind. With the creation of the National Institute on Alcoholism Abuse (NIAAA), changes in the common law regarding wrongful discharge, and enactment of the Rehabilitation Act of 1973, employers found themselves under increasing pressure to provide rehabilitative services for alcoholic employees instead of immediately terminating their services.

As the number of OA programs increased, evidence accumulated that it was more effective for organizations to help alcoholic workers recover than to train new workers. By the late 1970s, awareness of the benefits associated with such programs had grown and employers began serving employees with problems other than alcoholism.

This gave rise to EAP programs. EAP is a broader term used to describe the various methods found in organizations for the control of alcoholism, drug abuse, certain mental health problems, and family problems that could affect an employee’s job productivity. Employee Assistance Programs generally offer counselling and crisis intervention services.

The 1980s witnessed a revolution in EAP programs which gave birth to present day Wellness programs. While EAP and OA programs focused on crisis intervention, Wellness programs emphasize helping employees sustain healthy lifestyles as opposed to merely
initiating a change in health practices.

Attempting to capture the various aspects of Wellness program is difficult. However, the essential characteristics of Wellness programs are suggested in the following definitions:

[Wellness], including health information and health education, is the process of fostering awareness, influencing attitudes and identifying alternatives so that individuals can make informed choices and change their behavior in order to achieve an optimal level of physical and mental health and improve their social environment (American Hospital Association Center for Health Promotion, cited in O'Donnell and Ainsworth, 1984).

[Wellness] is the science and act of helping people change their life styles to move towards a state of optimal health (O'Donnell, 1986:1).

Health promotion is a combination of educational, organizational and environmental activities designed to support behavior conducive to the health of employees and their families (Parkinson and Associates, 1982:8).

These definitions emphasize the importance of a change in life style or maintenance of a healthy life style as a means of achieving optimum health. Optimum health is used here to mean a state of complete Wellness free from disease or infirmity. Although the goal of optimizing health may be impossible to achieve, attempts can be made by each individual to live a life devoid of medical crisis.

O'Donnell (1986) argues that it is impossible to draw a sharp line between health and illness. Instead, health and illness should be seen as being on a continuum. Figure 1 represents the health/illness continuum as defined by O'Donnell.
FIG. 1
HEALTH/ILLNESS CONTINUUM


The right end of the continuum represents a state of optimum health. The midpoint is a neutral point representing undiagnosed illness or a state of good health. According to O'Donnell (1986:1), most people's state of health is defined by this neutral point.

Wellness programs are designed to encounter the individual at a point closest to the neutral point and to move him or her towards the right side of the continuum. O'Donnell contends that once a client reaches the neutral point and goes beyond to the left side of the continuum, the best that modern medicine can do for such individuals is to bring him or her back to the neutral point. Such individuals can never again make it to the right end of the continuum which is the state of optimum health.
The state of health of an individual results from the interaction between the environment and the individual’s personal life style. Any organized effort to encourage the individual to be aware of these factors and to take responsibility for such actions that could bring about the desired change is what is referred to as “Wellness”. The whole idea of Wellness is to try and keep the individual within the right side of the continuum at all times. This can only be done successfully by trying to change people’s ideas, knowledge, and life styles. Such programs assume that an individual can control his or her health needs by understanding the relationship between physical health and the social environment. Another assumption is that if people are well informed on health issues, health problems can be identified early enough for meaningful intervention.

In order to provide a comprehensive coverage that is most likely to bring about desired changes in behavior, Wellness programs embrace a wide variety of activities. Such activities include health education, nutrition, stress management, drug and alcohol counselling, and cessation of smoking. Parkinson and Associates (1982:5) argue that such programs should also include employee participation in teaching and program management, employee support groups, cafeteria programs for more nutritious foods and vending machines with nutritious snacks.

The emphasis of an organization’s Wellness program depends a great deal on the organization’s objectives and the amount of resources available to the organization. For example, one organization may spend a large part of its resources on counselling alcoholic employees if that is the most pressing problem facing the organization. Another organization may spend a large part of its resources on health screening, such as cholesterol testing, if a
substantial number of its employees are high risk individuals who are likely to suffer from heart attacks and other high cholesterol-related diseases.

EVIDENCE OF SUCCESS OF WELLNESS PROGRAMS

Wellness programs are relatively new and are, therefore, still surrounded by many misconceptions. In addition, evidence regarding the value of Wellness programs in various organizations is sometimes contradictory. Advocates, such as O'Donnell and Ainsworth (1986) and Parkinson and Associates (1982), believe strongly that there is a positive relationship between the use of Wellness programs and reduced health care costs. Critics, such as Peter Conrad (1988), argue that although there are benefits to be derived from such programs, they do not justify the huge amounts of money spent on them. He further contends that Wellness programs make only a very minor contribution to improving health and reducing health care costs.

Both advocates and critics, however, agree that the programs possess a psychological value, i.e. the mere presence of the program could make workers believe that management cares for their welfare. This in turn can serve as a motivating factor increasing productivity. According to Masi (1982:73), “an employer who provides the services of OA/EAP for his or her workers is taking action in a human rather than in an adverse way”.

These arguments regarding the psychological value of Wellness programs reflects assumptions characteristic of the Human Relations School of Management Theory. This school of thought sees employees as a valuable organizational asset whose contributions are
very vital for the continued existence of the organization. The assumption is that if management treats employees as human beings by meeting their psychological needs, management is likely to achieve a better working relationship with employees, thereby improving their morale and productivity. The ability of Wellness programs to meet employees’ psychological needs may be the determining factor in the success or failure of Wellness programs.

Others have argued that Wellness programs are temporary measures that organizations are taking in an attempt to solve the present health care crisis and to meet union demands and federal regulations. These critics continue to express their doubts about the ability of organizations to sustain the program for an extended period. They think it is a fad associated with this decade and, like all other fads, it will soon die a natural death.

Tom Cotner, Coordinator of Wellness program at St. Patrick Hospital in Missoula, does not agree with the critics. He believes that there will continue to be a need for Wellness programs in organizations as more and more members of society become more informed and concerned about health needs. He contends that Wellness programs will continue to evolve and shift their emphases. For example, he says that in the beginning Wellness programs focused on exercise programs, but today the emphasis is shifting to health screening for risk factors such as cholesterol levels.

Another problem that critics have observed is that the drop out rate of people who participate in Wellness programs is high. For example, The National Heart, Lung and Blood Institute (cited in Parkinson and Associates (1982), observed that

The major obstacle to reducing heart disease is not the lack of adequate hospitals or medical techniques or even the difficulty of getting to try weight reduction, exercise, relaxation or diet programs. Rather, the major obstacle is maintenance of good health
habits. Only one fourth of persons who start a coronary hearth disease prevention program continue.

The problem of drop outs is recognized by most authors as one of the serious problems affecting the ability of Wellness programs to improve employee health and to reduce health care costs. Part of this problem can be attributed to the way Wellness Programs are operated in the various organizational settings.

O'Donnell and Ainsworth (1986) contend that the drop out problem indicates that most health promotion programs have been designed and operated inadequately and thus yield inadequate results. The authors reviewed several health promotion programs and reached the conclusion that most programs are organized on a short term basis rather than on a long term basis. According to them,

Some of the common types of programs are token screening programs that do little more than check employees blood pressure and furnish leaflets admonishing them to change, programs that analyze employees physical status but offer little assistance for change, programs with heavy emphasis on courses and information, programs that offer physical facilities without motivation (1986:71).

O'Donnell and Ainsworth (1986) further argue that one reason for the inconsistencies surrounding the evaluation of Wellness programs arises primarily from the lack of consensus concerning what to measure and how to measure it. This is a valid argument since the true evaluation of any Wellness program must be based on organizational objectives. While one organization focuses on one aspect of Wellness such as health education, another might focus on screening and exercise. These differences in focus bias the true evaluation of Wellness programs.

Despite the disagreement regarding the value of Wellness programs there is much
persuasive and encouraging evidence that such programs have been successful in many organizations. Many studies support the view that Wellness programs enhance health and are cost effective. The following is a summary of studies on the effect of Wellness Programs in various organizations. Although the findings are mixed, the overall results support the proposition that Wellness programs can improve employee health and morale.

A report by IBM found that its Wellness program was effective in controlling health care costs and improving the morale of its employees (cited in O'Donnell and Ainsworth, 1986; Parkinson and Associates, 1982).

A survey by Health Incentives of Missoula, Montana, found that client organizations are witnessing an increase in medical savings, with health care expenditures dropping by as much as 8 percent in some client organizations. In part, these savings reflect reduced visits to physicians by employees.

A study of an exercise regimen instituted for a group of workers in the Soviet Union found that the work output of the exercise group exceeded that of the nonparticipant group by 10 to 15 percent. The former were judged to be more disciplined workers than the latter, consulted doctors only one-fourth as many times, and had a sickness rate half that of the non exercisers (cited in Cunningham, 1982:26).

Studies conducted in a Good Year factory in Sweden found that absenteeism rates were cut in half following the introduction of a comprehensive Wellness Program (cited in Cunningham, 1982:26).

St. Patrick Hospital in Missoula, Montana, reports reducing its sick days from 5.39 days per employee in 1986 to 4.88 days in 1987. This represents a 9 percent reduction, attributed in large part to its new Wellness Program.

The National Aeronautics and Space Administration initiated an exercise program for 260 middle aged men and reported half the regular participants in a three week program improved in work performance (cited in Cunningham, 1982:26).

A survey conducted by St. Patrick Hospital in 1987 found that half of its employees feel that the Wellness program has helped them develop greater awareness of and responsibility for their own health.
It is worth noting that all of the above examples involved private organizations. This is because only a few public organizations have established comprehensive Wellness programs. However, the few public organizations that have tried to sustain such programs have experienced favorable results:

An extensive Wellness Program was designed and carried out in Finland. The program was designed to help the province’s 18,000 residents control blood pressure, reduce cholesterol intake and stop smoking. After 5 years, there was an 18 percent reduction in smoking among men between 25 years and 60 years of age and a 15 percent drop among women of the same age group. The number of men with high blood pressure declined by 27 percent, and the percentage of women with high blood pressure declined by 49 percent. Preliminary results yet to be confirmed indicate a decrease of 17 percent in the incidence of heart attacks and a 32 percent drop in the incidence of stroke among men (cited in O'Donnell and Ainsworth, 1986:662).

School District No. One in Missoula reports increasing its medical savings from $44,600 in 1986 to $176,070 in 1987 since inception of its Wellness program.

A pilot physical fitness/heart disease intervention program was established by the New York State Department of Education and Civil Service in Albany for 800 of its employees. Findings indicate that the mean number of hours taken for sick leave by employees who participated in the program for one year was 46.5 hours, much less than the 73.3 hours reported for all New York employees in the year (cited in O'Donnell and Ainsworth, 1986:662).

**CONCLUSION**

Although there is widespread agreement regarding the importance of preventive medicine, the value of Wellness programs as a means of practicing preventive medicine must yet be established. Many studies have provided evidence of their effectiveness, but much more research is needed.
The characteristics of Wellness programs vary from one organization to another. The particular model developed may depend on the size, philosophy, policy, and characteristics of the organization, relevant Federal and State laws, and union contracts.

As explained above, the Wellness program seeks to promote the health of employees. Services provided include exercise classes, nutrition information, health screening, health education and counselling. The typical program also attempts to identify problems related to alcohol or drug-dependency, or mental health and to refer employees to specialists before crisis situations may arise. The exact nature of Wellness programs, however, may vary greatly between organizations.

Despite the variations regarding the form and organization of Wellness programs, five basic models have been widely identified. This chapter will examine the models and analyze the advantages and disadvantages of each.

**IN-HOUSE MODEL**

In this model, program facilities and offices are located in the organization itself and program staff members are employees of the organization. The facilities could be a new unit incorporated into an existing health department in the organization with its own administrative head. Or it could be a new unit directly under the general supervision of the general manager of the organization. It is usually a well established program fully equipped with facilities such
as clinic, gymnasium, swimming pool, and tennis courts. It provides a comprehensive Wellness program together with counselling services which covers a wide variety of behavioral problems.

Program staff members are typically specialists in health fields such as medicine, nursing, nutrition, physiotherapy and psychology. Services provided often include counselling services for alcoholic and drug-dependent employees, nutrition, exercise programs, cessation of smoking, and health screening for early identification of medical problems.

ADVANTAGES

Because the program is situated within the facility, it is very convenient for employees. This allows for maximum participation in the program by employees. It also allows for interaction between employees and peers, and provides an opportunity for employees to share ideas on health issues and life experiences that may influence their lifestyle choices.

The In-house model allows managers easy on-site assessment of the program which, if done periodically over a long period of time, allows management to assess its effectiveness. It also allows for on the spot assessment of employee problems and allows managers to keep track of troubled employees in the organization. This helps in planning and evaluating the program. Finally, once the program is in place, services can be added with little extra cost and be easily adapted to the specific needs of the organization's employees.

DISADVANTAGES

Because of the huge amount of money needed for construction, equipping and maintaining the program, this model is quite expensive to establish. Once the program has been
stabilized, however, it becomes a cheaper choice than other models.

Second, the In-house model is very prone to invasion of privacy liability suits. In order for an employee to get full assistance from the program, employees may have to reveal things that are private and personal. This can become a critical issue where the employee did not seek help voluntarily and the manager had to refer him or her based on observed behavioral changes. Problems arise when confidentiality is violated and personal information about an employee becomes common knowledge within the organization. This may be considered an invasion of privacy and could expose an organization to liability suits from angry employees. Liability suits may also arise from inadequate storage of information. The fear by employees is that information gathered by management from the Wellness program might be used for other purposes other than that for which it was intended.

This issue of confidentiality and the possibility of law suits are the major disadvantages of the In-house model. Fear of invasion of privacy may discourage some employees from participating and thus affect the success rate of the program.

An example of this model is St. Patrick Hospital's Wellness program in Missoula, Montana. The program serves hospital staff and also sells its services to outside organizations. Employees of the hospital pay very minimal fees for some of the services offered while others are free.

**OUT-OF-HOUSE MODEL**

This is a comprehensive Wellness program developed by an outside organization which sells its services to other organizations. The organization can be a health institution
such as a hospital or an organization operated by medical doctors, nurses, nutritionists, physical therapists and/or others who specialize in providing health related services.

The facility can be housed within the organization that is buying the wellness services or in a different location. Employees are informed of the presence of such facility and are encouraged to use it on a self referral basis or by a referral from a manager.

The out-of-house model typically provides a wide variety of Wellness services for both employees and family members. Services include exercise classes, counselling services for alcoholic and drug-dependent employees, health education, nutrition and weight control classes. A contracting organization can decide to buy all available services or only part of them, depending upon the organization's needs and resources. For example, an organization may decide to contract for only exercise classes for its employees because it has a large proportion of overweight employees.

An example of a hospital-based, out-of-house model is the Wellness program at St. Patrick Hospital in Missoula, Montana. Health Incentives in Missoula, is an example of a model run by health professionals. They both provide some wellness related services such as health education, nutrition counselling, and health screening on a contract basis to outside organizations.

ADVANTAGES

The out-of-house model is best suited to organizations with a large workforce who cannot afford to construct an in-house program. The model is cheap to operate because an organization does not have to spend money on construction, furnishing, maintenance of the
program, or staff positions that may not be fully utilized. In addition, the organization can vary its cost according to how much services the organization wishes to buy.

The success rate of this model has been found to be very high compared to other models (Straussner, 1988). Also, there is evidence that employees are more receptive towards this model where services delivered is situated outside the organization. Because the out-of-house programs are situated outside the contracting organization and are run as independent organizations, employees are less inclined to regard the program as an intrusion into their private lives. This encourages more participation by employees and reduces the litigation rate. Also, this model facilitates the referral of employees to other organizations where they can get help without management’s direct involvement. As a result, employees are less likely to see the program as a program designed by management for witch hunting purposes.

There is evidence that this model provides a better accountability than the in-house model because managers are actively involved in every phase of the program. There is a constant feedback between the organizers of the out-of-house model and the manager of the contracting organization. Little details, such as employee utilization rates of the program, are evident to the manager on a regular basis and any needed administrative adjustments can be done periodically.

DISADVANTAGES

This model is more expensive to run than the in-house model. The in-house model has the advantage of being able to maintain its cost at a fairly constant rate but the price of services
of the out-of-house model fluctuates with utilization and inflation rates. As a result, the amount of money paid by organizations are not fixed and this could affect an organization's budget.

**JOINT-VENTURE MODEL**

This model is used principally by companies with fewer than 2,000 employees who, because of financial reasons, cannot afford the out-of-house or in-house models. The distinctive difference between the in-house/out-of-house models and the joint-venture model is that joint-venture model is funded by two or more companies. Usually such companies agree to pool their resources together and develop a comprehensive program for employees of their organizations.

The program could be housed within one of the participating companies or in a separate location. The program is staffed by specialists in various health fields. It is the duty of each company to inform its employees of the availability of such services, and how and when to use them.

**ADVANTAGES**

A principal advantage of this model is that it is easy to maintain client confidentiality. This is because the program is run separately from the participating companies. Information is stored independently and the chances of such information leaking is reduced. In addition, program staff are not employees of the participating companies. As a result, employees are more relaxed and are encouraged to use the facilities provided without the fear that information
gathered will be used by management against them. This also reduces the chances of litigation. A main advantage of this model lies in cost sharing.

DISADVANTAGES

The principal disadvantage is the coordination problems that may arise between participating organizations. There must be a lot of mutual understanding between the organizations concerned for it to be successful.

SUB-CONTRACT-OUT MODEL

This model is characterized by a contract between an organization and out-of-house service provider for a narrow range of wellness related services often on a temporary basis. It is frequently used by organizations that do not want to spend money on a comprehensive Wellness program. This model provides just a fraction of wellness activities as the need for it arises in the organization. For example, if an organization finds that there is need for cholesterol screening or educating employees about AIDS, the organization will contract with a vendor to provide such services. This is typically done just once. If the need for such services arises again in the future, the organization can decide to contract with the same vendor or get another vendor. The vendor is usually a group of professionals in the health field who either reach the employees at the worksite or have the employees referred to them.
ADVANTAGES

This model is inexpensive because an organization only pays for services used and does not have to maintain the vendor on its monthly pay roll.

DISADVANTAGES

This is a crisis management approach. It only solves the immediate problems and does not seek to maintain health over an extended period. As a result, employees gain very little from the program.

COMBINED MODEL

This model provides services on an in-house basis, except for counselling services. The counselling aspect of the wellness program is contracted out to an organization that specializes in providing Wellness programs.

The rationale for a combined model stems in part from the constraints imposed by Federal and State laws and regulations. These regulations are those that have to do with staffing of wellness programs. Wellness programs are required by law to be staffed by professionals such as psychologists, psycho-analysts or psychiatrists. Unfortunately, the services of these categories of professionals are expensive and not many organizations can afford to pay for their services.

Organizations that cannot follow the governmental regulations and cannot maintain these professionals on their payrolls, find it safer to contract the counselling aspect of the program to outside bodies that are permitted by law to operate such programs. An example of this model is the Wellness Program at the University of Montana.
ADVANTAGES

Because counselling services are provided outside the organization, employees are encouraged to use such services as it offers them some protection of privacy. This also reduces the chances of litigation from troublesome employees.

DISADVANTAGES

This model can be expensive unless the counselling service is offered by a voluntary non-profit organization. Where the services is offered by a profit organization a good percentage of the total amount scheduled for the wellness program in an organization can be spent on counselling services alone if it has a large number of drug dependent and emotionally troubled employees. The cost of providing professional counselling services for such employees can be very high.

CONCLUSION

The need for confidentiality and the possibility of law suits are serious problems for any wellness program. They arise as a result of the counselling and referral procedures in which knowledge of private and personal information may become widely known. In order to avoid such problems, organizations should hire qualified professionals to handle the counselling and referral aspects of the wellness program. In addition, all Wellness programs in an organization should be given enough publicity so that employees are well informed about them and will know when to use them. This, hopefully, will encourage self referral by employees. The actual choice
of a model will depend not only on the issue of privacy, but also upon the size of the organization, its resources, and its commitment to the concept of wellness.
CHAPTER FOUR

RECOMMENDATIONS AND CONCLUSION

This chapter will discuss the value of adopting a wellness program in a public organization in the State of Montana. For illustration purposes, I will focus on, and limit my recommendations to Missoula County Government. The discussion will highlight the importance of a Wellness program to a government like the Missoula County Government.

WELLNESS PROGRAMS: AN ASSET TO GOVERNMENT ORGANIZATIONS

Government organizations have been accused of profound neglect and insensitivity to its employees’ needs. This myth stems from the low salary structure and lack of a wide range of benefits for government employees. This inability of governments to provide a wide range of benefits and low salary structure have also been blamed on low productivity and high turnover rates among public employees.

In recent years, budget cuts have made it even more difficult for government to increase benefits for government employees. As a result, smaller governments in particular are finding it difficult to provide a comprehensive benefit plan for its employees. Some of these benefits, however, are very vital to organizations ability to recruit and retain productive employees. An example of such benefits is health care services.

The importance of a comprehensive health care plan cannot be overemphasized. Health care services not only produce a healthy workforce, they can also help to increase
employee morale and productivity. However, providing a comprehensive health care coverage for employees and family members remains beyond the financial ability of most small governments. As a result a gap commonly exists between what is legitimately needed and what is practically possible.

The idea of ‘Wellness’ as discussed above offers a possible solution to the problem of how to maintain employee health at an affordable cost. A good wellness program, in addition to providing a healthy workforce, could serve as an incentive to government employees to be more productive.

**NEED FOR WELLNESS PROGRAM BY MISSOULA COUNTY GOVERNMENT**

The continued heavy fiscal pressure on local governments in the state makes it nearly impossible to embark on new programs, even where it is evident that such programs are of benefit to organizations. For example, the Missoula County Government, although recognizing the usefulness of wellness programs, cannot afford to institute a comprehensive wellness program (interview, Mike Barton, Oct 1989).

However, in recognition of the importance of a healthy workforce and the need for wellness activities, the County Government provides some wellness related services for its employees. The government provides an Employee Assistance Program as part of employee medical benefits. The aim of the EAP is to assist employees in coping effectively with personal and job related stress, so that the government can keep its valuable employees, increase job effectiveness and encourage a positive work environment (Missoula County Benefits, 1988). The EAP is contracted out to an outside organization who specializes in EAP programs.
Services covered include emotional, behavioral, family, marital, chemical dependency, financial, legal and other problems. Aside from the EAP program, the government has tried to encourage employees to use the wellness facilities at the fitness center in Missoula. Membership of the government in this organization allows employees a 50 percent rebate in membership fees, although employees are responsible for payment of any services used.

This is a step in the right direction and the government’s efforts should be commended. However, there is still need for the government to increase its effort in pursuing wellness activities if the government wants better results from the program. Exercise programs and health education classes offered at the fitness center are unlikely to accomplish much. The limited number of services that it provides means that all employees' needs are not being met, and the fact that employees have to pay out of their pocket to use the facilities might discourage participation. Presently the participation rate of employees in the wellness activity at the fitness center is estimated to be five percent.

RECOMMENDATIONS AND POLICY OPTIONS

Asking the Missoula county Government to play an active role in the institution of a comprehensive Wellness program might seem ironic at a time when resources are very few, but the long term benefits of such a comprehensive Wellness program may be a worthwhile investment. Based on the analysis presented in previous chapters, certain recommendations may be offered to the Missoula County Government regarding establishment of a Wellness program.
It will be advisable for the County Government to institute a comprehensive Wellness program by adopting a model that will be relatively inexpensive to run yet capable of achieving the desired results. Such a model should be flexible enough to meet the demands of today's employees as well as the future demands of a rapidly changing workforce.

Deciding this may be very difficult as there will be a variety of choices to be made. In addition, the model chosen has to complement existing programs that the county has instituted. To this end, I recommend some form of the contracted-out model. The contracted-out model is best suited for the county government for the following reasons:

(1) It does not require the huge finances that is needed for instituting and maintaining an in-house model.

(2) It will allow for easy evaluation of the effects of the program on employees.

(3) This model is flexible enough so that services can be added and withdrawn from the program without extra cost to the government.

(4) The program can be terminated once the services are no longer required.

Two policy options are open to the Missoula County Government. One policy option will be for the government to complement the services of its health department with existing wellness facilities in the community, particularly services offered voluntarily. For example, the County can periodically contract with Wellness-related programs of the University of Montana to develop Wellness activities for County employees. Such activities may include fun-runs, biking, swimming, and skiing. In order to encourage workers to participate actively in the program, occasional contests can be held between the various departments and prizes given to
the winners. The employees themselves should be encouraged to take active part in the planning and organization of such activities. Alternatively, the government may want to pay part of the fees for services at the Fitness Center. This could increase employee participation rates.

A second policy option is for the government to contract with existing Wellness organizations such as St. Patrick Hospital or Health Incentives to provide wellness services. This might be the most effective option if the government can come up with the funds for such programs.

In the final analysis the government must base any form of Wellness program on well defined objectives, employees needs, and the amount of money that it has available. The goals of the program must be realistic and attainable so that meaningful evaluation can be carried out on the program. There is also a need for continuous research on the value of a Wellness program to the employees and the government.

CONCLUSION

Traditionally, emphasis has been placed on curative medicine as a means of treating illness and other medical problems. The curative approach has proven inadequate because it treats medical symptoms after they occur rather than attempting to maintain health or to prevent illness. The time has come for the various governments to find an alternative approach to the solution of providing health care to its employees.

The findings cited in previous chapters indicate that Wellness programs might be
effective in reducing the cost of providing health care services to public employees by improving employee health, and also effective in improving employee morale and thereby increasing productivity. However, in practice various factors within the public system may make these goals difficult to achieve. Such factors as an unwillingness to change public policies, inadequate funding, improper implementation, and lack of employee interest may hinder public organizations from instituting Wellness programs. Nonetheless, if public organizations can obtain funding for Wellness programs, and if they are properly planned, implemented and evaluated, Wellness programs may offer the best hope for achieving improvement in the health levels of public employees, controlling rising health care costs, raising employee morale and thereby increasing productivity.
REFERENCES


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