



CASE STUDY

**The Challenge**

The cost incurred by employers for health insurance is growing at a breakneck pace. In fact, health care costs, on average, continue to grow by eight to ten percent annually for most employers (Hewitt Associates, 2006). Nationwide®, a Fortune 100 insurance and financial services company, found itself above this average in 2004 with a 15 percent increase in its health care costs. Not only was this growth figure impacting the company's profitability, but the actual spend on health care amounted to more than the net income of some of its business lines. Nationwide was faced with the challenge of reducing its health care spend and, as the overall cost of health insurance was not going down, the company had to develop an alternate method of controlling these costs.

**The Solution**

In order to address this challenge, Nationwide decided to focus on the actual health of its employees. The company developed a well designed, communicated and implemented health and productivity program, which included health management offerings such as health risk assessments, lifestyle coaching, online resources and educational courses. While intended to educate and reduce its associates' health risks, the health and productivity program would be futile without a way to identify, enroll and engage more associates.

To address this hurdle, Nationwide turned to its absence management offering, which was developed in the late 1990s to help track associates' planned and unplanned time off. Beyond collecting all types of absences, Nationwide's program actually identified and tracked absence patterns. Perhaps not surprisingly, Nationwide found the majority of its employees' unplanned absences were due to health conditions, whether their own or of a family member.

Using the absence frequency patterns (i.e., any incidents of five absences in a 30-day period) it had collected, Nationwide was able to identify associates in need of wellness programs or disease management. The company partnered with these employees identified through absence patterns and, through personal health coaches, offered them services to improve their health. **Since then, Nationwide has used absence information as an early trigger to prevent disability occurrences and to enroll associates in its health management offerings.**

**The Results**

Nationwide learned that better management and tracking of its associates' absences was critical to keeping its workforce and financial well-being at healthy levels. Nationwide has been able to use absence information to:

- > Validate outcomes - determine absence patterns and cost savings due to interventions
- > Predict short- and long-term disability
- > Identify associates in need of disability, disease and health management
- > Focus on the entire employee population rather than just the "high risk" group
- > Prepare for pandemic outbreaks and illness tracking (mumps and legionnaires)

Absence management tracking, coupled with a robust wellness and health management programs, has:

- > Saved Nationwide \$8.2 million in 2006
- > Prevented a loss of more than \$3 million through lost days saved
- > Decreased overall absences by 21 percent
- > Reduced the length of disability absences by 13 percent

**More About Nationwide Better Health:**

Nationwide Better Health, a subsidiary of Nationwide, is a leading provider of health and productivity management solutions, aimed at improving the health and productivity of America's workforce. Nationwide Better Health is the first company to truly integrate the best collection of health and productivity services available

today, including health and wellness, and disease, disability, absence, medical and maternity management. For more information, call 866.404.6924 or visit: [www.nwbetterhealth.com](http://www.nwbetterhealth.com).