



CASE STUDY

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 10 percent annually for most employers (Hewitt Associates, 2006). Nationwide®, a Fortune 100 insurance and financial services company, also found its health care costs growing at a much faster rate than its other expenses.

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.

Solution 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 (any incidents of five absences in a 30-day period) it had collected, Nationwide identified associates in need of wellness programs or disease management. The company partnered with these employees identified through absence patterns and, through personal nurse 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.**

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 used 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
- Help with pandemic planning

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

- 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 average length of disability absences by 21 percent

More About Nationwide:

Based in Columbus, Ohio, Nationwide is one of the largest diversified insurance and financial services organizations in the world, with more than \$158 billion in assets. Nationwide ranks #98 on the Fortune 100 list. The company provides a full range of insurance and financial services, including auto, motorcycle, boat, homeowners, life, commercial insurance,

administrative services, health management services, annuities, mortgages, mutual funds, pensions and long-term savings plans. For more information, visit www.nationwide.com. For more information about Nationwide's program, contact program director Kathleen Herath at 614.249.4058.