

Study Finds Mixed Results from PepsiCo's Wellness Program



According to a 2013/2014 survey by Towers Watson, 76% of Canadian organizations are planning to increase their support for workplace wellness programs over the next two years. That's great news, but a recent study of one large corporation's wellness program found that all aspects of such programs aren't always successful.

The study by Rand Corp., which was published in the journal *Health Affairs*, assessed over seven years of PepsiCo's Healthy Living wellness program. The program has numerous components, including:

- Health-risk assessments
- Onsite wellness events
- Lifestyle and disease management
- Complex care management
- A nurse advice phone line.

The study evaluated the experiences of more than 67,000 workers who were eligible for the disease management or lifestyle management programs. It found that PepsiCo's efforts to help employees manage chronic illnesses such as diabetes and heart disease saved \$3.78 in healthcare costs for every \$1 invested in the effort. But the program's lifestyle management components were less successful.

Key findings:

- The disease management program reduced costs among participants by \$136 per member per month, or \$1,632 annually, driven by a 29% drop in hospital admissions
- For workers who participated in both the disease and lifestyle management programs, the savings were \$160 per month with a 66% drop in hospital admissions
- Those who participated in the lifestyle management program alone reported a small reduction in absenteeism, but no significant effect on health care costs
- The overall return on investment for PepsiCo was \$1.50, but returns for the individual program components differed strikingly: \$3.80 for disease

management but only \$0.50 for lifestyle management.

Bottom line: It's easier to achieve cost savings in people with higher baseline spending, as found among those who participated in the PepsiCo disease management program. The disease management participants who also joined the lifestyle management program experienced significantly higher savings, which suggests that targeting employees who already have chronic diseases can yield a healthy return on investment.

Other companies have had different experiences with their wellness programs. Read about cases studies of five such programs that did help companies save money.