



FOR IMMEDIATE RELEASE

New study finds correlation between corporate wellness scorecard and health care cost trends

EDINA, Minn. (March 12, 2014)—The [HERO](#) announced today the completion of a study that demonstrates a correlation between a company's score on a popular corporate wellness scorecard and that company's health care cost trend. The study, which was published in the February issue of the [Journal of Occupational and Environmental Medicine](#), examines the ability of the [HERO Employee Health Management Best Practices Scorecard in Collaboration with Mercer](#)[®] (HERO Scorecard) to predict changes in health care expenditures—specifically, whether higher scores on the tool were associated with more favorable trends in medical costs. A secondary analysis also examined the HERO Scorecard's ability to predict changes in employee health risks.

The HERO Scorecard is a free online survey tool for employers that helps them assess their use of best practices in their workplace wellness programs along with their participation rates, costs, and health and financial outcomes. Scores are based on measures that have been identified by a panel of wellness experts and employers as important to developing a best practice program. The HERO Scorecard is one of the most widely used tools of its kind, with more than 1,200 employers completing the survey since 2009.

This analysis of the HERO Scorecard database shows that employers who completed the Scorecard and achieved a high score had more favorable health care spending trends during the study timeframe of 2009 to 2011. High-scoring companies saw an average decrease of 1.6 percentage points in their annual health care spend, while low-scoring companies experienced no change in their spending levels during this time period.

"In contrast to generally increasing employer health care cost trends, nearly all of the organizations that completed the Scorecard during the study timeframe saw their health care costs decrease or hold steady and the health status of their workforce improve," said Steven Noeldner, partner, Mercer. "This across-the-board improvement in health and costs could be partially driven by the fact that these companies were more focused on employee health, which is what prompted them to complete the Scorecard in the first place. However, Scorecard completers appear to be committed to finding solutions to health care cost drivers and poor health among their employees."

The study examined data from 33 employers representing more than 700,000 employees who had completed both the HERO Scorecard and had data in the Truven Health Analytics MarketScan[®] database. Four key outcomes were measured: health risk assessment (HRA) completion rates, changes in employee health risks, participation in telephonic health coaching, and medical care cost trends.

“Improvements in health are often seen within the first two years of starting a comprehensive wellness program, but cost savings come later because health has to improve before people require less care,” said Jerry Noyce, president and CEO of HERO. “This study gives employers who use the Scorecard a clearer indication of whether they are on the road to reducing their health care spend based on their Scorecard results. The feedback they receive also directs them to changes they can make to improve their program and, ultimately, their health outcomes and cost trends.”

The current HERO Scorecard v3.1 features 62 questions that assess the following six foundational areas of effective employee health management programs: strategic planning, leadership engagement, program-level management, programs delivered, engagement methods, and measurement and evaluation. HERO and Mercer evaluate data from Scorecard completers on an annual basis to identify trends in workplace wellness offerings and the influence of best practices on outcomes.

“Completing the Scorecard, in and of itself, will not reduce employer health care costs,” said Noeldner. “There are multiple factors that affect health care costs and risk factors that are not captured by tools like the HERO Scorecard, such as employee demographics, benefit plan design and the level of resources allocated to the health promotion program. But HERO and its member organizations believe that creating a culture of health within a workplace can have a significant impact on a company’s cost management and health improvement efforts, and this is what makes the Scorecard such an important tool for employers.”

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About HERO – Based in Edina, Minn., the Health Enhancement Research Organization (HERO) is a non-profit corporation dedicated to the creation and dissemination of employee health management research, education, policy, strategy, and leadership. HERO was established in 1996 as a not-for-profit, 501(c)3 corporation to create high quality employee health management (EHM) research, especially that dealing with the impact of modifiable health risks on health care costs. To learn more, visit www.the-hero.org.