



**NEWS RELEASE**

**Media Contacts:**

Brenna Harrington  
[brenna@mccluremedia.com](mailto:brenna@mccluremedia.com)  
770-338-0357

Jan McClure  
[janm@mccluremedia.com](mailto:janm@mccluremedia.com)  
770-559-1016

**Poll of Business Executives Shows Most Companies Not Aware of True Costs of Healthcare**

- Nearly 74 percent of respondents polled during an online webinar said medical and pharmacy expenses were the largest cost drivers for their business
- 75 percent of same respondents said saving money was the No. 1 goal of their health improvement programs
- Research published in the *Journal of Occupational and Environmental Medicine* presents a new view – that lost productivity is costing the nation's employers more than twice as much as direct medical costs

**Marietta, GA – July 10, 2009** – Contrary to a conventional perspective among business executives that the top healthcare cost drivers for employers are pharmacy and medical expenses, research presented during a recent online webinar, hosted by Source Media, showed that lost workplace productivity due to chronic and other illnesses is actually more costly to employers. The purpose of the webinar was to clarify the true cost drivers because, as three-quarters of webinar participants who responded to the webinar poll indicated, many employers are still focusing primarily on reducing medical and pharmacy costs.

Presenting the research was Ron Loeppke, MD, MPH, executive vice president of health and productivity strategy for Alere, who led a recent multiemployer study demonstrating that for every dollar an employer spends on medical and pharmacy expenses, they spend \$2.3 on health-related productivity costs. The study, published in the April edition of the *Journal of Occupational and Environmental Medicine*, examined the effects of absenteeism and presenteeism, which occurs when employee workplace performance is impaired by a health condition. The study was sponsored by the American College of Occupational and Environment Medicine and conducted by the Alere Center for Health Intelligence in conjunction with the Integrated Benefits Institute.

Some 180 of the nation's top employers, health plans and benefit consulting firms learned about the study and other key facts while participating in "The Business Case for Better Health" webinar hosted by Source Media's publishers of *Employee Benefits News* and *Employee Benefit Adviser*. Nearly 74 percent of webinar participants who responded to the poll stated that pharmacy and medical expenses were the top cost drivers for their healthcare benefit programs, while 75 percent noted that the primary reason they offered health improvement programs was to save money.

"We need to find ways to encourage employers to look beyond just medical and pharmacy costs," noted Dr. Loeppke, who has also conducted a number of other studies on the impact

## Page 2.2.2: Webinar Highlights Disconnect

of health on productivity. “We need to look at the burden of chronic illness as well as the health risks as precursors to chronic conditions and how that relates back to health-related productivity loss (presenteeism and absenteeism) – those are key factors that are eating into employers’ profitability.”

Loeppke and the other presenters – including Michael Taylor, MD, medical director for Health Promotion for Caterpillar, and Christine A. Reichardt, senior benefit analyst with Journal Communications, Inc. – highlighted the value of health improvement and wellness programs as a tool to help improve businesses’ bottom lines and preserve their “human capital”. They emphasized the need for an integrated approach to healthcare benefits – one that focuses on prevention and wellness as well as worksite health programs, focusing on such issues as smoking cessation, diet, exercise and health screenings.

Prevention, health improvement and evidence-based treatment can make significant reductions to the economic burden of illness in America, according to Dr. Loeppke. In fact, he says, the Milken Institute has shown that compared to current trends, by 2023 with plausible improvements in preventing and treating chronic conditions, the U.S. could:

- Avoid 40 million cases of chronic disease
- Decrease treatment costs by \$218 billion per year
- Reduce the economic impact of disease by 27 percent, or \$1.1 trillion annually
- Increase the nation’s GDP by \$905 billion through productivity gains

Identifying the true cost drivers and the value of productivity enables employers to create more targeted and meaningful benefit programs, according to presenters. More importantly, they said, such information helps to demonstrate the business value of a healthier workforce and sell the value of health and wellness programs to top executives.

For additional information or to view and listen to the webinar, go to <http://eba.benefitnews.com/blog/bythenumbers/-2681123-1.html>

To order a hard copy reprint of Dr. Loeppke’s study, email [alere@alere.com](mailto:alere@alere.com). Please include your name, title, organization, address and phone number.

### About Alere

Alere® ([www.alere.com](http://www.alere.com)) is a wholly-owned subsidiary of Inverness Medical Innovations, Inc. ([www.invernessmedical.com](http://www.invernessmedical.com)) (NYSE: IMA). Alere, a Latin verb, meaning “to care for” or “to support”, offers the most patient-centered health management services available from a single provider in the industry. Alere services provide health interventions that are designed for the entire lifespan from pre-cradle (high-risk pregnancy and NICU management) to end-of-life care (complex care) as well as the continuum of health from wellness (health and productivity programs) and prevention to total health management of the individual for those having various chronic illnesses.

# # #