

Best Practices

INNOVATIVE HEALTHCARE SOLUTIONS: THE SWISS COLONY

The Swiss Colony®
FAMILY OWNED SINCE 1926



Location: Monroe, Wisconsin
Industry: Direct Merchandiser
Size: 1,100 employees in 12 locations in Midwest including 670 in Monroe.
Contact: Tim Wolff, Director of Human Resources

BACKGROUND

The Swiss Colony® is America's premier mail-order cheese company, founded in 1926. Today it is one of the world's largest and most successful catalog companies with product lines ranging from specialty foods to clothing, home furnishings and jewelry.

This company supports its communities and families in its 12 locations, and offers great benefits and programs that promote the health and well being of their employees. The company's philosophy is about giving its employees the opportunity for growth and providing a better place to live and work.

PROGRAM OVERVIEW

Swiss Colony offers a combination of insurance plan design options, and a broad range of wellness initiatives and employee incentives to control costs and engage employees in establishing healthy life styles. The company was an early entry into wellness activities, with some programs dating back to the early 90's. All locations in the Midwest offer similar programs, but there is also the flexibility and management support for locally developed activities. While the company receives some support from the Alliance in Madison¹, most programs are "home grown".

PLAN DESIGN

Swiss Colony currently offers four self-insured plan design options for employees to choose from. These include three plans with deductibles of \$400/\$600/\$1,000 and a High Deductible Health Plan (HDHP) with a \$2,000 deductible. The company was a pioneer in high deductible plans, which engage employees in health care decisions, having offered a \$1,000 deductible plan since the early 90's. Tim Wolff, Director of Human Resources, reports that this made the process of educating and transitioning employees to the HDHP much easier. In the second year of offering this HDHP option, they have about 10 percent employee participation. Their plans also focus on preventive care, with deductibles waived on most preventive services and low copays on generic drugs. For the HDHP plan, a Health Savings Account (HSA) is offered on a 100 percent employee pay basis. In all of these options, the target employee contribution including premium, deductibles, copays and coinsurance is 30 percent.

WELLNESS PLAN COMPONENTS

The Healthy Return\$ program forms the core of the company's wellness activities. Healthy Return\$ encourages healthier lifestyles by offering

incentives to employees and spouses who take the initiative to participate in wellness assessments and activities. In return, the program creates awareness and expands wellness as part of their overall culture. Swiss Colony believes early detection and prevention is the key to a faster cure or a more effective treatment plan. In the long run, employees will have less absenteeism, more productivity, higher morale, and lower health care costs.

Healthy Return\$ offers an annual incentive to eligible employees and spouses who meet the following five wellness requirements:

- Regular full-time or part-time employees enrolled in one of Swiss Colony health plans for the entire plan year
- Participate in an annual on-site Health Risk Assessment (HRA)
- Non-user of all tobacco products
- Required primary physician wellness consultation with specific minimum requirements, depending on age and sex
- Actively participate in Wellness Works sponsored events

INCENTIVES

Employees who qualify for the Healthy Return\$ incentive have the option of taking the incentive in one of three ways; a taxable cash incentive, a Health Savings Account contribution, or a health insurance premium reduction.

ON-SITE HEALTH RISK ASSESSMENTS (HRA'S)

Health Risk Assessments are the foundation of the program and are offered free to all employees (& spouses if covered under the health plan). The HRA consists of a comprehensive biometric assessment of health risks. HRA's are conducted by Healics, Inc. who has been tracking company results for eight years.

WELLNESS WORKS

Wellness Works is Swiss Colony's wellness point program. Wellness Works sponsors events throughout the year where employees can earn points to qualify for Healthy Return\$ incentives. Participants can earn points by having a good

Health Risk Assessment score or by simply improving their score annually. Other points are earned by participating in the corporate fitness program, weight loss program, Biggest Loser, smoking cessation, Road Map to Wellness, 007 Mission Possible, onsite seminars, flu shots, or other activities approved by the company.



CORPORATE FITNESS PROGRAM

The Corporate Fitness Program offers incentives to regular employees who work out at home or in a fitness center. The program provides flexibility with four reimbursement options:

- Annual YMCA Membership reimbursement based on the number of workouts completed within a 12 month period
- Annual Fitness Membership (non-YMCA) reimbursement
- Exercise Class reimbursement
- Winners' Circle Club which uses a points system to reward participants for self-motivated physical activity

Fitness facilities track visits by Swiss Colony employees and report participation to the company.

CORPORATE WEIGHT LOSS PROGRAM

The Corporate Weight Loss Program offers reimbursement to regular employees for a variety of weight loss programs and achievements. Incentives are provided during three levels of weight loss. In addition, the company sponsors the Biggest Loser Individual Weight Loss Challenge that offers incentives for employees who lose at least 5 percent of their beginning weight. The program provides participation awards, random wellness drawings, and 8 weeks of educational materials.

CORPORATE TOBACCO CESSATION PROGRAM

The Corporate Tobacco Cessation Program offers regular employees 100% reimbursement, up to a lifetime maximum, for out-of-pocket expenses incurred for tobacco cessation activities.

ROAD MAP TO WELLNESS

In April 2005, employees took off on a 365-day, virtual walk to 12 Swiss Colony locations with the use of a pedometer and walking journal. Along the journey, employees received up to five achievement awards based on the individual's cumulative steps.

The program was based on employees averaging at least 5,000 steps per day. Starting in 2006, Swiss Colony "stepped up" the program to provide incentives based on an average of 6,000 steps per day. Due to the program's huge success, they continue to offer the program each year.

MISSION: POSSIBLE CHALLENGE

In 2007, the company kicked off the Wellness 007 Mission: Possible challenge. Through this program, Employees were sent on a virtual wellness mission to find good health in various cities across the country including Aerobiquerque, New Mexico: Physical Activity and Fitness; Cholesterol Springs, Colorado: Cholesterol; and Las Veggies, Nevada:

Nutrition. By taking virtual journeys to these "cities", employees are encouraged to combine education about each location with clues that help demystify wellness.

OTHER INCENTIVES, PROGRAMS, AND EDUCATION:

On-Site Flu Shots - In an effort to reduce absenteeism caused by influenza, the company offers free on-site flu clinics annually.

Blood Pressure Monitors - Swiss Colony furnishes break rooms with blood pressure monitors and education on blood pressure controls.

Lunch and Learn programs are offered about four times per year with qualified speakers.

Wellness Education including Benefit Buzz articles (quarterly), Colony Contact articles (monthly),

Break room tabletop displays (monthly), Mobile break room table displays (periodically displays education about breast cancer, inexpensive home gyms, or a special topic of the month), Wellness books and videos in the company library, Hope Health newsletter (monthly), and an intranet site with related wellness links and recipes.

RESULTS

Swiss Colony closely monitors a number of metrics to help measure the success of its programs.

- It looks closely at the number of participants in its various programs to gauge employee interest and need for new initiatives. Since 2002, wellness program participation has increased almost four fold.
- It reviews HRA scores and trends. Average scores have been found to increase markedly from the first to second years, and steadily for repeat participants indicating clearly that employees are paying attention to their results and taking steps to improve their physical wellness.
- Participation in smoking cessation programs is also closely monitored.
- The average cost of healthcare is certainly a key metric, and over the past 5 years, the company's costs have been held closely in check and continue to be below national and regional levels.

NEXT STEPS:

The Swiss Colony® will continue to expand and improve wellness services offered to its employees. The company believes that a good wellness program must offer a variety of programs to peak interest and meet the needs of each employee.

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View other Wisconsin Business Best Practices Reports at
<http://www.wmc.org/healthcare/index.php>

Best Practices

WMC's healthcare agenda includes initiatives to encourage employers to take innovative steps to improve the health status of their employees and control their healthcare costs. WMC has identified employers whose healthcare initiatives can serve as best practices for others to use as models for their own initiatives.

Healthcare Best Practices—Common Lessons Learned

WMC has interviewed a number of companies who have taken bold steps to control their healthcare costs and improve the health status of their employees. From those best practices, we have seen a series of common elements or lessons learned. A summary follows:

- *Employees must be engaged in programs to improve their health. Incentives are essential to engaging employees.*
- *Innovative practices come from companies with executives who push the boundaries and drive their employees to seek change.*
- *While cash or tangible incentives sweeten the pot, reduction (or increase!) of the employee's share of health insurance premiums is the most effective strategy.*
- *A broad array of wellness options engages more employees. Flexibility of access during and off of normal working hours increases participation.*
- *Successful programs emphasize improved productivity and cost savings, and often focus on mental, as well as physical, well-being.*
- *Most employers recognize that "doing the right thing" for their employees' health is incentive enough to invest in wellness programs. For those with this philosophy, positive returns on investment follow.*
- *Health Risk Assessments provide the basis for most programs because they immediately engage employees. It is equally important to engage spouses, and to the degree possible, dependents enrolled in family plans, in health assessments and wellness activities.*
- *Consumer-driven plan designs experience slow employee acceptance unless significant incentives or disincentives are provided. Employers must educate and aggressively market the benefits of these plans to employees in order to get participation.*
- *As programs evolve, employers realize the need to dedicate an individual to develop, market, and monitor wellness programs. As programs mature, they need to be integrated, such as the coordination of exercise programs, medication regimens and nutritional guidelines for high-risk employees.*
- *Goals and objectives with appropriate metrics must be clearly stated and communicated to employees. They have to understand why it is important to them and to the company.*
- *Management of chronic/high risk diseases provides the best opportunity for cost savings. The 80/20 rule applies; 80 percent of healthcare costs are spent on 20 percent of the healthcare encounters.*
- *Almost any size company can implement programs to improve wellness and cut costs. The range of options is scalable to company size. Help is out there from companies who have already implemented best practices.*
- *And finally, leading companies are more than willing to share their health care best practices with other companies in their communities.*