

# THE ONLY NUMBER THAT MATTERS (AND HOW TO TRACK IT)

**The only way to justify doing wellness in a commercially viable way is to demonstrate that it lowers the total cost of care."**

That's Dr. Michael Roizen, Cleveland Clinic's Chief Wellness Officer, cutting through the BS.

Not "improves morale." Not "shows we care." Not "attracts talent."

Lowers. Total. Cost. Of. Care.

Because here's the truth: Wellness programs that can't prove ROI don't survive budget cuts.

## **The Graveyard of Well-Intentioned Programs**

Most workplace wellness programs die the same death:

Year 1: "This is great! Look at participation!"

Year 2: "Still going well. People seem happy."

Year 3: "Budget freeze. Let's pause wellness spending."

Year 4: Program doesn't exist anymore.



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What killed it? Lack of data proving financial value.

The Lifestyle 180 program avoided this fate by measuring everything from day one and reporting results relentlessly.

### The Three Numbers That Actually Matter

Forget step counts and wellness challenge participation rates. If you can only track three things, track these:

#### 01. Healthcare Premium Growth Rate

**Industry average:** 10-15% annual increase

**Lifestyle 180 result:** 4-8% annual increase

**2010 projection:** 0% increase

That's the headline. That's the number your CFO cares about.

When your premiums grow half as fast as industry average, you're saving serious money. A company with 500 employees and \$8,000 average premium saves \$240,000 annually by cutting growth from 12% to 6%.

One number. Massive impact.

#### 02. Chronic Disease Medication Costs

**Lifestyle 180 result:** 25% of Lifestyle 180 participants reduced medication doses or stopped medications entirely.

Here's why this matters:

Diabetes medications: \$3,000-\$5,000 per year per person

Blood pressure medications: \$600-\$1,200 per year per person

Cholesterol medications: \$1,200-\$2,400 per year per person

If 25% of 100 high-risk employees reduce medications, you're saving \$50,000-\$100,000 annually in pharmacy costs alone.

Track who's on expensive maintenance medications. Track who reduces or eliminates them. Calculate savings. Report to leadership.

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### 03. Avoided High-Cost Treatments

**Lifestyle 180's killer stat:** 5 employees avoided dialysis, saving \$50,000 annually (\$10,000 per patient per year).

Your version might be:

- Employees who avoided cardiac procedures
- Diabetes complications prevented
- Hospitalizations avoided
- Emergency room visits reduced

Each prevented major event = \$5,000 to \$50,000+ saved. These are easy to track (compare year-over-year claims data) and impossible to argue with.

### What They Actually Measured

Beyond the big three, they tracked comprehensive health and engagement metrics:

#### Health Outcomes:

- Weight loss (9+ pounds average)
- Waistline reduction (3+ inches average)
- LDL cholesterol drop (20 points average)
- Blood pressure improvements
- Biometric risk stratification changes

#### Financial Metrics:

- Medical claims per employee
- Pharmacy costs per employee
- Emergency room visits
- Specialist visits vs. primary care visits
- Short-term disability claims

#### Engagement Metrics:

- Program enrollment rates
- Completion rates
- Satisfaction scores
- Repeat participation
- Manager support levels

**The pattern:** Track inputs, outputs, and outcomes at every level.

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### The Honest ROI Timeline

Here's what the Lifestyle 180 program reported:

#### Year 1: Net cost

- High upfront investment
- Limited immediate savings
- Focus: Proving program works

#### Year 2: Approaching break-even

- Ongoing costs lower than Year 1
- Some medication reductions
- Some avoided treatments
- ROI: 0.5:1 to 1.5:1

#### Year 3+: Strong positive returns

- Established program costs
- Compounding health improvements
- Chronic disease prevention shows up
- ROI: 3:1 to 6:1

Dr. Roizen admitted: "Whether Lifestyle 180 can actually reduce healthcare costs in the long run remains to be seen."

That honesty is crucial. Overpromising year-one ROI destroys credibility. Showing realistic timelines with measurable progress builds trust.

### The Measurement Tools You Need

#### Level 1: Minimum (Start Here)

- Annual biometric screenings (weight, blood pressure, cholesterol, blood sugar)
- Health insurance claims data (request quarterly reports from carrier)
- Program participation tracking (enrollment, completion)
- Employee satisfaction survey (1-2 questions about wellness support)

Cost: \$10,000-\$20,000 annually for 500 employees

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### Level 2: Comprehensive

Add:

- Health risk assessments (online questionnaires)
- Medication tracking (pharmacy benefit data)
- Absenteeism monitoring (sick days, disability claims)
- Productivity metrics (quality, output)
- Advanced analytics platform

Cost: \$30,000–\$50,000 annually for 500 employees

### Level 3: Lifestyle 180–Style

Add:

- Dedicated medical team for monitoring
- Integration with clinical records
- Regular lab work for participants
- Longitudinal outcome tracking
- Research-grade data collection

Cost: \$75,000–\$150,000 annually for 500 employees

Start at Level 1. Prove value. Reinvest savings into better measurement.

## How to Report to Leadership

### Quarterly: Quick Wins

- Participation numbers
- Early health improvements
- Employee testimonials
- On-track vs. budget

### Annually: Comprehensive Analysis

- Healthcare cost trends vs. industry
- Biometric improvements across population
- ROI calculation with year-over-year comparison
- Success stories (with permission)
- Next year's plan

Make every report answer: "Are we getting healthier and saving money?"

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### The ROI Formula (Simplified)

$$\text{ROI} = (\text{Benefits} - \text{Costs}) / \text{Costs} \times 100$$

Benefits = Healthcare savings + Productivity gains + Reduced absenteeism

Costs = Program delivery + Incentives + Staff time

### Lifestyle 180 Example:

Costs per employee: \$432/year Savings per high-risk employee:  
\$5,000-\$10,000/year

Even if only 20% of employees are high-risk and improve, the math works.

500 employees × 20% high-risk = 100 employees 100 employees × \$7,500  
average savings = \$750,000 Total program cost: \$216,000 ROI: 247%

That's year one. It compounds from there.



# THE BOTTOM LINE



The Lifestyle 180 program demonstrated that prevention works by obsessively tracking outcomes and transparently reporting results.

The program didn't hide behind soft metrics like 'employee engagement' or 'culture improvement.' It showed hard numbers: premium growth slowing, medications reducing, expensive treatments avoided.

**Your wellness program needs one of two things:**

**01. Data proving it saves money**

**02. A good argument for why you should cancel it**

No data? No program longevity.

Start measuring today. Pick the big three numbers. Track them quarterly. Report progress honestly.

The programs that measure succeed. The programs that don't disappear.

Which will yours be?