



Institute of Actuaries of Australia

# XIth Accident Compensation Seminar 2007

## The Benefits of Health and Wellness Programs

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WESTERN AUSTRALIAN  
LOCAL GOVERNMENT ASSOCIATION

Health on the  
**M+VE**

PRICEWATERHOUSECOOPERS 

## The Players



JARDINE LLOYD THOMPSON

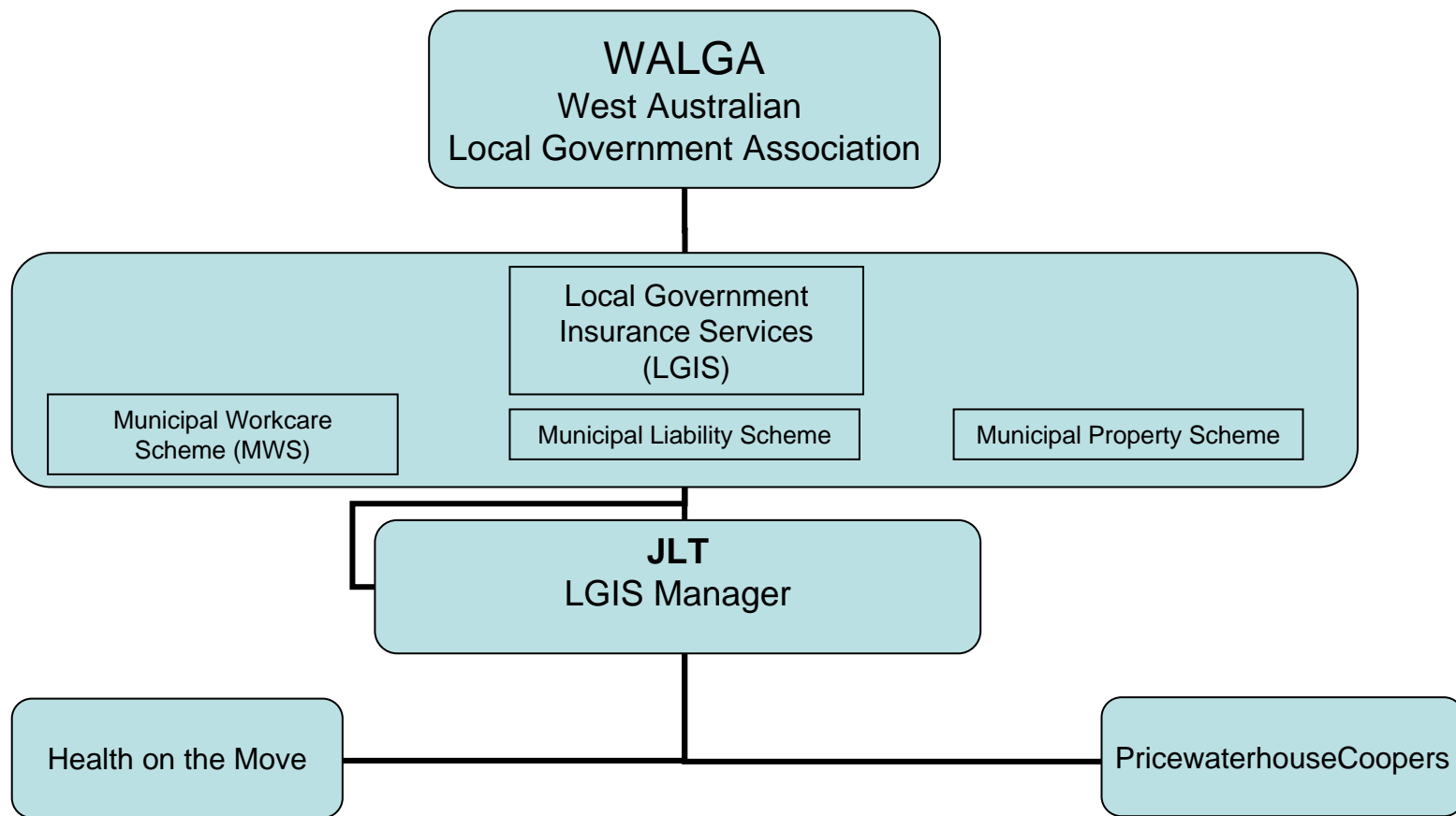


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# Structure



# Timeline

## Health Services

**1996**

Health Assessments introduced for WA  
Local Government individuals

- Full pathology
- Body composition
- Cardiovascular fitness

# Timeline

## Health Services

**2003**

Health Assessments Services  
Expanded to include:

- Flexibility
- Strength and mobility
- Hearing and vision
- Exercise and diet

# Timeline

## Health Services

**2004**

SunSafe introduced

- Education program
- Screening program
- Requested by Councils

## Motivators

- Desire and need to be different
- To encourage member participation in Scheme performance
- Educate from the ground up
- Provide a base for the introduction of other programs

## Current Program Range

- Health and Well Being
- Sun Safe
- Enterprise Wide
- Events
- HR and organisational Well Being
- Stress management
- Counselling and Peer Support
- A range of hazard programs (Coastal Management to Skateboards and Stress)



# Preventative Health Program- Prime Criteria

- Voluntary
- Private
- Mobile
- Applicable to all

## Health Programs

**Extract from Preventative Health report  
for Local Government Insurance Services  
(LGIS)**

Test	Result % Outside Health range Initial Assessment 2002-2003	Result % Outside Health range Re- Assessment 2004-2005
Pathology		
Cholesterol	51	11
Liver	14	2
Kidney	5	0
Iron	37	0
Prostate	4	4
Blood Pressure	24	5
% Body fat	50	22
Diabetes	13	4
Cardiovascular Fitness	55	15
Lung Function	31	11
Referral to own doctor	72	15

Test	Result % Outside Health range Initial Assessment 2003-2004	Result % Outside Health range Re- Assessment 2005-2006
Pathology		
Cholesterol	41	15
Liver	15	3
Kidney	20	6
Iron	26	3
Prostate	4	2
Blood Pressure	17	5
% Body fat	46	22
Diabetes	11	5
Cardiovascular Fitness	52	22
Lung Function	33	16
Referral to own doctor	58	17

## Health Program – other outcomes

- Cohesive Business Strategy -  
Incorporate health
- Employer of choice – staff retention
- Reduced absenteeism - improve  
productivity
- Reduction in claims frequency and cost  
(workers compensation, public liability)

## Health Program – other outcomes

- Reduced insurance cost (price follows claims)
- Improved employee awareness of risk management programs (both OSH and general)
- Greater organisational ownership

## Sun Safe Program

Introduced 2003

- 5,800 attended education program
- 10,700 individuals were screened
- 3,800 referred for further treatment
- 34 melanomas identified
- 98% of councils participated

Feedback from treating doctors acknowledges many of these melanomas were life threatening

# Examples – Link to Employee Performance

## Cardiovascular

- Number of examples of stress testing identifying serious undetected heart conditions

## General Health

- Diabetes and liver conditions identified – employees operating machinery – W/Comp and Liability exposure
- Pathology – disorders identified – effect on work performance

## The Workers Comp Perspective

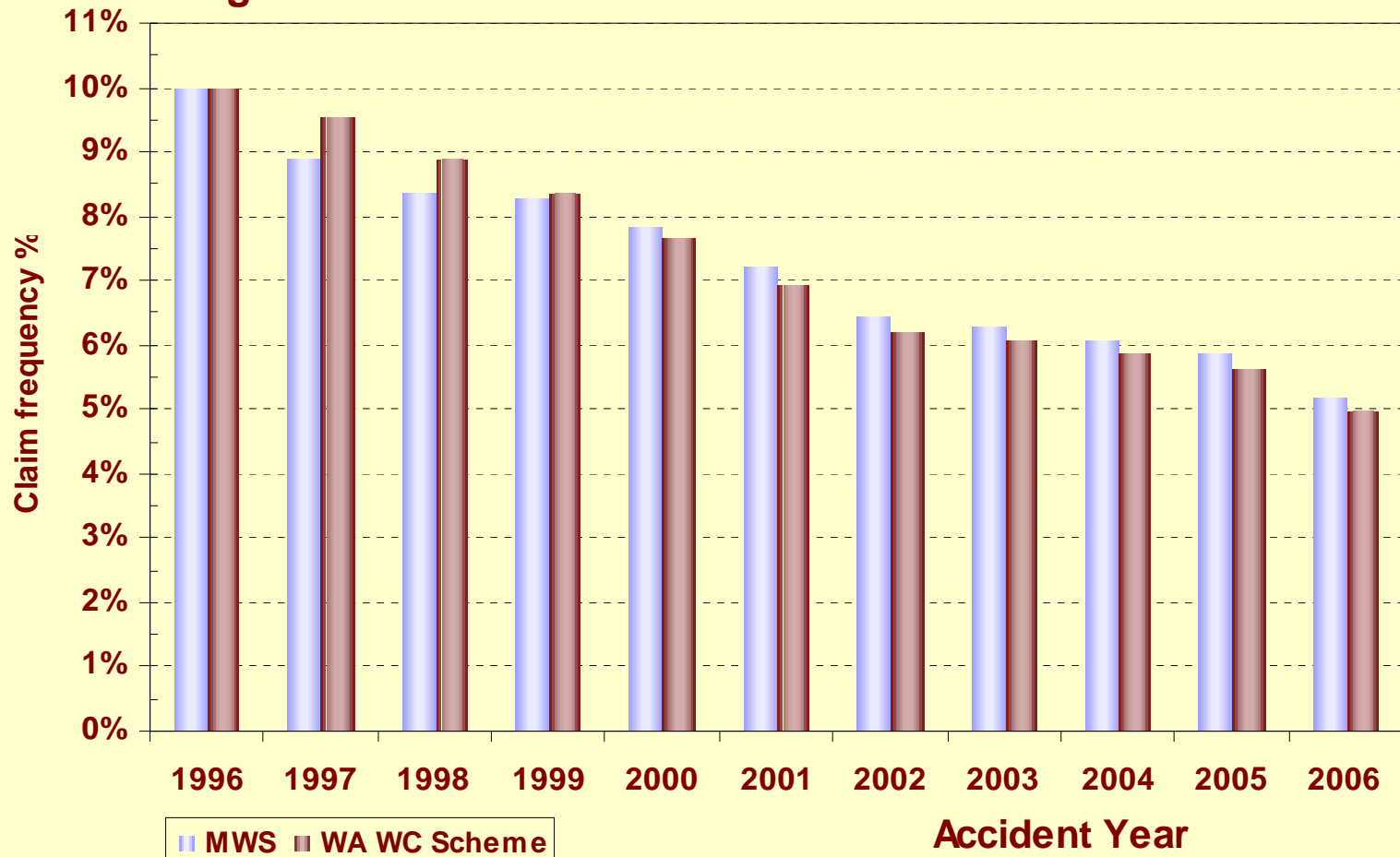
- Reviewed workers comp claim trends
- \$ impact of health programs not easily quantified
- Municipal WorkCare Scheme (MWS) trends are better than overall WA trends
- The WA scheme improvements driven by common law restrictions in Oct 1999



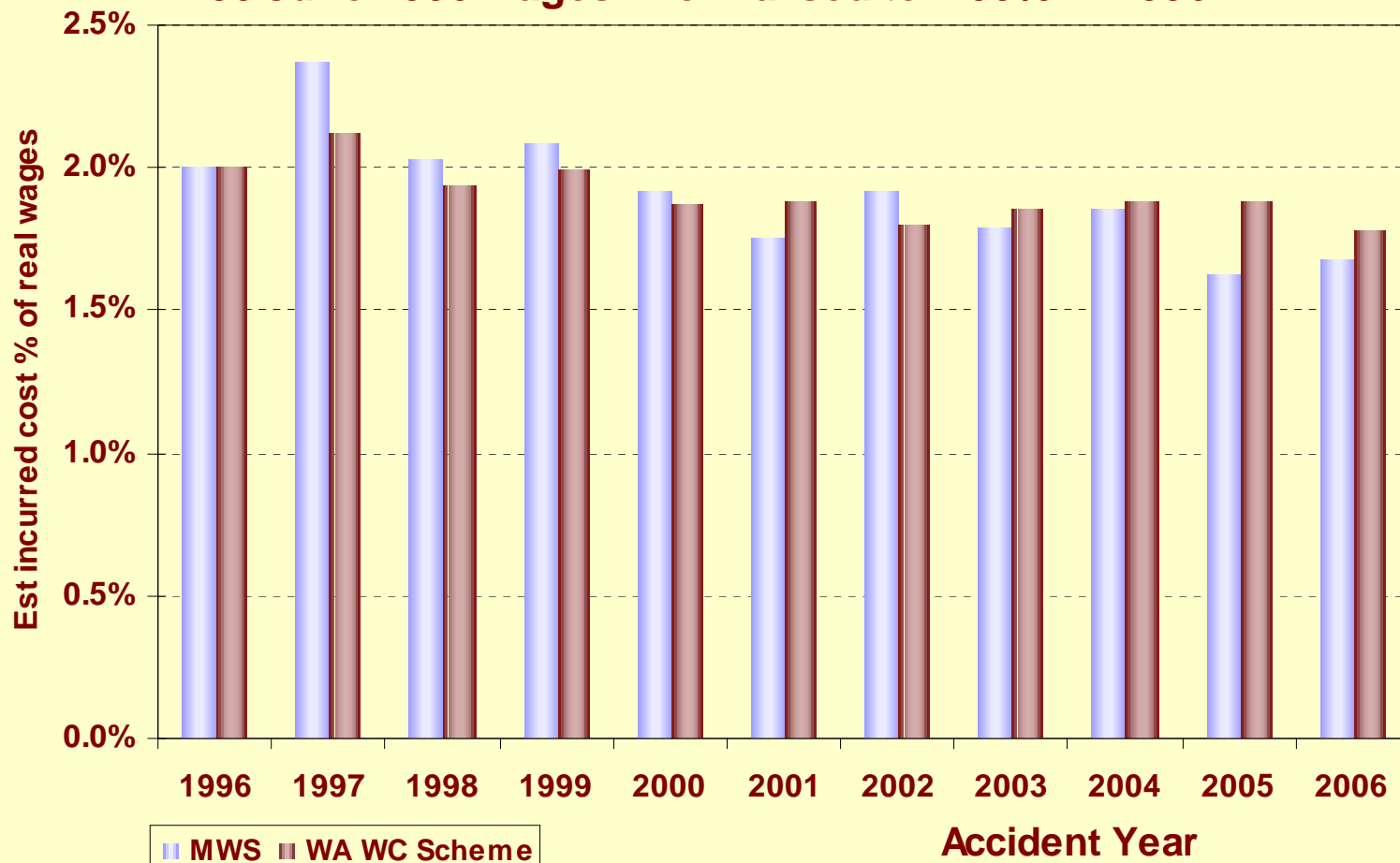
## The Workers Comp Perspective

- So real improvement in MWS is greater as its common exposure is lower
- Programs funded from reduced costs
- Some employers make additional contributions or extend the programs

**MWS and WA WC Scheme average claim freq per \$40k wages in 30/6/2006 values - normalised to 10% in 1996**



**MWS and WA WC Scheme est incurred cost as % of real 30 June 2006 wages - normalised to 2.00% in 1996**



## Workers compensation conclusions

- MWS trends better than overall WA
- Claim freq improved more than estimated claim costs ie superimposed inflation
- Impact of health programs not easy to quantify with precision
- Programs are not claim cost driven but underpin attitude

## The Spend

- 1996 - 7% of Workers Comp insurance costs invested
- 2006 - 15 % of insurance cost returned via Health, Sun and OSH programs
- Increased spend flows from improvement in risk
- Rate to wages reduced a further 15% from 1995 to 2006

# Health and Wellness Program Conclusions

- High level of program support and success
- Wide range of programs
- Improved employee health and wellness + associated benefits
- Potential to save lives eg melanomas
- Programs are not claims driven
- Improved staff recruitment and retention

# Health and Wellness Program Conclusions

- Reduced absenteeism and claim costs
- Improved employee awareness of risk

## Acknowledgements

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and Ian Mundy (Health on the Move)  
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