



# ROI Calculation Assumptions

## Biometric Screening Clinics

All biometric screening participants also participated in a health risk assessment. 750 biometric screenings conducted since implementation of wellness program

- At the start of program: 222 participants
- Second clinic (after 18 months): 250 participants
- Third clinic (after 36 months): 278 participants

According to data from the benefits provider, on average, for each risk factor identified in the workforce, it costs Company XYZ an estimated \$2,000 annually in productivity, benefits, STD, and LTD. For a more conservative and realistic analysis, only employees with three or more risk factors were used for the calculations since they incur the most costs for the organization. (See Table 1.)

Table 1

**Changes in the Prevalence of Risk Factors in Company XYZ's Workforce**  
(Number of employees)

|                | At onset of program | After 2 <sup>nd</sup> biometric clinic and HRA | After 3 <sup>rd</sup> biometric clinic and HRA |
|----------------|---------------------|--|--|
| 3 risk factors | 49                  | 31   | 20   |
| 4 risk factors | 18                  | 9  | 5  |
| 5 risk factors | 10                  | 8  | 6  |
| 6 risk factors | 2                   | 0  | 0  |
| Total          | 79                  | 48   | 31   |

## Smoking Cessation Program

Smokers are identified and directed to the smoking cessation program during the HRAs and biometric screening clinics. This is done anonymously by a third party provider, which is able to follow the participants through these assessments. Over the four year period, 74 employees are identified as smokers and 25 per cent (19 employees) enroll in the smoking cessation program and received health coaching by phone.

It is estimated that employees who smoke cost organizations approximately \$ 4,256 more per year than do non-smoking employees due primarily to decreased productivity.<sup>1</sup>

Of the 19 participants who enroll in the smoking cessation program, 9 quit smoking:

- Year 1: 3 quit
- Year 2: 2 quit
- Year 3: 2 quit
- Year 4: 2 quit

## Stress Management Program

Employees at high risk for stress are identified anonymously during the HRAs and biometric screening clinics. They are directed to the stress management program and receive health coaching by phone.

Over the four year period, 92 employees are identified as having high stress levels and 55 per cent (51 employees) enroll in the stress management program.

## Walking Challenge Program

Although the walking challenge program has moderate success during the first year, word of mouth leads to a significant increase in the number of participants in the following years:

- Year 1: 53 participants
- Year 2: 122 participants
- Year 3: 234 participants
- Year 4: 250 participants

## Gym Subsidies

The number of employees who join a gym and request the subsidy increases each of the four years:

- Year 1: 25 participants
- Year 2: 54 participants
- Year 3: 68 participants
- Year 4: 72 participants

## The Wellness Team

The wellness leader works exclusively on managing the wellness program. He is paid \$48,000 annually. His direct supervisor is the human resources director. One of the director's responsibilities is to oversee the wellness program. She spends approximately 10 per cent of her time working on the wellness program. Her annual salary is \$96,000.

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<sup>1</sup> Bounajm, Stonebridge and Thériault, *Smoking Cessation and the Workplace*, 4.

## Casual Absences

Through its human resources information system, Company XYZ tracks changes in casual absence due only to health-related reasons since the start of the wellness program. Total payroll: \$25,800,000. (See Table 2.)

Table 2

**Direct cost of casual absence due to health reasons, as a percentage of payroll.**  
(per cent)

|                     | <b>Direct cost of<br/>casual absences</b> |
|---------------------|---|
| At start of program | 5.8                                       |
| Year 1              | 5.5                                       |
| Year 2              | 5.2                                       |
| Year 3              | 5.0                                       |
| Year 4              | 4.7                                       |

## Bibliography

Bounajm, Stonebridge, and Thériault. *Smoking Cessation and the Workplace: Briefing 3—Benefits of Workplace Programs*. Ottawa: The Conference Board of Canada, 2013.

Chénier, Hoganson, and Thorpe. *Making the Business Case for Investments in Workplace Health and Wellness*. Ottawa: The Conference Board of Canada, 2012.