

Multi-employer Study Demonstrates Business Value of Investing in Health



“The health of an employer’s workforce is inextricably linked to the productivity of the workforce, and therefore, the health of the bottom line for employers.”

*Ron Loeppke, M.D.
Chief Strategic Officer
Matria Healthcare*

U.S. employers may be significantly underestimating the overall costs associated with poor employee health, while also failing to fully assess the diseases and health conditions that drive these costs, according to a new study published in the July 2007 issue of the *Journal of Occupational and Environmental Medicine* (JOEM). The study, “Health and Productivity as a Business Strategy,” clarifies and quantifies the link between employee health and productivity more dramatically than any other study to date and demonstrates that the relationship between the two is much more significant than previously thought.

Researchers found that “full cost” measures – those that include health-related lost productivity costs along with direct medical spending – were four times greater than measures of direct medical spending alone. When full costs were measured rather than medical costs alone, it was found that health conditions such as musculoskeletal problems, depression, fatigue and sleeping disorders took on new significance in driving total health-related costs for employers.

The results of this ongoing study of 10 employers include the analysis of data from 15,380 employees at four U.S. employers across diverse industries. They were obtained by measuring direct medical and pharmacy spending along with calculations of the monetary value of lost productivity when employees are either absent from work (absenteeism) or are at work but functioning at impaired levels (presenteeism).

The results challenge the “silos” typically used when employers examine the cost of healthcare for their company. The study suggests that when healthcare costs are viewed in a silo, or without the broader context of “full cost,” the cost impact of a given condition may be seriously underestimated. Accounting for absenteeism and presenteeism in addition to medical and pharmacy costs will present a more accurate picture of the full costs that companies bear because of poor employee health.

Health & Productivity as a Business Strategy

Summary of Multi-employer Study Published in the *Journal of Occupational & Environmental Medicine*, July 2007



“The real eye-opener in this study is just how big an impact employee health has on the actual bottom line when both direct medical spending and health-related productivity costs are combined,” explains participating researcher Ron Loeppke,

M.D., MPH, chief strategic officer of Matria Healthcare.

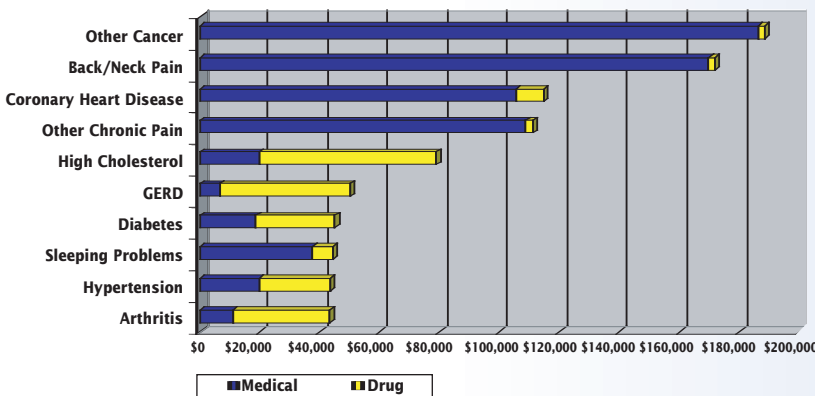
“The health of an employer’s workforce is inextricably linked to the productivity of the workforce, and therefore, the health of the bottom line for employers.”

Many major corporations have already put the concept of the HPM into practice, with positive results and Matria Healthcare hopes these findings provide you with a compelling business case for investing in the health of your workforce. We believe it is important for employers to assess the broader health-related costs in their company and take a comprehensive, integrated approach to worker health enhancement, disease management and prevention.

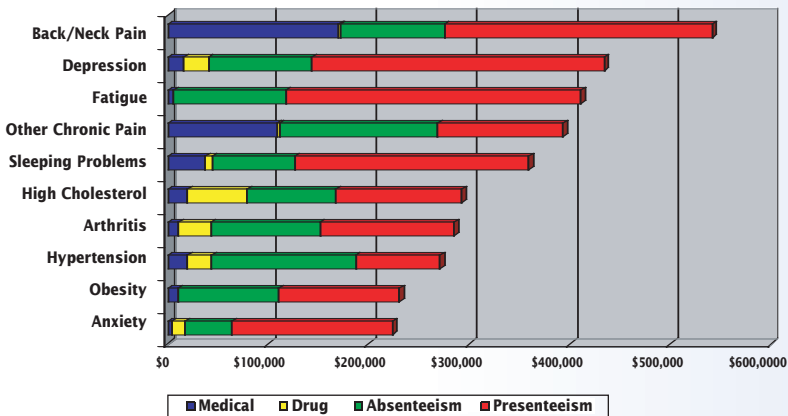
Matria Healthcare is committed to innovation and thought leadership within the healthcare industry and is proud to have been involved in this multi-employer health and productivity research study. The study included researchers from the American College of Occupational and Environmental Medicine, the

Integrated Benefits Institute, Harvard Medical School as well as Matria’s Ron Loeppke, M.D., executive vice president and chief strategic officer; Dennis Richling, M.D., corporate medical director; and Michael Taitel, Ph.D., vice president of Matria Center for Health Intelligence.

Top 10 Medical Conditions by Annual Medical Drug Cost per 1000 FTEs for All Companies



Top 10 Medical Conditions by Annual Medical, Drug, and Productivity Cost per 1000 FTEs for All Companies



Matria Healthcare
1850 Parkway Place
Marietta, GA 30067