



Naumann/Hobbs Material Handling Corp. II Inc.

RANK: 5, small companies
DESCRIPTION: Material handling equipment sales, rentals, service and support
TOP LOCAL EXECUTIVE: Bryan Armstrong, president and CEO
LOCAL OFFICE: Phoenix
FOUNDED: 1949
LOCAL EMPLOYEES: 250
WELLNESS PLAN IMPLEMENTED: July 2010
WEB: www.performancepeople.com

When did you decide to implement a workplace wellness plan, and how did you decide which program was best for your business? We implemented our new program in July 2010. We began looking at a new strategy for our health plan in fall 2009. Our traditional health insurance benefit program included four carriers and seven types of plans, and we were facing a 24 percent premium increase in 2010. As

the second-biggest expense item on our income statement, health care costs were impacting our business on many levels. It became apparent that we needed to approach health care for our associates just like we do any other part of our business: with a long-term strategy, goals and benchmarks.

How much has it cost you to run that wellness program on an annual basis, and what kind of return on investment have you seen? Talking about the cost of running a wellness program is a little misleading, because if it is really part of an integrated and comprehensive health program, you are seeing gains, not costs: gains in productivity and lowered absenteeism, as well as bottom-line savings on health costs. To be effective, we believe it is vital that health improvement and wellness programs be integrated into the company's total employee benefit program.

However, we could calculate the cost of biometric screening as \$41 per employee per year, bringing our costs to about \$50,000 a year. That compares to an annual return of \$720,000 in savings, or \$2,724 per employee.

Part of our return on



a direct result of your workplace wellness plan? We asked how many of our associates planned to make certain changes within the next six months. The changes from the first year to the second year of our program were significant. We found a 23 percent increase in associates planning to take action to improve health, an 11 percent increase in those planning to lose weight, a

71 percent increase in those with a goal to lower cholesterol and a 45 percent increase in those with a goal to lower blood pressure.

Comparing the percentage of our associates with specific health risks from the first year to the second year of our program also had significant results, including a 46 percent reduction in associates with high cholesterol.

Our associates also have

investment is revealed for our 2012 plan year. After no change in associate contributions and no reduction in benefits for the past two years, this year we are improving benefits, increasing the health care account deposits for non-tobacco users, and not changing associate contributions for a third year.

What are some of the best employee success stories as

become more open to talking about both their risks and their actions. "John" had a high blood-sugar reading during our biometric screening. He didn't believe the number, so he went to his doctor. To his surprise, his doctor confirmed the reading and told him that if he didn't take action, he was at risk to lose one or both legs within two years. "John" immediately began taking diabetic medication. He has lost 60 pounds so far and is determined to improve his health to the point where he will no longer need diabetic medication.

What advice do you have for other businesses that are weighing the cost benefits of implementing a wellness program? Wellness works when it is part of an entire long-term strategy to improve health and control health care costs. Wellness is much bigger than just eating right, stopping smoking and getting enough sleep. Employers need to run their health and wellness plans the same as they do other functions of their business.



BRYAN ARMSTRONG