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## If You Could Save Money, Improve Productivity and Boost Employee Morale, Would You?

If you answered “yes,” you’ve already acknowledged the importance of workplace health and safety programs and services. This report highlights case studies and success stories of companies that have committed to increasing the health and safety of their employees by hiring and/or partnering with occupational and environmental health nurses. The employers featured in these examples have all realized positive bottom line results, reduced absenteeism, lower turnover rates, improved employee morale, increased productivity, and/or a positive brand image as a result of investing in employee health and safety through an occupational and environmental health nurse (OHN).



## Employee Health and Safety Challenges for Employers

Businesses continue to be affected by both the rising costs of employee health care benefits and direct work-related employee health and safety expenses. Approximately 50 percent of businesses' profits go toward health care costs (e.g., chronic pulmonary disease, cardiovascular disease, cancer, etc.) related to personal behavioral and lifestyle choices vs. only 7 percent three decades ago.<sup>1</sup> U.S. businesses spend \$170 billion a year on costs associated with work-related injuries and illnesses – expenditures that come straight out of company profits.<sup>2</sup> Lost productivity from injuries and illnesses costs companies \$60 billion each year.<sup>3</sup>

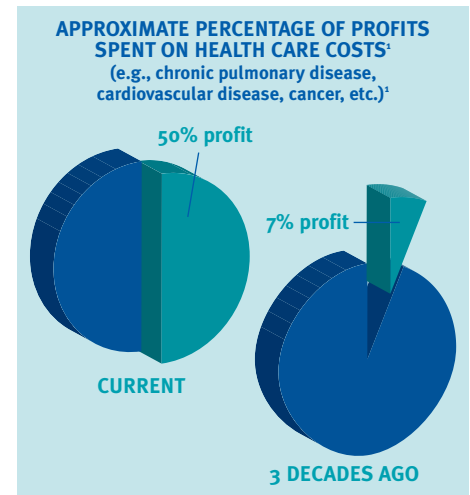
In its 2005 Workplace Safety Index, Liberty Mutual estimated that employers pay almost **\$1 billion** per week to injured employees and their health care providers. Additionally, it's estimated that companies are paying a staggering \$155 billion to \$232 billion annually on workers compensation! Even one serious workplace injury may affect the bottom line of a small business.<sup>4</sup>

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Businesses have found that focusing on short-term fixes for immediate health care needs is not the solution. A long-term strategy for corporate success must include provisions for keeping healthy employees healthy and safe, improving the health status of all employees, and creating a company culture that supports, promotes and actively engages employees in achieving optimal health.



## Occupational and Environmental Health Nurses Improve Employee Health and Safety

The primary focus of occupational and environmental health nursing has been and continues to be the promotion and restoration of health, prevention of illness and injury, case management for cost-effective disability and workers compensation programs, and protection from occupational and environmental hazards. As business partners to the corporate enterprise and as health care professionals, occupational and environmental health nurses (OHN) are champions of investing in the health and safety of employee populations. OHNs want employees to come to work healthy and go home healthier.

The American Association of Occupational Health Nurses, Inc. (AAOHN) asserts that the OHN, as the recognized leader in workplace health and safety, is in a position to:

- Collaborate with employees to develop model behaviors of good health,
- Set expectations that employees self-manage their physical, mental and emotional health,
- Leverage health promotion and disease management programs and services to increase employee accountability for health,
- Serve as a health advocate and expert to internal and external groups, and
- Provide expert and efficient management of occupational and non-occupational injury/illness leading to reduced time away from work and cost savings.

**OHNs are champions of investing in the health of employee populations.**



## Occupational and Environmental Health Nurses Positively Impact the Bottom Line

Investment in a safety and health program with OHNs managing health and medical aspects using risk management concepts and coordinating with production safety is a sound business strategy for any organization regardless of its size and leads to a positive impact on the financial bottom line. **The data shows that workplaces that establish health and safety programs and services reduce their injury and illness costs by 20 percent to 40 percent.**<sup>5</sup>

Nearly 95 percent of business executives report that workplace safety has a positive impact on the company's financial performance, according to the findings of The Executive Survey of Workplace Safety. Of these executives, 61 percent report their companies receive a return on investment (ROI) of \$3 or more for each \$1 they invest in improving workplace safety.<sup>6</sup>

Consider these case studies that illustrate how occupational health and safety initiatives, led by OHNs, provided direct cost benefits to companies and their ROI:

### ■ USPS Computerizes Health Questionnaires to Reduce Costs

Determined to make the health assessment process more time- and cost-efficient, a re-engineering team of occupational and environmental health nurses and physicians at the United States Postal Service (USPS) developed a computerized questionnaire as an initial health assessment screener. Previous efforts to complete health assessments were costly, took too long (10-12 days), and were not a good predictor of future illness or injury. **The new health screening process is saving in excess of \$8 million annually** on the actual costs of the assessments and is creating extensive savings on productivity by reducing the physical assessment screening cycle time from almost 12 days to less than three days.<sup>7</sup>

### ■ Johnson & Johnson Health & Wellness Program Lowers Medical Expenses

The first long-term evaluation of the financial and health impact of a large-scale corporate health and wellness program has shown that participating employees have significantly lower medical expenses and achieve overall improvements in several health risk categories, such as high cholesterol, hypertension and cigarette smoking. The two-part study was conducted for Johnson & Johnson and included a financial analysis of medical insurance claims for 18,331 domestic employees who participated in the company's Health & Wellness Program from 1995 to 1999. **Reduction in medical care costs amounted to a savings per employee of \$225 annually, an average total savings of \$8.5 million.** The savings, which were realized in the third or fourth year after the program began, came from reductions in hospital admissions, mental health visits and outpatient service use.<sup>8</sup>

### ■ Hospital Establishes Lift Team to Decrease Back Injuries

At Sioux Valley Hospital University of South Dakota Medical Center, lost days and restricted days caused by back injuries increased 30 percent and 165 percent from 1997 to 1998. The hospital created a multidisciplinary team including occupational and environmental health nurses to examine the problem, and they established a lift team. By 2001, average cost per recordable back injury related to client handling **decreased from \$6,294 to \$1,099; direct costs decreased from \$182,520 to \$9,894; and indirect costs had decreased from \$730,080 to \$39,576.** Using the specially trained lift team as a tool for recruitment and retention has helped the institution limit its registered nurse vacancy rate to 8.76 percent compared to the national rate of 11 percent (AHA, 2001) and the turnover rate to 0.68 percent compared to the national rate of 15.7 percent (Watson Wyatt Data Services, 2001).<sup>9</sup>

### ■ Plant Obtains OSHA Designation by Maintaining Injury Rates Below the National Average

A small manufacturing facility in North Dakota demonstrated its commitment to workplace safety and health by becoming the first workplace in North Dakota to be recognized under the Occupational Safety and Health Administration's Safety and Health Achievement Recognition Program (SHARP). The company had to undergo a comprehensive audit, correct all identified hazards, demonstrate that effective safety and health programs were in place and maintain injury rates below the national average for three years. The company has gone two years without having an injury that required time away from work and has **saved more than \$45,000 on its premiums** from North Dakota Workers Compensation in the past five years.<sup>10</sup>



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## Next Steps

An occupational and environmental health nurse can help your company achieve its health and safety goals. A sound health and safety program can help your company fulfill its obligation to protect its employees, maintain compliance and contribute positively to your businesses' bottom line.

The American Association of Occupational Health Nurses, Inc. asks you to consider hiring an occupational and environmental health nurse (OHN). AAOHN is here to answer any questions you have about the role and the work of OHNs to protect the health and safety of America's workers. Please visit [www.bizhealthcheck.org](http://www.bizhealthcheck.org) for additional information and resources or call AAOHN at (770) 455-7757 as you contemplate adding an occupational and environmental health nurse to your staff.

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- <sup>1</sup> Sullivan, S. (2000, November). *Wellness programs*. Retrieved November 3, 2006, from [www.e-hresources.com/Articles/Nov2.htm](http://www.e-hresources.com/Articles/Nov2.htm)
- <sup>2</sup> U.S. Department of Labor, Occupational Safety and Health Administration (OSHA) Web site; *Safety and Health Add Value*. OSHA Publication 3180
- <sup>3</sup> U.S. Department of Labor, Occupational Safety and Health Administration (OSHA) Web site; *Safety and Health Add Value*. OSHA Publication 3180
- <sup>4</sup> U.S. Department of Labor, Occupational Safety and Health Administration (OSHA) Web site
- <sup>5</sup> U.S. Department of Labor, Occupational Safety and Health Administration (OSHA) Web site
- <sup>6</sup> *Executive Survey of Workplace Safety*. Liberty Mutual Insurance Company, (2001)
- <sup>7</sup> USPS: An Effective Cost- and Time-Efficient Approach to Hiring Healthy Employees
- <sup>8</sup> Ozminkowski RJ et al. Long-term impact of Johnson & Johnson's Health & Wellness Program on health care utilization and expenditures. *Journal of Occupational and Environmental Medicine*. 2002;44:21-29.
- <sup>9</sup> *Back Injury Prevention: A Lifi Team Success Story*, AAOHN Journal, 2003, June, Vol. 51, No. 6
- <sup>10</sup> Tecton Products LLC; Fargo, ND. OSHA *Small Business Success Stories*, (2006, January)

