

FISCAL NOTES

A Review of the Texas Economy from the Office of Susan Combs, Texas Comptroller of Public Accounts



By Brian Wellborn



When Dr. Tyler Cooper became CEO of [Cooper Aerobics](#), he wanted to introduce corporate America to his company's philosophy: "It is easier and less expensive to maintain good health than it is to regain it once it is lost."

Tyler's father, Dr. Kenneth Cooper, coined the term "aerobics," introducing the world to his exercise system in a 1968 best-selling book of the same name. In 1970, he founded the Cooper Institute for Aerobics Research, later simply the [Cooper Institute](#), in Dallas. At the center, the Coopers conduct health and wellness research and education and develop related products and services.

According to Tyler Cooper, the company has worked on a variety of corporate wellness offerings for more than 30 years. In 1995, the firm consolidated Cooper's corporate wellness business, creating what is today [Cooper Consulting Partners](#). Cooper Consulting Partners provides strategic consulting to improve executive and employee health through wellness programs and related methods.

Join *Fiscal Notes* as we engage Tyler Cooper in a conversation about wellness programs, and his company's efforts to help businesses control their health care costs.



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— Dr. Tyler Cooper,
CEO, Cooper Aerobics



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— Cooper Aerobics company philosophy

Fiscal Notes: When companies make the decision to implement a wellness plan, where should they begin in determining the plan's scope?

Cooper: Begin with establishing what healthier employees mean to the business objectives of the organization. Long-term, sustained wellness success is driven from the top. But it's not enough to have a passionate CEO committed to wellness. When employees know the impact that their personal health has on the success of the organization, they understand their purpose, and deeper buy-in emerges.

FN: What sort of return on investment are your clients able to realize with wellness programs?

Cooper: We know that companies providing wellness offerings have higher productivity and retention rates and experience less absenteeism due to illness. And they're better able to control health risks and their associated costs.

FN: What company, in your estimation, has a stellar wellness program? What makes it work well for the employees and the company's bottom line?

Cooper: Devon Energy, one of our clients, has what we would define as a best-in-class wellness program. With 3,500 employees spread over more than 25 locations, Devon Energy provides incentives for critical health behaviors and follows up with programs that address health risks that drive costs. They also invest in the data analysis required to demonstrate how healthier employees equal healthier shareholder value.

FN: From a dollars-and-cents perspective, does it make sense for even very small businesses to promote or provide incentives for wellness?

Cooper: Yes, it does. Smaller companies that may be fully insured can still influence their overall health costs when their workers improve their health. By demonstrating to their insurance provider that the company is committed to healthier employees and is demonstrating success, annual medical renewal rates could be renegotiated. Lower absenteeism rates and improved overall productivity also can be a significant value for small companies, just like larger organizations. Non-medical costs such as absenteeism and productivity are estimated to represent 60 percent of the total financial burden of poor health to an employer.



*Drs. Kenneth and Tyler Cooper of Cooper Aerobics jogging.
Dr. Kenneth Cooper coined the term "aerobics" in 1968.*

FN: Are there any specific goals businesses pursue when crafting a wellness plan that are unreasonable or unworkable?

Cooper: When working with clients, we often see senior staff members who want to make wellness activities mandatory. It's important to keep in mind that there are subtle and yet powerful levers that can be used to influence an employee's personal choices to accomplish the goal of health accountability.

FN: What types of wellness incentives have you seen employers offer that yield the most bang for the buck?

Cooper: Incentives, both rewards and penalties, tied to changes in health risks create the most meaningful successes. Behavioral economic research shows that humans most aggressively protect against risk. Showing that an employee will pay more for health care if they don't change their health is more effective than saying they will pay less on health care if they do.

FN: What differences in employee health and business efficiency have you noticed when wellness is incentivized rather than merely promoted?

Cooper: Our clients who ingrain wellness as a business imperative see broad results. Many report improved mood and higher overall productivity when large numbers of the workforce are engaged. In one case, 90 percent of 3,500 employees who participate in annual health measurements have improved in 10 out of 10 clinical areas of health, looking specifically at HDL and LDL cholesterol, triglycerides and glucose.



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FN: How do wellness programs tend to affect employee morale?

Cooper: Poor health has a *tremendous* effect on employee morale and a company’s potential for profit. Research from the Cooper Institute, our nonprofit dedicated to health research and education, demonstrates that as a person’s level of fitness improves, so does mood, which contributes to morale. Doses of physical activity are as good as prescription drugs for mild to moderate depression. As exercise in particular is highlighted and sustained through employer wellness programming, significant improvements in this area should be expected.

FN: If a business ever finds that its wellness plan just isn’t working, what’s a useful course of action?

Cooper: The absence of a long-range, strategic plan is usually the culprit in ineffective wellness programs. This can be the result of lack of consistent and effective leadership and an ineffective incentive strategy, as these are some of the most important components of a formalized “future-picture” wellness program. Establishing goals and linking them to business objectives strengthens the likelihood of wellness success. [FN](#)

To learn more about health and wellness in Texas, visit the Comptroller’s new portal on obesity issues at ReshapingTexas.org.

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