



RICK LADENDORF

## Technology in the Wellness Age

### INCREASING TECHNOLOGY IS BEING USED TO REDUCE HEALTH CARE COSTS AND INCREASE REVENUE

Smart phones, pedometers, calorie counters, BMI calculators, challenges, incentives, meal planning, health risk assessments are just a few of the online fitness and nutritional tools designed to help staff and members manage their personal health and wellness. The question is, how can the club industry implement wellness technology to reduce health care costs and or create sustainable increases in revenue?

### CONTROLLING HEALTH CARE COSTS

U.S. employers can expect to see health care costs rise by 8.5 percent in 2012, compared with an increase of 8 percent in 2011, according to an annual survey of medical cost trends by PricewaterhouseCoopers' (PwC) Health Research Institute. For a club employing 50 full time employees with annual salaries of \$1.5 million, the increase would be nearly \$127,500. And this number does not reflect losses because of absenteeism, presenteeism and lost productivity. To offset the increase in costs, clubs will need to increase dues, membership revenue or sell more memberships.

As part of the 2011 survey, PwC asked employers about changes they are making in their benefits plans, particularly in light of health care reform. The survey found 89 percent likely would increase their health and wellness efforts.

"Technology is the great enabler and allows our members to set goals, log physical activity, count calories, create shopping lists and record progress", says Tom Tegler, president of WellworksForYou, an international workplace wellness solution provider. He said, "95 percent of our employer clients subscribe to the web portal with an initial adoption rate of over 90 percent, contributing to a one to three percent reduction in premiums."

"The Congressional Country Club has saved \$440,000 over the last three year by implementing preventative wellness programs for our staff," said Michael Leemhuis, COO for the Congressional Club, and "we expect to see a 12 percent decrease in our 2012 health care costs when the rest of the industry is anticipating a 21 percent increase."

### MEMBER WELLNESS

While it is not clear how much of the savings are attributed to technology, it is safe to say that increases in health care

costs are imminent and private clubs should be evaluating on-line technology, in conjunction with on-site services to help increase revenues as a way to offset increased health care costs.

People need people too. Take for example, a pedometer on its own, can track how many steps a person has walked and calculate the calories burned. Effective for some, but by and large, people need other people to make exercise sustainable, fun and effective.

Clubster, a social networking site for the private club industry, has developed an online solution which connects private club members with mutual interests i.e. walking, weight-loss and cooking "clubs within the club." The club's role is that of an administrator to set up groups and invite members to participate. To help leverage the technology and increase usage, clubs can create weight loss challenges, provide pedometers to participants, invite like-minded members to join groups, integrate the fitness center, offer healthy menu options and host monthly nutritional and wellness seminars, classes and workshops.

Implementing a wellness program for staff and members has been proven to reduce employer funded health care costs while simultaneously creating sustainable increases in member revenues through greater participation. The early adopters and innovators have proven the model works, now it's time for the rest of the industry to come along.

#### *Five suggestions to help reduce health care costs and increase revenue*

1. Implement a web-based wellness platform and offer it to staff and members
2. Create challenges, incentives and wellness programs to engage members
3. Form groups and invite like-minded members to join
4. Offer nutritional and fitness workshops, seminars and classes
5. Provide the necessary training and support to keep members engaged. **BR**

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