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Employers tackling health care challenges with 21st Century Benefit Design

New issue brief from HealthFitness charts new course for better employee health

MINNEAPOLIS, MN Oct. 31 2007— A new approach to health care in the 21st century should address the most acute challenges of our time and chart a new course through better use of data, prevention and health management strategies, according to a new issue brief from HealthFitness (OTC BB: HFIT). HealthFitness has more than 30 years' experience working with employers to produce award-winning fitness and health management programs.

The deadly combination of an aging workforce, spiraling rates of obesity and chronic disease and their effects on productivity are affecting costs for both employers and employees—and sparking an interest in prevention. A study released Oct. 17 by Princeton University's Institute for Advanced Studies, in conjunction with Survey Sampling International (SSI), found that more than six in 10 Americans with health insurance coverage (63 percent) say they experienced higher costs they are responsible for paying under their health plan in the past year. Of these, more than four out of five said higher costs have caused them to try to take better care of themselves—an effort to lower costs through better health.

According to Gregg Lehman, PhD, president and CEO of HealthFitness, employers should create a workplace culture of health to resist higher costs and encourage better health management. A new vision for health benefits for the 21st century integrates smart benefit plan design, employee education and decision-making tools, and proven medical management.

“Employers are interested in not just controlling health care costs, but also encouraging personal accountability for employees to maintain a healthy lifestyle,” Lehman said. “And employers will increasingly be focused on both employee health *and* productivity. Productivity is the next great frontier in health management.”

A transformation in employer focus is arriving with new attention focused on chronic disease. According to the Centers for Disease Control, both private and public enterprises must address prevention of chronic diseases in order to lower health care costs. More than 90 million Americans live with one or more chronic illnesses, and they represent 61 percent of total health care costs. And the U.S. workforce is aging; the first of the Baby Boomer generation hit their 60s in 2005. Some 62 percent of adults ages 50 to 64 who work or have a working spouse have at least one chronic health condition, such as arthritis, cancer, diabetes, heart disease or hypertension.¹

(More)

¹ Collins, Sara R., et al. "Health Coverage for Aging Baby Boomers: Findings from the Commonwealth Survey of Older Adults." [Commonwealth Fund.org](http://www.commonwealthfund.org). Jan 2006. The Commonwealth Fund. 29 Jul 2007
<http://www.cmwf.org/usr_doc/884_Collins_hlt_coverage_aging_baby_boomers.pdf>.

As the incidence of chronic illness rises, organizations with responsibility for future health benefit needs are counting the cost. If trends remain steady, the number of Americans with chronic conditions is projected to increase by more than one percent each year through 2030--an increase of 46 million people.²

“The idea of 21st Century Health Benefit Design is to take a more comprehensive approach when designing benefits, factoring in both direct and indirect cost drivers, to start to provide benefits and tools that will support a culture of health as opposed to a treatment-focused culture of sickness,” Lehman said.

“Out with the old, in with the new: A vision for 21st Century Health Benefit Design” is available at no charge online at <http://www.hfit.com/briefs.cfm>.

About HealthFitness

HealthFitness is a leading provider of integrated employee health solutions to Fortune 500 companies, the health care industry and individual consumers. Serving clients for more than 30 years, HealthFitness partners with employers to effectively manage their health care and productivity costs by improving individual health and well-being. HealthFitness serves more than 300 clients globally via on-site management and remotely via Web and telephonic services. HealthFitness provides a complete portfolio of health and fitness management solutions including a proprietary health risk assessment platform, screenings, EMPOWERED™ Health Coaching and delivery of health improvement programs. HealthFitness employs more than 3,000 health and fitness professionals in national and international locations who are committed to the company’s mission of “*improving the health and well-being of the people we serve.*” For more information on HealthFitness, visit www.hfit.com.

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²Wu, Shin-Yi and Green, Anthony. Projection of Chronic Illness Prevalence and Cost Inflation. RAND Corporation, October 2000.