

Engineering

a Healthier Workplace

Onsite clinics, coupled with ownership culture, lead the way at Schweitzer Engineering Laboratories

What happens when a midsize group of engineers based in the Pacific Northwest harness the power of self-insurance, free onsite health care, a child care center and worksite wellness in conjunction with a culture of employee ownership? Some serious kinetic energy – and meaningful results.

Consider the case of Schweitzer Engineering Laboratories (SEL), a 100% employee-owned company of 31 years that invents, designs and manufactures products that protect power grids. Promoting healthy living at SEL actually came easy. “We’re an engineering company, so we like to solve problems,” says Michele Beehler, one of the firm’s human resource managers.

Adds Keith Gautreaux, M.D., medical director of the company's two onsite clinics: "The holy grail of medicine is to have healthy people, not to treat illness. At SEL, we take the long view that if we can achieve that, then we end up saving money."

Examples include increasing influenza vaccination rates and sending home employees who are diagnosed with the flu with guidelines about when to return to work. He says this policy will protect co-workers from an epidemiologic standpoint and prevent more absences.

Moving the Needle

It was during the company's 2012 transition from a fully insured to self-funded health plan that management developed a better understanding of health care and insurance. Accompanying that vision was a growing appreciation for the benefits of having onsite clinics to elevate health outcomes and cost containment.

SEL saw a 25% cost savings during that transitional year alone. Overall health care savings traced to the first onsite health clinic are \$998,545, including more than \$142,700 saved in terms of avoiding absences and more than \$150,230 saved in employee co-pays. These estimates are deemed on the conservative side.

While onsite clinics weren't built to solve a specific problem per se, Beehler says employee ownership fosters an innovative spirit that has been bottled and applied to this area. SEL has an employee stock ownership plan with a 100% contribution from the company, a 401(k) plan without a company match, onsite fitness facility and childcare center. All of these benefits are credited with helping drive the ongoing quest for better health and deeper savings.

"From a corporate perspective,

we're a pretty young workforce," she reports, noting the average age of covered employees is 39 and the total number of covered lives is 28. "We're a growing organization and we didn't have any large, specific demographics that we were trying to necessarily address."

SEL has 104 sales and support offices worldwide, with slightly more than half located in the U.S. The company has doubled in size within the past five years, with a large percentage of employees joining since then. Of 3,167 U.S. employees, 98% are eligible for health insurance through SEL's self-insured plan. When factoring family members into the mix, there are roughly 6,300 covered lives.



The Convenience of Clinics

The company's first onsite clinic opened in a spare office in a manufacturing facility in Pullman, Wash., in 2013, before moving and expanding to SEL's Family Center in March 2015, to keep up with demand and accommodate dependents. The clinic is staffed by one physician, three nurse practitioners, two registered nurses, a certified medical assistant, a receptionist and interns who assist nurses and the reception area.

"We were booking appointments one to two weeks out and seeing patients constantly between 7 a.m. to 7 p.m. all day," Beehler reports. "The addition of two more patient rooms just for employees would double our amount of patients we could see and if we were going to build, why not make it open to families too? We had been receiving requests for families since the day we opened."

There have been more than 5,000 patient visits to the clinic so far. Services include physical examinations, vaccinations, weight management, health screenings and laboratory testing. It also features an electronic medical record system.

A second onsite clinic was about to open in the company's Lewiston, Idaho, facility as this issue went to press. While space was included for the 1,225 square-foot clinic when construction of an addition to the Lewiston facility began in 2012, management delayed its opening until the number of employees and family members reached critical mass. There are now nearly 300 employees in Lewiston, which is about 40 miles from the company's main campus in Pullman.

A provider from the Pullman clinic will rotate at the Lewiston clinic two days

a week, while a full-time registered nurse will be available as the facility increases its capacity. Plans are also in the works to offer the Lewiston site telemedicine visits.

“Our Pullman clinic has been an overwhelming success and we’ve received so much positive feedback from our employees, including many from Lewiston who’ve made the 32 mile drive to visit the doctor and nurses here,” according to Beehler.

While many onsite health clinics began emerging 15 to 20 years ago as a means of dealing with occupational health and workers’ compensation, Beehler says SEL’s facilities address these areas, but it’s not a primary focus. Instead, a decision was made to spotlight the health and wellbeing of employees and later on, their family members.

When SEL began researching onsite health clinics, the company

approached various vendors but decided to run its own operation. “I think that’s pretty unique to the industry,” Beehler observes.

The influence of employee ownership is inescapable. “Being 100% employee-owned, our providers are also employee owners, which gives them the ability to really engage in what they’re doing and take control of managing the health clinic in a whole new way that other providers at other community clinics can’t do,” she explains. “They want to use our dollars wisely and treat patients quickly” so they can return to work faster.

In fact, she quips about the patient waiting room being the smallest space in the entire clinic. Employees are thought to save about an hour by visiting the onsite health clinic vs. another facility in the community.

“Everybody knows happy, healthy employees are more productive and more engaged in the organization,” Beehler notes.

In just its first 10 months of operation, the health clinic paid for itself and was 100% sustainable in that first year. For 2016, we’re projecting a 2:1 ROI. So ultimately, for every dollar we spend, we’re saving two.”



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The Freedom of Free Care

Perhaps the most surprising or noteworthy aspect of SEL's onsite clinics is that they're completely free to employees and their dependents. The thinking is that every dollar saved for one of SEL's employees also benefits the company.

"They just have to be on our health plan to utilize the health clinic," Beehler explains. "There's no co-pay, so I would say that's an incentive."

Having access to free onsite health care reiterates the prevailing sense of employee ownership and pride that people take in working at SEL by returning the savings it generates, but she says it also helps attract and retain top talent.

As SEL devotes additional resources to its onsite health clinics and cements its commitment to population health, she says the objective is to retain a healthy workforce "that is going to grow with us" as the employee population ages.

Gautreaux is proud of the more systematic clinical approach SEL has adopted. "What I like about the freedom of an onsite health clinic, particularly at SEL, is that we can do those innovative things without being beholden to traditional pay structures" or office visits, he explains. He's sanguine about the prospect of telemedicine and additional avenues of care delivery that have yet to be fully explored.

There's no doubt that dialogue is a linchpin for success on a number of levels, whether it's delivered in person, on the phone or through devices. Beehler believes the importance of communication is sometimes overlooked when addressing employee health and wellbeing, which can spark confusion and fear.

"There are always questions when you do new things and having people understand the separation of confidentiality within the health clinic vs. your employer" is critical "so that people can immediately trust the providers they're going to," she explains.

One obvious correlation between better employee engagement and lower costs is the convenience of onsite clinics. "The nice thing about the SEL health clinic is that they offer same-day appointments, you don't have to leave campus or be away from work long and there's no co-pay," according to Karen Hess, a business coordinator in SEL Information Services. ■



Bruce Shutan is a Los Angeles freelance writer who has closely covered the employee benefits industry for 28 years.