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— Philia Swam, director, health benefits and employee insurance, Lafarge North America

## « STRATEGY »

# BATTLE PLAN

Lafarge North America's strategy to keep its employees and their families healthy and well

By Brooke Smith / Photography by John Dean

**L**afarge North America is a leading supplier of construction materials. Until a few years ago, it was losing its battle against increasing health-care costs in the U.S. and high disability costs in Canada. But the Reston, Va.-based supplier has since implemented a health and wellness strategy as part of its larger North American HR procedure. In 2005, the company was looking at an average of at least 13% annual healthcare drug cost increases across its U.S. operations, says Philia Swam, director of health benefits and employee insurance. Cost increases were the result of medical inflation, cost of services and, most important, chronic conditions and the effects of unhealthy lifestyles. “When I started in this role, I said, ‘We can’t continue to shift unnecessary costs to the members. It’s a losing battle.’”

And the battle scars were evident: U.S. data indicated that the majority of employees were not getting an annual

physical and not going for colorectal cancer screenings or mammograms. “People just were not engaged, and there was very little communication,” she says. Swam adds that Lafarge was a typical organization, in that benefits information was mailed home to all eligible U.S. employees but with little explanation other than the new benefits costs and how to enrol.

In Canada, of course, the cost structure of healthcare is different, but Swam saw that the disability costs across the border were high. “We needed to figure out how we could implement some of the strategies used in the U.S. around health and wellness and behaviour change. Behaviour change in a positive fashion helps everybody. The healthier we are, the less people have to pay into the system.”

In 2007, Swam led the charge in the U.S. to begin a full health and wellness strategy and repeated the drill when Canada fell under her command in 2009 (although the strategy was rolled out just last year.) That strategy focuses on five pillars: food, activity, lifestyle, health and measurement.

**1. Food** - Over the next few months, Lafarge will mail information to employees’ homes across North America on proper food and nutrition choices. The mailing will include a notepad sectioned into green, yellow and red pages, with foods listed in each colour group. *Green* indicates the healthiest food options: no saturated fats, no trans fats and no added sugar. *Yellow* indicates foods that are still considered healthy, even though they may have a few additives. *Red* indicates the danger zone—foods such as pastries and chips.

“We’re going to be revamping our vending machines and any catered meals so that the food follows the green, yellow and red strategy.” Swam says the eventual goal is to have the machines comprise 80% green and yellow foods and 20% red. “Right now, 95% is red and 5% is yellow. There’s no green whatsoever.”

**2. Activity** - In May this year, Lafarge launched its Get Active program in the U.S. and Canada. The team-based 12-week health and activity challenge

had employees sign up online and receive a pedometer to track their daily steps, exercise minutes and weight loss.

Roughly 5,000 employees and spouses participated in North America; half of those individuals were in Canada. Members of the three teams from both countries with the highest cumulative number of exercise minutes, activity minutes and weight loss each received iPads. During the competition, Canadian employees and their spouses took 1,676,743,090 steps and lost a total of 5,350 pounds.

The company will also launch a fitness challenge in November and December to keep the momentum going so that employees can continue to stay active and healthy during the holiday season.

**3. Lifestyle** - The lifestyle pillar focuses on two initiatives: tobacco cessation and stress management.

"We offer free tobacco cessation coaching to all North American employees and their dependents, where they can work one-on-one with a tobacco coach," says Swam. The company offers financial incentives (gift cards) for employees who complete the program. Employees can also receive free coverage of a nicotine withdrawal drug prescribed by a doctor.

To help employees keep stress to a minimum, Lafarge's employee assistance program provides various counselling and coaching. Employees or their dependents can have up to six free sessions.

**4. Health** - Under the health pillar, Lafarge currently offers on-site health screenings for blood pressure, cholesterol, glucose and body mass index across its North American plants and offices.

"Employees and spouses are invited to get their screening at no charge, and they are also each eligible for a \$75 Visa gift card if they participate," Swam explains. "The goal is to make people aware of their numbers, because if you have elevated numbers, we want you to call your physician and get the care you need."

The company also offers free on-site nutrition counselling involving a 60- to 90-minute group session. Employees can then enrol for free one-on-one coaching.

In the first quarter of 2012, Lafarge will launch the last part of its health

pillar. It will focus on metabolic syndrome, which looks at five risk factors: waist size, elevated glucose, elevated triglycerides, low HDL "good" cholesterol and elevated blood pressure. "The message is, if you have three of these five risk factors, you have metabolic syndrome (or hidden health risks), which could cause stroke, heart attack, diabetes or perhaps death," Swam says.

**5. Measurement** - The last pillar is measurement. As well as measuring participation in the program, Lafarge will measure its engagement, success and sustainability rates. (Data will be available in late 2012.)

In the U.S., since 2007, Lafarge's average annual healthcare drug cost increase has dropped from 13% to roughly 3%, thanks to a value-based pharmacy benefit for individuals with hypertension, diabetes and asthma (the top three chronic conditions driving claims) and reduced co-payments for prescription drugs for these three drug categories.

The company has also sent its employees and dependents in North America birthday postcard reminders about health screenings (e.g., mammograms). In fact, Swam heard from one U.S. employee—who was in good health—who went for his annual physical. He'd received the colonoscopy birthday postcard but wasn't planning to go. His wife, however, wanted the gift card. The employee went, expecting positive information, and found out that he had colon cancer. "He told me, 'That postcard saved my life, because had I not received it, I would not have gone for at least another year—maybe two. By that point, I don't know where my cancer would have been. Lafarge and the program saved my life, and I'm forever grateful.'"

The financial incentives for attending health screenings have helped keep employees engaged. Last year, almost 3,000 American and roughly 1,000 Canadian employees were screened on-site. "It's been infectious throughout our culture. People are really engaged."

And, when it comes to health and wellness...well, that's half the battle. 

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## Q&A

### PHILIA SWAM TALKS ABOUT LAFARGE'S HEALTHY ATTITUDE

#### **From Lafarge's perspective, why is focusing on health and wellness a good business strategy?**

If we're spending money on benefits above and beyond what the actual cost should be, it takes money out of the actual business operating budget, and we need to come up with that money somewhere else.

#### **Has Lafarge received recognition for its health and wellness strategy?**

Absolutely. This year, we were named to *Business Insurance's* 2011 Benefit Management Honor Roll.

Last year, we won the Integrated Benefits Institute & National Business Coalition on Health's Healthy Workforce Award. Most companies that win range from 30,000 to 50,000 employees, and in North America, we're a mere 12,000. So they really looked at our programs and our innovation, in terms of how we're doing what we're doing.

#### **What are you doing to educate your employees about healthy habits?**

We send out a quarterly in-house eight-page newsletter. The first one was sent to Canadian employees this year. It talks not just about the benefits plan but also about why it's so critical to focus on prevention.

#### **What is your communications strategy?**

Every piece of communication we create internally, we mail to everyone's home because our target audience really is the spouse. And it's worked very well.

The average age of employees is 45 in both countries, and we are male dominated. I tell [employees] in all of the meetings, 'Your spouses are the ones who are driving you to do things.' They all laugh but then agree with me.