



## Value Proposition – Business Case for BHS in Construction Settings

Your business and employees are unique. So are the health and wellness risks you face that impact your bottom line. Since 2007 our configurable programs have proven effective for the construction industry. The following business case analysis details common health and wellness related issues in construction employees and contractors and expected results from our programs. You may also utilize our customizable [ROI calculator](https://biofunctionalhealth.com/roi-calculator/) at: <https://biofunctionalhealth.com/roi-calculator/>.

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### Why BHS makes sense for the Construction Industry

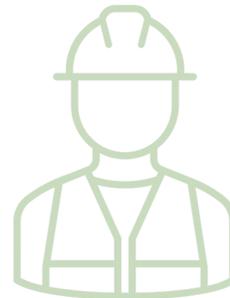
77% (double that of the general population) of construction worker injuries and illnesses are musculoskeletal (MSK) related. (U.S. Library of Medicine National Institutes of Health)

#### Quick Facts:

- Construction workers have 4 times the risk of work-related injuries and illnesses based on their work than any other industry. (U.S. Library of Medicine National Institutes of Health)
- Musculoskeletal conditions (MSKs) are twice as common in the construction industry and the leading cause of absenteeism, days of work lost, and disability. (U.S. Library of Medicine National Institutes of Health)
- 64% of MSK sufferers thought their condition was worsened by their occupation and 1/3 said their employer was aware but failed to provide adequate support. (Occupational Safety & Health Administration (OSHA))

#### Construction work settings and jobs include (but limited to):

- General building/construction laborers
- Specialty trade contractors – electricians, plumbers, etc.
- Building construction
- Heavy and civil engineering construction
- Roofing
- Brick/stonemasons
- Pipe laying
- Roads
- And many others



### The Impact of the Problem

Problem definition: every work activity and setting presents a unique and measurable risk to employees. These risks have an impact on individual health and wellness as well as corporate wellness (profitability, retention, culture, etc.).

**BHS ADDRESSES THE 3 BIG AT-WORK PRODUCTIVITY KILLERS**

1. **Musculoskeletal Conditions (MSKs)** - The #1 cause of absenteeism, presenteeism, medical and workers' comp costs from 150 diagnoses like back/neck/shoulder pain, headaches, carpal tunnel syndrome, and more.

**BHS Results:**

- a. Over 80% of MSKs Resolved Onsite = employee LOYALTY
- b. 98% Report Significantly Reduced Pain After Just 1 Treatment = higher PRODUCTIVITY
- c. Significantly Reduce Medical & Workers' Comp Costs = PROFITABILITY

2. **Poor Health & Wellness** - Causes many issues like weight problems, brain fog, anxiety & depression, and low energy levels.

**BHS Results:**

- a. Create an engaged wellness culture = RETENTION
- b. 100% report improvement with overall health & wellness = PRODUCTIVITY
- c. Significantly reduce lost workdays & doctors' visits = better ATTENDANCE

3. **Infectious Diseases** - Covid, influenza, and colds are a leading cause of fear & anxiety, absenteeism, attrition, and lost productivity.

**BHS Results:**

- a. Provide a sense of safety & security = RETENTION
- b. Attract your industry's top talent with assurance of our public health experts = MAGNET EMPLOYER
- c. Significantly improve retention and attendance immediately = PROFITABILITY

Cost drivers to employers include direct costs such as higher healthcare and workers' compensation insurance premiums and claims, employee turnover, and more. Some indirect costs that far surpass the direct costs come in the form of lost productivity from absenteeism, presenteeism, and poor engagement. Beyond these costs there are other qualitative costs to include culture, safety, and employer reputation that are directly related to employer benefits programs for health and wellness. These cost drivers are discussed below as they relate specifically to the construction industry.

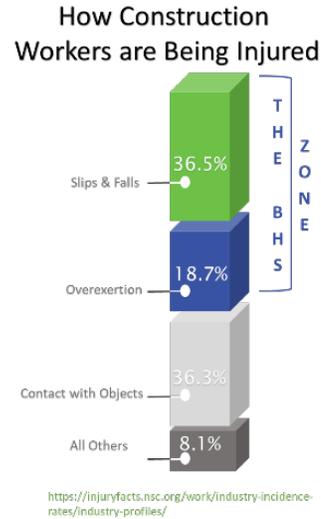
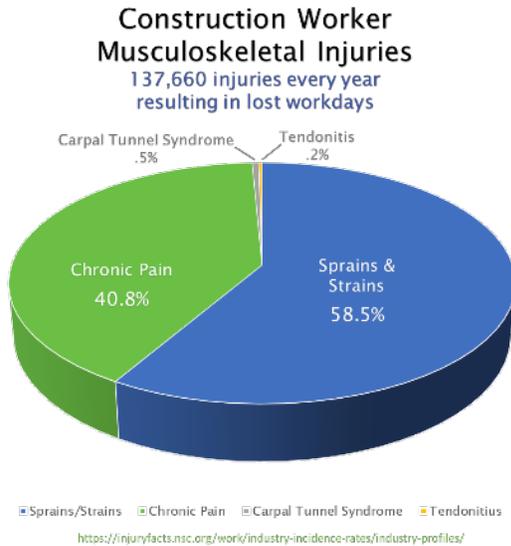
## Direct Costs:

\$171 billion annually (\$1,100 per employee) in direct employer expenses incurred as a result of workplace injuries and illnesses. (U.S. National Safety Council)

### Key Cost Drivers Include:

1. **Healthcare Costs:** include employer wellness programs costs, insurance premiums, and other direct compensation for healthcare benefits (HSA/FSA, etc.).
  - a. U.S. employers cover an average 70% (that's \$10,762) of healthcare costs for each employee every year. (National Business Group on Health)
  - b. The average annual cost of healthcare is \$15,375 per U.S. employee and inflating 6.5% every year. (National Business Group on Health)
  - c. Employers spend \$49 billion per year (\$742 per employee) on wellness programs. (Global Wellness Institute)
  - d. Small to Medium businesses pay 8-18% more for employee healthcare insurance. (National Conference of State Legislatures)
2. **Employee Turnover:** voluntary and involuntary employee attrition costs employers an immense amount of time and money.
  - a. The average cost to (re)hire is \$4,129 and takes an average of 42 days. (Society for Human Resource Management)
  - b. Turnover can cost employers 33% of an employee's annual salary. (Forbes Magazine)
  - c. In 2020, 47 million Americans will voluntarily change jobs. (Society for Human Resource Management)
  - d. U.S. companies spend an average \$1,096 to train a new employee. (2018 Training Industry Report)

3. **Workers' Compensation:** direct costs of workplace injuries and illnesses, and mandatory insurance.
  - a. Workers' compensation for musculoskeletal injuries and pain costs U.S. employers \$20 billion every year. (U.S. Bureau of Labor & Statistics)
  - b. The average employer cost of a workplace musculoskeletal injury is \$33,000 per claim. (Occupational Safety & Health Administration (OSHA))
  - c. The average cost of workers' compensation insurance for construction companies is \$5,331 per employee per year (\$2.66 per work hour). This is the highest of any industry. (Workers' Compensation Lab)



## Indirect Costs:

lost productivity due to pain costs U.S. companies \$297 billion every year (that's \$2,397 per employee). (U.S. Bureau of Labor & Statistics)

### Key Cost Drivers Include:

1. **Presenteeism:** the practice of coming to work despite illness, injury, anxiety, etc., resulting in reduced productivity.
  - a. Commonly reduces individual productivity by 33% or more. (Harvard Business Review)
  - b. Injuries and pain are shown to increase presenteeism 79%. (National Institute of Health National Library of Medicine)
  - c. Pain conditions associated with sitting, like back pain, arthritis, and headaches, cost \$47 billion a year in reduced employee performance. (Harvard Business Review)
  - d. Overall, presenteeism costs U.S. employers over \$150 billion a year due to employees coming to work sick. (Center for Health Research Rural Advocacy)
  - e. Presenteeism is potentially the single largest contributor to construction workplace fatalities costing 735 lives a year (2 every day). (U.S. Bureau of Labor & Statistics)
2. **Absenteeism:** missing work due to injury, illness, travel for offsite care, or without good reason.
  - a. Annual costs due to unscheduled absenteeism of construction workers is \$160 billion. (Forbes Magazine)
  - b. U.S. employees go to 558 million doctors' office visits and spend 1.1 billion hours away from work due to pain alone. (U.S. Bureau of Labor & Statistics)
  - c. Overtime is used to cover 47% of employee absences and coworkers are 29.5% less productive when covering for absent employees. (Society for Human Resource Management)
  - d. Supervisors spend 212 hours per year dealing with absences. (Society for Human Resource Management)

## Other Qualitative Costs:

employer costs intuitively associated with poor employee health and wellness, but without a direct correlation to causation argument.

### Key Cost Drivers Include:

**Reputation:** a bad reputation costs companies at least 10% or more per hire. (Harvard Business Review)

**Safety:** employers that don't have effective employee health and wellness programs pay 2-3 times more on injuries and illnesses. (Employee Health and Safety Today)

**Quality:** a Gallup Poll revealed that 70% of U.S. workers are not engaged at work leading to mistakes that cost U.S. companies 20-40% of sales. (Six Sigma)

**Culture:** 91% of workers at companies led by leaders that support well-being efforts say they feel motivated to do their best at their jobs. (American Psychological Association)



# Return on Investment

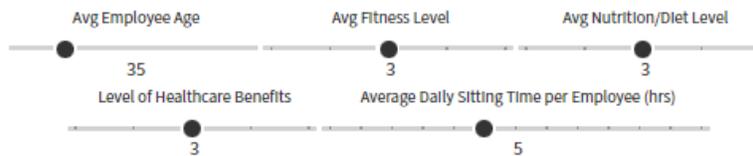
The following model is based on [U.S. Bureau of Labor Statistics Latest Numbers Fact Sheet on Occupational Injuries and Illnesses - May 2020](#) per 100 employees. The [ROI calculator](#) is available at: <https://biofunctionalhealth.com/roi-calculator/>.

## ROI CALCULATOR: Employee Wellness Model

This model allows you to dynamically adjust the key variables that drive direct expenses related to your employees' health and wellness and your PROFITABILITY.

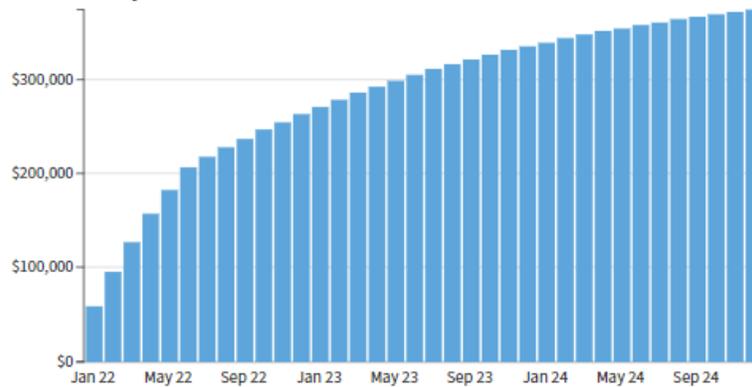
# Onsite Employees	# Remote Employees	Primary Work Setting / Industry	Current TRIR
100	0	Construction	3.1
Onsite Program	Remote Program	Desired Program Start Date	
Onsite Premium	None	01/01/2022	

Scale Key: 1 is lowest and 5 highest with 3 being average

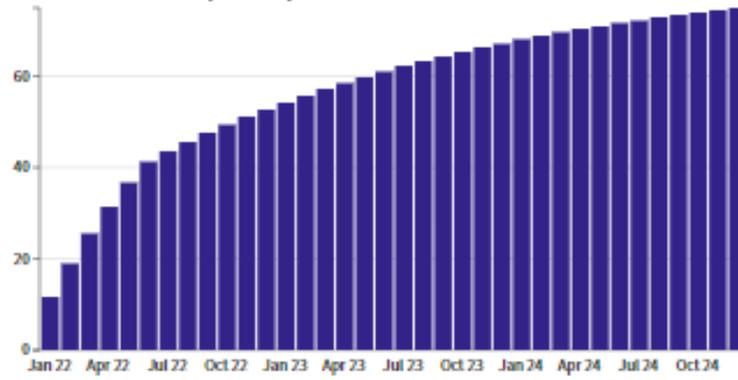


## 36-Month ROI SUMMARY

ROI in USD by Month



ROI X dollars Saved per \$1 Spent



Work Hours Recaptured

