

Averting the Collision between Rising Health Care Costs and Corporate Survival.

Blanchard, K., D.W. Edington
Leader to Leader. 53(Summer):24-30, 2009.

The rising cost of healthcare in America is eroding profits at an accelerating pace and leading toward a disaster for businesses, shareholders, and employees. Unless something is done about this alarming trend, companies will have to close up shop or make the tough survival decision of no longer providing healthcare for their people. This could be one of the worst lose-lose situations in our country's competitive history, since no company is going to compete on a global level without healthy and productive people. Given the economic crises facing them today, the top leaders of corporate America certainly don't need another challenge. But unless they deal with this issue in a timely and decisive way, their other problems may become moot points.

Why do we focus on top leaders? Because the solution to this problem needs to be a high priority, strategic initiative.

Corporate leaders need to add innovative, robust health and wellness strategies to the current sickness care strategies of their health plans. Despite the fact that corporations in this country have spent more money on America's sickness-oriented health system than any other country, healthcare costs continue to rise while the health and resultant productivity of the American workforce declines. To reverse this trend, executives must acknowledge the interconnectedness between healthcare costs and people's vitality and productivity. This will require a transformational change of thinking and then a change in behavior in most executive suites of America.