

Safeway to launch health initiative for its employees

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By Jonathan Birchall in New York

Published: January 21 2008 02:00 | Last updated: January 21 2008 02:00

US shop workers could find their health insurance premiums being linked to their food-buying habits, if an initiative by a leading supermarket wins acceptance.

Safeway, which operates more than 1,700 supermarkets across the country, says it plans to offer its employees discounts on their health insurance if they participate in a service that tracks the nutritional quality of the food they buy at its stores.

The move is part of a wider push by Kellogg's, Humana, Pitney Bowes companies to offer lower health premiums to employees who pursue healthy lifestyles. Safeway's proposals would be linked to the retailer's online FoodFlex service, launched in November as an offshoot of its loyalty card programme.

Participating customers are invited to provide details of their family members, how active their lifestyles are and whether they have specific health issues.

The system uses the information on customers' Safeway cards to deliver a nutritional analysis of their purchases at the store, rated against US Department of Agriculture recommended consumption levels of 25 nutrients and vitamins. It also allows customers to see the relative nutritional benefits of different products.

Steve Burd, Safeway's chief executive, said the company hoped to tie the FoodFlex system into its health plan in 2009. "If someone wants to opt in to demonstrate a nutritious lifestyle, I think we'll be the first company to grant premium reductions for that. I think other companies will follow."

In 2006, Safeway launched a healthcare plan for its non-union workers that offered discounts to encourage behavioural changes linked to regular, company-funded medical check-ups. Staff at its headquarters can also participate in a programme at a gym - similar to a scheme offered in the UK by Pru Health.

Safeway said the plan has resulted in a 13 per cent annual reduction in its per capita medical costs, and a 30-35 per cent reduction in payments by the workers over its first two years.

Mr Burd said that while some of the initiatives could be considered intrusive, the retailer is following the principles established in motor insurance. "If you have a lot of accidents, you pay more for your insurance . . . Healthy behaviour gets rewarded, less healthy behaviours should bear their fair share."

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