

# **EMPLOYEE WELLNESS**

## **KEY ELEMENTS FOR A SUCCESSFUL PROGRAM**

## ABOUT THIS DOCUMENT

Many employers have launched employee wellness programs in recent years with different degrees of success...or failure. What are the factors that differentiate between a successful program and one that never seems to gain traction among employees?

Employee wellness programs have typically been implemented by large employers who have resources to dedicate to a wellness program. Can a small or mid-size employer have a successful program?

The information included in this document has been prepared to help you evaluate several factors as you think about employee wellness:

- Whether or not you should offer a wellness program for your employees, and perhaps their families;
- What are the key elements of an effective wellness program;
- What experiences have other employers had.

## WHY WELLNESS?

The number one reason most companies implement wellness programs is to control healthcare costs, but it's not the only reason. Successful programs have proven valuable for other reasons:

- Reducing costs and lost work time related to short term disability;
- Reducing costs and lost work time related to Workers' Comp injuries;
- Improving productivity;
- Creating a positive, healthy workplace culture; and
- Demonstrating the employer's concern for its employees.

In a 2006 survey of 9,603 companies representing 1.52 million employees, United Benefit Advisors found that employers are beginning to recognize the potential impact of wellness programs. When asked to rate the effectiveness for several cost-containment strategies, whether or not they have such a program, 45.4% rated wellness programs as effective. In comparison, the traditional approach of increasing employee premium cost-sharing was rated at 43.3%.

From a health perspective, research clearly demonstrates that individuals can improve their health status by making even small changes in their behaviors. A comprehensive five-year study by the University of Michigan reported a direct correlation between the number of risk factors a person has and his or her health care costs. Numerous studies leave no room for doubt that unhealthy habits lead to chronic health conditions, including diabetes, high blood pressure, heart disease, back injury, arthritis, cancer, and stroke.

One goal of a wellness program should be to help stop the progression toward these disabling conditions. Another should be to minimize the consequences for those who already have a diagnosis. Both are accomplished by getting your employees engaged in the right activities at the right intensity level.

## **KEY ELEMENTS FOR A SUCCESSFUL PROGRAM**

All successful wellness programs have several common traits. You may find lists that include five, seven or even 12 key elements. It is desirable to have as many attributes working to support your program as possible, but we have found three absolutely essential components:

1. Well-designed year-round strategy that incorporates a variety of activities;
2. Effective, well-executed communications plan; and
3. Meaningful incentives that drive employee engagement.

### **The Wellness Plan**

When launching a new wellness program, a few employees will be interested in participating in almost any activity you offer. A few will not be interested in participating in anything. However, most people will find some activities appealing, but are not ready to participate in others. A good plan will take into consideration what your employees want as well as what they need.

A good plan will be systematic, with goals and objectives. Those goals and objectives will help determine which activities will be included in the program. Also, the choice of activities should consider what employees will enjoy doing and find worthwhile.

The plan should include activities that make employees aware of their need to make improvements, and increase their readiness to do so. It should include activities that educate employees about how to make changes, and activities that encourage them to practice new behaviors.

The plan should include activities that address a broad range of issues, but not so many that the message becomes fragmented and your employees become confused. The plan should focus on the bigger issues that drive health problems, like weight management, physical activity, healthy eating, and stress management. It should also provide access to information for those who are looking for help with specific needs, like stopping smoking or better managing their diabetes.

The program should be balanced. While it's good to address a single topic at a time, if that topic becomes a year-round emphasis, employees will tend to associate the wellness program exclusively with that topic. Those who are not interested in the topic will not be attracted to the wellness program. For example, while it is good to encourage walking as an activity, a wellness program that year-round emphasizes walking will soon be thought of as a walking program. Opportunities will be missed to engage people in campaigns that address healthy eating, stress management, and other needs.

The program and its activities should be simple. They should be simple to promote. They should be simple to do. They should be simple to track and report.

Participation in the program should be measurable. You can't manage what you don't measure. Employees should know at any time where they stand, and you should know whether or not your employees are engaged. Of course, to respect the privacy of your employees and to be compliant with certain federal regulations, there are some personal things that you can't track. The key is for you to know who is actively engaged, and for your employees to know and understand their personal status. It is okay for you to know aggregate data, like what percentage of your employees who smoke cigarettes, are obese, or have diabetes. Those will be key metrics for measuring program impact over time.

## **Communications**

You may have the best wellness program ever designed, but if it is not effectively communicated, you won't have much success in the first year. Several things should be considered when developing and implementing a communications plan. The communications process should begin by identifying what action you want to occur as a result of your efforts. Do you want employees to think about something, attend an event, read something, or participate in a month-long activity? Over the course of a year, you will want employees to do all of these.

Once the desired action has been identified, the communications plan begins to take shape. Three elements of the process should be considered:

- The message that will create that action;
- The media that will most effectively communicate the message; and
- The timing and frequency of the communications.

The message should be concise and clear. Employees should know the benefits of becoming engaged, how to be engaged, and how to track it. The message should be appropriate, friendly, and positive. Messages that are too clinical or demanding will be intimidating for some employees.

The media are the channels of communications that you can use to reach your employees. Every workplace is unique. You may use emails, newsletters, flyers, postcards, paycheck inserts, bulletin boards, departmental meetings, or memos. Use any and all media that gets your employees' attention.

Timing and frequency are key considerations. If you communicate about your program only once a year, for example, during open enrollment, people won't remember. Not everyone is ready to begin on day one. Overall program promotion should be a continual process. Throughout the year you will have specific activities that should also be promoted. Prior to an activity, employees should be made aware of what the activity is, how it can benefit them, and how they can prepare for it. As the activity gets closer, they should understand how they can participate. During the activity, communications should focus on the benefits of the activity and the importance of completion. As the activity concludes, they should know how to report their participation.

## Incentives

The importance of incentives is not immediately recognized by everyone. It is important to remember that your employees could already be practicing healthy behaviors if they chose to do so. Most people know that it is unhealthy to smoke, be obese, be physically inactive, or eat foods that are high in fat. National statistics reveal that 80% of all people who smoke cigarettes wish they didn't. People who are obese wish they weren't. So why aren't changes being made?

Habit is habit. The key to changing a bad habit to a good one is motivation to do so. Some people are motivated by their doctor informing them that they have type 2 diabetes or hypertension. Others aren't motivated until they have a heart attack. The goal of your wellness program should be to motivate your employees before they develop life-threatening, or ending, health conditions.

Incentives can be simple, such as gift certificates or cash. They can be more significant in the form of benefits impact, such as a lower deductible or lower premium or employer contribution into an FSA. There are tax implications, and some things an employer should not do to avoid HIPAA and ADA issues.

## CASE STUDIES

This section presents four short “case studies” of employers who have actually implemented successful wellness programs in a variety of settings. It is unlikely that your needs, opportunities and resources will be exactly like any one of these, but hopefully their experiences will help you understand how a successful program is “operationalized”.

### Company 1

**Company Overview:** Manufacturing. 83% Male. Average Age 49. 55% Union.

**Program Overview:** Employees earn Wellness Credits by participating in seminars, challenges, preventive screenings, wellness committee meetings, flu shots, and more

**Incentive:** \$300 cash for earning required number of Wellness Credits

**Outcomes:** Participation rates increased from 33% to 82% in first three years.

Percentage of employees at high risk dropped from 83% to 30%. Rates dropped for obesity, high blood pressure, high cholesterol, and high triglycerides. Smoking rate dropped from 14.9% to 6.8%. Health care costs did not increase over 4-year period.

**Secrets to Success:** Strong incentive. Program has become well know and accepted among employees. Management support. Involved employee wellness committees.

### Company 2

**Company Overview:** City government. 350 employees. non-Union.

**Program Overview:** Goal was to engage high number of employees and control healthcare costs. Employees earn Wellness Credits by participating in activities throughout the year.

**Incentive:** \$50, \$75, \$100, and \$150 gift certificates to businesses located in the city

**Outcomes:** Participation rates soared to 97% in third year. Risks were significantly reduced in all areas. Healthcare costs went down 5% in second year of program and held steady, despite greater than annual 15% rates increases in neighboring cities.

**Secrets to Success:** Management support. Great wellness committee. Personal successes (one committee member lost 210 pounds without drugs or surgery). Good communications effort. Employees trust of their employer.

### Company 3

**Company Overview:** Grocery stores. High number of seasonal workers. Most employees are clerks, cashiers, truck drivers, etc. Company has reputation of caring for its employees and being a good citizen in the community.

**Program Overview:** Year one included only the Health Risk Appraisal. New activities were added in years two and three. Each store has at least one volunteer Wellness Champion who promotes the program and its activities. Participation rate in first two years exceeded 75%.

**Incentive:** \$250 reduction in deductible amount for health insurance in the following year if enough Wellness Credits are earned.

**Outcomes:** Participation rate in first two years exceeded 75%. Benefits spending in second year finished more than 10 percent under budget. Every store in system has Wellness Champion in place.

**Secrets to Success:** Wellness program fits company culture. Appropriate incentive. Management support. Wellness Champions.

### Company 4

**Company Overview:** Small manufacturing firm. 65% male. Rural communities.

**Program Overview:** Program was launched because of rapidly rising healthcare costs. Program began with onsite biometric screenings using finger stick. Plant managers were encouraged to participate. Employees earn Wellness Credits.

**Incentive:** Employees earn \$225 FSA contribution, and spouses earn \$75 cash. Plant managers earn up to \$90 per employee per year to their plant's budget based on employee participation in the program.

**Outcomes:** Participation rates in the first year exceeded 90%. Healthcare spending was more than five percent under budget.

**Secrets to Success:** Management support. Plant manager incentive. Onsite screenings. Strong communications efforts.