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A web-based platform was used to collect, measure and analyze data. Complete responses were received from 1,352 organizations and an additional 597 completed a portion of the survey questions, for a total of 1,949 participants. All respondents represent a cross-section of sizes, industries and geographic locations.

Willis asked organizations to respond to the survey whether or not they currently offered a wellness program. Those that did not were asked if they plan to offer one, what they perceive as barriers to doing so and what type of support or information they would need to implement such a program. Those organizations offering wellness programs were asked to detail program components, incentives, participation, vendor satisfaction and how program results are measured. A subset of 1,030 organizations responded that they currently offer a comprehensive wellness program, representing a good, although slightly different, demographic cross-section. The number of respondents is not consistent for each question, since some participants did not complete the entire survey.

**ADDITIONAL INFORMATION**

For additional information about the survey or to share your comments, write to:

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*With respect to all charts and tables in this document: Not all percentages equal 100% due to rounding. A full technical appendix with all survey data is available to Willis clients upon request.*
KEY FINDINGS

WELLNESS PROGRAMS

- Of those that participated in the survey, about half (43%) indicated that they had some type of wellness program. Of those with a wellness program:
  - 57% describe their program as basic
  - 33% had an intermediate program
  - 10% had a comprehensive program

- The percentage of survey participants who strongly agreed that their leadership is committed to improving employee health significantly increased from 6% in 2009 to 42% in 2010.

- About one-third of survey respondents did not agree that financial rewards should be used to encourage healthy lifestyles; basically doubling the 15% that disagreed in our 2009 survey.

- Regarding wellness program participation:
  - 47% indicated less than 50% participation in health risk assessments
  - 39% indicated less than 50% participation in biometric screenings
  - 35% indicated less than 25% participation in their physical activity program
  - 39% indicated less than 25% participation in their weight management program

- 44% of participants reported insufficient time or not enough staff as the most significant barrier to offering a wellness program, followed by budget constraints (43%).

- Management support and having a strong internal leader championing wellness within the organization were rated the two most important factors in the success of the wellness program.

ENGAGEMENT

- Substantial opportunity exists for employers in the area of building engagement.
  - Only 28% of the organizations responding have a specific and defined strategy in place to improve employee engagement.
  - 64% of respondents consider their wellness program an important part of their overall engagement strategy.
  - The vast majority – 80% – want to reward employees who are taking steps toward health improvement.
  - The top factors cited as necessary to improve employee engagement in worksite wellness are increasing marketing and communication with potential program participants, setting more specific goals for achievement and more coordinated efforts.

MEASURING SUCCESS

- 38% of survey respondents indicated that they did not have sufficient data to calculate ROI. The second most common barrier, cited by 32% of the respondents, was not enough staffing or time to dedicate to this.

- Most employers seem to be measuring their wellness program’s success by comparing health care costs over time, tracking participation in the wellness program and monitoring use of specific wellness program services.
Faster than a speeding train. Able to leap tall projects in a single bound. X-ray vision that can see through walls and predict the future. For many American workers, the skill set needed to succeed in today’s business environment can feel like a strange hybrid of super-hero and professional athlete. The mantra in corporate America has become “Bigger, faster, better, MORE!” Invigorated, confident, challenged, joyful and connected...how well do these words describe your workforce? Depressed, exhausted, burned out, hopeless and defeated...do these sound more familiar? *The Way We’re Working Isn’t Working.* So says best-selling author Tony Schwartz in his recently published book. We have to agree. The relentless pursuit for MORE: more market share, more profit, more shareholder value, more and more work being done by fewer people paradoxically leaves us all with less and less. Demand is exceeding capacity. “Organizations undermine sustainable high performance by forever seeking to get more out of their people. No matter how much value we produce today – whether it’s measured in dollars or sales or goods or widgets – it’s never enough” says Schwartz.¹ Is engagement the secret elixir? Some studies seem to indicate it is.

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¹ *The Way We’re Working Isn’t Working* by Tony Schwartz.
According to the 2007-2008 Global Workforce Study conducted by Towers Perrin, only 20% of the workforce is fully engaged, 8% are completely disengaged and 71% fall “somewhere in the middle.” Disengaged employees are not only unhappy, but they routinely share their discontent with co-workers, infecting others with negativity. Moreover, the longer employees stay with an organization, the less engaged they tend to become. Why should employers care? Because increased employee engagement in work results in higher employee productivity and loyalty. Companies with high employee engagement outperform low engagement companies in many areas of business success. A meta-analysis of studies by Gallup revealed that having a work environment that promoted positive employee engagement was consistently associated with positive business outcomes, including reduced employee turnover, greater customer satisfaction, employee productivity and company profits.2,3

If we accept the definition of energy to be “the capacity to do work,” then we must also acknowledge that the management of individual and organizational energy is a significant concern and a worthwhile endeavor if you seek to have a high performing workforce. Energy and engagement are inextricably intertwined. It takes a partnership between individuals and organizations to achieve and maintain high engagement and high performance.

Unfortunately, even when individuals understand this relationship and attempt to practice these tenets, the need for balance, renewal and recovery are often viewed as weakness by the organization or its leaders and dismissed, criticized or worse. Resilience is something to be cultivated and rewarded. Human beings do not operate like machines that can be turned on and expected to operate 24/7. Without downtime and adequate rest and renewal, human beings wear out, lose motivation and become disengaged.

The core elements of worksite wellness programs are essential building blocks in managing personal energy and cultivating resilience. Regular physical activity has a profound effect on how we feel and how much energy we have to invest, whereas a sedentary lifestyle contributes to a cycle of low energy. Every choice we make about what we eat and drink has an immediate and in some cases, cumulative, longer-term impact on our energy levels. The frequency and timing of nutrient intake greatly affects our ability to fuel energy and performance. Our daily food choices have an equally strong influence on our moods, health and even how long we live. Sleep is critical both for renewal and as a preventive or protective element of health. Many wellness programs are expanding to include education about this important topic. An interesting paradox exists relative to tobacco, which is used by many to manage stress, claiming that it relaxes them. However, physiologically the reverse is true: tobacco use impedes energy. Here again, making a difference takes a concerted effort between employees choosing healthy habits daily and a workplace culture that is supportive of optimal health.

Relationships at work play an important role as well. The relationship with your direct supervisor greatly influences how engaged you are with your job – and how long you will stay with the company. “Career Wellbeing” is one element of overall wellbeing examined in the new publication by Gallup authors Tom Rath and Jim Harter: “WELL BEING The Five Essential Elements.”4 Some interesting, albeit concerning, information was revealed. They reported that the person we least enjoy being around is our boss. “Of all the categories people ranked, from friends to relatives to coworkers to children, they rated the time they spent with their manager as being the worst time of the day.”4 Time spent with one’s boss ranked even lower than cleaning the house. “The most disengaged group of workers we have ever studied are those who have a manager who is simply not paying attention. If your
manager ignores you, there is a 40% chance that you will be actively disengaged or filled with hostility about your job.”

Employers are missing an important engagement opportunity by not investing in training designed to assist managers and supervisors in managing relationships along with the health and productivity of the workforce. Our survey findings show that currently only 5% of respondents offer such training.

Meaningful relationships with co-workers also contribute greatly to the satisfaction and level of engagement employees feel in their work. Positive relationships, both professionally and personally, support resilience. The sense of teamwork or community that exists when individuals feel valued for their contributions and, more importantly, feel and display a mutual respect among co-workers is described in the ancient African philosophy known as “ubuntu.” The book *ubuntu!* by Stephen Lundin and Bob Nelson, offers many interesting insights, a few of which include:

- Ubuntu is a philosophy that considers the success of the group above that of the individual – and espouses “We’re all in this together.”
- The first level of recognition is simply to value others for who they are. This is the heart of ubuntu, and must always come first.
- The second level of recognition is to value others for what they achieve. This kind of recognition is what drives most performance.
- To engage another person in an authentic way releases the most powerful energy on the planet.

Could engagement flourish in this type of environment? Imagine the possibilities if the entire workforce understood their personal value and how they contribute to the whole – if all employees were respected and valued and in turn supported one another and spent their energy for the success of the group.

Engagement, it turns out, has a significant impact on our health and vice versa. When our health is compromised, it’s difficult to positively engage in anything, work-related or otherwise. Although many factors contribute to our mental health status, being disengaged at work appears to be a significant risk factor for an eventual diagnosis of depression. “On a more encouraging note, as workers become more engaged, their physical health improves in equal measure. As employees’ levels of engagement at work increased, their total cholesterol and triglyceride levels significantly decreased.” The reverse was also true, as engagement went down, clinical risk values went up. Improving overall employee engagement may be one of the most important priorities to consider when planning worksite wellness programs.

Although this survey focused on engagement from a worksite wellness program perspective, it is important to view this information in the context of overall organizational engagement as the two are closely linked. Our health impacts how we work, and how we work impacts our health. A positive work environment, one of the by-products of a successful wellness program, improves not only individual health, but organizational engagement and, ultimately, productivity and business results. Employee engagement may well be the quintessence of overall business success.

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SURVEY FINDINGS

PREVALENCE OF WELLNESS PROGRAMS

Slightly less than half of survey respondents currently have some type of wellness program or plan to offer one in the future. Of those with wellness programs in place – slightly more than half have what they would describe as a “basic” wellness program. Employers with 1,000 or more employees are more likely to have a program and more advanced program offerings.

PREVALENCE OF WELLNESS PROGRAMS

![Bar chart showing the prevalence of wellness programs among different employee categories.]

WELLNESS PROGRAM TYPES

![Bar chart showing the types of wellness programs among different employee categories.]
HOW DO ORGANIZATIONS GET STARTED?

Health care costs remain the driving force in the implementation of worksite wellness programs, although there was a notable decrease in all categories this year. 78% of employers reviewed their health care cost trends prior to implementing a wellness program. A variety of other relevant information was reviewed when contemplating wellness program implementation. The key items reviewed were:

- Health care cost trends – 78%, down from 92% in 2009
- Corporate goals and objectives – 39%, down from 63% in 2009
- Plan costs for chronic conditions – 34%, down from 50% in 2009

WHO CAN PARTICIPATE?

This year, slightly fewer spouses, dependents and spouses of retirees were eligible to participate in wellness programs. Employee and retiree eligibility remained the same. As we have seen in previous years, the programs of larger employers were more likely to offer participation to spouses, dependents and retirees than those of smaller employers.

- Overall, 38% included wellness benefits for spouses, slightly down from 43% last year
- 18% covered dependent children

WHAT RESOURCES ARE BEING USED?

The majority of survey respondents use their health insurance resources and internal staff to help implement their wellness programs. Roughly half also indicated they use their insurance broker/consultant as a resource.
IMPLEMENTATION BARRIERS STILL EXIST

The top barriers to implementing a wellness program remain lack of time, limited staffing and budget constraints. In the current economy, many organizations are still intent on doing more with less, which constrains making wellness a higher business priority.

- Not enough time/staff to dedicate – 44%
- Budget constraints – 43%

"WE NEED TO FOCUS ON ORGANIZATION SURVIVAL BEFORE WE CAN FOCUS ON WELLNESS. A VERY TOUGH BUSINESS CLIMATE HAS PUT WELLNESS ON THE BACK BURNER. EMPLOYEES ARE TOO WORRIED ABOUT HAVING A JOB. STRESS IS AT AN ALL-TIME HIGH. MORALE IS AT AN ALL-TIME LOW."

(MANUFACTURING – NORTH CENTRAL)
RESOURCES NEEDED TO BEGIN WELLNESS PROGRAMS

Fewer respondents this year (19%) than last (29%) reported that their organizations needed to see better return on investment measurements to begin a wellness program. Additional staffing and time, more education about the benefits of wellness and a dedicated wellness budget remain the leading factors in launching a wellness program.

RESOURCES NEEDED TO IMPLEMENT WELLNESS

- Additional staffing/time: 39%
- More education about program benefits: 33%
- Dedicated budget for wellness: 30%
- Senior management support for wellness initiatives: 21%
- Access to better resources, programming for wellness: 20%
- Better return on investment measurements: 19%
- Not applicable: 18%
- Better measurements of improved employee health: 18%
- Better morale, trust among employees: 13%
WINNING WITH WILLIS

Winning With Willis is our way of helping you reach your employees with accurate, relevant and actionable health information via an attractive, convenient website. This website has evolved to become a public access resource center that can be viewed from any computer. We are proud to collaborate with the U.S. Centers for Disease Control and Prevention (CDC) to include relevant, regularly updated content. Willis is committed to helping you increase your employees’ personal commitment to their health and well-being. WinningWithWillis.com is dedicated to helping your employees develop positive behaviors around nutrition, physical activity and tobacco use, prevention and cessation. To learn more, visit our site or talk with your Willis representative.

WHAT HEALTH ASSESSMENT TOOLS ARE UTILIZED?

Typically, the most common type of health assessment programs offered to employees are health risk assessment (HRA) surveys and onsite biometric screenings. Most often, they are provided to employees alone, but some organizations also offer them to spouses.

PROGRAMS INCLUDE VARIOUS INCENTIVES

For health risk assessments, the most common incentive is cash or gift cards followed by lower employee costs (premium contributions) for the medical plan. For health screenings, a large group of respondents indicated that they did not offer an incentive for this program, a decision which may be related to the costs of onsite workplace screenings. Offering a convenient, free worksite screening may be viewed as incentive enough for employees to participate.

INCENTIVES FOR HEALTH ASSESSMENT TOOLS

<table>
<thead>
<tr>
<th>Incentive</th>
<th>HRAs</th>
<th>Biometric screenings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash/gift cards</td>
<td>33%</td>
<td>20%</td>
</tr>
<tr>
<td>Lower employee cost (premium contribution) for medical plan</td>
<td>28%</td>
<td>20%</td>
</tr>
<tr>
<td>No incentive</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Raffle for larger prizes</td>
<td>14%</td>
<td>10%</td>
</tr>
<tr>
<td>Accumulate points for prizes - online rewards</td>
<td>12%</td>
<td>7%</td>
</tr>
<tr>
<td>Racking &amp; delivery system</td>
<td>10%</td>
<td>8%</td>
</tr>
<tr>
<td>Additional contribution to health account (health FSA, HRA, HSA)</td>
<td>9%</td>
<td>12%</td>
</tr>
<tr>
<td>Not applicable</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>Accumulate points for prizes - tracking &amp; redemption handled manually</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Smaller prizes for each participant</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Lower deductible, co-insurance or co-pays</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Paid time off</td>
<td>2%</td>
<td>3%</td>
</tr>
</tbody>
</table>
DO INCENTIVES WORK?

Incentives continue to inspire substantially higher participation in both health risk assessments and biometric screenings. This survey further analyzed the types of incentives used and the reported participation rates to determine the more effective incentives. Connecting HRA completion with health plan costs, such as lower plan deductibles, employee costs or contributing to a health account appears to be the most effective incentive approaches garnering higher completion rates.

**IMPACT OF INCENTIVES ON HRAs**

- Lower plan deductibles, co-insurance or co-pays: 64%
- Lower employee cost (premium contribution) for medical plan: 63%
- Additional contribution to health account (health FSA, HRA or HSA): 57%
- Accumulate points to earn prizes – online reward tracking and delivery system: 49%
- Accumulate points to earn prizes – tracking and redemption handled manually: 48%
- Paid time off: 48%
- No incentive: 48%
- Smaller prizes for each participant: 47%
- Cash/gift cards: 45%
- Raffle for larger prizes: 40%
- Not applicable: 33%

![Gift Card Image]

Willis North America  ■  12
Lower plan deductibles, co-insurance or co-pays
Lower employee cost (premium contribution) for medical plan
Paid time off
Additional contribution to health account (health FSA, HRA or HSA)
Accumulate points to earn prizes – tracking and redemption handled manually
Cash/gift cards
Smaller prizes for each participant
Accumulate points to earn prizes – online reward tracking and delivery system
Raffle for larger prizes
No incentive
Not applicable

IMPACT OF INCENTIVES ON BIOMETRIC SCREENINGS

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower plan deductibles, co-insurance or co-pays</td>
<td>69%</td>
</tr>
<tr>
<td>Lower employee cost (premium contribution) for medical plan</td>
<td>67%</td>
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<tr>
<td>Paid time off</td>
<td>66%</td>
</tr>
<tr>
<td>Additional contribution to health account (health FSA, HRA or HSA)</td>
<td>63%</td>
</tr>
<tr>
<td>Accumulate points to earn prizes – tracking and redemption handled manually</td>
<td>61%</td>
</tr>
<tr>
<td>Cash/gift cards</td>
<td>50%</td>
</tr>
<tr>
<td>Smaller prizes for each participant</td>
<td>50%</td>
</tr>
<tr>
<td>Accumulate points to earn prizes – online reward tracking and delivery system</td>
<td>49%</td>
</tr>
<tr>
<td>Raffle for larger prizes</td>
<td>47%</td>
</tr>
<tr>
<td>No incentive</td>
<td>38%</td>
</tr>
<tr>
<td>Not applicable</td>
<td>38%</td>
</tr>
</tbody>
</table>
WHAT TYPES OF HEALTHY LIFESTYLE PROGRAMS ARE OFFERED?

To promote healthy behavior, many employers offer weight management, tobacco cessation and physical activity programs as part of their wellness strategy. This year we noted a lower number of programs being offered, perhaps because so many of those with wellness programs (57%) rated their programs as “Basic.” The most prevalent types of programs offered are:

- Weight management – 50%
- Tobacco cessation – 49%
- Physical activity – 48%

Some less reported types of programs include:

- Team or individual behavior change challenges/competitions – 22%
- Personal fitness assessment – 20%
- Worksite and/or peer support group – 12%
INCENTIVES OFFERED FOR BEHAVIORAL CHANGE

As noted previously, many organizations continue to include traditional behavioral change programs for weight management, physical activity and tobacco cessation in their wellness programs. To increase participation in these programs, the majority of organizations offer incentives, but the percentages are slightly down from last year’s survey. With limited budgets, many organizations may be using incentives just for health assessments or using any available funding to provide additional program offerings.

**INCENTIVES FOR PHYSICAL ACTIVITY AND WEIGHT MANAGEMENT PROGRAMS**

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Physical Activity</th>
<th>Weight Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional contribution to health account (health FSA, HRA or HSA)</td>
<td>3%</td>
<td>6%</td>
</tr>
<tr>
<td>Lower employee cost (premium contribution) for medical plan</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Accumulate points for prizes - online reward tracking &amp; delivery system</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>Accumulate points for prizes - tracking &amp; redemption handled manually</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>Raffle for larger prizes</td>
<td>11%</td>
<td>6%</td>
</tr>
<tr>
<td>Smaller prizes for each participant</td>
<td>11%</td>
<td>6%</td>
</tr>
<tr>
<td>Cash/gift cards</td>
<td>24%</td>
<td>19%</td>
</tr>
<tr>
<td>No incentive</td>
<td>28%</td>
<td>24%</td>
</tr>
<tr>
<td>Not applicable</td>
<td>26%</td>
<td>43%</td>
</tr>
</tbody>
</table>

**INCENTIVES FOR TOBACCO CESSATION PROGRAMS**

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Physical Activity</th>
<th>Weight Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid time off</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Smaller prizes</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Accumulate points for manual prizes</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Additional contribution to health account</td>
<td>2%</td>
<td>2%</td>
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<tr>
<td>Lower plan deductible, co-insurance or co-pays</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Raffle for larger prizes</td>
<td>4%</td>
<td>7%</td>
</tr>
<tr>
<td>Accumulate points to earn online prizes</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Cash/gift cards</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Reimbursement of cessation program expenses</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Free or reduced costs for tobacco cessation aids</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>Premium contribution for medical plan</td>
<td>45%</td>
<td>45%</td>
</tr>
<tr>
<td>No incentive</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Not applicable</td>
<td>1%</td>
<td>1%</td>
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WHAT IS THE IMPACT OF THESE INCENTIVES?

Survey data was further analyzed to compare the types of incentives used and the reported participation rates to better understand which types of incentives had the greatest impact on participation. Linking weight management and physical activity participation to an additional health account contribution or offering paid time off seemed to be very effective, but few survey respondents are using these approaches.

FINDING THE RIGHT INCENTIVES

What type of incentive is most influential in motivating people? How much of an incentive is enough? The best strategy for your organization ultimately needs to be determined by you, after consultation with your employees. An incentive can get employees to participate in your wellness program, but it likely won’t motivate a long-term behavioral change in the majority of participants.

There is a big difference between “compliance” and “engagement.” Engagement and health improvement happen as a result of a participant making an emotional connection to the concept. True engagement happens more as a result of strong leaders who serve as role models and who send the right messages. It also happens as a result of working daily in a culture of health. Ultimately, motivation to do anything comes from within each of us. You may need to dangle a few carrots to get people started, but the goal is to engage people in a true lifestyle change that is personalized enough to meet their needs and helps them be successful over the long term.

Encourage employees to make changes, not for the money, but for themselves, their loved ones and their quality of life. Share success stories. Offer praise and peer support. A balanced approach will likely yield the best long-term results for your program.

<table>
<thead>
<tr>
<th>IMPACT OF INCENTIVES ON WEIGHT MANAGEMENT PROGRAMS</th>
</tr>
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<tbody>
<tr>
<td>Additional contributions to health account (health FSA, HRA or HSA)</td>
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<td>Paid time off</td>
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<td>Lower plan deductibles, co-insurance or co-pays</td>
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<tr>
<td>No incentive</td>
</tr>
<tr>
<td>Smaller prizes for each participant</td>
</tr>
<tr>
<td>Not applicable</td>
</tr>
</tbody>
</table>
IMPACT OF INCENTIVES ON PHYSICAL ACTIVITY

- Lower employee cost (premium contribution) for medical plan: 44%
- Lower plan deductibles, co-insurance or co-pays: 40%
- Additional contributions to health account (health FSA, HRA or HSA): 35%
- Paid time off: 32%
- Accumulate points to earn prizes – tracking and redemption handled manually: 30%
- Raffle for larger prizes: 30%
- Accumulate points to earn prizes – online reward tracking and delivery system: 29%
- Cash/gift cards: 29%
- Smaller prizes for each participant: 26%
- No incentive: 25%
- Not applicable: 18%
PREMIUM DIFFERENTIALS AS AN INCENTIVE STRATEGY

Some organizations provide lower health care premiums for individuals based on certain criteria, such as not smoking or completing a health risk assessment questionnaire. In particular, among those organizations reporting that they offer this type of incentive:

- 22% base the premium difference on the completion of a health risk assessment survey
- 15% base it on participation in a worksite biometric screening event
- 12% base it on tobacco use status

While a large portion of the survey respondents do not offer premium differential incentives, 14% indicated that they were considering them for the future.
“FINANCIAL BENEFITS ARE WHAT DRIVES OUR EMPLOYEES. THEY ARE DOING GREAT WITH PREMIUM DISCOUNTS AND REDUCED/WAIVED COPAYS FOR PARTICIPATION IN VARIOUS PROGRAMS.”

(HEALTH CARE – SOUTHEAST)

“LESSON LEARNED – WE MANDATED COMPLETION OF A HEALTH RISK ASSESSMENT (IN ORDER TO HAVE HEALTH INSURANCE) IN YEAR ONE. THIS WAS TOO AGGRESSIVE FOR OUR GROUP AND WAS MET WITH TREMENDOUS OPPOSITION. ULTIMATELY WE HAD TO BACK OFF OF THE MANDATE AND MAKE IT VOLUNTARY. NEEDLESS TO SAY, WE HAD LESS THAN A 10% PARTICIPATION.”

(GOVERNMENT – SOUTHEAST)

“WE ARE GOING TO SWITCH FROM A ‘CARROT’ TO A ‘STICK’ METHOD TO REQUIRE ALL EMPLOYEES, EVEN THOSE RELUCTANT TO CHANGE, TO PARTICIPATE IN HEALTH IMPROVEMENT INITIATIVES.”

(FINANCE/INSURANCE/REAL ESTATE – NATIONWIDE)

**HEALTH CARE REFORM AND WELLNESS INCENTIVES – WHAT WILL CHANGE?**

The use of financial incentives in workplace wellness or health management programs has been gaining momentum over the past several years. The passage of the Patient Protection and Affordable Care Act (PPACA) may increase the likelihood that employers will expand their use of incentives tied to participants meeting certain health standards. The legislation did not affect the current requirements for wellness programs which continue to allow employers to tie employee costs to “health status factors” such as body weight or tobacco use, as long as other HIPAA requirements are met. The maximum incentive employers can offer will now increase, with the current HIPAA limit of 20% of the total cost of health coverage, growing to 30% on January 1, 2014.

To ensure the success of this type of incentive strategy and to effectively integrate it into their overall health management strategy, employers need to harness the power of workplace culture to drive employee engagement and health outcomes. Strong cultural support is critical because incentives by themselves only net compliance. Employees may just play by the incentive rules and declare themselves “done” when the incentive requirement is met. Long-term success with wellness program engagement does not come from compelling people to jump through incentive hoops but from creating a culture of shared responsibility for health and using incentives strategically to accelerate individual change. As you evolve your health management program and incentive strategy, work with your wellness program vendors and your internal legal counsel to ensure that your program complies with HIPAA, ADA and other relevant laws and regulations.
ASK THE EXPERT
Featuring Ame McClune, Director of Marketing & Client Communications for the Willis National Human Capital Practice

Q. How can employers use their wellness program communication campaigns to actively engage more employees?

A. Wellness program communication efforts typically involve significant education and long-term campaigns. Are you struggling to not only push important information and trying to change behaviors, but also to keep employees engaged? Try these ideas to mix it up and help grab employee attention:

■ **CREATIVE PRINT MAILINGS**: Try sending traditional looking “invitations” to participate in events, or “thinking of you” cards to thank employees and show appreciation for participation and efforts to make healthy lifestyle changes.

■ **VOICEMAIL BLASTS**: Consider using your c-suite to talk to employees once a month or highlighting local employees to give information and encouragement.

■ **WELL PLACED FLYERS**: Try new locations, such as bathroom stalls, hang door hangers on frequently used doors, or identify unique locations specific to your workplace.

■ **SIDEWALK CHALK**: Write a brief message outside your front door so employees can’t miss it as they enter the workplace.

Making a commitment to trying a few new mediums may be the difference you need to create engaged and educated employees.

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**COMMUNICATION APPROACHES**

Communication and education are essential to successfully engage wellness program participants. Organizations are relying primarily on traditional methods, such as general education campaigns, emails, print materials and newsletters. Less common communication approaches are text messaging, social media (Facebook, Twitter, blogs, etc.) and town hall meetings. All of these methods can be part of a comprehensive communication campaign.

<table>
<thead>
<tr>
<th>Communication Approach</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emails</td>
<td>79%</td>
</tr>
<tr>
<td>Printed materials — flyers, posters, paycheck stuffers</td>
<td>59%</td>
</tr>
<tr>
<td>Newsletters</td>
<td>56%</td>
</tr>
<tr>
<td>Bulletin boards</td>
<td>47%</td>
</tr>
<tr>
<td>Intranet sources</td>
<td>39%</td>
</tr>
<tr>
<td>Online health improvement tools</td>
<td>36%</td>
</tr>
<tr>
<td>Departmental staff meetings</td>
<td>27%</td>
</tr>
<tr>
<td>Wellness committee members pass along information to their departments or locations</td>
<td>25%</td>
</tr>
<tr>
<td>Town hall meetings</td>
<td>13%</td>
</tr>
<tr>
<td>Social networking — Twitter, Facebook, blogs, etc.</td>
<td>2%</td>
</tr>
<tr>
<td>Text messaging</td>
<td>0%</td>
</tr>
</tbody>
</table>
SPECIAL CHALLENGES REACHING CERTAIN EMPLOYEE GROUPS

To be successful, communications about the organization’s wellness program must reach all individuals covered by the wellness program. Special communications challenges often add to the difficulty of sharing information. The leading communications challenges were:

- Employees spread out at various geographic locations – 49%
- High stress and lack of time among employees – 46%
- Employees without computer access at work – 45%
- Employees concerned with invasion of privacy/confidentiality – 41%

**CONCERNS IN REACHING PARTICIPANTS**

<table>
<thead>
<tr>
<th>Concern</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees spread out at various geographic locations</td>
<td>49%</td>
</tr>
<tr>
<td>High stress and lack of time among employees</td>
<td>46%</td>
</tr>
<tr>
<td>Employees without computer access at work</td>
<td>45%</td>
</tr>
<tr>
<td>Employees concerned with invasion of privacy/ confidentiality</td>
<td>41%</td>
</tr>
<tr>
<td>Different employee shifts/work hours</td>
<td>30%</td>
</tr>
<tr>
<td>Reaching spouses and dependents outside the workplace</td>
<td>25%</td>
</tr>
<tr>
<td>Lack of trust/poor morale among employees</td>
<td>22%</td>
</tr>
<tr>
<td>No significant concerns</td>
<td>17%</td>
</tr>
<tr>
<td>Non-English speaking employees</td>
<td>12%</td>
</tr>
<tr>
<td>High turnover</td>
<td>9%</td>
</tr>
</tbody>
</table>

“DIRECT COMMUNICATION WITH THE ‘HOLD OUTS’ AS OPPOSED TO GROUP EMAILS, ANNOUNCEMENTS, ETC. SEEMED TO GET A BETTER RESPONSE.”

(SERVICES – WEST COAST)
A 2010 survey conducted by the National Business Group on Health, indicated that nearly one-half (47%) of the 1,500 U.S. employees surveyed said they use Facebook daily or weekly for personal reasons, while 45% use text messaging daily or weekly for personal reasons. Slightly more than one-third said they don’t use social media vehicles for personal reasons at all. However, when it comes to using social media for business purposes, only 7% use Facebook and 16% use text messaging. Additionally, about eight in 10 said they weren’t interested in receiving information about their employer-provided health benefits, or tips on how to exercise, eat healthy or save money on health care via Twitter or text messaging. The majority of employees who participated in this survey seemed to prefer their employers stick to tried and true communication methods – mailings to home and e-mail.

If this is a strategy your organization is considering, it may be helpful to pilot the new way of communicating at a location or with a department that has regular computer access. You may want to hold informal employee focus groups to gain a more accurate measure of their comfort with and/or interest in using these technologies for work-related information or if they would prefer another source. If possible, track whether employees are moving beyond digital “review” in which they just view a web page or e-mail, to performing “click-throughs” to access more information. Electronic communications may assist you and your vendors in tracking which messages and images compel the greatest number of employees to seek additional information.

ADDRESSING PRIVACY/CONFIDENTIALITY CONCERNS

When promoting worksite wellness, employers are often challenged by the privacy and confidentiality concerns of their employees. Communications about the program should clearly state for employees: What’s in it for them – what are the benefits? Why should they participate? Who is going to see their personal health information? Who might contact them and why? Another important strategy to mitigate this common concern is to share the aggregate results from programs like health risk assessment and biometric screening campaigns. Let your employees know what your organization has learned by looking at the big picture of employee health risks. Also, update them yearly on any changes or progress that is being made within the aggregate data and for the overall wellness program goals. Sharing a sample aggregate report in advance of program roll-out or annual health assessment campaigns with employees can be an effective strategy to alleviate concerns about the organization having access to personal health information. Employees will more likely be active supporters of your program if they understand the value of it and the benefits to them personally, as well as to your organization in the long term.
ORGANIZATIONAL PERSPECTIVES

Leadership support is often touted as the essential element for long-term wellness program success. As more and more employers are establishing worksite wellness programs, the idea that having all management dedicated to facilitating optimal employee health as an integral part of being an effective leader seems to be catching on. The percentage that strongly agrees that leadership is committed to improving employee health increased from 6% in 2009 to 42% in 2010. This year's survey also found:

- Employees generally understand the correlation between their health and health care costs.
- Management is generally committed to improving the work/life balance of its employees.
- Management mostly agreed that employee health is linked to reducing absenteeism and increasing productivity.
- About one-third of survey respondents did not agree that financial rewards should be used to encourage healthy lifestyles; an increase from last year's survey results where only 15% disagreed with that approach. This is double the 15% that felt that way in our 2009 survey.

Research continues to illuminate the importance of intrinsic or personal motivation in relation to successful long-term behavioral change. Some debate the value of such extrinsic or external rewards as financial incentives. Under the pressures of financial recovery, organizations may also be frustrated trying to balance using incentives and increasing overall engagement in their worksite wellness programs.
MANAGEMENT PERSPECTIVE – HEALTH, PRODUCTIVITY AND WORK/LIFE BALANCE

Managers seem to understand that employee health status is linked to absenteeism and productivity. Compared to last year’s survey, more managers are reporting an effort to improve the work/life balance of their employees. About half of the survey respondents offer some type of work/life program, as compared to about a third last year. This is an encouraging sign that employers increasingly recognize the need to help employees achieve such balance. Managerial support of these programs is critical to employee adoption.

The top three work/life programs offered by survey respondents were:

- Flexible work schedule – 37% (as compared to 26% in 2009)
- Telecommuting – 20% (as compared to 12% in 2009)
- Extended family leave (beyond FMLA) – 19% (as compared to 10% in 2009)

WORK AND REAL LIFE – THE DELICATE BALANCING ACT

Work is where we spend most of our waking hours and some of the most important life issues find their way into our work days. Many employees come to work struggling with issues, such as finding or affording reliable child care, managing financial strains, dealing with aging parents or grandparents and navigating the health system with their own chronic health conditions. Coping with real life can often feel like a full-time job in itself. An organization focused on having healthy and productive employees should consider resources and tools that allow employees to balance their work and life in a way that will result in best outcomes in both areas. True balance between these two worlds may seem impossible, but how one deals with issues in each area fuels one’s energy and focus in the other. Organizations can help employees find the right balance by encouraging management to set a good example and to be clear with employees about the boundaries for work time and expectations. They can also encourage and highlight employees with healthy hobbies such as biking, running or gardening.
PARTICIPATION VS. ENGAGEMENT — WHAT IS THE DIFFERENCE?

The old adage “you can lead a horse to water, but you can’t make it drink” captures the essence of participation versus engagement in workplace wellness. An incentive can draw additional employees to participate, but they may not be fully engaged in the program and optimizing their potential benefits of participating over the long term. Unfortunately, many worksite wellness programs and their participants have a very small percentage of long-term health behavior changes. Many of the typical wellness program elements, such as newsletters, health risk assessments and web portals are not compelling or sustaining enough to engage participants’ hearts, minds and time for very long.

Some of the most effective ways to drive both participation and engagement is to follow best practices for wellness program design, including engaging leadership, developing a healthy workplace culture, having a clear and simple incentive design, consistent communications and the strategic use of employee success stories. Certain types of incentives may create a compliance mindset and reduce an individual’s personal commitment or motivation to becoming healthier or maintaining good health. It is essential to educate employees about the rationale for the incentive, with an emphasis on shared responsibility, the goals of the program and the expectation of what is required of them. And, most importantly, remember that success does not come from compelling people to jump through incentive hoops but from creating a healthy culture of shared responsibility and passion for optimal health as well as using incentives strategically to accelerate individual change.

“OUR FUTURE GOALS INCLUDE IDENTIFYING A PROGRAM THAT MORE EFFECTIVELY MEETS THE NEEDS OF THE EMPLOYEES — ONE SIZE DOES NOT FIT ALL. VENDOR’S APPROACH IS TOO NARROW. WE NEED ADDITIONAL AVENUES IN ORDER TO ENGAGE A LARGER PERCENTAGE OF THE EMPLOYEE POPULATION.”

(MANUFACTURING – WEST COAST)

“NOT ENOUGH TIME AND NO ONE TO HELP COORDINATE DESIRED PROGRAMMING, EMPLOYEES LACK TIME AND PUT THEIR OWN HEALTH LAST ON THEIR PRIORITY LIST, MANAGEMENT DRIVING FOR SHORT-TERM RETURN ON LONG-TERM PROGRAMS, DIFFICULTY REACHING EMPLOYEES & THEIR FAMILIES.”

(HEALTH CARE – NORTH CENTRAL)
ORGANIZATIONAL ENGAGEMENT

Only a quarter of survey respondents indicated that they had a specific and defined strategy in place to improve employee engagement. Those that measure employee engagement do so most often with an internal survey. More than half (64%) of respondents noted that they considered their wellness program to be an important part of their overall employee engagement strategy. Having a defined strategic approach to engagement ultimately facilitates a more comprehensive, sustainable worksite wellness program. Details of how an organization will create engagement are an essential part of a long-term vision for employee wellbeing and should be outlined in an operating plan. Many companies’ plans start with the fundamentals of rebuilding trust, improving communication and other elements that enhance career wellbeing.

MEASURING ENGAGEMENT

We do not currently measure employee engagement

We conduct our own internal survey of all employees

We solicit feedback from managers/supervisors about the engagement level of their respective departments

We have contracted with an external organization who conducts an annual survey of our associates

Our organization has a specific and defined strategy in place to improve employee engagement.

We consider our wellness program to be an important part of our overall employee engagement strategy.
WELLNESS PROGRAM ENGAGEMENT

When asked about their organization’s approach to wellness program engagement:

- Many were not sure or disagreed that it was OK to penalize employees who are not taking steps towards health improvement.
- Most agree that they want employees to be compliant with certain steps to get a wellness incentive.
- A large majority agree that they want to improve employee health and address health risks and reward those who are taking steps towards health improvement.
- Most agree that their programs seem to attract the same, healthy employees.
- Many were unsure if they had addressed employee health improvement through aspects of their worksite culture.

WELLNESS PROGRAM ENGAGEMENT STRATEGY

- **We want to reward employees who are taking steps towards health improvement:**
  - Agree: 48%
  - Somewhat agree: 32%
  - Not sure: 13%
  - Somewhat disagree: 3%
  - Disagree: 4%

- **We feel it is OK to penalize employees who are not taking steps towards health improvement:**
  - Agree: 9%
  - Somewhat agree: 13%
  - Not sure: 28%
  - Somewhat disagree: 19%
  - Disagree: 32%

- **We have addressed employee health improvement through many aspects of our worksite culture:**
  - Agree: 15%
  - Somewhat agree: 32%
  - Not sure: 23%
  - Somewhat disagree: 21%
  - Disagree: 9%

- **We have offered some wellness program activities but they seem to attract the same healthy employees:**
  - Agree: 29%
  - Somewhat agree: 41%
  - Not sure: 16%
  - Somewhat disagree: 10%
  - Disagree: 3%

- **We want to improve employee health and to offer programs that address their personal health risks:**
  - Agree: 65%
  - Somewhat agree: 26%
  - Not sure: 6%
  - Somewhat disagree: 2%
  - Disagree: 1%

- **We want employees to be compliant with the steps we have outlined to get the wellness initiative:**
  - Agree: 37%
  - Somewhat agree: 30%
  - Not sure: 23%
  - Somewhat disagree: 5%
  - Disagree: 5%
LEADERSHIP ENGAGEMENT

It appears that, while the research continues to support the importance of leadership engagement, this is an area where many survey respondents are not as focused. There are many opportunities and strategies that can be used to facilitate all levels of leadership becoming more involved to help champion an internal wellness program.

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**Do you regularly (biannually, quarterly, etc.) meet with your leadership team to provide a program update that outlines program accomplishments, success stories, challenges, status updates and/or financial impact results?**

- Yes: 38%
- No: 62%

**Do you regularly request from your leadership team that they communicate program success stories, challenges, status updates and/or financial impact results to the employees?**

- Yes: 25%
- No: 75%

**Do you regularly request that your leadership team and other levels of management participate in ongoing wellness activities?**

- Yes: 43%
- No: 57%

**Do you conduct any specific trainings with senior leadership to help facilitate their buy-in and understanding of the employee wellness program?**

- Yes: 16%
- No: 84%
Another area that appears to hold great potential for the survey respondents as respects wellness programs is that of further engaging their wellness committee members. One of the most common challenges with a worksite committee is maintaining the momentum of the program, keeping members actively engaged and contributing to the sustainability of the program.

- **Do you have an internal wellness champion/captain at each worksite location?**
  - Yes: 31%
  - No: 69%

- **Do you regularly rotate wellness committee member functions or administrative tasks among team members?**
  - Yes: 15%
  - No: 85%

- **Do you provide acknowledgement or appreciation to the wellness committee team members for their contributions to helping shape the wellness program (such as public recognition, appreciation letter/certificate, gifts, etc.)?**
  - Yes: 23%
  - No: 77%
Employee engagement is the focus of many worksite wellness marketing efforts, incentive designs and management communications. Common strategies that survey respondents were employing included providing an explanation of the wellness program in their new hire orientation process and incorporating fun wellness activities into their programs. Less common approaches seem to be refreshing marketing strategies and having a buddy system to attract new participants and encourage social support.

Employee morale appears to be somewhat influential when survey respondents were determining their wellness program design. Most indicated that they wanted the wellness program to be viewed as a perk and that they were focused on avoiding major employee backlash.

To improve employee engagement, a majority of survey respondents indicated that they needed additional incentives, more attractive programs to offer potential participants and stronger leadership support.

Measuring engagement in the wellness program also seems to be an area of opportunity for many survey respondents. Most indicated that it was too early to tell if they have improved health risks among their participants or they simply are not getting any valuable reporting on their programs.

Do you include an explanation of the wellness program in your new hire orientation process?

- 51% Yes
- 49% No

Do you have a mentoring or “buddy system” component of your wellness program to help attract new participants and encourage social support?

- 92% Yes
- 8% No

Do you incorporate “fun” wellness activities or events to increase social support and engage new participants?

- 44% Yes
- 56% No

Have you updated your marketing and communications strategies since the program launch to promote your wellness program to participants and non-participants?

- 64% Yes
- 36% No

What level of influence does employee morale or employee perception have in your wellness program design?

- No influence or very little – we do what is best for our company to save costs
- Some influence – we try to avoid major employee backlash
- Very influential – we want employees to view our wellness program as a “perk”

- 19% No influence or very little
- 41% Some influence
- 41% Very influential

“AS A UNIONIZED ENVIRONMENT, WE CAN MEASURE ENGAGEMENT BY THE NUMBER OF GRIEVANCES, OR LACK THEREOF.”

(HEALTH CARE – NORTHEAST)
Increasing marketing and communication with potential program participants

Setting more specific public goals for achievement

More coordinated efforts

Addressing trust or morale issues with employees

Personalizing messages to recruit program participation

**TOP FIVE FACTORS NEEDED TO IMPROVE EMPLOYEE ENGAGEMENT IN WORKSITE WELLNESS**

![Bar chart showing the top five factors needed to improve employee engagement.]

**OVERALL TREND WITH POPULATION HEALTH RISKS**

- Too early to tell: 30%
- Don’t know/not getting any valuable reporting: 26%
- Getting worse or increasing: 1%
- Little or no change: 24%
- Most seem to be improving: 21%
BUILDING A CULTURE OF HEALTH

Each organization has a unique culture, yet many employers pursue similar strategies in their quest to build a culture of health. The top three strategies remained the same as last year’s survey results. An employee assistance or work/life program was again the most common offering identified by survey respondents. Posting information about healthy lifestyles and encouraging healthy behaviors followed closely as the second most popular strategy. Discounted memberships or reimbursements for fitness memberships and activities were third.

Training of managers and supervisors to support health and productivity efforts was adopted by the fewest survey participants – a mere 5%. This is a slight increase from last year’s reported 4% and remains an important area, not only to reinforce a culture of health, but also to increase employee engagement in both the wellness program and the organization as a whole.

TOP FIVE CULTURE OF HEALTH FEATURES

- Promotes fun competitions, teams for physical activity and/or weight/nutrition in the worksite: 66%
- Provides employees with pedometers or other tracking devices: 59%
- Sponsors teams in community wellness events such as fun runs/walks: 52%
- Covers tobacco cessation products under the pharmacy benefit: 46%
- Has policies and procedures that support optimal health (tobacco, seatbelt use, flex time for physical activity, etc.): 42%
ADDITIONAL PROGRAMS AND TOOLS AVAILABLE

As programs continue to develop and mature we expect to see even higher adoption of these strategies. Additional programs that were most commonly offered include flu shots, health websites and health fairs.

TOP FIVE ADDITIONAL PROGRAM OFFERINGS

- Flu shots: 75% (All employers), 80% (Large employers)
- Health website – general: 46% (All employers), 56% (Large employers)
- Periodic health fairs: 40% (All employers), 49% (Large employers)
- Disease management: 40% (All employers), 62% (Large employers)
- Nurse hotline – basic reference and referral source: 37% (All employers), 46% (Large employers)
Survey respondents that work with wellness vendors are mostly satisfied with them. The majority of survey participants who use vendors indicated that they were satisfied, somewhat satisfied or very satisfied. Very few noted that they were not satisfied. Worksite health screening vendors again won the highest satisfaction ratings.

“WHEN YOU START A PROGRAM, MAKE SURE YOU ARE COMFORTABLE WITH YOUR HRA/BIO METRIC VENDOR. IF YOU CHANGE AFTER TIME, YOU WILL NOT GET GOOD COMPARABLE DATA.”

(MANUFACTURING – NORTH CENTRAL)
PROGRAM MEASUREMENTS

More than half (63%) of survey respondents track absenteeism by employee and only 10% reported that they are able to track or measure presenteeism or other productivity measures. Many health risk assessment survey instruments include questions that can capture self-reported presenteeism and absenteeism.

When asked which measurements are actually used to gauge their wellness program’s success, respondents reported the following top metrics:

- Comparison of health care claim costs over time – 44%
- Participation in wellness programs – 41%
- Use of wellness program services – 28%

Some less commonly used measurements also point to major sources of potential return on investment: productivity improvement (4%), number of high cost employees due to selected criteria such as tobacco use status (7%), comparing risk assessments to periodic updates (8%) and absenteeism costs (10%).
It appears that many of the survey respondents do not have a dedicated budget for wellness or were not sure how much they are spending on their program. Of those that were able to estimate their per-employee-per-year (PEPY) costs, the majority estimate that they spend less than $25 PEPY on external wellness vendors, internal staff time and wellness incentives.

As can be seen in the charts on the following page, surprisingly, about half (53%) of survey respondents indicated that for their management, achieving a positive ROI was not a program goal. This is a jump from last year's survey where approximately one-third of respondents indicated this was not a program goal. Most others believe their management expects to see a positive ROI within two to three years.
FEWER ORGANIZATIONS MEASURE RETURN ON INVESTMENT

While only 15% of respondents with wellness programs reported that their organizations measure ROI, 7% calculated medical claim reductions and 3% measured their return against dollars invested. For organizations that shared this information, the results are below.

**MEASURING ROI**

- Percent of medical claims reduction in certain measures such as chronic conditions or ER use: 7%
- Per dollar invested (example, a return of $1.50 per $1.00 invested/spent): 3%
- Decreases in worker’s compensation or disability costs: 2%
- Increases in productivity: 2%
- Reductions in absenteeism: 1%
- Percent of pharmacy claims reduction: 0%

**SAVINGS PER DOLLAR INVESTED**

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<thead>
<tr>
<th>Savings</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $1.00</td>
<td>0%</td>
</tr>
<tr>
<td>$1.01 to $2.00</td>
<td>11%</td>
</tr>
<tr>
<td>$2.01 to $3.00</td>
<td>11%</td>
</tr>
<tr>
<td>$3.01 to $4.00</td>
<td>17%</td>
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<tr>
<td>$4.01 or more</td>
<td>6%</td>
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</table>

**SAVINGS AS A PERCENT OF CLAIMS**

<table>
<thead>
<tr>
<th>Savings</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1%</td>
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<td>1.01% to 2%</td>
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<td>2.01% to 3%</td>
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<tr>
<td>3.01% to 4%</td>
<td>7%</td>
</tr>
<tr>
<td>4.01% or more</td>
<td>7%</td>
</tr>
</tbody>
</table>
The main barriers to measuring ROI were:

- Insufficient data – 38%
- Not enough time/staffing to dedicate to this – 32%
- Hard to determine influence of wellness vs. other factors which impact health care costs – 30%

“$1.7 MILLION SAVINGS FROM 2009 TO 2010 IN MEDICAL PLAN – OVERALL WELLNESS FOCUS AND PLAN WERE LARGE COMPONENTS OF POSITIVE OUTCOME.”

(HEALTH CARE – SOUTHEAST)
A COMMON MYTH OF ROI

Everyone seems to be talking about ROI, why aren’t you? Don’t be discouraged. The reality is that many employers are not calculating ROI and may never have the resources or comprehensive program dynamics to do so. A true return on investment (ROI) involves calculating the net benefits (or savings minus program costs) as compared to the cost of the original investment. Many worksite wellness articles and presentations cite the typical “3:1” ROI that can be achieved.

The true process of calculating ROI involves complex data requirements and analytical or actuarial evaluation. Published research studies on ROI have collaborated with, and paid for, expert assistance to collect and analyze the necessary data from sources such as health risk assessments, medical claims and absenteeism. This type of data needs to be collected into a trusted data warehouse and analyzed over time. Employers struggle with such issues as participation data collection, not having a large enough participant group to make comparisons over time and not being able to collect consistent data from the same vendor year after year. It can also be a significant challenge to determine what percentage of savings or cost reductions are attributable purely to the wellness program as opposed to concurrent plan design changes and other cost containment strategies.

OTHER MEASUREMENTS ARE VALUABLE

While a true return on investment calculation may be difficult to capture for most employers, respondents reported measuring improvements in other metrics, many of which will ultimately result in lower costs to the organization. The categories in which organizations reported a measureable improvement were:

- Participation, engagement in programs – 41%
- Employee satisfaction – 33%
- Medical claim trends – 31%
- Weight loss – 22%
- Tobacco use rate – 19%

Research studies have outlined the potential cost savings in the areas of absenteeism, disability, workers’ compensation and presenteeism, yet very few of our survey respondents are able to measure these types of savings within their programs.

"INTRODUCED A SUMMER WALKING PROGRAM ESTIMATING THAT ABOUT 1/3 OF EMPLOYEES WOULD SIGN UP. HAD OVER 50% OF EMPLOYEES SIGN UP. AN EMPLOYEE FROM A NEARBY OFFICE CAME OVER AND STATED THAT SEEING ALL OF OUR EMPLOYEES OUT WALKING OUR CAMPUS INSPIRED HER TO START WALKING!"

(NOT-PROFIT – NORTH CENTRAL)
LEADERSHIP REMAINS KEY FOR SUCCESSFUL PROGRAM

While various factors must converge to create a meaningful wellness program, management support and a strong internal leader were once again reported as the top contributors to program success. A culture of health and effective communication are also noted as important aspects of a successful program.

**KEY FACTORS FOR WELLNESS PROGRAM SUCCESS**

- **Management support**: 67%
- **Strong internal leader**: 63%
- **Communication of program**: 60%
- **Culture of health throughout the organization**: 59%
- **Sustainability of program**: 56%
- **Leadership of supervisors and co-workers**: 49%
- **Strong partnership with vendor**: 44%
- **Incentives**: 43%
- **Return on investment**: 25%

“HEALTH SCREENINGS FOUND ONE LEUKEMIA VERY EARLY AND TWO THYROID CANCERS ALSO VERY EARLY.”

(INSURANCE – SOUTHEAST)

“TOBACCO USAGE HAS DECREASED SIGNIFICANTLY. OUR PROGRAM COMPONENTS: POLICIES SUPPORT OUR GOALS, PREMIUM INCENTIVES FOR BEING TOBACCO-FREE, AND ANNUAL QUIT WEEK INCLUDES COUNSELING, TRAINING AND A SUPPORT GROUP.”

(OTHER – NORTHEAST)
MEASURING THE “VALUE” OF YOUR INVESTMENT – VOI

Where’s my ROI? What is the ROI for a health fair? Offering a fitness center discount? Conducting onsite biometric screenings? An employer is unlikely to calculate a true ROI on any single activity in the short term. In the long term, however, the cumulative effect of a multi-component program can be determined. Your wellness program provider should be producing reports on participation, satisfaction and, most importantly, program outcomes that showcase health improvement and behavioral change. These are the outcome reports you should demand from the very beginning of your program. Keep in mind that you will need at least two years of comparable data from your vendor in order to start assessing your program’s overall impact.

Most worksite health promotion programs are put in place intending to generate cost savings but are often not planned nor built to produce optimal results. In order to achieve a positive ROI, a comprehensive program should be customized to meet your unique needs and culture. Realistically, you may be able to estimate ROI and demonstrate health improvement. Avoid focusing too heavily on ROI or throwing around that term when discussing the potential impact of worksite wellness programs. Instead concentrate your efforts on building the best program you can that is customized to your needs and commit to working with vendors that can effectively showcase the value of your program investment (VOI) in realistic ways in the short and long term.

DEFINING A SUCCESSFUL PROGRAM

Organizations define success in their wellness programs in various ways. Some are focused on offering wellness programs to improve morale and retain healthy, productive employees. Others target specific cost drivers within their health care costs. The most important factors influencing program success from our survey respondents were:

- Management support
- Strong internal leader championing wellness
- Communication of program goals and components
- Culture of health throughout the organization

Factors that seemed less important or neutral were:

- Return on investment statistics
- Strong partnership/satisfaction with vendors

“ONE OF OUR WEIGHT MANAGEMENT PROGRAMS IS SO SUCCESSFUL THAT MANY OF THE PARTICIPANTS ARE GETTING OFF ALL OR MOST OF THEIR PRESCRIPTION DRUGS, SEEING IMPROVED BLOOD SUGAR, BLOOD PRESSURE AND CHOLESTEROL. SOME TYPE II DIABETICS HAVE EVEN BEEN ABLE TO GET OFF THEIR INSULIN.”

(HEALTH CARE – NORTH CENTRAL)

THE POWERFUL IMPACT OF WORKSITE WELLNESS

The business case for wellness often hinges on health care cost savings and improving the productivity of a workforce. Regardless of industry or mission statement, all organizations need healthy, productive employees to get the job done and meet their organizational goals with distinction. Wellness programs can change lives – can save lives – especially when health problems are detected before they become overwhelming. The true impact of worksite wellness may be difficult to quantify but the value of helping the workforce achieve optimal health is clear to the organizations that develop programs.
It is hard to create passionate, engaged customers, students or patients without passionate, engaged employees. Engagement in the worksite has become a broad and somewhat difficult concept to define and cultivate. Organization leadership cannot dictate engagement merely with mission or vision statements or through value statements; it must also grow organically one successful work group at a time.

By nature, most people want to contribute to something positive and be proud of where they work and what they bring to an organization. Employee engagement involves capturing the heads and hearts of your employees to instill an intrinsic desire and passion for doing their best, giving their best and living their best. Engaged employees want their organization to succeed because they feel connected emotionally and socially to its mission, vision and purpose.

The same holds true for worksite wellness. The best practice recommendations to conduct employee needs assessment surveys, share success stories, involve all levels of employees in wellness committees and have strong leadership support of the program all contribute to employees feeling that their participation is vital to a positive culture of health in their workplace. Employees need to understand how they can grow with the organization, how they belong, what they can contribute and what they can get from engaging in worksite wellness. At a very basic level, managers can influence employees’ level of engagement in the wellness program by setting an example, sharing organizational expectations and providing needed resources. More than this, they can energize their employees by showing them that they care about the health of their employees and the overall health of their organization.

As the economy recovers, employers are looking for innovative ways to deal with escalating health care costs, maintain employee morale and drive positive organizational results. Worksite wellness, if positioned correctly, can provide a solid foundation for all of these challenges and lead to a more engaged, productive workforce.

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REFERENCES

1 Schwartz, T. (2010), The Way We’re Working Isn’t Working. The four forgotten needs that energize great performance.

With respect to all charts and tables in this document: Not all percentages equal 100% due to rounding. A full technical appendix with all survey data is available to Willis clients upon request.