

WORKPLACE WELLNESS

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Why Promote Wellness?

According to a recent study by the Kaiser Family Foundation and the Health Research and Education Trust, 81 percent of large employers and 49 percent of small employers offer wellness programs to their employees. These programs aim to improve employees' well-being by encouraging them to lose weight, stop smoking or make other positive lifestyle changes.

What is Workplace Wellness?

Workplace wellness refers to the education and activities that a worksite may sponsor in order to promote healthy lifestyles for their employees and their families. Examples of wellness initiatives include health education classes, subsidized use of fitness facilities and internal policies or programs that promote healthy behavior.

Do Wellness Programs Really Work?

When sponsoring a wellness program, the main hurdle to success is employee engagement. The benefits of wellness programs can only be realized if a significant number of your employees take part in your efforts. In order to gain buy-in, some businesses offer employees an incentive for participating or reaching certain health goals.

Why Workplace Wellness?

Wellness affects your company's bottom line in many ways—in particular, it can lower health care costs, increase productivity, decrease absenteeism and raise employee morale. Because employees spend many of their waking hours at work, the workplace is an ideal setting to address health and wellness issues. The U.S. Centers for Disease Control and Prevention (CDC) promotes the formation of workplace wellness programs because,



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according to one of its studies, employees in companies with “a strong culture of health” are three times more likely to actively strive to improve their health.

Control Health Insurance Costs

Health care costs can be a significant portion of a company’s budget, so strategically targeting this expense can improve an employer’s bottom line. Employees with more health risk factors, including being overweight, being a smoker and having diabetes, cost more to insure, and they pay more for health care than employees with fewer risk factors.

A wellness program can help employees with high risk factors make the lifestyle changes to improve their quality of life and reduce their health care costs, while also helping employees with fewer risk factors stay healthy.

Reduce Workers’ Compensation and Disability Costs

Employees who make healthy changes and lower their health risk factors often have a reduced chance of a workplace injury, illness or disability. This, in turn, can save employers money, not just on insurance premiums and benefits paid out, but also on the costs of recruiting and training a new worker to replace an employee who is out of work for health reasons.

Increase Employee Productivity and Fewer Missed Days

Healthier employees mean fewer sick days, which is another benefit companies can achieve through wellness programs. Plus, employees’ healthier behaviors may translate into better family choices, so employees may also miss less work caring for ill family members. In addition, healthier employees tend to be more productive since they are not coming to work ill or are worried about their health problems. Increased productivity and reduced absenteeism can yield significant cost savings.

Higher Morale and Improved Recruiting

A company that cares about its employees’ health is often seen as a better place to work, and wellness programs can attract top talent in a competitive market. In addition, demonstrating a commitment to your employees’ health can improve employee morale and strengthen retention. Below are some of the benefits employees can experience after joining a wellness program:

- Increased well-being, improved self-image and higher self-esteem
- Improved coping skills with stress or other health factors
- Reduced risk for developing chronic or life-threatening conditions
- Increased motivation to improve health

Why Promote Wellness?

- Improved overall health
- Lower costs for health care (fewer doctor visits, lower premiums, less need for expensive care, etc.)
- Access to needed social support, as co-workers also strive toward healthier lifestyles
- Improved job satisfaction
- Safer and more productive work environment

Employees who experience these positive changes and benefits will often feel more loyal to their company and be more grateful for the company's commitment to their health.

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Results-oriented Wellness Programs

When implemented successfully, workplace wellness programs can reduce health care costs, increase employee productivity and reduce absenteeism. While some wellness programs encourage participation, others are results-oriented, meaning employees are encouraged to meet certain health goals or metrics. The following article discusses the different types of wellness programs and tips for designing a successful program.

Types of Wellness Programs

Awareness-oriented

- Provides information and resources to help employees learn about healthy lifestyle choices
- Emphasizes education and awareness, rather than actual activity or behavior
- Tends to be the most appealing to already health-conscious employees

Activity-oriented

- Combines awareness with participation in healthy activities
- Common examples include walking programs and discounted or free gym memberships
- Often offers some type of participation incentive
- Usually leads to some health care savings, but realizing a positive return on investment is not always immediate

Results-oriented

- Focuses on measurable health outcomes and behavior changes
- Includes components of awareness- and activity-based programs
- When paired with incentives, this type of program can lower health care costs, decrease absenteeism and reduce the number of workers' compensation claims



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Implementing a Results-oriented Program

Follow HIPAA Guidelines

One reason employers may shy away from results-oriented wellness programs is due to concerns about HIPAA's nondiscrimination rules. HIPAA prohibits group health plans and group health insurance issuers from discriminating against individual participants and beneficiaries in eligibility, premiums or benefits based on a health factor. However, HIPAA does allow benefits (including cost sharing), premiums or contributions to vary based on participation in a wellness program, if the program complies with certain nondiscrimination standards. Under these rules, results-oriented wellness programs that are linked with group health plans are permitted if they abide by the following five conditions:

1. The program must give eligible individuals the opportunity to qualify for the reward at least once per year.
2. The total reward (incentive) for results-based programs is limited. Generally, it must not exceed 30 percent of the cost of coverage under the plan. For wellness programs that are designed to prevent or reduce tobacco use, the total reward cannot exceed 50 percent of the cost of employee-only coverage.
3. The program must be reasonably designed to promote health and prevent disease. To be considered reasonably designed to promote health or prevent disease, results-oriented wellness programs must provide a reasonable alternative standard to qualify for the reward for all individuals who do not meet the initial standard that is related to a health factor.
4. The full reward must be available to all similarly situated individuals. The program must allow a reasonable alternative standard (or waiver of initial standard) for obtaining the reward for to all individuals who do not meet the initial standard based on a measurement, test or screening, regardless of any medical condition or other health status.
5. The plan materials describing the terms of the program must disclose the availability of a reasonable alternative standard (or the possibility of a waiver of the initial standard).

In addition, the wellness program must comply with other applicable laws, including the Americans with Disabilities Act (ADA) and the Genetic Information Nondiscrimination Act (GINA). To avoid noncompliance, employers should have their legal counsel review their wellness programs before they are rolled out to employees.

Components of a Successful Program

Consider the following strategies when designing a workplace wellness program:

- **Education**—Provide employees with information about healthy eating, exercising, smoking cessation, weight loss and other health topics.
- **Health risk assessments**—This type of assessment can help you identify employees' health needs and what risk areas your program should focus on.

- **Health testing**—This type of testing measures weight, body mass index (BMI), blood pressure, blood lipids and more to provide employers with a benchmark for goals to improve health factors.
- **Incentives**—Offer employees monetary or other rewards for participating in wellness activities or for achieving specific health goals.
- **High participation rates**—Use incentives and marketing to increase participation rates and drive the most return on investment.
- **Frequent contact**—Distribute posters, emails, intranet posts and bulletin board reminders to keep employees engaged in your program.
- **Family participation**—Encourage employees' family members to participate, making it easier for the employees to strive toward a healthier lifestyle at home.
- **Exercise**—Offer on-site workout facilities or discounted gym memberships to encourage employees to be more active.
- **Smoking cessation**—Include a smoking cessation program within your wellness plan to combat one of the leading health risks among employees.
- **Flexibility**—Allow flexibility in setting your objectives and goals, so that employees can personalize the program to address their most pressing risk factors.

Getting Started

Follow the tactics below to get your wellness program off the ground:

- **Seek executive approval**—A wellness program will not succeed without buy-in from your company's executives. Gaining senior-level support is key to building an effective wellness program.
- **Put together a wellness team**—Placing a team in charge of wellness helps make sure that initiatives remain a priority and that enough resources are available to successfully design, administer and monitor a wellness program.
- **Develop a plan**—Design a wellness program based on your company's size, needs and financial situation. You'll need to decide what type of incentives to offer, which health initiatives to emphasize and more. Remember to keep your program in compliance with HIPAA guidelines and the other applicable laws mentioned above.
- **Follow up and evaluate**—Once you've implemented your program, monitor participation rates and progress to make sure it is on the right track. Only by continuing to evaluate your program will your company be able to achieve a maximum return on investment.

For help setting up a results-oriented wellness program, contact The Health Consultants Group today.

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Evaluation

Evaluating your workplace wellness program can provide you with the information you need to measure whether your employees' attitudes, behaviors and health indicators have improved as a result of your program. This information can then help you make any necessary changes to your wellness program.

Types of Evaluation

Use the following evaluation methods to gauge the success of your workplace wellness program:

- Participation levels—The number of staff enrolled and participating will demonstrate employee interest in the program and how well it is supported.
- Program registration sheets—Similar to analyzing participation levels, these logs capture program information that can be compared from year to year.
- Pre- and post-test surveys—These surveys can measure changes in attitude, knowledge, and current eating and physical activity habits from the initial assessment to the completion of a specified program or campaign. In addition to surveys, you can ask employees to fill out self-reported behavior-change surveys, in which they indicate how they went from being an uninvolved employee to a motivated participant of the program.
- Quiz employee knowledge and skills pre- and post-participation.
- Measure the popularity of healthier vending machine options.
- Use health risk assessments (HRAs) to measure health indicators (blood pressure, cholesterol, BMI, weight, etc.) and risk factors (obesity, high blood pressure, tobacco use, etc.) before and after the program. Make sure to be aware of legal concerns surrounding HRAs before implementing this type of program.
- Measure turnover and recruitment since the implementation of your wellness program. Employees typically view companies with wellness programs as a better place to work.



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- Compare health care claims data over time. Look for changes in the number and type of claims (hospitalizations, outpatient visits, etc.). Also, track measures such as preventive care utilization and prevalence and cost of chronic diseases.
- Measure your corporate costs and return on investment (ROI). What a program costs to implement and run should be easy to quantify. Compare these costs to your savings from things like reduced health care claims and absenteeism in order to calculate your ROI.

Evaluation Schedule

Periodically evaluating your wellness program allows you to tailor your wellness initiatives to best meet the needs of your employees:

- **Frequently:** Evaluate participation using registration records and participant satisfaction surveys on an ongoing basis.
- **Annually:** Conduct personal health assessments, health risk assessments and health screenings once a year.
- **Biennially:** Conduct a modified claims analysis, health and productivity audit every two years. This information represents large data sets that do not change frequently but are important to measuring your program's success.

Need more information about evaluating your wellness program? Contact The Health Consultants Group today.