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Corporate Wellness

Get Wellness, Soon!

Implementing and benefiting from a corporate wellness program

It's no secret that an employee's physical and mental wellness affects his or her performance at work.

That's why the latest trend sweeping the nation's top companies is a shift from offering only employee assistance programs, or EAPs, to a more complete corporate wellness package. Chalked full of prevention, wellness packages are yielding positive results for both employee health and company pocketbooks.



In fact, an October 2007 study by the Milken Institute found that if the nation's top companies focused on preventing rather than treating employee wellness issues, they could stave off 40 million cases of cancer, heart disease and other chronic illnesses during the next 15 years.¹

Translation? Such an impact would shrink the cost of medical care and lost productivity by \$1.1 trillion.

By implementing a corporate wellness program within your organization, you'll be able to witness these same benefits – just on a bit smaller scale! And, we'll show you how.

What's health got to do with it?

With healthcare costs on the rise and employees becoming less healthy, wellness programs are a welcomed solution for many organizations in stopping issues before they start or combating issues once they've begun. These programs are especially important because organizations, like yours, rely on healthy workers to stay competitive within their industries.



Corporate wellness programs work because they make employees accountable for their health and reaching their goals. In addition to improved employee health and lowered disease prevalence rates, organizations will reap many other benefits from implementing a corporate wellness program, including:

- Improved employee health

¹ Andrews, Michelle. "America's Best Health Plans." *US News and World Report*. 25 Oct. 2007. 25 June 2008
<<http://health.usnews.com/articles/health/health-plans/2007>>.

- Lowered disease prevalence rates
- Decreased employee absenteeism
- Improved productivity
- Reduced new-hire training costs
- Lowered medical costs and fewer claims

By offering various incentives for a job well done, employees feel rewarded for making healthy choices and keeping such habits a regular part of a healthy lifestyle.

For example, at Johnson & Johnson, employees get \$500 off their health insurance premium for completing a health risk assessment (HRA) and working on health problems with a counselor. Or, look at IBM – its employees can earn up to \$300 in cash by exercising, eating right, not smoking and filling out a health questionnaire.²

But, cash or premium incentives may not be for everyone. In order to determine the right mix for your company's corporate wellness program, you have to start at the beginning: an internal assessment and determination of goals.

On your benchmark, set goal!

Start your road to corporate wellness by taking stock of where your organization currently sits. What do you know about employee health statistics? By benchmarking, you'll be able to better determine future outcomes that you hope to achieve.

Proper benchmarking gathers a variety of data, including³:

- Current benefit-program costs of stress and illness (including benefits usage, compensation and short- and long-term disability claims)
- Absenteeism patterns and related costs
- Retention rates and costs of rehiring
- Productivity and quality costs
- Current employee health, stress and satisfaction levels (best obtained through distributing an employee questionnaire if data is not already available)
- Current wellness programming (can include safety, fitness, nutrition, health monitoring and health benefits, training and development, reward and recognition, team building initiatives, conflict and problem-solving programs and strategies and communication programs)



² Andrews, Michelle. "America's Best Health Plans." *US News and World Report*. 25 Oct. 2007. 25 June 2008 <<http://health.usnews.com/articles/health/health-plans/2007>>.

³ Beuermann-King, Beverly. "Comprehensive Wellness Programming and EAPs." *Journal of Employee Assistance* (2005). *Goliath*. 24 June 2008.

Best Practices

Then, once you've assessed your company's current "State of Wellness," you can move on to determining what the goals of your wellness program will be.

As always, both your short- and long-term goals should be achievable. Short-term wins should be projected within six months or less, whereas long-term wellness goals usually fall into the five-year range. Common goals of corporate wellness programs may be⁴:

- To raise awareness on the issues of wellness importance
- To promote self-evaluation internally
- To provide an opportunity for individuals to assess themselves
- To help individuals look for positive alternatives to their behaviors

After your goals are in order, begin to brainstorm what strategies will need to be implemented to reach them in the time allotted. Look at what outcomes are expected and what budget will be needed, too.

Pave the way with incentives

Now, let's talk prizes, people! Well ... actually, incentives. But, it's more fun to say "prizes."



The best wellness programs are those that offer incentives to participation as fuel for success. But, don't take our word for it: in 2007, SHPS Inc., a Louisville, Ky. health plan management firm, surveyed 115 large and mid-sized employers. They found that simply adding a non-incentive wellness program correlated with 17 percent higher healthcare premiums versus adding a wellness incentive program, which correlated with a 15 percent savings on premiums.⁵

The question then becomes, of course, what to include in a wellness program benefit package. According to the Kaiser Family Foundation, smoking cessation, use of onsite fitness centers and weight-loss programs are the big three among approximately a third of large employers that provide insurance.⁶

Among other popular wellness program incentives are:

- Gift certificates or merchandise
- Discounts on health insurance co-payments, deductibles or premiums
- Cash payments
- HRA or health savings account contributions

⁴ Beuermann-King, Beverly. "Comprehensive Wellness Programming and EAPs." *Journal of Employee Assistance* (2005). Goliath. 24 June 2008.

⁵ Bell, Allison. "Survey: Cash Incentives Work Better Than High Deductibles." *National Underwriter*, August 6, 2007.

⁶ Andrews, Michelle. "America's Best Health Plans." *US News and World Report*. 25 Oct. 2007. 25 June 2008 <<http://health.usnews.com/articles/health/health-plans/2007>>.

- Discounted gym memberships
- Free cholesterol screenings
- Discounted Weight Watchers membership
- Healthy cooking classes or lessons
- Stress management courses
- Healthy pregnancy programs
- Discounts on generic prescriptions for chronic conditions like diabetes or asthma
- Counseling
- Acupuncture or massage services



Financial planning services can also be a great asset to an overall wellness program, as employee health and workplace performance can often hang in the balance of personal finance.

Think about it – one of the greatest causes of stress, depression and anxiety can be money or the lack there of. By adding a financial planner to the mix, employees can assess poor spending habits or unhealthy behaviors that cause debt and other financial difficulties. Then, they can more easily determine the steps needed to achieve a healthier financial state ... and, overall state of mind!

Case in point 1: GM and the United Auto Workers

As we said earlier, sometimes cold-hard cash incentives are not the greatest of motivators. Your incentives are dependent on your organization's culture and employee interests – a little-known fact that GM and the United Auto Workers know all-too-well.

The two companies developed an out-of-the-box benefit and incentive package to pair with their corporate wellness program, one that included exactly what their employees wanted: leverage in negotiation.

Both groups realized that, as part of a union industry, rising healthcare costs could potentially tie the hands of bargaining units at the negotiation table. So, the incentive for utilizing the wellness plan came in the form of additional bargaining options for future contracts.



The result? \$42 per person in reduced medical costs and a 1.5 percent change in risk status. Now that's a wellness incentive plan with real power and potential for growth!⁷

⁷ McGlynn, Elizabeth, et. al. "The Business Case for a Corporate Wellness Program: A Case Study of General Motors and the United Auto Workers Union." A Field Report, published April 2003. Downloaded May 14, 2008 from The Commonwealth Fund Web site at www.commonwealthfund.org.

Identify, target, engage and measure outcomes

Once you've determined incentives that are the best fit for your organization and its employees, it's time to begin the process of implementing your corporate wellness program.

David Berkemeier, president of Occupational Health Solutions, recommends all organizations follow a three-step process when ready to implement a corporate wellness program⁸:

- Step 1:** Identify high-risk populations within the workforce
- Step 2:** Target those populations with interventions and engage participants to assume responsibility for their health actions
- Step 3:** Measure your outcomes and ROI by tracking participants diligently



Let's look a little more closely at these three steps:

Step 1: Begin the process internally by establishing an onsite health risk assessment.

Your worksite assessment may include a variety of methods to gather current health information of participating employees. This information, once obtained, must remain private and confidential. So, it's important to communicate to your team the confidential nature of the tests, as well as consider the physical location and process of the onsite assessment. Tests may include:

- Fitness profiling that includes height, weight, waist measurement, blood pressure, body composition or body mass index (BMI), aerobic state, timed curl-ups and flexibility and posture screening. Keep this portion private to each individual, as it will serve as a starting point for identifying any potential health risks.
- Blood profiles, given by trained medical professionals of course! Blood tests can provide such crucial wellness information as total cholesterol, triglycerides (fat) and glucose (sugar).



⁸ Berkemeier, Dave. "Corporate Wellness Programs the Pay Dividends." *Kentucky Banker Magazine* Feb. 2007. *BNET.com*. 24 June 2008.

This entire assessment of participants is often performed in the setting of a “corporate health fair,” a one-day event devoted to employee health and wellness.

Corporate health fairs are easier to promote and more cost-effective than spanning your assessment over the period of several days. The entire assessment can be done easily within 30 minutes per person, if properly planned and coordinated.

Promote your health fair at least two weeks in advance to ensure employee schedules don’t conflict with their health risk assessment time. Try to involve a few fun elements in the day as well, such as a healthy cooking demonstration or a group fitness class. By keeping it light and energetic, you’ll be guaranteed higher employee morale and increased willing participation.

Step 2: Focus on high-risk employees and engage them to change lifestyle habits

Once you have identified high-risk team members, Berkemeier recommends following through on two fronts in order to spark change of their learned lifestyle habits⁹:

- 1) Involve their primary care physician. After their health assessment is complete, ask for their consent to mail a summary of your findings to their medical provider for follow-up and care management. This ensures that no excuses can be made for visiting the doctor, as the information will already be in their physician’s hands.
- 2) Offer health coaching options. Give willing participants the opportunity to work with a certified health coach to assist them in reaching any short- and long-term goals. Encourage regular activity between coaches and employees to ensure gaps in communication are avoided and regular benchmarks are met (or, exceeded!).



Step 3: Track, measure, WIN!

Finally, don’t forget to consistently track and measure your team’s progress. This step is crucial to determining your return on investment and planning future program steps.

⁹ Berkemeier, Dave. “Corporate Wellness Programs the Pay Dividends.” *Kentucky Banker Magazine* Feb. 2007. *BNET.com*. 24 June 2008.

When calculating your program's ROI, you'll need buy-in and teamwork from many different areas, including your upper management, insurance broker, insurance carrier and wellness vendor (if applicable). Compare final group data regarding health information and insurance costs with the original data gathered before any participants began their road to a healthier lifestyle.

Typically, a positive ROI can be expected within three years of program implementation and can range from \$3.00 to \$6.00 for each dollar invested in the program.¹⁰

Following Best Practices

In addition to Berkemeir's three-step process, keep in mind the industry's best practices to ensure a positive outcome. As outlined in *HR Management*, the five best practices of implementing corporate wellness programs are¹¹:

- 1) Offer comprehensive programs - Always include the five essential programming elements in your plan: assessment, intervention, education, access and incentives.
- 2) Due HRA due diligence - Always offer a free consult to employees and their spouses after taking their HRA, regardless of their risk level, to ensure all needs are met and addressed face-to-face.
- 3) Drive participation - Most commonly, employers charge staff members who do not take their HRA or review their results with a health coach/consultant. Or, reward your employees with a lowered insurance premium for early participation, if you don't wish to penalize.
- 4) Keep the information flowing - Constant communication and education is crucial to success. From monthly workshops to regular health promotions around the office, ensure your employees are staying educated and engaged.
- 5) Build in the cost - Build the cost of your wellness program (usually about \$1.50 to \$3 per employee, per month) into each team member's required benefit contribution to curb costs on your end.



Best practices also state incentives should be used to entice employees into a program, and help employees want to become healthier. According to President and CEO of

¹⁰ Berkemeier, Dave. "Corporate Wellness Programs the Pay Dividends." *Kentucky Banker Magazine* Feb. 2007. BNET.com. 24 June 2008.

¹¹ Paul, Rich, Ted Dacko, and Thomas Montgomery. "Corporate Wellness." *HR Management*. 24 June 2008 <<http://www.hrreport.com/pastissue/printarticle.asp?art=271121>>.

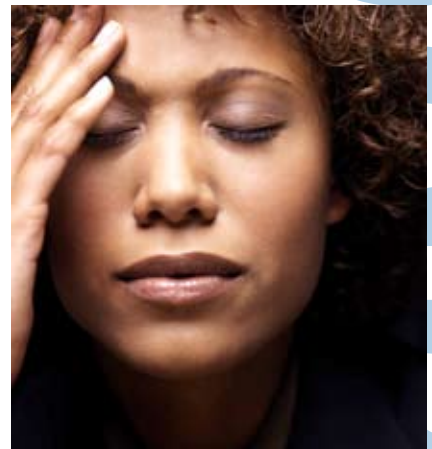
HealthMedia Inc. Ted Dacko, most companies only do the former and forget about the latter. In order for your incentives to be successful, they must work toward prolonged change not just a quick win.¹²

EAPs and the Road to Good Mental Health

Thus far, we've done a lot of talking about implementing a corporate wellness program that targets a team's physical health. But, what about emotional health? Because, as we all know, a slue of problems can result if someone is struggling from one or more personal issues.

Enter the Employee Assistance Program; or, EAP for short. EAPs are usually offered through medical institutions, hospitals or clinics, and serve as an independent resource for tackling and overcoming personal problems before they adversely affect job performance.

EAPs usually involve counselors that help employees, confidentially, deal with impeding personal problems, such as addiction, relationship or marital issues, depression or workplace conflict. By adding an EAP element to your corporate wellness plan mix, you'll be guaranteed higher employee retention, boosted employee morale and increased productivity – all ROI elements that any organization can be proud of!



Stay on the Good Side of the Law

When planning and implementing any corporate wellness program, it's important to be sure your organization doesn't cross legal boundaries, especially when dealing with personal information and behavior modification.

In July 2007, a federal regulation was passed mandating that all wellness programs may only offer rewards/penalties tied to a particular standard if offering an alternative.¹³ For example, if a gift card is rewarded to those reaching a BMI (body mass index) under 30, the same incentive must be offered for an alternative activity, such as brisk, everyday walking.

According to Fox Rothschild, Attorneys at Law, employers can eliminate the possible legal trouble by following three simple rules:

¹² Paul, Rich, Ted Dacko, and Thomas Montgomery. "Corporate Wellness." *HR Management*. 24 June 2008 <<http://www.hrmreport.com/pastissue/printarticle.asp?art=271121>>.

¹³ Andrews, Michelle. "America's Best Health Plans." *US News and World Report*. 25 Oct. 2007. 25 June 2008 <<http://health.usnews.com/articles/health/health-plans/2007>>.

- 1) Incentivize, don't penalize: Focus on educational elements of physical and emotional health, rather than the negative outcomes if they don't change their habits.
- 2) Keep decisions separate: Corporate wellness and employment decisions are two separate things; so make sure employees realize that their participation will not affect their employment status.
- 3) Train, train, train: Make sure that employees who are helping to implement the corporate wellness program are aware of relevant laws and company policies in regard the privacy, confidentiality and discrimination.

Too much information is never enough either ... in terms of reassurance that is. Make sure that willing participants know that they will not become discrimination targets if they choose to participate. After all, your program is meant to inspire and motivate its participants, not increase their stress or anxiety!

Using a third, independent party to implement your corporate wellness program will further alleviate any potential legal hazards down the road. If an independent organization is responsible for all aspects of implementation and measurement, your organization will be less likely to suffer legal damages. In addition, working with an independent wellness services provider offers additional consulting capabilities and expertise in successfully and strategically executing key program components.

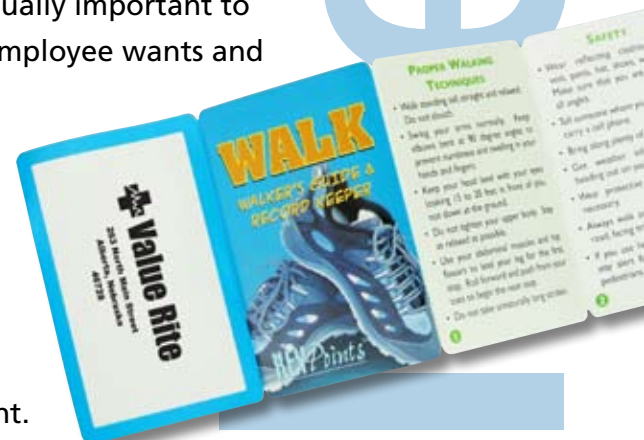
Moving forward, increasing involvement

You've got your corporate wellness program all planned out. Buy-in exists from upper management and all incentives are accounted for. HRAs and program implementation were successful and the ball is rolling.

So, now what?

Once you've successfully kicked off your wellness program, it's equally important to ensure participation levels are met and that you are relating to employee wants and needs. To increase internal participation, try a few of these tips:

- Use your HRA as the golden ticket to your success. Use it to identify specific physical and emotional needs of your audiences, and tailor your communication to reflect these needs.
- The right media is necessary to survival and growth. Invest your time and money into communication strategies that are effective, high-quality and convenient.
- Customization is king. Utilize resources such as coaching, online interventions, one-on-one sessions with health experts and personal



trainers to help staff work toward goals and develop realistic activities to achieve them. By ensuring all team members are treated as individuals, you'll be guaranteed a higher level of engagement, longer.

- Try to apply key motivators to real-world situations. For example, if getting healthier means a greater lung capacity for Jane Doe, what will this really mean to her? More time playing with her kids? Exercising with her husband? Not being out of breath on the stairs? Keep it relevant to gain the most leverage.

Another great way to increase involvement is to create a social community surrounding goals, progress and rewards.

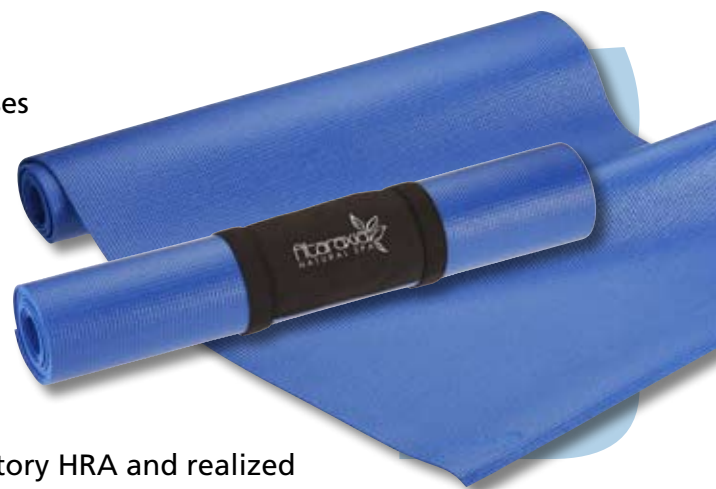
Harvard sociology professor Nicholas A. Christakis found that if a person gains or loses weight, the odds drastically improve that their friends will follow suit.¹⁴ Consider launching an online initiative on Ning, Facebook or MySpace (or, your company's internal Web site if feasible) – see our Social Networking Blue PaperSM for details!) to keep everyone in the loop and push participation through the roof.

Case in point 2: 4imprint (Hm, that name rings a bell!)

At 4imprint, we feel that in order to be credible experts on a topic, we must practice what we preach and lead by example. That's why our corporate wellness plan focuses on our core philosophy: Do right by people. We call it Fit4Life.

During the last 10 years, we have worked with a local healthcare provider to build a comprehensive wellness program. Our program offerings are varied, yet we try to be comprehensive in tailoring to every person's unique needs. Such offerings include:

- Onsite nurse, bi-monthly
- Yoga and Pilates courses
- Smoking cessation and weight management courses
- Blood pressure screenings
- Breast cancer and bone density scans
- On-site monthly massage
- Healthy dining alternatives
- Lunch and learns
- Pharmacist visits to review prescriptions



We came to our Fit4Life solution after test-driving a mandatory HRA and realized it wasn't the best fit for our people. We then returned to voluntary status, offering incentives to participate with health dollars that our employees can spend on health-

¹⁴ Holland, Kelley. "Waistlines Expand Into a Workplace Issue." *The New York Times Online*. 22 June 2008. 24 June 2008 <<http://www.nytimes.com/2008/06/22/mgmt.html>>.

related purchases over the course of the year.

Additional incentives are provided for wellness-related activities, too, using a self-designed online points system. Using this system, our HR team launches campaigns and contests and tracks participation. Employees use the system to self-report activity levels, earning points that can be used toward merchandise, gift cards or certificates. It's all up to them.

And, it's working. We've seen the results. Our program has helped employees keep a handle on premium increases and adapt healthier lifestyle habits—what corporate wellness incentive programs are all about.

So, the next time your organization is assessing its annual health insurance payouts (and, perhaps pulling its hair out!), consider a solution in corporate wellness incentives. The old adage, "An ounce of prevention today is worth a pound of cure," could never ring more true.



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