



Making wellness work for you

Ever thought about implementing a corporate health and wellness program, but not sure what the benefits are – or even where to start? We put your most-asked questions to three industry experts.

HRM. What are the expected benefits of implementing corporate health and wellness programs?

TD. The benefits of a corporate wellness program are lowered medical costs, improved productivity, happier, healthier and more loyal employees, and lower disease prevalence rates. When a high-quality program is implemented, and motivation to take a program is changed from extrinsic motivation (incentives and rewards) to intrinsic motivation (“I want to be healthier”) the programs can improve an employee’s self-perceived quality of health and quality of life. These changes lead to the benefits listed above. Simple programming that is just a collection of tools and resources does not accomplish this.

TM. A healthier workforce will incur fewer claims, be more productive and have less absenteeism/presenteeism. Also, corporate health and wellness programs don’t require any employer investment. So what logical reason would an employer have to not implement a health and wellness program? Employers of all sizes and industries seeking to reduce their insurance costs should understand that claims are primarily driving the increases. Risks – specifically the behavioral

and lifestyle risks of your employees – fuel claims. Thus to reduce cost we must reduce risk, as cost follows risk. Most benefit plan designs incorporate early detection to identify once we’ve failed to keep an employee healthy but fall short of truly maintaining and improving the health of the workforce.

RP. Worksites can be instrumental in improving the health of employees. Most adults spend more of their waking hours at work than anywhere else, making it an ideal setting for health promotion activities including the promotion of healthy lifestyle habits. The worksite organizational culture and environ-

and wellness programs not only for employees but for the organization as well.

A US Department of Health and Human Services report revealed that at worksites with physical activity programs, employers have reduced healthcare costs by 20 to 55 percent, reduced short-term sick leave by 6 to 32 percent and increased productivity by 2 to 52 percent.

HRM. How important are wellness programs in driving down healthcare costs for an organization?

RP. Wellness programs can have a significant impact on driving down healthcare costs for

“Corporate Health & Wellness Programs are an imperative component of a proactive benefit plan design” - Thomas Montgomery

ment are powerful influences on one’s behavior and this should be put to use as a means of assisting employees to adopt a healthier lifestyle. There is significant research that supports the benefits of corporate health

an organization because it is lifestyle issues that have the greatest influence on one’s health. Wellness programs can address such issues as weight reduction, improved physical fitness, decreasing stress levels,



Rich Paul, MSW, CEAP

Rich Paul serves as Vice President of Health and Performance Solutions within the employer solutions division of ValueOptions. Paul is responsible for the implementation of company-wide EAP best practice initiatives, product development, as well as quality practices and standards. He has 15 years experience within the EAP and behavioral health field.

He is President of the Employee Assistance Society of North America and has authored over a dozen articles and is a frequent speaker on a variety of issues that impact upon productivity and organizational performance. He obtained his Master of Social Work and post-graduate certificate in Business Administration from the University of Illinois in Chicago, with a concentration in Occupational Social Work and Organizational Development services.



Thomas J. Montgomery, MHA, MBA

Thomas Montgomery has a Master in Health Administration (MHA) from the prestigious University of Minnesota's School of Public Health and an MBA from the University of Minnesota's Carlson School of Business. He has worked in the healthcare industry since 1989, covering a whole range of employment and management experiences. He formed Wellspring Healthcare Enterprises Inc. (of which is he President and CEO) with the goal of creating affordable and effective means of reducing insurance costs for employers while improving the overall health of the employee population.
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Ted Dacko

Ted Dacko is President and CEO of HealthMedia Inc. Ted has more than 30 years of experience in executive-level management, including sales, marketing and the Chief Executive Office, principally in the area of software services and solutions. He is an expert in the use of revolutionary, scalable online interventions to educate, motivate and empower individuals to change behavior.

TM. Corporate health and wellness programs are an imperative component of a proactive benefit plan design. What are the goals of your benefit plan design? Is it to first, improve the health of the workforce and, secondly, pay for medical services when you've failed to do so (proactive approach) or simply to pay claims (reactive)?

While many factors impact the healthcare costs of an employer (especially the five percent of the employees incurring 60 percent or more of the costs), an effective wellness and prevention program is extraordinarily important to keep the low risk employees low risk and to keep the moderate risk employees from progressing to high risk.

HRM. What are some best practices for implementing successful wellness programs?

TM. In the last half of 2007 and into 2008, there are five best practices expected to have the greatest impact to the success of employers' wellness and prevention programs first, implementing comprehensive programming that incorporates assessment, intervention, education, access, and incentives for the employee and spouse.

Second, offer post-HRA consultants (commonly called Health Risk Reviews) to employees and spouses of all risk levels of risk through one-on-one consultations with a Certified Health Coach.

Third, to drive participation, use a carrot/stick approach to motivate employees and dependents to participate.

Fourthly, year round education is key to program success. Monthly, on-site health presentations and workshops are very popular with employees and effective in promoting good health and are available without any cost to employers.

Fifth, as the typical comprehensive wellness program costs \$1.50 pepm to \$3 pepm, employers are building the cost into the employees' required benefit contribution.

RP. Some of the best practices for implementing a successful wellness program begin with assessing the unique needs and risks of the workforce. This may involve the use of an extensive health risk appraisal (HRA) that, coupled with healthcare expenditure data, can provide meaningful insight into both the design and priorities of a wellness program. Forming a

improved mental health, increased stamina and assist in increasing overall well-being. As employees address these issues we see the benefits not only in reduced healthcare costs but also in decreased rates of illness and injuries, reduced employee absenteeism, improved employee relations and morale and, of course, increased productivity.

TD. Several randomized control trials conducted by HealthMedia show that high-quality, scalable, low-cost interventions can

lower health care costs from \$110 per participant to as much as \$650 per participant. The ROI therefore is a function of the cost of the intervention. By using sophisticated technology, we developed a method of duplicating a health coaching telephonic call on the web, without the telephonic coach. This high-quality, low-cost approach can provide a very substantial ROI and tremendous productivity gains. So, while lowering medical costs is essential, do not forget about the benefits of productivity gain.

wellness committee comprised of a cross representation of the organization can assist in promoting and communicating the benefits of the wellness program to the entire workforce. Such a committee can serve in an advisory capacity to the wellness program but they also become internal champions on the benefits and value of wellness influencing the organizational culture. Employers should consider creative incentives to motivate and encourage program use.

TD. Best practices are to use incentives to entice employees into a program (extrinsic motivation), but help employees want to become healthier (intrinsic motivation). Most companies do not do this. If you pay employees \$400 to take a program, why do you think they take the program? Do you really expect this will promote lasting change?

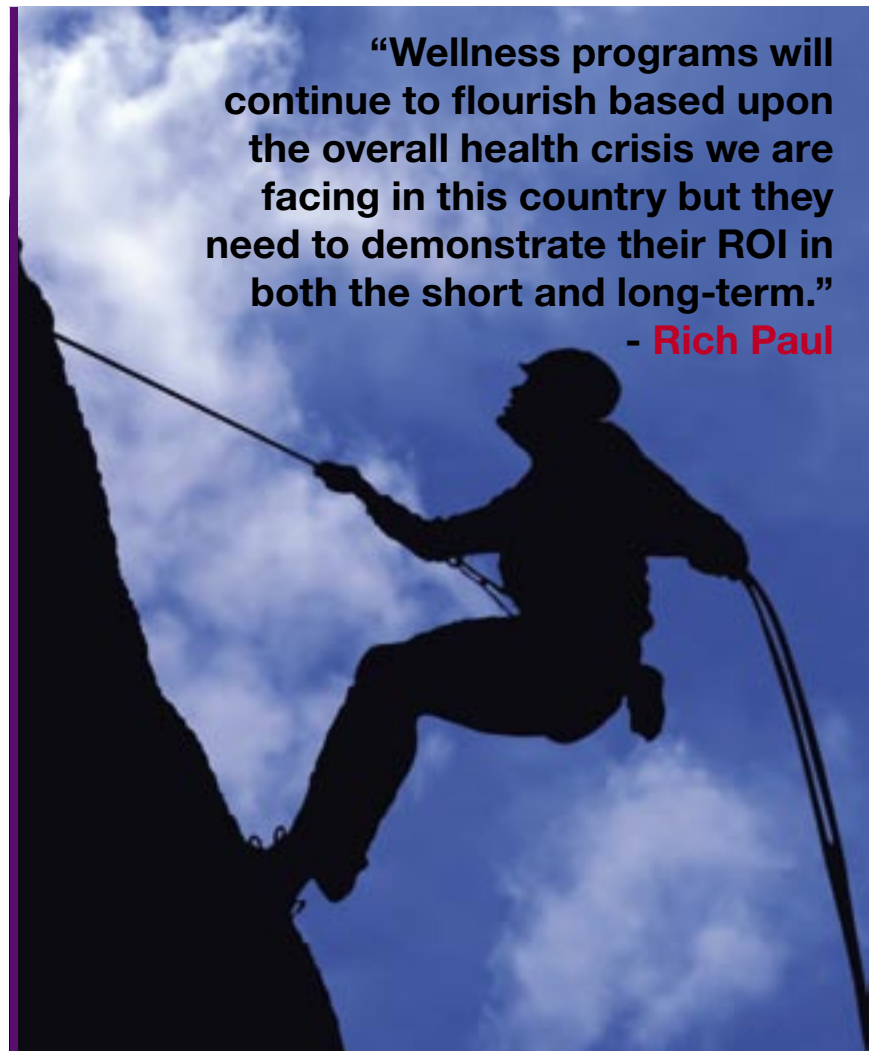
The other best practice is to provide a high-quality intervention. Too many organizations offer generic content, simplistic tools, tips and resources. We have known for 50 years that information does not change behavior. Everyone knows that smoking, obesity, stress, bad diets and poor sleep habits are unhealthy. The best practice is to follow these guidelines for offering a true intervention:

- Effective engagement.
- A detailed assessment to understand a person's unique motivation, confidence and change barriers.
- A structured treatment plan that establishes an emotional connection, follows proven clinical guidelines, incorporates proven behavioral science models, and is uniquely tailored to each individual.
- Quantifiable outcomes measures.

HRM. Employers seem to be struggling with employee participation. What are the factors surrounding low participation rates?

TD. The first cause of low participation is the reliance on incentives only. Offering a modest incentive for participating in a HRA is good; however, this by itself is insufficient.

Intelligent recruitment is key. Using the results of the HRA, PHR, EMR or claims system and intelligently recruiting participants into a behavior change intervention for weight management, physical activity, nutrition counseling, stress management, back care, sleeping problems, smoking cessation,



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depression or disease management is the key to high participation.

The next factor is offering the right programs in the right media. Employees want effective, high-quality, convenient and private programming that they can use when and where it is convenient for them.

Finally, a strong culture of health, including executive management support, is fundamental and will dramatically improve participation.

TM. Unfortunately, participation is fueled by incentives. Negative incentives (penalties) tend to be the most effective to get the employee initially engaged to take the HRA and meeting with the Health Coach for the Health Risk Review (post-HRA consultation). Thereafter, positive incentives fuel on-going participation. Most employers are now following the best practice to have the wellness

program to be self-supporting financially while recognizing 95 percent+ participation when following the carrot/stick approach.

RP. Certainly the use of incentives plays a significant role in the level of employee participation. Incentives may range from discounted insurance premiums and expanded benefits to cash. Employers can offer their employees immediate incentives for participating in a program or for achieving certain short-term goals. In the process, employers' gain a greater return on investment (ROI) from increased program participation and the employee gains the immediate incentive, as well as the benefits associated with a healthier lifestyle. Everyone approaches wellness and lifestyle changes with varying levels of motivation and this, along with incentives, can play a role in participation rates. Understanding where people are in the change

process is critical to ensuring a successful outcome and high participation rates.

HRM. There seems to be a new trend towards customization of wellness programs for each individual employee. How feasible is this practice?

RP. Customizing wellness programs at the individual employee level has become an increasing trend and necessary, in part, because a cookie cutter approach to individual wellness does not resonate with an individual who believes their needs and concerns are unique from everyone else. Many wellness programs are offering coaching or on-line interventions that allow individuals to work with a wellness expert around his or her unique wellness goals and to

nurse coaching session on the web, without the cost of the nurse. Each person gets an individually tailored program that looks like it was written for that person by a team of professionals. It is time for the health care industry to learn from other industries.

Also Understanding the difference between “targeted” and “tailored” is key. “Tailored” means the intervention is maximally customized to each individual based on motivation, self-confidence, barriers, personal and family history, prior attempts at dealing with the behavior, relationship with their doctor, etc. Many organizations refer to things like RSS feeds as “tailored programs,” however, they do not address the person’s needs or include behavior change science, and thus are targeted, not tailored. Re-

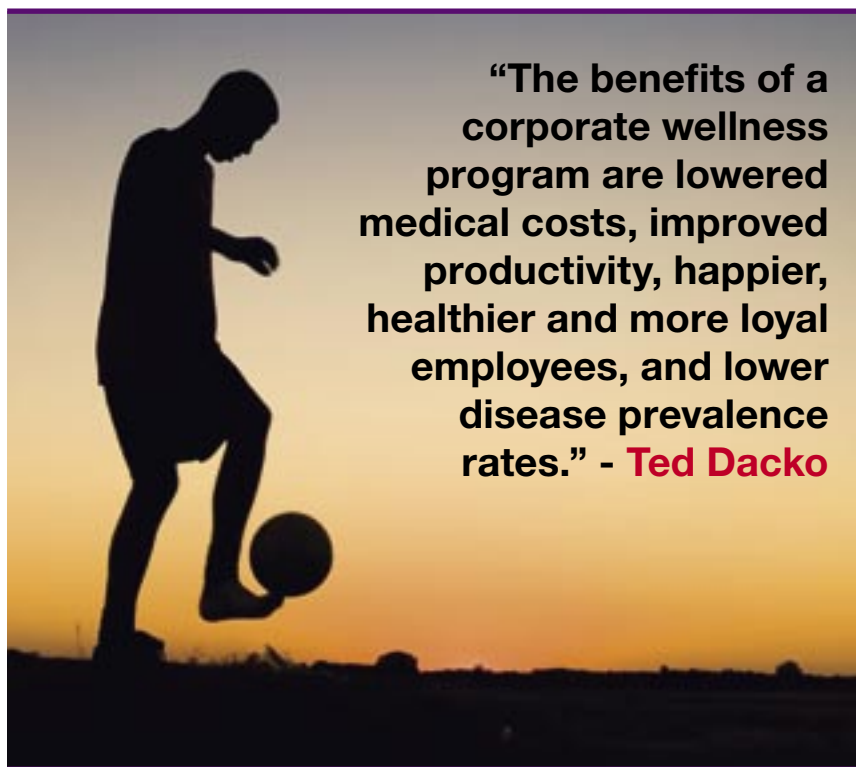
should review the HRA results, discuss key metrics (Health Age, Wellness Scores, Risk Factors) and apply that to the participant’s own motivation. For example, if Bob could increase his life expectancy by 10 years by changing some behaviors, the Health Coach would identify why those 10 years would be most important to Bob and leverage that to motivate him.

HRM. What are your predictions for the future of corporate health and wellness programs?

TM. The most significant change likely to occur is employers’ increased unwillingness to pay for corporate health and wellness programs and, instead, pass the cost (~\$1.50 to \$3.00 pepm) off the employee as an increased contribution to be on the medical plan. Secondly, the growth of voluntary-based wellness programs is phenomenal whereby each employee can elect to participate through a payroll deduction.

RP. Wellness programs will continue to flourish based upon the overall health crisis we are facing in this country; however, they will also need to continue to demonstrate their ROI in both the short and long-term. Wellness is an issue that requires significant lifestyle and attitude changes and, as such, we will likely see increasing numbers of wellness programs designed and implemented in both primary and secondary school settings in order to influence healthier lifestyle habits at a younger age. In addition, technology will continue to be leveraged to offer wellness solutions and interactive health programs designed for both self-serve or self pace activities as well as interactive programs with a health coach.

TD. We see several trends with health and wellness. First scalability is the new black. Offering high-quality interventions that scale across large populations is the most important trend in health care. Then adding productivity impairment reduction to the ROI is essential. Sleep and depression are two issues that are becoming extremely important to health and wellness. An integrated approach to wellness, disease management and behavioral health is vital. Offering high-quality programming that meets each person’s individual needs requires the marrying of these classically siloed programs. ■



develop specific and realistic activities (based upon individual motivation levels) to achieve those goals. Such programs have the potential to not only increase participation rates but to also maintain higher levels of engagement for extended periods of time.

TD. Tailoring a program for each individual increases participation, efficacy and ROI. The key is scalability. At HealthMedia, we devised a technology and methodology to emulate a

search shows that higher levels of tailoring result in higher participation, efficacy, and ROI.

TM. You hit upon two distinct areas. First, the available intervention (health improvement activities) should be multifaceted to increase the likelihood that employees will find at least one forum to get engaged. I wouldn’t consider that customization as much as offering options. Second, each employee’s motivation can be quite different. The employee’s Health Coach