



Universally Acknowledged – Financially Misunderstood

- ▶ Employers are looking to wellness programs as cost-containment strategies that won't stress the health of their organization.



In 2006, The Preservation Society of Newport County in Rhode Island kicked off a wellness program with help from Cornerstone Group, a premier benefits advisory firm located in West Warwick, R.I. The program started off with nearly perfect participation in the health risk assessment and included on-site activities such as yoga and lunch-and-learn educational sessions.

Over the next three years, employee interest in activities remained steady, but the Society recognized that in order to achieve a greater long-term impact, they needed to boost participation. With this in mind, the Cornerstone Group worked closely with senior management to tie a new incentive to participating in a suite of additional activities – thus, the Preserve You Wellness Program was introduced.

The results: a 65 percent increase in participation across all activities in six months, an initiative that consistently beats industry trends and – most importantly – a company that is seeing results and is happy with the program.

As the benefits from a properly executed wellness initiative are becoming more universally understood, employers are learning that the way a program is launched and how it is supported over time is just as important as the number of free gym memberships handed out and the types of snacks in the company vending machine.

 **CASE STUDY:**

Preserve You Wellness Program

The Preservation Society
of Newport County

[Read the full case study on page 14](#)

Increasing Costs Comprise Employers' Daily Diet

The level of concern regarding health care costs among top decision makers in organizations of all sizes is the highest experienced in the past seven years¹. According to United Benefit Advisors' recent survey focused on employer opinions, employers do not believe the current health care reform effort will have a positive impact on health care costs. In fact, more than two-thirds said they believe health care costs will continue to rise, while only 8 percent anticipate any savings from the legislation. With the expectation that costs will continue to rise, employers are looking for alternative ways to reduce costs rather than continuing to increase cost sharing, reduce employee benefits, or stop offering health insurance to employees altogether. Because these tactics put a great deal of stress on both the organization and its employees, employers are gradually shifting to constructive alternatives to help control health insurance costs. Yet many are slow to adopt one of the most obvious cost-containment strategies: wellness programs.

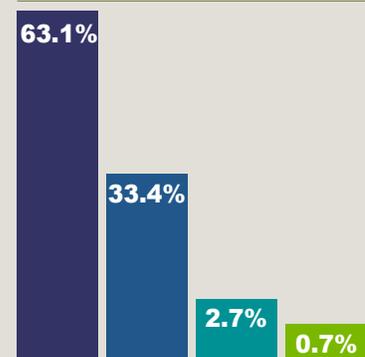
The Healthy Choice Seems Tough To Swallow

Wellness programs are defined as initiatives designed to maintain or improve employee health before problems arise. Incentive-based employee wellness and chronic disease management programs have been heavily publicized as the "healthy option" to improve employee performance and reduce health care costs. Articles from major industry publications and data from some of the most highly recognized research organizations confirm the positive impact employers receive from implementing wellness programs. A review of 42 published studies of work-site health promotion programs shows an average of 28 percent reduction in sick leave absenteeism; an average of 26 percent reduction in health costs; an average of 30 percent reduction in workers' compensation and disability management claims costs; and an approximate \$6-to-\$1 savings-to-cost ratio². On the flip side, the cost of inaction is a high price to pay. A study published in the *Annals of Internal Medicine* found that flu costs nearly \$400 per employee in lost work and medical expenses, compared with a vaccination that costs \$10.41.

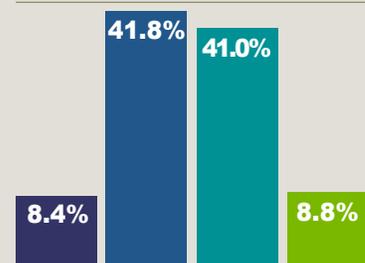
Cost Shifting On the Rise

Nearly all (99.4 percent) of top decision makers consider corporate health care costs and 86.6 percent consider the impact on employees to be either a critical or significant concern based on the 2010 UBA Employer Opinion Survey. According to William Stafford, Vice President, Member Services, for United Benefit Advisors, "the ability of employers to

▶ 63.1% of employers indicate they are very confident they will continue to offer health care benefits. However, only 8.4% of employers were very confident they could improve the cost management of their health care plan.



Employer confidence they will continue to offer health care benefits to employees



Employer confidence they can improve the cost management of their health care plan

■ Very Confident
■ Somewhat Confident
■ Not Very Confident
■ Not At All Confident

* Source: UBA 2010 Employer Opinion Survey

While the benefits from a properly executed program are better understood these days, a disconnect remains between knowing what is good for an organization and actually doing something about it. A 2010 wellness survey conducted by the World Economic Forum indicates that “many organizations worldwide fail to address wellness at all, let alone afford it a high priority.” Fewer than half (49 percent) of the 30,000 respondents agreed with the statement, “My organization actively promotes health and well-being³.”

Karen Kelly, a registered nurse and director of health and wellness with Borislow Insurance of Methuen, Mass., said many companies are just beginning to dip their toes into the wellness pool.

“Most employers at least have a basic understanding of the benefits because of the glut of available information, and some have become very passionate about wellness programs,” Kelly said. “However, programs that address health risk issues and help employees manage them are not yet commonplace among employers.”

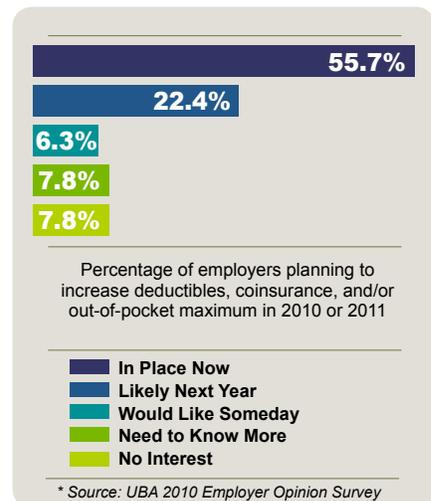
Despite the continuing trend of rising health care costs, employers don’t seem to be in a hurry to plunge into wellness, research indicates. Only 20 percent to 27 percent of employers have such programs in place or are planning to add them in 2010, and an additional third said they would like to add such programs in the future⁴. This indicates that many employers are drawn to the idea of wellness but are not seriously thinking about starting a program.



afford their health care benefits has become more of a factor this year than our last survey, affecting 44 percent of employers. This is up more than 12 percent from our last survey.”

The percentage of employers who feel employees should bear the bulk of future health care cost increases were up measurably from 12 percent in 2008 to 16.6 percent this year, a 38.3 percent increase. In fact, employers indicate they will continue to shift costs to their employees either through increased contributions (85.2 percent) or by plan design (51.5 percent).

Reducing benefits through higher copays, deductibles, or employee coinsurance share remains both the dominant current cost-containment strategy and the most likely to be adopted next year.



Employers Put a Premium on Wellness

More than 75 cents of every health care dollar spent in the U.S. goes toward treating chronic disease such as arthritis, asthma, cancer, cardiovascular disease and diabetes, according to the Centers for Disease Control and Prevention. Because these conditions are the No.1 cause of death and disability — and consequently the primary factor in rising health care costs — moving toward prevention-based

“Employers are excited about the savings and know that ethically, it is the right thing to do,” said Lisa Weston, director of wellness promotion for *the bagnall company* in Phoenix. “But wellness is typically viewed as an HR issue only. Further, the HR staff doesn’t have enough time to manage wellness programs on a regular basis and therefore views it as a low priority.”

A lack of time and resources, startup costs and not knowing the financial rewards are some of the top reasons employers are slow to adopt wellness programs, according to industry experts. Also, community grant programs (and the coming subsidies from recent health care legislation) often require employers to fill out piles of paperwork – a serious hassle for employers already stretched for resources. Even with added financial incentives, such as the potential for a drop in premiums, many employers are hesitant to start wellness programs, experts say.

Many employee benefit advisors are discovering unique ways to help employers overcome the obstacles and set up wellness initiatives with less cost and fewer headaches. The Cornerstone Group of West Warwick, R.I., has established a client advisory board to obtain a better understanding of the employer challenges for success with benefits and wellness programs. The company uses this resource to help a company’s decision makers see the benefits of wellness and to help them create a program that is the best fit for their organization.

“Key decision makers are very interested in getting more information prior to making a decision to implement a wellness program,” said Amy Gallagher, a senior consultant with the Cornerstone Group. “One of the most significant obstacles is convincing the CEO that implementation will have financial impact on costs and the bottom line.”

Many employers look at wellness as black and white, Gallagher said. If they start a program, they typically want to know, “Will my premiums go down? And, if so, how much?”

Despite many employers’ reservations, experts say the soaring cost of health care will eventually coax more employers to wellness solutions.

care will be the key that helps both employers and employees pull health care costs back from the edge of crisis over the long term.

As reported in the UBA 2009 Employer Benefit Perspectives survey, the majority of employers clearly recognize the potential impact of employee health management programs on future plan costs. Nearly half of all employers believe that employees should have primary responsibility for managing chronic conditions.

“There is a continued growth toward incorporating programs that emphasize prevention and personal health management, including wellness programs that incorporate health risk assessments and disease management programs,” Stafford said. However, he said, it is important to note that even though one-third of all employers either have health risk appraisals and health screening programs in place or intend to add them, (a 26 percent increase from the 2007 report), nearly 40 percent indicate they would only like to add such targeted wellness programs someday. This may indicate that many employers are interested in wellness programs, but have a low sense of urgency.



“Employers understand the importance of helping employees ward off disease and prevent illness through preventative care, screenings and healthier lifestyles. This is an investment in their most important asset – their employees,” said Deenie Robertson, CWPC, an account executive for health and lifestyle management with The Wilson Agency in Anchorage, Alaska. “However, due to the economy and uncertainty behind health care reform, many clients seem to be holding back on spending the money on wellness. But when clients experience a substantial increase in premiums, they recognize that they need to do something. When they feel they cannot continue to increase premiums and need to consider new ways to keep costs down, they turn to wellness.”

A La Carte Programs Feed Employer Engagement

For many employers, kick-starting a full-blown wellness program can be overwhelming. Will the program include biometric screening? A wellness fair? Gym membership? No more cookies in the snack-room vending machine? It’s a lot for companies to swallow.

The secret, experts say, is just like healthy eating: Exercise good portion control and don’t bite off more than you can chew. Starting small and implementing just a few features in the beginning can allow a company and the participants to focus on achievable goals. As a company adopts more programs, its culture accepts more “buy-in” to wellness, and participation increases – which can translate into real savings, experts say.

One easy and inexpensive way to start is to use programs created by insurance carriers, said Mark S. Gaunya, GBA, a principal at Borislow Insurance in Massachusetts. Carriers know wellness can help shrink health care costs, and many of these programs come at little or no extra cost. In fact, some even offer premium discounts to encourage employers to get their workforce on board.

Even when starting with baby steps, an employer needs to have a solid strategy and clear goals for its wellness initiatives, experts say.



The Wilson Agency in Alaska uses a three-tiered approach that features an online program called UBA WellnessWorks. The different tiers offer various benefits based on predetermined parameters and results the client wants to achieve, such as good morale and a team spirit, a healthier workforce or behavior changes that reduce health risks.

“Many times clients are not interested in going beyond building employee morale to start,” Robertson said. “But 90 percent of our clients are utilizing UBA WellnessWorks as a base program, then adding on pieces as they desire.”

This ability to pick and choose, or “unbundle,” features of a wellness program can help employers maximize results and minimize the time and cost needed to get the program off the ground, said Dan Bacon, director of training and analytics with United Benefit Advisors.

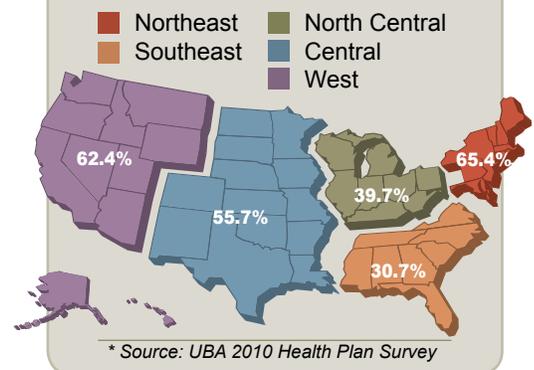
“Employers are often hesitant to enter into a comprehensive wellness program. They are often more open to testing the waters by implementing one or two programs,” said Bacon, who also works with UBA Member Firms on wellness issues. “For example, an employer may only want to conduct a health fair, a health risk assessment, biometric screening, cholesterol check or exercise program. Unbundling programs provides employers flexibility and an opportunity to see activities at work without investing time and resources into programs that may not be fully utilized.”

Borislow Insurance took this gradual, customized approach to a whole new level when they started crafting plans for employers. To find out what works, the firm decided to use itself as a wellness guinea pig.

“We felt like we needed to ‘walk the talk’ before we could recommend programs to our clients,” Kelly said.

First, the firm looked at its own culture and identified unhealthy behaviors. It started small with an employee-needs and interest survey and environmental assessment. Then it looked at creating simple, healthy changes at the work site – for example, what the staff was eating for lunches and snacks. Instead of providing doughnuts and bagels for meetings and office lunches, the firm began offering healthy options and snacks, such as fruit and yogurt. It gradually took a more

Utilization of Carrier Programs by Employers Who Offer Wellness



Utilization of Prevention and Wellness Programs

About half of all employers provide employees general medical information and/or offer an employee assistance plan, while approximately 25 percent to 30 percent of employers offer on-site immunizations and prenatal and well-baby care services.

Roughly one in four employers offer fitness facility access/subsidy programs and/or nurse advice hot lines. About one in five employers offer health advocate programs. While three-quarters of these employers indicated little or no interest, some larger employers are also implementing on-site nurses and/or an on-site health clinic to both help control costs and make it more convenient for employees to access routine care services.

AMONG PLANS WHERE EMPLOYERS PROVIDE WELLNESS

77.1 % offer a health risk assessment
57.9 % offer incentive awards
49.8 % offer a physical exam or blood draw
47.0 % offer coaching
41.2 % offer seminars/workshops
12.5 % offer other benefits

* Source: UBA 2010 Health Plan Survey

PROGRESSIVE STAGES OF WELLNESS

	Step 1	Step 2	Step 3	Step 4
Approach	Maximization of carrier wellness benefits	Employee engagement programming	Traditional claims programming	High-impact programming
Goal	Utilize the benefits already included in your carrier benefit plans	Seek to get employees involved by introducing activities, which gets them thinking about wellness	Utilize claims experience to determine primary cost drivers. Program focus on individual and group activities	Individual results-driven program. Focus on individual over group activities
Sample Activities	This may include health risk assessments, reduced rate screenings, educational classes, etc.	Activity challenges, on-site weight-loss programs, lunch-and-learns, team competitions	Greater focus on education, biometric screenings, health risk assessments, monthly communication, weight, smoking, fitness, on-site classes, employee engagement programs	Activities are same as in traditional claims focused program. Include one-on-one coaching and online classes
Benefit	By maximizing carrier benefits, the employer uses the products they are already paying for	Employees are engaged to participate in fitness and wellness classes, activities and programs. Focus is fun and morale building	The more programs offered provides increase in ROI. This type of program typically has a greater participation rate as programs are more varied to appeal to greater population and is a completely voluntary program	Highest ROI of all other programs. Highest participation rate as participation is required and participation has impact on rate premiums
Cost	No additional cost to employer aside from staffing	Low cost depends on activities, incentives and staffing <\$25/EE/yr	Cost depends on available resources from carrier. Need greater incentives to bolster participation. Moderate cost. \$26-\$100/EE/yr	High-cost program due to higher value incentives and assessment/coaching tool utilization \$100+/EE/yr
Staffing	All programs need employer coordinator to manage program. The amount of time depends on size of program			

targeted, comprehensive approach and began focusing its initiatives on risk reduction and keeping its healthy employees healthy. The Borislow Insurance approach for its internal program recently earned it the Small Business Well Workplace Award from the Wellness Council of America – making it the only small company in New England to earn that recognition.

The experience led the firm to create an employer-facing program called BI Healthy Advantage™, a multi-stage, step-by-step approach that begins with educational materials and lighter-touch programs, then progresses to more comprehensive, evidence-based initiatives.

“We recommend different levels of programs depending upon the employer’s unique needs and company culture,” Kelly said. In fact, many Borislow Insurance clients who started small with one or two initiatives now employ up to six high-impact behavior-change programs a year, according to Kelly.

Wellness Plan Adoption by Employer Size, Plan Type and Industry

As one might expect, the highest percentage of plans offering wellness came from employers with 1,000 or more employees (54.8 percent). The next two largest, 38.9 percent and 33.8 percent, came from organizations with 500 to 999 employees and 200 to 499 employees, respectively. The lowest percentage of plans offering wellness came from organizations employing three to 24 people (5.4 percent), according to results reported in the UBA 2010 Health Plan Survey.

The survey also measured the offering of wellness programs based upon six plan types. Of the four most popular – in which 98.6 percent of all employers are enrolled – CDHPs continued to offer the highest percentage (17.8 percent) of wellness programs; the remaining three averaged 12.8 percent. Of all available plans, 13.8 percent offered some type of wellness program, nearly a 25 percent increase from the previous year, which came in at 11.1 percent.

How To Get Employees To Come To The Table – And Keep Them There

Once a wellness program begins to take hold, several tools and techniques can be incorporated to fuel greater participation, experts say. Use of claims analysis, surveys, health assessments and education help create a culture of wellness and targeted solutions that increase participation.

Consumer-driven health plans (CDHPs), a health insurance program that combines a high-deductible health plan and health care savings account (HSA), increase the employees' feeling of responsibility, flexibility and control over their health care and money, and fosters better health and reduced spending⁵. Also, incentives and penalties have become popular features to keep employees engaged in the programs.

Education

To keep a program on track, Kelly and many other wellness directors recommend conducting an annual or biannual claims analysis and an employee-interest survey every couple of years. The claims analysis helps establish benchmarks and measure investment later. The employee-interest survey helps identify which programs workers are actually interested in, and what time and place would generate the most participation.

“Programs that are designed to fit the employee profile are more meaningful and therefore are more likely to generate greater participation,” Kelly said. “General programs get general results.”

Companies also need to understand employees' readiness to change and find out what motivates them to take the next step, Kelly said. Sometimes, trying to change too many unhealthy behaviors at once or doing too much too soon can overwhelm and discourage participants and ultimately drive them out of a program.

Regular seminars, classes and health-related events paired with employee communications, such as newsletters, paycheck statement suffers and online resources, can provide a stream of opportunities to keep employees focused on their wellness goals and help draw in more participants, advisors say.

The highest concentration of wellness programs offered by industry is in the Utilities category (28.8 percent of employers). The lowest concentration of wellness programs offered by industry is in the Agriculture / Forestry / Fishing & Hunting category (5.3 percent of employers).

“The most important indicator of wellness participation based upon our findings is that organizations with fewer than 100 employees had the lowest percentage of plans offering wellness benefits – 8.1 percent on average. This is most likely caused by the lack of availability of wellness plans that are scalable and affordable for smaller employers,” Stafford said.

Incentive Utilization

“Compared with our 2007 report, more than half of all employers continue to believe that financial incentives should be provided to individuals based upon their efforts to manage their own chronic conditions. Only 18 percent believe that no cost differential should result from the employees lack of compliance with appropriate treatments of chronic conditions,” Stafford said.

AMONG PLANS WHERE EMPLOYERS OFFER WELLNESS INCENTIVES

48.8 % offer gift incentives or pay health club dues

41.9 % pay cash toward employee premiums, 401(k), flexible spending or other accounts

5.1 % award extra paid time off

** Source: UBA 2010 Health Plan Survey*

Between 15 percent and 23 percent of employers currently provide employees with financial incentives to manage their health. Employee incentives to complete health risk appraisals continue to increase notably each year, with incentives for health risk appraisals increasing by 130 percent compared with the results reported in the UBA 2006 Employer Opinion Survey.

Today’s wellness educational programs have grown beyond simply promoting healthy eating and exercise habits, experts say. Advisors see a trend in wellness education toward medical self-care and health consumerism, which teach employees how to better navigate the health care system and make informed choices about their personal health that can save money.

“Providing employees with decision-making tools to help them understand the role they play in controlling their health and health care costs and teaching them to ask the right questions is key,” Kelly said. “For example, a medical-decision care guidebook can help an employee better understand their health issue and decide whether their condition warrants a call to their doctor, an emergency room visit or simply self-care at home. The more employees understand about health care and their own health, the more empowered they are to make informed decisions.”

Motivation

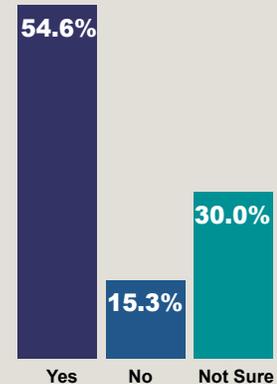
Many wellness initiatives employ incentives to prod employees to sign up and stick with the program. Which incentives (or penalties) are most effective depend upon the employer, the workforce’s culture and the nature of the program, experts say.

When developing its wellness programs, Cornerstone in Rhode Island found many programs to be too rigid, Gallagher said. The programs either offered incentives for just participating, or they tied all incentives solely to outcomes. Cornerstone decided to take a different path and create a sort of flexible hybrid incentive plan that offers both features.

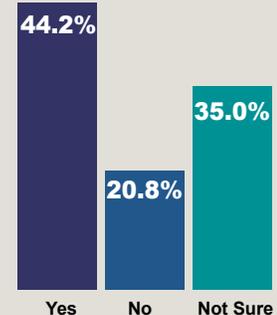
To make the program work, the firm uses a special participation/outcomes model that predicts how many employees will participate and how much an employer will save based upon the predicted outcomes.

Realistic goals and outcomes, customized for individual employees, are key in keeping an incentives system effective as a program progresses, according to Gallagher.

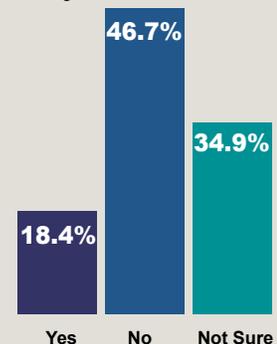
▶ Percentage of organizations who believe health care cost incentives (lower deductibles, coinsurance, etc.) should be provided to individuals who make a reasonable effort to manage their chronic conditions



▶ Percentage of organizations who believe individuals who do not make a reasonable effort to manage their chronic conditions should pay more (higher deductibles, coinsurance, etc.) for health care than those who make the effort



▶ There should be no cost differential based on an individual's decision to manage chronic conditions or not



* Source: UBA 2009 Employer Benefit Perspectives survey

“Take for example, when you designate outcomes for employees, the criteria may not always be appropriate to that individual,” Gallagher said. “You may have an employee who is overweight but says they are unable to lose weight because of medical reasons. With a standards-based program, the employee can appeal the standard. For the appeal to work correctly, a wellness administrator would work closely with the physician and patient to come up with an option that would better fit the needs of the individual employee.”

With the Cornerstone program, employers have the ability to set standards at a gentle, normal or extreme level. Setting standards at a gentle level brings more people into a wellness program initially and creates more opportunity for incentive for a wider audience. Employers have the ability to change the standards to normal or extreme measures as the wellness program matures.

While employers continue to rely on incentives as the primary way to encourage wellness participation, more are opting for more stick and less carrot to get employees to buy into the programs. A new survey by Hewitt Associates, an HR consulting company, suggests that this shift indicates that employers are increasingly pushing employees to take more responsibility for their own health and the overall costs of their health care benefits.

Of those employers that use or plan to use penalties for employee nonparticipation (or even just maintaining unhealthy behaviors), 81 percent say they will do so through higher premiums. Respondents also listed increased deductibles (17 percent) and higher out-of-pocket expenses (17 percent) as possible penalties⁶.

Support from senior management, co-workers, family and friends also has proven to be a powerful motivator toward keeping an employee on track with wellness goals. Rather than relying on support from external professionals, such as therapists, counselors and coaches, company leaders are beginning to take on the head cheerleading roles for wellness. This shift results in positive changes in corporate culture and attitudes on health and wellness, Borislow’s Gaunay said.

The Health Care Reform Piece Of The Pie

Employers also need to recognize that provisions in the new health reform law offer aid and cash to small businesses that encourage employees to be fitter and healthier.



“Employers need to consider putting together a program now so when the funds are available they can roll out their plan quickly and apply for the grant money,” said Lisa Weston of *the bagnall company*. Starting next year, the law authorizes grants totaling \$200 million over five years for small companies that start wellness programs focused on efforts such as nutrition, smoking cessation, physical fitness and stress management, Weston pointed out.

“Start by getting buy-in from executives who can explain the purpose of the program, espouse their enthusiasm and actually participate,” Gaunya said. “Then find the champions in your group and engage them to help motivate others. Peers, friends and family also help participants by becoming allies, wellness buddies and competitive mentors who together push to reach goals and celebrate successes.”

Measuring ROI vs. ROV: Apples And Oranges?

No matter the program, employers eventually expect to see a return on investment (ROI), and wellness initiatives are no exception. However, many employers overlook the return on value (ROV) that is inherent during the early stages of a program that may not show up on the bottom line, experts say. Ultimately, the question of value must be determined by the company, based on its specific and unique objectives.

Soft savings – or value-added results, such as reduced absenteeism, presenteeism and increased morale – are more immediate and short-term benefits. Hard savings, such as actual reduced premiums and overall health plan costs, are long-term returns, according to Gaunya.

Financial results in wellness programs can vary but are typically greater with a multiple-step program that begins with a biometric screening and health assessment, Gaunya said.

Also, programs that cost the least generally are those designed for groups, while the most expensive initiatives are those that focus on the individual. “Beginning stages that leverage carrier products work well to address productivity,” Gaunya said. “Latter stages, or the evidence-based approaches, have a much higher return on investment than the ROI on the entry-level programs. But costs are relative to the level of commitment and investment of time and money,” Gaunya said.

Kelly suggests that employers should acknowledge ROV early and evaluate their progress after completing a new program or reaching another milestone. Also, it doesn’t hurt to make a little noise to the bosses when the program succeeds, Kelly notes.

Several other regulations in the Health Care and Reconciliation Act of 2010 will enhance future employer wellness efforts. Some are:

- ▶ A national health promotion council will coordinate federal prevention, wellness and public health activities. This means more wellness resources will be available to promote health and wellness.
- ▶ Qualified health plans will be required to provide at a minimum, recommended immunizations, preventative care for infants, children and adolescents, and additional preventative care and screenings for women.
- ▶ \$11 billion in funding for community health centers to establish new programs that support school-based health care centers and nurse-managed health clinics. The funding will bridge the gap between the increasing demands for services resulting from the removal of barriers to preventative care. Effective wellness programs will educate employees on appropriate levels of care.
- ▶ Employers will continue to be allowed to offer rewards to employees in the form of premium discounts, waivers of cost-sharing requirements, or benefits that would otherwise not be provided. Tangible rewards are motivators: By incentivizing participation, employees will be more likely to replace unhealthy habits with positive behaviors.

“Celebrate all successes no matter how small, like an employee losing weight, or quitting smoking. Your co-workers and leadership will respond with, ‘Yes, this is really working.’” Kelly said.

No Matter How You Slice It, Wellness Is Good For Your Organization

One of the best long-term, health-promoting and cost-containment opportunities available to employers today is keeping low-risk individuals from becoming high-risk and helping high-risk individuals reduce their need for medical services. Numerous studies demonstrate a link between workforce health and a company’s bottom line and suggest that building a culture of wellness cuts claims and keeps workers healthy and on the job.

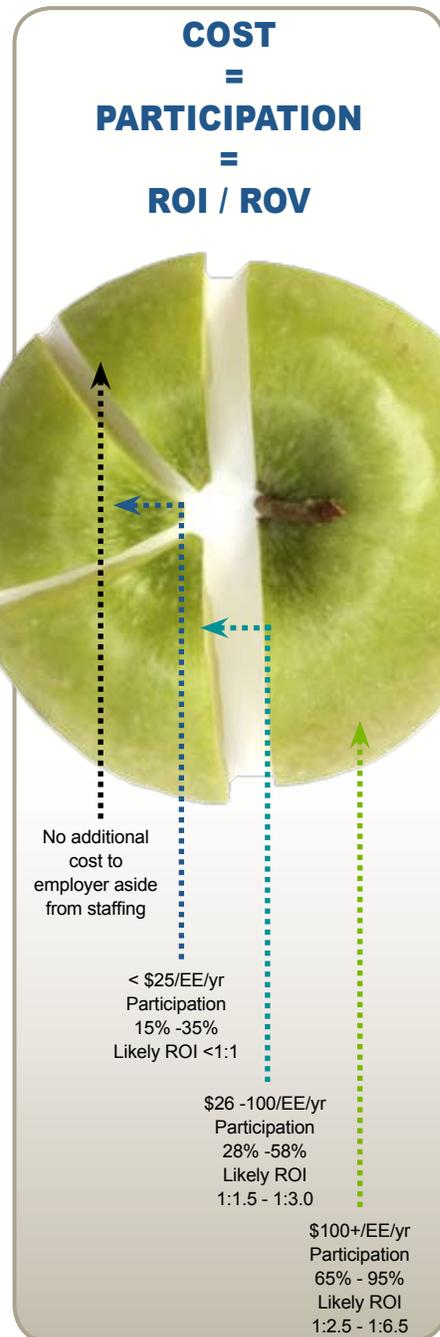
These programs don’t necessarily need to be expansive or expensive to have an impact on employee health and costs. Small, relatively inexpensive steps can go a long way in improving employee health and generating health care savings for employers.

Some additional steps to success, according to Members of United Benefit Advisors, include:

Customize your program: One size does not fit all. Evaluate your specific needs and goals, and build your program around them.

Go in stages: If you have a limited budget, start with the short-term programs available through carriers. Midterm, begin to adopt programs that increase participation while improving morale. Long-term, prepare your organization to take advantage of health care reform incentives and develop a program that continues to add activities and keep people engaged.

Start sooner rather than later: Don’t let your limited resources or budget keep you from taking advantage of the opportunity to do the right thing. The sooner you start, the sooner you’ll see results.



Get the right help: Implementing a wellness program takes time and dedication to see it through. “Seeking the advice of a qualified wellness expert can bring you many other advantages in addition to saving you time. An outside resource who is specialized and has the benefit of shared employer expertise, communications templates, planning, administration and coaching skills can make it easy for employers – a quarterback, if you will,” said *the bagnall company’s* Weston.

Cornerstone’s Gallagher agrees. “Employers facing cost containment, health care reform and compliance administration are already taxed. They need someone to take the lead, guide, track and communicate, or the program fails.”

Above all, don’t give up: Once a program is in place, it is easy to become complacent, and the program can start to stagnate. It is critical to keep employees engaged. Continuing to build on the existing programs, making activities more meaningful and, over time, changing the choices people make ensures the highest chance of success. “The reality is that companies are much more open to a program that does not tax their resources or cost a lot and is sustainable over time,” Robertson said.

About The UBA Surveys

With responses from 17,113 health plans sponsored by 11,413 employers nationwide, the 2010 UBA Health Plan Survey is the nation’s largest and most comprehensive survey of plan design and plan costs. As the largest survey of its kind, the UBA Health Plan Survey defines benchmarks by a greater number of specific industries, regions and employer size categories than is available from any other resource. The 2009 UBA Employer Benefit Perspectives survey (which delineates employers’ positions and opinions on Employee Communications, Personal Health Management and Scope of Benefits Offered) and the 2010 UBA Employer Opinion Survey (including the Special Supplement on Health Care Reform) serve as companion pieces to the 2010 UBA Health Plan Survey.

¹ 2010 UBA Employer Opinion Survey

² The Art of Health Promotion, L.S. Chapman, 2003; 6 (6):1-16.

³ The Wellness Imperative, Creating More effective Organizations, World Economic Forum, 2010

⁴ 2009 UBA Employer Benefits Perspective survey

⁵ Bend The Healthcare Trend, Mark S. Gaunya & Jennifer A. Borislow, 2010

⁶ Hewitt Survey Shows Growing Interest Among U.S. Employers to Penalize Workers for Unhealthy Behaviors, Hewitt Associates LLC, Newsroom May 2010

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Shared Wisdom. Powerful Results.®



The Preservation Society of Newport County (PSNC) in Rhode Island began offering a wellness program in 2006 in tandem with a health savings account (HSA) to better engage employees in their health care decision making. From 2006 to 2009, PSNC offered an annual health assessment and screenings and provided a vacation day to participants.

▶ CASE STUDY:
Preserve You Wellness Program
 The Preservation Society
 of Newport County

Because the Society is too small to receive claims reporting from the medical carrier, the health assessments and health screenings provide vital data to benchmark health risk reductions from year to year. The health assessment surveys and screenings identified employee risk levels (low, moderate or high), enabling PSNC to target activities to help employees reduce their risk. Realistic risk reductions can vary from 2 percent to 5 percent per year and will depend greatly on the intensity of the wellness program in place.

PSNC also offered various on-site wellness programs including yoga, weight management and lunch-and-learn educational sessions. Participation varied from 100 percent for health assessments, 30 percent for yoga and just 11 percent for lunch-and-learn sessions. Ideally, employers should work toward 80 percent participation in the long term to have real impact. The Society recognized that to further increase participation, they had to refresh the program to add more choices and create more meaningful incentives.

HSA Pays Off

The Society was the first nonprofit in Rhode Island to offer a health savings account/high-deductible health plan for all their employees. Previously, renewals had been in the 25 percent to 30 percent range with a traditional PPO plan.

RENEWAL RATE EXPERIENCE
2006 – Renewal 17% below current
2007 – Renewal 5% above current
2008 – Renewal 0%
2009 – Renewal 5% above current
2010 – Renewal 7% above current
2011 – Projected renewal between 0-5%

Since introducing the HSA/HDHP, The Society has paid 100 percent of the premium and 50 percent of the HSA funding through 2009 for its 68 employees enrolled in the plan.



With that in mind, the Cornerstone Group, a premier benefits advisory firm located in West Warwick, R.I., worked with senior management to refine the wellness program and to tie the incentive to an HSA. To be eligible for the full HSA reward, employees needed to participate in five different parts of the program. Those who successfully participated received \$300 more HSA dollars than the those who did not participate. Cornerstone Group conducted a focus group with a cross section of employees who provided feedback to tweak and brand the program – thus, the Preserve You Wellness Program was introduced.

The program was rolled out in July 2009 and ran through Dec. 31, 2009. The result was 65 percent participation across the board, and because, this meant that employees were participating in all five parts of the program, more employees were exposed to more activities. The program cost approximately \$5,200 (1.2 percent of medical costs), excluding the HSA rewards. PSNC spent approximately \$21,000 less in HSA funding versus the prior year as a result of requiring participation to get the reward, so there was a positive return on investment.

A Three-Year study of risk shows the following screening results for the Society

Overall Screening Averages	Ideal Scores	2009 Participants	2008 Participants	2007 Participants
Average Age		50.7	49.5	47.1
Average Total Cholesterol	<200 mg/dl	182.5	204.4	198.4
Average HDL	<60 mg/dl	46.6	50.3	48.0
Average TC/ HDL	<4.5 ratio	4.6	4.6	4.6
Average Glucose	<130 mg/dl	112.1	104.2	107.4

The Society was pleased with the 2009 results and continues to see improvement in the overall health risk of the group. Equally important, PSNC feels its efforts have paid off to help contain rising health care costs. They have beaten trend every single year since starting a wellness program and are ahead of most other employers in their marketplace.

Compared With National Averages

Based on 2009 health screening outcomes, the Society is lower than the national at-risk averages in all health risk areas screened for moderate cholesterol, high cholesterol and pre-diabetes.

Risk	Percent of US Population at Risk*	Percent of PSNC Screened Population at Risk
Moderate Cholesterol	50%	21.6%
High Cholesterol	17%	9.8%
Pre-Diabetes	18%	14%

*Sources: Centers for Disease Control and Prevention, American Heart Association, American Diabetes Association