



WELLNESS PROGRAMS

— GOOD FOR YOU & GOOD FOR YOUR ORGANIZATION

This white paper is intended to show not only how important wellness programs are for an individual, but also how important they are for an organization. In addition, it will demonstrate how wellness programs have evolved over the past few years in terms of their scope and adaptation. After reading this white paper, you should have a better understanding of how wellness programs are beneficial and why they should be implemented.



Wellness Programs — What They're All About

Wellness programs are defined as initiatives designed to maintain or improve employee health. 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 before problems arise. 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.

So, if wellness programs are so great, why haven't all companies initiated some type of program? According to the 2016 UBA Health Plan Survey, only 18.4 percent of all employers offered comprehensive wellness programs. Not only is this a 2.7% decrease from the previous year, it means that fewer than one in five employers offer a wellness program.

Some of the top reasons employers are slow to adopt wellness programs, according to industry experts, are a lack of time and resources, startup costs, and not knowing the financial rewards. Also, community grant programs, and the subsidies from health care legislation, often require employers to fill

Utilization of Prevention and Wellness Programs

Among plans where employers provide wellness, more than 72 percent offer a health risk assessment. While still high, this represents a decrease of four percent from the prior year, according to the 2016 UBA Health Plan Survey. Also, compared to last year, seminars and workshops decreased, while on-site coaching saw an increase. Other wellness services being provided, such as physical exams, blood draws, and incentives or rewards remained largely unchanged.

AMONG PLANS WHERE EMPLOYERS PROVIDE WELLNESS

72.5% offer a health risk assessment

67.7% offer incentive awards

67.0% offer a physical exam or blood draw

54.6% offer coaching

38.8% offer seminars/workshops

13.3% offer other benefits

Source: 2016 UBA Health Plan Survey



out piles of paperwork — a serious hassle for employers already stretched for resources. Even with added financial incentives and the potential for a drop in premiums, many employers are still hesitant to start wellness programs, experts say. Benefits advisors have noted another major reason is that a company's key decision makers want more information before they decide to administer a wellness program. In fact, a major obstacle is persuading a CEO that a wellness program will benefit the company's bottom line. As with wellness itself, the results in a company's program aren't going to be black and white. Insurance premiums might go down, but it's nearly impossible to determine by how much. While quantifiable data can't easily be measured with wellness programs, what can be measured is the value to employees that a wellness program brings.



IT'S ALL ABOUT ROV INSTEAD OF ROI

As more and more companies adopted wellness programs, they were initially tacked on to an employee's benefits and consisted of just the basics - physical activity, nutrition, and smoking cessation. According to Travis Horne, MBA, who is the director of health & well-being at Borislow Insurance in Methuen, Massachusetts, employers used to have a six or eight week wellness program that was basically one-and-done in terms of its success. "The analogy is like throwing spaghetti on the wall. If it sticks, great, if not, then try something else."

Fortunately, as wellness awareness has increased, so has the need to adapt these programs to each company. Shelley R. Wagner, wellness coordinator at Williams-Manny Insurance Group in Rockford, Illinois, confirms this. "Return on value is definitely the current trend," she said. "The true care for our human capital (i.e., employees) is recognized more often in conversations with the C-Suite of executives." Wellness programs are more commonly being offered to all employees, not just those on the health plan, with efforts to connect with the entire workforce.

Rachel Parsons, C.W.W.S., wellness coordinator at 44North in Cadillac, Michigan, concurs. "Employers are trying to get their employees to see the approach as not saving the employer money on health care, but on trying to improve the lives of the employees and being the happiest and healthiest they can be."

"Employers, now more than ever, are understanding the importance of helping employees maintain a healthy lifestyle by promoting preventative care and regular screenings in order to ward off disease and prevent chronic illnesses. Wellness is an investment to one of their most important assets — their employees," said Jennifer Vasko, internal wellness coordinator with The Wilson Agency in Anchorage, Alaska. "More and more employers are starting



to spend money on promoting within the workforce as a way to educate and stimulate healthy behaviors internally as well as something that can be brought home to the family. Wellness is a staple when it comes to reducing premium costs, one that employers cannot afford to ignore.”

Director of population health & well-being at Massachusetts-based EBS, Valeria S. Tivnan, MPH, Med, said that when talking about the value of wellness, it’s important to note the study done by Raymond Fabius, MD, R. Dixon Thayer, and their colleagues, which found a correlation between companies that invest in wellness and their financial health. This study concluded that companies that build a culture of health by focusing on the well-being and safety of their workforce yield greater value for their investors. Tivnan continued to say that based on this and other wellness studies, wellness programs are not a “nice to have,” but a “need to have” benefit for companies moving forward. After all, she said, “a company’s best asset is their human capital and what company can grow long term with sick, disengaged employees, right?”

“In addition to Dr. Fabius’ study,” said Tivnan, “the John Hopkins Bloomberg School of Public Health has created the Institute for Health and Productivity under the direction of Ron Z. Goetzel, PhD. The mission of the Institute for Health and Productivity Studies (IHPS) is to ‘bridge the gap between academia, the business community, and the health care policy world by bringing academic resources into policy debates and day-to-day business decisions, and bringing health and productivity management issues into academia.’ To develop an evidence-based and result-oriented wellness program, it is crucial to get information from reliable sources to ensure the design, implementation, and evaluation of your wellness program is done properly.”

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. 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.

Utilization of Carrier Programs by Employers Who Offer Wellness



*Source: 2016 UBA Health Plan Survey

The Latest Trends

“But there’s been a shift: the new thought is that it’s more important to target the solution for a client, rather than just putting something fun in place,” says Horne.

“Employers are taking the holistic view of the employee so that there is meaningful change. Basically, there are five different elements - physically, financially, workplace, community, and mind/spirit. Some employers may only focus on three, but the majority focus on all five elements in order to create a culture of health & wellbeing, change unhealthy behaviors and develop a sustainable wellness program.”

It isn’t just about wellness anymore. It’s about total well-being. Wagner has noticed an increase in comprehensive health evaluations and the use of physician verification forms to identify (and provide early interventions to) chronic conditions before they become catastrophic. To support behavior change and move wellness screenings beyond a transactional process, popping up are on-site engagement and health coaching opportunities that focus on medical management, chronic disease management or even reversal. “It is crucial for wellness programs to encourage long-term lifestyle change,” said Wagner.

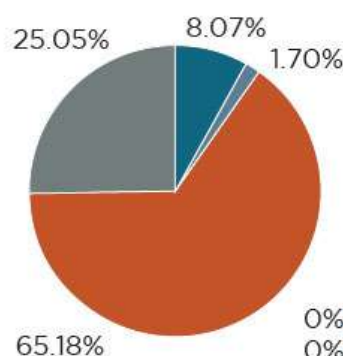
major tool that has helped get employees’ health issues diagnosed quicker and chronic health conditions caught earlier, has been the addition of an on-site health clinic (depending on the size of the employer), and a nurse practitioner or doctor. A side benefit of having these is reduced time away from work for the employee.

Financial Well-Being

As more and more employees begin to recognize the importance of properly managing their retirement needs, the percentage of employers offering access to financial advice continues to grow. The vast majority of employers offer a way for employees to acquire financial advice regarding their retirement plan savings (86.98 percent 4).

Managing Chronic Conditions

Nearly 70 percent of employers feel that an employee should take primary responsibility for managing his or her chronic condition(s) according to the 2016 UBA Benefit Opinions Survey.⁴ Non-personalized handout materials lead the way for employee communication tools with more than 82 percent. The next closest tool is an employee self-serve site at just over 51 percent.



The health clinic is also a great place to set up relaxation therapy, audiology, vision screens, skin/dermatology checks, etc. Furthermore, an emphasis should be placed on education and health literacy in which individuals can obtain and process the information to make informed choices.

Right now, education is huge, according to Horne, but employees get information overload, so an email or pamphlet isn't enough. The information has to be new, relevant, and able to go home with the employee. Smartphone and tablet apps are a great way to achieve this.

DON'T GO IT ALONE

Something that Wagner has noticed as wellness programs have gotten more complex is that HR staff has become overworked with being the "wellness champion." This stress can be reduced by getting employees more involved and forming a wellness committee. Aside from spreading the workload, cohesive wellness teams provide many advantages, such as offering diverse ideas, representation from various parts of the organization, and providing stability and continuity when staff leaves. It is encouraged to have both healthy and unhealthy members on the committee in order to gain perspective on what would help those who are struggling with their wellness journey.

OBSTACLES AND ROADBLOCKS

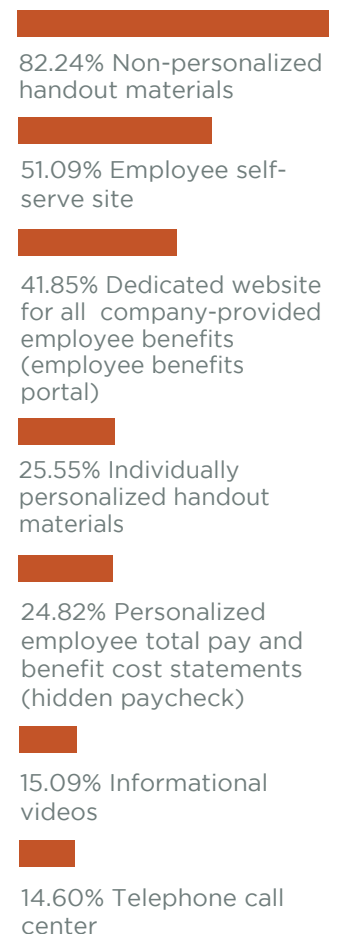
"Currently, case law from major lawsuits, in relation to employers with particularly robust wellness programs, conflicts directly with recent final regulations issued by the Equal Employment Opportunity Commission (EEOC)," said Danielle Capilla, Chief Compliance Officer at United Benefit Advisors in Itasca, Illinois. "In their final rule, the EEOC directly addressed their disagreement with federal court rulings on the lawsuits, setting up what is sure to be a continued legal battle between employers and the EEOC's increasingly restrictive regulations surrounding wellness programs."

The 2016 UBA Health Plan Survey ¹ confirms, as a result, employers are continuing to pursue wellness programs, but they are being very cautious with program design, avoiding implementing high penalty/incentive programs. Employers are beginning to use the regulations proposed by the EEOC as their guidelines for program development, and the wellness guide provided by the Patient Protection and Affordable Care Act (ACA) have re-empowered employers to implement premium differentials for wellness participation and tobacco use cessation.



Type(s) of Employee Communication Tools

In the 2016 UBA Benefit Opinions Survey⁴ non-personalized handout materials lead the way for employee communication tools with more than 82 percent. The next closest tool is an employee self-serve site at just over 51 percent.



Perhaps the biggest roadblocks to employee wellness programs are the employees themselves. Parsons says that a lack of motivation and an attitude of "What's in it for me if I participate?" are difficult to overcome. "Rather than giving them a water bottle, gift card, or T-shirt, we're trying to get them to see the benefit in terms of their health - they should do this for their own improved well-being!"

Communication is another barrier according to Parsons. A company's wellness program is in place, but getting accurate and thorough communication to filter down to the employees is often difficult.

Solving these issues has been challenging because the wellness budgets of each company are different and you can't have direct access to all employees in order to ensure that they don't receive the benefits, but understand what they're getting.

NO MATTER HOW YOU SLICE IT, WELLNESS IS GOOD FOR YOUR ORGANIZATION



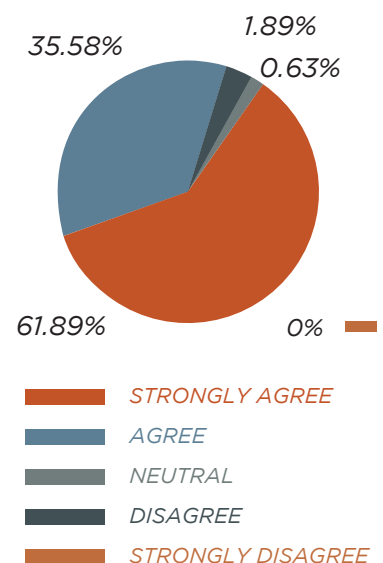
One of the best long-term, health-promoting and cost-containment opportunities available to employers today is keeping low-risk individuals from becoming high-risk and helping high-risk individuals reduce their need for medical services. Numerous studies demonstrate a link between workforce health and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

Employee Productivity and Retention

Based on findings from the 2016 UBA Benefit Opinions Survey⁴ a whopping 97 percent of employers either agree or strongly agree that good benefits help attract employees and increase their retention. In addition, two-thirds of employers believe that good benefits increase employee productivity.

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.

Good benefits help attract employees and increase employee retention



SOME ADDITIONAL STEPS TO SUCCESS, ACCORDING TO PARTNERS 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. Mid-term, 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 Lisa Weston, CWC, CWPD, director of well-being program management for BAGNALL in Phoenix, Arizona.

Above all, don't give up: Once a program is in place, it is easy to become complacent, and the program can start stagnating. 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," Vasko said. Parsons added, "Now more than ever, there is a definite passion and drive to help others and that's a really cool and refreshing thing to see."



UBA PARTNER FIRM RESOURCES

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Other Resources

¹ 2016 United Benefit Advisors Health Plan Survey - [/www.ubabenefits.com/wisdom/surveys](http://www.ubabenefits.com/wisdom/surveys)

² Fabius, Raymond, MD (2013, September). The Link Between Workforce Health and Safety and the Health of the Bottom Line. Tracking Market Performance of Companies That Nurture a "Culture of Health." Journal of Occupational and Environmental Medicine (JOEM), Volume 55, Number 9, pp. 993-1,000. — journals.lww.com/joem/toc/2013/09000

³The John Hopkins Bloomberg School of Public Health Institute for Health and Productivity — www.jhsph.edu/research/centers-and-institutes/institute-for-health-and-productivity-studies/

⁴ 2016 United Benefit Advisors Benefit Opinions Survey -- www.ubabenefits.com/wisdom/surveys



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