



Workplace Wellness: Results-Oriented Wellness Programs

Wellness issues important to you – brought to you by the insurance specialists at Ron Sellers & Associates.

Wellness programs can significantly reduce health care costs when implemented successfully. But did you know that there are three different types of wellness programs – and that the least commonly offered type has actually been proven most effective? Read on for information about the advantages of a results-based wellness program and tips for successfully designing and implementing one.

Types of Wellness Programs:

Awareness-oriented

- Provides information and resources to help employees learn about healthy lifestyle choices
- Emphasizes education and awareness, not actual activity or behavior
- Tends to be most appealing to already health-conscious individuals, so generally ineffective for reducing health care costs

Activity-oriented

- Combines awareness with participation in healthy activities
- Examples: walking programs, weight-loss challenges, discounted/free gym memberships
- Generally offers some type of participation incentive
- Usually leads to some health care savings, but could take three or more years to realize a positive return on investment, or to simply break even

Results-oriented

- Focuses on measurable outcomes and behavior changes achieved through program
- Also includes components of awareness and activity-based programs
- If paired with strong incentives, has the ability to produce significant return on investment through a decrease in absenteeism and workers' compensation incidents.

Implementing a Successful Results-Oriented Program:

Follow HIPAA guidelines – One reason employers may shy away from results-oriented wellness programs is concern about HIPAA's nondiscrimination rules. However, HIPAA does allow for results-oriented wellness programs if they abide by these five conditions:

1. The total reward (incentive) for results-based programs is limited – generally, it must not exceed 20 percent of the cost of employee-only coverage under the plan.
2. The program must be reasonably designed to promote health and prevent disease.

3. The program must give eligible individuals the opportunity to qualify for the reward at least once per year.
4. The reward must be available to all similarly situated individuals. The program must allow a reasonable alternative standard (or waiver of initial standard) for obtaining the reward for any individual who is physically or medically unable to satisfy the initial standard.
5. The plan materials describing the terms of the program must disclose the availability of a reasonable alternative standard (or the possibility of a waiver of the initial standard).

Components of successful programs

- Health risk appraisal – This helps identify risk areas to focus on.
- Health testing – Such testing measures weight, Body Mass Index (BMI), blood pressure, blood lipids, etc. and provides a benchmark for goals to improve these factors.
- Incentives – Offer monetary or other significant rewards for participation in certain activities or for achieving specific accomplishments within the wellness program.
- Education – Give employees access to information about healthy eating/recipes, exercising, quitting smoking, losing weight and other healthy living topics.
- High participation rates – Use incentives, marketing and other strategies to increase participation rates and drive the most return on investment.
- Frequent contact – Distribute posters, e-mails, bulletin board reminders, etc. to keep employees always connected to and aware of the program.
- Family participation – Allow and encourage family members to participate, making it easier for the employees to strive toward a healthier lifestyle.
- Exercise – Consider offering on-site workout facilities or discounted gym memberships to encourage regular physical activity.
- Smoking cessation – Offer a smoking cessation program within your wellness plan to help combat one of the leading health risks among employees.
- Flexibility – Allow flexibility in setting your objectives/standards so that employees can have personalized programs that address their most pressing risk factors.

Getting started

- Seek executive approval: No good program will get off the ground without buy-in from your company's executives. Strong senior-level support is the foundation for building a solid, effective wellness program.
- Put together a wellness team: A team effort is important so that enough resources are available to successfully design, implement, administer and monitor the program.
- Develop a plan: Design a very specific wellness program based on your company's size, needs and financial situation. You'll need to decide what incentives to offer, which health initiatives to emphasize, what programs to offer, etc. Remember to keep your program in compliance with the HIPAA guidelines mentioned above.
- Follow-up and evaluate: Once your program is implemented, monitor participation rates and progress to make sure it is on the right track. If not, aspects of the program may need to be changed or revamped. Only by continuing to evaluate the program will your company be able to achieve their maximum return on investment.