

## HEALTH AND WELLNESS PROGRAMS IN THE WORKPLACE



The findings of recent national surveys on employer-sponsored wellness programs show that 50-80% of employers offer some type of workplace wellness programs. While the majority of employers offer incentives to encourage employees to enroll in the programs, participation levels have been relatively low, ranging from 20-50%. Some reductions in employee health risk and health care cost savings have been reported by employers who have evaluated their programs. Large employers have reported improvements in medical cost trends.

### 1

#### ***Are employers offering programs to promote health and well-being?***

**Yes.** Most surveys show that 50% or more of employers offer some type of health and wellness program. Among large employers, 60-80% do so. Since large employers are more likely to offer wellness programs, more than 75% of US employees have access to such programs.

The 2014 National Study of Employers found that from 2008 to 2014, there has been an increase in the number of employers providing wellness programs, with 60% providing such programs in 2014 compared with 51% in 2008.<sup>1</sup>

According to the 2014 Willis Health and Productivity report, 68% of employers who responded to the question about wellness programs report that they have some type of wellness program in place. This represents an increase of 9% compared to last year... Among the organizations offering health and wellness programs, 90% include a physical activity component and 86% include a nutrition component. Other initiatives include preventive care (77%) stress management (75%), and tobacco cessation (68%).<sup>2</sup>

Lifestyle management programs are offered by 35% of small employers and 66% of large employers, while disease management programs are offered by 42% of small employers (10-499 employees) and 80% of large employers (500+ employees), according to the 2014 Mercer Workplace Survey. Mercer also found that health assessment programs are offered by 36% of small employers and 78% of large employers.<sup>3</sup>

According to a 2013 analysis of data from the RAND Employer Survey:<sup>4</sup>

- “Nationally, about half (51%) of all employers with 50 or more employees offer a wellness program... Although only about half of all employers offer wellness programs, more than three-quarters (79%) of employees working for firms and organizations with 50 or more employees have access to a wellness program, because large employers, who account for a greater share of the workforce, are more likely to have such programs.
- Lifestyle management programs, which are offered by 77% of employers with a wellness program, target a broad range of risk factors, though nearly 80% offer nutrition and weight activities and 77% of employers offer smoking cessation programs.”

According to a 2013 SHRM survey on wellness initiatives:<sup>5</sup>

- “Almost three-quarters (72%) of organizations offer some type of wellness program, resource or service to their employees. Among these organizations, 56% reported an increase of employee participation in wellness initiatives in 2012 compared with 2011.”
- Among organizations with 1-99 employees, 53% offer such programs, compared to 72% of those with 100-499 employees, and 85% of those with 25,000-24,999 employees.

## 2

### **Do employers encourage their employees to enroll in health promotion programs?**

**Yes.** *More than half of employers offering wellness programs include some type of financial incentive to encourage employees to participate.*

According to the 2014 Mercer Workplace Survey, in 2013, 52% of large employers (500+ employees) provided incentives for participation in their health management programs, compared to 48% in 2012 and 33% in 2011. Among large employers offering incentives, the health assessment completion rate was 52% for those given incentives vs. 32% for those who were not. For “lifestyle management” programs, the participation rates were 26% with incentives compared to 14% with no incentives.<sup>3</sup>

According to a 2013 analysis of data from the RAND Employer Survey:<sup>4</sup>

- “Employers use incentives to increase employee participation in wellness screening activities (31% for HRA [health risk assessment] completion and 20% for clinical screenings) and encourage employees to join intervention programs (30% for lifestyle management and 4% for disease management).”

- “More than two-thirds of employers (69%) with at least 50 employees and workplace wellness programs use financial incentives to encourage program uptake, and 10% use incentives that are tied to health-related standards.”

According to the 2014 Willis Health and Productivity report, “nineteen percent (19%) of survey participants use outcomes-based incentives. The majority of those who have already implemented or those who are planning to do so in 2015 are focused on the following health factors: blood pressure (76%), tobacco use (74%) and total cholesterol (66%).”<sup>2</sup>

Over one-half (56%) of organizations report that they offered wellness incentives or rewards to their employees. Of these organizations, 82% of them indicated these incentives/rewards were “very effective” or “somewhat effective” in increasing employee participation in their organization’s wellness initiatives, according to a 2013 SHRM survey.<sup>5</sup>

## 3

### **Do employees participate in health promotion programs?**

**Some do, but uptake rates vary.** *Participation is highest for health risk appraisals (50%). Participation rates for interventions such as lifestyle change and disease management are much lower (10-20%).*

According to a 2013 Towers Watson global survey of HR managers, “actual participation in employee health and productivity programs is low. On average, participation is nearly 50% (for health-assessment appraisals), [but] is well below 20% across the population for other programs such as lifestyle change and health management programs (e.g., weight management and tobacco-cessation programs).”<sup>6</sup>

According to the 2014 Willis Health and Productivity report, “the most prevalent participation range for HRA completion is between 26%-50%, yet 47% of organizations enjoy over a 51% participation rate.”<sup>2</sup>

According to the RAND Employer Survey:<sup>4</sup>

- “Fitness programs are the most well-attended intervention programs, with an average uptake of 21% among targeted employees, but half of employers still report participation

rates of 10% or less. For weight-loss interventions, the participation rate was 11%... The majority of employers (65%) have participation rates of 20% or less for disease management programs.” [Note from RAND: *In most cases, eligibility to participate in lifestyle and disease management interventions are based on risk factors identified through screenings and health conditions identified through medical claims data. Rates reflect employees who were deemed eligible for each program component.*]

- “Employers who use incentives for screening activities report significantly higher participation rates than those who do not (63% versus 29% for HRA completion and 57% versus 38% for clinical screenings). [However], of those identified for an intervention based on screening results (for example, employees who report physical activity below their recommended level), a fifth or less chose to participate” in an intervention program.

# 4

## **Have health and wellness programs been successful in promoting health and reducing health care costs?**

**Somewhat.** Many employers report that they have not evaluated the impact of wellness program. Among those that have, about one third of employers report improvements in health risks, while almost half report no change. Among very large employers who have measured return on investment, almost 80% say they have seen positive impacts on medical cost trends. While most employers express confidence that wellness programs will produce improvements, less than half rank their health and productivity programs as successful.

According to the 2014 Mercer Workplace Survey:<sup>3</sup>

- “About half of survey participants with wellness programs reported a measurable improvement in medical costs and risks. Nearly a third (32%) of survey participants report that the health risks of the population served by their wellness programs were improving. An additional 17% reported their medical claims costs as “below trend.” Forty-five percent (45%) of survey participants reported no measured change in population health risks.”
- Two-fifths of very large employers (5,000 or more employees) have measured their return on investment for health management. Of these employers, 79% say “their programs have had positive impacts on medical plan trends” with 56% reporting small changes on the medical cost trend and 23% reporting substantial changes on the medical cost trend. 20% report that they have not yet found any improvement in medical trends.

According to a 2013 analysis of data from the RAND Employer Survey:<sup>4</sup>

- “Employers overwhelmingly expressed confidence that workplace wellness programs reduce medical cost, absenteeism, and health-related productivity losses. But at the same time, only about half stated that they have evaluated program impacts formally and only 2% reported actual savings estimates.”

- “Participation in a wellness program over five years is associated with a trend toward lower health care costs and decreasing health care use.” The estimated average annual difference is \$157, but the change is not statistically significant.

According to a 2013 SHRM survey:<sup>5</sup>

- 2 out of 10 (20%) organizations measured the ROI associated with wellness initiatives in 2013. Slightly more than one-fourth (27%) conducted an analysis to determine cost savings associated with their wellness initiatives.
- Three quarters (76%) of employers reported that their wellness initiatives are ‘somewhat’ or ‘very effective’ in improving the physical health of their employees, while 7 in 10 (71%) perceive that their wellness initiatives are ‘somewhat’ or ‘very effective’ in reducing the costs of care.

According to a 2013 Towers Watson global survey of HR managers,<sup>6</sup>

- Less than 50% “of survey participants in all countries rank any aspect of their health and productivity program as successful”.

## References

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