



# Workplace Wellness

## A Guide for Employers



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# Executive Summary

## Introduction

Wellness programs are becoming increasingly popular in American workplaces. Health and wellness programs have traditionally been offered by large corporations with many employees and resources to invest, but as healthcare costs climb and the threat of the “Cadillac Tax” looms, employers at small- and mid-sized businesses are also considering how to bend the cost curve on healthcare.

**Cadillac Tax:**  
A 40 percent excise tax on high-cost health plans, intended to constrain healthcare spending by discouraging employers from offering expensive health plans.

According to a Wells Fargo survey<sup>1</sup>, increasing the size and scope of wellness initiatives is the top change being considered by employers expecting to be penalized when the health plan excise tax goes into effect in 2020.

There are as many kinds of wellness programs as there are employers, which can be overwhelming for employers and HR representatives. It can also seem like there are just as many studies discounting wellness programs as there are supporting them.

Many company representatives say they want to evaluate their wellness options, but aren’t sure where to start. This e-book is intended to give you a basic overview of workplace wellness and how you might best build a program suited to your company’s particular culture.

### What this e-book will cover:

- Why wellness?
- How to set your goals
- Developing a program
- Marketing the interventions
- Evaluating and adjusting

We hope you find this e-book helpful, and remember—BerniePortal’s all-in-one benefits and HR software allows employers to solve benefits challenges with software and strategic healthcare benefits challenges with the expertise of an advisor. Call us at 1-844-218-0909 or visit us at [www.BerniePortal.com](http://www.BerniePortal.com) for more information.

## Why wellness?

### Reasons to implement health initiatives at work

There are several reasons why employers might be interested in helping employees improve their health. The usual motive, however, is unsustainable healthcare costs. Single and family premiums for employer-sponsored coverage have risen an average of 5 percent each year since 2005, according to the Kaiser Family Foundation<sup>2</sup>—a rate rising faster than inflation.

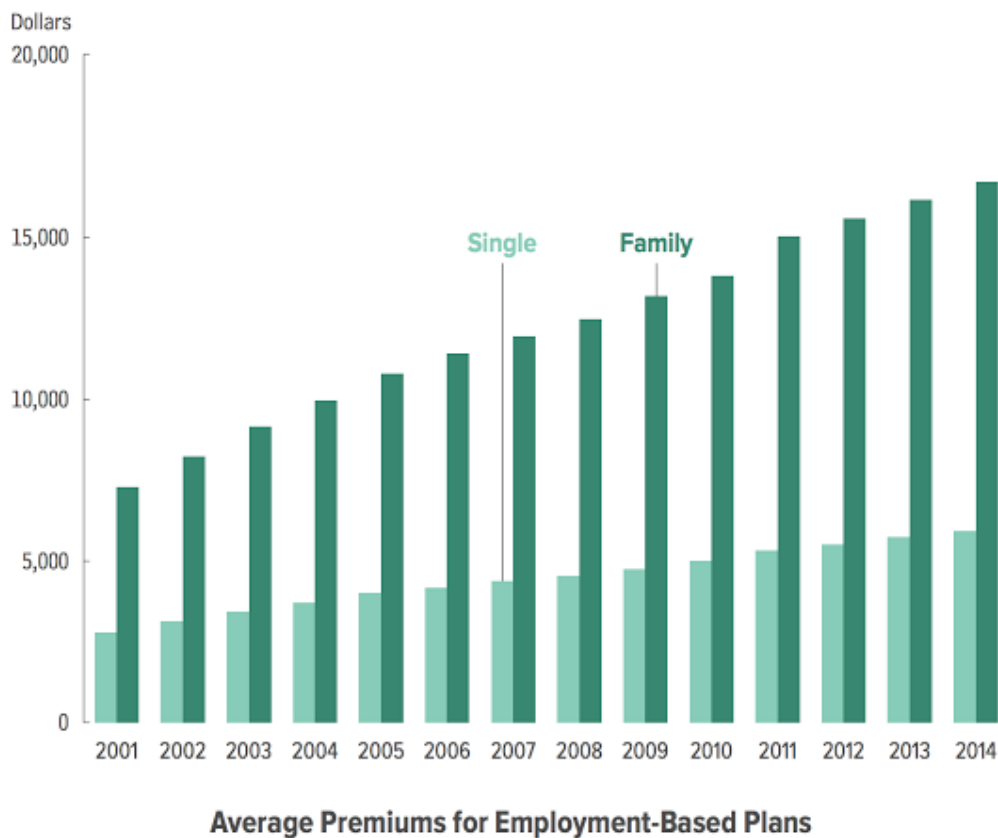


Image source: Congressional Budget Office<sup>3</sup>

Employees spend, on average, 44.5 hours per week at work, according to the Bureau of Labor Statistics<sup>4</sup>. Even as more employees are working from home with the rise of flextime and mobile offices, workplace culture is still an enormous part of an individual's lifestyle and plays a defining role in health quality and health costs.

## The ROI question

You can't talk workplace wellness without talking ROI. Our research shows promise in investment returns, with a few caveats.

A study published in policy journal *Health Affairs*<sup>5</sup>, Harvard University economists compared 32 wellness studies, and found medical costs fell by an average of \$3.27 for every dollar spent on wellness programs, and absenteeism costs fell by about \$2.73.

That said, ROI is impacted by a variety of factors unique to each program. Further, cost-savings are generally long-term, and many employers are discouraged by a lack of early, dramatic results. Additionally, programs that focus on employees who are already facing health issues tend to have better results than general wellness efforts.

This is demonstrated by a RAND Corporation study<sup>6</sup> focused on one Fortune 100 employer. That study found returns on investment of \$1.50 per dollar spent on overall wellness efforts, but found that disease management—which focuses on employees with existing chronic diseases—had better returns than lifestyle management programs, which focus on general health and disease prevention.

Program	ROI
Total Wellness Initiative	\$1.50 per dollar invested
Disease Management	\$3.80 per dollar invested
Lifestyle Management	\$0.50 per dollar invested

Although healthcare costs are a driving factor in the adoption of wellness programs, many employers choose to implement health interventions for cultural reasons.

Wellness programs can have positive impacts on productivity and absenteeism—an Aflac WorkForces report<sup>7</sup> also found workers who are offered wellness programs have higher levels of job satisfaction, improving employee recruitment and retention.

## Introduction to the four steps

### Building a successful wellness program

There are four key steps to building and launching a successful workplace wellness program:



1. Survey employees and set goals
2. Develop the program and incentives
3. Implement the interventions
4. Measure and adjust the program

### Who should initiate wellness programs?

An HR representative is a common pick to lead these efforts, as employees are already used to consulting him or her regarding workplace policies. As effective communication is key to achieving employee participation, you may also want to include your marketing or communications team.

Your organization's leadership team should also participate in all four steps. Buy-in from upper management is crucial—employees tend to model their behavior on their supervisors, and are unlikely to participate if they feel it could negatively affect their success in the workplace.

The leadership and HR teams should jointly share with employees their reasons for investing in these efforts and measuring their results. It is also important to have all or most of your company's teams represented in the program-building process. Without company-wide input, it is easy to miss cultural elements that may be hindering employee health.

# How to set your goals

## Developing program objectives

The elements of your wellness program will vary based on your goals. If your focus is on job satisfaction and recruiting, you may want to orient your program around stress reduction and team-building. If you want to reduce your healthcare spend or decrease absenteeism, you may focus on smoking cessation, diet improvement or general health plan awareness.

Six common goals of wellness programs:

1. Higher job satisfaction
2. Healthcare cost reduction
3. Disease prevention
4. Increased productivity
5. Reduced absenteeism
6. Recruiting improvement

Part of the goal setting process should be developing a vision for the future workplace. How do you want employees to feel about the workplace? What are you doing well? What behaviors can you better integrate into your company culture?

## Initial evaluations

You may want to survey your employees and complete initial health screenings. An assessment process will offer valuable insight into which wellness goals your employees share.

Please rate how interested you are in the following health topics:

Topic	Very interested	Somewhat interested	Not interested
Blood pressure			
Diabetes			
Cholesterol			
Health plan coaching			
Healthy eating			
Physical activity			
Smoking cessation			
Stress management			
Weight management			

Please note your agreement with the following statements:

Statement	Strongly agree	Somewhat agree	Neutral	Somewhat disagree	Strongly disagree
Workplaces impact employee health.					
My workplace has a culture of health.					
I understand my health benefits plan.					
I feel enthusiastic about my company's goals.					
I am likely to participate in optional team-building activities.					

See the appendix for printable surveys.



If health improvement is one of your goals, you may want to consider biometric screenings to track your employees' progress. These screenings are essential for providing a baseline of where your workforce started prior to the implementation of any wellness initiatives.

While these tests are bound by healthcare privacy laws and not accessible to you, you may be able to access aggregate, de-identified "big data" on employee health. Further, if biometric screenings are completed prior to interest surveys, your employees may voluntarily provide some of their own risk data, which will be helpful in developing your plan.

If you intend to track improvements in job satisfaction or employee engagement, you will also want to survey employees to determine a baseline for those metrics, too.

### Carrots, not sticks

It is important to note, however, that you cannot require employees to participate in biometric screenings, or wellness programs in general. You are legally prohibited from any adverse action or retaliation against employees who decline to participate. You can, however, offer incentives. Popular incentives include health plan premium discounts, cash prizes, perks or vacation time. Interest surveys can be helpful in determining which incentives your employees might prefer.

After compiling the data from any completed surveys or screenings, you can further refine your goals and begin developing your program and incentives.

## Developing the program

### Choosing interventions

There are hundreds of interventions you might want to put into practice at your workplace.

One of the most effective interventions is simply helping employees better understand their health plan, especially if it includes benefits such as diet counseling or wellness coaching. Having a health plan representative come and speak to employees, or available to take questions by phone, can be extremely beneficial.

**Bernard Health's employer clients get increased support in this area—employees can work with one of our noncommissioned advisors and receive free health plan assistance.**

Tobacco-use cessation programs are also some of the most common wellness initiatives introduced by employers. Employers are allowed to charge tobacco users up to 40 percent more, representing a steep discount for non-users.

These programs can be structured in a few ways, but many employers offer flat premium discounts for non-tobacco users, or those who agree to complete cessation courses by a certain date.

Here are a several other possible wellness interventions based on potential goals:

#### Goal: Improved health

Weight loss and obesity treatment are the most common elements of workplace wellness programs. According to the Centers for Disease Control and Prevention<sup>8</sup>, obese employees miss about 50 percent more days than their normal weight counterparts, and annual medical costs for people who are obese are nearly \$1,500 higher than those of normal weight.

#### Interventions:

- Reimbursed gym memberships
- Encourage and model “moving” or “standing” meetings
- Complete a company 5K race, with participants granted a free half-day
- Provide standing desks
- Wellness webinars or health coaching
- Healthier workplace lunch, snack and beverage options
- Upgraded kitchen facilities



## Goal: Improved job satisfaction

Stress reduction is often the most desired aspect of wellness plans. There is evidence to support that high-stress work environments pose a legitimate threat to employee well-being. A Stanford Graduate School of Business and Harvard Business School study<sup>9</sup> found that long work hours increased mortality by almost 20 percent—even more than secondhand smoke exposure.

### Interventions:

- Set aside an empty office for stretching, meditation or break from technology
- Post an easy walking route and encourage group or daily walking breaks
- Adjust policies regarding after-hours emails or calls
- Consider flexible work hours and/or remote-work
- Encourage the use of vacation time

## Goal: Recruiting

Wellness programs can communicate to employees that they are valued and appreciated. This can notably aid in the retention and recruitment of employees. If this is one of your goals, consider implementing wellness perks that make the workplace more fun, relaxed and enjoyable.

### Interventions:

- Progressive maternity/paternity leave policies
- On-site yoga or massages
- Active team-building activities (kickball, rock-climbing, etc.)
- On-site exercise equipment or outdoor break areas
- Provide complementary fitness trackers
- Perks with a purpose, such as matched charity contributions or half-days for volunteering

## Program costs

Program costs can vary dramatically depending on the scope of the plan. Initiatives can range from completely free—like starting a running club or monthly healthy potlucks—to high-investment, such as adding a full kitchen or designing an on-site gym. The following chart shows general, annual program estimates.

Program	Cost
Basic	\$150 per employee



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Program	Cost
Basic	\$150 per employee
Intermediate	\$500 per employee
Premium	\$1,000+ per employee

According to wellness company Wellsource<sup>10</sup>, an effective program can be run with funding anywhere from \$100 to \$400 per employee per year.

Use the following Budget Worksheet (available in the Appendix) to develop an investment estimate for your workplace plan.



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*Rescuing you from healthcare confusion*

*Rescuing you from healthcare confusion*

**Use this worksheet to help plan a wellness program and develop an investment estimate.**

List the top three goals for your wellness program:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Contact local vendors for estimates of program elements.

Potential Interventions	Estimated Cost
	Total Cost Estimate:
Total Number of Employees:	Investment per Employee:

## Implement the interventions

### Marketing and communicating your efforts

Once a plan has been developed, its success hinges almost exclusively on how well the program is marketed to employees.

If employees were involved in the development process, they shouldn't be surprised when the efforts officially launch. Even so, you will want to communicate your goals and address any misconceptions that may linger. For example, some employees may feel that wellness programs are an attempt to glean personal information that can be used against them when it comes time for raises or promotions.

In announcing the program, you might want to say something like “Our goal in initiating these efforts is simply to improve the culture of health here at the office. We believe focusing on wellness will make our company a more enjoyable place to work, but these efforts are not mandatory. Please participate if you would like, but it is not required. And of course, we're always open to suggestions on ways we can improve.”

Ideally, the efforts you've chosen will be easy for employees to participate in. They should not extend the workday, but rather be integrated effectively throughout.



Even so, change may be slow—wellness is a long-term habit.

## Measure and adjust

## Secondary evaluations

The evaluation process is key to program success. You may want to plan for a long-term evaluation process that includes multiple assessments.

- **Program Assessment**

Consider issuing another survey after six to eight weeks of implementing your program to learn if the program needs immediate adjustments.

- **Second Biometric Screening**

Six months to one year after implementation could be an appropriate amount of time to complete a second biometric screening.

- **Cost-Savings Evaluation**

After one year, and on a yearly basis moving forward, evaluate claims data to see if you are moving the needle on costs.

- **Engagement Survey**

Cost reductions are not the only metrics worth tracking. Six months to one year after implementation, consider re-issuing an engagement survey to track improvements in employee participation, workplace loyalty and job satisfaction.

Percentage of employers who quantitatively track the following metrics:



Image source: Optum Inc.<sup>11</sup>

## Conclusion

### Investing in wellness

Wellness programs can be a valuable investment in the well-being of your employees and the future of your company. However, many employers are overwhelmed by the scope of wellness interventions, and often fail to effectively implement a plan that fits within their workplace culture.

Committing to workplace wellness involves:

- Setting manageable goals
- Surveying employees and addressing existing workplace policies
- Marketing interventions
- Evaluating and adjusting your program

Effectively implementing a wellness program is certainly an investment of time and resources. Employers that rise to this challenge, however, have the opportunity to provoke meaningful change in their employees' lives, and reap the rewards of a healthier and happier workforce.



Having the right benefits and HR administration software is also key. If you have questions about how to improve your organization's benefits administration, contact BerniePortal. Our team is passionate about helping employers streamline benefits and support employees. Call us at 1-844-218-0909 or visit us at [www.BerniePortal.com](http://www.BerniePortal.com) for more information.

## Citations

- <sup>1</sup> 2015 Employee Benefits Trends Survey, Wells Fargo Insurance, January 2016
- <sup>2</sup> 2015 Employee Health Benefits Survey, Kaiser Family Foundation, September 2015
- <sup>3</sup> Private Health Insurance Premiums and Federal Policy, Congressional Budget Office, February 2016
- <sup>4</sup> American Time Use Survey, Bureau of Labor Statistics, October 2015
- <sup>5</sup> Workplace Wellness Programs Can Generate Savings, Health Affairs, February 2010
- <sup>6</sup> Do Workplace Wellness Programs Save Employers Money, RAND Corporation, January 2014
- <sup>7</sup> Bringing Benefits to Bear for Business Performance & Profitability, Aflac Workforces Report, March 2012
- <sup>8</sup> Workplace Health Programs Can Increase Productivity, Centers for Disease Control and Prevention, October 2013
- <sup>9</sup> Exposure to Harmful Workplace Practices Could Account for Inequality in Life Spans, Health Affairs, October 2015
- <sup>10</sup> How Much Should A Wellness Program Cost, WellSource, August 2015
- <sup>11</sup> 7th Annual Wellness in the Workplace Brief, OptumHealth, March 2016

## Appendix

Download the Workplace Wellness Appendix for the following content:

- Wellness Program Interest Survey
- Engagement Survey
- Budget Worksheet
- Wellness Program Assessment

**Download Now!**