Workplace Wellness Programs: Do They Really Make a Difference?
Do you walk around your office or work site and see your employees as health expenses just waiting to happen? Are health benefits becoming your biggest budget line item?

A [2015 study](#) by the Society for Human Resource Management found that 70 percent of U.S. employers offer some kind of employee wellness program, and a [2014 survey](#) by the Kaiser Family Foundation found that 98 percent of companies with 200 or more employees offered at least one wellness program.

One objection you might have as an employer is that a wellness program isn’t worth the time and money it would take to implement and maintain it. But data shows that in most cases the benefits, financially and otherwise, outweigh what you put into it.
How Far Do You Have to Go?
Wellness programs range from simple to robust and largely depend on the company’s size and budget. Programs usually fall under two categories.

**Category 1— Programs that measure employees’ health and identify potential issues.**

- Basic health assessments, like measuring waist circumference, **checking blood pressure** and calculating Body Mass Index (BMI)
- More **in-depth biometric screenings and lab tests**, like checking blood sugar and cholesterol levels

**Category 2— Programs that help employees adopt healthy behaviors.**

- **Smoking cessation resources**
- **Health coaching or disease management**
- Onsite fitness and health education classes
- **Free or discounted gym memberships**
- **Group challenges or activities**, like a lunchtime walking group or a weight-loss competition
What’s a Wellness Program Worth?
The Tangible Benefits—
A Healthier Bottom Line

It’s no secret that healthy employees are more productive, more engaged at work and take fewer sick days. The flu alone costs U.S. employers about $7 billion per year in sick days and lost productivity.

Plus, as healthcare costs continue to increase, wellness programs can save employers who self-fund their employee benefits a substantial amount of money in healthcare claims.

The Intangible Benefits—
Healthier Employees

Establishing a wellness program shows employees you are invested in their well-being, not just in their output and your bottom line. It can help you attract high-quality talent and keep your current employees healthy and happy.

A study published in the Journal of Occupational and Environmental Medicine examined the effects of presenteeism (when employees with health conditions are present at their jobs but are unable to perform at full capacity) and found that it usually creates a greater drain on a company’s productivity than employee absence.

Big Cost Drivers—Chronic Conditions

The study found that the top five chronic health conditions driving overall healthcare costs for employers are depression, obesity, back and neck pain, arthritis and anxiety. Workplace wellness programs that focus on disease management or chronic health conditions can help employees manage these health issues.

The Healthcare Trends Institute shared these employer-reported stats on workplace wellness programs:

- 78% said the wellness initiatives were at least somewhat helpful in improving their employees’ overall physical health.
- 72% said their company’s wellness initiatives were at least somewhat effective in reducing the costs of healthcare.
- 80% of employers who measured their wellness program’s return on investment (ROI) saw a positive impact.
An article in the *Journal of Workplace Behavioral Health* analyzed 22 studies and found that wellness programs lead to an average savings of $358 per employee per year in healthcare costs, and the average cost per employee per year for these programs was $144. That means the average workplace wellness program had an ROI of nearly 148 percent.

The researchers shared this insight:

“If a company is to expect a strong commitment from its employees to constantly perform at their best, then in return the employees will desire a strong commitment from their company. One commitment that a company can make to its employees is to help them improve and maintain their personal wellness. According to research, employees who are committed to their organizations exert more effort, go to greater lengths to help coworkers and offer more creative ideas for organizational improvement.”

**Wellness Programs Yield Results.**
Case Study

PepsiCo is one company whose wellness program has been studied in depth. Researchers found that over a seven-year period, employees who participated in both the lifestyle and disease management components of PepsiCo’s wellness program had an average reduction of $30 in healthcare costs per member per month.

The disease management part of the wellness program was especially effective from a financial returns perspective. The study found that for every dollar invested into disease management, the return was $3.78.
How Can Employers Get Employees to Buy Into Wellness Programs?
For wellness programs to be a good investment for employers, employees must participate, and getting them on board might prove to be a challenge at first. A U.S. News & World Report article said that only 46 percent of employees take advantage of free screenings and health assessments, and only 21 percent participate in fitness programs when offered.

The biggest key to getting your employees involved is to make the program social so that it builds a sense of community. Just handing employees a gym membership might motivate some, but many need the social aspect to get them engaged.

Another U.S. News & World Report article touched on this subject. Josh Stevens, CEO of Keas, which creates corporate wellness programs said, “You have to make these programs fun, and you have to make them social. When it’s fun, it doesn’t feel like work, and when it’s social, it’s not shameful to admit your BMI or talk about personal health, because it’s a community issue, something you can share and talk about.”

Consider starting a friendly competition-style program, like Rally®, an interactive health and fitness program (offered through Health Alliance), or even a simple step or stair challenge in which employees can compete on teams or by department to see who can do the most steps or flights of stairs in a certain time period. If possible, offer prizes to encourage participation, like gift cards or an extra half-day of paid vacation.

One study sponsored by the Department of Labor found that about 75 percent of employers with a wellness program in place offer an incentive, monetary or otherwise, and with good reason—incentive-based programs have twice the participation rates as programs with no incentives.
Popular Wellness Program Offerings
The chart below shows some common programs or resources employers are providing. How does your company stack up?

<table>
<thead>
<tr>
<th>Wellness Program/Perk</th>
<th>U.S. Employers Offering it to Employees</th>
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<tbody>
<tr>
<td>Company-organized fitness competitions/challenges</td>
<td>34%</td>
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<tr>
<td>Health and lifestyle coaching</td>
<td>46%</td>
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<tr>
<td>24-hour nurse line</td>
<td>51%</td>
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<tr>
<td>Off-site fitness center membership subsidy/reimbursement</td>
<td>32%</td>
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<tr>
<td>Onsite fitness center</td>
<td>21%</td>
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<tr>
<td>Onsite fitness classes</td>
<td>17%</td>
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<tr>
<td>Company-provided fitness bands/activity trackers</td>
<td>13%</td>
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<tr>
<td>Smoking cessation program</td>
<td>44%</td>
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<tr>
<td>Biometric screenings</td>
<td>43%</td>
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Other Social Wellness Program Ideas
Use an interactive program.

Programs like Rally®—which Health Alliance includes in all fully insured groups’ coverage—help employees set health goals. Rally® also presents challenges in which employees can compete against coworkers. Some employers take these a step further, like Rally Premium, which also incentivizes employees to get fit through health insurance discounts or other monetary compensation.

Start a lunchtime walking group.

This is an easy way to get employees together to exercise and socialize, and it can help them stay alert and productive through the afternoon.

Create social media challenges.

Set up a wellness-related challenge for employees, like trying a new healthy recipe or type of exercise, and ask them to post pictures of it on your company’s Facebook page (or create a closed group for your employees). Encourage participation by entering everyone who posts into a prize drawing.

Participate in a 5K race.

Find a 5K in your community and offer to pay all or part of the entry fee for employees. Designate a meeting spot at the race site so they can run together if they wish.

Encourage walking meetings.

Suggest to your employees that for meetings with just two or three people, they take a walk instead of sitting in a meeting room. This helps them squeeze exercise into their busy day and can lead to a more relaxed, open exchange of ideas. Keep in mind that some employees might not have the physical ability or desire to walk for an extended period of time, so make walking meetings an option, not a mandate. Check out more tips for effective walking meetings.
Federal Rules for Employee Wellness
To comply with the Affordable Care Act, the federal government has issued rules and guidelines for employer wellness programs, which allow employer-based plans to incorporate wellness incentives that can total up to 30 percent of the cost of coverage and up to 50 percent if the goal is to stop smoking.

The government divides employer wellness programs into two categories.

**Health-contingent wellness programs**

These include programs that reward employees who do not use, or decrease their use of, tobacco, or programs that reward employees who achieve a specified cholesterol level or weight (as well as to those who fail to meet that biometric target but take certain additional required actions).

To protect employees from unfair practices, health-contingent wellness programs must meet certain requirements.

**Participatory wellness programs**

These programs do not base rewards or penalties on health status. They could include reimbursement for a fitness membership, rewarding employees who attend a free education seminar or rewarding employees who complete a health risk assessment (without requiring them to take further action). Participatory wellness programs do not have to meet the standards that apply to health-contingent wellness programs.
Steps for Implementing a Wellness Program
If you don’t have a wellness program in place or yours is proving ineffective, the thought of what to offer or how to get started might feel overwhelming. First, know you don’t have to go to Google extremes and provide rock-climbing walls, massage chairs and nap pods to keep your employees happy and healthy. Start small and build your suite of offerings and resources as you gauge feedback and participation or as your business grows and you have the funds to expand your program.

Here are some tips to get started:

Why guess when you can ask?
Seek employee input.

Wellness programs only work if employees participate. Ask them through a survey, email vote or staff meeting which types of programs they would be most likely to take part in. You could also form a committee to help research your options and get employee input.

Don’t reinvent the wheel.

Learn how to implement an effective workplace wellness program from the Centers for Disease Control and Prevention (CDC).

There are lots of resources to help you plan, implement and assess a program that’s right for your company.

Build it in. Offer healthcare coverage that includes wellness perks.

Fitness club discounts, smoking cessation program coverage and health coaching are just a few items that can motivate participation.
Health Alliance Can Help Get You Started
Choosing an employee health plan with built-in wellness extras means you can offer some of these programs and perks without the hassle of having to create or oversee them yourself.

All fully insured Health Alliance plans come with built-in extras, like:

- Fitness and weight-loss center discounts
- A smoking cessation program
- Health coaching
- Disease management programs
- A 24-hour Anytime Nurse Line
- A Treatment Cost Calculator to compare prices for various medical procedures
- Rally, an online tool that helps members improve their health in small ways everyday with challenges and rewards

These are included at no extra cost to you or your employees. Self-funded plans have the option to include these perks as well.

You can trust Health Alliance to provide comprehensive healthcare coverage and top-notch customer service to your employees. We’ve been in business for more than 30 years, and we currently serve 246,613 members in five states. Health Alliance has a range of plans to fit your needs and your budget. By partnering with us, you can provide employees with great healthcare coverage and useful wellness programs that will help them be their best and will benefit your company in the long run with a healthier, happier and more engaged workforce.

To learn more about our group plans, visit HealthAlliance.org or call 1-800-851-3379.