

Wellness Strategies for Smaller Businesses

While innovative smaller companies are implementing employee wellness programs, many smaller firms may point to a lack of resources, such as staffing and financial resources, to establish and sustain a wellness program. The uncertain economy and rising health care costs have caused many smaller businesses to focus on core business strategies to keep the doors open and the business going. However, innovative companies realize that building a culture of health is a long-term business strategy directly related to improving the bottom line. This article highlights one company's approach to wellness and the results of the company's programs. It also outlines the components of a successful wellness program and suggests practical implementation steps for smaller businesses.

by **Marc Neely** | *Cigna*

Company wellness programs are widespread in the corporate world, where some 90% of large companies that offer health benefits also offer at least one type of wellness program, such as weight-loss programs, fitness classes or instruction in nutrition or healthy living. Even smaller companies (three to 199 workers) have adopted a wellness strategy. Approximately 65% of these companies offer at least one type of wellness benefit.¹

Common reasons for offering a wellness program include improving employee health, reducing absenteeism, reducing health care costs, and improving morale and productivity, according to the *Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2011*.

This report also indicates that among employers that offer health benefits and wellness programs, nearly half (46%) say they offer a wellness program because it's part of their health plan. But there's a striking difference between larger and smaller firms. Among larger firms that offer wellness

programs, only 20% say they do so primarily because the benefits are part of their health plan. The data point to an opportunity for smaller firms to think bigger when it comes to employee wellness.

Why this difference? Many smaller firms may point to a lack of resources, such as staffing and financial resources, to establish and sustain a wellness program. The uncertain economy and rising health costs have caused many smaller businesses to focus on core business strategies to keep the doors open and the business going. However, innovative companies realize that building a culture of health is a long-term business strategy directly related to improving the bottom line.

It's also true that bigger doesn't necessarily mean more expensive. When health care professionals and health coaches work one-on-one with individuals, they often encourage them to set small, attainable goals and to celebrate milestones. This approach can lead to change over

time and is often less intimidating than thinking about the ultimate end goal, which might seem impossible to achieve. For example, finding the motivation to lose five pounds can be easier than thinking about a 40-pound weight loss.

Smaller businesses can adopt a similar “start small, take time” approach to creating a wellness program. There’s often a desire to see programs generate a high return right away. But just as nobody can lose 40 pounds in a week or two, wellness programs need time to work. According to Wellness Council of America (WELCOA), the time horizon is generally three years, and the return is typically \$2-\$3 saved for every \$1 invested.² But to achieve these returns, a wellness program needs to be done right.

A great place for a smaller business to start is with its health care plan. But creating a culture of health isn’t just about a health plan’s products and programs. Being successful requires, primarily, an employer’s own commitment and, secondarily, internal champions and understanding of workplace dynamics. Without these components, even the most sophisticated of programs is likely to underperform.

Here are some steps that small businesses can take to build a wellness program that works:

Change Begins at the Top

To create a culture of health, support must come from among all levels of the company, including the senior-most leaders. Employees need to see

evidence of that support and understand that being a healthy company is a business strategy that is as important as meeting sales, production or service goals. This is important because personal success and company success go hand in hand.

Build Trust

Change can often meet resistance. That’s why it’s important to have internal champions for a workplace health and productivity program. This can be a wellness committee of employees who help shape the program and can readily understand and act on employee feedback.

Use Data to Design

Programs should be specific to the employee population and based on data. What kind of data? To start, plan sponsors should consider surveying employees about what type of wellness program they find most valuable. The results may be surprising, and having this employee input can help an employer program that more people will use and trust.

Smaller companies that self-fund their benefit program also have access to historical claims data, which can help them understand utilization patterns that may need to be addressed, such as overuse of emergency room services. It can also help target clinical programs, such as developing or adding to a healthy pregnancy program if maternity services are highly used.

Help People See Their Risks

Another good source of data is a

health risk assessment that employees complete through the health plan. *Health risk assessments* are confidential online questionnaires that ask people about their health behaviors. They use aggregate data to pinpoint areas for improvement. Employers don’t have access to any individual data, and employees should know that their individual results are private and confidential.

For example, the aggregate results of the health risk assessment may indicate that the employee population as a whole has unhealthy habits related to heart health. This understanding can lead to the creation of wellness programs that directly address risk factors for cardiac conditions, such as programs for nutrition, smoking cessation and physical activity.

Another way to help people understand their health risks is to hold on-site health screenings, sometimes called *biometric screenings*. These could be health fairs or other employee events, one-on-one meetings, or even some combination of these, where employees are screened for blood pressure, blood glucose and body-mass index (BMI) and take other simple tests that help them identify potential health problems that should be addressed with their doctor. There have been numerous stories about people discovering a serious medical condition during a biometric screening, just in time to prevent dangerous or even fatal complications.

Give People an Incentive to Do Something About Those Risks

There is much written about incentive programs that reward people for

adopting healthier behaviors, because incentive programs have varied success. To be effective, however, incentive programs need to be meaningful and sustainable. For example, if a company's goal is to have the majority of its employees complete a health risk assessment, then the incentive could be cash or reduced premiums for completing the assessment. Another approach could be an intracompany competition where the group that achieves its targeted completion level first wins "bragging rights," a vacation day or recognition at a companywide event.

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Measure Impact

Wellness programs must be measured to gauge results over time. This measurement can help companies determine what's working, what needs to be changed and how the programs have impacted employee health and productivity. Measuring the program's impact against the program's objectives can be as simple as asking employees what they think, or it could be a more sophisticated, in-depth survey. Smaller businesses should talk with their health plans and brokers about designing an effective measurement process, including identifying program objectives and sources for data to be used for measurement.

To demonstrate the importance of how building a culture of health is directly tied to the bottom line, let's look at how one smaller company put the pieces together.

One Smaller Business's Journey

Since its inception in 1992, Logos Research Systems, Inc. (doing business as Logos Bible Software) has grown from two programmers in a basement into the largest developer of Bible software and a global leader in multilingual electronic publishing. The company partners with more than 130 publishers to make more than 15,500 electronic Bible study resources available to customers worldwide. Logos is a privately held company headquartered in Bellingham, Washington. In 2011, for the second consecutive year, it was named by the *Puget Sound Business Journal* as one of Washington's Best Workplaces among companies with 151-500 employees. Logos and its subsidiary Libronix together employ approximately 250 people.

Logos has a comprehensive benefits package including a medical, dental and wellness plan for employees and their dependents. Several years ago, after growing concern with the year-over-year cost increases of its insured health care plan, Logos implemented a self-funded medical plan, using Cigna's graded funding program. At the same time, the company developed a wellness strategy. The company's leaders reasoned that the healthier their employees were, the better their health care claims would be and, thus, the stronger their ability to manage health care costs.

When the company first became a Cigna client, one step it took was to have employees complete a health risk assessment. In 2011, Logos added on-site biometric screenings to its wellness strategies.

Logos also supported the programs that employees indicated would help them stay active. One innovative program it had in place was its bicycle repair shop. The bike shop was started when one information technology (IT) manager, an internal champion, submitted a requisition for equipment needed to start a bike shop. Company president and CEO Bob Pritchett supported the idea from the start as a way to help the many employees who bike to work each day or go for rides during the day. The shop has evolved into Logos' outdoor center which, in addition to the bike repair equip-

ment, contains equipment for tuning skis and snowboards, and an array of outdoor equipment for employees to check out and use whenever they'd like.³ The company also offers employees reduced-cost gym memberships.

In all, program participation has been solid, with nearly half of employees taking advantage of one or more of the company's wellness offerings. One of the results of Logos' efforts has been a more stable claims experience over the past two plan years. Claims costs have been lower than expected and about \$500,000 below the maximum claim liability the company had planned for.

Once consumers and business owners see that their health is directly tied to their expenses, real change can begin and grow. A well-designed wellness program specifically targets and encourages that change. By demonstrating top-down support, building trust and using data to design the program, a strong foundation can be built. Then the focus turns to helping employees see their risks and putting incentives in place to encourage them to lower their risks. The final and key step is to measure results.

Although it is difficult to exactly measure the dollars saved by avoiding a serious health condition or the positive

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change in productivity from an employee who is no longer struggling with health or pain issues, these top-line savings can be significant. In summary, there are resources and ideas everywhere as more employers turn to wellness concepts to lower costs. For smaller businesses, it's time to think big when it comes to health and wellness. 

Endnotes

1. Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2011.
2. Wellness Council of America as accessed January 12, 2012 at www.welcoa.org/freeresources/pdf/0110newsviewsgoetzl.pdf.
3. <http://blog.logos.com/2011/08/another-reason-logos-is-the-coolest-place-to-work>.