

MOVING BEYOND THE HYPE:

Choosing a Wellness Vendor That Gets Results

by | **Rosemary Manning Hughes** and **Suzannah Gill**

Wellness strategies continue to be a key component of many benefits programs and efforts to reduce overall benefits costs and increase employee commitment to the organization. With countless wellness vendors in the market, the options can be overwhelming. It is challenging to know how to properly vet their offerings.

Many vendors have flashy demos, glitzy apps and trendy gamification modules that are attractive and appealing—but not necessarily appropriate for every employer's specific needs. It is all too easy for even the savviest human resources (HR) and benefits teams to invest in a wellness program that does not align with their organization and, too often, comes with a high price tag.

By taking a more strategic and thoughtful approach to both an organization's underlying wellness goals and potential partners' capabilities, employers can find a vendor that fits their specific objectives and needs and achieves the desired results.



A child wearing a VR headset is shown with their mouth wide open in a shout or excitement. The VR headset is white and black. Several colorful icons are floating around the child: a green icon of a globe, a pink icon of a video camera, a blue icon of a lightbulb, a green icon of a document, a pink icon of a magnifying glass, a yellow icon of an envelope, and a green icon of a telephone. The background is a dark, textured blue.

Each organization's workforce, culture and wellness needs are different. It's important to ask and answer a number of questions before deciding which wellness vendor is the best fit.

Take an Introspective Approach

Many HR teams are stretched thin with an increasingly long list of responsibilities. When “wellness” is added to that list, it can be tempting to reach immediately for an outside vendor that “checks the box.” Unfortunately, without investing the time to understand the organization’s internal culture, business needs and goals in advance, the chosen solution could easily be less effective and more expensive than necessary.

Asking and answering a few questions internally, before initiating the wellness partner search, will help ensure the vendor selected can deliver results.

What Does “Wellness” Mean to Us?

The term *wellness* means different things depending on the team and company. Examples include:

- A participation tool to engage employees and enhance company culture
- A cost-reduction tool to provide intensely focused programs for participants with chronic conditions and high-cost conditions
- A stress-reduction program
- A safety program that addresses proper ergonomics and injury reduction.

Organizations are increasingly taking a more holistic view of wellness, moving beyond programs focused entirely on physical health to include those that address total well-being, including physical, emotional, financial and spiritual wellness.

Before creating a wellness program, an organization needs to clearly define its perception of wellness and the relevant components.

What Is Our Culture Today? How Does Wellness Fit In?

Evaluate whether, and to what extent, wellness is a part of the existing company culture. This analysis should be both qualitative and quantitative. From a qualitative perspective, consider the extent to which the organization, including leadership, promotes aspects of healthy lifestyles such as on-site flu shots, stress-reduction exercises, volunteer activities, ergonomic workstations and nutritious food choices. Consider if there is a potential alignment between public business goals and an internal wellness program. In addition, investigate if there are groups of employees who are already focusing on wellness and would be willing to provide input and support a future program.

On the quantitative side, review existing data—such as claims information from health, disability and workers’ compensation plans—to understand the baseline population health and the areas that require the most attention.

In addition to understanding wellness culture, consider other aspects of company culture that would impact the type of wellness program and the outside partner that would most suit the organization’s population. Two important areas to include in this cultural analysis include the organization’s acceptance of technology and views about privacy.

In the technological analysis, important considerations include:

- What is our general level of computer usage and savviness? Do employees use technology as a routine part of their work?
- Are employees accessing the Internet via a desktop computer, laptop, tablet or smartphone? Are these company-provided devices that could include downloaded wellness programs or are these employees’ personal devices?
- To what extent do employees already own wearable health devices, and how does the general population view wearables?

When analyzing the organization’s views about privacy, consider the level of trust employees have with the company and if employees generally are open to sharing their personal information online with other parties or if they are more likely to view this as an invasion of privacy. It is important to address this in advance, since it will affect not only the structure of the wellness program but also how it is communicated. If the employee population tends to be more skeptical about the collection of personal health information, communications will need to address these concerns as a major focus, including details about how employee health data will be used, who will receive it, how it will be protected and the limited access the employer will have to any individual results.

What Are Our Wellness Program Goals, Short- and Long-Term?

Gather key stakeholders and decision makers to define desired outcomes in both the immediate future and looking forward several years. Break multiyear goals into smaller milestones. Clarify which goals are requirements that must be met and which are stretch aspirations.

How Will We Measure Success?

After creating goals, establish a clear understanding of how to measure return on investment and what the appropriate metrics should be. When deciding which metrics are appropriate, consider who the ultimate judge of success will be and what that group values; metrics should incorporate statistics meaningful to that group.

In addition, consider how overall business goals impact the measures of success for the wellness program. For example, if the organization is focused on hiring and recruiting, the measures of success may include more elements related to employee engagement. An organization that is contracting likely would place a heavier emphasis on outcomes-based financial results.

Common measures fall into three categories:

1. **Participation-based:** Examples include number of employees who complete smoking-cessation programs, steps walked, coaching visits, points earned and adherence to treatment plans.
2. **Outcomes-based:** Examples include disability claim frequencies and durations, absenteeism rates, workers' compensation claims and health care utilization.
3. **Culture-based:** Examples include employee engagement survey data, public online employee reviews, focus groups and employee retention rates.

Begin Building a Wellness Culture Before Engaging an Outside Vendor

What Wellness Resources Are Already Available?

Many companies have a wealth of wellness resources available to them—many for little to no cost—that they can use before partnering with a specialized vendor. Further, an outside vendor is much more likely to be successful when its initiatives are implemented as a complement to an internal structure that serves as the base of the wellness program.

Organizations often have a few individuals who are enthusiastic about health and well-being and willing to serve as wellness champions or on a wellness committee. By identifying champions at different locations and in different departments, the HR team establishes a strong internal partner that can help communicate the program and encourage participation.

For organizations that have an existing benefits program, current vendors likely offer free resources that can

be incorporated into the wellness program. An employee assistance program (EAP) may offer free counseling services or child-care resources. The medical carrier likely offers free or discounted wellness education information, biometric screenings and health assessments. Perform a thorough assessment of these existing resources to understand where gaps exist and what additional resources are needed.

Evaluate Potential Vendors From Cultural and Technical Perspectives

What Are Our Evaluation Criteria?

Before beginning the selection process for an outside vendor, develop appropriate evaluation criteria. Determine not only the specific criteria, but also the relative importance of each. Online tools and demos can be very persuasive, so it is important to understand in advance where these tools fit into the company's overall wellness program needs.

How Will the Vendor Help Encourage Participation?

Evaluate the type of support the wellness vendor will provide to both encourage employee participation and help the wellness team increase employee engagement. For example, the vendor may lead a planning session, advise on incentives and share best practices for other creative ways to engage employees.

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 Visit www.ifebp.org/healthcare for more information.

From the Bookstore

Workplace Wellness That Works
 Laura Putnam. Wiley. 2015.
 Visit www.ifebp.org/books.asp?9058 for more details.

Shared Values—Shared Results
 Dee W. Edington, Ph.D., and Jennifer S. Pitts, Ph.D. Edington Associates. 2016.
 Visit www.ifebp.org/books.asp?9085 for more details.

takeaways

- To avoid spending too much for a wellness program, an organization should invest the time to understand its own internal culture, business needs and goals.
- The focus of wellness programs has increasingly moved beyond physical health to address emotional, financial and spiritual wellness as well.
- It's important to know the level of trust employees have with a company and whether they are open to sharing personal information online with other parties or if they view this as an invasion of privacy.
- Current vendors such as the EAP and medical carrier often have wellness resources that an employer can tap. Organizations should thoroughly understand existing resources to know where gaps exist.
- When evaluating a vendor, know in advance where its online tools and demos—which can be very persuasive—fit into overall wellness program needs.

Are Additional Funds Required for Employee Incentives?

Wellness companies often recommend the employer provide a financial incentive to participants to encourage specific behaviors. The dollar amount of these incentives can be substantial, so employers should account for incentives in the overall evaluation of total program cost.

Does This Fit Our Population?

The selected program should not require the company culture to change to fit its requirements. A wellness program should promote behavior changes, but employees are more likely to be receptive to change if they are receiving the messages in a way that aligns with their needs.

For example, a program based around in-person on-site coaching is not a good fit for an organization with a mobile population that spends most of its time on the road. In that situation, a wellness program built around a mobile app or telephonic communications would likely be more effective.

In addition to those practical considerations, think about the wellness vendor's philosophy of well-being and whether it complements the organization's philosophy. For example, if the employer views wellness as improved health for only the sickest and highest risk employees, whereas the wellness vendor's plan is aimed to engage all employees in educational programs, philosophies aren't aligned.

Does This Program Integrate With Existing Vendors and Systems?

Wellness vendors often have robust tools to evaluate population health, but these tools are only as accurate as the data that goes into them. The most effective solutions are those that can receive data from multiple sources, including medical, disability and workers' compensation programs and EAPs. If these programs can't share data with each other, the organization needs to consider manual workarounds and understand the manpower, time and resources these workarounds will require. A wellness program that seamlessly integrates with existing systems

without requiring manual intervention will be more accurate and effective.

In addition to outside vendors, evaluate whether the program integrates with existing internal programs, like the HR information system, employee portal or company intranet. For programs that have the ability to integrate, confirm whether there are additional fees or limits on the number of data feeds that can be shared.

What Data Is Available, and Who Owns It?

Review the reporting tools that are available to participants and the employer—both the type of data and reporting formats. Consider whether data can be easily accessed and interpreted by users at all levels of sophistication and how aggregate data and reporting tools will be made available to the employer.

Ask about security protocols to confirm that they meet both the company's and the participants' requirements and expectations. Determine who the legal owner of the data is and how that impacts the ability to share data with other vendors. Finally, confirm the availability and format of data that will be available upon termination.

What Is the Vendor's Track Record? What Guarantees Exist?

Ask the wellness vendor to provide references of similar clients—not just similar in size or industry, but also with similar wellness goals. Confirm what the wellness vendor defines as success and the performance guarantees it is willing to offer related to its process and outcomes. Understand how often

those guarantees will be evaluated, what potential remedies are available if they are not met and what the vendor's record of success has been.

Plan for Integration

Does This Integrate Into Our Total Rewards Strategy?

Programs are much more likely to be successful if they are fully integrated into the company's culture and total rewards approach rather than being a standalone program. Including the wellness program as one aspect of the larger total rewards programs helps ensure higher utilization. Employees are more likely to participate in a wellness program that is accessible through a portal that they are already visiting for information about payroll, benefits and company perks. If the vendor's communications are available in formats that can be incorporated into other company communications, the program will more seamlessly integrate into the company's overall total rewards communication strategy.

How Does This Solution Fit With Our Growth Plans?

An organization should consider its future business and wellness goals and ensure that the chosen vendor has the resources for not only today but several years ahead. For example, a company that is planning to acquire another organization and significantly increase headcount should consider whether the wellness solution can accommodate the quick integration of a large group of new employees. In addition, evaluate the wellness vendor's resources to determine its ability to grow and adapt as the wellness program evolves.

Understand Organization's Own Role in the Wellness Program

What Are We Doing Internally to Ensure Adoption and Engagement?

A wellness vendor should be a complement to the organization's wellness program but not the complete solution. If an organization relies entirely on outsourcing, without integrating the program into the company culture, the program likely won't be as widely adopted or effective as it would be if promoted with a more grass-roots approach.

A successful partnership requires internal promotion with visible leadership support of the program, appropriate incentives, internal wellness champions and ongoing communications.

As the labor market tightens and the population ages, the need for wellness programs that are closely aligned to business and employee needs will continue. With advanced planning and careful evaluation, employers can find the wellness partner that best helps them achieve their program goals. **6**

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