A considerable amount of attention has been focused on workplace wellness programs in recent years, and more organizations and/or plans have implemented them. But is workplace wellness anything more than a passing fad? What is the future of these programs?

### The Business Case

For many, the discussion about workplace wellness begins and ends with the business case. What return on investment can an organization expect by investing in workplace wellness? The answer in most cases is “We are not sure.” Workplace wellness is very much in its infancy in Canada, so the data to confirm a return on investment is not readily available. The improvement in health and/or the avoidance of health costs not only benefits the health and welfare plan but also the public health care system, but these savings can be hard to identify. In short, making the business case for workplace wellness is not easy.

But in some respects, perhaps people are trying too hard. The business case is much more straightforward. Here is what’s known about health and the workplace:

- Most industries will experience significant labour market shortages in the coming decade. The Conference Board of Canada has projected a shortage of upwards of one million workers by 2020. The gap between available workers and job openings will be experienced across Canada and most industries and trades.
• Several studies have demonstrated that high-performing organizations have engaged and motivated workers.
• Similar studies also have drawn a correlation between worker engagement and health. A healthy worker is more likely to be engaged and personally fulfilled.
• As a population, Canadians are not particularly healthy, and chronic illness rates are increasing. According to Health Canada, upwards of 70% of all health care costs in Canada are related to the treatment of chronic illness.
• Health plan costs continue to increase at rates that exceed normal inflation, challenging plan affordability. Many health and welfare plans are forced annually to balance plan members’ benefits opposite rising plan costs.
• The good news in this entire equation is that many chronic illnesses and related costs can be avoided and/or mitigated through behaviour change.

The business case is quite obvious. For the Canadian economy to continue to grow and thrive—and for health and welfare plans to truly deliver value to their membership while managing plan costs—employers should continue to invest in workplace wellness. The “numbers” will follow in due course, but the lack of a quantifiable return on investment should not be a reason to delay investments in wellness. It is time for action.

Where Are We Now?

Many organizations have taken the leap of faith and have begun to invest in workplace wellness programs, providing a basis on which to determine what approaches work well. A number of workplace wellness programs are delivering a tremendous value to the sponsoring organization and plan members alike.

Mercer’s research on the wellness marketplace shows:
• Organizations continue to have a high level of interest in these programs. During the recent economic downturn, the firm asked organizations how they were responding to financial difficulties of the day, including what benefit plan changes they might be considering. Surprisingly, approximately 70% of Canadian organizations surveyed suggested that they would maintain or increase funding to workplace wellness programs, clearly suggesting that these programs are valued.
• Although focusing on wellness provides an opportunity to better manage health and welfare plan costs, most organizations are investing because they see the opportunity to add value to the plan membership—it feels good to invest in plan member health.
• Many investments in this area, however, tend not to be particularly coordinated or aligned with other initiatives. There is a tendency to buy an “off-the-shelf” offering rather than tailoring a solution to the specific needs of plan members. In many situations, there is no accountability for the ongoing evaluation and refinement of these programs, and often plan communication is lacking beyond the initial program rollout. Like any new program, communicating once is simply not enough.

What can we learn from what we see in the market today? While organizations are investing in wellness and seem committed to continued investments, they have an opportunity to think more strategically about these investments and truly tailor them to the needs of their plan membership. They should not simply “implement and move on” but instead should monitor their investments on an ongoing basis to ensure that they continue to deliver on the goals and expectations of both the organization and plan members.

The Future

Workplace wellness programs are here to stay. The economic reasons for having a wellness program are compelling as are the broader societal reasons. Our Canadian health care system is becoming challenged to deliver on its commitments to an increasingly unhealthy population. One of the keys to future sustainability is to reduce the level of chronic illness in the Canadian population. If we can prevent ill health, we can reduce health care costs in both the public and private sector.

An interesting way of looking at workplace wellness is to consider the overall health of a plan’s membership. In every population, plan membership will fall into one of four groups: 1. Healthy: No underlying health issues 2. At risk: Generally healthy but may have one or two risk factors—obesity, poor nutrition, limited physical activity, smoking, etc.—that could lead to the development of a future chronic illness. If these behaviours aren’t modified, these members stand a reasonably good chance of one day developing a chronic illness that will require medical treatment. Between 50% and 55% of plan membership (based on Canadian population data) is either healthy or at risk. 3. Chronic conditions: An increasing number of plan members fall into this category. They have a chronic disease, such as high cholesterol, diabetes, cardiovascular disease, some forms of cancer, etc., that more than
likely requires medical treatment. These individuals cost health and disability plans the most money.

4. **Serious conditions**: A small percentage of a plan population is unable to work due to a serious medical condition. More than likely, these plan members are receiving long-term disability benefits.

A holistic workplace wellness program will have targeted programs aimed at each cohort within the plan’s membership:

- Ensure those who are healthy continue to live a healthy lifestyle. Initiatives can include financial support for physical education, supportive work/life balance policies, nutritional information, etc. The goal is to prevent these plan members from moving into the at-risk category.
- Educate at-risk members about their risk for developing a chronic illness and ways they can address those risks through behaviour modification. The effort potentially starts with a health risk appraisal with followup education on any risk factors identified during the process. Stress often contributes to unhealthy lifestyle choices, so stress management programs can be highly valued for plan members in this group. Incentives to become more physically active also can be effective, as quite often plan members in this category know what is good for them and simply need some additional motivation to change behaviours.
- Assist plan members who have a chronic disease with programs, including behaviour modification, to manage their chronic illness. For example, someone with high cholesterol can benefit from not only drug therapy but also diet modification and exercise. The plan can have a role by supplementing the education that may be provided by the individual’s medical practitioner. Depending on the nature of the chronic illness, there may be an opportunity for workplace accommodation to support the individual.
- Ensure those members who have a serious medical condition receive the best quality medical care that enhances their quality of life. The ultimate goal is recovery, but failing that, employers can implement supportive policies to ensure the best quality of life. These policies can be as simple as keeping the member connected to the workplace through regular reach-outs from someone at the organization or as substantial as keeping health and dental benefits in place for the length of the disability.

This is the future of wellness programs—acknowledging that plan members have different needs/wants/expectations based on their own unique health status and designing a program that addresses those needs as much as possible. This strategy will allow organizations to maximize their investments in wellness while delivering the most value for their membership.

A final word about alignment. Often, workplace wellness programs are implemented without much consideration for whether the health and welfare plan is aligned. When implementing a workplace wellness program, a plan sponsor should make sure that the health and welfare program supports the program’s goals.

For example, the goal of a wellness program might be the reduction of smoking among plan members, yet many health plans still include maximums on smoking-cessation products covered under the plan. This represents an obvious lack of coordination.

Workplace wellness makes sense for many reasons. The most important, however, is that it can greatly enhance the quality of life of each and every one of us. A healthy person is a happy person.

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**BIO**

**Brian Lindenberg** is a senior partner in Mercer’s Calgary, Alberta office. He is chair of the firm’s Canadian Health and Benefits Solutions, Knowledge & Innovation Team and also is the leader of Mercer’s health and benefits business in western Canada. As senior consultant and client manager, Lindenberg provides consulting advice on the design, administration and funding of group benefit plans for both public and private sector plans. He has served on the regional and national executive committees of the Canadian Pension and Benefits Institute and is a founding member of the Employer Committee on Health Care in Alberta.