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A new International Foundation study, *A Closer Look: Workplace Wellness Outcomes*, offers hints for success by breaking down the types of wellness program designs organizations are using and the outcomes they have experienced.

The study uses data from 372 U.S. organizations of a variety of sizes, industries and regions that participated in the Foundation's *2015 Workplace Wellness Trends Survey*. The survey showed that many organizations plan to expand wellness offerings in the near future.

Although many organizations are having positive outcomes from wellness programs, the study shows there is room for improvement in how return on investment (ROI) is calculated. And outcomes may depend on the program approach taken, strategies used and initiatives offered; the type of organization; and what is being measured (participation, ROI, value of investment (VOI), culture, etc.).

Incentives

Incentives are one of many strategies organizations use to support health and wellness, and there are many ways to design wellness incentive programs. About half of surveyed organizations have some type of insurance-based wellness incentive. Adoption of these programs has increased with the Affordable Care Act's expansion of incentive limits and because a growing number of providers/insurers/consultants are offering wellness program services. Recent Equal Employment Opportunity Commission proposals likely will impact incentive programs, but most surveyed programs would comply with the proposed rules.

Motivation for offering wellness initiatives

and insurance-based wellness incentive programs tends to be very positive. Data shows a general theme of encouraging and supporting employees rather than penalizing them and shifting costs. Organizations with insurance-based incentive programs are more likely to offer a wider range of initiatives and education to support workers' health and wellness compared with organizations not offering incentive programs.

With few exceptions, organizations perceive workers are satisfied with these programs and believe incentives support their workplace culture. However, a small number of organizations say workers have reacted negatively to incentive programs. Barriers to the adoption of wellness incentives include the potential negative impact on employee culture/stress, the potential for incentives to be considered unfair or discriminatory, and worker privacy concerns.

Outcomes

Factors that can increase participation rates in wellness initiatives include incentives, leadership communicating support, targeting employee health risks, surveying workers for feedback, and including spouses and children, according to the study.

Among responding organizations with wellness initiatives, more than one in four are analyzing their ROI—an analysis that appears to be unique to wellness, as very few organizations that measure wellness ROI also measure the ROI of other benefit offerings. The majority of organizations outsource wellness ROI analysis to providers, consultants or actuaries as opposed to measuring internally. The average wellness ROI among all organizations with

benefits

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knowledge of their ROI was \$2.80 per \$1 spent. However, there appear to be inconsistencies and room for improvement in ROI calculation methods.

Additionally, many organizations said their wellness efforts have had a positive impact on their workplace culture and VOI measures such as engagement surveys, recruitment, absenteeism and overall financial sustainability and growth of the organization.

Organizations with positive wellness ROI are more likely to have 5,000 or more active workers. However, organizations with great workplace cultures are more likely to have fewer than 500 active workers, and smaller organizations experience higher participation rates. Organizations in construction, manufacturing/distribution, and energy, utilities and mining industries rate their insurance-based incentive programs as less successful and workforce reactions to incentive programs as less positive compared with other industries.

Takeaways

The study concludes by noting wellness programs are not one-size-fits-all. Organizations should seek worker input and determine prior to adoption whether initiatives—particularly those with insurance-based incentive programs—are a good fit with their culture. Organizations should be sure to stay on top of the latest trends in workplace wellness—including what organizations with successful programs are doing differently—to increase their odds of success. Hints from successful programs in the study include:

- **Approach:** Organizations with positive wellness ROI are slightly more likely to offer wellness to control/reduce health costs, while those with positive wellness VOI and great workplace cultures are more likely to offer wellness to invest in/increase worker health and engagement.
- **Commitment:** Organizations with positive wellness ROI and VOI are more likely to have offered wellness initiatives for a longer time than average and to have budgets devoted to wellness. However, when it comes to VOI, program tenure doesn't appear to matter as

much—VOI results may be noticeable more quickly after implementation. Additionally, organizations with great workplace cultures are no more likely than their peers to have wellness budgets or to have had programs in place for longer periods of time. Participation data actually revealed how less tenured programs have higher participation rates in some initiatives, suggesting it may be a good idea to commit to keeping programs fresh.

- **Initiatives:** Organizations with positive wellness ROI are providing more screening, treatment, fitness and nutrition initiatives than other organizations, but not necessarily more of other initiatives related to total well-being (e.g., mental, community, social and occupational health). On the other hand, organizations with great workplace cultures tend to be providing more total well-being initiatives, but not more screenings and treatment initiatives than average. Organizations with positive wellness VOI tend to provide more of all types of initiatives.
- **Incentives and targeting:** Organizations with positive wellness ROI and VOI are more likely to have prepared general pictures of their health plan status, offer incentives and insurance-based incentive programs, and target programs and communication based on worker health risks. Organizations with great workplace cultures, however, were not any more likely to be taking these actions.
- **Communication, feedback and inclusion:** A few common themes among organizations with positive ROI, VOI and great workplace cultures include a higher level of wellness communication (including leadership communicating support for wellness initiatives) and more willingness to seek worker input on initiatives and to include spouses and families.

A Closer Look: Workplace Wellness Outcomes *is forthcoming*. It will be available at www.ifebp.org/books.asp?7686E.

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