Enabling Employee Wellness: What Do We Know About What Works?

How can employee wellness and informed decisionmaking increase value and lower costs for employers and their employees, and which strategies are most effective for doing so?

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**ISSUE**

Employers and employees both are likely to benefit from workplace wellness provisions enacted by the Patient Protection and Affordable Care Act (PPACA), which encourages wellness and prevention programs, requires that employers provide basic preventative services, and incentivizes personal accountability for health and wellness. Worksite wellness programs—which can range from onsite flu clinics to tobacco cessation programs and from full-scale medical facilities to occasional fitness classes—offer cost savings to employers in terms of reduced absenteeism; increased worker productivity; lower health care costs; and marked improvements in indicators of employee health such as lowered body mass index or BMI numbers, reduced cholesterol, and lower blood glucose levels. These programs create short- and long-term incentives for preventive care, behavior change, risk factor reduction, and chronic care management.

Altarum Institute researchers conducted in-depth environmental scans and evidence reviews of research and emerging practices throughout the United States to help guide employers, purchasers, and other stakeholders in their decisionmaking regarding adoption and implementation of wellness and prevention programs.

**Wellness as a Path to Improve Health, Reduce Costs, and Increase Productivity**

Wellness and prevention provisions of the PPACA include the elimination of copayments for recommended screenings and preventative care; an expansion of employee wellness discounts introduced more than a decade ago by the Health Insurance Portability and Accountability Act (HIPAA) of 1996, which permitted employers to reduce the cost of health insurance premiums for employees practicing healthy behaviors.

Employers offering discounts must ensure their programs are voluntary, and allow eligible employees to qualify at least once a year. Some small employers will be eligible for federal grant funding to launch comprehensive wellness programs between 2011 and 2015.

The PPACA directs new attention to wellness and prevention to improve health, reduce health care spending and increase productivity in the workplace—and the evidence to date looks promising. A recent meta-analysis showed that medical costs fall by about $3.27 for every dollar spent on such programs, and productivity increases, with absenteeism costs falling by about $2.37 for every wellness dollar spent.1

An estimated 133 million Americans, 45% of the population, were reported to have at least one chronic condition in 2000; by 2030, 171 million U.S. residents, or nearly half the population, are projected to have a chronic condition.2 People with chronic conditions are the highest users of the health care system, accounting for 83% of U.S. health care spending.3
What We Know About What Works

Most studies of wellness programs have been conducted of large employers, but for all employer programs of any size, questions of program and policy selection, use of incentives, time, and patterns of return remain unclear. What does the evidence to date show about program performance and effectiveness?

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<tr>
<th>Approach</th>
<th>Summary</th>
<th>Example</th>
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<tbody>
<tr>
<td>Personal risk assessments and screenings</td>
<td>Often effective for participants, although cost-effectiveness, cost savings, and health improvement vary according to disease, screening modality, and frequency. Data mining approaches and predictive modeling are effective methods to identify health risks for individuals who are or may become high cost or high risk.</td>
<td>Kaiser Permanente’s Archimedes Model identified 68,560 high-risk patients with diabetes or heart disease. A bundling of two generics—statin and hypertensive medications—and prevented 1,271 heart attacks and strokes.</td>
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<td>Incentives for choice</td>
<td>Require transparent information about healthy behaviors, health care decisionmaking, and provider selection, together with financial and nonfinancial incentives for prudent consumer use, balanced by provisions to encourage preventive care and protect against catastrophic expense. Value-based benefit designs that encourage appropriate use of high-value services, adoption of healthy lifestyles, and use of high-performance providers also use incentives for appropriate health care utilization.</td>
<td>A survey by Watson Wyatt and the National Business Group on Health reports that about half of the 453 employers participating used financial incentives to encourage healthy behaviors, such as quitting smoking or losing weight. The best performing companies that used financial incentives saw health care costs increase by 1% in the past 2 years, compared with the average of 6.2%, with poorly performing companies’ costs rising by 10%.</td>
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<td>Worksite wellness programs</td>
<td>Improvement in health outcomes and health benefit costs varies by program features, implementation site and participant characteristics. Most studies show that programs must continue for two to three years for employers to realize an economic benefit, although cost savings can be realized more quickly.</td>
<td>A study of successful strategies to prevent cardiovascular disease by the Centers for Disease Control and Prevention showed impressive health improvements and savings of $3–6 per dollar invested over 1-3 years with comprehensive wellness programs and appropriate health plan support. Programs include health coaches, mobile screening, workplace nutritional changes, financial incentives, and premium reductions to encourage participation.</td>
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Employee wellness and prevention programs may include tools to help empower individuals in managing their own health and health care and enhance program success.

- **Health Information and Decision Support** tools such as online calculators and patient narratives assist individuals with decision making about health care treatment options, and are especially useful when considering procedures for which the evidence of outcome is unclear. Informed patients often elect less invasive, less costly alternatives for treatment of cancer and other conditions. Treatment adherence also improves when patients understand and engage in treatment.

- **Technology and Online Support** include tools ranging from eHealth to social networking to mobile telephones can help individuals obtain and learn information about health conditions and status. Social media, internet-based interventions, peer support networks and text messaging have been used successfully for smoking cessation, weight loss, chronic care management, prevention and wellness. Efficacy and impact depend on the specific features and conceptual models used, delivery mode, and characteristics of the target population.
EVIDENCE FOR ACTION

- Evidence is mixed on the effect and effectiveness of wellness and health promotion, with variable return on investment depending on the programs, policies, and interventions used.

- Financial and nonfinancial incentives, carefully targeted, can be effective levers for health behavior and systems change.

- Expanding options for consumer choice—together with price transparency, use of incentives, and decision aids that put the individual in the driver’s seat—are effective tools that encourage health improvement and value-based care that balances quality and affordability.

- Wellness programs and disease management interventions based on proven behavior change theories have generated more successful outcomes than programs that are not theory based.

- Predictive modeling has demonstrated success in identifying and integrating prevention and care management for multiple, often related conditions, providing a comprehensive approach rather than targeting one or more conditions (e.g., diabetes and depression) independently.

- New media and other online applications show promise for health promotion and behavior change, but evidence for how to optimize their use is mixed and continues to accumulate. Typically, social networking, media, and e-health are seen to enhance—but not replace—in-person medical interactions.

- Successful workplace wellness and prevention programs are comprehensive in scope and frequently involve multiple interventions and tools in a work setting that promotes healthy behavior and activities.

This issue brief is part of a series on value-based purchasing prepared by researchers in the Systems Research and Initiatives Group at Altarum Institute. It highlights summary findings of environmental scans and evidence reviews completed in December 2010 to identify and assess “what works” to improve value in health care purchasing and health system performance.

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6 Ibid.


