

Create a healthy, high-performing workplace: 6th Annual Wellness in the Workplace study



A movement is underway. Employers across the nation want to create healthy, high-performing workplaces. In fact, based on this year's 6th Annual Wellness in the Workplace benchmarking survey, the majority of large employers (64%) want to create a culture of health. However, our healthy intentions may not be enough — only 19% of large employers report having achieved one.

**What are we
doing right?**

What are we missing?

**Where do we
go from here?**

This white paper, which features results from the 6th Annual Wellness in the Workplace benchmarking survey, will reveal seven key insights that will enable employers to sharpen their strategic focus. Most importantly, results will help employers build on the positive momentum that is shaping the health and wellness movement in America's workplaces.

KEY INSIGHTS:

-  1 Although the majority of large employers offer a variety of health and wellness programs, more can be done to fully realize the vision for total workplace well-being.
-  2 Traditionally, Human Resources (HR) is the champion behind health and wellness efforts at work, but to achieve a culture of health, business leaders across the organization need to support culture-wide well-being.
-  3 Budgets are growing for health and wellness, but employers may want to examine how they spend their well-being dollars in order to optimize their investments.
-  4 The momentum behind health and wellness incentives continues to build — but there are still many unknowns about evidence-based incentive design.
-  5 Introducing health and wellness programs to your workplace culture is just the beginning. To yield full results, companies need to build a workplace environment that makes good health decisions the path of least resistance.
-  6 Emerging technologies are slowly gaining traction within worksite health and wellness programs, while face-to-face engagement for programs like complex case management is showing signs of making a comeback.
-  7 Employers are eager to build a more complete business case for health and wellness focused on demonstrating value of investment (VOI).

SURVEY BACKGROUND

- The online survey of 545 employers was conducted November–December 2014.
- Statistically, the survey has a 95% confidence level.
- Of the firms surveyed, 60% had 3,000 or more employees, 20% had 100 to 2,999 employees and 20% had two to 99 employees.
- All surveyed companies offer at least two types of health management programs.
- Individuals responding to the survey had to be involved in benefits decision making.
- A cross-section of industries were represented, including manufacturing, health care, professional services, finance, retail and transportation.

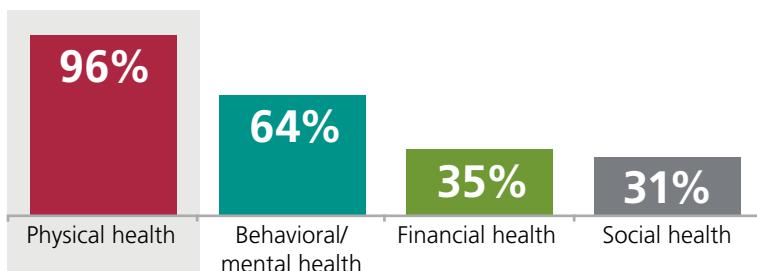


Insight #1

Although the majority of large employers offer a variety of health and wellness programs, more can be done to fully realize the vision for total workplace well-being.

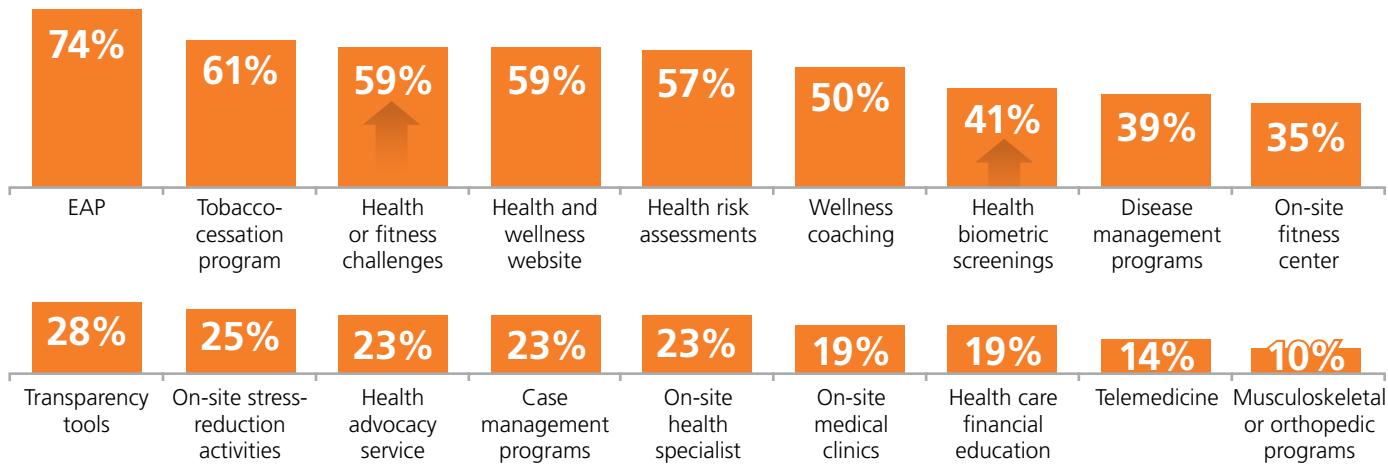
Total well-being not only involves physical health, but also behavioral, financial and even social health. Ninety-six percent of employers report their programs address physical health, but far fewer are addressing three other key contributors to well-being.

Q: What aspects of employees' well-being do you feel your company's health and wellness strategy addresses?



Although employee assistance programs (EAP), a behavioral health service, is a heavily penetrated program at 74%, the program mix is largely focused on addressing physical health risks.

Q: Which of the following health and wellness activities do you currently offer?



NUMBER OF PROGRAMS OFFERED ON AVERAGE:



LARGE EMPLOYERS 3,000+:

Nearly 10 programs

MEDIUM EMPLOYERS 100–2,999:

Nearly eight programs on average

SMALL EMPLOYERS 2–99:

Five programs on average

Health or fitness challenges and biometric screenings had significant growth this year.



CALL TO ACTION: Employers have done a commendable job of building a comprehensive suite of services to impact health risks and chronic health conditions. However, programs like on-site stress-reduction activities and financial education services are under-leveraged. One strategy for success involves building a complementary suite of services that will help employers support optimal mental, social and financial well-being in the workplace.

**Insight
#2**

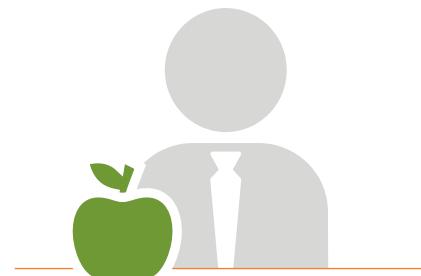
Traditionally, HR is the champion behind health and wellness efforts at work, but to achieve a culture of health, business leaders across the organization need to support culture-wide well-being.

Only 32% of employers report that health and wellness is “very important” to their business strategy. When health and wellness programs are viewed as an HR-only initiative and aren’t embraced by business line leaders, they will never reach their full outcome potential. Having all the business lines adopt a health-first approach can extend the impact.

Only **32%** of employers report that health and wellness is very important to their overall **business strategy**.



58% of companies employ a strategic plan, and **56%** have a wellness-dedicated employee.



CALL TO ACTION: In order for health and wellness programs to achieve success, they must have support outside the walls of HR, especially with business-line leaders. Implications of these survey results are clear: engage more areas of the organization to make health and wellness programs work effectively. One way to achieve broad organizational support is to connect health and wellness outcomes back to business performance goals.

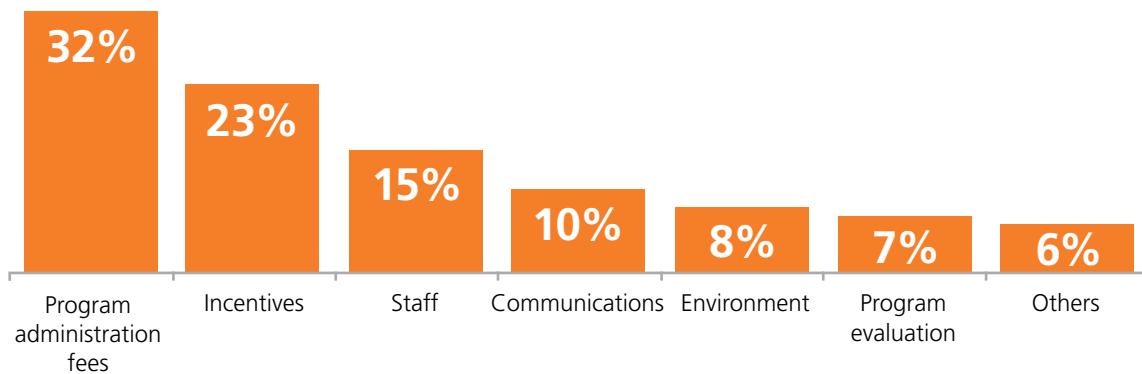
**Insight
#3**

Budgets are growing for health and wellness, but employers may want to examine how they spend their well-being dollars in order to optimize their investments.

Investment in health and wellness is increasing. In fact, nearly 80% of health and wellness budgets have increased or remained the same this year, and 37% of employers report that their budgets will rise over the next three years. Understanding how these dollars are allocated represents our future opportunity.

Q: How does your company allocate financial resources in support of its overall health and wellness strategy?

ALLOCATION OF RESOURCES TO SUPPORT OVERALL HEALTH AND WELLNESS STRATEGY
(AVERAGE % SPENT)



The majority of spend is allocated to **program administration fees**.

Program evaluation and environment may be underfunded.



CALL TO ACTION: If creating a culture of health is the end game, additional funds should be allocated to building a healthy work environment and on-site, dedicated staffing that can help drive the culture from within. In addition, spending more on rigorous program evaluation may be necessary and could drive increased organizational support for health and wellness efforts. Finding a more balanced approach between incentives, communications and culture could maximize health and wellness efforts.

**Insight
#4**

The momentum behind health and wellness incentives continues to build — but there are still many unknowns about evidence-based incentive design.

A record-breaking 87% of employers report using health and wellness incentives — a significant increase since 2013 (81%). Today, almost all large employers offer incentives (90%).

INCENTIVES OVERALL



WHAT PROGRAMS AND ACTIVITIES ARE MOST LIKELY TO BE REWARDED?



- 83%** Biometric screenings
- 80%** Health challenges
- 80%** Health risk assessments
- 79%** Tobacco-cessation programs
- 68%** Wellness coaching

The use of health and wellness incentives may be at an all-time high; however, most incentive spend is aligned with “one and done” activities. For example: the mean incentive value in 2014 (per employee per year) for large employers was \$436. The majority of that amount is spent on incentives for biometric screenings and health assessments, which help create health awareness but may fall short of igniting long-term behavior change.

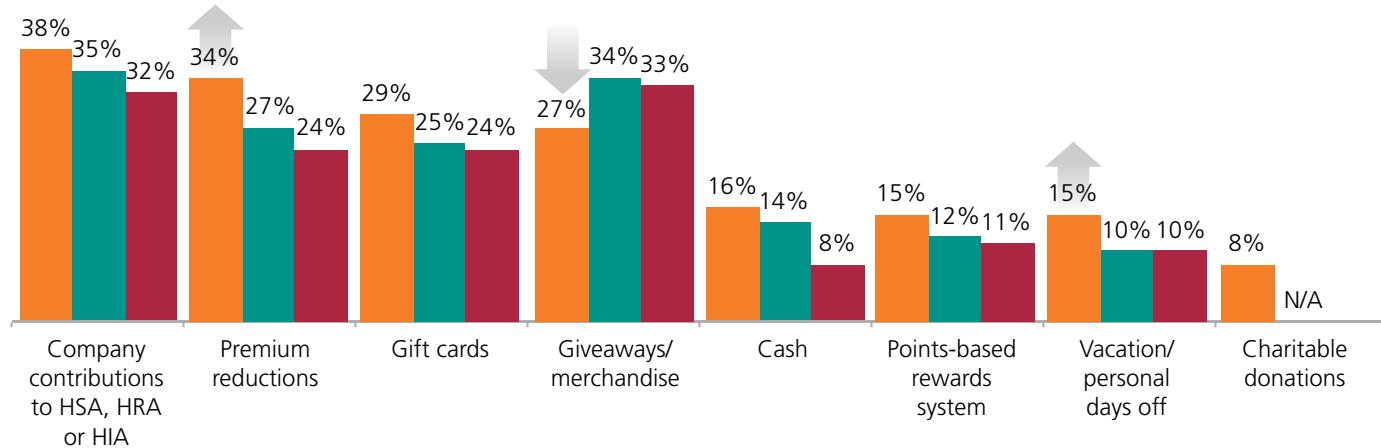
Q: For each program below, approximately how much can be earned per participant per year?

AVERAGE ESTIMATE OF EARNINGS PER PROGRAM (PPPY)
(AMONG THOSE WHO USE INCENTIVE AND ASSIGNED OVERALL INCENTIVE VALUE*)



*Excluding \$0

INCENTIVES OFFERED TO WORKFORCE □ 2014 □ 2013 □ 2012



Employers are also helping employees make the connection between health and wealth.

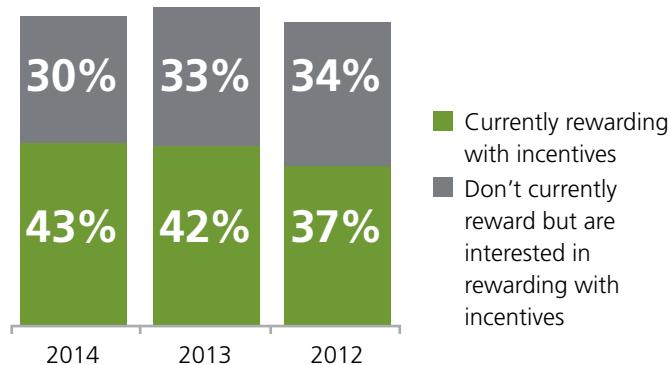
- The most popular incentives continue to include contributions to health accounts, especially by large employers (43%). There is a significant increase in the use of premium-reduction incentives this year (34%), up from 27% last year.

This type of strategy drives health ownership because it makes a direct connection between the employee's health and the employee's health care.

Despite the widespread use of incentives to spur activity, employers appear to be "proceeding with caution" when it comes to rewarding employees for health outcomes.

- The majority of employers continue to focus on rewarding for program completion (57%).
- 47% of employers reward enrollment in programs.
- For the last three years, health outcome rewards have remained relatively flat for those employers considering this strategy.

PERCENTAGE OF EMPLOYERS REWARDING ACHIEVEMENT OF SPECIFIC HEALTH OUTCOME



CALL TO ACTION: Changing how a company spends incentive dollars can influence results. For example, incentives can be used to spike participation in certain activities or influence health goal achievement, like tobacco cessation or weight loss. When designing incentive strategy, employers need to consider their culture and the objectives they want to achieve (participation vs. outcomes). Then they need to complement that strategy with strong communications and leadership support.

Insight #5

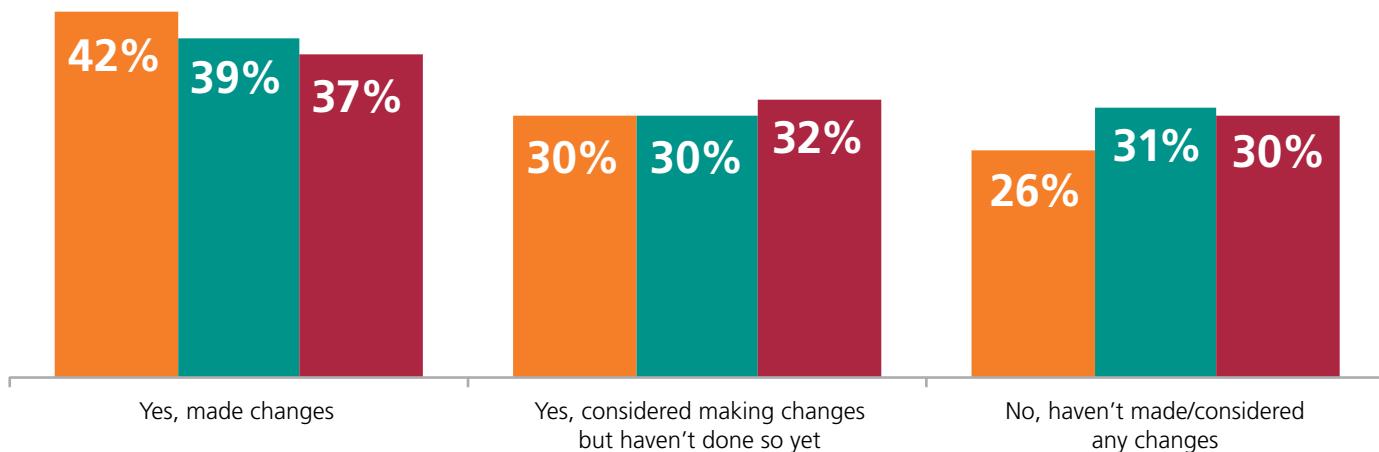
Introducing health and wellness programs to your workplace culture is just the beginning. To yield full results, companies need to build a workplace environment that makes good health decisions the path of least resistance.

Health and wellness programs like wellness coaching, fitness challenges and biometric screenings can create awareness, build skills and help employees maintain their health goals. However, good health decisions become even easier when they are made in an environment that supports making good choices.

Unfortunately, too few employers are focused on building a physical workspace that makes healthy choices the easiest choice.

- Less than half of employers (42%) have made changes to their workplace health environment and an additional 26% aren't considering making any changes.

HAS MADE/CONSIDERED PHYSICAL CHANGES TO WORK ENVIRONMENT ■ 2014 ■ 2013 ■ 2012



Of those employers who have made changes to their workplace, they have focused on creating a smoke-free campus (62%) and providing healthier food and beverage options (62%) in the vending machine.



CALL TO ACTION: There is much more an employer can do to improve the workplace health environment as a means of priming employees for making good health decisions.

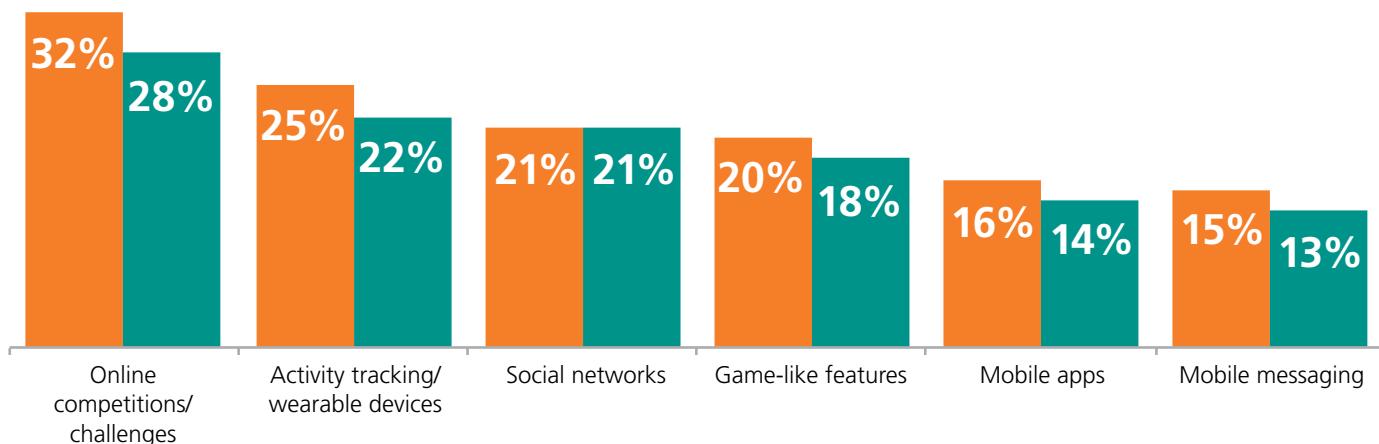
- Bring in on-site health specialists who can drive change from within.
- Consider including healthy food options in the cafeteria, healthy catering menus for meetings, sit-to-stand work stations, outdoor walking paths, bike-to-work policies and more.

Insight #6

Emerging technologies are slowly gaining traction within worksite health and wellness programs, while face-to-face engagement for programs like complex case management is showing signs of making a comeback.

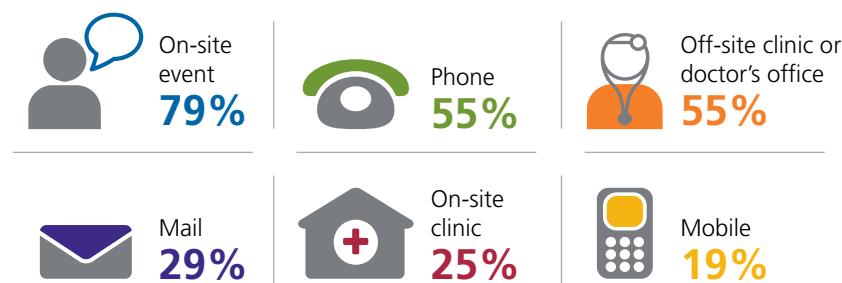
Employers are tapping into the latest digital health technologies to drive program engagement and to deliver innovative programming. Capitalizing on these innovations not only keeps a health and wellness strategy fresh and relevant, but these same tools become even more effective when tightly integrated with existing programs.

USE OF EMERGING ENGAGEMENT STRATEGIES ■ 2014 ■ 2013



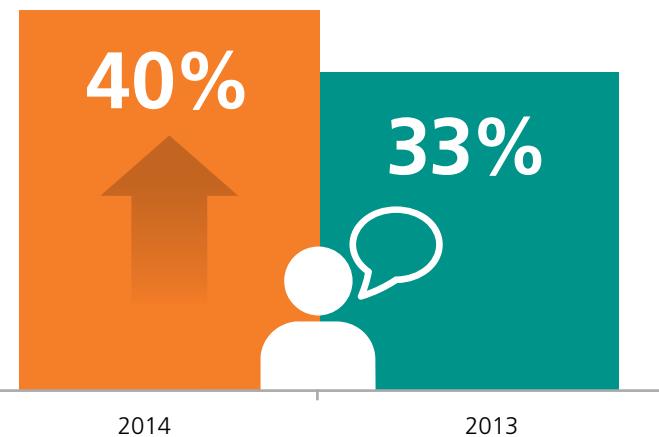
Online “challenges” are capturing the most employer interest (32%).

CURRENT ADMINISTRATION METHODS OFFERED IN 2014



Although digital technologies serve as a novel engagement lever, it's important that employers complement digital intervention with face-to-face intervention (many are — in fact, 79% deliver services via an on-site event). And, based on survey results, large employers are especially likely to work with vendors who have the ability to integrate traditional telephonic/online delivery with a face-to-face model.

PERCENTAGE OF ALL EMPLOYERS WORKING WITH VENDORS
WHO INTEGRATE PHONE AND FACE-TO-FACE DELIVERY*



There has been a significant increase in employers working with vendors who have the ability to integrate phone delivery with face-to-face interaction.*
Large employers are driving this trend.

*Applies to case/disease management services.



CALL TO ACTION: Emerging technologies are critical engagement enablers. Success can be maximized when challenges, games and mobile apps are tightly integrated with existing interventions, like condition management and wellness coaching. As employers embrace the digital world, it's important to recognize the critical role face-to-face interaction can play, especially when it comes to more complex behavior change needs, like case management services.

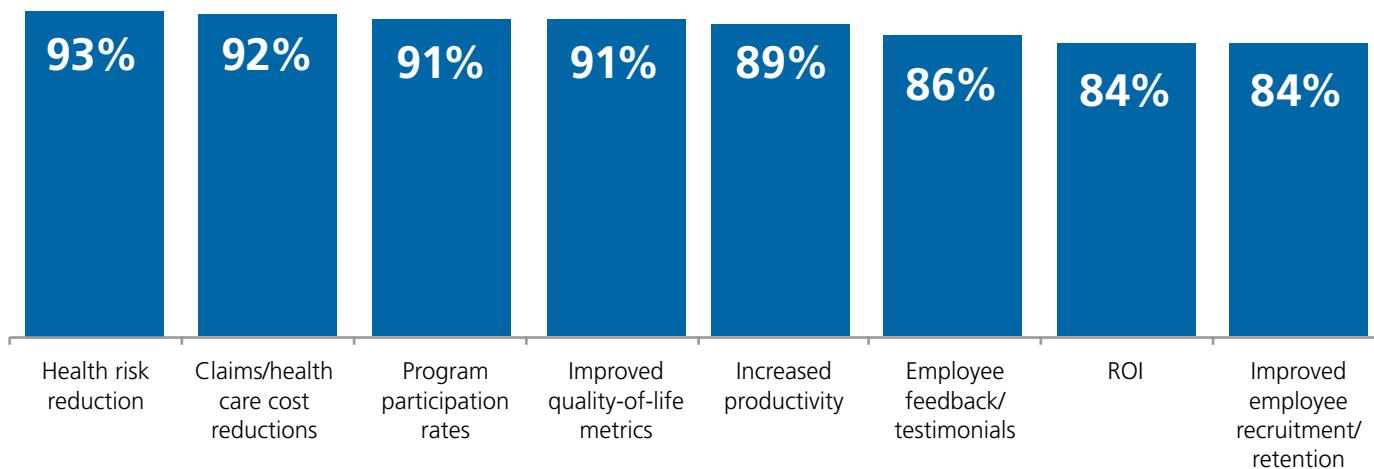
**Insight
#7**

Employers are eager to build a more complete business case for health and wellness focused on demonstrating value of investment (VOI).

Medical cost savings has traditionally been the benchmark for demonstrating health and wellness return on investment (ROI). But employers are recognizing that there are many other ways that a healthy, engaged workforce drives value for a business.

Our survey demonstrated that health care cost reduction is still important, but employers told us that there are many other important metrics that help them build a broader VOI business case for health and wellness.

FACTORS IN DETERMINING THE SUCCESS OF WELLNESS PROGRAMS
(VERY/SOMEWHAT IMPORTANT)



CALL-TO-ACTION: Making a broader case for health and wellness programs isn't easy. But employers should continue moving beyond health care cost savings as a sole indicator of program success and start making the connection between outcomes and emerging metrics like quality of life, productivity, recruitment and retention of talented employees.



THE OPPORTUNITY AHEAD — KEY TAKEAWAYS

The research not only demonstrates where employers are today when it comes to establishing a culture of health, but it also highlights several key takeaways that will shape health and wellness program success in the future. As an employer, you can work with Optum, your vendor partner, to:

- Find ways to go beyond physical health and extend your program mix to include behavioral, social and financial health interventions.
- Garner support from business leaders outside of the HR organization to drive results.
- Consider investing in the workplace health environment and on-site health services to build culture from within.
- Capitalize on emerging technologies to engage employees and enhance the effectiveness of traditional programs.
- Align your incentive strategy with your health and wellness program objectives.
- Change the conversation from ROI to VOI — demonstrate how health and wellness is impacting other important business metrics like productivity, recruitment and employee morale.

Contributors

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Seth Serxner brings the breadth of his experience in academia, industry and consulting to his role as chief health officer and senior vice president of population health for Optum Prevention Solutions.

Seth earned a Master of Public Health from the University of California, Los Angeles, and a doctorate from the University of California, Irvine, where his research focused on health promotion and disease prevention in social ecology.

He is a board member, executive committee member and vice president of the C. Everett Koop Health Project. He also sits on the editorial review board of the *American Journal of Health Promotion* and edits and is a reviewer for peer-reviewed journals such as the *Journal of Occupational and Environmental Medicine* and *Health Affairs*.

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Beena Thomas is a recognized innovator and thought leader in the area of population health. Her specialty areas include assisting clients in developing strategies and recommending enhancements to their employee health and welfare benefit programs to promote a culture of health. She leverages her expertise in market intelligence and competitive analysis when consulting large employers and creating go-to-market solutions. Beena holds a bachelor's degree in biology from Georgia State University and a Master of Public Health from East Tennessee State University. She serves on the National Business Group on Health Board's Institute on the Costs and Health Effects of Obesity and the Corporate Health and Wellness Association. She is also a member of the Health Enhancement Research Organization's Think Tank.

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