



News Release
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Employer Wellness Initiatives Grow Rapidly, but Effectiveness Varies Widely
Comprehensive Programs Tied to a Firm's Business Strategy More Likely to Gain Traction

WASHINGTON, D.C.—While employer wellness programs have spread rapidly in recent years, few firms implement comprehensive programs likely to make a meaningful difference in employees' health, according to a new study conducted by the Center for Studying Health System Change (HSC) for the nonpartisan, nonprofit National Institute for Health Care Reform (NIHCR).

Whether employer wellness initiatives are just a passing fad or make a real difference in workers' health will likely depend on whether firms implement customized, integrated, comprehensive, diversified programs strongly linked to a firm's business strategy and championed by senior leadership and managers throughout the company, according to industry experts interviewed by HSC researchers for the study.

"Many experts told us that employers that lack the ability and commitment to support a comprehensive wellness program may be wiser to stay on the sidelines," said Ha T. Tu, M.P.A., a senior HSC health researcher and coauthor of the study with Ralph C. Mayrell, an HSC health research assistant.

Based on a literature review and 45 interviews with wellness industry experts and representatives of benefits consulting firms, health plans, wellness companies and employers sponsoring wellness programs, the study's findings are detailed in a new NIHCR Research Brief—*Employer Wellness Initiatives Grow, but Effectiveness Varies Widely*—available online at www.nihcr.org/Employer-Wellness-Initiatives.html.

Common themes emerging from the interviews with industry experts and employers sponsoring wellness programs include:

- ***Programs need to be customized to suit the culture and situation of a particular employer.*** One-size-fits-all programs purchased off the shelf from health plans and wellness vendors are unlikely to make a significant impact either in participation or outcomes. Least likely to make an impact are programs consisting only of online health risk assessments and Web-based educational tools, with no individualized follow-up activities to engage employees.
- ***Clarity from senior leadership in linking wellness to the organization's business strategy is important.*** Organizations with successful programs tend to have senior leaders whose championing of wellness is tempered by reasonable expectations and accompanied by an ability to communicate clearly and honestly with employees about shared goals and responsibilities of health and wellness. In contrast, selling wellness to employees as initiatives for their sole benefit, or selling wellness in an environment of discord or financial turmoil, are likely to be futile. Mutual trust is key to effective wellness programs.

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- ***Effective, ongoing communication is essential at several levels.*** In addition to strong messaging from senior leadership, successful programs tend to have both dedicated wellness staff and informal champions within the company who are able to raise awareness, boost enthusiasm and provide peer support. Communication must be both ongoing and updated to keep the message fresh and keep employees engaged. Effective communication typically cannot be outsourced to a vendor.
- ***Programs that are comprehensive, integrated and diversified stand the best chance of success.*** Behavior modification programs offered in isolation don't have a strong track record. Participants who quit smoking or lose weight often revert to former behaviors. Without broader interventions to change the work environment and promote a culture of health, wellness programs are unlikely to make a lasting impact. Because most employers have diverse workforces and because individual needs and preferences differ, wellness programs work best when they span a wide range of activities.
- ***Most believe financial incentives are essential, but compelling exceptions exist.*** The consensus in the wellness industry was that substantial cash incentives are needed to achieve strong participation, and these incentives should be designed to incrementally reward discrete activities that improve or maintain health. However, some employers operate successful programs with minimal or no cash rewards attached and believe such rewards to be counterproductive in causing employees to focus on the incentive rather than on health.
- ***Return on investment (ROI) is uncertain and measurement poses many challenges.*** Employers should expect to invest in wellness for several years before achieving a positive ROI, if at all. Employers looking to wellness as a quick fix for high health costs are those least likely to see positive returns, as they are also the least likely to have undertaken the measures to gain true employee engagement in health. There are many challenges in accurately capturing ROI or alternative measures of impact, and because wellness programs are often implemented simultaneously with other benefit changes, isolating the impact of wellness programs on an employer's cost trends may not be possible.

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The National Institute for Health Care Reform contracts with the Washington, D.C.-based Center for Studying Health System Change to conduct high-quality, objective research and policy analyses of the organization, financing and delivery of health care in the United States. The nonprofit, nonpartisan Institute was created by the International Union, UAW; Chrysler Group LLC; Ford Motor Company; and General Motors to help inform policy makers and other decision-makers about options to expand access to high-quality, affordable health care to all Americans.

The Center for Studying Health System Change is a nonpartisan policy research organization committed to providing objective and timely research on the nation's changing health system to help inform policy makers and contribute to better health care policy. HSC, based in Washington, D.C., is funded in part by the Robert Wood Johnson Foundation and is affiliated with Mathematica Policy Research.