

# Employee health: Are you leading or lagging?

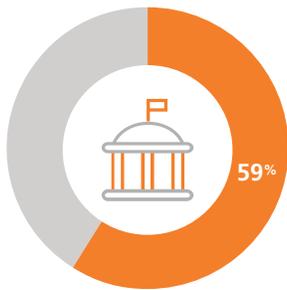
8th annual “Wellness in the Workplace” study



The uncertain future of the Affordable Care Act (ACA), combined with persistent employee health care gaps, has ignited a more deliberate approach to well-being at work, according to results from the Optum® 8th annual “Wellness in the Workplace” study.

The study surveyed more than 240 human resource professionals from large employers (3,000+ employees) at the close of 2016. This white paper details how employers are changing their approach to employee health and wellness, and reveals five key shifts that have unfolded over the past three years.

Potential changes to the ACA is a concern for **59 percent of employers**. Coupled with that concern, the study also revealed three persistent worries:



- **Health ownership.** Only **24 percent** strongly believe employees take responsibility for their overall health and well-being.
- **Consumer confidence.** Only **28 percent** strongly believe employees know how to navigate the health care system.
- **Financial security.** Only **18 percent** think their employees feel they have enough money to pay for health care in retirement.

SURVEY BACKGROUND

- The surveyed companies offered at least two types of health and wellness programs to employees.
- All respondents were in human resource roles and involved in benefits and wellness program decision-making.
- Key industries represented include professional, scientific and technical services; manufacturing; health care/medical; finance and insurance; and retail.

Five key shifts

As a result of these and other concerns, the study identified five key shifts employers are making to address employee health care gaps in an unstable health care environment:

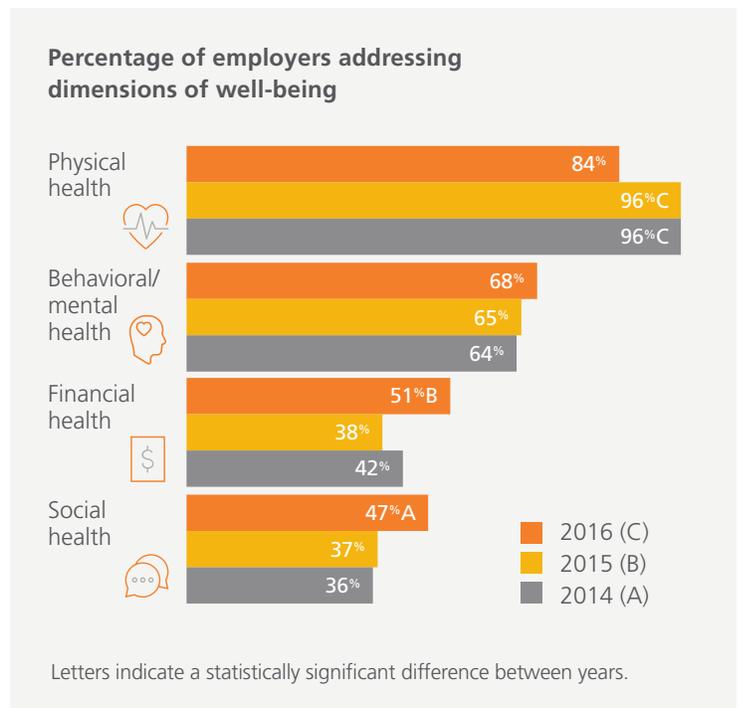
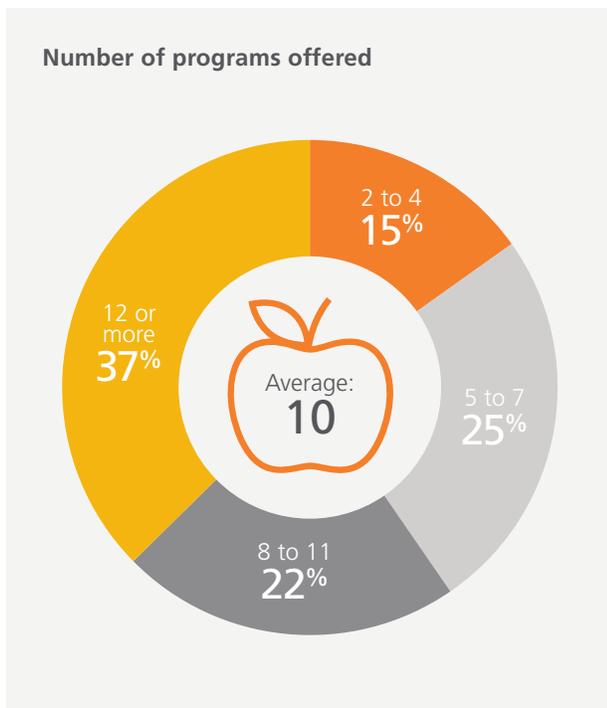
1. Strategy	2. Programs	3. Digital	4. Rewards	5. Investments
Employers are shifting to a broader value proposition for health and wellness across multiple dimensions of well-being.	Employers are focusing on emerging programs that support mental, social and financial health, as well as those that simplify health care navigation.	Employers are actively embracing digital technology to drive health behavior change and engagement.	Employers continue to evolve their incentive strategies, moving toward a more employee-friendly design.	Employers are recommitting to employee well-being through heavy investment in future budget, staffing and changes to their physical environment.

# 1. Broadening the value proposition for health and wellness



While they believe having a culture of health is important, employers indicate there's still a gap in achieving it. Those who embrace it take a holistic view of employee health, understanding that well-being isn't just about physical health, although it is still a major focus.

The average number of programs offered to employees has been the same since 2014 (10 programs), but emphasis on physical health improvement is down **12 percentage points**. Conversely, there has been increasing emphasis on social, financial and behavioral health programs, with focus on social health up **11 percentage points**, financial health up **9 percentage points** and behavioral/mental health up **4 percentage points**.



**THOUGHT STARTER:**

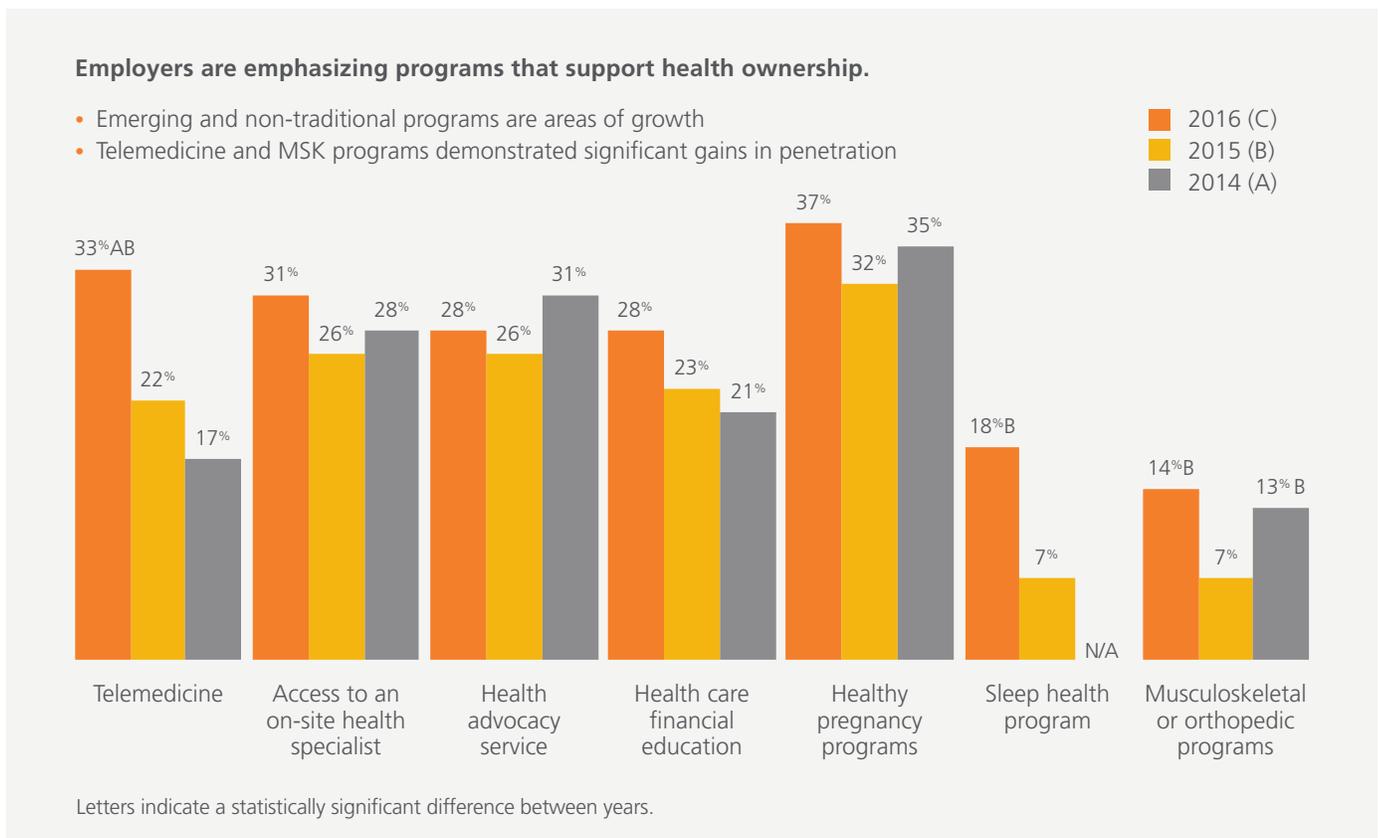
Are your programs supporting all dimensions of well-being at work?

## 2. Focusing on emerging programs



While employers are still offering traditional health and wellness programs, there has been a significant shift in the last three years to emerging programs, such as those that support health care access and navigation, and those that address the behavioral, financial and social aspects of well-being.

Thanks in part to technology support being more available and covered by health plans, telemedicine services showed significant gains, which is important because it can increase health care access while helping employers and employees manage costs.



### THOUGHT STARTER:

How can you leverage these emerging programs to help employees better navigate the health care system or address their financial well-being gaps?

### 3. Embracing digital technology

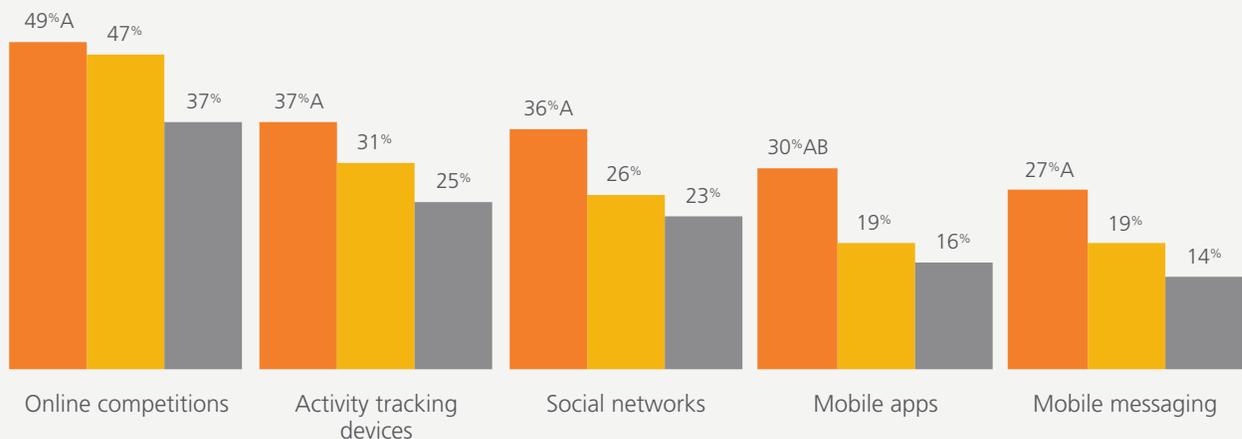


Employers are using a number of digital engagement strategies to communicate key health and wellness initiatives. Integrating these tactics into a comprehensive wellness strategy provides employers more touch-point opportunities. Since 2014, there has been a significant increase in the use of online competitions, activity tracking devices, social networks, mobile apps and mobile messaging to help engage employees.

The prevalent accessibility of technology, coupled with the popularity of competitions such as walking challenges, lends itself to increased employee social interaction. This social connection is an increasingly important component of promoting physical health.

#### Implementation of digital engagement strategies is on the rise.

- Significant increase in the use of online competitions, activity tracking devices, social networks, mobile apps and mobile messaging



Letters indicate a statistically significant difference between years.



#### THOUGHT STARTER:

How could technology help you drive employee engagement?

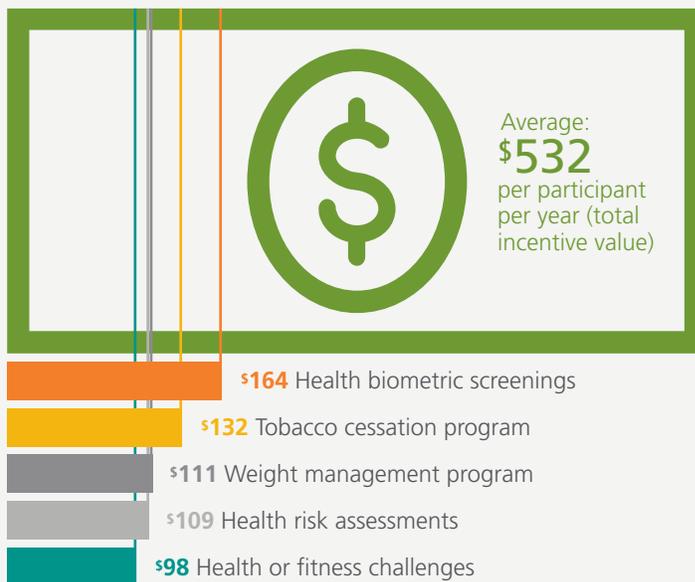
## 4. Evolving incentive strategies



Use of incentives is at an all-time high — **95 percent** of respondents offer incentives to their employees. Recognizing that people are influenced by their family members, **74 percent** of employers also offer incentives to family members. Nearly half of the employers surveyed reported that they plan to expand the scope of their incentive strategy over the next few years.

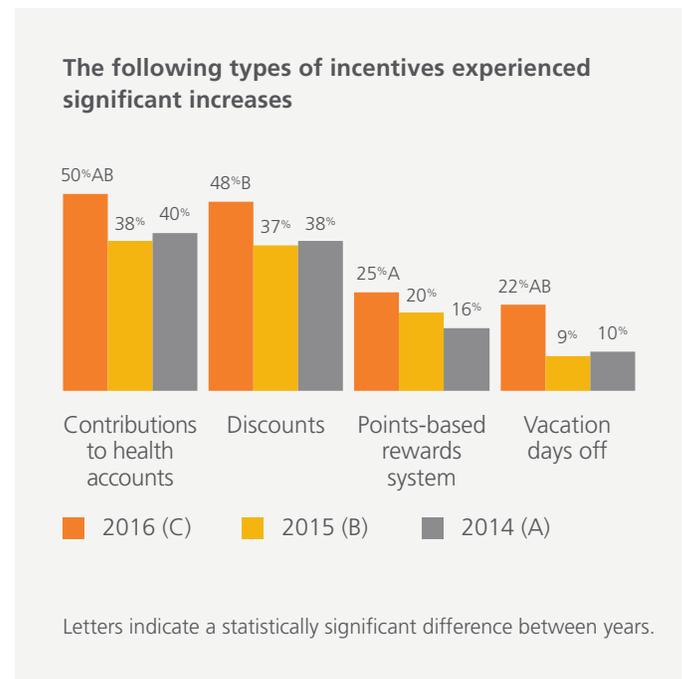
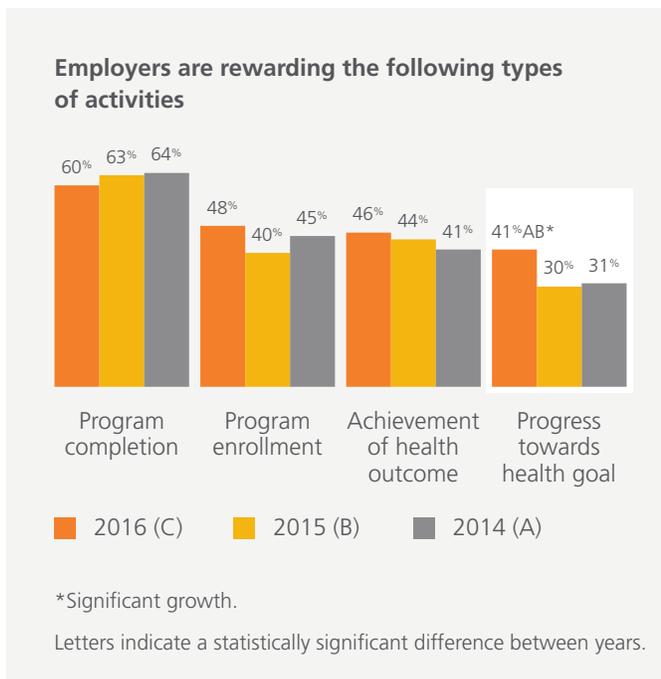
In 2016, health and wellness program participants could earn an average of **\$532 per year**, an increase of **17 percent** since 2015.

**Average estimate of earnings per program per participant**  
(among those who use incentive and assigned overall incentive value)



Employers who reward health and wellness activities have started to focus significantly more than prior years on rewarding employees for making progress towards a health goal. We continue to see a leveling of rewarding achievement of a health outcome. In fact, just **38 percent** of employers report that incentives improve health outcomes. This finding may signal that employers are recognizing the role incentives play as an engagement tool which lives within a much broader behavior change program.

Among incentives offered, health account contributions continue to be favored for their part in helping employees address gaps in their financial well-being, increasing **10 percentage points** since 2014. Other less-traditional yet employee-friendly incentives also saw significant gains, such as programs that convert points into rewards and vacation days.



These less-traditional methods may gain traction due to the fact that people are more likely to change their behavior the closer they are to receiving a reward. Receiving a one-time health account contribution or annual premium reduction may not be enough of a nudge to motivate people into making lasting behavior changes. Similarly, rewarding incentives for “one and done” activities — such as completing a health assessment — may not spur long-term motivation. However, providing more frequent rewards to employees as they complete a wellness coaching program may engage them longer.



**THOUGHT STARTERS:**

- Is your goal to reward participation or outcomes?
- Are the incentives you offer employees friendly (simple, relevant and with a real perceived value)?
- Could you shift from offering individual, financial incentives to group, non-financial incentives (such as a group challenge that rewards everyone if a specific target is met by all)?
- What other non-traditional incentives could you offer (social recognition, exclusive invitations to special events after completing wellness activities, etc.)?
- Are there any “micro trends” you could pilot in your organization (such as offering incentives as a donation to a favorite charity, creating a loyalty club for those who complete wellness activities or offering food subsidies for making healthy choices in the cafeteria)?

## 5. Investing in employee well-being



Incentives and programming are just part of a well-designed engagement strategy, which also requires comprehensive communications, knowledgeable staff and leadership that supports a culture of health. Employers are recommitting to employee well-being by making investments in health and wellness program budgets and staff, with **72 percent** reporting that they employ a dedicated wellness person.

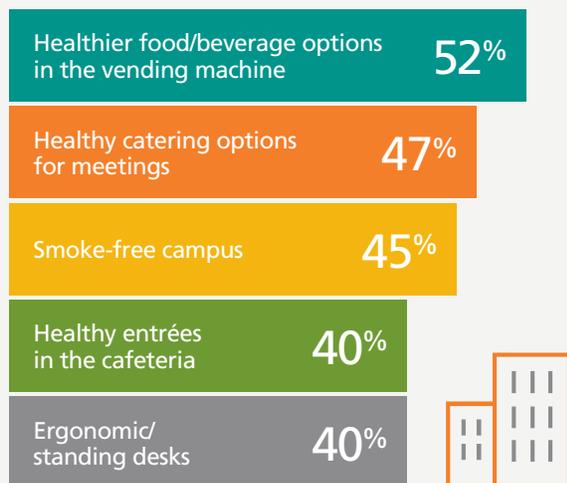
Employers are not only increasing their budgets (**32 percent** report an increase), but they are also shifting their allocations. They are increasing their focus on communications, program evaluation and changes to the work environment.

Nearly half of employers recently made changes to their health environment, with **52 percent** electing to offer healthier food/beverage options in vending machines, followed by healthy catering options for meetings, promoting a smoke-free campus, offering healthy options in the cafeteria and ergonomic/standing desks.

While the main focus of employers is to reduce health care costs, they expect programs to achieve these other three key results as well:

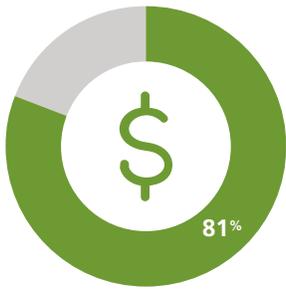
- Reducing employee health risks
- Offering competitive benefits to attract/retain talent
- Promoting a more productive workforce

### Top five changes to work environment



### Key business objectives are driving well-being investments





**Taking a value of investment approach**

Employers are extending their outcome paradigm to include metrics that demonstrate increased employee engagement, productivity and even business performance. In fact, **81 percent** of employers say they are taking a value of investment (VOI) approach to demonstrate the success of their health and wellness program.

**Program success metrics**

(percentage very/somewhat important in 2016)

Health risk reduction	94%
Claims/health care cost reductions	93%
Program participation rates	92%
Employee feedback/testimonials	91%
Increased productivity	89%
Improved employee engagement metrics	89%
Improved business performance	87%
Increased employee retention	85%
Increased employee recruitment	80%



**THOUGHT STARTERS:**

- How are you demonstrating VOI?
- Do your wellness program results connect to business performance?

Amid uncertainty surrounding the future of health care, one thing remains clear: There has been a change in employer perceptions and attitudes about health management programs in the workplace. Employers are playing a more prominent role in helping address the health care gap. And, thanks to innovative programs, redesigned incentive structures and increased adoption of digital technology, their efforts are changing the way well-being is perceived — and achieved — in the workplace.

## Contributors

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