

Employee Participation in Workplace Health Promotion and Wellness Programs: How Important Are Incentives, and Which Work Best?

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Health promotion and wellness efforts for working populations are receiving significant attention. American employers, faced with unacceptable rates of increase in employee health plan costs are moving to introduce more expansive and better designed wellness programs for their employees.¹ During the past decade, dozens of well-designed studies have documented the health improvements and economic return outcomes from a wide variety of worksite settings.²

Also emerging as a *sine quo non* for the field is the equation... participation/engagement = risk reduction = economic return.³ Generating high levels of participation and engagement is essential to the success of all prevention programs. In the early days of the field, it was thought that by vigorously promoting program activities, offering them during work time, and building cultural awareness and acceptability was all one needed to do to produce high levels of program participation. However, program managers have learned differently. Once the "newness" and curiosity of a wellness/health promotion program has worn off, employee participation will almost always drop significantly. This has led to the almost universal use of incentives for program participation.

Beginning with simple program participation incentives, employers are usually moving through three basic incentive phases. The first phase is usually marked by token incentives, typically limited to inexpensive trinkets (under \$10 in cost), such as water bottles, t-shirts, sun visors, or pens. Employees receive these trinkets for participating in programs. For example, they may receive a t-shirt for completing a health risk assessment, attending at an educational workshop, using of an E-Health Web site, or participating in a biometric screening event. The second phase usually capitalizes on moderately priced gift merchandise, such as emergency road kits, flashlights, gift coupons, lamps, and other merchandise in the \$20 to \$50 cost range. When employees participate in the second phase, they

typically accumulate points, which are then redeemed for merchandise. The third phase usually involves significantly larger dollar values and in more easily redeemable forms, such as cash, debit cards, or reductions in health plan payroll deductions. The magnitude of incentives in this third phase is often in the \$300 to \$1,200 per-employee per-year range, and it usually involves meeting several wellness "criteria," including program participation and wellness achievements, such as maintaining a healthy body weight, healthy cholesterol fractions, and controlled blood pressure. The relative effectiveness, or overall participation levels, of these three phases is directly related to the dollar value

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of the rewards. The higher the average dollar reward the greater the participation levels. In phases two and three, employers often use lottery or raffle approaches for reward distribution, but this type of approach, where uncertainty is added to reward attainment, rarely equals the participation levels associated with known and surer receipt of rewards.

As we raise the bar of expectations for wellness achievements to include more demanding and difficult achievements, such as losing significant amounts of body weight, increasing physical activity levels, overcoming tobacco use habits, and others, it is clear that the magnitude of the reward has to be raised as well. This also tends to create a concern that, as the reward size gets larger; it is going to be more difficult to maintain a positive level of economic return or return on investment (ROI). Many employers are therefore beginning to realize that they can add

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the projected incentive cost and the wellness program costs to their health plan premium and through premium contributions can have employees share this cost. Employees who don't cooperate then end up paying a larger proportion of the combined premium cost than those who participate or engage in wellness programs and activities. This approach is considered to be a "play or pay" based program strategy and can make all wellness-related costs a zero sum budget expenditure for employers. Some employers have actually generated revenue with this approach.

This third phase of wellness incentives is generally built around a set of voluntary wellness criteria, such as those listed below. Due to the great flexibility inherent in the design of wellness criteria, it is likely that these types of criteria will be tested and refined over time and will help to create a dynamic tension around engaging in wellness behaviors.

For example, in a phase three approach to wellness incentives, if the individual meets any eight out of the following 10 wellness criteria, they may qualify for a \$600 reduction in their health plan premium contribution for the year.⁴

- Non-tobacco user or participation in a smoking cessation program.
- Body Mass Index (BMI) less than 30 or participation in a weight management program or wellness coaching.
- Overall Wellness Score from an HRA of 85 or greater.

- Physical activity more than four times per week.
- Completion of 30-minute Webinar on wellness and consumer health.
- Current on preventive screening (form completed by their doctor).
- Agree to wear a seat belt 100% of the time they are in a motor vehicle.
- They have a Primary Care Practitioner (PCP).
- Use of medical self-care in the past three months.
- No more than three sick leave days in last 12 months.

Under the new final regulations for the non-discrimination provisions of the Health Insurance Portability and Accountability Act (HIPAA), this approach is allowable as long as the financial reward does not exceed 20% of the total health plan cost and the approach meets the other four reasonable provisions called for in the final regulations.⁵

In conclusion, incentives are absolutely essential to participation and engagement in wellness and prevention activities for virtually all populations and are likely to become a standard feature of health plans that are serious about managing the health of their members. Additionally, many employers are now demanding increasingly effective approaches to long-term health cost stabilization through health management and health improvement. **NCMedJ**

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