



Workplace Wellness Programs: Creating a Culture of Wellness

Curb Rising Health Care Costs and the Growing Prevalence of Chronic Conditions

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There is interest from employers and employees to implement workplace wellness initiatives to curb rising health care costs and the growing prevalence of chronic conditions. Workplace wellness programs can take many different forms, from onsite flu shots, smoking cessation programs, to more comprehensive programs that offer health assessment and coaching. Recent changes enacted in the Affordable Care Act (ACA) allow a greater link to financial incentives to the achievement of clinical targets, so how a wellness program is developed and communicated will be critical to the success of the program.

Wellness programs, if properly designed hold the potential to improve health and encourage healthier behaviors. If poorly designed, workplace wellness programs can shift costs to those with the greatest health status rating, and lead to poor outcomes for the wellness program.

The best results for any wellness initiative or program are achieved when labor and management equally design and agree on the goals and objectives, timeline and messaging. Having key leaders speak to constituents in support of the wellness program will lead to robust participation by the employees. And, it will also create the momentum to keep the program advancing the goal of “Creating a Culture of Wellness in the Workplace” well beyond your first year.

Federal Rules Governing Workplace Wellness Programs

There is broad flexibility to implement a workplace wellness program if it is completely independent from a health insurance plan. If it is connected to an employer sponsored plan, it must comply with certain federal rules barring workplace discrimination.

The Health Insurance Portability Act of 1996 (HIPAA) generally prohibits group health plans from charging employees different premiums based on tier health status, but it includes an exception to this prohibition to allow financial incentives for employees who achieve certain health goals or participation in certain health promotion programs.¹ Federal regulations published in 2006 distinguish between wellness programs that simply require participation in a program and those that require achievement in certain health status standards². Programs that tie financial incentives to “participation only” do not have to meet additional requirements, but programs that are “standard-based” have to meet five benchmarks:

¹ 42U.S.C 300-gg-1 (B)(2)(B)

² 45 CFR § 146.121

- The reward for the program can't exceed 20% of the cost of employee-only coverage under the plan or 20% of the cost of family coverage if the program applies to dependents;
- The program must be "reasonably designed" to promote health or prevent disease;
- The program must give employees the opportunity to qualify for the reward at least every year;
- All employees must have the opportunity to gain the reward, and if an employee has a medical condition that would make it "unreasonable difficult" to meet the standard, the employer must offer a "reasonable alternative standard";
- The plan must disclose in its written materials that this reasonable alternative standard is available.³

Under the rule, "reasonably designed" means that the program must have a reasonable chance of improving the health of or preventing disease in participating individuals and is not overly burdensome, is not a "subterfuge for discrimination" based on a health factor, and is not "highly suspect" in the method chosen to promote health or prevent disease.⁴

Examples of Workplace Wellness Programs Outside the Scope of Federal Law

- On site flu shots
- Redesigned cafeteria with nutritional content for meals
- Lunchtime walking program

Examples of Workplace Wellness Programs Under the Scope of Federal Law

- Reduced deductible for taking a Health Risk Assessment
- Reduced cost-sharing for participation in chronic care management programs
- Increased premiums for a BMI that exceeds 29

Consideration of Privacy

Many wellness programs require the individual and in some cases family members to complete a Health Risk Assessment, or be interviewed by a health coach. Often these surveys or interviews solicit personal health information. Any vendor offering a wellness program should ensure (in writing) that procedures are in place to secure private health information.

Vendors that collect this data can use it in aggregate and with personal, identifying information removed. Otherwise, HIPAA's privacy regulations, which limit access to and use of personal health information, may apply. While health plans are subject to privacy protections restricting

³ 26 CFR § 54.9801-1(f)(2)(ii); 29 CFR §2590.702(f)(2)(ii); 45 CFR § 146.121(F)(2)(II)

⁴ 42 U.S.C. 300-ff-1(b)(2)(B).

the release of personal medical information, some companies that offer questionnaires and screening may not be.

Reviewing Workplace Wellness Programs

When reviewing workplace wellness programs, it helps to look at the potential for health improvement, outcomes, as well as a reduction in health insurance premiums. Recent examples of health improvement and cost reduction:

Highmark, Inc.

A 2011 study found that Highmark, Inc.'s healthcare cost rose "at a 15 percent slower rate among wellness participants than a comparison group"⁵. Also, "health care expenses per person per year (were) \$176 lower for participants. Inpatient expenses were lower by \$182. Four-year savings of \$1,335,524 compared with program expenses of \$808,403 saved \$1.65 for every dollar spent on the program"⁶.

Volvo

Winner of the 2010 C. Everett Koop National Health Award, Volvo's union-endorsed⁷ wellness program has resulted in cost savings of \$249 per participant, and a "3% decrease in participant health care trend vs. 5% increase in nonparticipant trend." Before the start of the program in 2004, health care costs increased an average of 10% each year. In 2008—four years after the program began—costs increased only 5.5%.

There is also emerging evidence recognizing that both work-related factors and health factors beyond the workplace jointly contribute to many safety and health problems that confront today's workers and their families. Traditionally, workplace safety and health programs have been compartmentalized. Health protection programs have focused squarely on safety, reducing worker exposures to risk factors arising in the work environment itself. And most workplace health promotion programs have focused exclusively on lifestyle factors off-the-job that place workers at risk. A growing body of science supports the effectiveness of combining these efforts through workplace interventions that *integrate* health protection and health promotion programs.

CECHCR supports and will advance Workplace Wellness initiatives that improve the health of school employers, employees and the students and families we serve. We will continue to monitor evidence on the cost, quality and outcomes of Workplace Wellness Programs.

⁵ Highmark.com Feb.28, 2011 press release.

https://www.highmark.com/hmk2/newsroom/2011/pr022811_vid.shtml

⁶ Naydeck, Barbara L., et.al. "The Impact of the Highmark Employee Wellness Programs on 4-Year Healthcare Costs," Journal of Occupational and Environmental Medicine, Volume 50, Number 2, February 2008.

http://journals.lww.com/joem/Abstract/2008/02000/The_Impact_of_the_Highmark_Employee_Wellness.7.aspx

⁷ http://www.thehealthproject.com/past_winners/year/2010/volvo/index.html

When starting your research for a Workplace Wellness Program:

Do's	Don'ts
Check in with your health plan and see what services they offer.	Take on too much in your first year. Changing a culture can take time.
There are many no-cost wellness services available. County Departments of Public Health, local hospitals, the American Diabetes Association, and Cancer Association have web-based no cost programs.	Setting unrealistic goals will be disappointing, and it will be difficult to engage employees again.
Call other employers and unions in your community, and see if they are working on any wellness initiatives. You might be able to dovetail or partner in joint wellness initiatives	Tying success to premiums can be a disincentive for the employees you want to participate. Incentives to participate have better results
Review your health plan claims data to help target program(s) that would provide the greatest benefit.	Don't hire an outside vendor until you know what the needs are for wellness. Do your research.
Multi-pronged programs that go beyond biometric measure, and include support for improving behavior or health outcomes have the greatest success.	Developing a wellness program takes time and resources. If there isn't a commitment to allocate human or financial resources, the program will not be successful.
Make sure health information remains private. When getting reports, aggregate information will tell you what you need to make refinements to the program.	Either labor or management attempting a wellness program on its own will be difficult. You will have the greatest outcome and success by having labor and management collaborating on program elements and messaging.
If a vendor is retained, have them report on incentives and other elements so best practices can be identified.	

Resources for Workplace Wellness Programs

American Heart Association:

http://www.heart.org/HEARTORG/GettingHealthy/GettingHealthy_UCM_001078_SubHomePage.jsp

American Diabetes Association

<http://www.diabetes.org>

Health Enhancement Research Association (HERO)

<http://www.the-hero.org>

WELCOA

<https://www.welcoa.org>

WellSteps

<https://www.wellsteps.com/>

Total Worker Health

<http://www.cdc.gov/niosh/twh/totalhealth.html>

National Healthy Worksite Program

<http://www.cdc.gov/nationalhealthyworksite/join/index.html>

California Department of Public Health

[http://www.cdph.ca.gov/programs/cdcb/Documents/CDPH-CAWellnessPlan2014%20\(Agency%20Approved\)%20FINAL%202-27-14\(Protected\)%20rev%20\(8\).pdf](http://www.cdph.ca.gov/programs/cdcb/Documents/CDPH-CAWellnessPlan2014%20(Agency%20Approved)%20FINAL%202-27-14(Protected)%20rev%20(8).pdf)

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Workplace Wellness Programs Can Generate Savings

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<http://content.healthaffairs.org/content/29/2/304.full.html>