Workplace Wellness 101: The Ultimate Guide
# 1 Minute Executive Summary

## What is Workplace Wellness?

Employer-sponsored program to promote health, prevent future diseases and manage current diseases. Affordable Care Act requires wellness programs to have:

1. Health Awareness Initiatives;
2. Incentives to Maximize Wellness Gains;
3. Initiatives to Modify Unhealthy behaviors; and
4. Supportive Environment for Wellness.

## Why Wellness?

Of the 7 out of 10 deaths caused by chronic diseases, 75% are preventable through healthy habits wellness programs cultivate. These programs combat poor nutrition, sedentary routines, stress, alcohol consumption and smoking.

## Why Should Employers care About Workplace Wellness?

Many employers are bearing the burden of their employees' higher health insurance costs. By making changes in the workplace, wellness programs reduce healthcare costs for everyone; some companies see a ROI of $3 for every $1 spent on workplace wellness. Wellness Programs also create a fun workplace, drive productivity and attract health conscious employees & millennials.

## What are Typical Workplace Wellness Program Components:

1. **Screening** (Health Risk Assessment, Biometric Screening)
2. **Lifestyle Management** (e.g. onsite fitness and nutrition classes)
3. **Disease Management** (1on1 Health Coaching, medication adherence)
4. **Contextual Changes** (Onsite gym, healthy office snacks, work policies)

## How Should Companies Implement a Workplace Wellness Program?

Approach and execution are key. Estimated Costs per employee per year - Basic Program ($150 to $200); Intermediate ($250 to $600); Premium ($700 & up)

1. Assess employee needs and create fun & simple program
2. Implement multi-prong communication to raise awareness & excitement
3. Design incentive scheme to drive initial participation
4. Constantly evaluate program and success metrics and tweak as needed

## What are Best Practices for Workplace Wellness Programs:

Program success largely hinges on execution. Includes:

1. Clear program goals
2. Well-designed incentives
3. Leadership support
4. Multi-prong communication
5. Fun, Simple and Creative program offerings
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What’s in this guide?

This startup guide is to assist anyone who, willingly or unwillingly, is tasked with developing a Workplace Wellness Program; or anyone that simply wants to better understand Workplace Wellness. We cover the following:

- What is Workplace Wellness?
- Why Wellness?
- Why Should Employers Care About Workplace Wellness?
- What are typical Wellness Program Components?
- How Should Companies Implement a Workplace Wellness Program?

This startup guide is comprehensive, well-researched and reader friendly (we know you don’t have time to read through a 170 page RAND Report)*. We won’t be telling you what we think might work, we’ll be telling you what the research says and what we know based on real-world experience.

Our goal is to teach you everything you need to quickly roll-out a program that is:

- **Comprehensive but budget-friendly** ➔ **Effective but simple** ➔ **And fun but CEO-approved.**

Beyond that, we will teach you how to use design thinking to create an experience that:

- **Your employees will love (and love you for)** ➔ **Your company’s leadership team will approve** ➔ **And one with real ROI.**

And yes, the ROI is there, but only if you follow best practices from model organizations and what the research shows. As this guide is going to show, there is plenty of evidence that well-designed programs operated by thoughtful employers can significantly improve the health behaviors and health status of participating employees.
What is Workplace Wellness?

A source of confusion and frustration for employers is that there is no official definition for a wellness program or a conclusive set of universally accepted program components. The Affordable Care Act (ACA) simply defines workplace wellness as an employer sponsored program to promote health, prevent future diseases and manage current diseases. The only additional specificity comes from Section 10408 of the ACA, a provision providing wellness program startup grants for small employers whose wellness programs include the following:

- Health awareness initiatives;
- Incentives to maximize wellness gains;
- Initiatives to modify unhealthy behaviors; and
- Supportive environment for wellness.

Unfortunately, even the ACA definition and criteria fails to capture and stipulate what a comprehensive workplace wellness program designed using evidence-based research and proven best practices should be. This disarray has led to a smorgasbord of wellness vendors and program designs, resulting in some companies enjoying solid ROI from their programs while many are wondering why they still have a program. The good news is that the industry is maturing and new research is showing us what works and what doesn’t – which is what this guide sets out to do. We will look at 3 types of workplace wellness programs - a basic, an intermediate and a premium program. We then look at best practices to maximize the impact and ROI of each type of wellness program.

Why Wellness?

Spurred on by poor nutrition, sedentary routines, stress, alcohol consumption and smoking - chronic diseases account for 7 out of every 10 deaths. While the personal, financial and economic impacts of chronic diseases on individuals, businesses and the United States are staggering; the good news is that the overwhelming majority of these diseases are preventable through the kinds of habits and support structures that wellness programs sustain.
### Impact of Chronic and Lifestyle Diseases

<table>
<thead>
<tr>
<th>On Individuals</th>
<th>On Businesses</th>
<th>On the United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Decreased quality of life</td>
<td>• Employer’s list worker’s poor health habits in top 3 challenges to keeping health coverage</td>
<td></td>
</tr>
<tr>
<td>• Account for severe disability in 25M Americans</td>
<td>• 400% costs (e.g. sick days) differential for unhealthy workers</td>
<td>• Account for 75% of national health care expenditures</td>
</tr>
<tr>
<td>• Responsible for 1.7M deaths per year</td>
<td>• Employer health coverage costs doubled in last decade</td>
<td>• $1.3 trillion from lost productivity &amp; treatment (projected at $4.2 trillion in 2023).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Impact on global competitiveness &amp; economic growth</td>
</tr>
</tbody>
</table>

Data Courtesy of Milken Institute¹
Multiple studies have shown correlations between poor lifestyle choices and increase risks for cancer, heart disease, diabetes and other chronic diseases.

<table>
<thead>
<tr>
<th>&gt;90% of cancer cases have roots in lifestyle &amp; the environment.</th>
<th>~ 600,000 people die of heart disease in the U.S. every year – that's 1 in every 4 deaths!</th>
<th>In the U.S., 86 million have pre-diabetes – that is 1 out of 3 people!</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Environmental</th>
<th>Genetic</th>
<th>Tobacco</th>
<th>Infections</th>
<th>Diet</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>10%</td>
<td>25%</td>
<td>15%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Environmental includes radiation, stress, physical activity, environmental pollutants etc.

Data Courtesy of Milken Institute, NIH and CDC

**Why Should Employers Care About Workplace Wellness?**

Research has identified preventive interventions as key to better health. The best place to intervene is therefore the one place where Americans spend most of their time: the workplace. With daily and direct access to their employees, businesses are better positioned to reverse the course of chronic disease than the CDC, HHS or any other health promotion agency. Besides the moral obligations and social responsibility, there is proven ROI for businesses in terms of reduced healthcare costs, market differentiation and higher employee productivity and retention.
Sick days and unscheduled absenteeism costs roughly $3,600 per year for each hourly worker and $2,650 each year for salaried employees. Workplace wellness programs cultivate healthy habits that combat chronic diseases caused by poor nutrition, sedentary routines, stress, alcohol consumption and smoking.

Why businesses are better positioned than anyone to fight chronic disease:

- With 40 hours per week of employee’s time and attention, businesses are in an enviable leadership position to help their employees become happier and healthier.
- As the largest providers of health insurance and studies showing ROI of $3 to $6 for every $1 spent for effective programs, workplace wellness is simply a smart strategic decision for any business.
- As healthcare costs fall more on individuals, employees are more attracted to employers that offer a proactive approach in improving their health. Especially among millennials, more research is showing that workers are now increasingly weighing wellness offerings in their decision to take a job.

Of course this is not to say the responsible falls sorely on businesses. Reversing the current trajectory of chronic disease is a shared responsibility with individuals taking responsibility for their own health with support from businesses, government & non-profit agencies and community groups. As the charts below show, wellness programs are good for employers by bringing down healthcare costs; they are good for employees because most of their salary raises are being diverted into health care coverage.
In both nominal and in real dollars, the cost of monthly premiums for single coverage has gone up significantly in the last 10 years for both workers and employers. In nominal dollars, employers paid $1800 more per employee for coverage in 2014 than in 2004, a 58% increase. Adjusted for inflation, this translates to $1056, a 27% increase. With the cost of an effective wellness programs ranging from $150 to $700 per employee, it’s simply a strategic business decision for companies to invest in a wellness program to slow the growth of their healthcare costs.
Average Annual Worker and Employer Contributions to Premiums for Single Coverage
(Real Dollars i.e. Inflation Adjusted for 2014 dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>Worker Contribution</th>
<th>Employer Contribution</th>
<th>Worker Contribution %</th>
<th>Employer Contribution %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$692</td>
<td>$3,888</td>
<td>1.57%</td>
<td>1.65%</td>
</tr>
<tr>
<td>2005</td>
<td>$731</td>
<td>$4,093</td>
<td>1.62%</td>
<td>1.71%</td>
</tr>
<tr>
<td>2006</td>
<td>$734</td>
<td>$4,229</td>
<td>1.71%</td>
<td>1.74%</td>
</tr>
<tr>
<td>2007</td>
<td>$790</td>
<td>$4,307</td>
<td>1.74%</td>
<td>1.91%</td>
</tr>
<tr>
<td>2008</td>
<td>$790</td>
<td>$4,367</td>
<td>1.91%</td>
<td>2.16%</td>
</tr>
<tr>
<td>2009</td>
<td>$858</td>
<td>$4,453</td>
<td>2.16%</td>
<td>2.14%</td>
</tr>
<tr>
<td>2010</td>
<td>$974</td>
<td>$4,496</td>
<td>2.14%</td>
<td>2.15%</td>
</tr>
<tr>
<td>2011</td>
<td>$970</td>
<td>$4,746</td>
<td>2.15%</td>
<td>2.23%</td>
</tr>
<tr>
<td>2012</td>
<td>$981</td>
<td>$4,810</td>
<td>2.23%</td>
<td>TBD</td>
</tr>
<tr>
<td>2013</td>
<td>$1,015</td>
<td>$4,963</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>$1,081</td>
<td>$4,944</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Data courtesy of Kaiser Family 2014 Employer Health Benefits Survey.\(^{12}\)

*Percentages to the right represent the rising economic burden of health insurance on employees. It shows the percent of the average employee’s salary spent on health insurance. Calculated using Kaiser Data and National Average Wage data from the Social Security Office.\(^{13}\)
Reducing health care costs is the most cited wellness program objective in the U.S.

Even more than the costs savings, the greatest benefit of workplace wellness programs is the effect on culture. Smart companies understand this and have taken full advantage. With it's onsite fitness facility, daily workout classes and healthy food offerings, no company understands this better than Google. It is no wonder it is consistently listed as a top company to work for every year.

There is much cynicism about job hopping and the lack of loyalty in the workforce, but when employees see that you truly care about their wellness – all parts of it – physical, spiritual, financial, emotional, intellectual, social and environmental – you differentiate yourself in a way that truly leads to long term loyalty from very grateful employees. Just ask Google!

### Chart Data

**10 Top Reasons Why Employers Around the World implement Workplace Wellness Programs**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Worldwide Average</th>
<th>U.S.</th>
<th>Canada</th>
<th>Europe</th>
<th>M.E. / Africa</th>
<th>Asia</th>
<th>Aus / NZ</th>
<th>Latin Amer.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve Productivity</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Reduce Absenteeism</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Boost Engagement/Moral</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Reduce Health Costs</td>
<td>4</td>
<td>1</td>
<td>4</td>
<td>10</td>
<td>8</td>
<td>10</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>Improve Workplace Safety</td>
<td>5</td>
<td>7</td>
<td>7</td>
<td>5</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Further Organization Values &amp; Mission</td>
<td>6</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>7</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Maintain Work Ability</td>
<td>7</td>
<td>6</td>
<td>8</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Attract/Retain Employees</td>
<td>8</td>
<td>8</td>
<td>5</td>
<td>7</td>
<td>7</td>
<td>8</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Promote Corp Brand/Image</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>8</td>
<td>10</td>
<td>6</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Fulfill Social Responsibility</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>8</td>
</tr>
</tbody>
</table>

1 = Most Important ; 10 = Least Important

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What are Typical Workplace Wellness Program Components?

Without a universally accepted definition of workplace wellness, program design, components, and success rates vary widely by employer and by wellness vendor. Below is a graph of the offer rate of typical wellness program components. We then follow with a comprehensive examination of the 3 main types of program offerings (screening activities, preventive interventions & structural interventions), examples of each, participation rates and impact data from RAND Health’s seminal study on workplace wellness.\(^\text{15}\)

![Offer Rate of Typical Workplace Wellness Program Components (2014)](chart)

Data Source: Kaiser Family 2014 Employer Health Benefits Survey\(^\text{16}\)
<table>
<thead>
<tr>
<th>Component</th>
<th>Sub-categories</th>
<th>What it is</th>
<th>Examples</th>
<th>Avg Participation**</th>
<th>Impact:***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Screening Activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1. Behavior Change</td>
</tr>
<tr>
<td>Identify individual &amp; population-level</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2. Health Status</td>
</tr>
<tr>
<td>health risks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3. Costs</td>
</tr>
<tr>
<td>1) Help workers know their health status</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No definitive studies have quantified effect of health status awareness on behavior change, health status or costs.</td>
</tr>
<tr>
<td>2) Gives employer data to inform program design and measure impact</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>RAND case study of 1 employer found very positive results with cholesterol, weight &amp; blood pressure if employees had at least 2 follow-up screenings</td>
</tr>
<tr>
<td>Health Risk Assessment (HRA)</td>
<td></td>
<td>Self-reported questionnaire on common modifiable risks &amp; behaviors</td>
<td>Nutrition habits • Exercise frequency • Tobacco use • Stress Levels</td>
<td>W/O: 46% W/ : 1.6% increase for every additional $10</td>
<td></td>
</tr>
<tr>
<td>Biometric Screening</td>
<td></td>
<td>Collects clinical health data</td>
<td>BMI • Heart Rate • Cholesterol</td>
<td></td>
<td>No definitive studies have quantified effect of health status awareness on behavior change, health status or costs.</td>
</tr>
<tr>
<td>Medical &amp; Pharmacy Claims Data</td>
<td></td>
<td>Analysis of population risks &amp; costs drivers</td>
<td># of ER visits • % of employees on prescriptions</td>
<td>N / A</td>
<td>RAND case study of 1 employer found very positive results with cholesterol, weight &amp; blood pressure if employees had at least 2 follow-up screenings</td>
</tr>
<tr>
<td>Preventive Interventions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1. Behavior Change</td>
</tr>
<tr>
<td>Programs to:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2. Health Status</td>
</tr>
<tr>
<td>1) Keep healthy employees healthy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3. Costs</td>
</tr>
<tr>
<td>2) Keep employees with chronic conditions from getting worse</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No definitive studies have quantified effect of health status awareness on behavior change, health status or costs.</td>
</tr>
<tr>
<td>Lifestyle Management/Primary Prevention</td>
<td></td>
<td>Programming to reduce risks of chronic disease by promoting healthy behaviors</td>
<td>Nutrition / exercise Classes • Smoking Cessation • Weight Loss Challenge • Online resources • Onsite Vaccination</td>
<td>W/O: 14%* W/ : 50% to 200% higher</td>
<td></td>
</tr>
<tr>
<td>*Fitness (21%), smoking cessation (7%), cessation &amp; weight (11%) programs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No definitive studies have quantified effect of health status awareness on behavior change, health status or costs.</td>
</tr>
<tr>
<td>Disease Management/Secondary Prevention</td>
<td></td>
<td>Individually target &amp; help employees with chronic conditions (e.g diabetes)</td>
<td>Medication Adherence • 1on1 Disease Coaching • Wellness Fairs</td>
<td>W/O: 16% W/ : Insufficient data</td>
<td></td>
</tr>
<tr>
<td>Behavior Change:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No definitive studies have quantified effect of health status awareness on behavior change, health status or costs.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>156 more minutes of exercise a year</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30% smoking reduction</td>
</tr>
<tr>
<td>Health Status</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.15 BMI reduction***</td>
</tr>
<tr>
<td>Costs (varies by source)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>60% employers report reduced cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>80% report improved absenteeism &amp; productivity</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3-1 ROI ($358 PMPY) (Baicker et al, 2010)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.5% decrease in cost of coverage (RAND)</td>
</tr>
</tbody>
</table>
Some studies show participation rates up 55% for lifestyle management programs due in part to calculating participation via the “opt-out” method, where an employee is counted simply by receiving just one mailing of informational material. These are all based on the impact from current year program participation. Impact is different (positively or negatively) for subsequent years.

**NOTE:**
- Underweight, BMI < 18.5
- Normal, BMI ≥ 18.5 and < 25
- Overweight, BMI ≥ 25 and < 30
- Obese, BMI ≥ 30

### Structural Intervention:
Changing the work environment to make wellness easier for employees

<table>
<thead>
<tr>
<th>Component</th>
<th>Sub-categories</th>
<th>What it is</th>
<th>Examples</th>
<th>Avg Participation**</th>
<th>Impact:**</th>
</tr>
</thead>
</table>
| **Environment** | Physical changes to office to facilitate wellness behaviors | • Onsite gym / showers  
• Healthy Food / Catering / Snacks / Vending w/ calorie labels  
• Informal exercise opportunities e.g. appealing stairs / walking paths | No formal quantifiable studies but one employee interviewed by RAND gave the following anecdote:

> “People that never exercised, that were extremely overweight...you can see the difference in their lives, their activity levels, and weight loss. How when we have luncheons, no one is complaining that we don’t have dessert or that we have lots of salads and soup.”

| **Culture** | Contextual changes to create a culture of wellness | • Policies prioritizing wellness (e.g. work from home)  
• Wellness in org values  
• Leadership support  
• Incentives | N/A |

| Others | Some employees approach their workplace wellness program as part of their overall benefits strategy and include additional components. | • Employee Assistant Program (EAP)  
• Occupational Health Services  
• Onsite Clinic  
• Absenteeism Management  
• Safety Programs | N/A |

*Some studies show participation rates up 55% for lifestyle management programs due in part to calculating participation via the “opt-out” method, where an employee is counted simply by receiving just one mailing of informational material.

** These are all based on the impact from current year program participation. Impact is different (positively or negatively) for subsequent years.

*** NOTE: Underweight, BMI < 18.5; Normal, BMI ≥ 18.5 and < 25, Overweight, BMI ≥ 25 and < 30, Obese, BMI ≥ 30
How Should Companies Implement a Workplace Wellness Program?

Whether you define success by participation, behavior change or reduction in medical costs, simply implementing all the recommended components will not automatically result in a successful workplace wellness program. (And that’s assuming you have an unlimited budget). Similar to launching a business or any project, approach and execution are key. We will dive into execution best practices later but first, let’s look at how you can create a wellness program on various budgets (from basic to intermediate to premium) that still meet the Affordable Care Act’s requirements.

To ensure a comprehensive wellness program, think beyond just physical fitness.
<table>
<thead>
<tr>
<th>Health Awareness Initiatives</th>
<th>Basic</th>
<th>Intermediate</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequent Motivating Health Communications (e.g. wellness newsletter, challenges &amp; reminders)</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
</tr>
<tr>
<td>Health Risk Assessment (HRA)</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
</tr>
<tr>
<td>Biometric Screening</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
</tr>
<tr>
<td>Web-portal w/ Resources for Healthy Living</td>
<td></td>
<td>✅</td>
<td>✅</td>
</tr>
<tr>
<td>Medical &amp; Pharmacy Claims Data analysis &amp; report</td>
<td></td>
<td></td>
<td>✅</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Incentives to Maximize Wellness Gains</th>
<th></th>
<th></th>
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<tr>
<td>Inter-office Challenges</td>
<td>✅</td>
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<tr>
<td>Token (free massage, day-off, parking passes, iPods etc)</td>
<td>✅</td>
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<tr>
<td>Cash or Merchandized Gift Cards</td>
<td>✅</td>
<td>✅</td>
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<tr>
<td>Health Plan Differentials (premium, copays, co-insurance, HSA Contributions)</td>
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<tr>
<th>Initiatives to Modify Unhealthy Behaviors</th>
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<tbody>
<tr>
<td>Ad hoc / One time Events (e.g. wellness fair)</td>
<td>✅</td>
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<tr>
<td>Weight Loss Programs</td>
<td>✅</td>
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<tr>
<td>Onsite Fitness Classes</td>
<td>✅</td>
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<tr>
<td>Onsite/virtual Holistic Wellness Programming (e.g. nutrition classes, stress resilience training, financial wellness etc.)</td>
<td>✅</td>
<td>✅</td>
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<tr>
<td>Smoking Cessation Program</td>
<td>✅</td>
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<tr>
<td>Health Coaching</td>
<td></td>
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<td>✅</td>
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<tr>
<td>Budget (per employee per year)</td>
<td>Basic ($150 to $200)</td>
<td>Intermediate ($250 to $600)</td>
<td>Premium ($700 to $1500)</td>
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<td>-------------------------------</td>
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<tr>
<td>Chronic Condition Management (Asthma, Diabetes, Heart Disease etc.)</td>
<td>Boelter Lincoln</td>
<td>CTCA</td>
<td>Google</td>
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<tr>
<td>Onsite Vaccination</td>
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<tr>
<td>Employee Assistance Program (EAP)</td>
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<tr>
<td><strong>Supportive Environment for Wellness</strong></td>
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<tr>
<td>Informal exercise opportunities (e.g. appealing stairs)</td>
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<tr>
<td>Policies &amp; procedures prioritizing wellness (e.g. work from home, vacation)</td>
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<tr>
<td>Wellness part of company values</td>
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<tr>
<td>Leadership &amp; mid-level support and buy-in</td>
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<tr>
<td>Dedicated Wellness Personal (e.g. Wellness Committee or Full-time Wellness Manager)</td>
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<tr>
<td>Healthy Fruits, Snacks, Vending, Cafeteria &amp; Catering</td>
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<tr>
<td>Gym membership discounts</td>
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<tr>
<td>Onsite Showers</td>
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<tr>
<td>Calorie Labeling in cafeteria &amp; vending</td>
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<tr>
<td>Dedicated Onsite Fitness Facility</td>
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<tr>
<td>Ergonomic Workstations (e.g. adjustable standing desk)</td>
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<tr>
<td>Onsite Clinic (w/ medical professionals, PT &amp; chiropractic services)</td>
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Note: This is a simple guideline based on level of program sophistication, actual costs will vary widely. Additionally, there are many things that can be implemented for free (e.g. yoga class offered by an employee) that reduce costs. However, according to Dr. Ron Goetzel, director of Cornell University’s Institute for Health and Productivity studies, companies should invest at least $150 per employee to expect the $3.27 ROI for every dollar spent on wellness that researchers from Harvard found. While Dr. Dee Edington from U of Michigan recommends at least $300 to $400 per employee for positive ROI.
What are Best Practices for Workplace Wellness Programs?

Whether your budget allows for a basic, intermediate or premium workplace wellness program, the success of your program hinges on your approach and execution. The type of plan you choose (basic, intermediate or premium) and subsequent workplace wellness components are simply your strategy, everything after that is execution. Below are the most important evidence-based best practices for successfully implementing a workplace wellness program.

At HelloHealthy, our motor (Based On Science. Designed For Humans. Optimized for Fun) captures our philosophy for how we believe wellness programs should be. We place an especial focus on utilizing design principles and fun to improve wellness program engagement. Per IDEO, “design thinking is a human-centered approach to innovation that draws from the designer’s toolkit to integrate the needs of people, the possibilities of technology, and the requirements for business success.” In each best practice below, we highlight how to do it really well utilizing design thinking.

### 1. Develop a Workplace Wellness Program Tailored & Appropriate for your Employee Demographic

**Why do it:**

- Workplace wellness programs are not one-size-fit-all. A workplace wellness program that works for a tech company with 75 employees is going to be very different from a program that works for a manufacturing company with 2000 employees. Designing programs with your employees in mind saves you time and money by ensuring you focus only on appropriate components.

**How to do it:**

- Utilize input from employees, leadership and your pharmacy and claims data to inform program design and priorities.
- Determine your budget and constraints (e.g. available fitness facility, hourly vs. salaried workers, remote vs. onsite workers)
- Agree on the specific goals of the program and engage employees early on and often.

**How to do it really well using design principles:**

- Prioritize programs and interventions that give the biggest bang for your buck. E.g. if your HRA and Biometric screening revealed a population with low physical activity levels, onsite fitness classes would make sense.
- Ensure that all employees have an opportunity to engage
- Go beyond fitness & nutrition. Include financial, social, and mental aspects in your program design
2. Cultivate BUY-IN from all Involved Stakeholders (Leadership, Direct Supervisors and Employees)

Why do it:
- Without buy-in from leadership, it’s unlikely there’ll be a budget for wellness; without buy-in from direct supervisors, employees are unlikely to feel comfortable leaving their station for a workout, without buy-in from employees, participation suffers and your wellness ROI will never materialize.

How to do it:
- Involve everyone in program design and ensure alignment between leadership expectations and employee preferences (e.g. leadership might want to encourage physical exercise, but employees might want healthy food options or stress resilience training)
- Ensure clear communication about the goals and objectives of your wellness program

How to do it really well using design principles:
- Cultivate a culture of wellness e.g. making wellness part of your company values
- Demonstrate buy-in by having executive leaders reach out to direct supervisors to have them encourage their direct reports to participate in wellness activities.
- Engage the employee’s entire family (e.g. mailing wellness newsletter home, family health fair at work, work from home policy)

3. Establish Clear Goals and Baseline Metrics for your Workplace Wellness Program. Data is your friend!

Why do it:
- As with any endeavor, success comes more easily when you have a clear definition of it. In the same regard, you can’t manage what you don’t measure.

How to do it:
- Workplace Wellness Programs should measure the following:
  - **Year 1** - Program Participation and Behavior Change (e.g. % of employees participating, change in activity levels)
  - **Year 2** - Changes in Physiological Markers (e.g. weight, cholesterol, blood pressure)
  - **Year 3** - Cost Savings (e.g. reductions in premiums, medical & pharmacy claims)

How to do it really well using design principles:
- Additional measurements can include
  - Absenteeism (number of reported sick days)
  - Presenteeism (productivity at work)
  - Retention and Recruiting
4. Understand the Role of Incentives and how Incentives Work*

Why do it:
- If changing behavior and adopting healthy habits was easy, 20% of GDP wouldn’t be spent on healthcare. The role of incentives is to be an initial push for your employees to at least try your wellness program. The rest of your program design should be what keeps them coming back.

How to do it:
- Don’t create an elaborate incentive system with points, clunky tracking requirements and other stipulations.
- Clearly define healthy behaviors and offer simple incentives for employees who participate.
- Consider non-financial incentives that will truly motivate your employees. E.g, coffee with the CEO, time-off, donations to charity, tickets to events, t-shirts and other novelty items.

How to do it really well using design principles:
- Consider using penalties instead of rewards. Research has shown that avoiding a penalty has 3 times the motivating power of a reward. Using rewards vs. punishment is a sensitive issue and ultimately depends on company culture.
- Consider social rewards as well. If a reward is contingent on the entire department participating, employees are more likely to participate to avoid being the black sheep.
- Gamify and use the magic of leader boards. Humans love to compete and gamification offers a powerful incentive.

*Special Note on Incentives: The use of incentives is an interesting challenge. While research has confirmed the effectiveness of incentives (1.6% increase participation for every $10 Dollars in some cases), we encourage organizations to put careful thought into designing an incentive scheme. In our research, many employees acknowledged gaming the system to get prizes. Incentives should be used to give employees the initial push, but at the end of the day, you want them to truly change behavior, not just change temporally for the money. Creating a wellness program that is truly fun and simple should go a long way in mitigating these challenges.

5. Develop and Implement a Targeted and Multi-Pronged Communication Strategy

Why do it:
- Employees won’t participate if they don’t know what is available or how to access it. And each employee generally has a personal preference about how to receive information.

How to do it:
- Utilize email, newsletter, mailings home, bulletin boards, video, face to face, health fairs, team meetings, intranet feature stories and social media to educate and onboard employees.
- Ensure your educational content is relevant by focusing on seasonal health issues.

How to do it really well using design principles:
- Integrate your wellness communication into complementary or relevant activities (e.g. human resource training, mailings from insurance providers).
- Brand your wellness program to make awareness and recognition easier for employees.
### 6. Constantly Evaluate and Iterate your Workplace Wellness Program

**Why do it:**
- The worst thing you can do is to build a workplace wellness program that no one wants or one that grows stale quickly.

**How to do it:**
- **Build:** Start off small by implementing just a few components of your program.
- **Measure:** Engage employees to get their feedback
- **Tweak:** Make adjustments as needed or simply scrap a component that isn’t well received
- **Repeat:** Rinse and repeat as you add more components to your program

**How to do it really well using design principles:**
- It’s human nature to seek novelty. Ensure your workplace wellness program doesn’t go stale by continuing to mix things up.
- Utilize free and existing resources (e.g. resources from your health plan, in-house talent - is there a certified yoga instructor in the office willing to lead a class?)

### 7. Take Away all Excuses by Reducing as Much Friction as Possible

**Why do it:**
- Changing behavior and adopting new habits is extremely difficult.

**How to do it:**
- To drive employee engagement, everything needs to be easy, fun and as convenient as possible.
- Offer programs and wellness activities at times convenient for employees e.g. early morning workout classes, lunch time sessions or afterwork.
- Avoid having employees go through loops to track and record their activities in clunky online platforms

**How to do it really well using design principles:**
- Be proactive with resources, e.g. if you’re offering in-office yoga, provide yoga mats instead of requiring employees to bring their own mats.
Would a Workplace Wellness Program Benefit your Employees?

As this guide shows, there is plenty of evidence that well-designed programs operated by thoughtful employers can significantly improve the health behaviors and status of participating employees. The word on actual medical cost savings is still mixed, but medical costs ROI is sure to get better as the industry matures.

As we mentioned before, there is much cynicism about job hopping and the lack of loyalty in the workforce, but when employees see that you truly care about their wellness – all parts of it – physical, spiritual, financial, emotional, intellectual, social and environmental – you differentiate yourself in a way that truly leads to long term loyalty from very grateful employees.
Appendix: Workplace Wellness Program Vocabulary Every Industry Pro Should Know

If you’re new to workplace health and wellness, there are going to be many new terms to learn. Below are a few key ones to learn so you can be fluent in conversations.

- **Biometric Screening**: Clinical screening to measure and collect clinical data such as employee BMI, Heart Rate, Cholesterol levels etc.
- **Disease Management (aka Secondary Prevention)**: Initiatives aimed at keeping employees with chronic conditions from getting worse.
- **Group Aggregate Report**: A report you can get from your health plan that provides information regarding rates of chronic disease (e.g. diabetes, hypertension, asthma), pharmacy and medical claims and spending etc. Useful in helping you with program design and measuring impact later.
- **Health Coach**: Part motivational and part accountability drivers, health coaches are professionals trained in various dietary theories and healthy behavior adoption practice. Companies sometimes hire them to help employees achieve their wellness goals via 1 on 1 live or virtual coaching.
- **Health Promotion**: Any activity, communication or initiative to help employees adopt healthier habits and avoid developing chronic diseases.
- **Health Risk Assessment (HRA)**: Self-reported questionnaire on common modifiable risks and behaviors such as tobacco use, nutrition habits and exercise frequency.
- **Incentive Program**: An incentive is anything (positive or negative) used to motivate employees to get healthier. The reality is that if adopting healthy habits was easy, we wouldn’t be spending almost 20% of GDP on health care. Positive incentives aka ‘carrots’ are rewards given for good behavior and they can be cash or non-cash. Negative incentives aka ‘sticks’ are punishment for bad behavior. Incentives are tricky so pay special attention to your incentive program design - both from employees gaming the system to potential legal implications. Organizations spend between $100 to $500 per employee per year on incentives.
- **Lifestyle Management (aka Primary Prevention)**: Initiatives aimed at keeping healthy employees healthy.
- **Group Health Plan**: This is generally a health plan offered by businesses that provides health coverage to employees and their families. Businesses can either do this through an insurance company like Cigna or simply provide its own coverage (i.e. self-insured)
- **Medical & Pharmacy Claims**: Claims are the amount paid by your company’s health insurer to medical providers when employees receive services. This data provides you with an analysis of the population-level risks & costs drivers to inform plan design and measure impact.
- **Preventive Screening**: A core component of most health and wellness programs where employees complete a Health Risk Assessment (HRA) and/or Biometrical Screening. Both help workers know their health status and provides employers data to inform program design and measure impact.
- **Physiological Markers**: Any type of health status indicator such BMI, heart rate, cholesterol etc.
About HelloHealthy: From Office Yoga & Zumba to Ergonomic Assessments & Healthy Snacks, HelloHealthy is the wellness solution you’d give your best friend. **Our approach is based on the 1st Principles of Human Motivation:** It’s easier to do something you like than something you don’t like.

**How it Works**

- We start with a free consultation
- We create a yearlong plan employees will love
- We send a different wellness service monthly
- Each employee discovers a new wellness passion

**Based on Science ✿ Designed for Humans ✿ Optimized for Fun**

Our Partners: As part of our mission to promote health and make wellness and happiness a priority, HelloHealthy partners with federal and local government agencies, non-for-profit community groups and health researchers. Some of our partners include:

About the Author: **Jude Thaddeus Chiy** is the Founder and CEO of HelloHealthy. A Healthcare Industry veteran with stints in Australia and the United States, Jude’s vision is a world where everyone has access to quality healthcare and wellness & happiness are a priority.

Jude completed undergrad at Dartmouth College in Psychology, a minor in Neuroscience & a Premed focus. Despite trying as a kid, he never developed superpowers to help people. HelloHealthy is his way of saving people from the scourge of chronic diseases.

Follow Jude on Twitter @JudeChiy or Connect on LinkedIn: [linkedin.com/in/judechiy](http://linkedin.com/in/judechiy)
References: Resources to Learn More About Workplace Wellness

Much of this startup guide is based on the seminal RAND Workplace Wellness Program Study – a comprehensive analysis and evaluation of current wellness programs that reviewed everything from program design and participation to the program impact and the role of incentives.


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