



A Direct Impact

Do health and wellness incentives work?

Workplace wellness programs have become a key component in many employers' strategies to control health care spending. And now more than ever, employers are discovering they can have a direct impact on their employees' health by incentivizing healthy behavior.

But as an employer, how can you be sure that your incentives are effective, or that you are getting the most from the money you spend on them?

"Traditionally, wellness incentives were used for biometric screenings, weight management and smoking cessation programs," says Carla Flamm, Sales & Retention Executive at HealthLink. "But employers are really starting to expand these programs, engaging employees with a wide variety of activities and incentives."

If you're like many employers, as your options increase, so do your questions. Here are four tips to ensure your health and wellness incentives have a direct impact on healthy behaviors.

Determine Your Goals

Why do you want to offer a health and wellness incentive program? What do you hope you will gain from it? Are you looking to save money? Have happier employees? Build a healthy workplace culture to attract and retain talent? Too often,

employers implement programs and incentives without a goal in mind. If you're not sure what exactly you want to achieve, consider sending out an anonymous survey to your employees to see which health management goals interest them.

Strategize

Your health and wellness incentive strategy will be largely dependent on the goals you developed. For example, if you want to better manage chronic conditions, an incentive program around disease management might be right for your company. Early incentive programs often provided a one-time financial incentive for desired results. While this strategy can be effective in the short term, these programs don't often encourage ongoing healthy lifestyles. You should work with your broker, TPA, network partner or carrier to determine which programs and services can best help you reach your goals before deciding which incentives can get you there.

Know Your Audience

Knowing your employees can go a long way in selecting programs and incentives that will actually excite and engage them. Consider their demographic including age, gender, location and income level. For example, if you have a diverse, tech-savvy or multi-location employee group, a self-reporting or online wellness tool may be

most impactful. With these sorts of programs, employees earn points for certain behaviors or activities and can select the reward that they want. Or, for an older population, a more traditional gift card incentive program might be best. Either way, knowing what your employees want is a key factor in using incentives to successfully drive healthy behaviors that lower costs.

Track Your Progress

Once you have a clear idea of the types of programs and incentives you want to offer, you can determine the best way to measure success. Are you only interested in quantifiable results, or are qualitative factors important as well? Two options are to measure return on investment (ROI) or value on investment (VOI). ROI can be calculated based on the amount you spend on the program and incentives divided by the benefit cost savings. VOI is harder to quantify, but based on your goals, it may be very important. To measure VOI you'll need to be prepared to engage employees about their satisfaction and experiences.

Don't forget to involve your partners! Your broker, TPA, network partner or carrier are your best resources for developing a health and wellness incentive program that actually works.