

## **Beyond wellness: Workplace health initiatives that work**

Done properly, employee health programs can indeed be a powerful tool in reducing health care costs – a necessity for employers struggling to keep up with the rising medical trend, as all benefits managers and brokers know.

We've heard a lot about workplace wellness or lifestyle programs lately – namely that they're ineffective, according to a recent study. While results showed wellness programs had some positive effects, that was largely because the employees who participated in them tended to have lower medical expenditures even before enrolling, debunking the claims that such programs meaningfully improve the health of employees who need it most.

But it would be a mistake if anyone took this study as their cue to dismiss workplace-wide health initiatives altogether. Done properly, employee health programs can indeed be a powerful tool in reducing health care costs – a necessity for employers struggling to keep up with the rising medical trend, as all benefits managers and brokers know. The key is choosing the right type of program.

## **Wellness vs. disease management**

It's not that wellness programs are necessarily of poor quality. Rather, they aren't very effective because they don't target anyone's specific needs, operating from a position that the same set of beneficial but broad health initiatives will equally benefit workers of all ages and physical conditions.

Everyone knows this isn't the case: according to a 2016 report from the Department of Health and Human Services, five percent of the U.S. population accounts for over half of health care spending. The individuals who make up this five percent likely have one or more of the costliest chronic conditions, like heart disease, diabetes, obesity or asthma.

Enter disease management programs, which are specifically designed around these high-risk employees and feature workplace health initiatives targeting the cost drivers. That's why they have significantly higher ROI than wellness programs, with a \$3.80 return per dollar spent on disease management versus only \$0.50 for lifestyle programs. You can see how employers can recoup millions that they would otherwise be spending on healthcare through population health management – and, in the process, help their employees lead measurably healthier lives. That far exceeds what traditional wellness programs, which are most often used by those who are already healthy, can accomplish.

## **Explaining the ROI gap**

One reason behind that low ROI for wellness programs is that they're a long-term strategy play: you're simply not going to see a single or three-year ROI with a wellness program because they are about keeping low-risk members on a healthy path so that they don't advance to a moderate or high-risk group in the future – a noble endeavor, but hard to quantify. To accurately prove the success of a program keeping someone low-risk for an extended time, you'd probably have to track a population for 5 to 10 years, or even longer.

Conversely, with disease management programs, data shows that increasing preventive care and medication adherence for chronic members can reduce hospital and ER visits. This is especially true in the behavioral health space.

### **Developing a program tailored to your workforce**

The first step in developing an effective population health management program is to start with data. Employers – possibly with their broker and/or benefits management partner – must analyze an organization's claims (in full compliance with HIPAA) to identify what claims employers pay most often. This reveals trends related to which health conditions are most common among employees, which claims are the most expensive and which could reasonably be reduced. This is the data around which employers can design actionable, specific workplace health programs.

The components of such a program could include things like workplace health screenings, medication monitoring, renting or providing medical equipment for use at home or in the workplace, nicotine cessation programs, weight loss counseling, on-site mental health resources, etc. This goes far beyond the scope of what traditional wellness programs provide – and the results prove it.

### **Increased voluntary benefit adoption**

Often, the information employers glean from examining claims data also reveals trends that are helpful beyond designing workplace-wide health initiatives, driving smarter decisions about which voluntary benefits to offer and increasing enrollment rates. For example, organizations seeing a large number of employees getting treatment for stress-related conditions could consider offering financial wellness benefits (which might include anything from student loan repayment perks to financial counseling tools). Coupled with a comprehensive benefits package, this can also make a significant impact on employee health and quality of life. That's why employers began implementing wellness programs in the first place: investing in the people who make your organization succeed is beneficial for everyone. Taking excellent care of your workforce by providing competitive benefits not only means happier employees, but better productivity for the organization and lower healthcare spend for employers as well. And in an era where medical trends continue to rise at an unsustainable rate, keeping healthcare costs as low as possible is a necessity. A data-driven approach to workplace health initiatives can help them achieve this.

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