

Employee Wellness Programs: Keep Employees Healthy and Stabilize Health Care Expenses

As the nation faces health care costs that are outpacing inflation, many employers are looking for alternative ways to contain these expenses. Notwithstanding, many employers are adopting wellness plans to keep employees healthy and ultimately stabilize health care expenses.

In addition to reducing health plan costs, wellness plans can improve employee attendance, productivity, and morale. Typical wellness program activities include health screenings and assessments, smoking cessation seminars, nutrition and weight loss programs, personal safety and exercise classes, and stress management workshops. However, employers can tailor wellness plans to the particular needs of their industry and employees.

Employee Wellness Program Trends

According to a survey conducted by Deloitte Center of Health Solutions and the ERISA Industry Committee (ERIC), businesses are increasingly turning to wellness programs to handle rising health care costs. Sixty-two percent of their surveyed sample said they have implemented wellness programs as of 2006, and 33% were considering implanting one. Only five percent of U.S. employers surveyed did not have a wellness program and did not plan on creating one. Of those who have a newly established wellness program, 80% expected to see residual impact rather than immediate effects. Wellness programs will not directly impact budgets or employees instantly, but rather after some time has passed.

The survey found the companies are offering a variety of wellness programs to promote employee health, including:

- Smoking cessation programs -- 56 percent.
- Subsidized gym programs -- 43 percent.
- On-site workout facilities -- 50 percent.
- Health risk assessments -- 61 percent.
- Allow employees to use time during the work day to exercise -- 27 percent.
- Adding healthier foods to menu in company cafeterias -- 48 percent.
- Diet counseling -- 27 percent.
- Employee diet groups -- 48 percent.
- Other -- 32 percent, including free flu shots, healthier vending machine choices, wellness Web sites, and on-site massage therapy.

Targeting Employee Needs

Meeting this challenge means employers doing their homework. Employers need to learn which wellness tools employees need and want. Employers who make decisions based on data from medical, disability, and workers comp claims as well as employee health assessments can expect a greater rate of return than those who introduce preventive programs based primarily on good intentions.

Employers wishing to target their wellness plans directly to employees concerns could conduct a confidential survey that asks employees to identify their primary health concerns and services that they would appreciate and use. Employers also should review their policies on smoking and alcohol, first-aid training, food service, and other health-related topics to ensure that these policies would not contradict a new wellness plan. For instance, nutrition and weight loss classes might be undermined if the employers cafeteria serves primarily high-fat foods with little nutritive value. Employers who match wellness programs to their specific workforce can expect:

- decreased costs associated with health, disability and workers comp
- increased employee well-being
- lower rates of absenteeism and employee turnover, and
- stronger relationships with staff

Types of Wellness Programs

There are some employers who have implemented a wide array of workplace health promotion and wellness programs. Among the most common are: nutrition and weight loss programs that address nutritional needs and dietary concerns about saturated fats, cholesterol, salt, and sugar; smoking cessation clinics; exercise and fitness activities; stress reduction classes offering guidance on behavior modification and time management as well as instruction in relaxation techniques such as mediation, mental imagery, and deep breathing; and health screening programs for conditions such as high blood pressure or cholesterol, cancer, diabetes, and glaucoma.

Wellness plans can be structured in a number of ways. They can be offered on site or at a location near the workplace. They can be run by your organization, local community groups, or by a contract vendor. Some employers pay for the entire cost of wellness activities, whereas others share the costs of wellness activities with employees through fees for services offered to offset total expenses. A wellness program can also involve elaborate physical fitness facilities, an annual health fair with health screening and education booths, or just written educational materials.

Features of A Successful Wellness Program

Whether modest or elaborate, the following features are key hallmarks of a successful wellness program:

Commitment and support--All levels of management must understand why the program is important, be committed to achieving its objectives, and be aware that it might take months or years to realize cost benefits.

Strong leadership--A key manager should oversee or promote the program to ensure its credibility.

Widespread participation--Employees from entry level to top management and from all age groups should be encouraged to participate.

Easy accessibility--Employees will not use programs that are not close to the workplace or available at convenient times.

Widespread publicity--The wellness plan should be promoted in newsletters and other organization publications, as well as bulletin boards, flyers, and electronic mail messages.

Employee incentives--Employers should consider offering recognition and other incentives for employees who participate and meet particular health improvement goals. For example, employees who quit smoking or lose weight might be offered discounts on their health insurance premium contributions. Employers also should recognize employee participation in wellness activities through gifts of T-shirts, coffee mugs, mouse pads, gift certificates to local restaurants or shops, and awards or articles in your organizations newsletter.

Legal Issues to Consider

Employers should be aware of the potential liabilities associated with establishing wellness programs. The Bureau of National Affairs, Incorporated, in Washington D.C., offers the following action tips to employers to minimize the risk of lawsuits. Potential problems include:

Qualified instructors and quality information

Any instructors leading wellness classes should be competent, licensed, or certified health professionals. Employers should make sure that the health and fitness information they convey to employees is medically sound.

Informed consent

Employees should be cautioned about the possible dangers and risks of fitness programs and should be required to consult with their personal physicians before being allowed to engage in strenuous exercise.

Facility maintenance

Employers that maintain fitness facilities on site should ensure that the areas are kept clean and safe. Equipment should be inspected periodically and repaired promptly when necessary.

Confidentiality policy

When employers sponsor health screenings or collect other employee health information, they must keep that information confidential and release it only with an employees written consent.

Emergency procedures

Procedures for providing emergency medical care in case of injury should be posted.

Tips for Implementing a Wellness Program/Policy Goals

It is important that employers first consider the goals of their wellness policies. Some possible goals include: controlling health plan costs; focusing on prevention of illness; targeting particularly costly conditions such as diabetes, premature births, or back injuries; addressing risk factors such as obesity, smoking, and high blood pressure or cholesterol levels; or improving employee fringe benefits to improve morale and staff retention. Design of the wellness plan should be based on the employers stated goals.

Cost sharing

Employers who choose to share expenses of wellness plan activities such as weight-loss, smoking cessation, or exercise classes should be up front about the employees. portion of

costs. Some employers offer to reimburse employees for their share if they meet certain health goals, such as losing weight, quitting smoking, or reducing blood pressure.

Policy administration

Most employers administer their wellness plans through their HR offices. Employers should consider whether HR employees are appropriately trained to run a wellness plan and whether outside experts should be consulted or employed. The level of expertise necessary depends on the type of plan an employer adopts and the degree of medical knowledge involved. Employers should identify one source where employees can go, such as the HR office, to find out about and sign up for wellness activities.

Eligible employees

Virtually all wellness plans are available to all employees, from top management to entry-level staff. This universal eligibility is thought to increase participation rates. Some employers also offer wellness activities to retirees and employees' dependents, especially if these people are covered by the employer's health plan.

Fitness activities

Employers should caution employees who have been sedentary to consult their physicians before engaging in employer-sponsored fitness activities.

Conclusion

Current trends reveal that more employers are becoming aware that promoting a healthy workforce has a significant and lasting impact on individual and organizational performance. Implementing wellness programs not only lowers health benefit costs, but can also boost employee morale *and* improve the productivity of employees.

Resources

Human Resources Library (2003) Personnel Management, Bureau of National Affairs, Incorporated, Washington, D.C.

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