Wellness Programs - Creating Healthy Employees

Across the country organizations and their employees are benefiting from wellness efforts to get employees to care about their health, eating habits, exercise, and smoking addiction.

Companies who effectively implement wellness programs not only benefit from reduced healthcare claims, but they also experience improvement in employee productivity, morale, and reduced absenteeism. When employees are healthier, they’re happier and more engaged at work.

In this bulletin, we offer creative ideas on how to set up and manage employee wellness plans that promote healthy employees, drives participation, and conforms to the many employment laws governing wellness: Affordable Care Act (ACA), HIPAA, Americans with Disabilities Act (ADA), Title VII of the Civil Rights Act, and Genetic Information Nondiscrimination Act (GINA).

Wellness Guidelines/Principles

The goal of any wellness program should be to excite and encourage employees to develop healthy lifestyles, not threaten them into compliance. The following guidelines encourage participation and long-term success:

- **Make Wellness Part of Your Culture** – It is not about getting employees to do something so you benefit, it’s about really caring for employees. Make part of your business strategy meeting the needs of your employees. Commitment and support from the top is essential for wellness to really take meaning in your organization. Wellness takes effort, time and investment to provide a return on investment (ROI).

- **Make Participation Contagious** – Getting employees to really “want” to participate makes a difference in program success or failure. Many of the techniques discussed here encourage participation, such as making it fun, creating games, competitions, and use of incentives.

- **Communicate, Communicate, Communicate** - Use multiple means to communicate your wellness programs, ranging from meetings, email, in-person invites from the President, social media and online games. Get the word out making it clear why it’s important, how to participate and what’s in it for employees.

- **Use Incentives** – Offering cash, prizes and other incentives adds an extra element of fun, encouraging participation and commitment. Create some sort of reward system that employees care about. Under the Affordable Care Act, employers can offer insurance premium differences to participants in wellness programs with rate differences of 20% in 2013 and up to 30% in 2014 as described below.

- **Make Wellness Friendly** – Make participation easy and fun -- more like Facebook and less like textbook. Some organizations create online programs similar to Facebook that create a sense of community and common connection related to wellness. They track and share results with co-workers and have fun!

- **Make Wellness a Game** – Let’s face it, getting healthy takes effort and life-style changes. It becomes more fun by incorporating interactive games and competitions. Employees stay engaged in the game because they want to win.

- **Encourage Teamwork** – When you are part of a group working together towards a common goal, it helps motivate individual team members who don’t want to let their team down (peer pressure) and enjoy the camaraderie of being part of a group. Team members support and help encourage each other, making long-term commitment more sustainable.
• **Consider the Needs of Everyone** – Each employee has different needs and is on a different path to health. Wellness is not just about dieting and exercise. It’s about making improvements in every aspect of our being – physical and emotional. If your program only targets weight loss, those more concerned about reducing stress or improving their cardio will not participate. It is helpful to allow employees to customize their program by setting personal goals targeted at their specific needs and interests.

• **Measure Results** – What gets measured gets done and what gets reinforced gets repeated. *Encourage monthly tracking* and accountability programs that monitor progress toward goals, including exercise logs, health events, health screening, self-study projects and wellness challenges. A successful program tracks progress toward healthy behaviors, allowing employees to see results and compare themselves to others and themselves. Possible tracking measures include days exercised per week, Body Mass Index (BMI), servings of fruits/vegetables, nights of eight hours sleep, number of daily steps, minutes of cardio exercise, etc.

• **Report ROI** – Providing reports to executives and employees on the returns of your wellness efforts help executives support expenses and time invested in wellness plans and is encouraging for participants. If actual dollar returns are not available, consider reporting on measurable things like: overall pounds lost, claims experience loss ratio, or controlled insurance premium rates, increased exercise numbers, stress levels, number of participants who have stopped smoking, and so on.

**Wellness Program Options/Ideas**

Employers are having success with multiple wellness techniques including many of the following:

• **Replace junk food in vending machines** with healthier snacks. Get rid of high sugar, high cholesterol foods like candy bars and cookies and replace them with reduced-fat or low calorie treats like granola bars.

• **Initiate wellness contests** to encourage employees to lose weight or exercise. There are many contest ideas including biggest loser, most steps walked, most cardio exercise hours, total walking distance, etc. One organization paid $3 for every 1% of body fat employees lost, then offered a $50 bonus per team member to the winning team who lost the most body weight. Another organization paid $1 per day for up to 3 months to smokers who quit smoking with the agreement if they started smoking again they had to pay back all money collected. Although these contests take time and investment, they do pay off with healthier employees and reduced health costs. These friendly competitions pit groups of employees against each other, driving camaraderie, teamwork, and a competitive spirit. Make sure you clearly communicate the contests, and make them fun and rewarding. It helps to involve employees in planning and implementation.

• **Form a wellness committee** with revolving participants. The committee would be tasked with coming up with new ideas to drive employee wellness and to exemplify healthy eating and exercise. Changing committee members every three months or so gets everyone involved in bringing in new ideas and participation.

• **Educate employees on fast-food facts**, available on most fast-food chain websites. Create a pocket guide to help employees make informed eating choices.

• **Offer high-risk assessments** to help employees identify risky health factors, so they can take steps to eliminate them before they become serious health conditions. Many organizations hold health fairs where employees receive such things as blood pressure checks, blood tests (including cholesterol levels), BMI, flu shots, and so on. As part of these assessments, create a process to refer high-risk participants to a specialist where they can obtain needed help and advice. **Caution:** Make sure health information is provided directly to participants, with the company keeping a hands-off distance to avoid violations of Protected Health Information (PHI) in HIPAA. Assessments must be voluntary and confidential with results only being given to participants, preferably by third party administrators.

• **Participate in risk reduction interventions** and health enhancement programs such as blood pressure reduction, weight control, fitness, cholesterol reduction, flu shots, health fairs and wellness campaigns.

• **Review claims history**, if available, allowing you to focus wellness and training efforts on actual challenges at your organization. For example, if you have a lot of high blood pressure claims, bring in a trainer on how to lower blood pressure or offer free blood pressure testing.

• **Encourage participation in a fitness center** by providing membership or discounts. Many centers offer corporate discounts.
• **Conduct education seminars** to help employees understand such topics as stress management, nutrition, exercise techniques, yoga, and so on.

Many organizations find it best to combine their personal efforts along with hiring a professional wellness organization to drive results and ensure accountability.

**Affordable Care Act & Wellness**

Under the ACA, employers can offer participation incentives connected to health-contingent wellness programs, allowing annual premium discounts or waivers of cost-sharing requirements of 20% in 2013 and up to 30% in 2014. Regulations further increase the maximum permissible reward to 50% for wellness programs designed to prevent or reduce tobacco use.

Employer-based wellness incentives give enrollees rewards for healthy living habits and/or meeting certain health-related standards in an effort to reduce the overall cost of health care and drive healthy behaviors.

**Requirements - Health-Contingent Plans**

The ACA has identified four standards that health-contingent wellness programs must follow in order to meet nondiscrimination requirements:

1. **Frequency of opportunity to qualify** - A wellness program must give individuals the opportunity to qualify for the reward at least one time each year.
2. **Size of reward** - The ACA increases the size of the reward from 20% of the total cost of employee-only coverage under a health plan to 30%, except tobacco cessation programs, which can reach 50%. For companies who are providing cash incentives, this rule does not apply.
3. **Reasonable alternative standards** - A waiver or a reasonable alternative standard must be made available to all employees. This applies to individuals who have a medical condition which inhibits their ability to qualify for the incentive.
4. **Reasonable design** - The wellness program and the ability to earn incentives must be of reasonable design, not be overly burdensome, and not be highly suspect in method.

The majority of wellness programs do not fall under the definition of health-contingent wellness programs. Only a minority of employer wellness programs involve financial incentives for employee participation and very few come close to reaching the 20% limit that was established in 2006.

If your company decides to move to a health-contingent wellness program, these rules will apply to your program. Evidence suggests incentive-based wellness programs that are tied to achieving health goals are much more successful and provide a higher ROI than programs that are participation focused. These rules are not meant to hinder the implementation of an outcome-based wellness program, but to provide appropriate guidance and ensure there is no discrimination in the program.

**Other Important Legal Considerations**

- Keep corporate wellness and employment decisions separate. For example, achievement on health programs should not be a basis for promotions.
- Include your wellness plan in your Summary Plan Description (SPD), making sure employees have clear communication and know participation rights.
- If medical information is involved in your wellness program, make sure to manage it within Personal Health Information (PHI) confidentiality requirements under HIPAA. Encourage exchange of PHI to directly be between third party administrator of your wellness plan and participants.

True healthcare reform efforts must encourage healthy lifestyles. Wellness programs implemented correctly can help control healthcare costs along with other employer and employee benefits, like improved productivity and reduced absenteeism.

by Ken Spencer, CEO and HR Coach, HR Service, Inc.

Sources:
- Keas– 10 Commandments of Employee Wellness.

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