

# THE SECOND-GENERATION Wellness PROGRAM

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There's no doubt wellness is on the rise in the United States. According to a February 2011 study, "SHRM Workplace Forecast: The Top Workplace Trends According to HR Professionals," 54 percent of U.S. companies have already implemented a wellness program, and 26 percent plan to. A few other reports, including a February 2011 annual wellness study by Fidelity Investments in conjunction with the National Business Group on Health, already put the percentage of companies offering wellness programs at 74 percent.

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Clearly, companies take great interest and feel increasing urgency in helping employees and their families live healthier lives. You can tick off the reasons for their concern quite readily: rising health-care costs, an aging workforce that will require more health services, an increasing number of employees stretched by adult caregiving responsibilities, untreated and undetected mental health issues, reduced retirement readiness and global economic pressures.

Research indicates an effective workplace wellness program addresses at least some of these issues. In 2009, two Harvard professors released a meta-analysis, “Workplace Wellness Programs Can Generate Savings.” This meta-analysis of available information found that medical costs fall by \$3.27 for every \$1 spent on wellness programs. Absenteeism costs, another key issue related to workplace wellness, also fall: \$2.73 for every \$1. A white paper from Right Management, a subsidiary of Manpower Inc., titled “The Wellness Imperative: Creating More Effective Organizations,” found employees are eight times more likely to be engaged when wellness is a priority.

So what makes an effective workplace wellness program? What does a true culture of health involve? This article explores such a state, which the author refers to as “Wellness 2G,” or second-generation wellness.

## The Problem

### A Lack of Traction

Despite the oft-cited 3:1 return on investment (ROI), there’s a lingering question about the effectiveness of workplace wellness efforts, particularly as participation rates remain stuck at 50 percent and under, according to the “15<sup>th</sup> Annual National Business Group on Health/Towers Watson Employer Survey on Purchasing Value in Health Care.” With rising health-care costs pressing on employers and employees, there’s also increased frustration. That’s a

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driving force behind the increased use of penalties to boost health engagement. These penalties come in the form of higher benefits premiums and larger deductibles, as well as rewards tied to concrete biometric changes, such as a lowered body mass index (BMI) and cholesterol levels, rather than participation alone, according to Aon Hewitt’s 2011 “Health Care Survey.” For example, Whole Foods has a healthy discount incentive program. This four-tiered store discount system grants greater in-store discounts to employees who reach certain health standards. This heavier, hands-on approach feels somewhat like the anguished, angry parent who’s at his/her wit’s end. Suddenly, that parent jumps up and down screaming “*Because I said so!*”

## The Solution

### A Culture of Health

What if companies didn’t need to resort to “*Because I said so!*”? What if

it became because we — employers and employees — said so? Even better, because we want to? That’s a true culture of health — Wellness 2G. It involves companies pulling on seven available wellness levers: personal, social, mobile, emotional, financial, environmental and political.

**Personal** Most companies still design and communicate on a mass level, while we as individuals experience the world in an increasingly tailored way. Think Amazon and Pandora, and the many ways we curate the world based on our interests and needs. Wellness 2G companies mimic our real-world experiences by delivering services, decision support, communications and incentives tailored to employees’ needs and priorities, health risks and level of health consumer comfort. These companies provide work-life flex to accommodate ever-changing life stages, use value-based benefits design to reduce financial impediments to getting care, mine health data to recommend action plans and to share pertinent, valuable information, and they remove those barriers they have the power to remove.

**Social** As we’re learning, social networks — real and virtual — are powerful tools of influence, motivation and connection. Wellness 2G companies embrace social mechanisms in a number of ways. They use blogs and common networks like Facebook to foster two-way communication and to reach the family, create forums and online networks to facilitate peer-to-peer communication for specific audiences, and partner with online wellness companies like ShapeUp, Virgin HealthMiles and Limeade that use social engagement to improve health engagement. They also explore social tools with lower enterprise adoption, like health games. These games extend beyond Wii Fit and Kinect to games like HopeLab’s Zamzee, which increases physical activity, and Re-Mission,

which teaches users how to manage cancer. Wellness 2G companies explore different social means to help employees share and advise, have fun, test and challenge themselves, and make a difference.

**Mobile** We're a mobile workforce in more ways than one. Telecommuting is on the rise, and so is smartphone ownership. Wellness 2G companies create solutions that match our portable work and our lifestyles. These companies consider the mobile phone as the ATM of health, dispensing information and tools to manage all aspects of our health and well-being. Wellness 2G companies offer a mobile-ready version of their benefits website, so information is easy to access from anywhere on any device. These companies understand mobile health's changing landscape, and they work with partners who are investing in mobile solutions, such as the mobile applications that more insurers now offer to find in-network providers or review a personal health record. They also use their understanding of the workforce's social and mobile adoption to guide decision making on future mobile solutions and interventions.

**Emotional** These same companies connect the dots between emotional issues and more front-facing, visible concerns, like physical health. They invest in solutions that support the whole person and forgo approaches that, for example, emphasize weight loss without addressing the mental health concerns that often lead to weight problems in the first place. They consider how workplace trends like global competitiveness, increased multiculturalism, older workers and adult caregiving responsibilities — and the stress associated with all of them — affect overall population health. They note the irony of advocating wellness while expecting employees to be available at night and through weekends. Wellness 2G companies see these disconnects and

look for solutions, such as enforced vacation time, that don't rob Peter to pay Paul.


**Financial** Employees are not preparing for retirement — 43 percent of workers have only \$10,000 in savings, and only 69 percent are saving for retirement, according to Employee Benefit Research Institute's "Retirement Confidence Survey," released in March 2011. However, while employees are frightened and asking for help, if you look at many employee wellness efforts, financial security isn't in the mix. Companies looking to advance well-being enfold financial security in their efforts because they understand that a lack of retirement readiness leads to stress and poor physical health (see American Psychological Association's "Stress in America" report). They revisit their retirement plan design and communication support, using auto-enrollment, target-date funds and financial counseling to help their employees better prepare for their future.

**Environmental** Studies show that we can nudge healthy behaviors with environmental cues. Wellness 2G companies adjust their environment to make the healthy choice the obvious and easy choice. They do subtle things, like subsidize healthy foods and strip out or increase the price of unhealthy options. They provide incentives for environmentally and physically friendly transit options, such as bikes. They build offices with well-lit, conveniently located stairs. They even replace personal computers with centrally located ones that require physical movement to access them, as Pitney Bowes does.

**Political** Employees and companies don't live in a vacuum. We exist within larger communities, including the nation as a whole. When employees walk out the door

and rejoin their communities, they enter places where food access is a problem and where a host of other challenges make healthy behavior even more difficult. It's no surprise that people want help from outside sources. One of those sources is publicly held companies. The Edelman Health Engagement Barometer 2010 shows that 73 percent of consumers feel it's as important for companies to protect public health as it is for them to protect the environment. Therefore, Wellness 2G companies will respond to their consumers' concerns and join local and national discussions to influence public health policy.

## Conclusion

Creating a culture of health like this takes time. It also takes prioritization, investment, failure, faith and follow-through. It's not possible to move the dial on all of these levers in year one. What is possible is creating a vision and staking out a plan to realize it. Consider beginning by conducting a comprehensive audit that looks at health risks, benefits design, benefits utilization, communication strategy, senior leadership support, cultural barriers and more. No matter what type of data-gathering exercise you use, understanding your present landscape is the place to begin. 

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