



benefitNEWS

New Developments in Benefits and Wellness Post Healthcare Reform

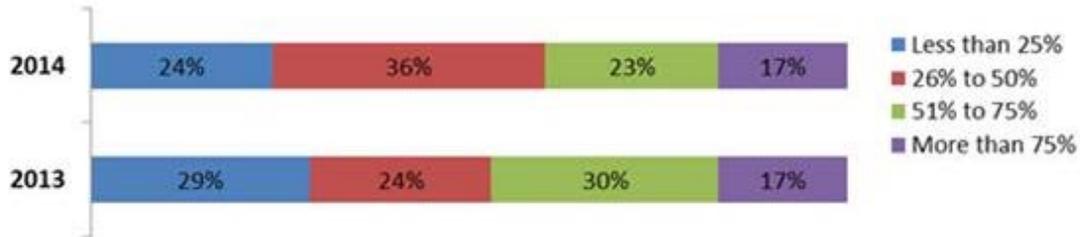
According to a new study from bSwift, a national benefits administration organization, the culture around benefits continues to change. According to the report, for the 2014 benefit year, large employers continue to invest in wellness, adding some new programs, expanding incentive dollars, and increasing their efforts to engage employees. Within large companies, nearly all (87%) now provide wellness programs for their employees.

Surprisingly, wellness program participation rates declined this year (Figure 1). Fewer employers were able to achieve participation rates in excess of 50%. A set of common wellness program offerings is emerging. For large employers with wellness initiatives, health risk assessments (HRAs) and biometric testing top the list, with 84% reporting that they offer these. Next are smoking cessation, weight loss/weight management programs, and physical fitness challenges and activities (each at 81%). With the passing of the Patient Protection and Affordable Care Act, starting January 1, 2014, the wellness incentive threshold rose to 30% and as high as 50% for tobacco-related incentives. However, an incremental percentage of employers (from 3% to 9%) chose to offer annual incentives over \$1,000, the dollar threshold consistent with incentives that are 20% or greater. Thirty-six percent of large employers that have wellness programs offer annual incentives over \$500, up from 29% of large employers last year. Only 6% of employers using incentive of \$50 or less have participation rates greater than 50%.

Large employers with wellness programs are at 83%, a significant boost from 78% in 2013 and 76% in 2012, and small employers weigh in at 78%, a sizable increase over last year's 69% (already up from 52% in 2012). What stands out is that of those large employers with wellness incentives, 24% - up from 15% in 2013 - now provide outcomes-based incentives for employees who meet or exceed biometric thresholds (Figure 2). Premium adjustments represent the primary incentive type. Sixty-four percent of large companies using wellness program incentives offer health insurance premium discounts or credits. The next most popular incentive, at 56%, is cash, gift cards, and sweepstakes.

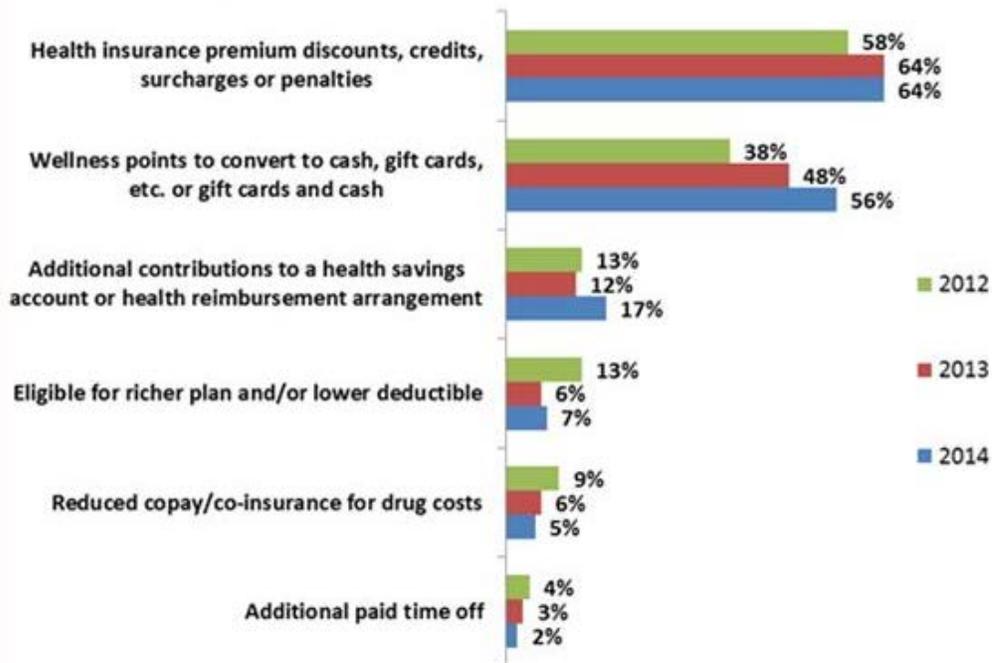
A national survey of some 388 benefits decision makers at organizations that offer health benefits were surveyed to help generate the report's results.

Figure 1. Wellness program employee participation rates, large employers, 2013-2014.



Base = Employers with more than 500 employees that offer wellness programs
 Source: bswift, May 2014

Figure 2. Wellness program incentives and disincentives, large employers, 2012-2014.



Base = Employers with more than 500 employees that offer incentives for wellness programs
 Source: bswift, May 2014

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