



benefitNEWS

## Wellness Efforts Continue to Expand in Group Benefit Plans

According to the Annual Wellness benchmarking survey from the International Foundation of Employee Benefit Plans, more than half of all organizations (55%) have budgets devoted specifically to wellness and more than four in five offer some type of wellness initiative. Among organizations with wellness offerings, seven years is the average amount of time these efforts have been in place.

Highlights of the 2014 survey are below:

- Organizations are divided in their purpose and strategies for wellness: 59% are primarily offering wellness to invest in/increase worker health and engagement, while 41% aim to control/reduce healthcare costs.
- More than three in five organizations with wellness budgets (62%) expect their budgets to increase in the next two years. One in five organizations without a wellness budget expects to adopt a budget in the next two years. Nearly two in five organizations say the Affordable Care Act (ACA) has increased their organization's emphasis/interest in wellness.
- The top barriers to wellness implementation are not enough time for workers to participate, dispersed worker populations, and difficulty keeping momentum going (see Figure 1).
- Flu shot programs (71%), smoking-cessation programs (54%), health risk assessments/appraisals (HRAs) (51%), and health screenings (50%) are the most popular screening and treatment initiatives.
- Wellness competitions (42%), health coaching (39%), healthy food choices (38%), and weight-loss/management programs (38%) are the most prevalent fitness and nutrition wellness initiatives.
- Social and community health initiatives commonly offered by organizations include community charity drives (57%), onsite events and celebrations (50%), and community volunteer projects (46%).
- The most common mental health initiatives offered are employee assistance programs (EAPs) (80%), mental health coverage (63%), critical incident/crisis response counseling (33%), and stress-management programs (24%).
- Organizations are looking to increase emphasis in a wide variety of areas in the future, including wellness communication (58%), wellness incentives (45%), health literacy education (44%), physical health offerings (35%), wellness-related technology and/or gamification (31%), financial education (39%), and mental-health and stress-related offerings (29%).
- Nearly four in five organizations are using some type of incentive to encourage healthy behaviors. The most common wellness initiatives for organizations to attach incentives to

are HRAs, health screenings, smoking-cessation programs, and fitness programs.

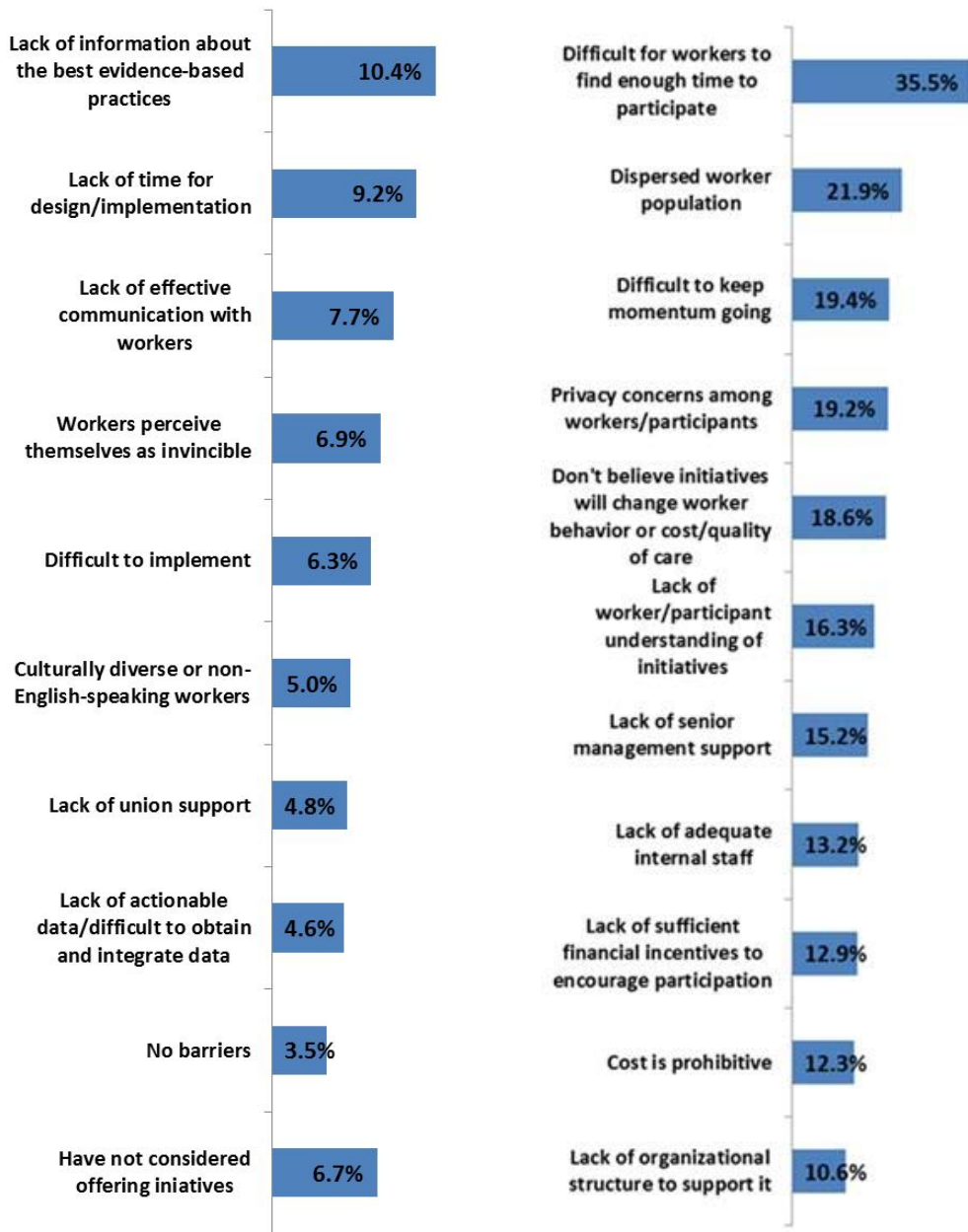
- About half of all U.S. organizations' insurance-based wellness incentives are classified under ACA as participation-only, about one-quarter have health contingent outcomes-based incentives.
- More than one in ten U.S. organizations (12%) with health-contingent incentives are offering these incentives up to the full 50% of coverage limit for tobacco cessation, and 17% are offering up to the full 30% of coverage limit provided by ACA for other health standards/activities.
- Outcomes-based initiatives are most commonly dependent on HRA/screening score improvements, tobacco use and fixed HRA/screening scores. Health coaching is the most commonly used reasonable alternative standard.
- The most common methods for communicating wellness initiatives include benefit newsletters (61%), health fairs (49%), seminars and speakers (49%) and nurse advice hotlines (45%).
- More than one-third of organizations (36%) survey their workers about desired wellness programs and changes, 34% design programs based on identified health risks and 29% include families/spouses in wellness initiatives.
- Wearable tracking devices are made free or at a discount in 28% of organizations, wellness apps are promoted or used in 27% and gamification is incorporated into 16% of responding programs.
- Two in five organizations (41%) have prepared a general picture of their organization's health status. The conditions most frequently identified as affecting costs are diabetes, heart disease, arthritis/back/musculoskeletal conditions, cancer, hypertension/high blood pressure, obesity and depression/mental illness.
- Commonly offered initiatives with the highest worker participation rates include health screenings (47%), flu shot programs (46%), HRAs (46%) and health fairs (41%).

Of the responding organizations with wellness initiatives, about one in four (26%) is analyzing its wellness program return on investment (ROI). Proof of wellness results is in uniquely high demand – just 4% of organizations that calculate wellness ROI also analyze the ROI of other initiatives/benefits. Among organization analyzing and aware of their wellness ROI, 93% are achieving positive ROI and the average ROI per \$1 spent is \$3. Organizations are tracking a variety of measures related to their wellness efforts beyond healthcare costs, including HRA/screening data (44%), engagement surveys (33%), overall organization financials (29%), and absenteeism (24%).

Among organizations analyzing these measures:

- 62% say wellness efforts have improved their organization's HRA/screening data.
- 54% say wellness efforts have improved engagement survey results.
- 45% say wellness efforts have reduced absenteeism.
- 38% say wellness efforts have positively affected their organization's overall bottom line.

### **Figure 1. Top Barriers to Implementing Wellness Initiatives, 2014**



This survey received 479 responses, representing all places of employment in the U.S.



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