

Wellness Incentives Grow In Size and Scope

By Stephen Miller

Almost two of three U.S. companies offer programs to keep employees healthy, and 66 percent offering programs use incentives, with many showing a return on investment (ROI) greater than \$1 for each dollar spent.

The findings are part of a survey, now in its third year and released in July, that tracks how much U.S. employers pay in incentives, what activities they encourage, and how success and ROI are measured. *How Employers Use Incentives to Keep Employees Healthy: Perks, Programs and Peers* was conducted by Health2 Resources, a health care research firm in Vienna, Va.

"We are not talking about \$5 here or there. We are talking about serious investment into productivity, made by employers with as few as 200 employees, for as much as \$1,400 a year per employee," says Katherine H. Capps, president.

Among the findings:

- The value of incentives is up, averaging \$329 in 2009 and ranging from \$1 per pound for weight loss to annual premium reductions valued at more than \$1,500 each. The most common incentive is health premium reduction, followed by merchandise or tokens and gift cards.
- More companies offer cash and gift cards to spouses and family members. More than half of companies surveyed offer health and wellness or disease-management programs to spouses, and one-third extend them to other family members.
- Confidential health histories and questionnaires are a starting point for

worksite wellness and disease management. Two of three U.S. employers—large, mid-size and small—offer a health assessment to employees, and nearly three of four of those offer in-

- Diabetes programs are the most common type of disease management. Among employers that offer disease management, 92 percent offer diabetes programs.

Incentives to keep employees healthy are up from an average of \$204 in 2008 to \$329 in 2009.

centives—with values up to \$300 annually—for employees to take it. About 10 percent to 15 percent of such incentives exceed \$300.

- Smoking cessation programs are the most popular; 53 percent of employers surveyed offer them. But weight management and physical activity programs are not far behind.

- Company size matters but doesn't dictate the value of incentives. Among large employers, a bigger percentage offer programs and incentives when compared with small and mid-size companies. The percentage of large employers offering programs and incentives is larger than the percentages for mid-size and small companies.

- Results count—and employers are counting. The percentage of U.S. companies measuring ROI for health and wellness programs has increased from 14 percent in 2007 to 73 percent in 2009. About 83 percent of those who measure say the programs return better than a ratio of 1-to-1. In growing numbers, employers reward goal achievement during programs and after their completion.

- Among all employers, nearly every challenge to offering health and wellness programs—even the top challenge of motivating employees over time—has lost intensity.

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