

Gift Cards, Cash or Merchandise: Designing Incentive Strategies That Work



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Many employers have wellness programs as part of their overall strategy to keep their employees healthy and productive. Research shows that when wellness programs are aligned with a strong incentive strategy, participation is maximized, and so is the employer's return on investment. For example, according to a recent analysis of employers with wellness programs, those implementing an OptumHealth incentive program reported having up to 85 percent of their employees complete a health assessment and up to 30 percent of employees complete an online health coach program — two remarkably high participation numbers.

Gift cards, cash or merchandise are typical incentives offered by vendors — but don't be misled. Not all incentive programs are created equal. In fact, if an incentive program does not have a strategy designed to meet the needs of a specific employee population, it will fail.

"More than 70 percent of employers are using incentives this year compared with 62 percent of companies that did so last year," said Robin Randall-Lewis, vice president of product management and strategy for OptumHealth Consumer Solutions. "As interest increases, more employers are looking to partner with someone who can develop strategies that meet the specific needs of their populations."

To find a vendor, Randall-Lewis said, employers should look for a partner that can provide an incentive program with these elements:

1. Tools for success that can be tailored to a company's specific needs
2. The ability to work across the health care continuum
3. The means to measure outcomes
4. Industry-accepted best practices

OptumHealth is among the few companies in the industry that offers comprehensive incentive strategies designed to align with programs across the health care continuum — from wellness programs that keep people healthy, to disease management programs that help those living with chronic conditions.

1. Creating the Tools for Success

Choose a vendor that has the flexibility and tools to tailor programs for specific needs. This includes strategy development, implementation and the creation of tools to communicate the program. For example, when planning how it will educate and communicate with its employees — a crucial step — if an employer wants to include a newsletter, intranet communications or other campaign, it needs to be sure its vendor can provide these tools. OptumHealth has a dedicated creative agency that creates these and other communication programs.

2. Improve Health across the Health Care Continuum

Employees might include the marathon runner who wants to stay healthy, the tobacco user who wants to quit or the person with diabetes who hopes to better manage her condition. On the continuum of care, there are people who need programs to stay or get healthy, and those who need support living with chronic conditions. "OptumHealth aligns incentives with wellness, high risk and disease management programs — allowing an employer to engage 100 percent of their population," Randall-Lewis said.

This means employees can receive incentives for managing preexisting conditions such as diabetes, high blood pressure or other illness. "The beautiful thing about

OptumHealth's program is that it addresses incentives on the wellness spectrum, as well as the disease spectrum — this is how you optimize ROI," Randall-Lewis said.

3. Does the Program Work? Measure Outcomes

An incentive program needs built-in tracking and monitoring. This allows the employer to focus on the incentives that yield the best outcomes, whether the employer's goals are a higher return on investment or more employee productivity, or both. It also allows the employer to reduce resources spent on less fruitful aspects of their programs.

Unlike many in the industry, OptumHealth uses claims data to track and show results — it does not simply rely on participant self-reporting. "We can validate that the consumer actually did what they said they did by using claims data," said Randall-Lewis, who also noted, "We can validate that the blood test was done. For example, we can actually pay the incentives based on real activities and outcomes."

4. Success Starts by Following Best Practices

Employers implementing a first-time incentive program should keep it simple by providing a reward for health assessment completion. Then, they should continue phasing in the program over time by providing rewards for wellness and disease management program completion and finally health outcome achievement.

There should be a correlation between the value of the incentive and the level of effort needed to meet a requirement. The value of incentives, which can be gift cards or cash, merchandise, premium reductions, or other prizes, should be in the range of \$100–\$300 per person, per year.

Incentive-eligible activities should be available throughout the year. This will keep participants engaged and reinforce healthy behavior over time. OptumHealth suggests a points-based model, wherein participants accumulate points that can be redeemed for merchandise or cash. A points-based approach is better than the one-and-done approach. A program needs to reward participants for doing a series of things that help change behavior," Randall-Lewis said.

As your program evolves, consider inviting spouses to participate as well — family support is critical in the behavior change process. And lastly, don't forget to communicate all the details of the program and its benefits — it's not just about getting a monetary pay-out; it's about feeling good and improving quality of life.

Incentive Program Best Practice Checklist

- ✓ Offer incentives across the continuum of care
- ✓ Budget \$100-\$300 per person per year
- ✓ Incorporate incentive-eligible activities throughout the year
- ✓ Build a program that rewards program completion and health outcome achievement
- ✓ Choose a 'total solution' vendor who can design, fulfill and promote your program

A Total Solution

While the value of incentives "is a given," Randall-Lewis said, simply launching an incentive program with no guidance or planning will not yield the best results. OptumHealth partners with companies to build end-to-end incentive programs. OptumHealth provides tailored programs, outcome tracking, flexible fulfillment capabilities, promotional services and incentive design consultation.

"We bring a total solution to our clients, covering all the details of an incentive program — not just fulfillment. We have the experience to help guide employers and the flexibility to support a tailored incentive strategy — one that supports the health needs of the entire employee population," Randall-Lewis said.

Contact Us Today

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