

Wellness in the Workplace 2011: An OptumHealth™  
Research Study



## Background

Wellness programs have become an established part of the HR department's employee benefits mix. Because business needs and cultures vary widely, there is great diversity in the programmatic solutions that have been devised to meet the common challenges of rising health care costs and health-related productivity — variations in program structure, scope and administrative methodology. Inevitably, there is also great curiosity about which innovations are proving successful and what trends are emerging in program design and delivery.

To better understand the current state of practice, OptumHealth conducted its second annual survey of workplace wellness programs during the fourth quarter of 2010. The study had four goals:

- To assess the penetration of wellness programs among large and small employers
- To determine which wellness program components are considered the most successful and what obstacles they face
- To identify significant year-on-year differences in survey findings
- To discover the trends that employers foresee in the future of wellness programs

## Research methodology

Online surveys were conducted during the fourth quarter of 2010. Respondents were members of an e-Rewards<sup>1</sup> panel, and were divided into categories based on company size and work force age.

- **Company Size** — Small companies were defined as having two to 99 employees (25 percent of all companies interviewed); large companies as having 3,000 or more (75 percent of all companies interviewed).
- **Work Force Age** — An older work force was defined as one where 51 percent or more of the employees are 40 or older (54 percent of all companies interviewed); a younger work force as one where 50 percent or less of the employees are 40 or older (46 percent of all organizations interviewed).

By design, no companies in the survey sample had between 100 and 2,999 employees. Thirty-eight percent had between 3,000 and 19,999 employees, 14 percent had between 20,000 and 49,999, and 23 percent had 50,000 or more.

Among the HR professionals interviewed, the majority (74 percent) share responsibility for employee wellness programs and other health benefits as part of a team. Just over a quarter (26 percent) describe themselves as decision-makers, up from 16 percent in 2009. This change may reflect the larger number of benefits managers, HR directors and vice presidents of HR in this year's sample.

For the purposes of this research, wellness programs encompass:

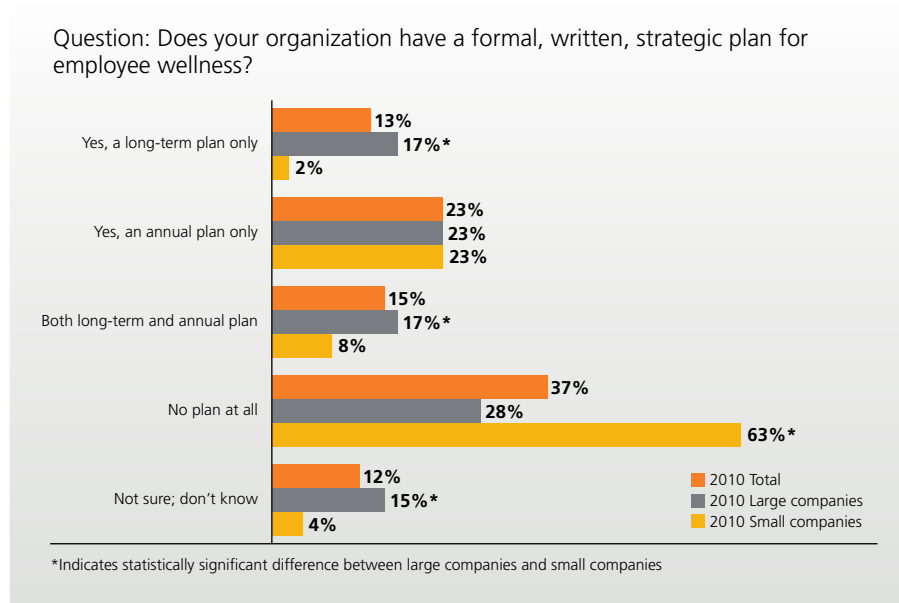
- Biometric screenings
- Discount programs
- Disease management
- Family-targeted wellness programs
- Fitness challenges
- Flu shots
- Health risk assessments
- Health and wellness publications
- Health and wellness seminars
- Pregnancy programs
- On-site clinics
- Sleep management
- Wellness coaching

<sup>1</sup> e-Rewards is generally credited with having the most robust online U.S. panel of opt-in panelists. Currently, the panel has more than 2 million profiled panelists.

### Penetration of Wellness Programs

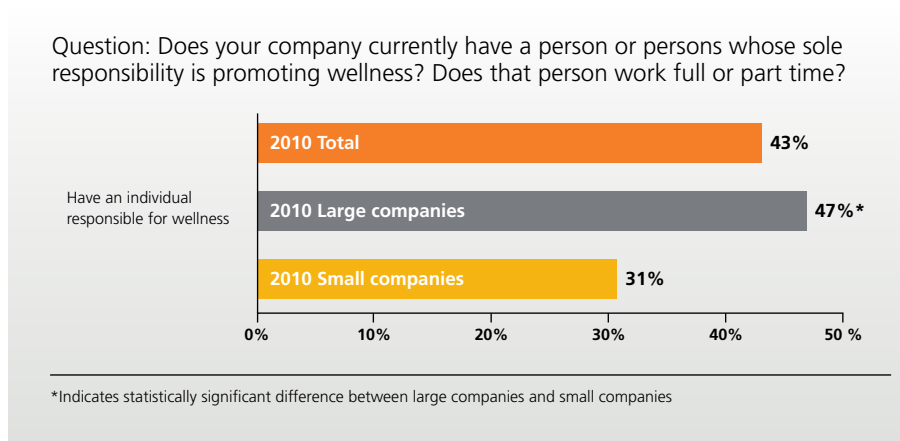
Roughly half the organizations surveyed (51 percent) had written formal strategic plans for employee wellness (see figure 1), of which 15 percent had completed both annual and long-term plans. More than a third (37 percent) had no plan at all, including fully 63 percent of the small companies surveyed. Organizations without a formal framework for program development should consider the value of consulting services to assist in the development of a strategic plan to guide the integration and optimization of their health and wellness offerings.

**Figure 1: Formal plans for employee wellness**



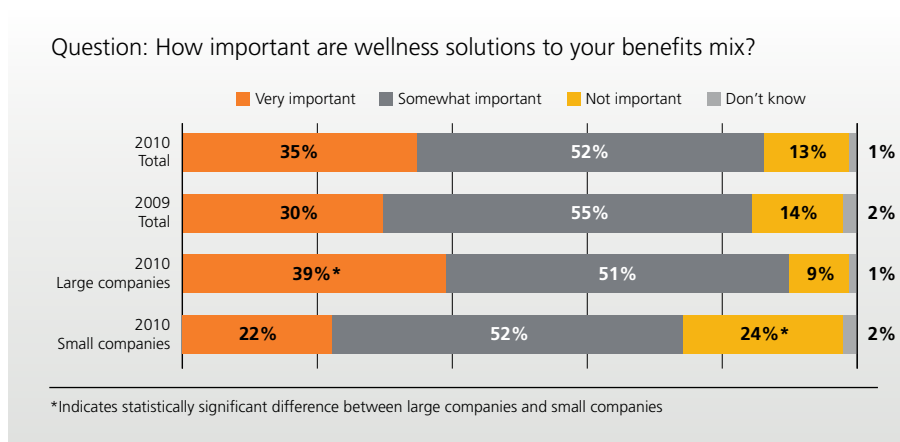
Two out of five companies surveyed (43 percent) had at least one individual whose sole responsibility was to promote wellness (see figure 2). Most dedicated personnel were full-time employees (87 percent), especially in larger companies (92 percent vs. 61 percent at smaller companies), and they had a significant impact on employee participation. Organizations with an individual dedicated to wellness promotion achieved participation from 48 percent of the eligible work force on average, compared with 38 percent at companies without dedicated promotion. Companies should consider investing in the human resources necessary to effectively promote wellness programs within the organization.

**Figure 2: Personnel solely responsible for wellness promotion**



Most companies (86 percent) considered wellness solutions to be an important part of their benefits mix (see figure 3), although this was more likely to be true for large companies (90 percent) than small ones (74 percent). Organizations with a wellness plan, a broker playing a major role, or an individual solely dedicated to wellness promotion were more likely to regard wellness solutions as a very important aspect of the benefits mix than each subgroup counterpart.

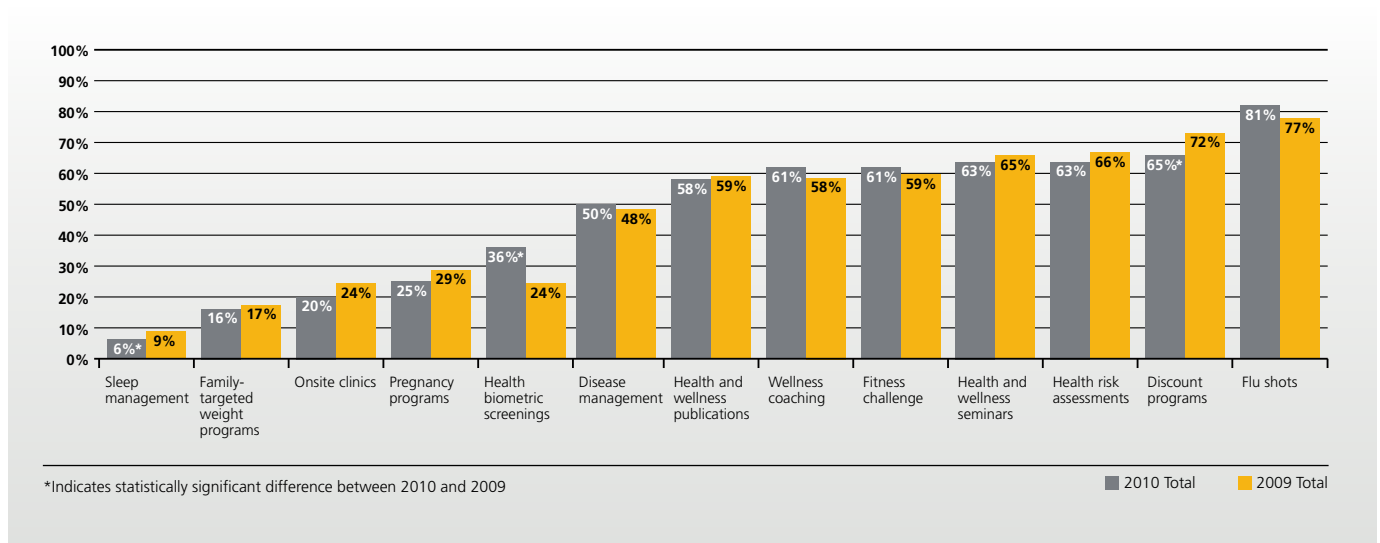
**Figure 3: Importance of wellness solutions to the benefits mix**



Companies reported an average of six programs in their wellness offerings, with a few notable differences from the mix reported in 2009 (see figure 4). Eight out of 10 offered flu shots (81 percent), up from 77 percent in 2009. More than one-third reported offering biometric screenings (36 percent), up from 24 percent last year. And fewer companies offered discount programs (65 percent vs. 72 percent) or sleep management programs (6 percent vs. 9 percent) than was the case last year. There did not appear to be a significant year-on-year change in the overall number of programs offered.

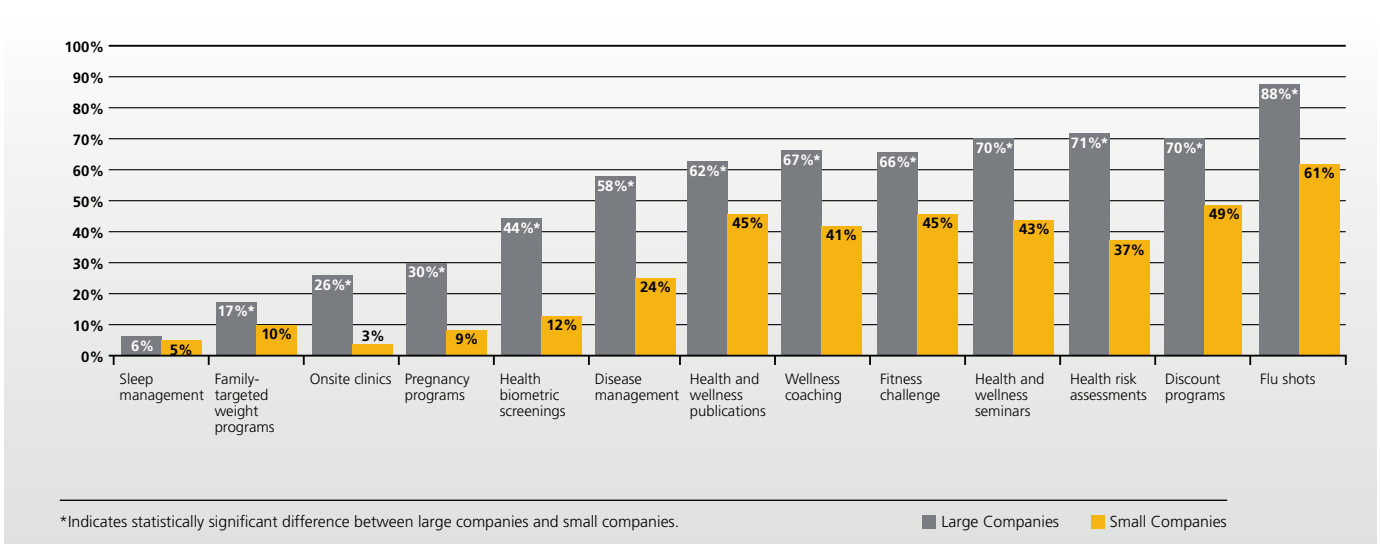
Organizations that offer wellness programs should evaluate their program mix regularly to ensure that the right set of interventions are in place to meet designated program goals. New wellness options should be evaluated as they become available, to assess their relevance to organizational goals and employee needs.

Figure 4: Overall wellness programs offered



Large companies were much more likely than small ones to include wellness programs in their employee benefit packages (see figure 5). Of the large organizations surveyed, 92 percent offered health and wellness programs, while only one-third of smaller businesses did so (36 percent). Larger companies also offered a wider range of programs: an average of 6.7 programs as opposed to 3.8 for small companies.

Figure 5: Wellness programs offered by company size



## Trends in wellness penetration

**Insight:** Almost half of all organizations have no strategic plan to guide their wellness initiatives.

**Recommendation:** Companies should consider the value of consulting services for strategic guidance and planning, to better integrate and optimize the effectiveness of their health and wellness offerings.

**Insight:** While penetration of wellness programs appears high among large companies, smaller companies lag behind.

**Recommendation:** Smaller companies should consider how they can begin to incorporate wellness into their organization.

**Insight:** Organizations with a dedicated employee to promote wellness initiatives generate 26 percent more participation (48 percent vs. 38 percent) compared with organizations that do not have a dedicated employee.

**Recommendation:** Consider investing in resources (full-time or part-time) to help promote wellness programs within the organization.

Leverage consulting services to help determine resource needs.

**Insight:** Onsite programs, including flu shots and biometric screening events, have shown very rapid year-over-year penetration growth across the board.

**Recommendation:** Onsite programs are critical in identifying risk factors and inspiring employees to take action.

Look for well-integrated wellness and disease-management services with biometric screenings to ensure maximum opportunity for employee and member participation.

**Insight:** Most companies consider wellness a vital part of their benefits mix, serving as an opportunity to maximize health and productivity as well as employee morale.

**Recommendation:** Companies that don't yet offer wellness programs should start by understanding the risks in their employee populations, as well as assessing employee needs and interests.

Companies with wellness programs should evaluate their wellness offerings to ensure that the program mix continues to address population needs, and that communications support is robust and effective.

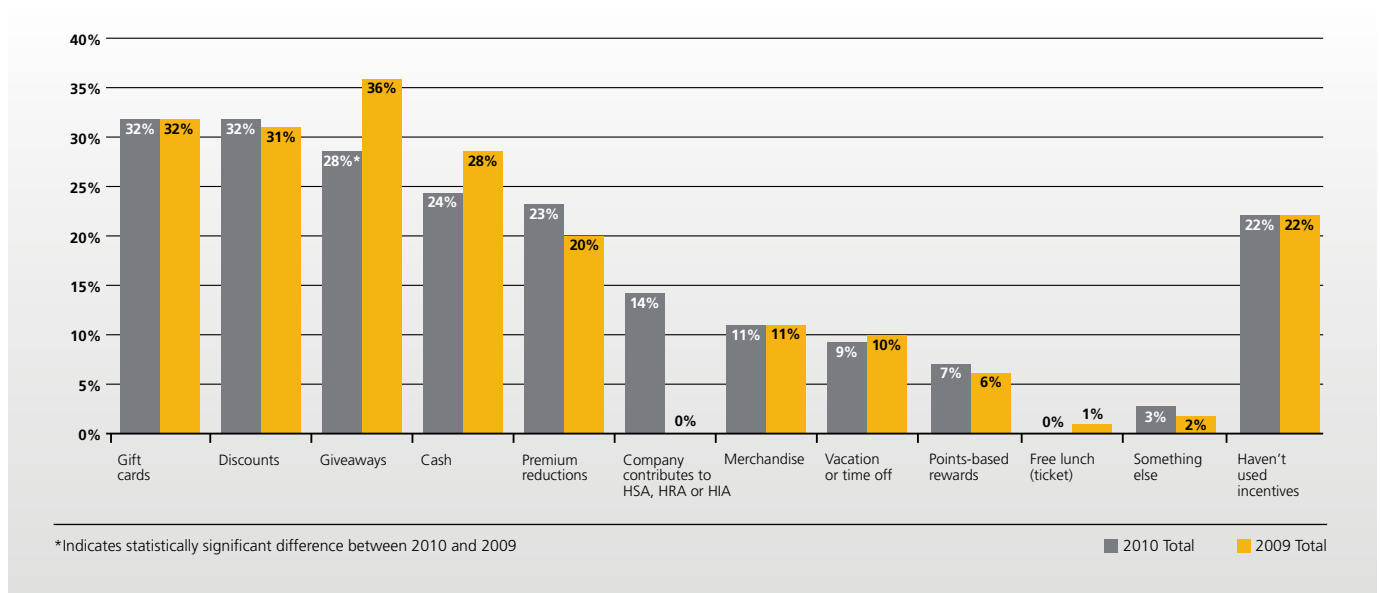
## Use of Incentives

### Using incentives to encourage participation

Giveaways, gift cards, discounts, cash and premium reductions were the most frequently used incentives to encourage employee participation in wellness programs (see figure 6). More than half the companies that offer health risk assessments, fitness challenges and biometric screenings offered participation incentives. Giveaways were not as widely used in 2010 as in 2009, and almost 22 percent of responding companies reported no use of incentives at all.

Organizations that do not yet use incentives to drive wellness participation should consider taking an incremental approach, starting with easy-to-implement options based on one-time events and moving gradually to more complex strategies.

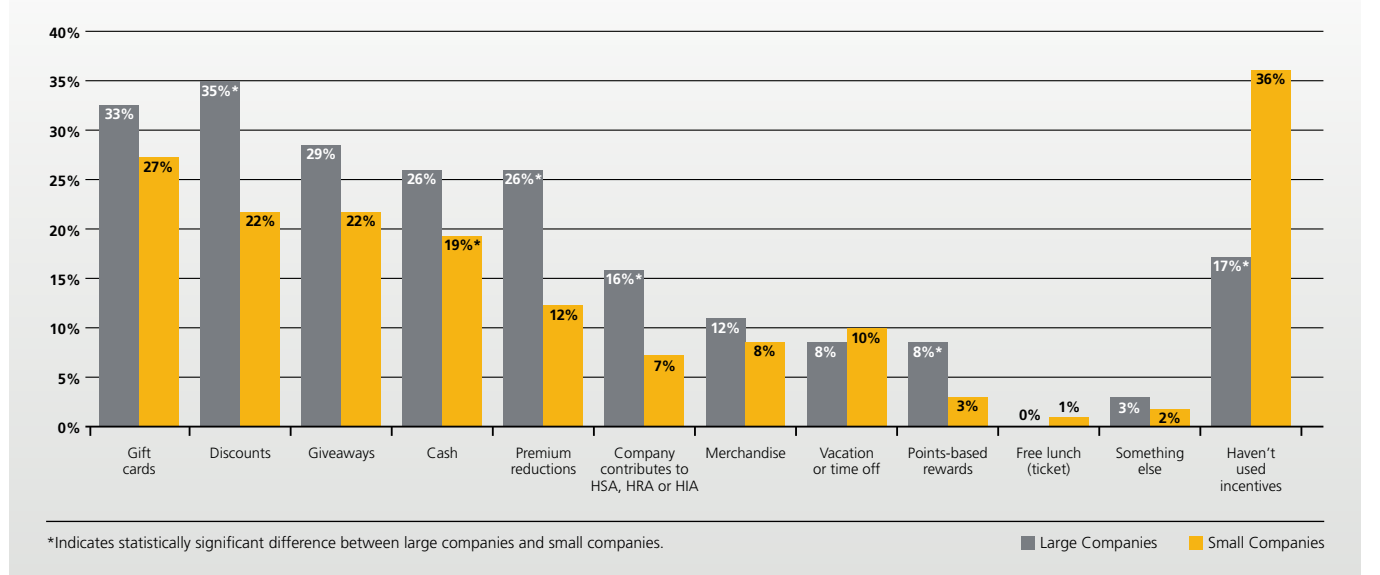
Figure 6: Effective incentives encourage participation



Organizations where less than 30 percent of the eligible work force participate in wellness programs were likely to not offer incentives to employees (33 percent), while those with higher participation rates were more likely to use incentives (84 percent with participation rates above 30 percent use incentives). Companies should take care that incentives are aligned with program objectives, and should consider the value of consulting services to develop effective incentive strategies.

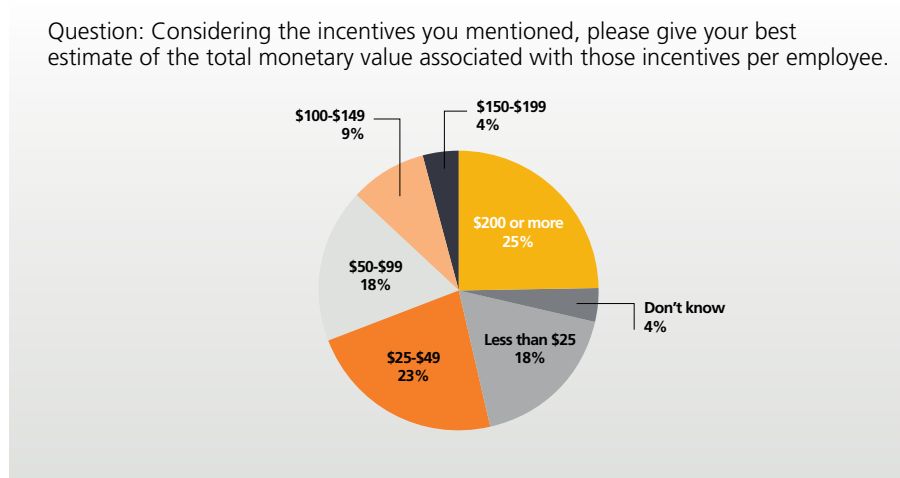
Figure 7: Effective incentives encourage participation

Question: Do you offer incentives to promote participation? What form of incentive have you found to be most effective for your work force in terms of encouraging participation in wellness?



The majority of companies (59 percent) that provide participation incentives in the form of giveaways, merchandise, and vacation or personal days off valued those incentives under \$100 per employee (see figure 8). Many that offer health insurance premium reductions or company contributions to HSAs valued those incentives at more than \$200 per person. Discounts, gift cards, cash and point-based systems seemed to fall into two main categories: a low end with values between \$25 and \$100, and a high end of over \$200.

**Figure 8: Per-employee incentive values**



Smaller companies were more likely to offer incentives under \$25 (29 percent compared with 15 percent of larger companies). Larger companies were more likely to offer incentives of \$200 or more (28 percent compared with 14 percent of smaller companies). Incentive values over \$200 were more likely at companies offering eight or more wellness activities than at companies offering two to four programs.

## Trends in participation incentives

**Insight:** Companies that offer incentives have a 30 percent or higher rate of participation than those that do not.

**Recommendation:** Promote a culture of health within your organization by providing incentives that are appropriate and aligned with program objectives.  
Leverage consulting services to help develop an effective incentive strategy.

**Insight:** Over half the companies surveyed value their incentives at \$100 per employee or less.

**Recommendation:** There is a strong correlation between the number of programs offered and the value of incentives.

Organizations with complex wellness and disease-management offerings should consider a formal incentive an essential part of an overall wellness strategic plan.

If offering small incentive payouts, ensure the incentive matches the amount of effort required by the employee; a small, inexpensive giveaway may not be a powerful motivator for participation in a program requiring great effort.

For better outcomes, consider increasing incentive values.

Be sure your incentive offering is guided by a research-based understanding of employee motivation with regard to health actions.

**Insight:** Almost 22 percent of responding companies have not yet used incentives to encourage participation in health and wellness programs.

**Recommendation:** Organizations that do not yet use incentives to drive wellness participation should consider taking an incremental approach, starting with easy-to-implement options based on one-time events and moving gradually to more complex strategies.

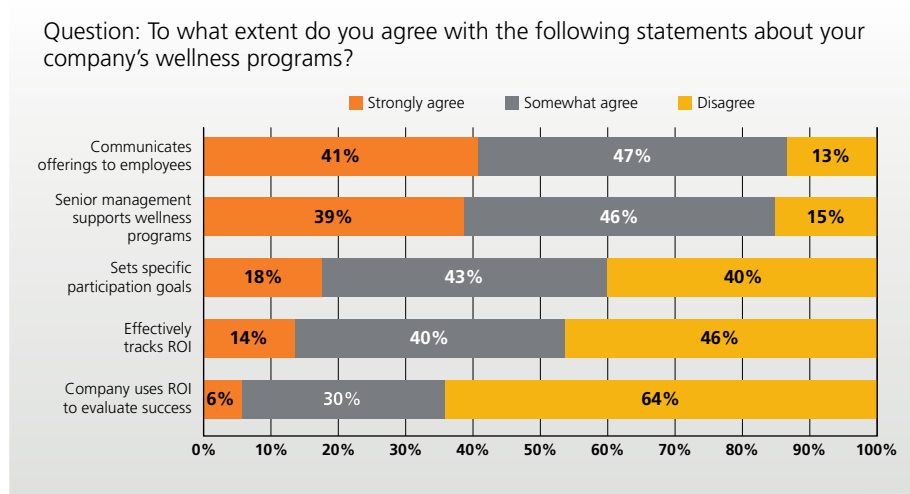
## Communication and Employee Engagement

Most respondents (87 percent) said that their companies communicate wellness offerings to employees (see figure 9). Companies where more than 50 percent of employees participate in wellness programs were more likely to agree that their companies do the following than those with less than 50 percent participation:

- Communicate effectively
- Have senior management support
- Set specific goals
- Are able to track return on investment (ROI) effectively

Notably, almost 40 percent of respondents reported having no specific participation goals for their programs.

**Figure 9: Company's approach to wellness programs**

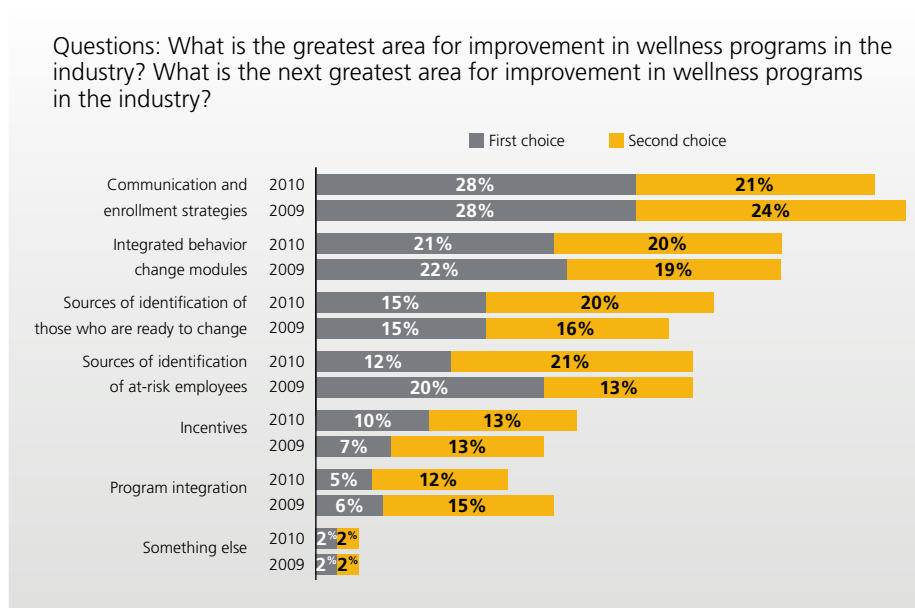


Companies should set clear participation goals as part of a strategic communication plan. They should monitor performance, adjust strategy as needed, and leverage the expertise of consultants and communication agencies for guidance and direction.

Compared with 2009 survey data, HR professionals in 2010 seemed to feel that vendors were doing better at encouraging employee participation and measuring ROI. Fewer agreed that wellness vendors should have been doing more to engage employees and encourage program participation (67 percent vs. 74 percent in 2009), and that their companies had ROI goals they expected vendors to demonstrate (50 percent vs. 58 percent in 2009).

Communication and enrollment strategies were identified as the greatest area for improvement (28 percent) in the wellness industry (see figure 10), followed by integrated behavior change models (21 percent) and sources of identification of those who are ready to change (15 percent). There was no significant difference in areas for improvement from 2009 to 2010. To realize these opportunities, companies need robust communications plans that leverage senior management buy-in and communicate wellness offerings throughout the year. Consultants with innovative risk identification and enrollment methods can be helpful, especially those with specialized expertise in health and wellness communications.

**Figure 10: Areas of improvement for the wellness industry**



When asked to name the most significant barriers that organizations must overcome to engage employees in wellness programs, lack of time and energy topped respondents' lists (see figure 11). In 2010, significantly more HR professionals cited the following obstacles than in 2009:

- Lack of incentives (7 percent vs. 3 percent in 2009)
- Fear of the unknown (6 percent vs. 1 percent in 2009)
- Not understanding the benefits to them (5 percent vs. 1 percent in 2009)

In 2010, fewer cited a lack of employee awareness as a barrier than in 2009 (6 percent vs. 12 percent).

Overcoming such barriers will require engagement plans that integrate incentives, employ segmented communications, and avoid overuse of generic, one-size-fits-all messaging. Local wellness committees, ambassadors and internal success stories can be leveraged to allay concerns and involve employees.

**Figure 11: Significant barriers to participation**

Question: What are the most significant barriers to employee participation, enrollment and engagement in your company's wellness programs?

Significant Barriers to Participation	2010 %	2009 %
Lack of time/energy	29	34
Lack of interest from young employees	20	23
Effective communication	7	6
Lack of incentives	7*	3
Employees are not aware of opportunity	6*	12
Privacy issues/confidentiality	6	6
Scattered work force	6	6
Cost	6	5
Fear of unknown; don't trust program	6*	1
Not understanding personal benefit	5*	1

\*Indicates statistically significant difference between 2009 and 2010

### Trends in communication and engagement

**Insight:** Engagement and employee communication remains the most significant opportunity for enhancing work site wellness program effectiveness.

**Recommendation:** Have a robust communications plan that leverages senior management buy-in and communicates wellness offerings throughout the year.

Look for partners with innovative identification and enrollment methods and in-house marketing agency services with specific expertise in health and wellness communications to complement and support your internal communication plans.

**Insight:** Fear of the unknown or a mistrust of the program, as well as not understanding the personal benefits, showed a significant increase as barriers to employee participation.

**Recommendation:** Work with your external partners to develop an engagement plan that integrates incentives and uses segmented communications. Avoid overuse of generic, one-size-fits-all messaging.

Assess whether your organization is promoting a culture of health. Leverage employee success stories and testimonials within your own population to allay concerns.

Consider using local wellness committees and ambassadors to engage employees and support programs.

**Insight:** Almost 40 percent of organizations have not set participation goals as part of their health and wellness communication strategies.

**Recommendation:** Set clear participation goals as part of a strategic communication plan to support your initiatives.

Regularly monitor performance and adjust communication strategies as needed.

Leverage your partners' wellness consultants and communication agencies for guidance when needed.

**Insight:** Flu shot programs showed a marked increase in highly successful wellness programs.

**Recommendation:** Consider using flu shot clinics as an entry to encouraging employee interest and participation in other wellness programs.

### Measuring Success and Future Trends

Satisfaction with many wellness programs appeared to be quite high. More than nine in 10 HR professionals considered their flu shot programs, biometric screenings and fitness challenges successful based on engagement and participation rates. A significantly higher proportion of 2010 respondents considered two programs highly successful than in 2009: flu shots (67 percent vs. 53 percent in 2009) and wellness coaching (12 percent vs. 6 percent in 2009). Other programs that recorded improved success ratings year-over-year included health and wellness seminars, pregnancy programs, discount programs and disease management programs.

**Figure 12: Program success ratings year-over-year**

Question: How successful has the program been in terms of participation and engagement?

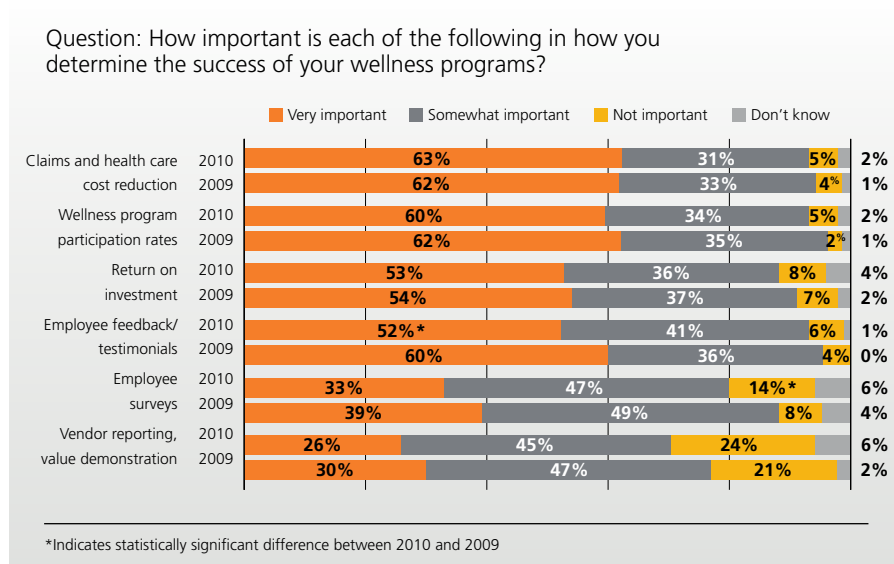
	Percent with successful program		Percent with highly successful program	
	2010	2009	2010	2009
Flu shots	94	92	67*	53
Health biometric screenings	94	89	25	25
Fitness challenges	90	84	24	19
Onsite clinics	88	94	54	47
Health and wellness seminars	83	82	14	15
Health risk assessments	86	86	20	24
Pregnancy programs	83	76	33	25
Discount programs	81	79	26	27
Family-targeted weight programs	73	76	16	15
Disease management programs	72	71	12	11
Health and wellness publications	68	72	12	11
Wellness coaching	72	68	12*	6
Sleep management programs	59	68	9	18

\*Indicates statistically significant difference between 2010 and 2009

In determining the success of their wellness programs, companies placed the greatest importance on health care claims and cost reductions, participation rates, and return on investment (see figure 13). The 2010 respondents placed less importance on employee feedback and testimonials (93 percent vs. 96 percent in 2009), employee surveys (80 percent vs. 88 percent in 2009), and vendor reporting (71 percent vs. 77 percent in 2009).

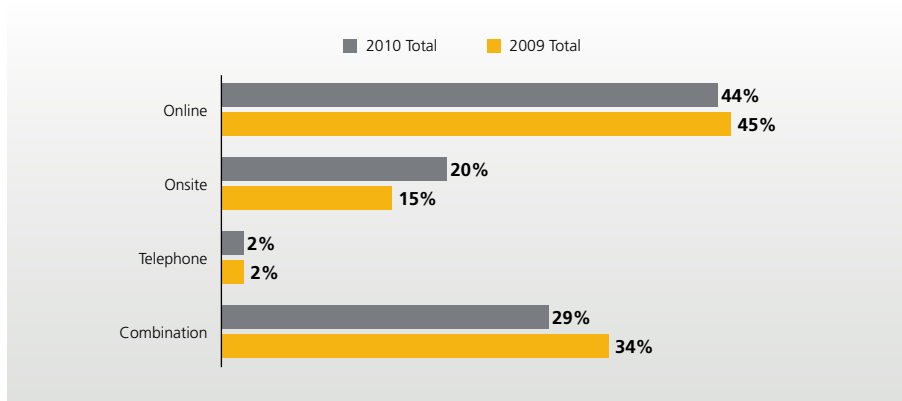
Companies would do well to consider a comprehensive set of success metrics including year-over-year participation growth, achievement of program objectives, employee satisfaction, and employee movement from high- to low-risk status.

**Figure 13: Success metrics for wellness programs**



Nearly half of the HR professionals surveyed (44 percent) foresaw wellness programs trending toward online delivery in the future, based on their experience of what has been successful in their organizations (see figure 14). To ease this transition, companies should identify opportunities to leverage online resources — health portals, online health assessments, cost estimators and other Web-based programs — that can integrate well with traditional delivery methods. To serve employees without computers, consider health kiosks with access instructions for online wellness programs.

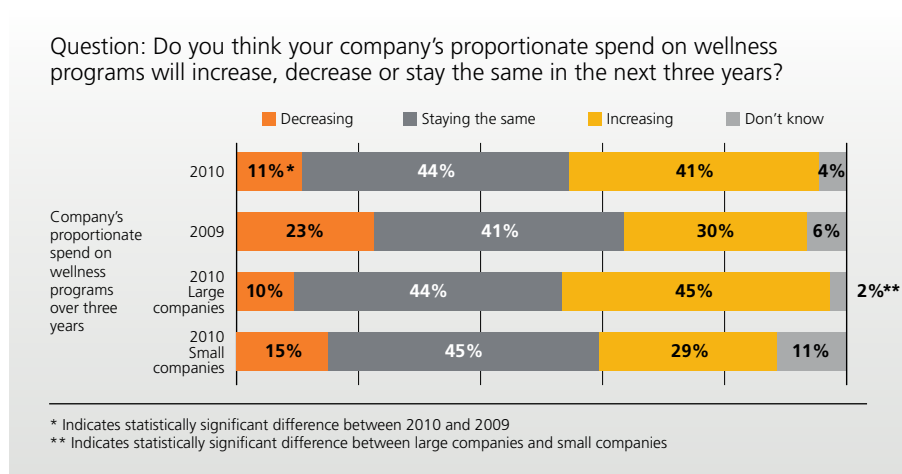
Figure 14: Wellness program trends for the future



When asked about future spending expectations, more organizations than in 2009 anticipated increases in their wellness spend (41 percent vs. 30 percent in 2009), and significantly fewer (11 percent) expected a decrease in their proportionate wellness spending in the next three years (see figure 15). Companies that consider wellness solutions very important to their benefits mix were more likely to expect a budget increase over the next three years than companies who consider wellness solutions somewhat important (60 percent vs. 35 percent).

Whatever their funding expectations, wellness program managers should establish clear performance metrics and a strategic plan against which to measure program achievement and document how wellness generates value for the organization. Performance metrics should be shared regularly with senior management sponsors.

Figure 15: Forecast change in 3-year wellness spend



## Trends in measurement and spending

**Insight:** Organizations place the most importance on participation rates and health care cost reduction for determining success.

**Recommendation:** Organizations should develop and apply a comprehensive set of success metrics including year-over-year growth, achievement of plan objectives, employee satisfaction, and employee movement from high- to low-risk.

**Insight:** Satisfaction with wellness programs appears high with many programs: flu shots, fitness challenges, wellness coaching, disease management and biometric screenings were all rated as successful by 70 percent of employers.

**Recommendation:** Programs such as onsite wellness are easy to implement and easiest for HR professionals to measure participation and demonstrate success due to their high visibility. Take onsite wellness programs to the next level by focusing on encouraging employees to make behavior changes. Integrating successful programs may enhance their success.

Work with partners who can successfully integrate multiple programs to enhance the health care value from these programs.

**Insight:** Many foresee a future trend toward online delivery of health and wellness programs.

**Recommendation:** Identify opportunities to leverage online resources — health portals, online health assessments, cost estimators and other Web-based programs — that integrate readily into traditional delivery methods. Consider that a well-balanced program mix will achieve the best reach and participation levels.

For employers with employees without access to computers: consider health kiosks with access instructions for online wellness programs.

Ask external partners to demonstrate their ability to integrate online and offline delivery methods.

**Insight:** There is a significant growth in organizations expecting an increase in spending for wellness programs year-over-year: 41 percent vs. 30 percent.

**Recommendation:** Anchor your wellness programs with clear metrics and a strategic plan against which you can measure progress.

Frequently share with senior management how wellness initiatives are generating health care value for the organization.

Leverage the capabilities of external partners with broad but well-integrated service portfolios to grow your wellness initiatives.

## Final Thoughts

Ensure you have the right mix of programs to address employee needs and leverage claims data. Incorporate a variety of delivery methods and provide an integrated experience to make programs convenient for employee participation.

Consider using incentives if your organization is not currently leveraging them. Start slowly with a staged approach that begins with simple goals, such as participation. Move toward more complex strategies as your program matures. To maximize effectiveness, ensure that incentive levels and types are well matched with the effort required of employees.

To maximize engagement, be sure your communications are tightly targeted, and that they address the needs of your audience in ways that are personalized and meaningful. Consider leveraging onsite events and biometric screenings to identify and educate at-risk employees and drive them to resources to manage their health.

Almost half the companies surveyed have no formal, written wellness program plan. Companies who do not have a plan should leverage their external partners and internal resources to develop a strategic plan, set goals and measure year-over-year results.

## About the Authors

### Todd Spaulding, M.B.A.

As vice president of product management and general manager of the Health and Wellness business for OptumHealth Care Solutions, Spaulding is responsible for business leadership of the Staying and Getting Healthy solutions. He is a member of the Health Enhancement Research Organization (HERO) and serves on the National Business Group on Health (NBGH) board for the Institute on the Costs and Health Effects of Obesity. Prior to joining OptumHealth in May 2003, he held various management positions. Spaulding earned his Bachelor of Science degree in accounting from St. Cloud University and his Master of Business Administration from the University of St. Thomas.

### Laura Karkula

As vice president of product management for OptumHealth, Laura Karkula is responsible for managing the Wellness product portfolio including Wellness Coaching, Onsite Wellness, and Self-Care Publications. Prior to Wellness, Karkula developed, operated, and directed several products for OptumHealth, including NurseLine, Treatment Decision Support and Health Advocacy. Before joining OptumHealth in January 2002, Karkula held positions in product management and product development for Cargill, and worked as a process and technology consultant with Accenture. Throughout her career, Karkula has held management positions in product, market development, business architecture and information technology.

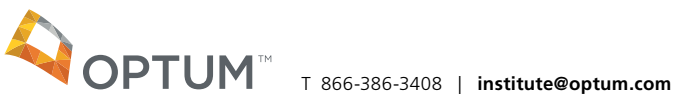
## About OptumHealth

As one of the nation's largest health and wellness companies, OptumHealth makes health care more accessible, affordable and effective for employers, health plans, public sector entities and the 60 million individuals we serve. OptumHealth optimizes the health, well-being and financial security of individuals and organizations through personalized health management solutions. We help people live their lives to the fullest.

---

Learn more about how Optum can help your organization improve the impact of employee wellness programs. Contact us at **866-386-3408** and **[institute@optumhealth.com](mailto:institute@optumhealth.com)**

---



13625 Technology Drive, Eden Prairie, MN 55344

Optum and its respective logos are registered trademarks of Optum. All other brand or product names are trademarks or registered marks of their respective owner. Because we are continuously improving our products and services, Optum reserves the right to change specifications without prior notice. Optum is an equal opportunity employer.

CSWEL0003SCM © 2011 Optum. All Rights Reserved.