Current Trends and Best Practices in Employee Health and Wellness Solutions

Employee Benefits Forum & Expo
Joe Woods, COO, HumanaVitality
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What We’ll Cover Today

1. Landscape Overview
   - Impact of chronic diseases on society

2. Behavioral Economics
   - Role in our everyday lives and impact on wellness solutions

3. Best Practices
   - Key components of effective wellness solutions

4. Case Studies
   - Examples of companies that are doing it right

5. Future Trends
   - What’s on the horizon
Chronic diseases are among the most common, costly, and preventable of all the health problems in the U.S. (CDC)

In fact, seven-of-10 deaths among Americans each year are from chronic diseases.
Nine-of-10 people with heart disease so advanced they undergo bypass surgery don’t change their lifestyle in the subsequent two years.
Behavioral Economics Explains Why Change Is Difficult

Under consumption of preventive care

- Lack of information: True efficacy of different health and wellness approaches is not well understood
- Over-optimism: People tend to overestimate their abilities and health status
- Hyperbolic discounting: Future rewards of a healthy lifestyle are significantly undervalued relative to cost today
“Fun” Goes A Long Way In Motivating Change
People De-Value Future Rewards Relative to Cost Today

People Choose to Eat Chocolate Today...

<table>
<thead>
<tr>
<th>Chocolate</th>
<th>Fruit</th>
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<tbody>
<tr>
<td>70%</td>
<td>30%</td>
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...And Eat Fruit Next Week

<table>
<thead>
<tr>
<th>Fruit</th>
<th>Chocolate</th>
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<tbody>
<tr>
<td>74%</td>
<td>26%</td>
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“I’ll join the gym next month.”

“I’m busy now. I’ll pick up my prescription next week.”

Read and van Leeuwen, 1998
Wellness Programs That Address These Challenges Are On the Rise

The share of employers offering at least one wellness program jumped to 74 percent in 2010 up from 58 percent in 2009 and 54 percent in 2008.

Kaiser/HRNET Employer Health Benefits Survey
The **World Economic Forum Workplace Wellness Alliance** was launched in 2010 and includes a consortium of companies, that are committed to advancing wellness in the workplace

- Focuses on knowledge-sharing and developing and promoting the use of standardized metrics with the goal of achieving a global standard of wellness to enhance population health and workforce productivity

"*With the Workplace Wellness Alliance, we want to build a business case for investing in our employees’ health and wellness.*"

Michael McCallister, CEO Humana, Chairman of Workplace Wellness Alliance
What Makes an Effective Wellness Solution?

1. Multilevel Leadership
   - Creating a culture of health takes passionate, persistent and persuasive leadership at all levels – from the C-Suite to middle managers to the people who have “wellness” in their job descriptions.

2. Alignment
   - A wellness program should be a natural extension of a firm’s identity and aspirations. A cultural shift takes time.

3. Scope, Relevance and Quality
   - Wellness programs must be comprehensive, engaging and just plain excellent. Otherwise, employees won’t participate.
What Makes an Effective Wellness Solution?

4. Accessibility
   - Aim to make low or no cost services a priority. True on-site integration is essential because convenience matters.

5. Partnerships
   - Active, ongoing collaboration with internal and external partners, including vendors, can provide a program with some of its essential components and many of its desirable enhancements.

6. Communications
   - Wellness is not just a mission – it’s a message. How you deliver it can make all the difference. Sensitivity, creativity and media diversity are the cornerstones.
Wellness is not a product – it is a culture within an organization that is visible in the workplace environment. It may mean a number of things, including:

- Encouraging employees to ride their bikes to work (and altering the dress code so that they are able to do so)
- Removing soda machines
- Installing “treadmill desks” for employee use
Effective Wellness Solutions Have Significant ROI

**Lower Costs**

The savings on healthcare costs alone make for an impressive ROI

**Great Productivity**

Participants in wellness programs are absent less often and perform better at work than their nonparticipant counterparts

**Higher Morale**

Employee pride, trust and commitment increase, contributing to a vigorous organization
Research Shows that Wellness Solutions Work

• A recent study found that organizations with highly effective wellness programs report significantly lower voluntary attrition than do those whose programs have low effectiveness (9% vs. 15%) (National Business Group on Health and Towers Watson)

• A Highmark, Inc. found that health care costs rose at a 15 percent slower rate among wellness participants than a comparison group when employers consistently offered a wellness program to their employees (The American Journal of Health Promotion)
Overview
• HumanaVitality is a joint venture between Humana and the Vitality parent program, Discovery Holdings Ltd.
• Humana partnered with Discovery because of its 13 years of worldwide reputable experience using behavioral, clinical and actuarial science to motivate individuals to make healthier choices.

Program Highlights
• A 2010 study found that individuals who regularly participated in the Vitality solution experienced shorter and fewer hospital stays than those who didn’t participate or weren’t very engaged in the program.
How Does HumanaVitality Work?

1. Interactive website
   - www.powerofvitality.com

2. Complete an HRA

3. Obtain immediate feedback
   - YOUR VITALITY AGE
   - Your actual age: 35

4. Select Goals to improve risks or maintain health
   - My active goals
     - LOWER YOUR SYSTOLIC BLOOD PRESSURE
       - 1,470 Vitality Bucks
     - LOWER YOUR CHOLESTEROL
       - 1,180 Vitality Bucks
     - GET MORE ACTIVE
       - 800 Vitality Bucks

5. Engage in Personal Pathway™
   - disease management
   - smoking cessation
   - mental health
   - nutrition
   - preventive care
   - physical activity

6. Earn Vitality Bucks® & enjoy Vitality Rewards®
Based on a member’s unique risk profile, Personal Pathways provides specific goals and activities and aligns the appropriate incentives to help the member manage his/her health.
Case Study: Chevron

Overview

- Chevron’s wellness program closely aligns with the company’s business objectives
- 60-70 percent of all jobs are considered safety-sensitive in that employees put themselves or others at risk

Program Highlights

- Key components include a comprehensive cardiovascular health initiative, fitness centers, a repetitive-stress-injury prevention program, work/life services and a “nourishment center” that offers free healthy food
- Where Chevron does business in countries that lack basic health care resources, it helps build infrastructure that helps combat diseases such as HIV, malaria and tuberculosis
Overview

- RBB Public Relations in Miami has 28 employees, more than half of them in their twenties and thirties

- Through an employee survey, the CEO learned that many workers had trouble finding time to exercise

Program Highlights

- CEO began sponsoring at-work activities, such as hiring a pilates instructor and creating a “run-walk” club where members walk or run a course around the office neighborhood.

- Liberal policies regarding telecommuting, flex-time and casual dress help reduce stress and improve mental health

- The office includes a library where employees can take a few minutes to relax during their lunch breaks and borrow books to take home
Overview

• General Mills implemented a program that recognizes the importance of tailoring wellness incentives to the individual.

“Instead of having muffins and cookies available at meetings, people are encouraged to stop by a nourishment center to pick up a snack prior to the meeting.” General Mills wellness executive

Program Highlights

• Programs at corporate headquarters stress personal growth, well-being, serenity and stress management

• Programs for the sales force often focus on contests (to call upon the competitive nature of salespeople) and commitment to the community (to appeal to their social side)

• Programs for supply chain employees are closely tied to more concrete issues of safety and ergonomics
Due to increased life expectancies, many Americans are opting to stay in the workforce beyond traditional retirement years.

Employers will need to make accommodations to help create a healthy, safe environment for older workers.

One way to do this is by adapting wellness programs to support older workers, who may have specific family, social and work situations that need to be taken into account to make wellness programs fit their needs.
• Successful employee wellness solutions include don’t stop with the employee – they include the whole family

• Including children in wellness programs is critical to their success, especially with child obesity rates continuing to rise
  • The recent national “Raising Fit Kids” study revealed that being overweight is a more difficult topic for parents to talk to their children about than subjects like drugs, alcohol, smoking and sex
1. Educate senior leaders about the concrete benefits of workplace wellness initiatives to garner their support.

2. Identify small steps you can take right away to start building a culture of wellness. For example, schedule weekly lunchtime walks for interested employees.

3. Communicate about wellness from the top down. It’s a powerful engagement tool, and costs nothing.
Questions?