

Capital Crossroads 2012 Wellness & Community Study

Executive Summary

Prepared by:



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David P. Lind Benchmark, Data Point Research, and Dr. Yogesh Shah conducted a study to learn the opinions, benefits, costs, social components, community resources, and prevalence of Wellness programs in Iowa organizations for the Capital Crossroads Wellness Committee. The main findings are summarized in this Executive Summary.

Summary Findings

Who Offers Wellness Programs?

Just over 15 percent of all Iowa organizations offer some type of Wellness program.

- This means that approximately 18,117 Iowa organizations offer at least one Wellness program.
- The most commonly offered Wellness program is Workplace Safety with 60 percent of organizations offering this program. Nearly one-third of Iowa organizations offer Ergonomics programs, and a quarter offer Substance Abuse and Tobacco Cessation programs.

The most important factor related to Wellness programs is organization size:

- Larger organizations are significantly more likely to offer Wellness programs than smaller organizations.
 - Only 13 percent of organizations with 2-9 employees offer Wellness programs, while nearly all (94 percent) of the largest organizations with 1,000 or more employees offer at least one Wellness program.
- Larger organizations believe that Wellness programs reduce health costs, increase productivity, and reduce absenteeism to a much greater degree than smaller organizations.
- More than 90 percent of large organizations assess the success of their Wellness programs, whereas less than 80 percent of smaller organizations do so.
- In addition to full-time employees, larger organizations are more likely to offer Wellness benefits to part-time employees, spouses or domestic partners, dependents, and retired employees.

- Large organizations are significantly more likely to offer incentives for participation in Wellness programs.
- Larger organizations cover 62 percent of Wellness program costs, whereas smaller organizations cover only 46 percent on average.

Organizations in urban areas are more likely than their rural counterparts to offer at least one Wellness program.

- About four in ten rural organizations offer a Wellness program, whereas about six in ten urban organizations do so.

The distribution of Wellness offerings also varies widely by industry.

- Organizations in Finance, Insurance & Real Estate are most likely to offer Wellness Programs, while businesses in the Construction industry are least likely to offer a program.

This study also asked organizations to look into the future by stating which Wellness programs they plan to implement in the next 12 months.

- Nearly 10 percent of organizations plan to offer programs on Managing Obesity, Managing High Cholesterol, Tobacco Cessation, and Managing Hypertension in 2013, suggesting areas of growth for Wellness Program providers.

What Types of Programs are Offered?

Wellness programs were divided into three categories for this survey: Education and Health Management, Fitness and Nutrition Programs, and Preventive and Screening Programs.

- Iowa organizations are most likely to offer programs that help to educate employees or help employees manage their health. Nearly seven in ten organizations offer an Education and Health Management wellness benefit.
 - Workplace Safety is the most commonly offered Education program offered, with more than six in ten organizations providing workplace safety education.
 - The Education programs that are expected to grow the most include Managing Obesity, Managing Cholesterol, and Tobacco Cessation. These programs will see an eight to nine percent increase next year.
- Preventive and Screening Programs are also popular, with nearly 60 percent offering a benefit within this category.
 - Over half of those organizations offering Wellness benefits provide Cold and Flu Prevention programs.

- Nearly 60 percent of organizations offer a Fitness and Nutrition Program.
 - Almost 40 percent of organizations offer the Wellness benefit, Promoting Healthy Eating.
 - The larger an organization is, the more likely it is to offer Fitness and Nutrition plans.
- Smaller organizations are much more likely to offer an Education and Health Management benefit than Fitness and Nutrition or Prevention and Screening.

Why Do Iowa Organizations Implement Wellness Programs?

In general, Iowa organizations believe that Wellness programs are beneficial for their workplace environment.

- There is strong agreement that Wellness programs reduce healthcare costs.
- They believe that Wellness programs increase productivity, reduce absenteeism, and increase the quality of life for employees.

Not surprisingly, organizations that do not provide Wellness programs are less likely to agree with each of these reasons to implement Wellness plans.

Organizations that belong to the Iowa Hospital Association and the Wellness Council of Iowa provide higher ratings regardless of the specific reasons they implement Wellness programs, suggesting these organizations appreciate the benefits of Wellness programs more than other organizations.

How Successful are Wellness Programs?

When asked to provide an approximation of the percentage of employees who participate in Wellness programs, the overall estimate was that 50 percent of employees participated in available programs.

- Interestingly, these estimates did not differ by organization size. Thus, even with more programs available to employees in larger organizations, roughly the same percentage participate.
- Employee participation rates do vary by industry, with a nearly 15-point difference between the estimated 60 percent of Retail employees and only 46 percent of Service employees participating in available Wellness Programs.

Some Wellness programs are more popular with employees than others. Each organization that offers a Wellness program was presented a list of various program types and asked which one was most popular.

- Team Challenges are the most popular programs at more than a third of large organizations.
- Smaller organizations find Education programs to be the most popular, with one in five organizations citing this program type.
- When asked to identify the most popular program specifically, Health Screenings, Risk Assessment, Exercise Classes, Weight Loss Programs, Fitness Club Memberships, Free Flu Shots, and Lifestyle or Health Education programs were the most popular at the majority of organizations.

What makes a Wellness program popular? Regardless of organization size, the most common response was “Program is effective.” This reason was followed closely by “Employees enjoy team effort” and, for large organizations, “Promotional incentives.”

Aside from its popularity, organizations want to know whether a program is successful. More than 80 percent of organizations assess their Wellness programs in some manner. Measuring the success of a program can be done in a number of ways.

- An assessment of Participation Rates is the most popular method used by organizations both large and small.
 - This method is used by nearly 60 percent of small organizations and more than 80 percent of large organizations.
- Assessments of Screening Results and Healthcare Costs occur twice as often by larger than smaller organizations

There are often challenges when an organization wishes to add new Wellness programs. “Budget issues” was the primary concern for nearly half of all organizations. This was the case for both large and small organizations.

Many organizations have found that providing incentives for involvement is an effective means of increasing participation in Wellness programs

- “Cash or gift cards” are the most common incentives offered at both large and small organizations.
- Large organizations are twice as likely as small organizations to offer a “Lower insurance premium” as an incentive.
- Aside from “Lower insurance premium,” both large and small organizations are more likely to offer tangible incentives.
- However, smaller organizations are less likely in general to offer any type of incentive for participation.

Organizations with at least one Wellness plan were asked to report the cost of incentives they contribute to encourage participation in Wellness programs. The median annual cost of incentives to employees in the most popular plan is \$200.

Who Supports Wellness Programs?

Larger organizations are more likely to take on the majority of the costs of Wellness programs than smaller organizations.

- More than 60 percent of large organizations cover the cost of Wellness programs, while only 46 percent of small organizations do so.
- Likewise, one in ten small organizations place the financial burden entirely on the employees, whereas less than two percent of large organizations do so.

Both large and small organizations agree that “Communication about programs,” “Strong internal leader,” and “Top management support” are important to the success of a Wellness program.

Study respondents were asked what outside resources they used to help implement the organization’s wellness programming.

- About one-third of employers rely on their health plan provider as a Wellness plan resource.
- Beyond health plan providers, several interesting differences emerge.
 - Larger organizations are much more likely to use benefits brokers, Wellness vendors, and nutrition/exercise coordinators.
 - Further, larger organizations are twice as likely to use Wellness-related groups or councils.
- One in four smaller organizations do not use any outside resources whereas only one in seven larger organizations do not use an outside resource.

Wellness programs tend to be led by a paid position rather than through a volunteer position. Over three-quarters of larger firms report that those in paid positions drive their Wellness programs, while two-thirds of those in smaller organizations claim the same.

Who Tracks Employee Wellness?

With the prevalence of Wellness programs, it would be anticipated that organizations would track the effect of their program on employee health.

- However, more than 40 percent of organizations offering Wellness benefits do not track employee health.
 - More than half of small organizations do not track employee health.
 - One in five large organizations do not track employee health.
- Larger organizations are considerably more likely to use more costly tracking methods such as tracking software and employee surveys. Interestingly, they are also more than twice as likely to use the honor system, a no-cost and low-burden means of tracking.
- Organizations that track health typically do so annually.

Tracking employee health helps organizations assess the health challenges their employees face.

- Excess weight and obesity is the number one employee health challenge for both large and small employers.
- Lack of exercise is the second most common health challenge, with 19 percent of small and 10 percent of large organizations citing this issue.

What are the difficulties that organizations face in tracking employee health?

- Many organizations, particularly smaller firms, feel there is “Not enough staffing or time” to track the success of their programs factors.
- Other common factors for small organizations include “Hard to distinguish wellness and other health factors” and “Not sure how to measure.” Large organizations find it difficult to distinguish between wellness and other health.

What about Organizations that Do Not Offer Wellness?

There are many reasons why an organization might not opt to adopt Wellness benefits. A list of reasons was presented to respondents and they were asked to select which reasons applied to their organization.

- The main reason that respondents selected was “Too expensive or no budget.”
 - Interestingly, the larger organizations were nearly twice as likely as smaller organizations to cite this as a reason.
- Another common reason that large organizations do not offer Wellness programs is due to “Lack of management support.”
- In addition to the financial burden, small organizations choose not to offer Wellness programs because they “Don’t have the staff” and because they believe their “Organization is too small.”

- Relatively few organizations believe that Wellness programs do not work. Less than seven percent of large and three percent of small organizations cite this as a reason not to offer such benefits.

Some organizations have offered a Wellness program in the past but have since discontinued it.

- This is the case for more than 40 percent of large and seven percent of small organizations that currently do not offer any Wellness benefits.
- Why did these organizations discontinue their Wellness program? The most common reason offered was “Lack of employee interest,” cited by more than 40 percent of organizations.
 - Small organizations were more likely than large organizations to cite “Lack of corporate interest” and “Liability problems.”

Respondents were asked what type of Wellness program they would like to implement. The responses varied widely between large and small organizations.

- The program that organizations most often selected overall was “Promote healthy eating.”
- Over 20 percent of respondents said they “Don’t know” what Wellness program they would like to implement.
- Some organizations are not interested in offering a Wellness program.
 - Of these, more than one-third are organizations with two to 19 employees. Nearly half are organizations with 20 to 49 employees.
 - However, it is interesting to note that even at mid-size organizations with 50 to 249 employees, there is still a significant lack of interest in Wellness programs.
- Still, these figures show that well over half of organizations which currently do not offer a Wellness plan would like to implement one.

How are Employee Social Activities and Community-Wide Programs Affected by Wellness Plans?

Organizations are considerably more likely to work with a Community-Wide Wellness program if they currently do not offer Wellness programs than if they do.

A particularly striking difference is found in the statements “Your organization promotes social activities for employees *at work*” and “Your organization promotes social activities for employees *away from work*.” Organizations with Wellness programs are far more likely to agree with both of these statements than those without Wellness programs.

The top three resources for organizations with or without Wellness programs in place were “Employee incentives/promotional items,” “Learning opportunities,” and “Insurance carrier incentives.”

Nearly 40 percent of organizations that do not currently offer a Wellness program would like more learning opportunities.

Does Iowa Healthiest State Initiative Affect Participation in Wellness Plans?

Who is familiar with Iowa’s Healthiest State Initiative?

- Larger organizations tend to be most familiar with the initiative.
- There is a clear trend of familiarity with the HSI and size of company.

Organizations that belong to any business associations are considerably more likely to be aware of the HSI than organizations who are not members.

There is a clear relationship between an organization’s familiarity with the HSI and their willingness to offer a Wellness program. Only 1 in 5 organizations unfamiliar with the HSI offer Wellness plans, while 4 in 5 organizations familiar with HSI do so.