

Wellness Initiatives

By Monica M. Desmond, CEBS

As health care costs continue to rise, wellness and preventive care initiatives have become a viable option to help mitigate these costs. The International Society was interested in knowing what steps, if any, members have taken to use wellness programs in their organizations and the results of those efforts.

In December 2004, the Society e-mailed a survey to a sample of 852 members in the United States and Canada who were identified as plan sponsors. One hundred and seventy-two complete responses were returned and tabulated (20% response rate). While not statistically significant, the responses offer an interesting glimpse into the use of corporate wellness programs.

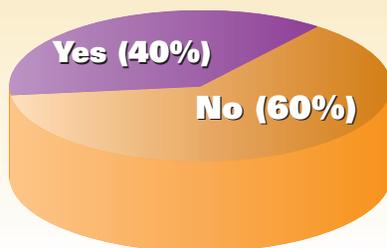
Respondents were fairly evenly split by employer size among fewer than 1,000 employees, 1,000 to 5,000 employees and more than 5,000.

Of the 172 respondents, 67 have a formal wellness program in place. Thirty-eight percent of those have significant experience with their program, since they have had it in place for at least five years. Thirty-five percent have had programs in place from one to five years, with 26% for a year or less.

Employers that believe their programs can positively impact their organization often offer incentives for participation. Forty-three respondents offer incentives for participation and 26 of those use cash as an incentive. Forty-two percent say they have less than 25% employee participation with 39% responding between 25% and 50% of employees participating. Twelve responders have more than 50% of their employees accessing their wellness program. Slightly more firms outsource program management (55%) than handle it in-house (45%).

Do you have a formal wellness program in place for your company?

(170 Responses)



“An October 2004 study by the American Management Association (AMA) found 80% of executives feel that corporate America has a responsibility to promote wellness.”

One of the reasons many benefits managers give for not being able to obtain corporate support for wellness initiatives is their CFOs will not buy into such programs without ROI projections. Of those respondents who have a formal program already in place, only five indicated they were able to calculate an ROI for their program. This suggests there are some companies that are willing to go forward with wellness programs for reasons other than pure ROI, and they are able to present business cases for wellness that are approved by their upper management for reasons other than cost savings. An October 2004 study by the American Management Association (AMA) found 80% of executives feel that corporate America has

a responsibility to promote wellness.¹

Additionally, very few employers are tying participation in a formal wellness program to their health plan costs. Only three respondents said their wellness programs were tied directly to their health care premiums.

Even though respondents may not have a formal wellness program, many more do offer some wellness initiatives outside of a formal program. Fifty-two percent offer on-site mammograms, 41% offer PSA tests and 49% offer other blood tests. Flu shots are the most widely offered wellness benefit, with 82% (141 companies) offering flu shots to their employees and 70% of those subsidizing the shots to some extent. It appears many companies are able to obtain senior management buy-in for targeted wellness initiatives. From some of the comments received, many benefits managers feel this approach works well for their employee population.

Sixty-seven companies (40%) offer their employees on-site fitness facilities and 49 subsidize outside fitness facilities.

Equally interesting were the responses of those who do not have a formal program. When asked if they intended to start such a program, 47% said yes and 53% said no. The most common reasons for not starting a program were no budget (38%) and not feeling it was necessary because they already offered some wellness features (52%).

Some of the data was cross-tabulated to see if there were differences by country, employer size or by industry.

- Perhaps not surprisingly, the larger companies were more likely to have formal programs (79% of those with formal programs have more than 1,000 employees).
- Of those with formal programs, 44% were manufacturing companies.
- Manufacturing was also the industry with the most prevalent use of incentives for participation.
- When looking at responses by country (United States or Canada), there were no major differences.

Many companies have come to see the value of wellness initiatives in their organizations and have taken steps to provide employees with access to wellness programs or components. Even if they are not measuring ROI for these initiatives, there is an underlying belief that the health and wellness of an employee population is good for business.

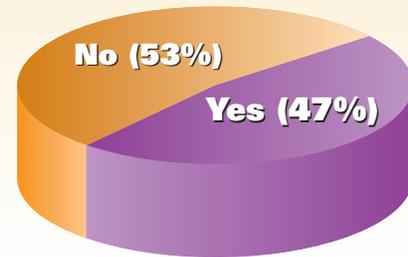
“Even if companies are not measuring ROI for their wellness initiatives, there is an underlying belief that the health and wellness of an employee population is good for business.”

Complete survey results are on the Society Web site at www.iscebs.org.

¹ American Management Association press release, November 22, 2004.

If you do not have a formal wellness program, do you intend to start one?

(111 Responses)



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Survey on Wellness Initiatives

Invitations=852 Complete Responses=172

1. Do you have a formal wellness program in place for your company?	
Yes (go to question 2)	40%
No (skip to question 11)	61%
2. How long has it been in place?	
Less than one year	26%
One to 5 years	35%
More than 5 years	38%
3. Does it include a Health Risk Appraisal tool?	
Yes	64%
No	36%
4. Do you use incentives for participation?	
Yes (go to question 5)	62%
No (skip to question 6)	38%
5. Is your incentive . . .	
Cash	60%
Non-cash	44%
6. Do you outsource program management or handle it in house?	
Outsource	55%
In house	45%
7. Have you been able to calculate an ROI for your program?	
Yes	7%
No	93%
8. What percentage of eligible employees participate?	
1 to 25%	42%
26-50%	39%
51-75%	10%
76-100%	10%

9.	Do you allow dependent participation?	
	Yes	49%
	No	51%
10.	Is your health insurance premium tied to health screenings?	
	Yes	4%
	No	96%
11.	Does your organization use a company intranet as a health promotion vehicle?	
	Yes	53%
	No	47%
12.	Do you offer any of the following health screening tests?	
	Mammograms	52%
	PSA tests	41%
	Blood tests	49%
	Full body scans/heart scans	5%
	None	24%
	Other	29%
13.	Do you offer onsite flu shots?	
	Yes	82%
	No	18%
14.	Does your company subsidize the cost of flu shots?	
	Yes	70%
	No	30%
15.	Do you offer onsite fitness facilities?	
	Yes	40%
	No	60%
16.	Do you subsidize dues to outside fitness facilities?	
	Yes	29%
	No	71%

17. If you do not have a formal wellness program, do you intend to start one?		
	Yes (go to question 18)	47%
	No (go to question 19)	53%
18. If you start a wellness program, when do you plan to start it? (After answering, go to question 20)		
	2005	55%
	2006	32%
	2007 or later	13%
19. If you don't plan to offer a wellness plan, why not?		
	No demand	5%
	No budget	38%
	We offer some wellness features, but it is not a formal program	52%
	Other	6%
20. What do you think is your company's biggest health risk? (Check only one)		
	High blood pressure	13%
	Sedentary lifestyle	18%
	Nutrition	4%
	Overweight	38%
	Smoking	7%
	High cholesterol	8%
	Other	12%

Demographics

21. Country

Canada	6%
United States	94%

22. Employer size

One to 100 employees	3%
101 to 999 employees	25%
1,000 to 4,999 employees	30%
5,000 to 20,000 employees	24%
More than 20,000	17%

23. In what type of industry does your employer primarily operate?

Manufacturing	39%
Wholesale/Retail Trade	6%
Transportation	3%
Finance/Insurance/Real Estate	10%
Professional/Management Services	6%
Other	36%



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