Using Rewards to Drive Employee Participation in Corporate Wellness Programs
Introduction

In the face of constantly rising health care costs, many employers continue to look for affordable ways to manage the medical needs of their employees. But employers aren’t the only ones impacted by rising health care costs. Nearly 150 million non-elderly people are currently covered by employer-sponsored insurance programs. Most of these workers share in the cost of the plan with their employers, paying an average of $18,142 in 2016 for annual premiums for family coverage, up 3 percent from the previous year, with workers on average paying $5,277 towards the cost of their coverage. The majority also face additional costs when they use health care services in the form of deductibles and co-pays. So when the employer’s costs increase, employees generally share the pain.

For these reasons, many employers and employees alike have embraced corporate wellness programs to improve employee health, assess risk, increase productivity, and ultimately reduce health care costs. Corporate wellness programs can include a variety of tools and benefits, everything from a company gym membership to a simple smoking cessation program, all designed to help employees take control of their own health. These programs are proven to generate positive results, making them quite popular. In fact, according to Kaiser Family Foundation and U.S. Census Bureau research, 83% of employers with over 200 employees now offer a wellness program.

Among Large Firms (200 or more workers) Offering Health Benefits, Percentage of Firms Offering Incentives for Various Wellness and Health Promotion Activities, 2016

NOTE: Among large firms that offer a health risk assessment, 54% had incentives or penalties to encourage employees to complete it. Among large first that offer biometric screening, 59% had incentives or penalties to encourage employees to complete it and 14% had incentives or penalties for employees to meet a biometric outcome. Among large firms that offer a wellness program, 42% had incentives or penalties to encourage employees to complete it.

1 Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2016
2 Firms that offer either “Programs to Help Employees Stop Smoking”, Programs to Help Employees Lose Weight”, or “Other Lifestyle or Behavioral Coaching”.

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An Overview: Key Learnings

Corporate wellness programs are not a new idea. Large corporations have long known about the many benefits of encouraging healthy behavior among employees. During the past decade, a time of unprecedented increases in medical expenses, corporate wellness programs have become commonplace. Employers of all sizes are looking for ways to control health care costs and minimize lost productivity.

The corporate wellness programs of today are unlike previous offerings, often encompassing a wide array of different activities and benefits. One factor that hasn’t changed, however, is that the key to the success of any wellness program is participation by employees.

This white paper developed by the Corporate Marketing Solutions team from Entertainment® provides a brief overview of the potential impact of a wellness program on health care costs and offers recommendations for companies seeking to use rewards to drive participation in a corporate wellness program.

Using Incentives to Drive Participation

For the programs to make a difference, employers must first get employees to buy-in and participate in the program. The Principal Financial Well-Being Index for American Workers indicates that while 62% of employees believe corporate wellness programs are successful in improving health and reducing risks, an average of 34% still refuse to participate. These reluctant employees are driving employers to explore creative ways to increase participation.

Employers have been permitted to vary premiums based on employee participation in wellness programs since 2006. However, thanks to the Affordable Care Act of 2010 and other legislation, employers are now able to offer even greater incentives for participation.

The long list of heightened benefits and proof of successful investment of wellness programs include:

- Healthier, more productive working employees
- Lower stress levels
- Lower turnover / higher employee retention rates
- Fewer sick days
- Lower insurance premiums
- Protection of a company’s greatest asset – their employees
- Higher self-esteem and a greater team-building mentality
- Increased energy and vitality in the workplace
- A more optimistic, positive attitude
- A greater eagerness to succeed and lead, along with the energy to do so
- Improvement in family life brings improvement into the workplace
- Greater community synergy, greater company synergy

The Fortune 100 and their Fitness and Wellness Programs- Health Fitness Revolution - August 15, 2015
New Ways to Increase Participation

Starting in January 2014, employers that offer workplace wellness programs are allowed to offer their employees big discounts on their insurance premiums—from 20—30% of the total cost of coverage for participating in general wellness programs, and up to a 50% discount if they enroll in programs designed to prevent or reduce tobacco use.

But financial considerations may not be enough to influence behavior among employees. In fact, many employers are exploring additional, nontraditional ways to increase participation to either replace or bolster their existing financial rewards models. And for many, the results may be surprising.

A study recently conducted by Thomson Medstat of Ann Arbor, Michigan (a health care information company), documents how companies realized an almost 250 percent increase in employee participation using non-cash incentives. Instead of costly financial-based rewards programs, many employers are now exploring alternative low-cost, high-value incentives to drive participation.

Rewarding with Savings

One of the more effective non-cash incentives that many wellness program managers have discovered is the use of relevant discounts and savings opportunities in the form of high-value coupon booklets or online savings programs. These can include discounts for travel, shopping, events, activities, healthy dining, and entertainment as a reward for participating in a corporate wellness program.

Top Reasons Employees Don’t Participate In Corporate Wellness Programs

- **DIDN’T KNOW ABOUT IT**
  Corporations who begin a Workplace Wellness Program need to communicate consistently and often to make sure all employees know about the program and are reminded

- **LACK OF TIME**
  Employees are busy at work and at home. Finding time to participate in a wellness program is often difficult.

- **INVASION OF PRIVACY**
  Employees think the employer is trying to learn about their health issues to use that information against them.

- **DISINTEREST**
  Some people just aren’t interested in making a change to improve their own health.

- **VIEWED AS UNNECESSARY**
  Some employees believe that they don’t need help and are already living a healthy lifestyle.

- **LACK OF LEADERSHIP PARTICIPATION**
  When company leaders don’t participate, employees are less likely to believe it’s important.

- **WHAT’S IN IT FOR ME?**
  Employees believe that the company saves money, but may fail to see how they benefit personally from participating in a corporate wellness program.

The Bottom Line: ROI

Corporations, membership associations and government entities have all recognized that improving employee wellness through a strong, proven wellness program can deliver a superior return on investment (ROI).

Independent studies show that ROIs for programs related to employee wellness are as high as 17:1.

SOURCE: The American Institute for Preventive Medicine
Using Rewards to Drive Employee Participation in Corporate Wellness Programs

Rewarding with Savings: a Win-Win

By offering employees savings on things they do every day—travel, accommodations, shopping, golf, dining—employers can encourage employees to live a healthier, more active lifestyle, which can have a positive impact on both mental and physical health.

In addition, offering employees savings they can use to enhance their lives and stretch their budgets helps an employer add high perceived value to participating in a wellness program—without incurring significant costs. All of these benefits can naturally lead to better overall satisfaction among employees, leading to improved morale and productivity.

Implementing a Rewards Program

When developing a rewards program there are several factors to consider:

• **Universal Appeal** – Is there something for everyone?
• **Consistency with Brand** – Does it drive energy and match corporate values?
• **Cost Effective** – Does it improve the bottom line, with strong ROI potential?
• **Long Shelf Life** – Will the reward engage members for the long haul? And, can it be reinforced?
• **Ease of Implementation** – What internal resources are necessary? Where is additional support? How long will it take to implement?

Organizations should also establish benchmarks for key measures to determine the success of their rewards program. These measures of success will vary depending on the specific goals of an organization. Often these benchmarks are built around financial models and they establish specific increases in documented member participation in targeted activities.

- Increase wellness/HRA visits by __%
- Increase diabetes screenings by __%
- Increase mammograms by __%
- Increase retinal eye exams by __%
- Increase flu shots received by __%
- Increase colorectal screenings by __%

Incentives Drive Participation in the Following Areas:

• **Assessing Risk** – Initial health risk assessments and select screenings.
• **Prevention** – Participation in events such as flu shot clinics and health fairs.
• **Lifestyle changes** – Smoking cessation, weight loss, and nutrition or stress management classes.
• **Managing chronic conditions** – Reduce risk for complications and emergency room visits with reminders about prescribed treatment plans.
• **Education** – Drive greater awareness of the benefits and advantages of living a healthy lifestyle.
Entertainment® Healthy Living Rewards Programs Offer Discounts on:

- Healthy Dining Options
- Fitness Memberships
- Family Activities
- Golf, Skiing, Travel
- Sporting Goods and Athletic Gear

Helping employees save money on the healthy activities they enjoy will make them feel good about you, and motivate them to participate in your program.

Using Rewards to Drive Employee Behavior

Programs that offer incentives to drive employee participation and engagement empower employees to take greater ownership of their health.

A rewards program can:

- Generate greater awareness among employees about the importance of taking personal steps to better health
- Help strengthen and differentiate your company because it’s focused on employee health
- Improve employee satisfaction and retention

Employees also benefit from incentives, especially if they are relevant and meaningful to their lifestyle.

In addition to receiving the reward itself, the employee benefits when they take steps to protect their own health by getting the proper screenings, tests and vaccines that can identify chronic conditions or diagnose potential health issues early. These early-detection and prevention activities can ensure employees receive the care they need early to avoid future problems and additional costs.

Rewards Programs

**DRIVE WELLNESS...**
initiatives among employees

**INSPIRE...**
healthier, more active lifestyles

**GENERATE...**
long-term cost savings for companies, employees and insurers

**IMPROVE...**
Employee satisfaction and retention

**STRENGTHEN...**
cooperation among employees

**IMPACT...**
the bottom line

Employee Rewards Program Examples

Communications to motivate employees to take action. Digital savings provided as a year-long employee benefit.
Why Coupons Are a Good Fit

- Coupons are universally loved: 96% of adults use coupons.
- Consumers continue to look for value – no matter the source – and are quick to integrate both print and digital coupons. (Valassis Coupon Intelligence Report, 2016)
- Number of U.S. digital coupon users projected at 126.9 million for 2016. (Statista)
- US adult (18+) mobile coupon users as a percent of adult digital coupon users rose from 46.4% to 82.9%. (eMarketer)
- 85% of Millennials use coupons they get in the mail and 81% use digital coupons. (Valassis Coupon Intelligence Report, 2016)
- Boomer and senior overall digital and digital coupon usage continues to grow.

Finding the Right Partner

Building an effective reward and incentive program to drive participation in a corporate wellness program doesn’t have to be a costly or complicated process if you find the right partner.

The Entertainment® Corporate Marketing Solutions team has been driving member engagement for more than 30 years across multiple industries. Over the past 8 years, our health care team has worked extensively with wellness program managers to develop and implement a variety of rewards programs featuring compelling high-value, low-cost, incentives.

The primary focus of the Entertainment® health care team is building customized rewards solutions that promote healthy living among participants and generate cost savings to employers. All Entertainment® programs are built to meet the specific needs and goals of the customer, and are guaranteed to be compliant with all state and federal regulations.

Driving Results

Entertainment® has helped clients of varying sizes generate substantial results through the development and implementation of a comprehensive rewards program. Entertainment® programs are simple and easy to understand and our products resonate well with consumers of all ages. Our extensive national network of merchant partners means we can offer your employees best-in-class discounts on dining, shopping, entertainment and more, with more than 500,000 offers nationwide.

We offer affordable solutions with the flexibility to tailor messages and rewards to your company’s programs. We can customize discounts geographically, by gender, by age, or by whatever health initiative you are promoting. Our solutions are designed to fit within the framework of your organization and can be as turnkey as you wish. To increase response further, rewards can be delivered in print, online and mobile formats.

If you are interested in developing a savings rewards program, Entertainment® is an experienced partner that can make it easier to navigate the legal, compliance and financial considerations associated with this process.
Experience
Over 7 years of member rewards best practices

Targeted Offers
Savings that promote an active, healthy lifestyle

Customized Solutions
From tactical to fully-integrated programs

Multi-channel Reach
Multiple touch points to increase engagement

For more information:
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