



## FACTS ABOUT WELLNESS PROGRAMS

**Definition:** An organized, employer-sponsored program that is designed to support employees (and, sometimes, their families) as they adopt and sustain behaviors that reduce health risks, improve quality of life, enhance personal effectiveness, and benefit the organization's bottom line (Harvard Business Review, 2010).

### WELLNESS PROGRAMS COULD INCLUDE:

Wellness assessments, screenings, health coaching

Onsite preventative care like immunizations, interventions such as smoking cessation

Organized wellness activities, incentive and/or paid time off for wellness activities

### What are the costs of offering wellness programs?

Effective, comprehensive, wellness programs that also gains Return on Investment vary in cost but can be customized according to company and employee needs. Wellness programs include administrative overhead costs such as setting up health screening days, finding affordable gym membership packages, and processing applications and paperwork. Here are some cost estimates (Wellsorce.inc, 2011):

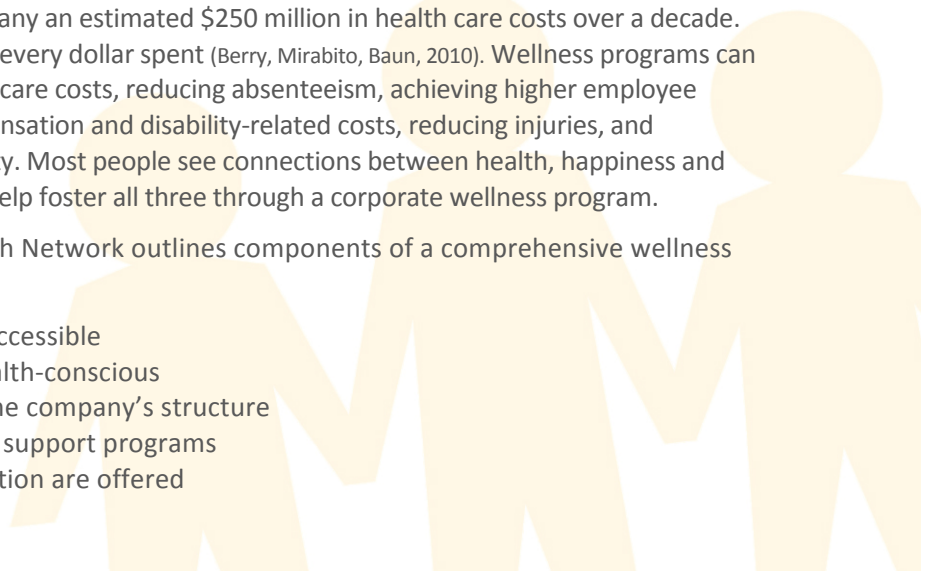
- \$150 per employee - Dr. Ron Goetzel, Cornell University Institute for Health and Productivity Studies;
- \$100-\$150 per employee, plus an addition \$300 if incentives and health coaching are included - The Wellness Council of America; or
- \$300-\$400 per employee - Dr. Dee Edington, University of Michigan.

### What are the benefits of offering wellness programs?

A Harvard Business Review financial management report outlines how Johnson & Johnson's wellness program cumulatively saved the company an estimated \$250 million in health care costs over a decade. This translated into \$2.71 returned on every dollar spent (Berry, Mirabito, Baun, 2010). Wellness programs can benefit employers by, lowering health care costs, reducing absenteeism, achieving higher employee productivity, reducing workers' compensation and disability-related costs, reducing injuries, and improving employee morale and loyalty. Most people see connections between health, happiness and productivity at work. Companies can help foster all three through a corporate wellness program.

The CDC's Workplace Health Research Network outlines components of a comprehensive wellness program:

1. Programs are practical and accessible
2. The work environment is health-conscious
3. Wellness is integrated into the company's structure
4. Wellness is linked to existing support programs
5. Health screenings and education are offered





## FAMILY FRIENDLY PINELLAS BUSINESS TOOLKIT

SOURCE: <http://fortune.com/2015/04/13/corporate-wellness/>

The Society for Human Resource Management suggests companies conduct specific research and planning before implementing wellness programs. Here are some basic steps companies can follow to put a wellness program in place:

1. Establish the goal of the wellness program.
2. Decide the company's level of involvement in the program.
3. Establish the budget and expected return on investment.
4. Choose employee rewards.
5. Write and communicate the policy/program to employees.

SOURCE: <https://www.shrm.org/resourcesandtools/tools-and-samples/hr-qa/pages/wellnessprogramscontributingtotheemployer%E2%80%99sbottomline.aspx>

### Sample Wellness Program Policies

[http://choosehealth.utah.gov/documents/pdfs/ACA\\_Booklet.pdf](http://choosehealth.utah.gov/documents/pdfs/ACA_Booklet.pdf)

<http://cghealth.com/wp-content/uploads/2015/08/the-health-trust-organizational-wellness-policy.pdf>

<https://resources.workable.com/employee-wellness-policy>

## What do businesses say about implementing wellness programs?

**Larry Boress**, president of the Chicago-based Midwest Business Group on Health, said employers can reduce health care costs by offering wellness programs that help employees identify their risks and understand and treat their conditions. "Treating diabetes can be incredibly expensive, but someone who understands their condition and knows what to do, can be less costly. Wellness can be an effective tool to reduce an employer's overall exposure while helping the employee learn how to manage that condition and stay as healthy as possible." – Chicago Tribune, July 19, 2016

**Ron Goetzel**, senior scientist and director of the Institute for Health and Productivity Studies at the Johns Hopkins University, said that while most companies claim to offer wellness services, a 2004 Kaiser study found far fewer actually deliver comprehensive wellness programs. "Many just offer flu shots or something fairly artificial," said Goetzel. "Only about 7 percent had comprehensive wellness programs."

So Goetzel, who also serves as vice president of consulting and applied research for Truven Health Analytics, understands that not all wellness programs are created equal. He said the good ones demonstrate a culture of health validated by the U.S. Centers for Disease Control and Prevention and several Harvard University studies. "These programs have a positive impact on health behaviors and financial outcomes and that, done right, can save money. You're not going to see overnight changes," he cautioned. "It may take two to three years to improve population health. But if you can get 1 to 2 percent improvement in each of those areas ... you'd see reduced ER and hospital visits and reduced absenteeism." – Chicago Tribune, July 19, 2017



## FAMILY FRIENDLY PINELLAS BUSINESS TOOLKIT

### CITATIONS & RESOURCES

Berry, Leonard, Mirabito, A., Baun, W. (2014) What's the Hard Return on Employee Wellness Programs? Harvard Business Review, December 2010 Issue on Financial Management. Retrieved from: <https://hbr.org/2010/12/whats-the-hard-return-on-employee-wellness-programs> May 1, 2016.

Do Workplace Wellness Programs Work? Mark Taylor, Chicago Tribune, July 19, 2016. Retrieved from: <http://www.chicagotribune.com/lifestyles/health/sc-wellness-programs-health-0720-20160718-story.html>

How Much Should a Wellness Program Cost (2011). Wellsource.inc, Retrieved from [https://www.wellsource.com/wp-content/uploads/2015/08/How\\_Much\\_Should\\_a\\_Wellness\\_Program\\_Cost.pdf](https://www.wellsource.com/wp-content/uploads/2015/08/How_Much_Should_a_Wellness_Program_Cost.pdf)

Wellness Participation Soars with Top Management Commitment, SHRM Online Benefits Discipline, March 2011

Wellness Program value Is Financially Misunderstood, SHRM Online Benefits Discipline, November 2010

Heart Disease Prevention Program Saved Lives, Reduced Costs, SHRM Online Benefits Discipline, November 2010

Wellness Programs Can Reduce Health Risks, Study Finds, SHRM Online Benefits Discipline, October 2010

Nine-Year Study Documents Benefits of Wellness Program, HR News, September 2010

'Tectonic Plates' and the ROI of Health Benefit Programs, SHRM Online Benefits Discipline, October 2009

Finding Wellness's Return on Investment, HR Magazine, June 2008

The ROI of Wellness Programs: From Perk to Priority Investment, SHRM Online Benefits Discipline, January 2007

