Appendices

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Appendix A: Detailed Best Practices

This section highlights eight innovative, ahead-of-the-curve practices in hospital employee health and wellness programs. Included are examples of how to effectively use incentives, how to link wellness to mission, how to demonstrate ROI and measure program effectiveness, and how to successfully partner with the community. Additional information can be found on the AHA Hospitals in Pursuit of Excellence website (www.hpoe.org).

Incentivizing Wellness: Truman Medical Centers

Who:

Truman Medical Centers is a health care system headquartered in Kansas City, Missouri.

What:

Building on past wellness program success, in July 2010, Truman Medical Centers implemented a "PTO for Wellness" program. This program allows employees who have accumulated paid time off (PTO) balances to trade their PTO hours for reimbursements on wellness-related expenses and on wellness classes offered by the system's Corporate Academy. Each employee may be reimbursed up to $1,800 annually, depending on his or her PTO balance. Eligible expenses include health club memberships, behavior modification programs, stress management classes, fitness classes, personal training, sports equipment (e.g., golf clubs, bicycles), sports activity fees (e.g., race registration, lift tickets), equipment repair, and course fees for classes and programs in Truman's Corporate Academy.

Impact:

Based on program participation thus far, Truman projects that roughly 28% of eligible employees will benefit from the program, taking advantage of at least $200,000 annually for personal wellness purchases. Since the program encourages employees to use their PTO hours for purchases now, Truman can avoid the increased financial liability of those hours caused by annual salary increases. Truman anticipates an annual ROI of at least 2:1, based solely on program costs and PTO financial liability savings. Truman estimates the impact on employees' actual wellness to further increase that positive ROI projection.

Lessons Learned:

Overall, Truman emphasizes the importance of giving employees choices in how they use their benefits to meet their wellness goals. Truman also stresses the significance of removing as many obstacles and excuses to wellness as possible. Cost is a common deterrent for employees wanting to make healthy lifestyle changes. This program leverages a benefit already funded by Truman, and allows employees to choose how to use their benefit in a way that works best for their wellness goals—either as time off, or to defray the costs of their wellness and fitness purchases. Effective marketing and communication are also important. Since approximately 23% of Truman employees initially had sufficient PTO time to participate in the program, wellness staff has targeted communication to eligible employees. This ensures that as employees become eligible or ineligible for the program, marketing efforts remain focused on the right audience.

Incentivizing Wellness: Ochsner Health System

Who:

Ochsner Health System is a large health care system in Louisiana.

What:

In 2005, Ochsner started a voluntary wellness program with small incentives. The health system grew, and in 2008, the corporate wellness department took ownership of the program and came up with a more automated, easier-to-implement program through an outside vendor. The new program includes a validated activity that pulls biometrics into a database with an online health and fitness journal. Participating employees receive a pedometer to wear daily, and information from the pedometer is uploaded to an online wellness journal. Employees also are prompted to go to a kiosk once a month that records their blood pressure, weight, and body fat, and calculates their BMI. That information is also uploaded to the employee's online account, and aggregate information is uploaded to the master Ochsner account without individual identification. The more an employee walks, the more points an employee earns. In 2009, an employee could earn up to $300 in cash or gift cards for participation. Then, based on the amount of walking, the employee could earn an insurance discount for the following year. For 2010, Ochsner opted to do away with the cash incentive, and now only gives the health insurance discount for the following year. The significant insurance premium discount is currently around $500 for an employee and $2,000 for a family.

Impact:

Currently, 82% of employees participate in the health and wellness program. Although it is too early to conclusively determine ROI, Ochsner has seen noticeable improvements in its biometric data, employees have lost a total of 11,000 pounds systemwide, and the health system has lowered employee-only health insurance claims.

Lessons Learned:

With 40-plus locations and employees with various educational levels and computer access capabilities, communication is the largest obstacle to program success. Wellness program leaders believe that a full-time wellness leader is helpful for program success. Dorothy Cain, Ochsner's full-time wellness coordinator, is the face of the program and helps to motivate employees by visiting 20 Ochsner locations monthly. Susan Piglia, director of corporate wellness, stresses the importance of having an intervention that is very visible to all employees, such as the pedometer. The pedometer serves as a visible reminder to employees to be more active. Piglia attributes overall program success to the large premium discount employees receive for successfully participating in the program.

Mission, Demonstrating ROI and Incentivizing Health: Sentara Healthcare

Who:

Sentara Healthcare is an integrated health care system in southeastern Virginia and northeastern North Carolina.

What:

In 2008, faced with rising health care costs for its 20,000 employees, Sentara worked with its health insurance subsidiary, Optima Health, to launch "Mission: Health," an incentive-based wellness and disease management program. In Mission: Health's first year, 92% of employees completed a health risk assessment that included a biometric screening. Employees with zero or one risk factor automatically earned a $550 yearly premium discount. Employees with at least two risk factors earned this same discount if they agreed to participate in quarterly telephone conversations with health coaches. Employees with targeted chronic conditions, including diabetes, coronary artery disease, or congestive heart failure, or who were pregnant at the time were eligible to receive an additional $460 in premium discounts by meeting participation requirements. Through Optima Health, Sentara plans to expand the Mission: Health concept to the local communities that it serves.

Impact:

Due to large initial increases in pharmacy utilization, employee health care costs rose more than expected in Mission: Health's first year. In year two, overall health care costs decreased by 10.1% from year one, and there was a dramatic improvement in outcome measures, including reducing total cholesterol and blood pressure, lowering BMI, increasing exercise, and decreasing tobacco use. After two years, overall health care costs have increased an average of 2% to3% yearly compared to an 8% to 10% yearly trend before program implementation. Without factoring in potential savings due to improvements in absenteeism and presenteeism, Sentara estimates that Mission: Health has had a 6:1 ROI to date.

Lessons Learned:

At first, there was significant employee pushback to Mission: Health. Through individualized incentives and one-on-one coaching, most employees are now enthusiastic participants in the program. Michael Taylor, Sentara senior vice president of human resources, stresses the importance of thinking long term and being prepared for short-term cost increases due to increased utilization. To keep this long-term focus, Taylor emphasizes the importance of linking wellness programs to a hospital's mission. Sentara also believes that having sufficient participation incentives has been paramount to its success. According to Michael Dudley, Sentara senior vice president and Optima Health CEO, incentives need to be significant (in Sentara's case, above $450 per year) in order to motivate most employees to change their health.

Mission and the Community: Saint Elizabeth's Medical Center

Who:

Saint Elizabeth's Medical Center is a 25-bed critical access hospital located in southeastern Minnesota.

What:

Saint Elizabeth's Medical Center launched its first rendition of its comprehensive worksite health promotion program in 2003. Objectives outlined the need to create a culture of wellness, address high utilization claims, and serve as an example to its community. Initially, wellness campaigns encouraged employee participation in activities that promoted physical exertion and improved nutrition. Small successes and increasing participation led to the formation of a more robust wellness initiative that includes an on-site family wellness center; biometric screening/health risk assessment; clinical consultation/coaching; tobacco cessation and nicotine replacement products; LEARN Healthy Lifestyle series; Medication Therapy Management; chronic disease management programs; healthy cafeteria options; and an abundance of wellness education, activities, and resources. Many of these offerings are free or discounted to encourage staff and family participation. Wellness committee members incentivize employees to complete four core prerequisites: annual physical, yearly dental checkup, flu shot, and biometric screening/consultation. Upon fulfillment, participants are awarded $50 and are also eligible to earn up to $200 for completing tiered exercise and nutritional requirements. Saint Elizabeth's is currently reaching out to local and area businesses and schools to share its wellness programs and resources to a broader market.

Impact:

A culture of wellness has taken hold at Saint Elizabeth's. In a recent culture assessment survey, 89% of staff confirmed that Saint Elizabeth's supports employees' efforts to live a healthy lifestyle. Currently, over 60% of its workforce are participating in on-site wellness programs and activities, with many employees adopting healthy habits and reducing risk factors. Between 2005 and 2010, the organization has realized an 11% improvement in biometric screening levels among program participants.

Lessons Learned:

Many improvements and enhancements have been made since the founding of its wellness program. Wellness committee members are committed to continually listening to employee feedback, breaking down barriers, and keeping it simple. Retooling systems so they are fresh, flexible, and user-friendly are keys to success. According to Jim Root, vice president of human resources, this encourages employee retention rather than relapse. Saint Elizabeth's stresses the importance of offering wellness programs that meet the needs of both high- and low-risk employees. Customization is also critical. Offering varying levels of participation (gold, silver, bronze) based on health status and physical ability ensures broad-based engagement.

As a smaller, rural medical center, Saint Elizabeth's has struggled to sustain cost savings due to the significant impact that one or two large claims can have on a small group market. Financial constraints make it impossible to hire dedicated staff to coordinate the wellness program. To overcome these challenges, Saint Elizabeth's wellness committee members, who wear many hats, stress the importance of gaining administrative support, integrating wellness initiatives into its strategic plan, and continually enhancing and improving services to meet the needs of its workforce. As the largest employer in its community, Saint Elizabeth's is a nexus of community resources and trust. According to Jim Root, Saint Elizabeth's views its wellness programs as a way of fulfilling its mission, living its values, and protecting the health of its community.

Demonstrating ROI: HCA

Who:

HCA is the nation's leading provider of health care, operating in 21 U.S. states.

What:

In 2008, HCA launched a diabetes pilot program, including an outpatient diabetes management program, and coordinated an inpatient program that features individualized diabetes management with a certified diabetes educator. The initial program was offered to HCA employees in Middle Tennessee. Today, the program has over 300 HCA employee and dependent participants in Georgia, Tennessee, and Kentucky. During the first year, HCA staff used participants' clinical value improvement for multiple metrics and evidence-based published studies to project savings. After the first year and every year after, HCA continued to evaluate participant clinical improvement, but it also looked at actual claims costs of participants compared to a matched control group to project true ROI. Building on the success of this initial pilot, HCA is evaluating this program and others to all HCA employees. In addition, 50,000 HCA employees (30% of the covered workforce) voluntarily completed an HRA, and 4,500 completed a biometric screening in 2009. Both of these activities were incentivized beginning in 2010.

Impact:

HCA has succeeded in effectively demonstrating ROI for its diabetes management program. After two full years, average annual claims costs of participants were $664 less than the average claims costs of nonparticipants in the matched group and $3,000 less than the average for all employees with diabetes. Overall, participant costs went down by 2.1%, while matched nonparticipant costs went up by 4%. When factoring in program costs and using conservative returns, this pilot program has seen an ROI of more than 1:1, not including gains in productivity. In addition, overall A1C levels for participants who started the program above the target of 7.0 dropped an average of 1.7 points in three months.

Lessons Learned:

HCA assistant vice president Cathy Finney cautions that showing ROI through claims data requires multiple years of program experience and claims data prior to implementation of the program. Even though HCA participants during the first and second year show positive ROI overall, pharmacy costs and physician office visits did increase. Also, Finney stresses the importance of agreeing with employers upfront on how to measure ROI and overall program success. HCA staff believe that the basis for calculating return needs to be clinically and financially validated. According to Finney, the reason for their success to date has been the ability to calculate the return on (1) sound clinical measures and the individual participant improvement in those clinical measures and (2) three years of actual claims cost of participants versus clinically matched nonparticipants in a control group. Success of the program ultimately lies in lower health care costs for participants, less time lost at work, and a better quality of life based on improved health and lifestyle verses nonparticipants in a matched group. For a wellness or disease management program to calculate ROI, the program needs to show that the participants' health care costs over the prior year were less than the nonparticipants' costs matched up for the same clinical disease level, and that their clinical values improved using actual data, not estimates of savings.

Partnering with the Community: Henry Ford Health System

Who:

Henry Ford Health System is a large health care system headquartered in Michigan.

What:

In 2007, through a quality improvement grant, Henry Ford Center for Integrative Wellness implemented a randomized, controlled trial with Chrysler employees having chronic back pain. This group wellness program, using integrative wellness approaches focused on the mind-body connection, eliminated back pain for 55% of participants. None of the randomized control subjects eliminated back pain. The success of this intervention led to a similar intervention with several hundred Henry Ford Health System employees and with other large employers such as Dow Chemical. Henry Ford now offers these effective pain alleviation programs to all local employers. To date, along with working with large employers, Henry Ford has successfully implemented its health and wellness program at local churches and community centers. Health and wellness staff take lessons from business and community programs and apply them to health system programs, and vice versa. They believe in an integrated approach to promoting health and wellness that incorporates all major employers and community groups in Southeastern Michigan.

Impact:

To date, over 1,400 people have participated in one of Henry Ford's group wellness programs. Health and wellness staff is currently working with a major health care insurer as a partner to further expand program offerings to all employers and patients in the region.

Lessons Learned:

At first, Center for Integrative Wellness staff had difficulty raising awareness about these health and wellness programs within their system. The success of the initial randomized, controlled trial at Chrysler helped overcome this challenge and build momentum to spread the program throughout their health system. To address program sustainability, Alba Rodriguez, PhD, associate director of the Center for Integrative Wellness, emphasizes the importance of having an outcomes-based approach with predefined metrics. She recommends collecting as much health outcomes data as possible using validated measurement tools, which generate acceptance in the conventional medical and research communities. Devoting significant time to data-collection methodology at the beginning was vital to accurately capturing program successes, she says. Overall, Dr. Rodriguez believes that successful programs should have a large interventional component that not only educates people but also gives them the tools they need to improve and maintain their health. She also recommends an integrated approach to health and wellness that involves the hospital, local businesses and community groups, and payers as equal partners in improving the health of the community.

Demonstrating ROI: McLeod Health System

Who:

McLeod Health is a health care system in South Carolina.

What:

McLeod had a fairly robust wellness program in the 1990s. However, due to lack of a business case, the program ceased to exist a few years later. In 2006, McLeod relaunched a new health and wellness program under a new executive leader. Learning from previous program failures, health system executives have devoted significant resources to capturing ROI to promote sustainability. Starting off small, McLeod has focused on measuring the success of a financial wellness program with 500 participants. Based on the demonstrated success of this program, the health system is measuring ROI for a comprehensive health and wellness pilot program at one of their smaller campuses. This program includes a focus on nutrition, stress, and activity.

Impact:

After three years, the financial wellness program has demonstrated about a 3:1 ROI due to a decrease in absenteeism and an increase in productivity. Looking to expand its wellness efforts on a more comprehensive basis, McLeod Health captured baseline biometric and health status information for its workforce. Based on University of Michigan research, the projected ROI of the nutrition, stress, and activity pilot program is estimated to be 2:1.

Lessons Learned:

McLeod's health and wellness staff emphasize the need for hospitals to start small, methodologically measure the success of a few health and wellness programs, offer these programs to all employees, and finally, to expand this robust approach to all health and wellness activities. They believe that such a methodological approach is paramount to building momentum and ensuring program sustainability. Hospitals should not expect ROI until behavior is changed, which takes time. According to Timothy Hess, McLeod associate vice president for human resources, hospitals first should measure activity and participation and then expand to measuring achievement and results. By year three, it may be possible to make a more concrete ROI case. After ROI is demonstrated, even if for only a small component of an overall wellness program or for a subset of all employees, it becomes much easier to secure leadership commitment for more resources devoted to health and wellness programs.

Use of Incentives and Measuring Program Impact: Saint Luke's Health System

Who:

Saint Luke's Health System includes 11 hospitals and related health care services in the Kansas City metropolitan area and surrounding region. This includes facilities in Missouri and Kansas and four regional hospitals.

What:

Since 2000, Saint Luke's has operated its health and wellness program with a philosophy of keeping low-risk individuals at low risk instead of focusing primarily on high-risk employees.

In 2007, Saint Luke's implemented a value-based benefit-design system with a very aggressive incentive structure, including an annual HRA and a biometric screening every two years. Starting in 2009, employees were required to see a physician or other clinician for a wellness visit as part of the biometric screening requirement. In addition, premium discount incentives increased to 30% in 2009 and 50% in 2010.

To further enhance employee participation plus provide the employee a choice in medical plans, Saint Luke's is introducing a qualified high-deductible health plan (HDHP) with a health savings account (HSA) in 2011. If the employee elects this medical plan and takes the HRA, the employee will receive a contribution to his or her HSA account. In the other medical plan offered, the employee will receive a 50% reduction in the medical premium plus receive a $750 deductible credit if the employee seeks care at a Saint Luke's facility.

Impact:

In 2009, 91% of system employees completed a HRA and biometric screening through a primary care visit. Of 3,910 system employees with metabolic risks factors identified through the HRA in both 2007 and 2009, there was a statistically significant decrease in those with three or more risk factors. In particular, there was a large reduction in the percentage of employees with hypertension and high LDL cholesterol levels. Overall, the health system's goal is to keep health care costs below national trends. They have been successful in keeping health care cost increases to 5% to 9% for 8 of the last 10 years. A 2003 University of Michigan cost avoidance report showed that Saint Luke's saved $6.80 for every dollar spent on wellness programs.

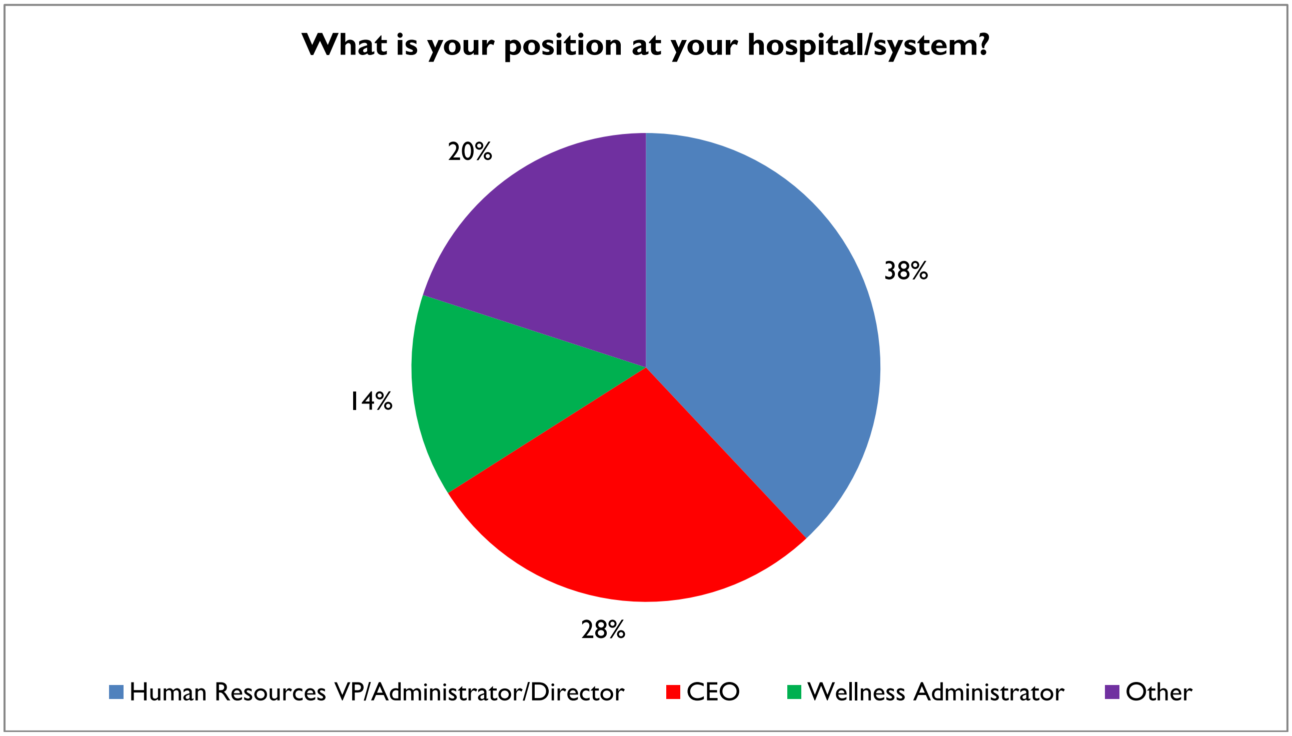
Lessons Learned:

Saint Luke's has learned that the key to having a successful health and wellness program is realizing that a hospital must plan for the long term and clearly think through how to communicate any proposed changes. According to health enhancement program manager Gayle O'Connell, communication needs to occur well in advance of the changes in multiple venues. Programs should not be implemented without proper time devoted to planning.

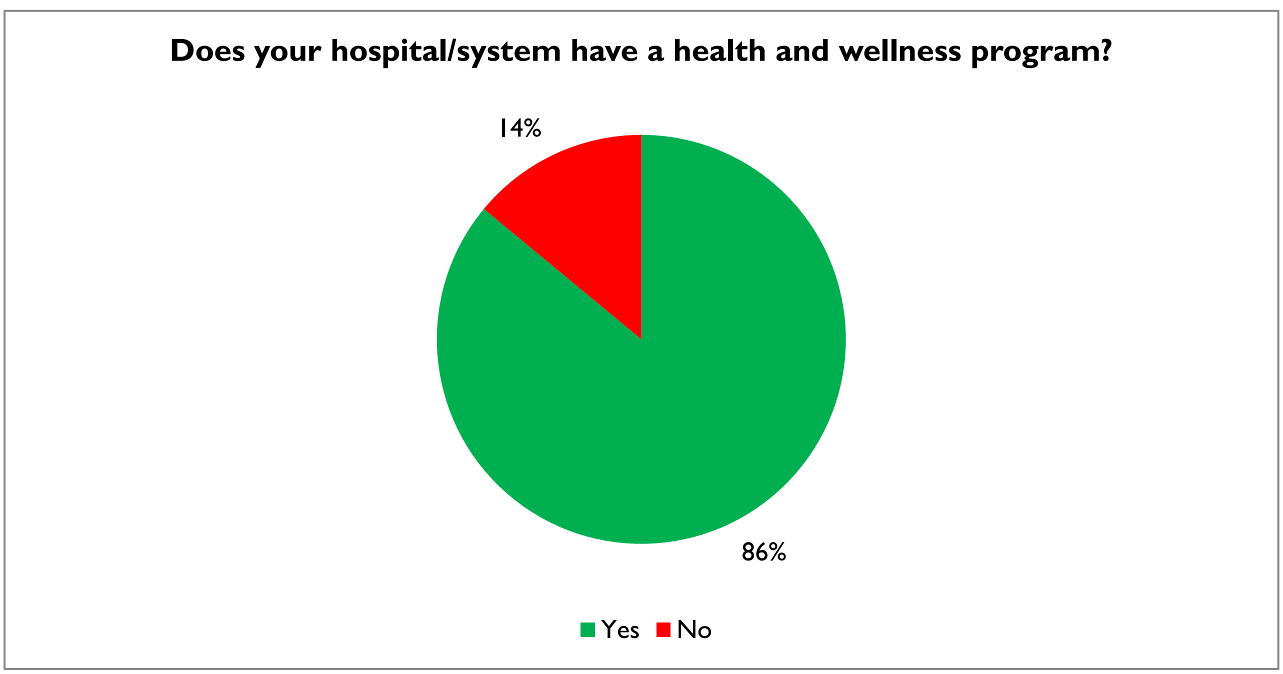
Appendix B: Detailed Survey Results

Eight hundred seventy-six hospitals (876) participated in the employee health and wellness survey during the months of May and June of 2010.

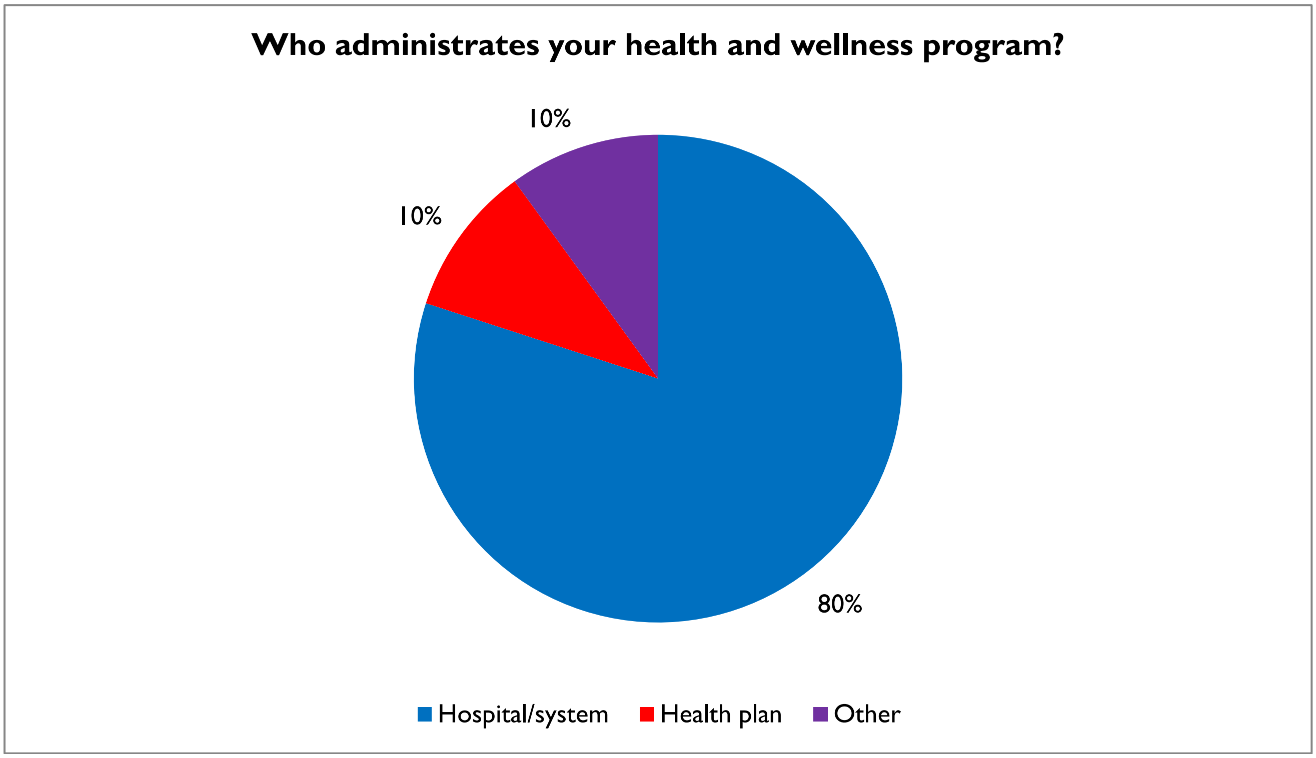
Q1: Respondent's Position



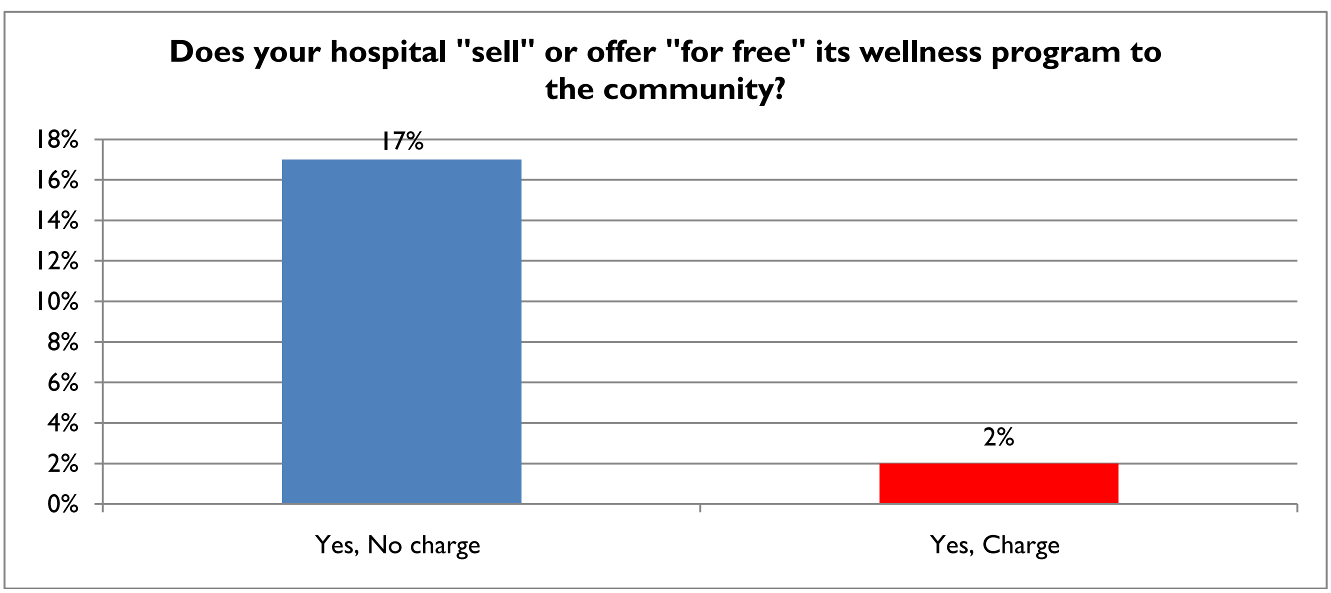
Q2: Health and Wellness Program



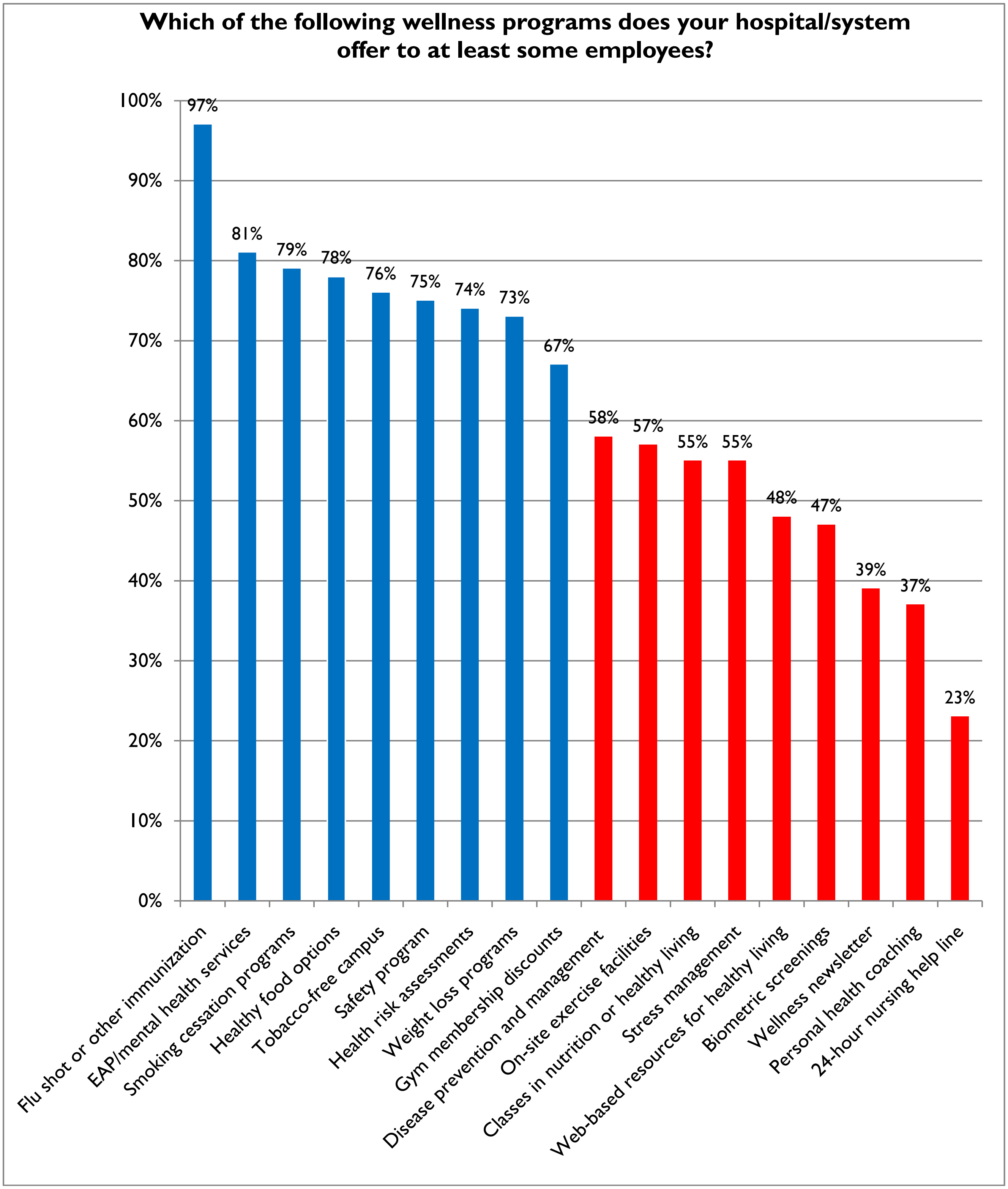
Q3: Administration of Wellness Program



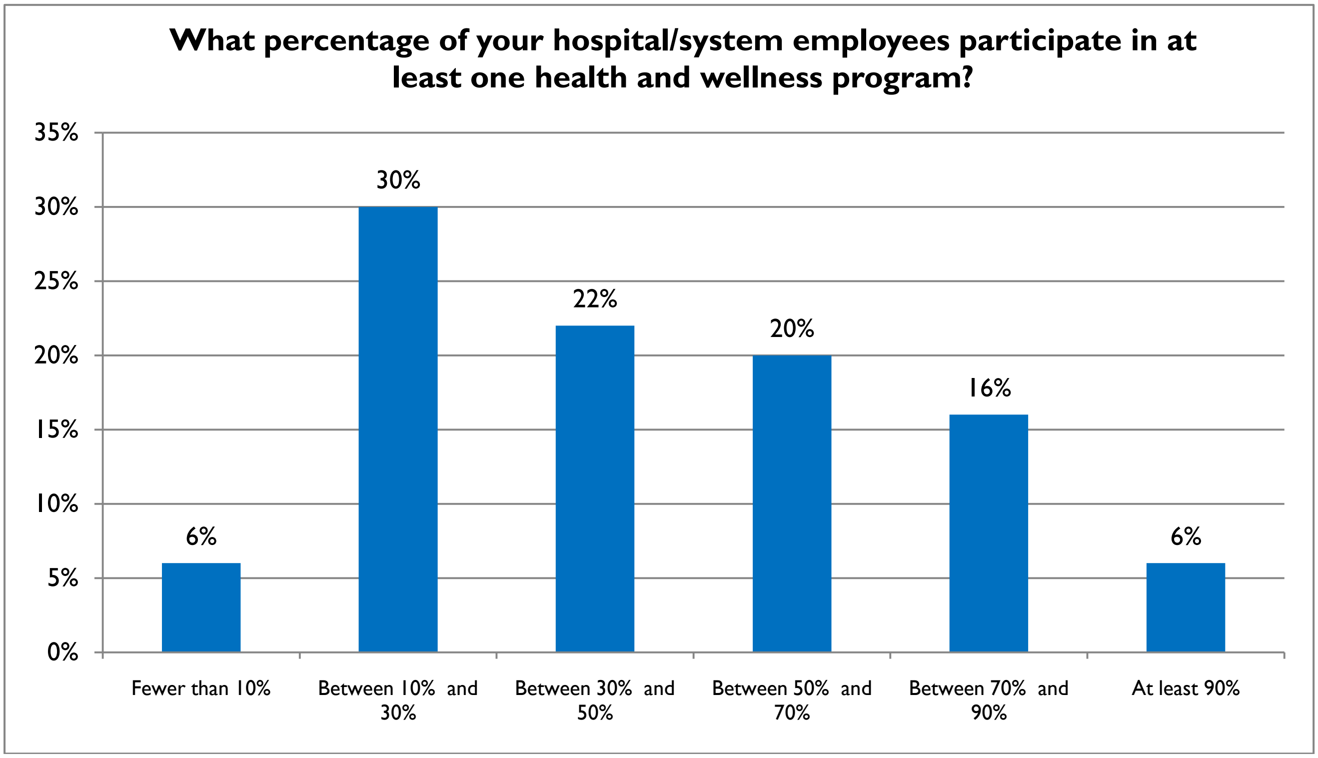
Q4: Offer Wellness Program to Community?



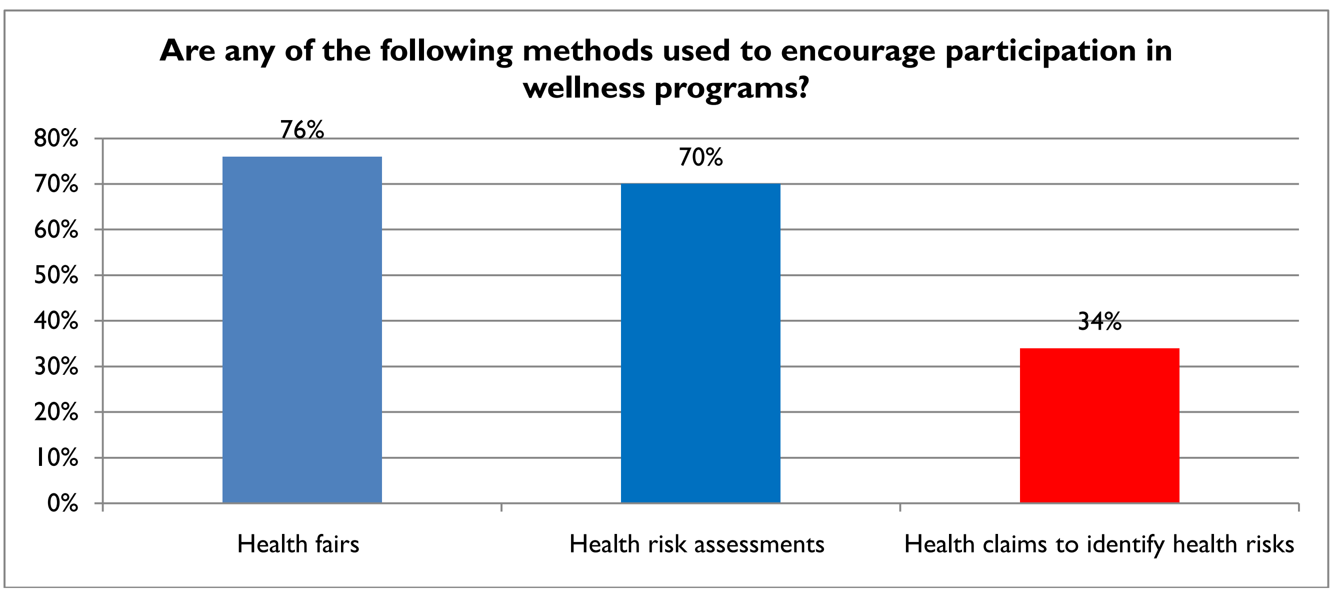
Q5: Wellness Program Offerings



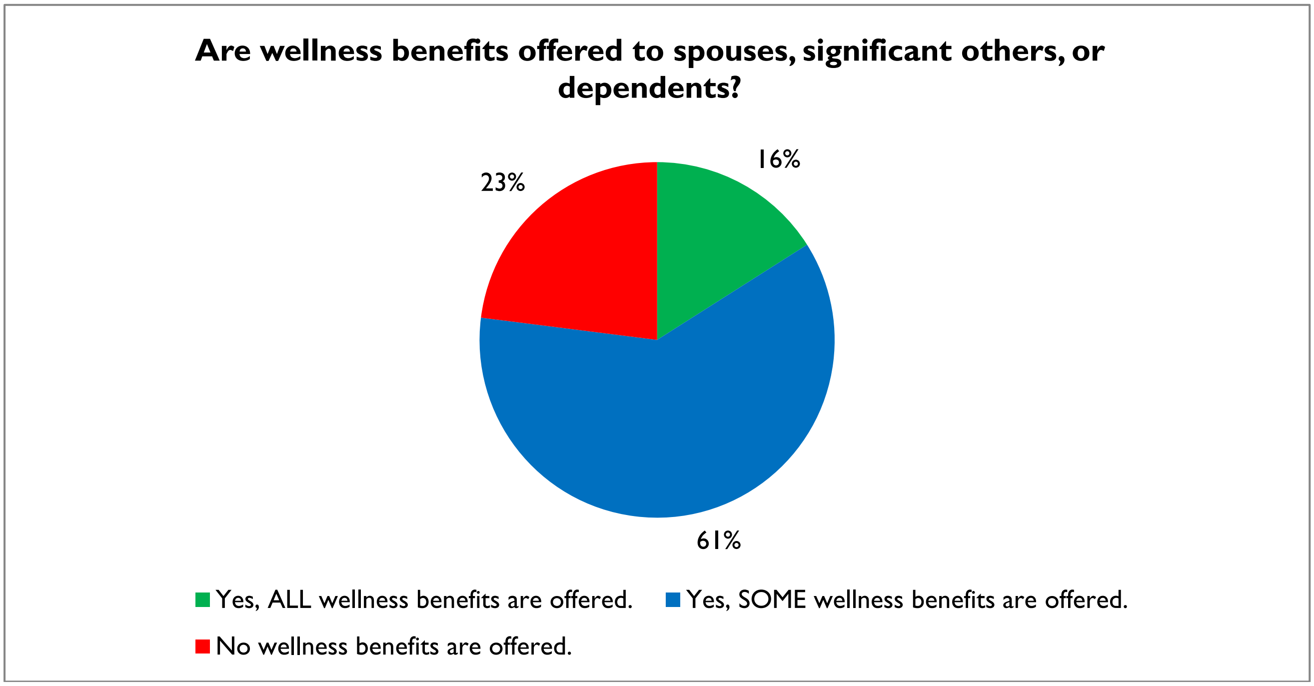
Q6: Participation Levels



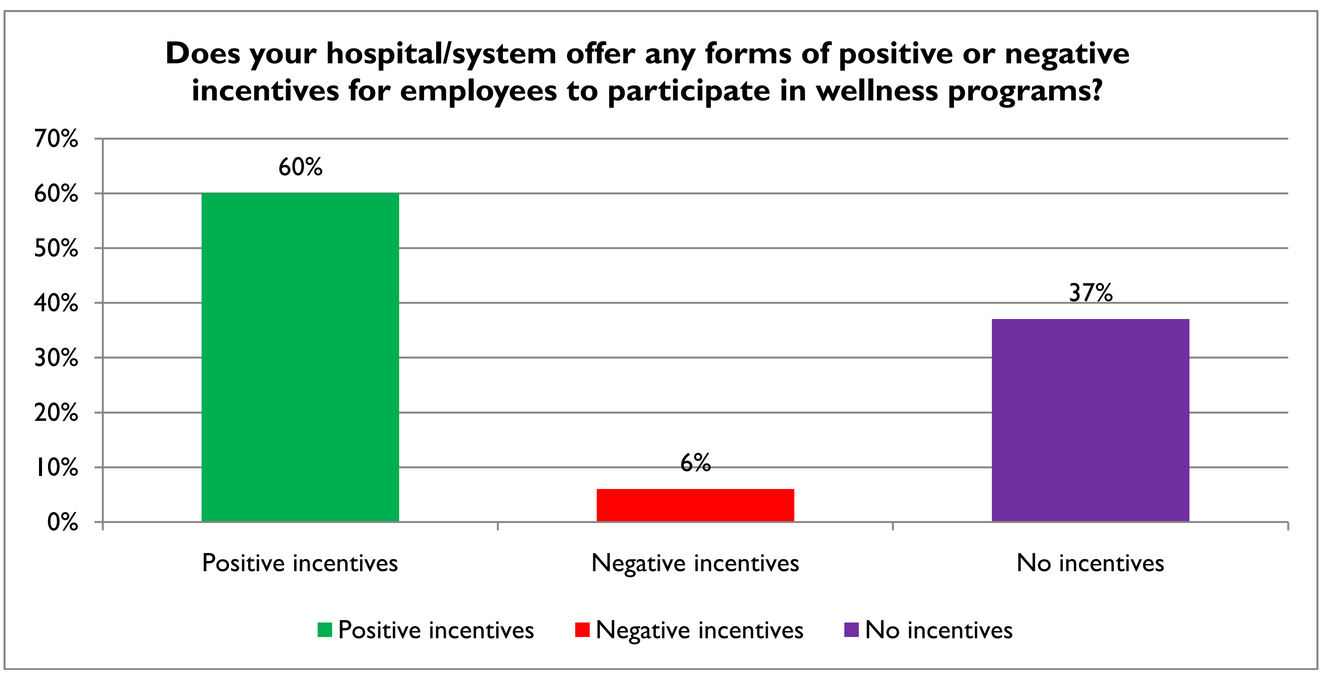
Q7: Ways to Encourage Participation



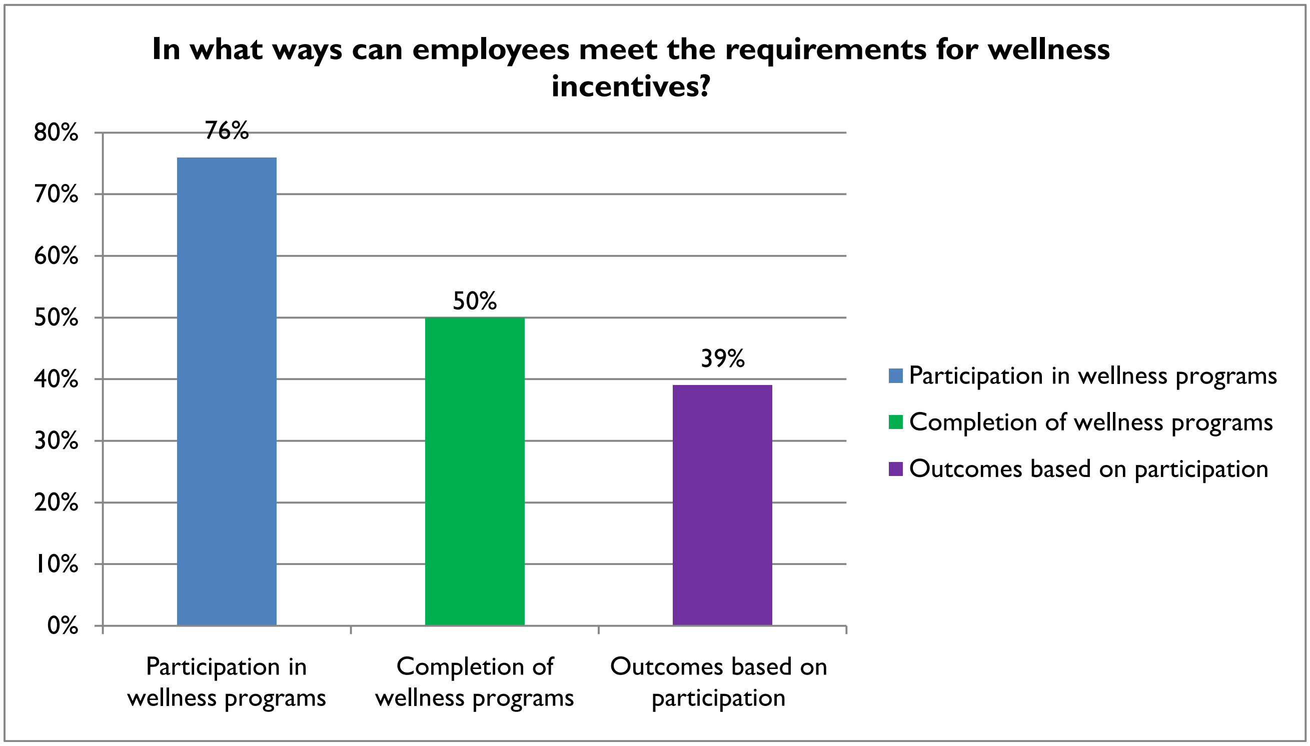
Q8: Are Wellness Benefits Offered to Spouses, Significant Others, or Dependents?



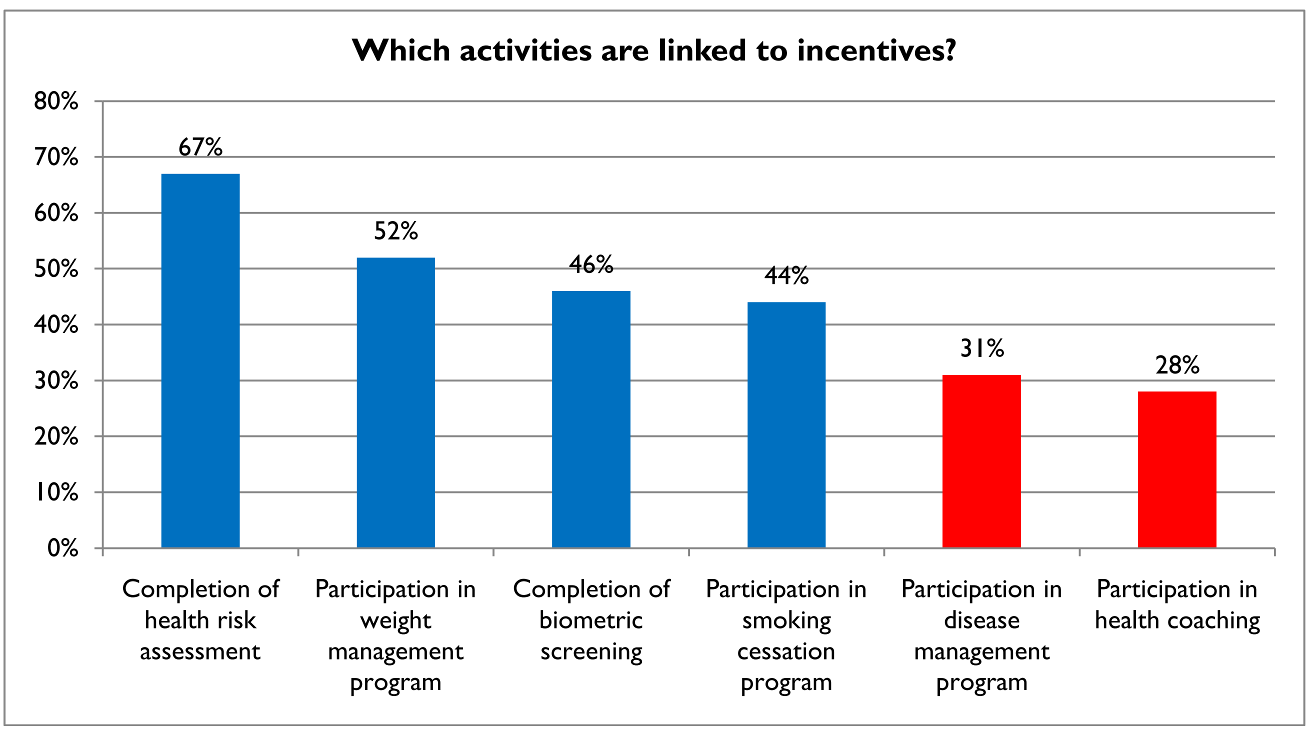
Q9: Positive and Negative Incentives



Q10: How Employees Can Meet Incentives



Q11: Activities Linked to Incentives



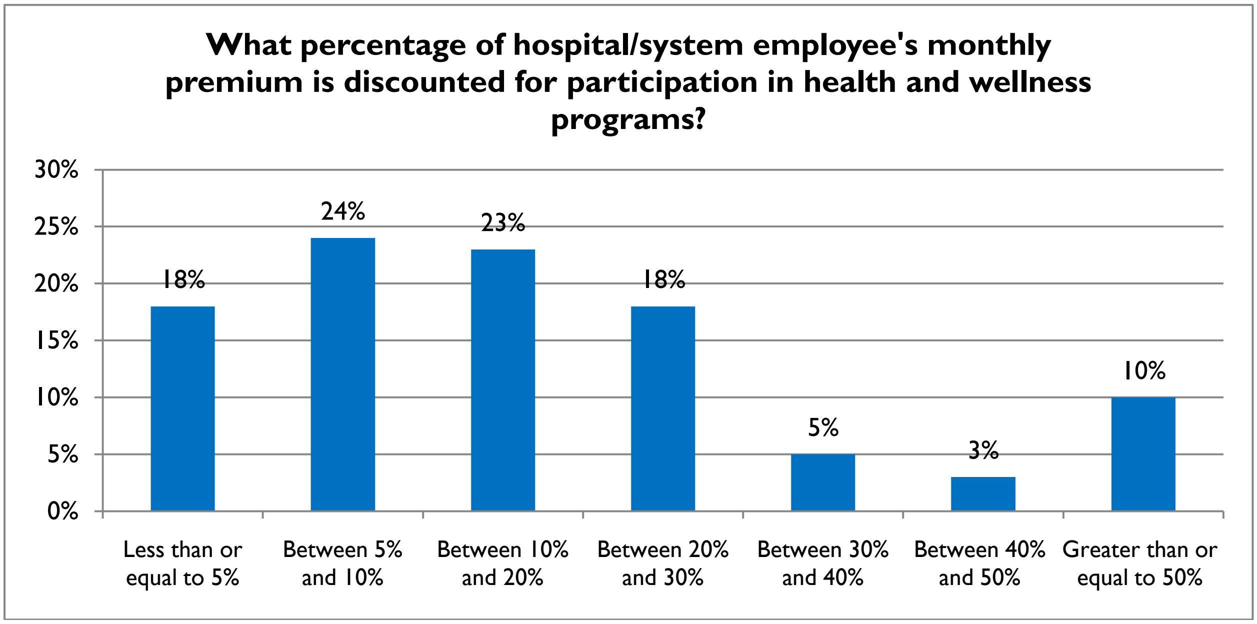
Q12: Amount of Participation Incentives

	Premium Discount Amount (in dollars)	Lower Deductible Amount (in dollars)	Higher Employee Health Savings Account Contribution Amount (in dollars)	Gift cards, travel, merchandise, or cash amount (in dollars)	Small token amount (in dollars)	Subsidized health club membership amount (in dollars)
Median	25.00	250.00	225.00	50.00	10.00	150.00

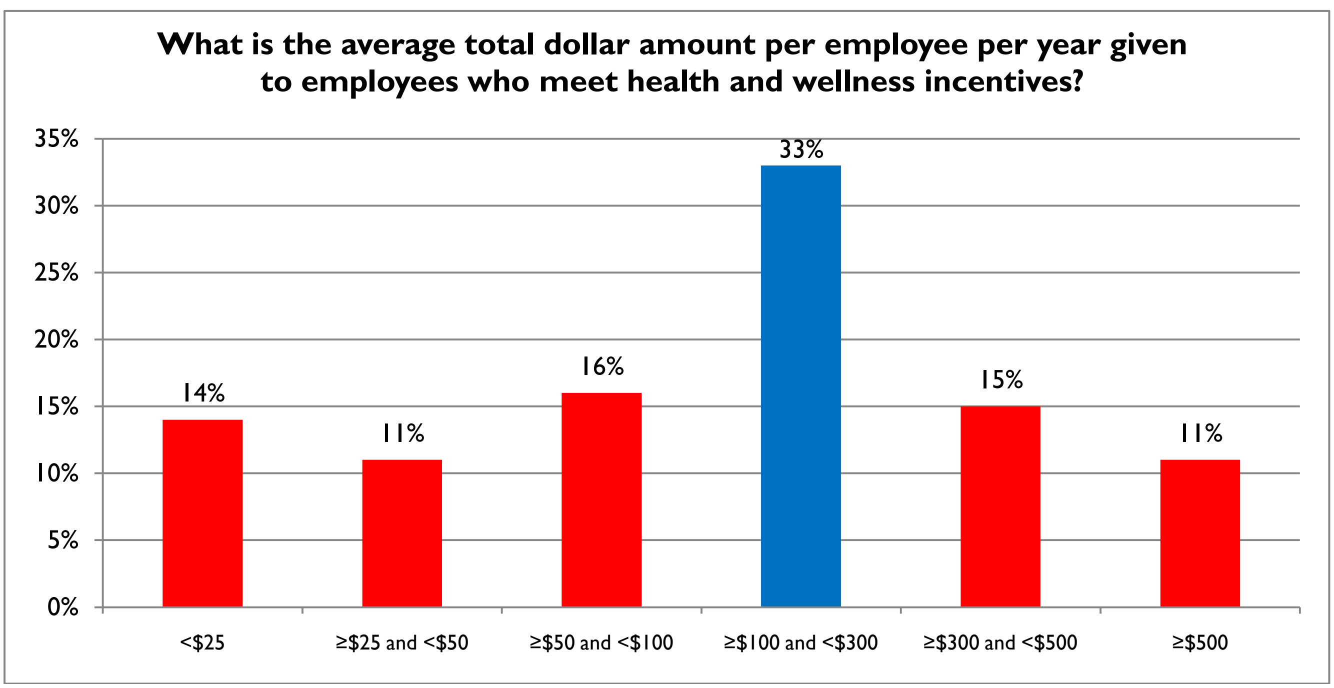
Q13: Amount of Outcome Incentives

	Premium Discount Amount (in dollars)	Lower Deductible Amount (in dollars)	Higher Employee Health Savings Account Contribution Amount (in dollars)	Gift cards, travel, merchandise, or cash amount (in dollars)	Small token amount (in dollars)	Subsidized health club membership amount (in dollars)
Median	20.00	250.00	400.00	100.00	10.00	216.50

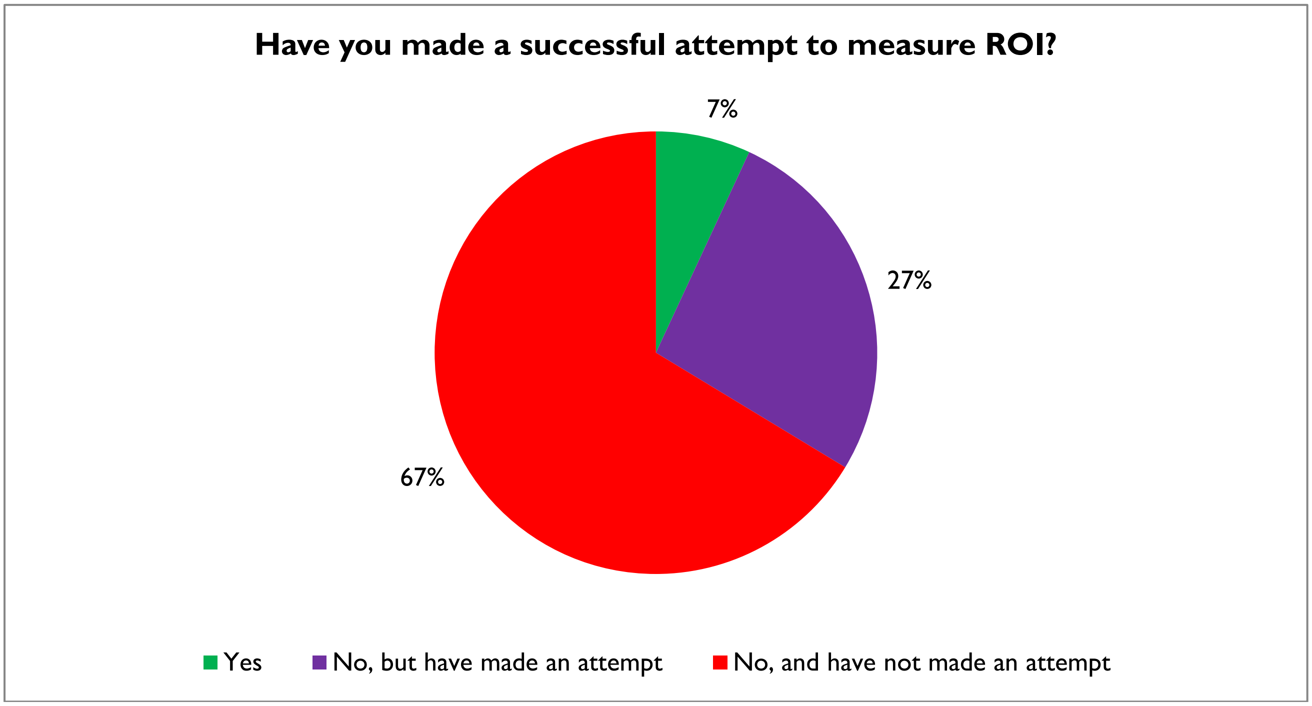
Q14: Premium Discount Percentage



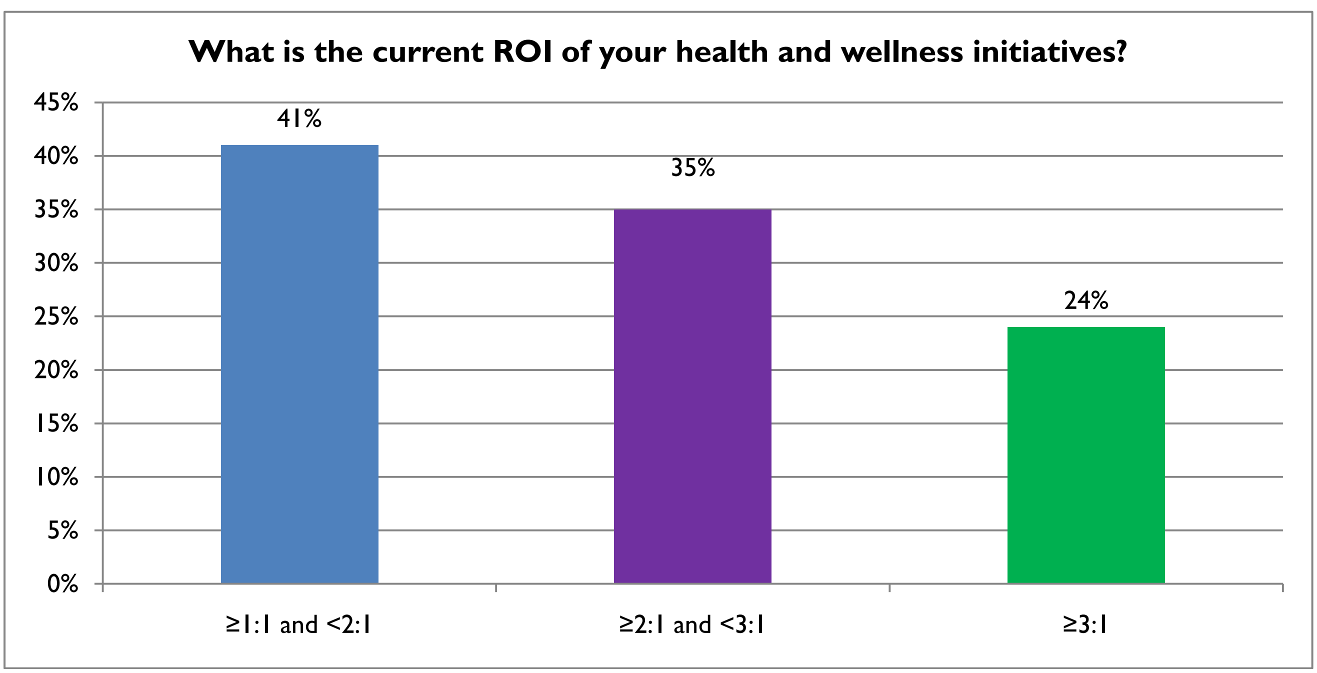
Q15: Total Incentive Amount Per Employee



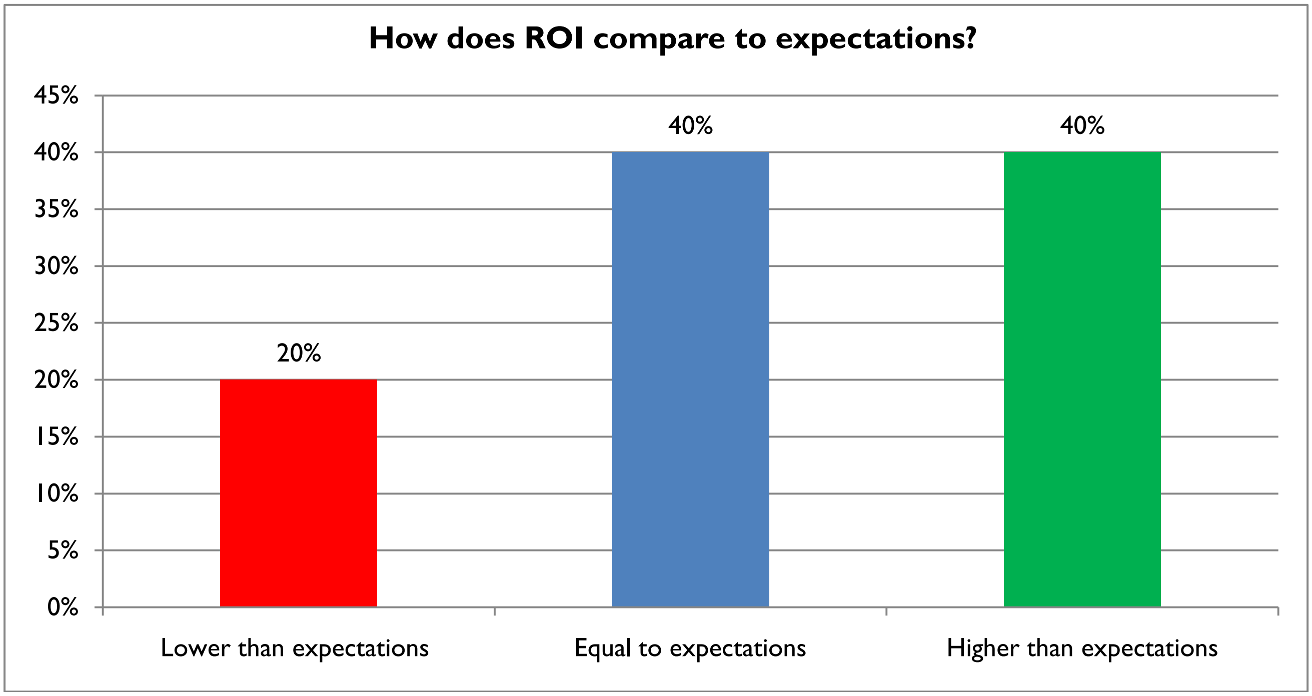
Q16: Successfully Measured ROI?



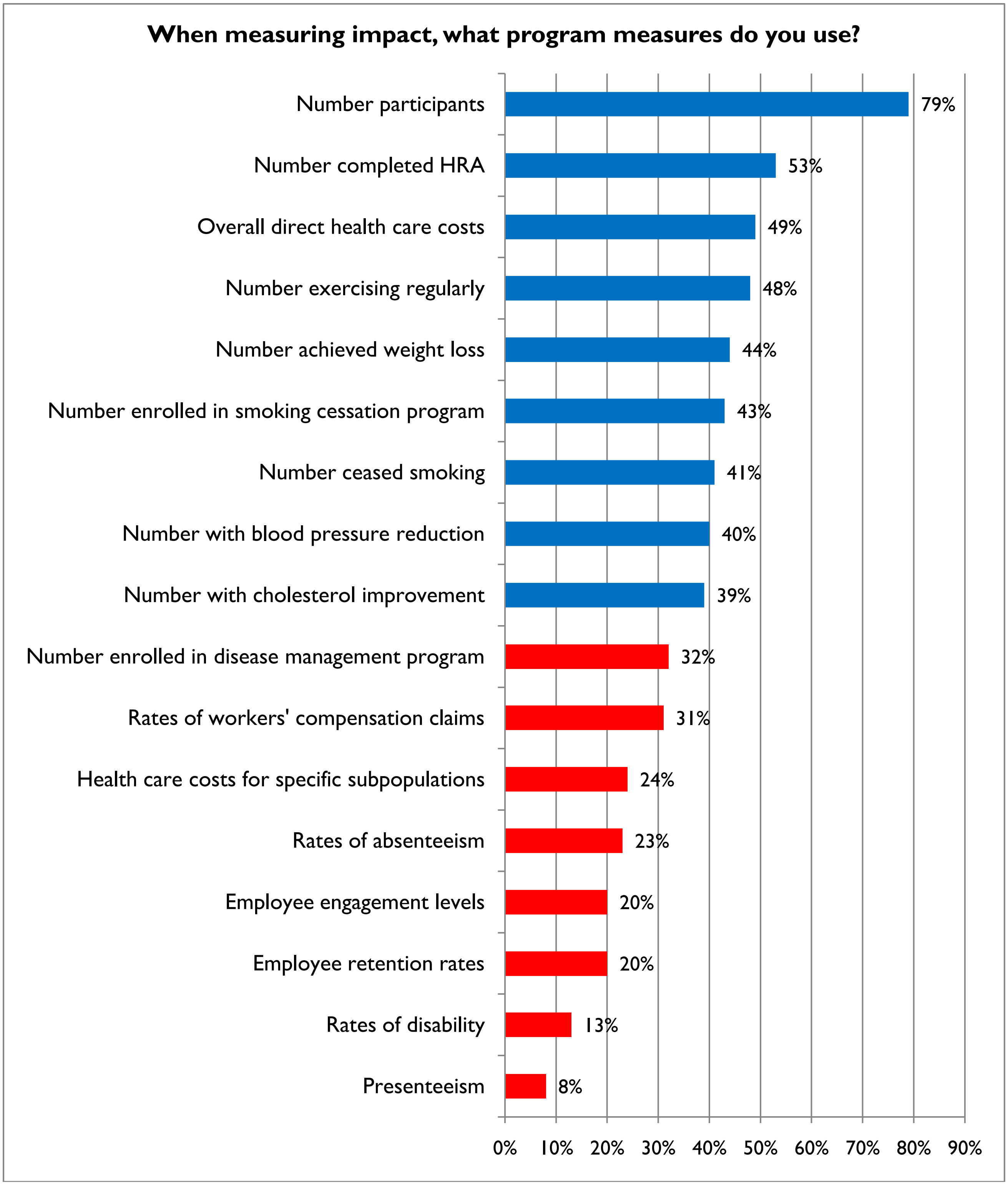
Q17: What Is the ROI?



Q18: How Does ROI Compare to Expectations?

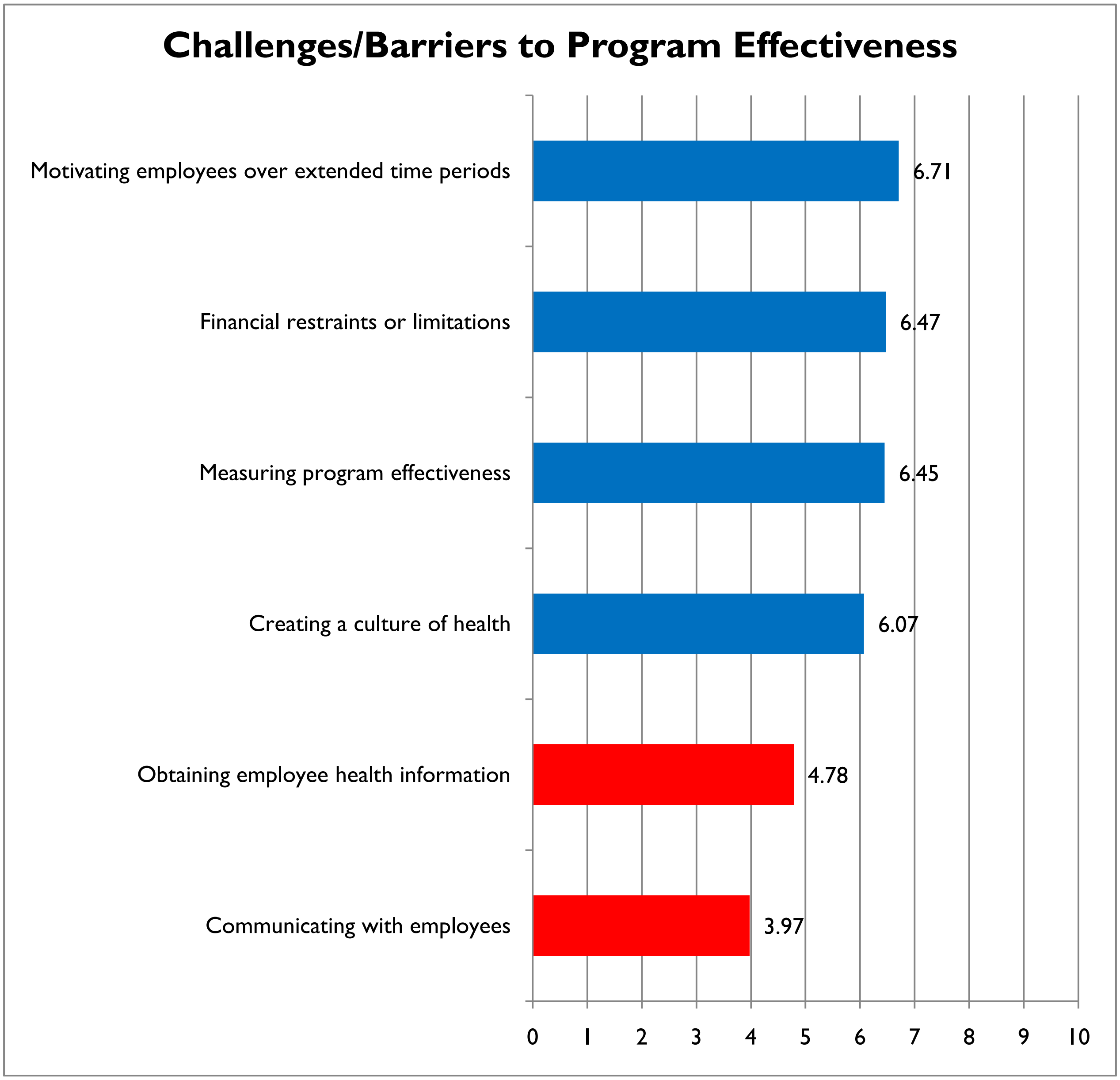


Q19: Measures of Program Impact



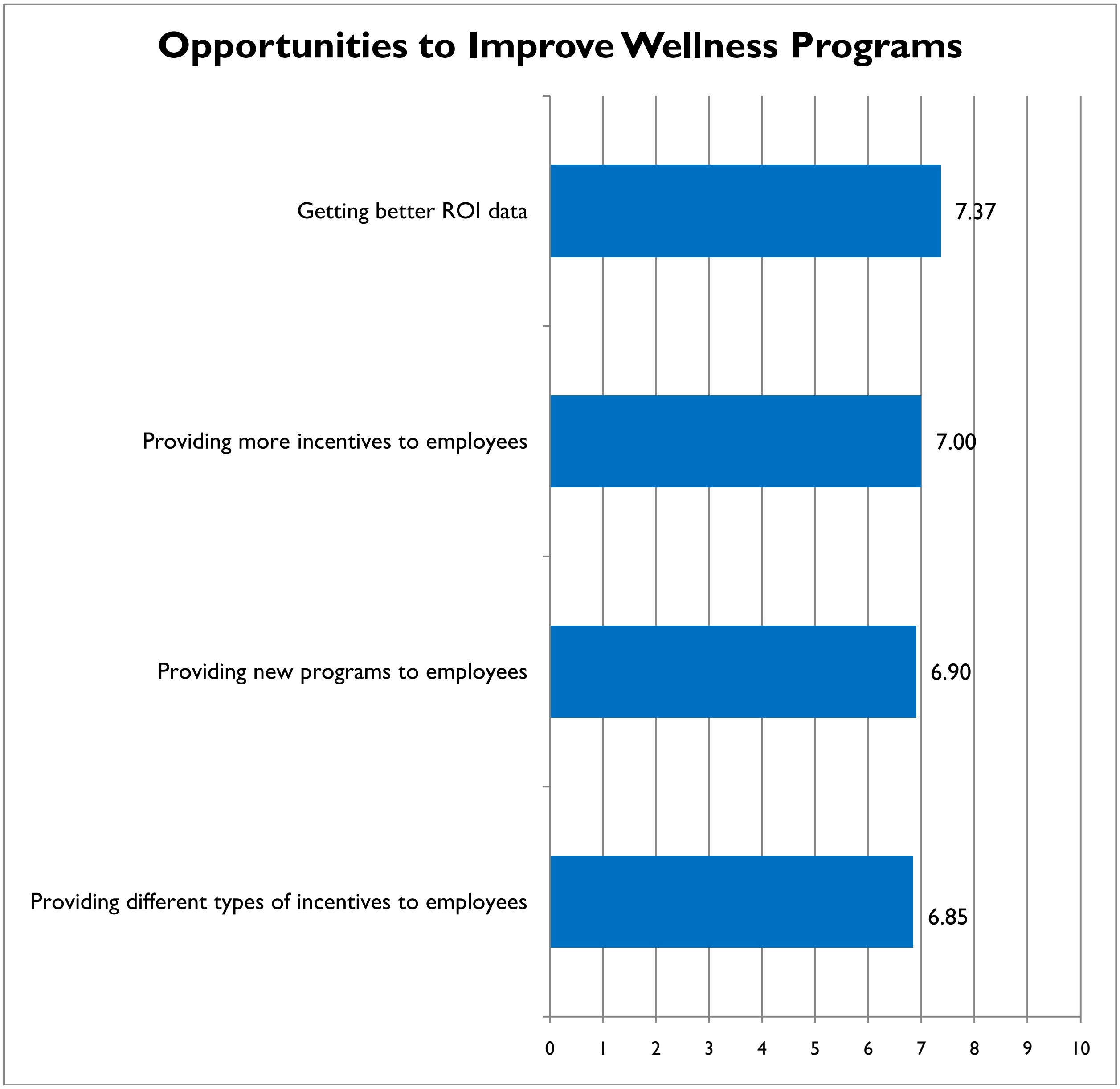
Q20: Challenges to Program Effectiveness

(1 = Insignificant Challenge; 10 = Insurmountable Barrier)



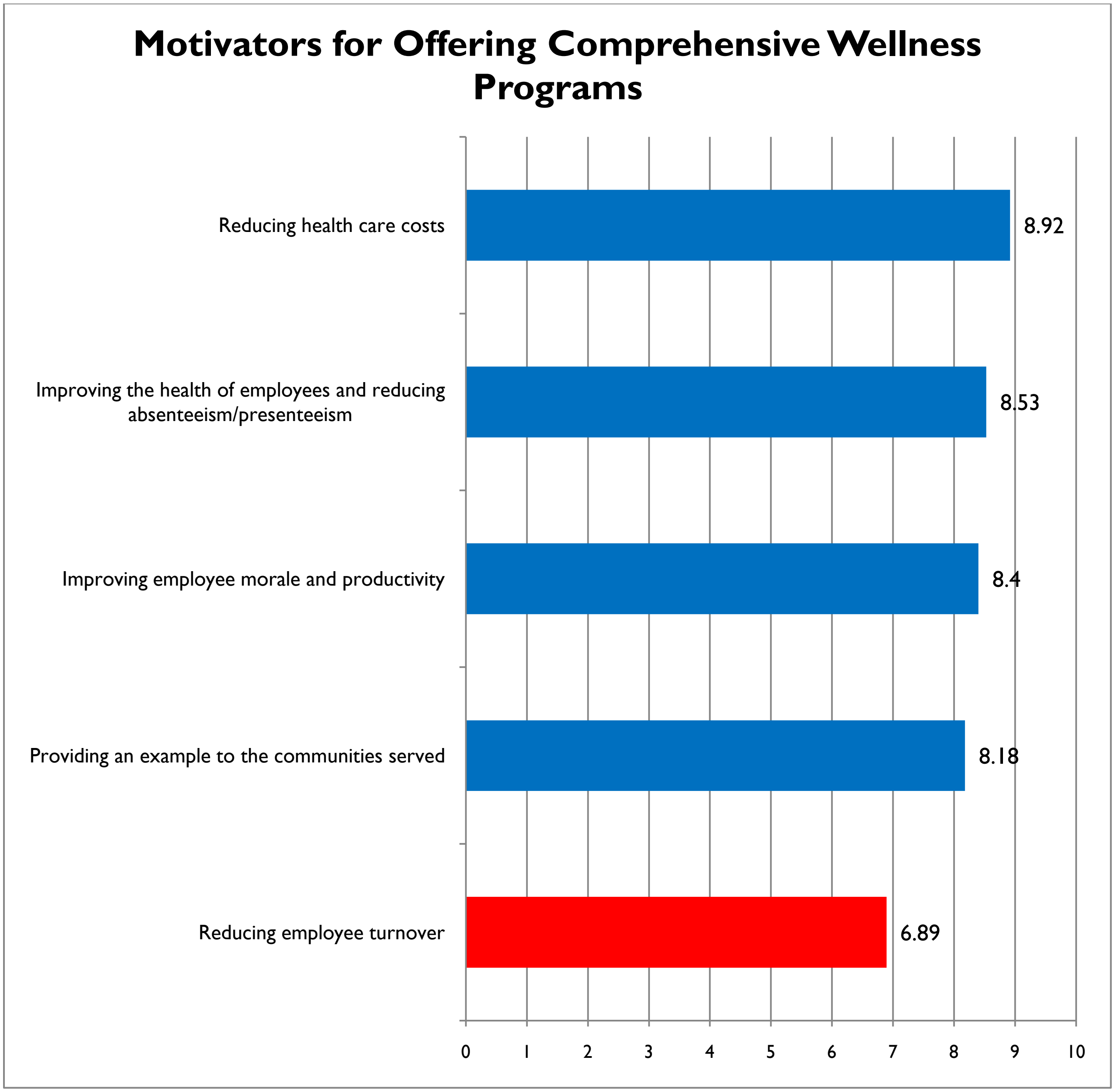
Q21: Opportunities for Improving Health and Wellness Programs

(1 = Insignificant Opportunity; 10 = Most Important Opportunity)



Q22: Motivators for Offering Comprehensive Health and Wellness Programs

(1 = Insignificant Motivator; 10 =Most Important Motivator)



Q23: Leadership Assessment Part 1

(1 = Strongly Disagree; 10 = Strongly Agree)

	Our board believes that a robust wellness program is necessary for improving health of employees.	CEO and senior leadership believe that a robust wellness program is necessary for improving the health of our employees.	A healthy workforce is a core part of our hospital/system's business.	Our hospital/system employees are educated about the cost/value of personal health.
N Valid	651	655	657	648
Mean	7.26	7.91	7.45	6.25

Q24: Leadership Assessment Part 2

(1 = Strongly Disagree; 10 = Strongly Agree)

	Our hospital/system board believes that improving the health of our communities begins with improving the health of our employees.	Our hospital/system CEO and senior leadership team believe that improving the health of our communities begins with improving the health of our employees.	Our hospital/system employees value the importance of improving their health in order to provide an example to the community.
N Valid	651	654	650
Mean	7.12	7.64	6.57

Appendix C: Endnotes

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