

WELLNESS TREND REPORT



A person is shown from the waist down, sitting in a meditative pose on a rocky beach. Their hands are resting on their knees in a mudra. The background is a bright, hazy sunset over the ocean, with the sun low on the horizon. The overall tone is warm and peaceful.

INTRODUCTION

Workplace wellness programs are hardly the novelty they once were. They've become a common part of our health-conscious culture, though just what those programs look like definitely varies from organization to organization. M3 wanted a deeper understanding of our clients' wellness programs.

In 2014 we conducted our first-ever wellness trend survey. To keep up with workplace wellness, a phenomenon that in many ways is changing rapidly, we conducted our second survey in 2016. More than 375 employers responded. The following report highlights the results and reflects the current state of wellness programs within our client base. Yes, this report can be a helpful benchmarking tool for your organization. But more than that, we hope it can offer insight on the evolving wellness landscape, insight that can play a role in helping you plan for the future of your own program.

WELLNESS: IT'S HERE TO STAY

Wellness programs aren't going away. Numerous national surveys indicate this—and M3's survey concurs: More than half of our clients have some type of wellness program. 65% of them have had one up and running for three or more years, while 35% have established a program within the last two years. As for clients with no current program, 35% say they plan to implement one in the next five years.

SEEKING OUTSIDE WELLNESS PROFESSIONALS: IT'S A SMART MOVE

For wellness program support, 37% of our clients use external sources like their benefits broker or a wellness vendor. That means the majority of clients still take on programming alone—and that can be a daunting responsibility. Why? Because most employers lack the education, time and resources to effectively design and

handle a wellness program by themselves. The good news is you don't have to go it alone.

Since wellness is now a well-established—and expanding—field, credentialed specialists with proven wellness track records are available to help you. By investing in expert support, your wellness program is more likely to make a meaningful impact on your employees and your organization as a whole.

As for shouldering internal wellness responsibilities, the majority of our clients (64%) have added them to an already-existing position. Only 8% have a designated wellness position (part-time, 5%; full-time, 3%).

Similar to a designated safety professional on staff to help keep employees safer, M3 believes a dedicated internal wellness coordinator is well worth the investment in keeping employees healthier.

MORE THAN HALF OF OUR CLIENTS
have some type of wellness program.

SUPPORT FROM THE TOP: A KEY FACTOR FOR SUCCESS

It's pretty obvious that any initiative can get a significant boost when an organization's leaders support it. Wellness programs are no different. Executive and middle management support can play a decisive role in the success of wellness programs.

Leaders can positively impact an organization's wellness program by consistently communicating program goals to employees, explaining how those goals align with business objectives, and being visibly engaged in wellness activities.

LEADERSHIP SUPPORT



29%

ACTIVELY PROMOTE



23%

ACTIVELY PARTICIPATE



20%

**ACTIVELY PROMOTE
AND PARTICIPATE**

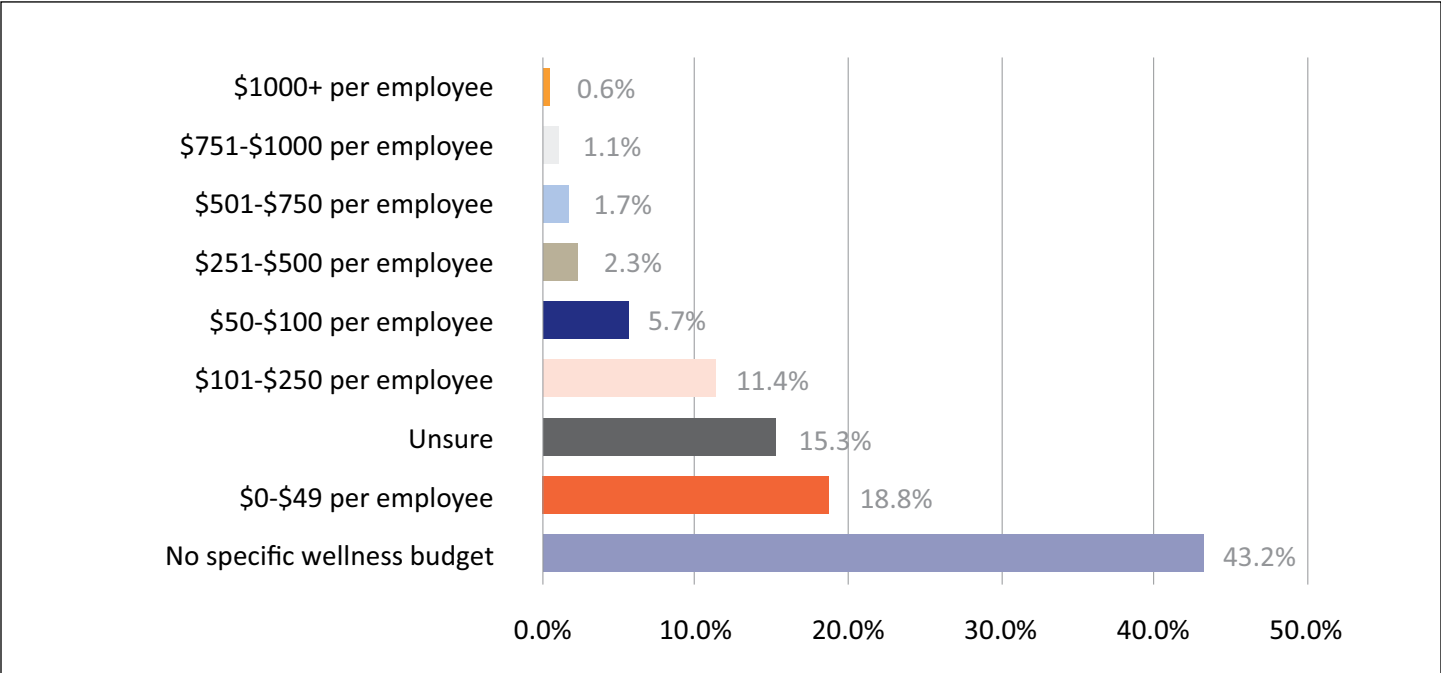


THE BUDGET QUESTION: HOW MUCH DO YOU VALUE YOUR WELLNESS PROGRAM?

M3 encourages clients to think of their wellness program as an integral part of their overall organization. An investment on the front end is crucial for establishing a

viable program with the potential for significant results. To generate employee engagement, this investment should include data collection, programming, and incentives.

ANNUAL WELLNESS BUDGET



CLIENTS WITH A WELLNESS PROGRAM



EMBRACING THE WELLNESS ESSENTIALS

STRAIGHT-TALK ON INCENTIVES: WITH LITTLE INVESTMENT COMES LITTLE RETURN

There's no secret formula to a successful wellness program. But there are some abiding principles. Probably the simplest—and most important—is this: *You get out of it what you put into it.*

If you want good participation rates and improved employee well-being over the long-term, you should be communicating to employees about wellness consistently—and compellingly. That's a solid first step. But to get truly exceptional results from your wellness program, that communication should be complemented with great incentives. Without them, you're putting your wellness program at a significant disadvantage.

NATIONAL

\$594



\$521

Organizations allocated an average of \$594 per employee in wellness incentives in 2014, up from \$521 the prior year.

*Source: Study by Fidelity Investments/National Business Group of Health

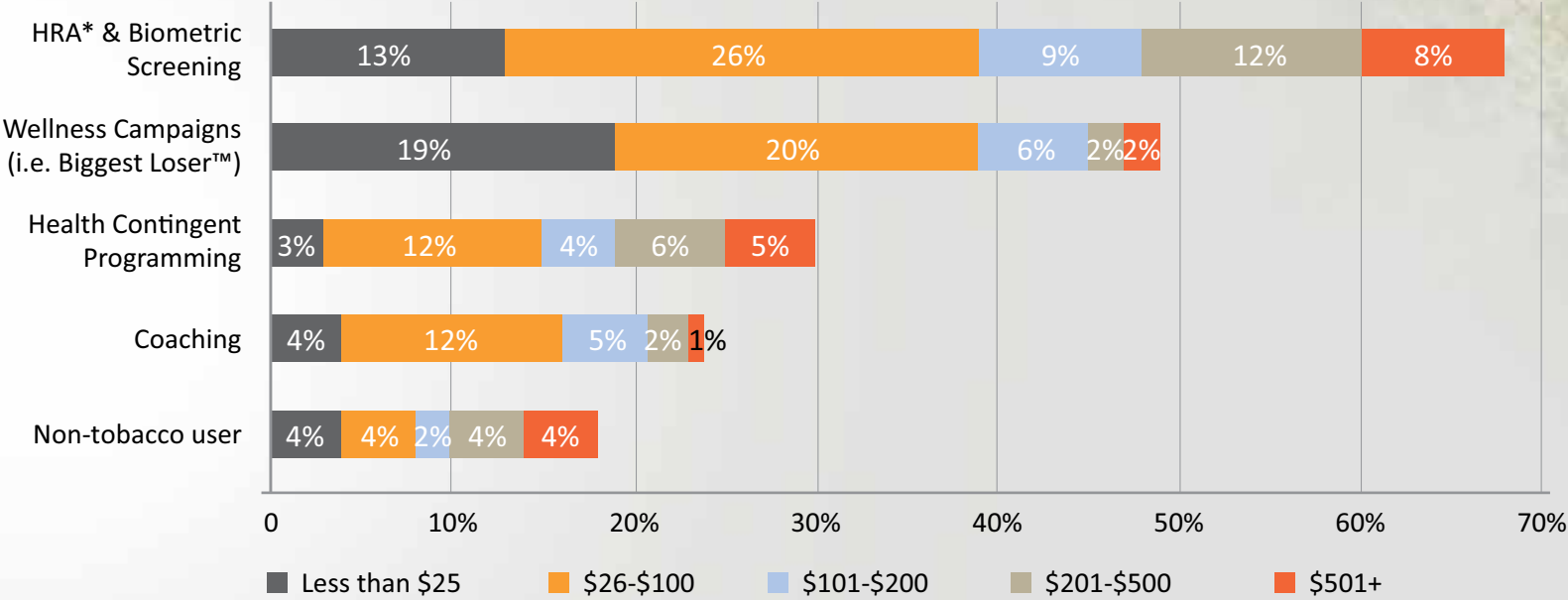
M3

\$26
to
\$100

These findings contrast with ours, which show the average spend on incentives per employee per year is between \$26-100, and the majority of our clients tie their incentives to a premium discount.

INCENTIVE AMOUNTS BASED ON PROGRAM TYPES

Percentage of Employers



INCENTIVE VEHICLE FOR HRA & BIOMETRICS

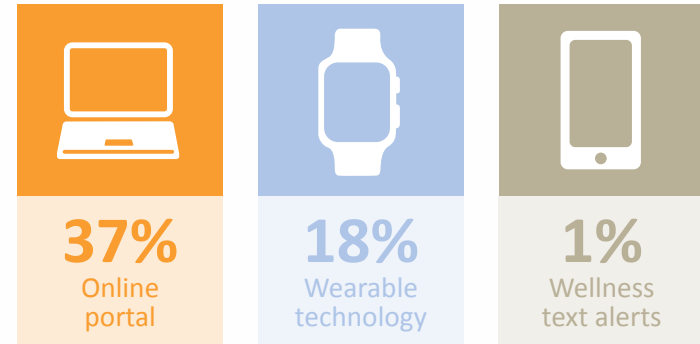


*HRA = Health Risk Assessment

NO SURPRISE HERE: TECHNOLOGY IS TRENDING

With the growing popularity of health-related technology, it's never been easier to quantify wellness data. Employers are investing in technology such as online portals and fitness wearables to engage employees and ultimately make it easier for them to track their progress. The technology can also help organizations gauge the effectiveness of specific activities and overall programs. Using the latest technology in tandem with a wellness vendor can really pay off. For example, providing an online program that's tracked by a vendor not only enhances your offerings—it can save on internal time and resources.

TECHNOLOGY



CREATING A CULTURE OF WELL-BEING: THE POWER OF POLICIES

While behavior-changing campaigns in the spirit of “The Biggest Loser” can work well for some, they usually fail to reach everyone. Complementing these campaigns with wellness-related policies can be an effective way to reach all employees and help improve your organization’s overall culture.

TOP 5 POLICIES OUR CLIENTS USE

- 1 Tobacco-free
- 2 Standing/mobile workstations
- 3 Safety belt
- 4 Work-life balance/flexible hours
- 5 Healthy food options (e.g., in vending machines and at company-sponsored events)

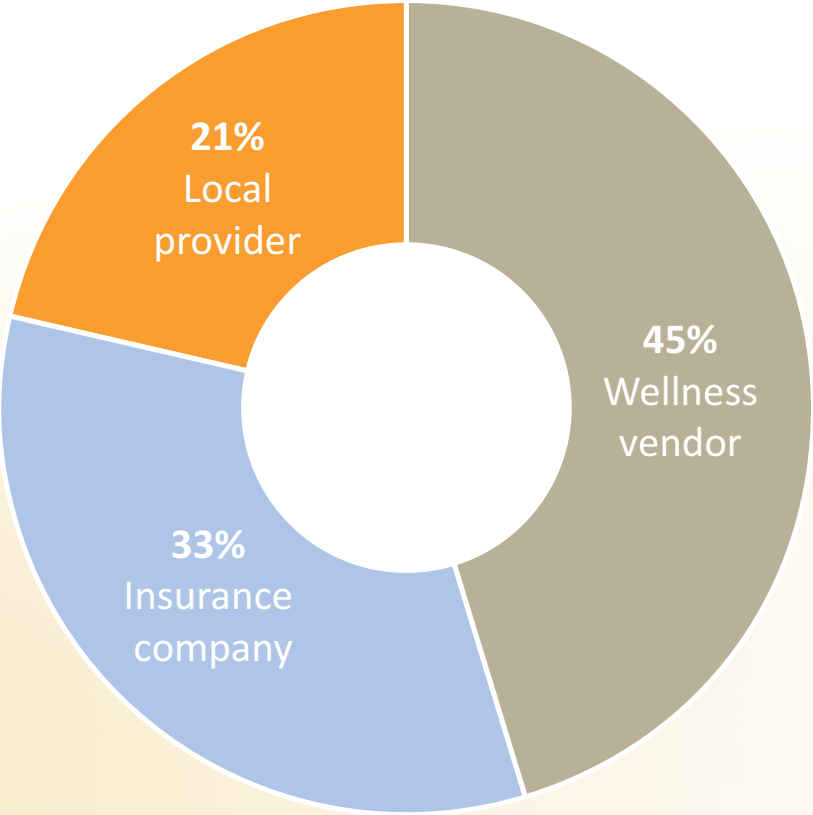
GATHERING DATA: POPULAR FOR A REASON

Collecting employee information and data to drive wellness programming makes good business sense. Health risk assessments (HRAs) and biometric screenings are excellent ways to do that. Our clients tend to agree. The majority who offer wellness programs provide HRAs and biometric screenings (75%).

For administering HRAs and biometric screenings, our survey results show that the number of employers using

wellness vendors vs. insurance carrier programs has increased by 20% from the last survey. And that’s not surprising. Vendors can provide progressive wellness features like health-contingent offerings, online interactive portals, and agnostic connections to wearable devices, which means employees can use whatever wearable technology they would like in order to participate in a wearables challenge.

HRA & BIOMETRIC SCREENING ADMINISTRATION



For clients who offer HRAs and biometric screenings, average employee participation is

60-61%

For HRA and biometric screening reviews, average employee participation is

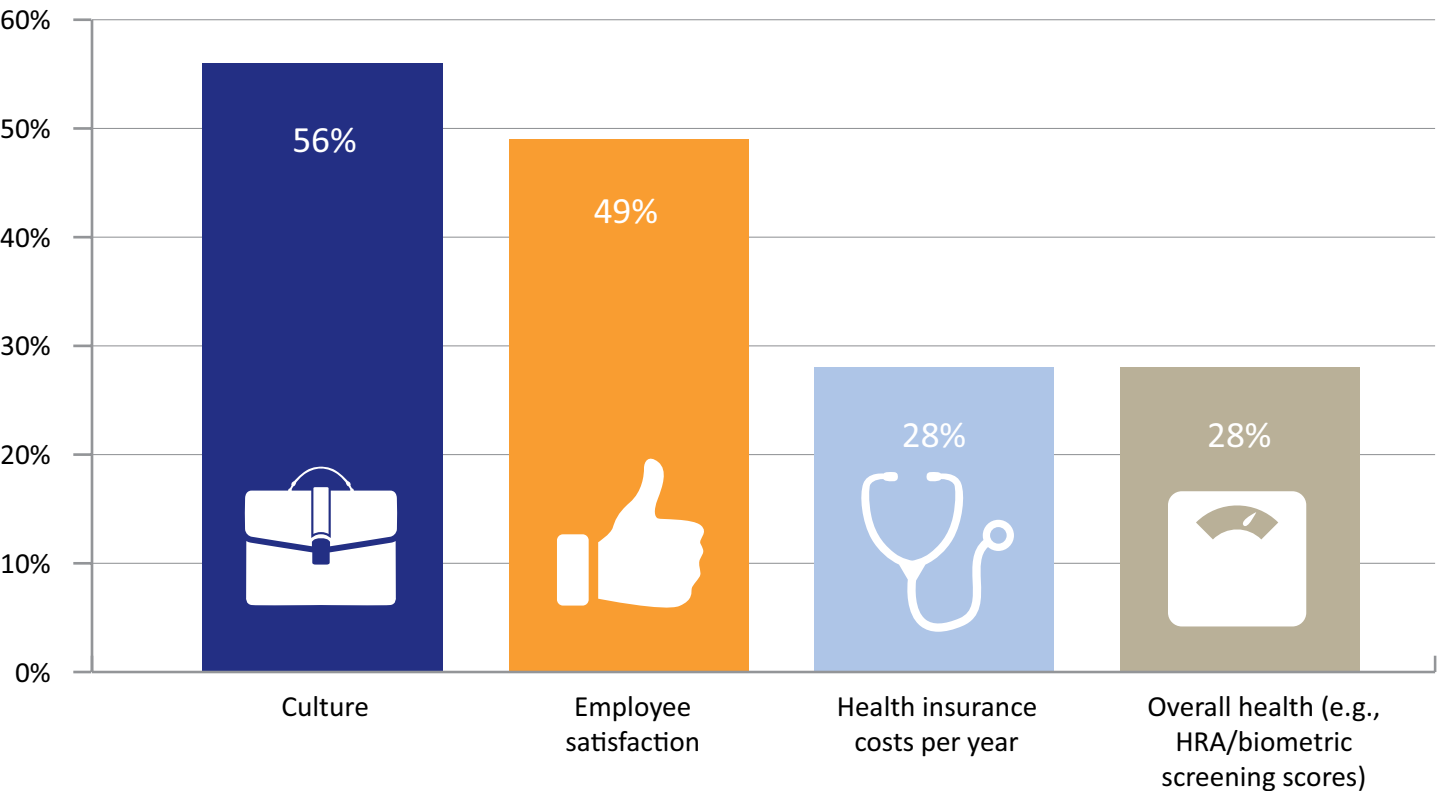
51%

MEASURING SUCCESS: AN EVOLVING CONCEPT

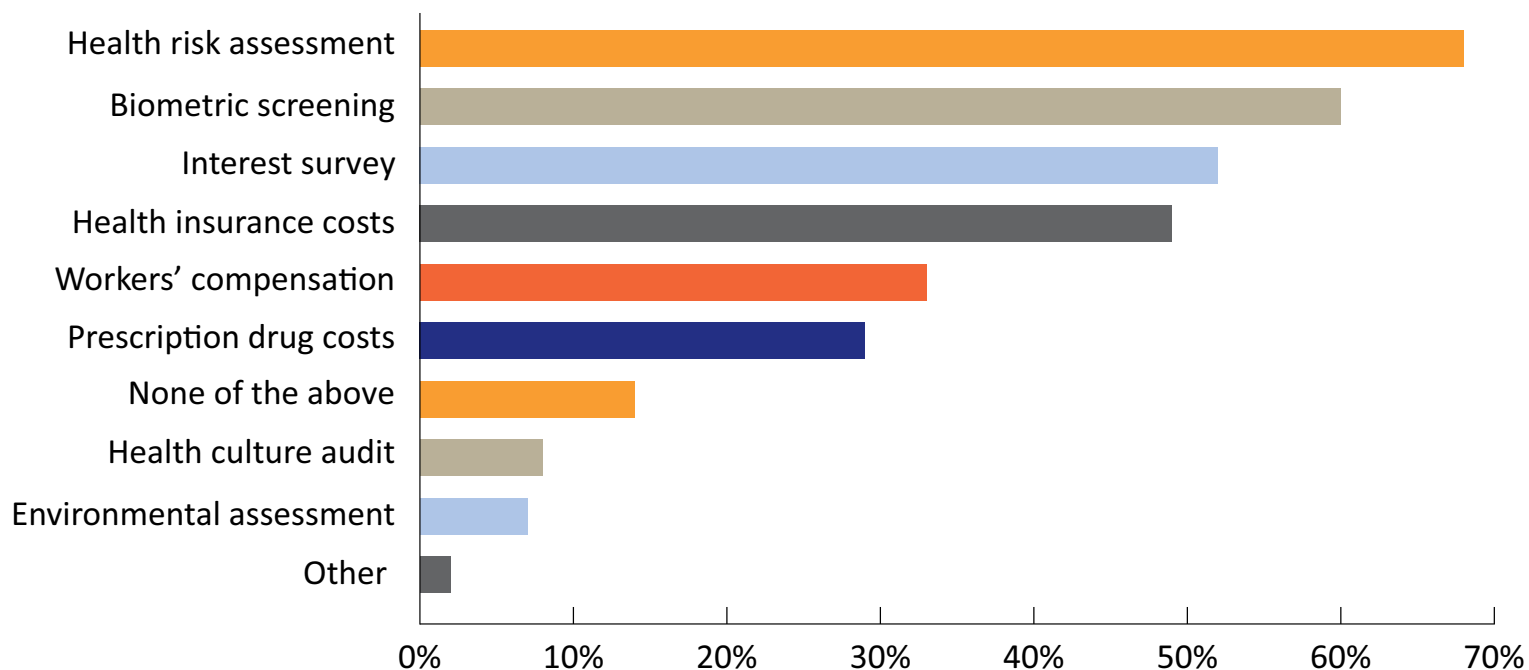
It's certainly understandable that clients want to measure the success of their programs. The big question—one that continues to evolve—is *how* to do that. Our survey indicates that employers are looking beyond the narrow

metric of return on investment (ROI) to measure the impact of their wellness programs. This actually reflects the growing movement to understand the *value on investment* (discussed below) rather than just the ostensible ROI.

TOP 4 WAYS CLIENTS MEASURE IMPACT OF THEIR PROGRAM



HOW ORGANIZATIONS GATHER DATA ON THEIR PROGRAM



THE BIGGER (AND BETTER) PICTURE: VALUE ON INVESTMENT (VOI)

The emerging concept of VOI encourages employers to look beyond medical-cost-based ROI to formulate a broader—and more accurate—understanding of their wellness program's value. The VOI of a wellness program encompasses the intangible factors that can contribute to

an organization's overall performance. For example, more and more employers are considering how their wellness program increases productivity, reduces disability claims and sick days, improves employee job satisfaction and morale, and improves employee recruitment and retention.

VOI: ESTABLISH YOUR METRICS EARLY ON

Employers who want to shift to a VOI framework for measuring the success of their program need to establish their VOI metrics on the front end. That means carefully answering questions like these: **Why are we offering a wellness program? What's important to the success of our organization, and how can our wellness program contribute to that?**

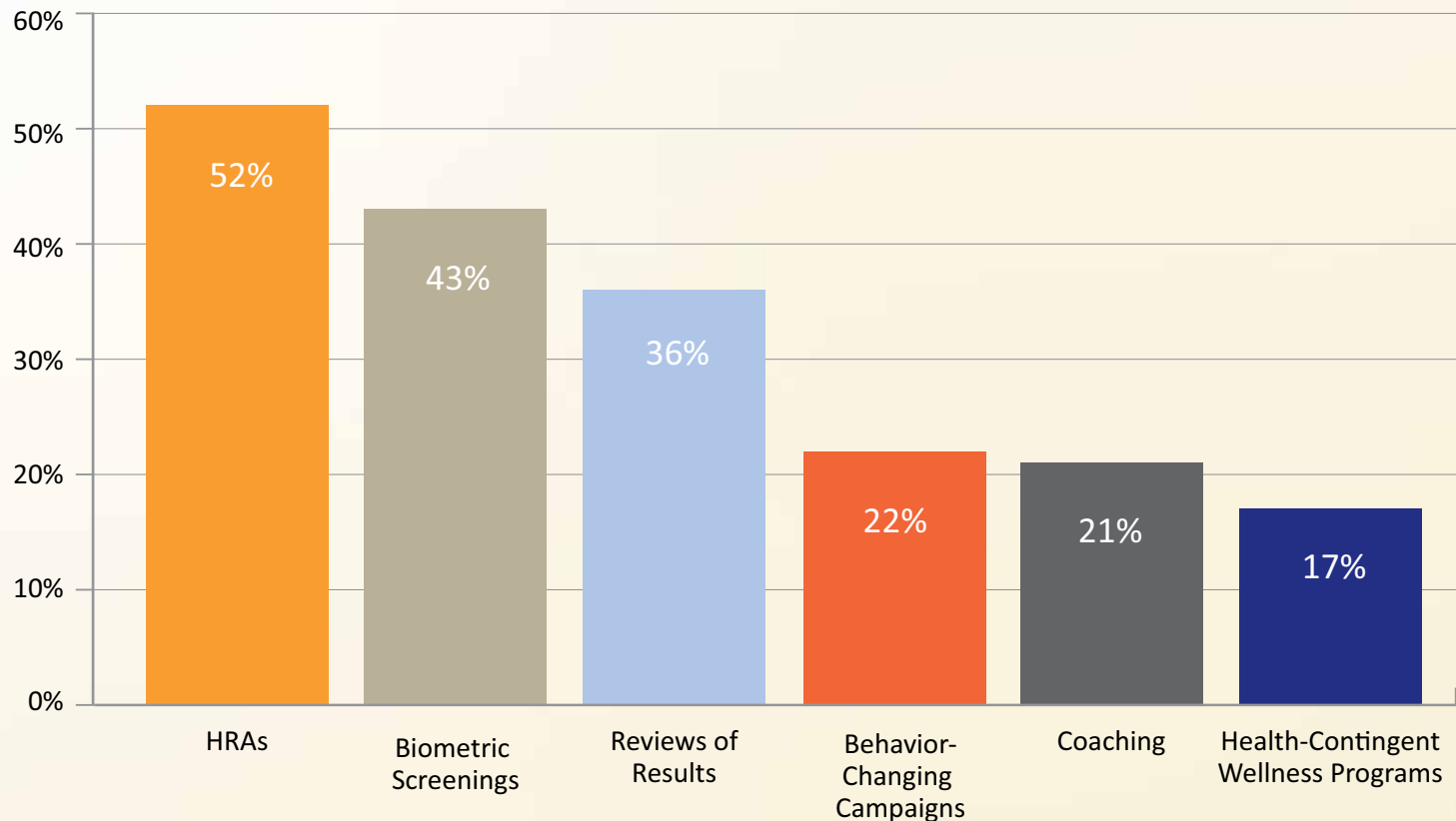
OPPORTUNITIES ON THE RISE: TAKING YOUR PROGRAM TO THE NEXT LEVEL

THE OTHER HALF: WELLNESS STARTS AT HOME

When it comes to employees changing their behavior to make healthier choices, support from others can be a crucial factor for success. That's a great reason to include spouses already on your organization's health plan to

participate in your wellness program. Not only does it create a great foundation of mutual support at home; it's a logical move when you consider that those spouses can add costs to your health plan as well.

HOW CLIENTS ARE INCLUDING EMPLOYEE SPOUSES





CARE THAT'S CLOSE:

A GROWING INTEREST IN ONSITE CLINICS

A cornerstone of preventive healthcare is getting more people to visit a physician. But that can be a challenge with busy schedules and the hassle of taking time off from work. The easy option is to just put it off. Onsite clinics remove those barriers. And by making a clinic visit significantly easier, both employees and employers can benefit. For example, chronic conditions can be better managed, illnesses can be detected earlier, and injuries can receive more immediate attention. That can translate into better productivity, less absenteeism, stronger recruitment, and better staff retention.

Integrating an onsite clinic with a wellness program has tremendous potential. Program participants are not only more likely to get treated for acute illnesses, they become comfortable seeking support from clinic staff to make health-related lifestyle changes.

A WELLNESS PROGRAM WITH ACCOUNTABILITY:

THE HEALTH-CONTINGENT APPROACH

The majority of programs that our clients offer provide incentives to employees for simply participating. Health-contingent programming, on the other hand, bases incentives on employees satisfying specific health standards or measurements. Why opt for this approach? Because employees are held more accountable for their health—and they're financially motivated to make positive changes.

Though this type of program has been possible for a number of years, recent regulatory fine-tuning by the government has brought about a surge of interest. Our survey shows that clients are taking a serious look at this more progressive wellness approach. Many are already implementing a health-contingent program, while others plan to within the next few years.

ONSITE CLINICS

11% are offering onsite clinics

10% plan to offer an onsite clinic in the next 12-24 months

POSITIVE TRENDS

29% of our clients are offering a health-contingent wellness program compared to **24%** from our survey two years ago.

17% are offering a tobacco-based health-contingent wellness program, which is down from **23%**. That's a good sign. More and more of our clients realize that targeting a single behavior doesn't reflect the following reality: Wellness comprises a nexus of interrelated factors.



YOUR WELLNESS FUTURE

As wellness programs thrive and mature, more and more employers can attest to their value. This also means employers are increasing their wellness resources and investing more in incentives and wellness-related technology. And we think that's great news.

But even more important than ample investment is smart planning. The most successful wellness programs come

from employers who have a clear sense of what they want to accomplish. Whether you're just about to launch one, trying to obtain stronger engagement, or you're well into a progressive health-contingent program, there's always room for improvement. We encourage you to reach out to your M3 team to help make your wellness program as valuable as possible to your employees—and your organization.



**For more information about wellness trends,
contact your Account Executive at 800.272.2443.**

About M3 Insurance

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