

Five Key Facts: Financial Incentives for Healthy Lifestyles January 2011

1. Recent survey data show 75% of large employers and nearly two-thirds (62%) of all employers use incentives to promote healthy behaviors and improve health outcomes.¹ Approximately one in five (21%) offer incentives to dependents.²
2. Completion of a health assessment (HA) is still the most common requirement to earn an incentive (61% of companies) but participation for smoking cessation (40%) and weight management (34%) are on the rise, closely followed by compliance with preventive care (30%) and completion of biometric screenings (28%).²
 - 43% of employers use multiple incentive types.³
3. Large employers are evaluating incentives tied to health outcomes but few are currently using this approach.
 - In a February 2010 survey of 41 large employers, only 5% of employers reported using incentives based on achieving/maintaining BMI or weight.
 - In the same survey, 17% reported providing financial incentives for being tobacco free or participating in a smoking cessation program.⁴
4. With incentive values of \$25-\$1000 per year, most employers are not close to the current HIPAA maximum (20% of the per person cost for providing group coverage)⁵
 - The median incentive is approximately \$338 per employee and \$300 per dependent, if offered.¹
5. Reduced premium contributions are the most commonly used incentive (45% of employers) followed by cash (28%); other, which includes merchandise, lotteries, reduced copays, deductibles and out-of-pocket expenses (23%); HRA contribution (18%); HSA contribution (17%); and gift cards (17%).³
 - Positive incentives are most commonly used; however, in a 2009 survey 18.5% of 54 respondents used premium surcharges for at least one program.⁵

***For more information about financial incentives, please contact
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References

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