Taking Action to Improve Employee Health:
Sixth Annual Employer-Sponsored Health & Well-being Survey

March 25, 2015
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(2) Type your question
(3) Click “Send to All Panelists”
Survey Methodology

- Online survey was fielded from December 2014 through January 2015 among National Business Group on Health members and clients of Fidelity Investments

- 121 companies responded to the survey

- Survey focused on:
  - Types of health improvement programs offered
  - Levels of incentives to engage employees and spouses/domestic partners
  - Use of outcomes based incentives to reward for goals/outcomes
  - Consumer Directed Health Plan (CDHP) offerings
  - Measurement tactics and program participation results
  - Future of health improvement investment amidst healthcare reform
Survey Demographics

Respondents by Industry

- Manufacturing: 28%
- Energy/Chemicals: 16%
- Technology/Telecommunications: 13%
- Banking/Financial Services: 12%
- Health Care: 6%
- Retail: 5%
- Professional Services: 5%
- Transportation/Shipping: 4%
- Government and Education: 4%
- Insurance: 3%
- Entertainment and Hospitality: 3%
- Other: 3%

Respondents by Size

- Mid-Market (<5,000 EEs): 17%
- Large (5,000 – 20,000 EEs): 60%
- Jumbo (20,000+ EEs): 23%

Respondents by CDHP Offering

- CDHP Full Replacement: 23%
- CDHP Option: 17%
- CDHP Not Offered: 60%

Others Include: publishing, heavy construction, aerospace, semiconductor and public utilities

N = 103

Mid-Market (<5,000 EEs); Large (5,000 – 20,000 EEs); Jumbo (20,000+ EEs)

N = 105
## Summary of Findings

**Investment in employee health improvement continues to grow**

| 79% of employers will offer incentives in 2015 compared with 63% in 2010 | Average maximum incentive dollar increased to $693 in 2015 from $594 in 2014 | Very large employers and employers only offering CDHPs commit to more investment in this space |

**Members are not taking full advantage of incentive offerings**

| Only 47% of employees earn the full incentive amount and 26% earn a portion | 95% of employers plan to expand and/or maintain investment in health improvement programs | Employers plan to maintain incentive offerings in the future |
### Summary of Findings

Employers continue to expand program to spouses/domestic partners (SP/DP)

- **83%** will offer wellness programming to spouses/domestic partners with focus on HRA completion
- **54%** offer incentives to spouses/domestic partners in 2015 with average amount of $628

Program participation remains primary gauge for program success

- **85%** of employers track biometric participation and 84% for HRA participation
- **Few** employers are measuring participation of high-risk, high-cost populations
- **Average employee participation at 56%** for both HRA and biometric screenings
Incentives in 2015
Incentive Offerings Continue to Grow

On average 79% of employers will offer incentives in 2015, while larger employers and those offering CDHPs are more likely to offer incentives.

Percent of Employers Offering Incentives

- 63% in 2010
- 73% in 2011
- 86% in 2013
- 74% in 2014
- 79% in 2015

Incentive Offering by Size

- Mid-Market: 72%
- Large: 81%
- Jumbo: 88%

Incentive Offering by CDHP Offering

- CDHP Full Replacement: 89%
- CDHP Option: 83%
- CDHP Not Offered: 58%
Employers Prefer Incentives Over Disincentives
17% of employers use disincentives for smoking cessation programs

Prevalence of Incentives vs. Disincentives by Program

<table>
<thead>
<tr>
<th>Program</th>
<th>Incentives</th>
<th>Disincentives</th>
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<tbody>
<tr>
<td>Biometric Screening</td>
<td>72%</td>
<td>5%</td>
</tr>
<tr>
<td>Health Risk Assessment</td>
<td>70%</td>
<td>6%</td>
</tr>
<tr>
<td>Physical Activity Program</td>
<td>54%</td>
<td>1%</td>
</tr>
<tr>
<td>Smoking Cessation Program</td>
<td>54%</td>
<td>17%</td>
</tr>
<tr>
<td>Weight Management Programs</td>
<td>45%</td>
<td>2%</td>
</tr>
<tr>
<td>Disease/Care Management Program Participation</td>
<td>42%</td>
<td>7%</td>
</tr>
<tr>
<td>Preventive Care Services/Screenings</td>
<td>39%</td>
<td>3%</td>
</tr>
<tr>
<td>Stress Management Program</td>
<td>35%</td>
<td>1%</td>
</tr>
<tr>
<td>Decision Support Tools for Medical Decisions</td>
<td>12%</td>
<td>1%</td>
</tr>
<tr>
<td>Health Care Navigators</td>
<td>11%</td>
<td>2%</td>
</tr>
<tr>
<td>Health Advocacy/Second Opinion</td>
<td>9%</td>
<td>2%</td>
</tr>
<tr>
<td>Decision Support Tools for Health Care Enrollment</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Employers provide incentives through:
- Contributions to a healthcare account: 27%
- Cash/gift card: 43%
- Premium differential: 57%
Average Maximum Incentive Dollars Continue to Grow

Employers are offering an average of $693 worth of incentives for programs.
Incentive Amounts Vary by Program
Employers focus more on smoking cessation and biometric screenings

Average Employee Amount by Program

- Smoking Cessation Program
  N = 47
  $323

- Biometric Screening
  N = 55
  $237

- Stress Management Program
  N = 17
  $201

- Health Risk Assessment
  N = 57
  $179

- Disease/Care Management Program Participation
  N = 22
  $175

- Preventive Care Services/Screenings
  N = 22
  $161

- Weight Management Programs
  N = 25
  $141

- Activity Based Physical Activity Program
  N = 31
  $127

Incentive Amounts Vary by Program

Employers focus more on smoking cessation and biometric screenings
Employees Are Not Taking Advantage of Incentive Program

Less than half of employees earn the full amount

Average Percentage of Employees Earning Incentives

- Earned Full Incentive Amount: 47% (N = 62)
- Earned Partial Incentive Amount: 26% (N = 44)
Incentives for Spouses/Domestic Partners (SP/DP)
Wellness Programs for Spouses/Domestic Partners on the Rise

83% of employers offer programming to spouses and/or domestic partners

Others Include: disease management, annual physical, educational tools, fitness reimbursements, and smoking cessation.
SP/DP Incentive Amounts Continue to Grow

54% of employers offer incentives to spouses and/or domestic partners

SP/DP Incentive Amount

<table>
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<th>Year</th>
<th>Average</th>
<th>Median</th>
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<tr>
<td>2010</td>
<td>$420</td>
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<td>2013</td>
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<tr>
<td>2014</td>
<td>$530</td>
<td>$400</td>
</tr>
<tr>
<td>2015</td>
<td>$628</td>
<td>$500</td>
</tr>
</tbody>
</table>

SP/DP Incentive by Size

- Mid-Market: $299
- Large: $571
- Jumbo: $733

SP/DP Incentive by CDHP Offering

- CDHP Full Replacement: $573
- CDHP Option: $531
- CDHP Not Offered: $698
Incentive Amounts Vary by Program

Incentive dollar focuses align with offerings for employees

**Average SP/DP Amount by Program**

- **Smoking Cessation Program**
  - $270
  - N = 30

- **Biometric Screening**
  - $249
  - N = 33

- **Disease/Care Management Program Participation**
  - $199
  - N = 17

- **Health Risk Assessment**
  - $187
  - N = 30

- **Weight Management Programs**
  - $153
  - N = 15

- **Preventive Care Services/Screenings**
  - $131
  - N = 19

- **Activity Based Physical Activity Program**
  - $110
  - N = 12

Incentive dollar focuses align with offerings for employees.

**Note:**
- Incentive amounts vary by program.
- N values indicate the number of participants for each program.
SP/DP Earn Fewer Incentives than Employees

67% of SP/DP partners are not earning the full incentive amount

Average Percentage of SP/DP Partner Earning Incentives

- Earned Full Incentive Amount: 33% (N = 34)
- Earned Partial Incentive Amount: 15% (N = 25)
Prevalence of Outcomes Based Incentives Remains Constant

Large employers are two times more likely to offer outcomes based incentives

![Graph showing the prevalence of outcomes based incentives in 2015 and 2014, with a comparison between Jumbo, Large, and Mid-Market employers.]

N = 99 (2015)

Outcomes Based Incentives by Size

Jumbo: 52% Large: 52% Mid-Market: 24%

Mid-Market (<5,000 EEs); Large (5,000 – 20,000 EEs); Jumbo (20,000+ EEs)

Outcomes Based Incentives by CDHP Offering

CDHP Full Replacement: 47% CDHP Option: 41% CDHP Not Offered: 31%

N = 87
Reward for Progressing towards or Achieving a Goal
Achieving outcome based goals are preferred

Outcome Based Incentive Reward Method

- Healthy Glucose Levels
  - N = 31
  - Progressing toward: 42%
  - Goal achieved and/or maintained: 48%
  - Achieving: 10%

- Tobacco Free
  - N = 35
  - Progressing toward: 40%
  - Goal achieved and/or maintained: 49%
  - Achieving: 11%

- Healthy Cholesterol
  - N = 38
  - Progressing toward: 39%
  - Goal achieved and/or maintained: 50%
  - Achieving: 11%

- Healthy Weight/Waist Circumference
  - N = 33
  - Progressing toward: 39%
  - Goal achieved and/or maintained: 36%
  - Achieving: 24%

- Healthy Blood Pressure
  - N = 38
  - Progressing toward: 37%
  - Goal achieved and/or maintained: 50%
  - Achieving: 13%
Incentive Amounts Vary by Outcome

Employers focus incentives on healthy weight/waist circumference outcomes

Average Outcome Based Incentives

- Healthy Weight/Waist Circumference
  - N = 27
  - $193

- Healthy Glucose Levels
  - N = 19
  - $128

- Tobacco Free
  - N = 23
  - $122

- Healthy Cholesterol Levels
  - N = 24
  - $106

- Healthy Blood Pressure
  - N = 24
  - $95
Few Employers Limit Access Based on Participation

19% of employers use the HRA as a “gatekeeper” to additional incentives

Percentage of Employers Tying Activity Completion to Additional Offerings

- **Health Risk Assessment**
  - N = 107
  - 1% deny access to all health plans
  - 19% limit access to eligibility for certain health plans
  - 66% limit access to additional incentives
  - 16% do not tie to activity

- **Biometric Screening**
  - N = 102
  - 1% deny access to all health plans
  - 16% limit access to eligibility for certain health plans
  - 72% limit access to additional incentives
  - 10% do not tie to activity

- **Tobacco Use**
  - N = 103
  - 1% deny access to all health plans
  - 10% limit access to eligibility for certain health plans
  - 81% limit access to additional incentives
  - 10% do not tie to activity

- **Lifestyle Coaching**
  - N = 103
  - 2% deny access to all health plans
  - 4% limit access to eligibility for certain health plans
  - 90% limit access to additional incentives
  - 4% do not tie to activity
Program Measurement
Metrics Important to Measure Program Success

Participation levels is primary source of program success

Program Metric Prevalence

- Participation levels (e.g., 30% employee enrollment) 76%
- Paid claims/trend 64%
- Engagement levels (e.g., completed program) 61%
- Biometric results (e.g., cholesterol levels) 55%
- Utilization of preventive services 54%
- Clinical measures/outcomes (e.g., reduced asthma) 45%
- Employee satisfaction with program 42%
- Per capita claims cost relative to benchmark(s) 41%
- Employee engagement surveys 33%
- Absence (e.g., sick days, disability, FMLA leaves) 20%
- Utilization of high-performing providers/networks 20%
- Evidence-based medicine compliance 20%
- Safety incidents 17%
- We do not measure program success 8%

N = 121
Employers Measure Employee Participation Levels

Little focus on measuring high-risk, high-cost populations

Percent of Employers Tracking Participation

- Biometric Screening: 9% (All Population), 13% (High-Risk Population) N = 89
- Health Risk Assessment: 5% (All Population), 13% (High-Risk Population) N = 93
- Activity Based Physical Activity Program: 6% (All Population), 5% (High-Risk Population) N = 86
- Preventive Care Services/Screenings: 6% (All Population), 5% (High-Risk Population) N = 100
- Smoking Cessation Program: 3% (All Population), 5% (High-Risk Population) N = 93
- Weight Management Programs: 3% (All Population), 5% (High-Risk Population) N = 84
- Disease/Care Management Program Participation: 11% (All Population), 4% (High-Risk Population) N = 101
- Decision Support Tools for Health Care Enrollment: 4% (All Population), 25% (High-Risk Population) N = 77
- Stress Management Program: 3% (All Population), 24% (High-Risk Population) N = 78
- Health Advocacy/Second Opinion: 2% (All Population), 23% (High-Risk Population) N = 65
- Decision Support Tools for Medical Decisions: 3% (All Population), 19% (High-Risk Population) N = 74
- Health Care Navigators: 2% (All Population), 17% (High-Risk Population) N = 58
Employee Participation Rates by Program

More than 50% participation for biometric screening, HRA and preventive services

Average Employee Participation Rates

- Biometric Screening: 56% (N = 63)
- Health Risk Assessment: 56% (N = 67)
- Preventive Care Services/Screenings: 55% (N = 35)
- Activity Based Physical Activity Program: 34% (N = 31)
- Disease/Care Management Program: 14% (N = 28)
- Stress Management Program: 13% (N = 11)
- Smoking Cessation Program: 9% (N = 35)
- Weight Management Programs: 6% (N = 23)
Majority of Employers Track SP/DP Participation Rates

Spouse and domestic partner participation rates are lower than employees

![SP/DP Participation Tracking](attachment:image1)

![SP/DP Average Participation Rates](attachment:image2)
Program Impact on Employee Health and Costs

Employers report that condition and/or disease management programs have the greatest impact on health and costs.

Programs with Most Impact on Health and Costs¹

- Tools to engage consumers: 41%, 48%
- Condition and/or Disease Management Programs: 49%, 66%
- Risk and Lifestyle Management Programs: 42%, 42%
- Healthy Environment: 30%, 15%
- On-site Facilities: 41%, 32%

N = 83 to 93

¹Programs ranked on a scale of 1 = most impactful to 5 = least impactful. Percentage represents employer rankings of 1 or 2 for each program (highest impact).
Future Investment in Health Improvement
Employers Maintain Focus on Incentive Programs

Only 1% are considering removing incentive programs

Long-Term Incentive Strategy (3 to 5 Years)

- Plans to further expand incentive programs: 54% (2015), 57% (2014)
- Maintain the same incentive programs: 41% (2015), 36% (2014)
- Reduce incentive programs: 5% (2015), 3% (2014)
- Remove incentive programs: 1% (2015), 5% (2014)

N = 106 (2015)
Employers Consider Expanding or Maintaining Incentives
Even if they no longer provide health benefits

Role of Health Improvement

2015

- Expand at a greater level than we do currently: 21%
- Continue at the same level we do currently: 37%
- Continue at a reduced level: 7%
- No longer invest in this tactic: 34%

2014

- Expand at a greater level than we do currently: 15%
- Continue at the same level we do currently: 29%
- Continue at a reduced level: 5%
- No longer invest in this tactic: 48%

N = 101
Health Improvement Case Study
Health Improvement Case Study

Supporting employees every step of the way on their health and wellness journey

1. **Encourage physical activity**
   - Quarterly incentives for employees and spouses/domestic partners
   - Outcomes based incentives rewarding for progressing toward and maintaining a health goal
   - Physical activity challenges
   - Web-based and telephonic coaching

2. **Improve diet and nutrition**
   - HRA
   - Biometric Screenings
   - Web-based and telephonic lifestyle coaching
   - Physical activity challenges
   - Tobacco-free campus with smoking cessation program
   - Fitness device syncing with physical activity program
   - Mindfulness meditation programs

3. **Strengthen stress management skills**
   - Healthy Dining Cafeterias with discounts for healthy meals
   - On-site fitness center and group classes
   - Campus amenities (e.g., walking trails, basketball courts)
   - On-site health and wellness center with health coaches
   - On-site screenings, flu shots and health fairs
   - Healthy work stations (sit/stand desks, treadmills)

- Healthy advocacy
- Expert second opinion
- Disease management programs
# Health Improvement Case Study

Participation results to guide program successes

<table>
<thead>
<tr>
<th>Participant Activity</th>
<th>% of Eligibles</th>
<th>Healthy Lifestyles</th>
<th>% of Eligibles</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HRA &amp; Biometrics</strong></td>
<td></td>
<td><strong>Outcomes</strong></td>
<td></td>
</tr>
<tr>
<td>Completed Health Risk Assessment (EE)</td>
<td>64%</td>
<td>Low risk</td>
<td>72%</td>
</tr>
<tr>
<td>Completed Health Risk Assessment (SP/DP)</td>
<td>39%</td>
<td>Blood pressure screening</td>
<td>93%</td>
</tr>
<tr>
<td>Completed Onsite Biometric Screening</td>
<td>77%</td>
<td>Cholesterol screening</td>
<td>74%</td>
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<tr>
<td><strong>Healthy Lifestyle Programs</strong></td>
<td><strong>Healthy Behaviors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physical activity program</td>
<td>63%</td>
<td>Physically active</td>
<td>88%</td>
</tr>
<tr>
<td>Weight management program</td>
<td>35%</td>
<td>Eating nutritiously</td>
<td>80%</td>
</tr>
<tr>
<td>Stress management program</td>
<td>34%</td>
<td>Low or moderate risk for high stress</td>
<td>56%</td>
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<tr>
<td><strong>Achievements</strong></td>
<td><strong>Employee Satisfaction</strong></td>
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<tr>
<td>Earning full incentive amount by quarter</td>
<td>44%</td>
<td>Highly satisfied with wellness programs</td>
<td>79%</td>
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Select Survey Participants

<table>
<thead>
<tr>
<th>Advance Auto Parts</th>
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<th>Principal Financial Group</th>
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<td>Alcoa</td>
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<td>FMC Technologies</td>
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<td>Apex Tool Group</td>
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<td>GlaxoSmithKline</td>
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<td>Goldman Sachs</td>
<td>Synopsys, Inc.</td>
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<td>Harris Corporation</td>
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