

EMPLOYER HEALTH BENEFITS
2014 ANNUAL SURVEY

Wellness
Programs and
Health Risk
Assessments

SECTION

12

55%

\$6,025

\$16,834

2014

WELLNESS PROGRAMS AND HEALTH RISK ASSESSMENTS

A LARGE MAJORITY OF FIRMS OFFERING HEALTH BENEFITS OFFER SOME TYPE OF WELLNESS PROGRAM, WITH LARGE FIRMS (200 OR MORE WORKERS) BEING MORE LIKELY THAN SMALLER FIRMS (3-199 WORKERS) TO DO SO. THIRTY-SIX PERCENT OF LARGE FIRMS AND 18% OF SMALL FIRMS OFFERING AT LEAST ONE WELLNESS BENEFIT OFFER FINANCIAL INCENTIVES TO EMPLOYEES WHO PARTICIPATE IN WELLNESS PROGRAMS. THIRTY-THREE PERCENT OF FIRMS OFFER EMPLOYEES THE OPPORTUNITY TO COMPLETE HEALTH RISK ASSESSMENTS, WITH SOME OF THESE FIRMS TYING FINANCIAL PENALTIES OR REWARDS TO EMPLOYEES WHO DO SO. SOME EMPLOYERS HAVE INCREASED THE COMPLEXITY OF THEIR INCENTIVE PROGRAMS, AND ARE PROVIDING REWARDS AND/OR PENALTIES TO WORKERS WHO COMPLETE A RANGE OF ACTIVITIES INCLUDING HEALTH RISK ASSESSMENTS, BIOMETRIC SCREENING AND WELLNESS PROGRAMS. THE INTERACTIONS AMONG THESE PROGRAMS ARE DIFFICULT TO CAPTURE IN A SURVEY. ONLY FIRMS OFFERING HEALTH BENEFITS WERE ASKED ABOUT THEIR WELLNESS AND HEALTH PROMOTION PROGRAMS.

WELLNESS BENEFITS

For a variety of reasons, including efforts to improve health and lower costs, many employers and health plans offer wellness programs. Wellness programs may range from classes in nutrition or healthy living to a wellness newsletter.

- ▶ Seventy-four percent of firms offering health benefits offer at least one of the following wellness programs:
 - Weight loss programs
 - Biometric screenings
 - Gym membership discounts or on-site exercise facilities
 - Smoking cessation program
 - Lifestyle or behavioral coaching
 - Classes in nutrition or healthy living
 - Web-based resources for healthy living
 - Flu shot or vaccinations
 - Employee assistance program (EAP)
 - Wellness newsletter
- ▶ Large firms (200 or more workers) offering health benefits are more likely to offer each of the listed wellness programs than smaller firms. In addition, large firms (200 or more workers) offering health benefits are more likely to offer at least one of the listed wellness programs than smaller firms (98% vs. 73%) (Exhibit 12.3).
- ▶ The percent of large firms (200 or more workers) and small firms offering wellness programs is similar to last year.
- ▶ About half of firms offering health benefits offer flu shots or vaccinations (53%), a wellness newsletter (34%) or web-based resources for healthy living (39%). The offer rate for each type of wellness benefit included in the survey is presented in Exhibit 12.1, Exhibit 12.2 and Exhibit 12.3.
- ▶ Among firms offering health benefits and at least one wellness program, 74% report that most of the wellness benefits they offer are provided by the health plan (Exhibit 12.4).¹ Small firms (3 to 199 workers) are more likely than larger firms to report that most wellness programs are provided by the health plan (75% vs. 55%) (Exhibit 12.4). Some employers may have wellness programs offered by both the firm and their plan.

NOTE:

¹ The survey asks firms offering at least one wellness program if most of the wellness benefits are provided by the health plan or by the firm.

INCENTIVES FOR WELLNESS BENEFITS

- ▶ In order to encourage participation in wellness programs, firms may offer financial incentives to employees who participate.²
 - Nineteen percent of firms offering wellness benefits offer at least one of the following financial incentives for participating in a wellness program:
 - Lower premiums
 - Reduced cost sharing
 - Higher health reimbursement arrangement or HSA contributions
 - Gift cards, travel, merchandise, or cash
 - Large firms (200 or more workers) are more likely to offer these incentives for participating than smaller firms (36% vs. 18%) (Exhibit 12.5).
 - A small percentage of firms offering health benefits and at least one of the listed wellness programs offers *gift cards, travel, merchandise, or cash* (14%), *lower worker premium contributions* (8%) or *cost sharing (such as lower deductibles)* (1%) as an incentive to encourage employees to participate. Among firms that offer a high-deductible health plan paired with a HRA or HSA, 2% offer workers who participate in wellness programs receive higher HSA or HRA contributions (Exhibit 12.5).
- ▶ In addition to offering employees incentives to participate in wellness program, some employers offer incentives to employees who complete programs or activities. The Affordable Care Act allows employers to increase the size of their financial incentives for completing wellness programs. Under new rules, firms can increase an employee's premium contribution up to 30% of the cost of the plan for not completing wellness programs provided that the wellness program is reasonably designed and there are alternatives for employees who cannot meet the standard.

- Twelve percent of large firms offer a financial incentive to employees who complete a wellness program (Exhibit 12.7). Of these firms, 32% of employers reported that the maximum incentive an employee can be awarded for completing a wellness program is \$500 or more.
- ▶ Firms with one of the listed incentives above for participating in wellness programs (*lower premiums, reduced cost-sharing, higher HRA/HSA contributions or gift cards, travel, merchandise, or cash*) were asked how effective they believed incentives were for encouraging participation. Only 14% of firms offering health benefits and at least one of the listed wellness programs think that financial incentives are "very effective" in encouraging employees to participate. Large firms (200 or more workers) offering incentives for participating in wellness programs are more likely than smaller ones to believe incentives are "very effective" (33% versus 12%) (Exhibit 12.6).

HEALTH RISK ASSESSMENTS

Some firms give their employees the opportunity to complete a health risk assessment to identify potential health issues. Health risk assessments generally include questions about medical history, health status, and lifestyle.

- ▶ Overall, 33% of firms offering health benefits offer their employees the opportunity to complete a health risk assessment. Large firms (200 or more workers) are more likely than smaller firms to offer employees this option (51% vs. 32%) (Exhibit 12.8).
- ▶ Some firms offer financial incentives to encourage employees to complete health risk assessments.
 - Fifty-one percent of large firms (200 or more workers) offering health risk assessments give financial incentives to employees who complete a health risk assessment, and 36% of these offer a financial incentive that may be worth more than or equal to \$500 (Exhibit 12.10).

NOTE:

² Firms that offer only web-based resources or a wellness newsletter were not asked questions about any financial incentives provided.

- Three percent of large firms (200 or more workers) that offer health risk assessments require employees to complete a health risk assessment in order to enroll in a health plan (Exhibit 12.9).
 - Seven percent of large firms (200 or more workers) that provide employees the opportunity to complete a health risk assessment penalize employees with identified health risks factors who do not complete a wellness program (9%) (Exhibit 12.9).
- ▶ Among firms offering health benefits, the percentage of large firms (200 or more workers) who offer their employees the opportunity to complete a health risk assessment is similar to last year (Exhibit 12.14).

BIOMETRIC SCREENING

Biometric screening is a health examination that measures an employee's risk factors, such as cholesterol, blood pressure, stress, and nutrition. Biometric outcomes may include meeting a target body mass index (BMI) or cholesterol level.

- ▶ Twenty-six percent of small firms (3 to 199 workers) and 51% of larger firms offering health benefits offer biometric screenings as a wellness benefit (Exhibit 12.1).
- ▶ Firms which offer their employees biometric screenings may include additional incentives for those employees who complete screenings. Among large firms (200 or more workers) offering biometric screenings, one percent require employees to complete biometric screenings in order to enroll in a health plan (Exhibit 12.12).
- ▶ Among large firms (200 or more workers) offering biometric screenings, eight percent reward or penalize employees for meeting biometric outcomes. Of these firms 42% offer a maximum financial incentive of \$500 or more (Exhibit 12.13).

EXHIBIT 12.1

Among Firms Offering Health Benefits, Percentage Offering a Particular Wellness Program to Their Employees, by Firm Size, Region, and Industry, 2014

	Gym Membership Discounts or On-Site Exercise Facilities	Smoking Cessation Program	Web-based Resources for Healthy Living	Wellness Newsletter	Lifestyle or Behavioral Coaching	Biometric Screening [^]	Weight Loss Programs
FIRM SIZE							
3–24 Workers	22%*	19%*	30%*	28%*	15%*	23%*	14%*
25–199 Workers	41*	47*	63*	52*	43*	33	29*
200–999 Workers	61*	62*	76*	60*	55*	47*	46*
1,000–4,999 Workers	74*	71*	80*	63*	68*	66*	54*
5,000 or More Workers	80*	83*	89*	59*	76*	69*	69*
All Small Firms (3–199 Workers)	26%*	26%*	38%*	33%*	22%*	26%*	18%*
All Large Firms (200 or More Workers)	64%*	64%*	77%*	60%*	58%*	51%*	48%*
REGION							
Northeast	37%	33%	47%	29%	19%	24%	28%
Midwest	41*	32	57*	41	31	43*	19
South	17*	19	25*	24	23	13*	12
West	20	25	33	44	17	29	18
INDUSTRY							
Agriculture/Mining/Construction	23%	9%*	20%*	40%	12%*	59%*	5%*
Manufacturing	43	42	50	43	18	30	35
Transportation/Communications/Utilities	38	25	36	42	22	57	13
Wholesale	28	50	45	50	39	43	3*
Retail	8*	8*	27	12*	28	9*	5*
Finance	35	28	43	35	33	12	13
Service	28	29	41	39	18	19	23
State/Local Government	24	25	76*	46	58*	41	19
Health Care	34	34	42	19*	31	29	24
ALL FIRMS	28%	27%	39%	34%	23%	27%	19%

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.

* Estimate is statistically different within type of wellness program from estimate for all other firms not in the indicated size, region, or industry category ($p < .05$).

[^] Biometric screening is a health examination that measures an employee's risk factors such as cholesterol, blood pressure, stress, and nutrition.

NOTE: The offer rates for additional types of wellness programs are presented in Exhibit 12.2.

EXHIBIT 12.2

Among Firms Offering Health Benefits, Percentage Offering a Particular Wellness Program to Their Employees, by Firm Size, Region, and Industry, 2014

	Employee Assistance Program (EAP)	Flu Shots or Vaccinations	Class in Nutrition/Healthy Living	Offer at Least One Specified Wellness Program ‡	Other Wellness Program
FIRM SIZE					
3–24 Workers	21%*	46%*	18%	68%*	2%*
25–199 Workers	45*	70*	23	90*	11*
200–999 Workers	77*	86*	45*	97*	14*
1,000–4,999 Workers	86*	91*	54*	100*	19*
5,000 or More Workers	92*	90*	66*	100*	24*
All Small Firms (3–199 Workers)	27%*	52%*	19%*	73%*	4%*
All Large Firms (200 or More Workers)	79%*	87%*	47%*	98%*	15%*
REGION					
Northeast	25%	45%	17%	72%	4%
Midwest	41	65	22	81	5*
South	18*	53	18	63	5
West	32	48	23	80	4*
INDUSTRY					
Agriculture/Mining/Construction	36%	29%*	8%*	79%	4%
Manufacturing	21	55	15	67	6*
Transportation/Communications/ Utilities	38	48	19	84	12*
Wholesale	38	50	28	76	4
Retail	21	44	8*	71	5
Finance	36	61	22	71	3
Service	25	45	17	65	4
State/Local Government	54	77	28	85	8
Health Care	30	92*	44	99*	4
ALL FIRMS	29%	53%	20%	74%	5%

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.

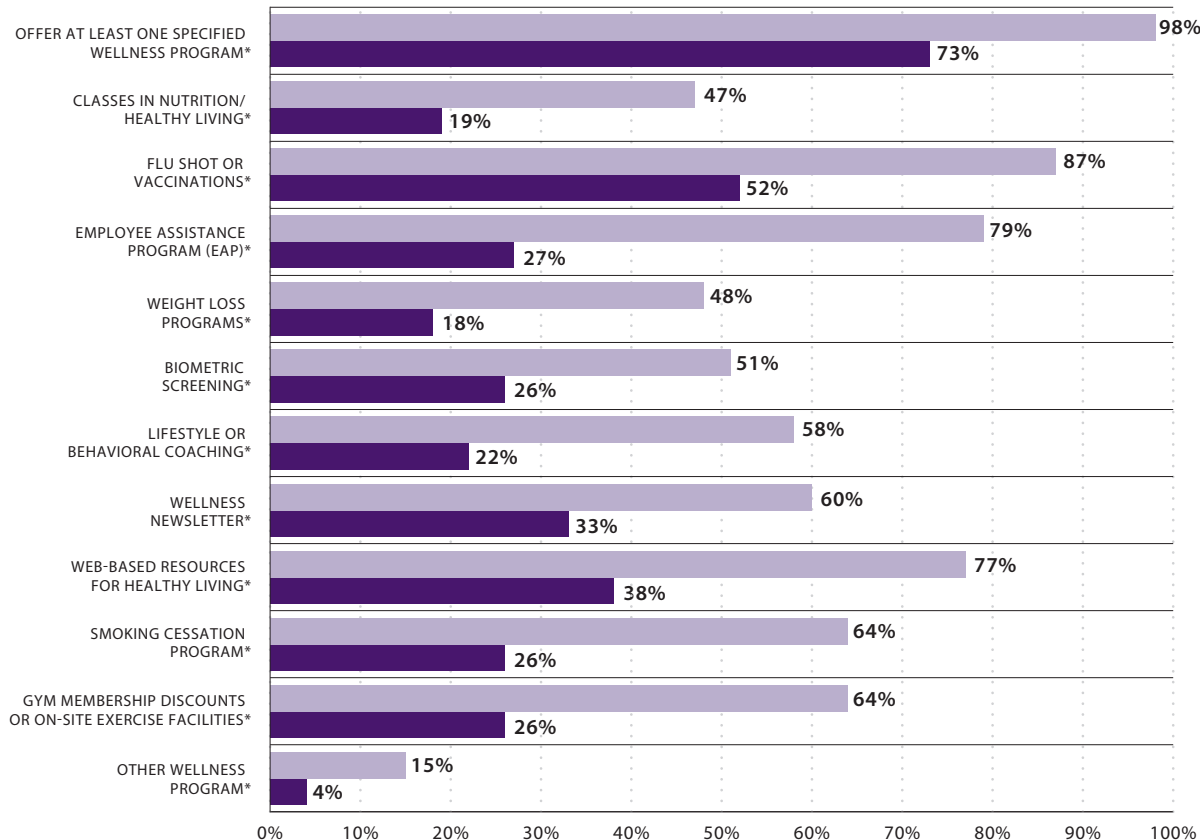
* Estimate is statistically different within type of wellness program from estimate for all other firms not in the indicated size, region, or industry category ($p < .05$).

‡ Includes the following wellness programs: weight loss programs, biometric screenings, gym membership discounts or on-site exercise facilities, smoking cessation program, lifestyle or behavioral coaching, classes in nutrition or healthy living, web-based resources for healthy living, flu shot or vaccination, employee assistance program (EAP), or a wellness newsletter. Respondents were given the option to reply that they offer another type of wellness benefit through an open-ended question.

NOTE: The offer rates for additional types of wellness programs are presented in Exhibit 12.1.

EXHIBIT 12.3

Among Firms Offering Health Benefits, Percentage Offering a Particular Wellness Program to Their Employees, by Firm Size, 2014



SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.

ALL LARGE FIRMS (200 OR MORE WORKERS)
ALL SMALL FIRMS (3-199 WORKERS)

* Estimate is statistically different between All Small Firms and All Large Firms within category (p<.05).

^ Biometric screening is a health examination that measures an employee's risk factors such as cholesterol, blood pressure, stress, and nutrition.

EXHIBIT 12.4

Among Firms Offering Health and Wellness Benefits, Percentage of Firms Providing Wellness Benefits Through the Plan or Firm, by Firm Size and Region, 2014

	Most Wellness Benefits Are Provided by the Health Plan or Firm
FIRM SIZE	
3–24 Workers	74%
25–199 Workers	77
200–999 Workers	56*
1,000–4,999 Workers	47*
5,000 or More Workers	46*
All Small Firms (3–199 Workers)	75%*
All Large Firms (200 or More Workers)	55%*
REGION	
Northeast	82%
Midwest	78
South	48*
West	86*
ALL FIRMS	74%

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.

* Estimate is statistically different from estimate for all other firms not in the indicated size or region ($p < .05$).

NOTE: The survey asked these questions to firms offering at least one of the following wellness programs: “weight loss programs,” “gym membership discounts or on-site exercise facilities,” “smoking cessation programs,” “personal health coaching,” “classes in nutrition or healthy living,” “biometric screening,” “flu shots or vaccinations,” or “Employee Assistance Programs.”

EXHIBIT 12.5

Among Firms Offering Health and Wellness Benefits, Percentage of Firms That Offer Specific Incentives to Employees Who Participate in Wellness Programs, by Firm Size and Region, 2014

	Workers Pay Smaller Percentage of the Premium	Workers Have Smaller Deductible	Receive Higher HRA or HSA Contributions [†]	Receive Gift Cards, Travel, Merchandise, or Cash	Any Financial Incentive to Participate in Wellness Program ~
FIRM SIZE					
3–24 Workers	8%	1%	0%*	12%*	16%*
25–199 Workers	6	2	9*	23	28
200–999 Workers	11	3	6*	22	32*
1,000–4,999 Workers	24*	3*	14*	31*	51*
5,000 or More Workers	23*	6*	17*	34*	55*
All Small Firms (3–199 Workers)	8%	1%*	2%*	13%*	18%*
All Large Firms (200 or More Workers)	14%	3%*	8%*	24%*	36%*
REGION					
Northeast	3%	1%	1%	18%	19%
Midwest	3	1	4	18	22
South	4	3	1	5*	10
West	18	<1*	1	15	23
ALL FIRMS	8%	1%	2%	14%	19%

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.

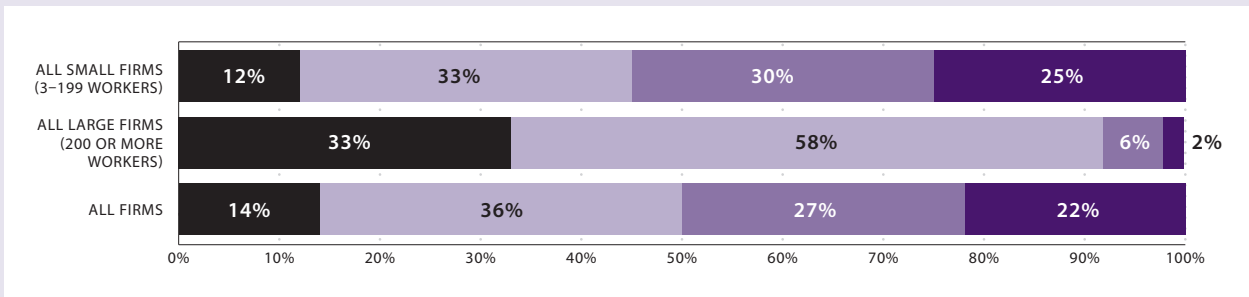
* Estimate is statistically different within type of incentive from estimate for all other firms not in the indicated size or region ($p < .05$).

~ Any financial incentive indicates firms that offer employees who participate in wellness programs one of the following incentives: smaller premium contributions, smaller deductibles, higher HRA or HSA contributions, or gift cards, travel, merchandise, or cash.

† Only firms that offer an HDHP/HRA or HSA-qualified HDHP were asked if participating employees receive higher HRA/HSA contributions as an incentive to participate in wellness programs.

EXHIBIT 12.6

Among Offering Firms that Provide Incentives to Employees Who Participate in Wellness Programs, Firms' Opinions on How Effective Incentives are for Employee Participation, by Firm Size, 2014



SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.

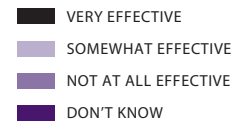


EXHIBIT 12.7

Among Large Firms (200 or More Workers) that Offer Health and Wellness Benefits, the Percentage that Offer Incentives for Completing Wellness Programs and the Maximum Value of the Incentive, by Firm Size, 2014

FIRM SIZE	Percentage of Large Firms (200 or More Workers) with an Incentive for Completing Wellness Programs	Among Large Firms (200 or More Workers) with an Incentive for Completing Wellness Programs, Maximum Value of Incentive	
		Less Than \$500	More Than or Equal to \$500
200-999 Workers	11%*	66%*	34%*
1,000-4,999 Workers	15*	73	27
5,000 or More Workers	16*	73	27
ALL LARGE FIRMS (200 or More Workers)	12%*	68%*	32%*

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.

* Estimate is statistically different from all firms not in the indicated size or region category (p<.05).

EXHIBIT 12.8

Among Firms Offering Health Benefits, Percentage of Firms That Offer Employees the Opportunity to Complete a Health Risk Assessment, by Firm Size, Region and Industry, 2014

	Offer Employees Opportunity to Complete Health Risk Assessment
FIRM SIZE	
3–24 Workers	31%
25–199 Workers	34
200–999 Workers	47*
1,000–4,999 Workers	66*
5,000 or More Workers	77*
All Small Firms (3–199 Workers)	32%*
All Large Firms (200 or More Workers)	51%*
REGION	
Northeast	36%
Midwest	41
South	44
West	10*
INDUSTRY	
Agriculture/Mining/Construction	34%
Manufacturing	32
Transportation/Communications/Utilities	45
Wholesale	54
Retail	27
Finance	43
Service	29
State/Local Government	28
Health Care	35
ALL FIRMS	33%

SOURCE:

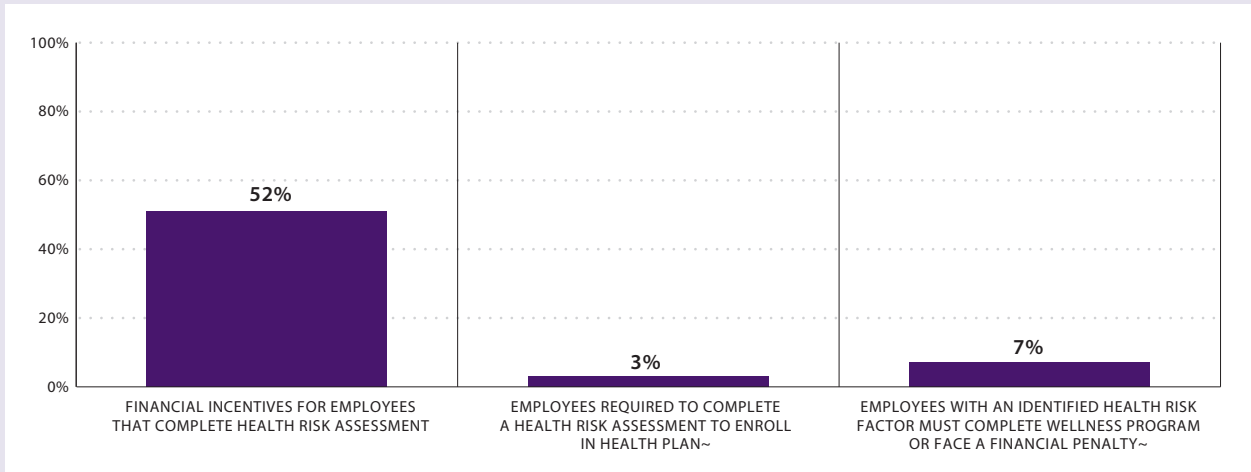
Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.

* Estimate is statistically different from all firms not in the indicated size or region category ($p < .05$).

NOTE: A health risk assessment or appraisal includes questions on medical history, health status, and lifestyle and is designed to identify the health risks of the person being assessed.

EXHIBIT 12.9

Among Large Firms (200 or More Workers) That Offer Health Benefits and Provide Employees the Opportunity to Complete a Health Risk Assessment, The Percentage of Firms that Have Incentives and Penalties for Various Employee Actions, by Firm Size, 2014



SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.

~ All Small Firms (3-199 Workers) estimates for these categories have large relative standard errors, indicating a high level of variability.

EXHIBIT 12.10

Among Large Firms (200 or More Workers) That Offer Health Benefits and Provide Employees the Opportunity to Complete a Health Risk Assessment, the Percent that Offer Financial Incentives Upon Completion and the Maximum Value of the Incentive, 2014

FIRM SIZE	Percentage of Large Firms (200 or More Workers) Offering Financial Incentives to Employees that Complete a Health Risk Assessment	Among Large Firms (200 or More Workers) Offering Financial Incentives for Completing Health Risk Assessment, Maximum Value of Incentive	
		Less Than \$500	More Than or Equal to \$500
200-999 Workers	46%*	63%	37%
1,000-4,999 Workers	64*	67	33
5,000 or More Workers	64*	52	48
ALL LARGE FIRMS (200 or More Workers)	51%*	64%	36%

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.

* Estimate is statistically different from all firms not in the indicated size or region category (p<.05).

NOTE: All Small Firms (3-199 Workers) are not shown due to large relative standard errors, indicating a high level of variability.

EXHIBIT 12.11

Among Large Firms That Offer Health Benefits and Provide Employees the Opportunity to Complete a Health Risk Assessment, the Percent that Require Employees with an Identified Health Risk Factor to Complete a Wellness Program or Face a Financial Penalty and the Maximum Value of the Penalty, by Firm Size, 2014

FIRM SIZE	Percentage of Large Firms Requiring Employees with Identified Health Risk Factors to Complete a Wellness Program or Face a Financial Penalty	Among Large Firms that Require Financial Penalties, Maximum Value of Penalty	
		Less Than \$500	More Than or Equal to \$500
1,000–4,999 Workers	9%	33%*	67%*
5,000 or More Workers	12	43*	57*
ALL LARGE FIRMS (200 or More Workers)	7%	29%*	71%*

SOURCE:

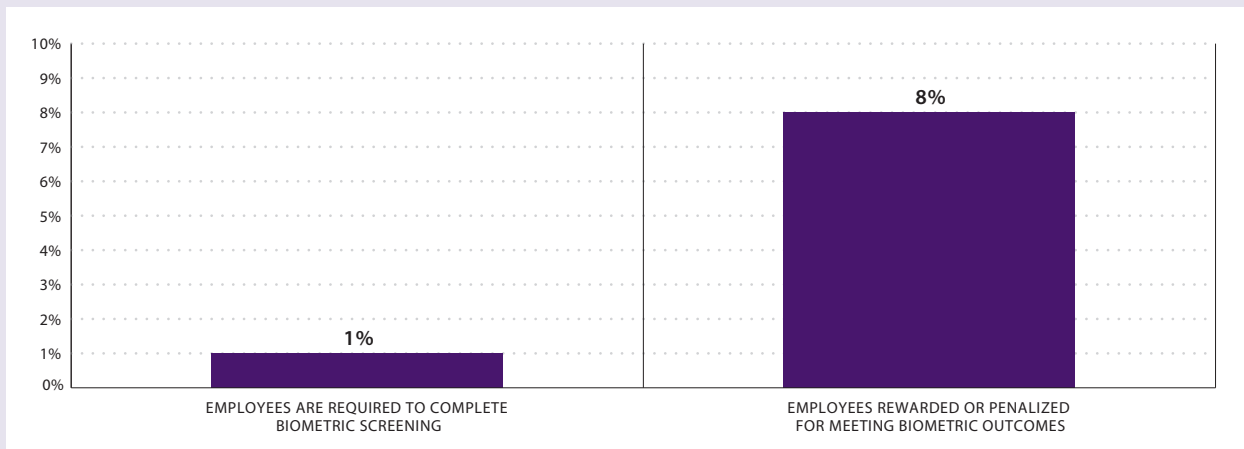
Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.

* Estimate is statistically different from all firms not in the indicated size category ($p < .05$).

NOTE: Estimates for firms with 200 to less than 1,000 employees are not shown due to large relative standard errors, indicating a high level of variability.

EXHIBIT 12.12

Among Large Firms (200 or More Workers) Offering Health Benefits and Biometric Screenings, the Use of Incentives or Penalties for Various Activities, 2014



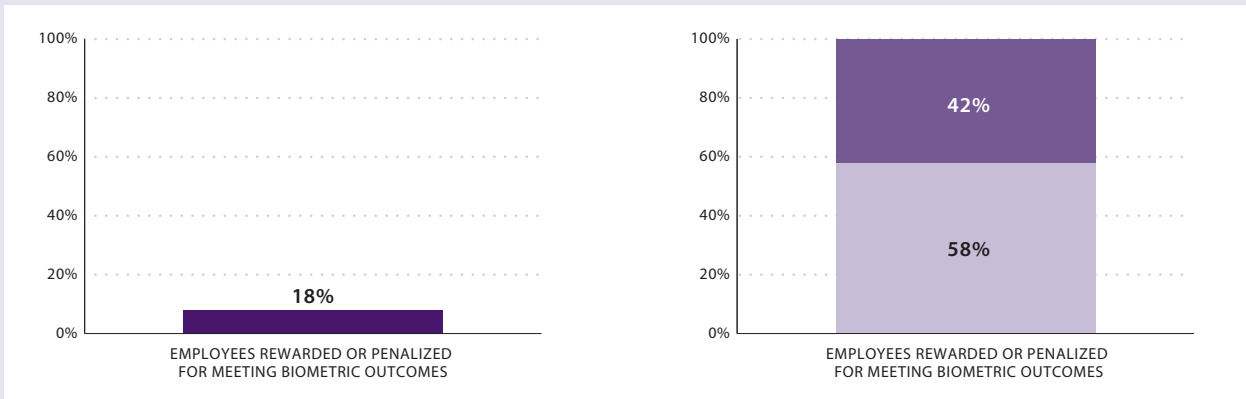
SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.

NOTE: Biometric screening is a health examination that measures an employee's risk factors. Biometric outcomes could include meeting a target body mass index (or BMI) or cholesterol level but not goals related to smoking. Twenty-six percent of Small Firms and 51% of Large Firms offer biometric screening as a wellness benefit (Exhibit 12.1).

EXHIBIT 12.13

Among Large Firms (200 or More Workers) Offering Health Benefits and Biometric Screenings, the Use and Value of Incentives, 2014



SOURCE:

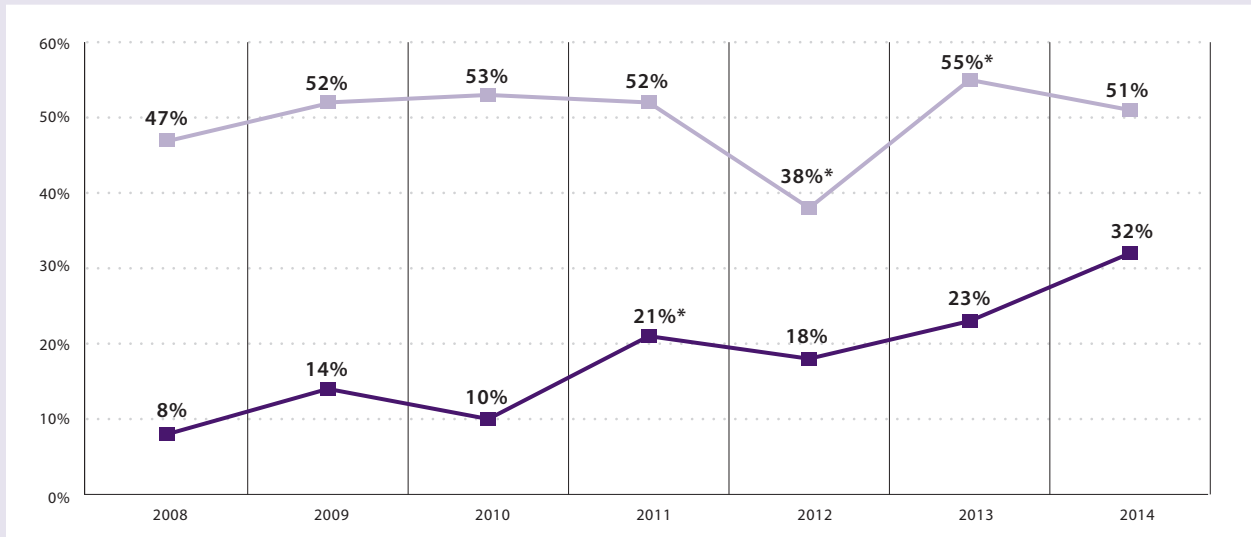
Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.

NOTE: Biometric screening is a health examination that measures an employee's risk factors. Biometric outcomes could include meeting a target body mass index (or BMI) or cholesterol level but not goals related to smoking.

- FINANCIAL INCENTIVE WORTH MORE THAN OR EQUAL TO \$500
- FINANCIAL INCENTIVE WORTH LESS THAN \$500

EXHIBIT 12.14

Among Firms Offering Health Benefits, Percentage of Firms That Offer Employees the Opportunity to Complete a Health Risk Assessment, by Firm Size, 2008-2014



SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2000-2014.

* Estimate is statistically different from estimate for the previous year shown (p<.05).

- ALL SMALL FIRMS (3-199 WORKERS)
- ALL LARGE FIRMS (200 OR MORE WORKERS)