



# BENEFIT *Advisor*

## In This Issue

*In this fifth issue of the McGrawWentworth Benefit Advisor for 2007, we examine ideas to engage employees. As organizations review a variety of strategies to improve employee health and health plan utilization, getting employees on board with any change is a struggle. The problems related to employee health will not be corrected on their own, both employers and employees must step up to improve health and health plan utilization.*

*How to involve employees in the problem is a struggle. There is no exact formula for engaging employees and facilitating change. This Advisor will provide a number of suggestions to help employers re-involve employees in their health and the health plan.*

*We welcome your comments and suggestions regarding this issue of our technical bulletin. For more information on this Benefit Advisor, please contact your Account Manager or visit the McGrawWentworth web site at [www.mcgrawwentworth.com](http://www.mcgrawwentworth.com).*

## “Engaging Employees”

All employers are struggling to make employees aware that health care and lifestyle choices affect not only employees but also the whole organization. The idea that employee health impacts many areas of an organization has received significant press over the last several years:

- Many organizations are working with employees to help them use their health plan benefits wisely. Clearly, employees that understand how to effectively use benefits are a great asset to any organization.
- The effect of employee health on productivity is another key issue many organizations are investigating. Newer studies show employees working at less than their full capacity reduce productivity and cost the organization money.
- Absenteeism because of health related issues also affects profitability.

Employee health has become a key issue because it touches so many aspects of productivity and profitability. While many now recognize it as a major issue, no single method has been proven to effectively solve the “employee health” problem.

Employers are tackling employee health concerns in many ways. Their strategies range from full blown wellness plans, consumer driven health plans, value driven plan designs and incentives to use cost effective providers. Whichever strategy an organization uses, it will be faced with the inevitable challenge of engaging employees to embrace the new philosophy.



Unfortunately, a sure-fire process for engaging employees does not now and probably never will exist. Different strategies are going to appeal to different employees; thus the process of engaging employees will be a hit-and-miss proposition. Some tactics will have an immediate effect and others will prove successful later.

This *Advisor* investigates a variety of ideas to help your organization engage employees, including:

This *Advisor* investigates a variety of ideas to help your organization engage employees, including:

- Readiness for Change
- Communication Strategies
- Push Strategies
- Incentives for Employees
- Pay Offs for “Engaging Employees”

Engaging employees is more art than science. Various areas of your orga-

nization will have to work to implement programs to engage employees. This process should touch employees throughout the year. It really becomes an aspect of corporate culture that will infiltrate your organization from top to bottom.

### Readiness for Change

Employers have a vested interest in keeping their employees healthy. To help their employees maintain a healthful lifestyle, they offer a variety of programs including:

- Programs to help smokers “quit the nic.” Sometimes, these are passive programs meant to be a resource for employees trying to quit smoking.



But some employers are getting far more aggressive, using strategies such as charging smokers more for health coverage, creating completely non-smoking workplaces and even terminating the employment of some smokers.

- Programs to help employees control their weight, such as nutrition counseling, Weight Watchers and others.
- Programs to encourage employees to increase their physical activity, from subsidized gym memberships to on-site wellness centers and exercise classes.

Some employees will embrace these programs while others that could clearly benefit from these em-

ployer-sponsored programs will not participate. Many employers believe that “if you build it, employees will come,”, unfortunately, that is not always the case. It is frustrating to know workers could benefit from a program, but choose not to participate. Employers wonder “why” some employees embrace these opportunities while others shy away from them.

The fact is employees are at different stages when it comes to a willingness to change. It is easy to understand; all of us have areas of our lives that we know could use improvement. Sometimes we make changes immediately and other times it may take years until we make a change. The effectiveness of certain strategies for change depends on whether employees have decided they are ready to change.

This process is referred to as the Prochaska process and it includes five stages to change:

1. **Pre-contemplation:** Not yet thinking a change is needed.
2. **Contemplation:** Thinking of change and planning to take action within the next six months.
3. **Preparation:** Preparing to make the changes in the next 30–45 days.
4. **Action:** Actively making the change in lifestyle.
5. **Maintenance:** Maintaining the lifestyle change and understanding there is a chance of relapse into the poor behavior.

The key to successfully engaging employees to make lifestyle changes is recognizing that at any given moment, your employees are at different Prochaska stages. Your communication strategy should be to draw employees in at all of these stages. An example of targeting different Prochaska stages for a healthy weight and improved nutrition program might include the following components:

1. General health information on the importance of good nutrition and healthy weight (pre-contemplation).
2. Tips on easy nutritional substitutes, such as fresh lemon juice on salad instead of dressing or whole wheat toast instead of a salt bagel and so on. These quick tips could be offered through the organization’s intranet site or payroll stuffers (contemplation).
3. Useful, practical tips from a nutritionist on menu planning or access to Weight Watchers programs at work (preparation).
4. Healthful choices at the cafeteria, biggest loser contests and so on (action).
5. Healthful potlucks with recipe exchanges, monthly “lunch and learns” focused on nutrition and healthy eating (maintenance).

To engage employees, you must first encourage employees to make changes, such as controlling weight and improving nutrition or learning how to be better consumers of health care. Next, you’ll need to lay out the five Prochaska stages and design action plans to reach employees at each stage.

The targeted strategies should be designed to begin at various times throughout the entire year and not just at open enrollment or the beginning of the plan year. The idea is to keep your employee aware of your goals both consciously and subconsciously.

### Communication Strategies

A significant aspect of changing behavior will be communicating with your employees. To encourage behavior change, first establish the goals of your program. The goals may be very broad. For example, organizations want their employees to:

- Take responsibility for their health. Employees may begin with knowing their cholesterol, blood pressure, and blood sugar levels, and so on. Once employees are aware of potential health problems, they may take the necessary steps to achieve a healthful lifestyle.
- Make informed decisions about the care they need.
- Spend health care dollars judiciously by using the most cost-effective resources.
- Become a more confident partner in managing health care by learning how to discuss problems and treatment options with physicians.

Employers can follow a 12-step approach to help employees meet their goals. The specific messages will vary depending on your organization's goals. These steps can be customized to those specific goals:

1. *Make a year-round effort:* The effort must be evergreen. Most people have a short

attention span; your communications will be most effective if employees receive the information when they are ready to use it.

2. *Take a long-term view.* Employee health problems are not going to be solved easily. Employers have spent decades removing employees from the process of seeking health care and historically, employers have not paid much attention to employee health. Re-engaging employees will be a long drawn out process.
3. *Determine a baseline.* Nothing loses an audience more quickly than communications that are either difficult to understand or obvious to most people. When you determine a communication goal, it makes sense to know your audience.
4. *Secure management buy-in:* The process of engaging employees will be a company culture changing experience. Senior management has to be on board supporting your efforts to engage employees.
5. *Align communication with your health plan design:* Connect your message to your health plan design, whenever appropriate. For example, if your message is to encourage employees to seek recommended cancer screenings, include information on how the health plan covers such screenings.
6. *Encourage wellness, but don't forget managing chronic disease:* Keeping employees well should be a key focus.



However, every organization has employees living with chronic conditions. Health care costs for employees successfully managing chronic conditions are significantly lower than the costs for employees who are not effectively managing the condition. It makes sense to offer information on programs to manage chronic conditions.

7. *Communicate the true cost and value of your benefit plan:* This strategy is two-pronged. First, issue an employee benefit statement to show benefit cost as a component of pay. Second, communicate the value of benefits. This strategy uses explanation of benefit letters and other cost transparency techniques to remind employees of the value of their benefits.
8. *Incorporate all available resources:* Employee health and accountability have been global issues in many organizations. Health plans, wellness vendors and other organizations offer a variety of web-based tools to help employees manage their health. Do an inventory of all the resources available to your employees and use those resources as much as possible during the communication process.
9. *Focus on tax-savings opportunities:* Many strategies to reinvolve employees in the cost of care involve a variety of tax-saving vehicles. Make sure your employees understand the advantage of a tax-

preferred dollar, and if your organization sponsors a consumer driven health plan with a health savings account or a health reimbursement arrangement, make sure resources are available to help your employees understand these complex arrangements.

10. *Communicate in stages:* To change behavior, your organization may need to convince employees change is necessary. It is rare that an organization will request a change and see it happen immediately. Employees are going to want to know why they need to change. Once they understand the need, they will become more willing to make the change.



11. *Secure all resources that can help:* Both your health plan and the Internet offer a plethora of resources depending on the behavior you are trying to change. Once you have the resources, offer access to these resources from one point, usually your organization's Intranet site.

12. *Personalize and target communications whenever possible:* To change an individual's behavior, it makes sense to target your audience. For example, if your organization wants to increase the number of participants getting routine mammograms, your health plan should identify the women old enough to get mammograms and send them a personalized reminder every year.

Communication is the key to engaging employees. It is a year around activity. To keep employees interested, vary the media and the format throughout the year. For example, you can email some materials, use payroll stuffers for quick messages, or use tag lines with automatic signatures to integrate messages into individual's consciousness. In addition, different media will appeal to different people. Varying the method and timing of your messages will help keep your employees interested. People learn in many different ways. Since your employee base includes all types of people, vary your approach to appeal to different learning styles.

Develop multi-year communication plans to make sure your organization is engaging employees throughout the year. Topics and messages can change depending on the key issues facing your group, but planning regular communications will give your organization the best opportunity to engage employees.

### Push Strategies

Many employers have built their employee engagement plans on the 'pull' philosophy. The organization will pull employees to resources, and they will make the necessary changes to help the whole organization. In theory it sounds good, but employers who have taken this route have discovered pretty quickly, if you build it, they may not come.

Great West Health Care's 2006 Consumer Attitude Survey shows employers have their work cut out for

them if they are attempting to get employees to use tools to become a better consumer:

- Half of respondents sign into their health plan's website only a few times a year; 32% never sign in.
- Only 14% of respondents had seen or used the provider search tools on their health plan's website.
- Half of respondents report their employers offer detailed information on plan coverage, but only 20% have used it.
- Just under half report a nurse line is always available to them, but just 13% have used the service.
- One-fourth state their employer offers online quality comparisons among health care providers and a mere 5% report using that tool.

This news is depressing for employers trying to encourage employees to use the "tools of engagement." However the predominant strategies in directing employees to these resources were pull strategies. Employers would merely add links to these resources and offer them at open enrollment. This approach is really too passive to change behavior effectively.

For this reason employers are using "push" strategies more and more to force the issue. Although push strategies are more aggressive than previous strategies, they are more likely to achieve results. Push strategies can vary widely depending on the goal. These strategies could include:

- Automatically enrolling employees in disease management programs if their health

condition warrants it. Employees may choose to disenroll, but a forced enrollment in a disease management program is more likely to successfully engage a participant. Employees hate to change the status quo. Automatic enrollment in these programs forces employees to participate. Once you automatically enroll a qualified individual, the path of least resistance becomes staying in the plan, and most people prefer the path of least resistance.

- Sending employees a link and walking them through the process for accessing the information when they ask a question answered on the vendor site.
- Sending plan participants on a “scavenger hunt” for various tools available to them on vendor sites during a slow quarter. Have them find various things using the variety of tools available. Offer an incentive to complete the “hunt.”

Push strategies are designed to force the issue. Your goal is not to allow the status quo and to force employees to make some change to the targeted behavior.

Most employees are not comfortable using tools and taking accountability for their health. People tend to resist change. Working through that resistance will be a slow process but should ultimately be successful. For example, look at employers' efforts to educate employees about two key issues: prescription drugs and the total cost of health care as a business expense. Many employers have spent the last five years focusing on helping employees un-

derstand the “true cost” of health care and also the effect generics can have on managing pharmacy costs. These efforts have been largely successful.

### Incentives for Employees

Whenever organizations request a change, the first thought of many employees will be “what’s in it for me?” Incentives will play a key role in changing behavior. A significant amount of incentive discussion involves wellness activities, but employers can use incentives for other behavior changes as well.

Let’s start with a discussion of wellness plan incentives. Many studies support the use of incentives to encourage employees to participate in wellness plans. Without incentives, organizations can expect a participation rate of between 25% and 50%. With the right mix of incentives and senior management support, the participation rate increases to 80% or 90%.

If possible, employers should offer financial rewards for participation. One common reward is a reduced health plan premium. Studies show reducing the health premium amount by \$25 a month for employees participating in wellness programs encourages employees to enroll. Other financial incentives can also be effective. These incentives can take a variety of forms:

- Smoker and non-smoker premium contributions for health plan participation.
- Additional cash bonus incentives for recommended preventive and cancer screen-

ings, such as mammograms, pap smears, PSAs and so on.

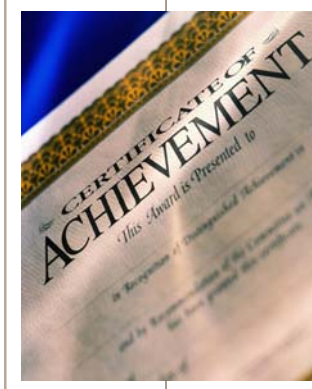
- Rewards for completing an annual physical with an HRA.
- Incentives to exercise regularly.
- Award for completing various wellness programs (such as nutrition classes, meeting with a personal trainer, using a health coach and so on).
- Incentives to participate in community-based events, such as walks for breast cancer, heart disease, MS and other health-based charitable endeavors.

Wellness incentives do not always need to have a large monetary value. Your organization can be very creative in determining rewards. One idea would be issuing a

wellness scorecard. On the scorecard include the aspects of your wellness program you want to encourage employees to complete. One task might be “to complete an HRA” and allow that to be worth a \$25 health plan premium reduction or a \$100 gift card to the local

mall. The second item might be to exercise at least three hours a week, with a \$10 gift certificate to Mr. Pita every quarter as a reward. You can design the tasks on your wellness scorecard to offer incentives in the areas that need the most attention.

Incentives can change employee behavior in other areas as well. For example, your goal under the health plan may be to encourage employees to use generic drugs. In this



case the best incentive is to first create a meaningful difference in copays between generic and brand name drugs. Then offer your employees an easy-to-use Internet site listing the generics available. Some employers have gone so far as to cover only the generic, if one is available. Studies have shown, these types of incentives increase the use of generics, saving your plan and your employees money.

Other incentives may encourage employees to participate in disease management programs. Disease management programs help employees manage chronic conditions. A well-managed chronic condition results in lower health plan costs, lower absenteeism and happier employees. Getting employees involved with disease management programs often involves providing incentives. For example, to encourage patients with diabetes to participate in a disease management program, a plan could offer to cover diabetic testing supplies at 100%.

Use your imagination when you decide on incentives. Company t-shirts, Starbucks gift cards, movie passes and so on are relatively low cost items that can be used to help

encourage employees to make small lifestyle changes that may have big impact on your organization over time.

### Conclusion

Employers interested in engaging employees and improving their employees' health are taking a holistic approach. The message is two-fold: your well-being matters to us and your health affects our organization on many levels. The key to success is finding a way to engage your employees fully in the process.



The issue of engaging employees is somewhat nebulous. However, employers are charging ahead with detailed communication programs, aggressive strategies to involve employees more with their health, and incentives for participation in various programs or for achieving certain health goals.

Even though the process is not perfected, employers really should not be sitting on the sidelines of employee engagement. The efforts your organization makes will affect your employees and subsequently your organization.

Be wary of using strategies that may be too aggressive. HIPAA non-discrimination rules provide guidelines for wellness plan incentives that reward the achievement of a specific health measure. Also, if your plan is very aggressive, it may violate certain ADA provisions. If you want to take aggressive actions to "engage" employees, it would be wise to review your plan with legal counsel.

Putting together a plan to engage your employees in understanding your health plan and improving their health will be a bit of work. However, if your strategies are effective, your employees will be more aware of the health care delivery system and the importance of maintaining good health. In the long-run, the better your organization is able to engage your employees, the more likely it is you will see improvements in health plan cost, productivity, absence management as well as a more positive work environment.

If you have any questions regarding engaging your employees, please contact your McGraw Wentworth Account Director.

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