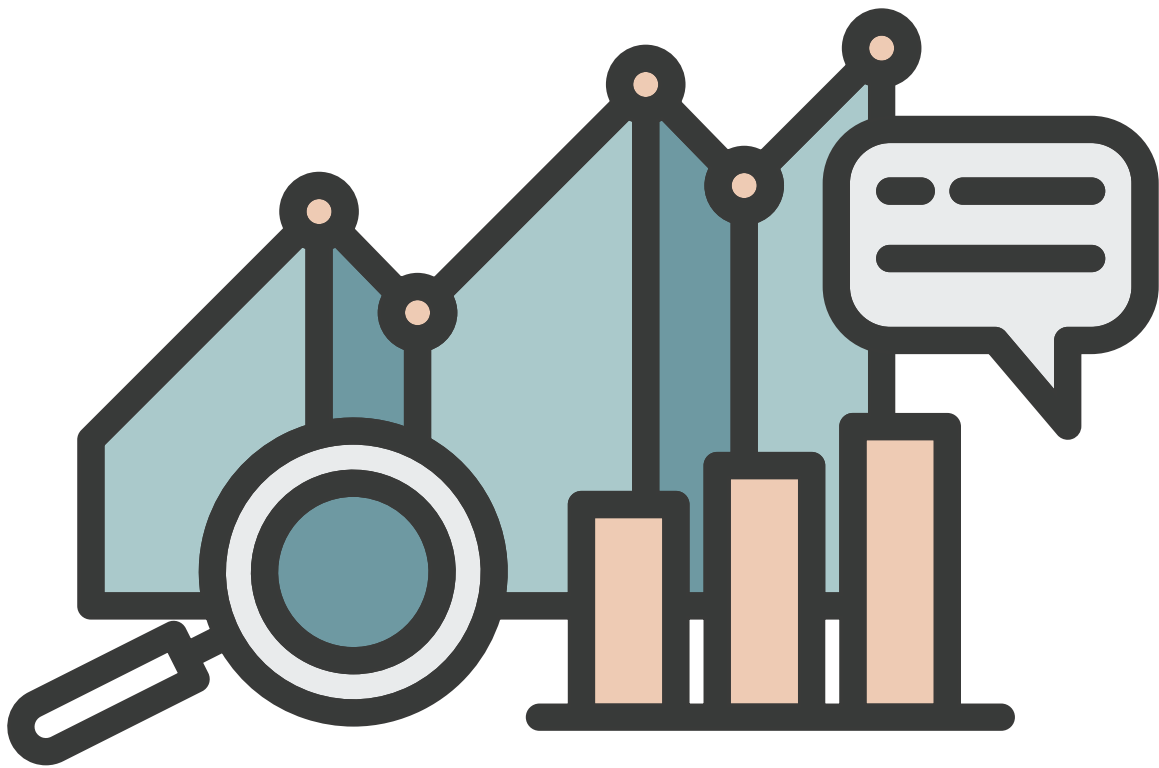


Communicating the Value of
**YOUR WELLNESS
PROGRAM**



AN EXPERT INTERVIEW WITH JESSICA GROSSMEIER



COMMUNICATING THE VALUE OF YOUR WELLNESS PROGRAM

with

JESSICA GROSSMEIER

ABOUT JESSICA GROSSMEIER, PhD, MPH



Dr. Jessica Grossmeier is Vice President of Research at the Health Enhancement Research Organization (HERO), where she oversees the direction and execution of the HERO research agenda. This includes providing research expertise and consultation to HERO study committees, serving as HERO's research liaison to external contractors and study collaborators, and serving as Principal Investigator for HERO-sponsored research studies.

Prior to joining HERO, Grossmeier served a variety of research roles which included oversight of research on best practices and outcomes associated with workplace health and well-being programs. She also has served in academic research and teaching roles at the University of Minnesota and the University of Phoenix.

As a workplace health promotion thought leader with 25 years of experience advancing individual and population health, she has contributed to more than 50 published papers and regularly presents at national industry conferences. She enjoys contributing to the field by mentoring emerging leaders, serving as a judge for industry award programs, serving in advisory or board roles and as Co-Editor of The Art of Health Promotion, the practitioner section of the American Journal of Health Promotion.

ABOUT RYAN PICARELLA, MS



As President of WELCOA, Ryan works with communities and organizations around the country to ignite social movements that will improve the lives of all working people in America and around the world. With a deep interest in culture and sociology, Ryan approaches initiatives from a holistic perspective that recognizes the many paths to well-being that must be in alignment for long-term healthy lifestyle behavior change. Ryan brings immense knowledge and insight to WELCOA from his background in psychology

and a career that spans human resources, organizational development and wellness program and product design. Prior to joining WELCOA, Ryan managed the award winning BlueCross BlueShield of Tennessee (BCBST) Well@Work employee wellness program, a 2012 C. Everett Koop honorable mention awardee. Since relocating to Nebraska, Ryan has enjoyed an active role in the community, currently serving on the Board for the Gretchen Swanson Center for Nutrition in Omaha. Ryan has a Master of Science in Industrial and Organizational Psychology from the University of Tennessee at Chattanooga and a Bachelor of Science in Psychology from Northern Arizona University.

It is more critical than ever that health promotion professionals be able to communicate the true value of the programs and services they provide. WELCOA President Ryan Picarella sat down with Jessica Grossmeier and Vice President of Research at Health Enhancement Research Organization (HERO), to discuss the Value of Investment (VOI) for employee health promotion. Keep reading to hear how it is different from ROI and what really matters when making the business case for wellness.

★ **RYAN PICARELLA** Thank you again for your time. I think the wellness investment, return on investment (ROI) and value of investment are some of the most important topics in wellness and certainly get a lot of attention among health and wellness practitioners. What made you first become curious about the total value of investment story when it comes to wellness programs?

JESSICA GROSSMEIER Anytime I am asked to address this, I think about my early days in wellness in the mid-1990's and what the value proposition was back then. When I first started evaluating programs for employers back in 2001—which is when I made the transition from a practitioner of wellness to an evaluator of wellness—the research team included workers' compensation, disability, and sometimes turnover costs as part of our total cost impact calculations. Even back then we had a pretty broad idea of what the value of wellness was, and when we did not have access to those types of objective claims data, we often included estimates of on-the-job productivity cost as part of our value proposition. We have become more focused as an industry on healthcare cost impact over the years but the primary reason wellness emerged as a field was not to tackle the burden of healthcare costs. It was to contribute positively to the vitality of organizations by focusing on the health and well-being of the people within them.

We started to see an emphasis on healthcare cost containment as a primary outcome of increased interest around 2005. This was when performance guarantees for healthcare-focused ROI really took off. What bothered me as a researcher was the emerging expectation that programs needed to break even on their investment after a year based on healthcare cost savings alone. From about 2005 to 2010, researchers in the industry with years of experience conducting financial impact evaluations were becoming increasingly vocal about the lack of an evidence base for the expectations that the market was being pushed to achieve on ROI. For me, this point of view culminated

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in a 2012 paper that I co-authored and was published in *Population Health Management*.¹ It highlighted the paucity of research supporting a wellness program's ability to break even on its investment after its initial year of implementation based on healthcare cost savings alone.

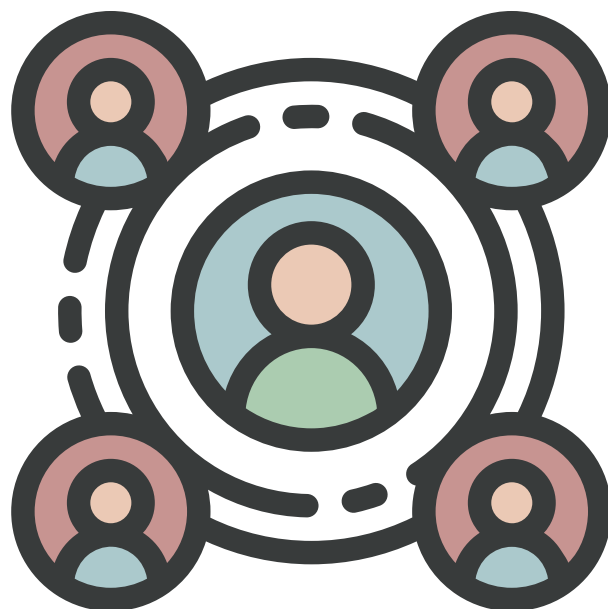
While there are exceptions, healthcare cost containment takes a while for most companies to achieve, and most organizations should expect to wait a couple of years—maybe even three to four years—to see a positive ROI from healthcare cost impact alone. But even prior to this publication in 2012, my position was that there is no one perfect measure of success. I was frustrated by the emerging focus on ROI as the sole measure of program success and any presentation I did on ROI or program evaluation encouraged use of a constellation of measures upstream from healthcare cost impact. There are a lot of other things that need to happen before you are going to start to see an influence on healthcare cost trends, such as self-care and proper utilization of preventive health care.

In 2010—before the article I just described from 2012—I co-authored an article that outlined a framework for comprehensive evaluation, and it included outcomes such as retention, organizational culture, employee morale, among others.² At the time we were not positioning this framework within the context of *value of investment* as we talk about it today, but one of the core tenets of that article was that a set of single outcomes or measures like ROI is insufficient to determine program success.

★ **R P** When it comes to the ROI of wellness from your experience, is ROI as we know it today a worthwhile pursuit?

J G This tends to be an unpopular answer: *it depends*. Whether or not ROI is a meaningful measure of success depends on how broadly or narrowly you are defining the ROI calculation and whether program stakeholders are investing in wellness programs to contain healthcare costs. Industry surveys show most employers invest based on a broader value proposition than healthcare cost containment alone, and many wellness program evaluations include multiple measures of financial impact within a single ROI calculation. I have been in front of C-Suite executives who have said, *look, we are not into this because we want to control healthcare cost. That might be nice but that is not why we are offering this program*. So in that case, ROI based on healthcare cost impact would not necessarily be an important measure to those stakeholders. However, if an organization includes other financial impact outcomes such as productivity, absence, disability or turnover costs in the ROI calculation and those outcomes are important to stakeholders, then it is very worthwhile to measure.

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Regardless of whether you include ROI in your program evaluation strategy, it's essential to track leading measures of success such as participation rates, program satisfaction, behavior change metrics, and process measures that tell you if your program is working as intended. These leading measures support lagging measures such as healthcare cost impact. But the conversation about what measures are most meaningful to track starts with what our stakeholders are most interested in. In some cases, wellness programs are more like a moral imperative that represent the company's commitment to take care of their most valuable asset—their people. We have seen vision statements and mission statements that reflect that, and, for them, financial return might not be as important as non-financial outcomes such as employee perceptions about the company being a good place to work.

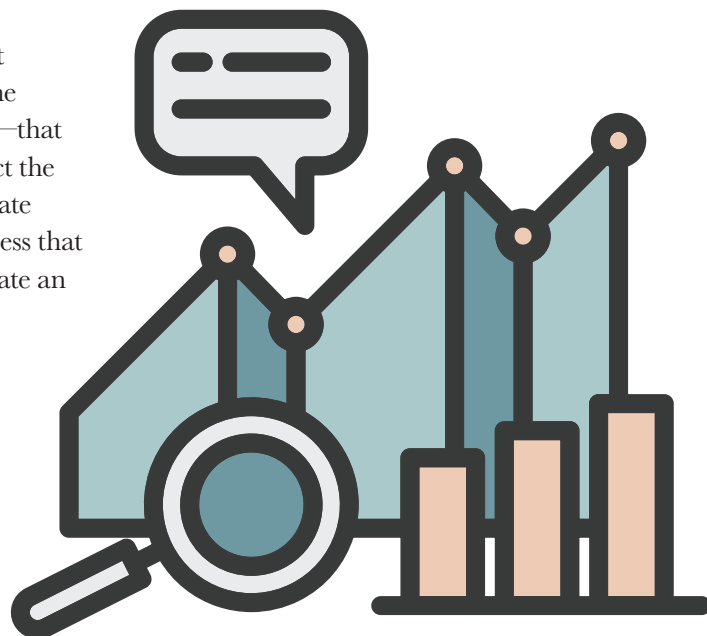
“Each organization must decide for itself what constellation of metrics represent their value proposition for investing in wellness.”

★ **RP** So how do you think the shift begins to happen? We have talked about ROI, and now there is this idea of VOI, and you alluded to some different measures like presenteeism, absenteeism, recruitment or worker's compensation and other types of things; how do we broaden the focus from ROI to taking more of a VOI approach?

JG Reinforcing my earlier point, one of the principles of the VOI framework as it is characterized in the *HERO-Population Health Alliance Program Measurement and Evaluation Guide*³ is that each organization must decide for itself what constellation of metrics represent their value proposition for investing in wellness. A broader focus begins by asking stakeholders *what is it you are hoping to achieve and why do you want to invest in this?* Once we know what the problem is that we are trying to solve for, we can start to look at how to incorporate that into a meaningful evaluation framework.

We also need to think about not just what is the end outcome measure that stakeholders are most interested in, but what is the pathway to that outcome measure? It's useful to create a logic model which starts with the end goal—that thing we are trying to solve for—and work backwards from that to connect the dots between the wellness program or benefits being offered and the ultimate outcomes we are trying to achieve. Then we take that constellation of success that has to happen in order to achieve the outcome, and from there we can create an evaluation framework which informs development of a VOI dashboard.

★ **RP** Are there two or three components of the VOI story that we should start measuring? Things that, in your experience, the industry has not thought about including in their value proposition for wellness?



JG One of the strongest outcomes outside of health impact and healthcare costs is the ability for health improvement programs to influence workforce productivity. Productivity metrics are often overlooked as a core outcome, and this could be due to lack of awareness about the research that is out there or dissatisfaction about how productivity is measured. What's interesting is that even when we look at the published research on financial impact, numerous studies mention absence and productivity outcomes.

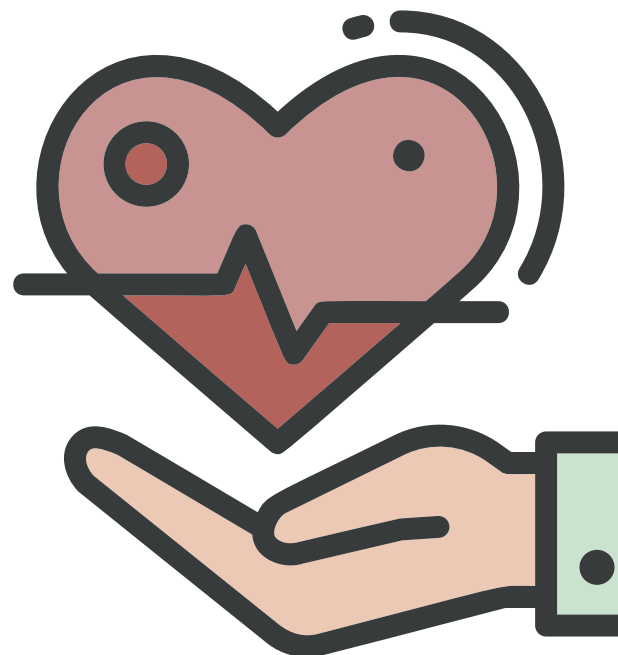
Another key outcome to consider is organizational support for workforce health and well-being, and there are many different ways to measure organizational support. One can begin by looking at what the company is doing to support workforce health and well-being, such as organizational policies, physical environmental support, leadership support, and organizational communications about the business relevance of workforce health and well-being. In addition, it's also important to measure the extent to which employees *feel* supported in their health by their employer. It is not about whether or not employees are satisfied with what they are getting in terms of programs, but rather if they feel supported by their organization. In some cases employees say no, you are not walking the talk. *You are offering these programs and telling me that it is my responsibility to be well, but leadership does not really care about my health and, in some cases, they get in the way of me pursuing my own health and well-being.*

Other measures are emerging but the evidence base is not really strong enough yet to strongly link health or exposure to wellness programs to some of these outcomes. I think some people who are really innovating in the area of measurement are starting to collect information on things like turnover, work quality, employee engagement with their work, and objective measures of worker performance. These things are harder to measure but we are seeing organizations trying to pursue those, and we are seeing some emerging links.

★ **RP** You pointed out that the link between health and productivity has been around for a while. You co-wrote an article in the American Journal of Health Promotion about HERO's Health, Productivity, and Performance study. Tell me a little bit about the goals of that study and what you found.

JG That particular study⁴ was conducted by HERO's Health, Productivity, and Performance (HPP) Study Committee whose charter was to understand the evidence base connecting employee health with productivity and performance, and then to also figure out how to help communicate effectively about that connection to business leaders. Early on as that group got started there was a lot of discussion about the difference between the terms *productivity* and *performance* in terms of definition, measurement strategy and drivers, and we realized we were making a lot of assumptions about how business leaders thought about these terms.

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Ultimately, the study committee realized we have to stop assuming and just ask business leaders what they think! We conducted a survey asking business leaders what they thought about productivity and performance—are they the same or different things? We did a series of interviews with executive leaders before we launched the survey, and they told us, *I do not think about these concepts in exactly the same way*. That is why we asked the survey question about how business leaders think about these terms. We also wanted to understand business leader perspectives about the link between worker health productivity and performance. Those were our primary goals.

★ **R P** Interesting. So what did you find, or anecdotally, what is the difference you noticed between the way business leaders viewed performance and productivity? That is an interesting distinction.

J G We did not ask them about definitions, and, in fact, we did not give them a definition of the terms. We just wanted to find out if they thought the terms were the same or different. The survey confirmed our hunch that business leaders do view productivity and performance as related but different types of outcomes. In some cases, they asked us to tell them what we thought the difference was!

So we confirmed that business leaders do think about productivity and performance as different but related concepts. We also learned that, despite the evidence linking health and productivity, unless they are prompted, most business leaders do not consider worker health to be a top driver of productivity or performance. They are more likely to name things like employee engagement with their work, having the right resources to do one's job or having the right people in the right jobs as drivers of these outcomes. But when we asked them *directly, do you think health has anything to do with productivity and performance?* they said *yes, it is a major contributor*. It was interesting to us that employee health was not a top of mind driver when unprompted, but when we asked them about it directly, they felt like it was really strongly linked. This underscores how important it is to properly frame your discussion when you talk to business leaders about the value dynamic.

The third major finding is that not all business leaders think about this connection in the same way. Executive business leaders indicated they strongly agreed that health was an important driver of productivity and performance, but this finding started to fall apart when we got down to managers and directors who were more equivocal about the connection. Lower level leaders were less likely to say their organization was really committed to employee health and well-being. For us that was a very important finding; we have to be careful about the assumption that all business leaders across an organization at all levels are going to feel the same. In fact, one of our takeaways from the survey is that we may need to message about the value of investing in health and well-being to managers and directors differently than we do to executive business leaders.

“Ultimately, the study committee realized we have to stop assuming and just ask business leaders what they think!”



★ **R P** So what if we do not change? What if we do not shift our perspective from ROI to VOI? What do you think might be the threat to health promotion if we do not adopt this broader perspective on the value of wellness?

J G The future of our field depends on our willingness to frame the value proposition for wellness more broadly. A sole focus on ROI based on healthcare cost savings alone will not sustain stakeholder interest over the long term. I truly believe that worker health has implications for an organization's ability to innovate to compete globally, and broad health and well-being programs—when they are done well—have the potential to positively influence and fully engage employees, build team cohesion and contribute to business outcomes that matter to organizations. But if we are not broadening our value proposition with our stakeholders today, it makes wellness programs a lot more vulnerable to cost cutting.

We also need to consider how broadly we think about the focus for the wellness initiative itself. Even if we keep wellness programs around, they won't have the ability to optimally contribute to an organization's well-being unless we broaden our approach. If we maintain a focus on healthcare cost containment alone, programs will more likely be narrowly focused on addressing physical health and chronic condition prevention or management. We know that wellness programs have the ability to be far more integrated and comprehensively embedded within an organization. This point of view was featured in a 2015 article I co-authored with Dr. Sheryl Niebuhr⁵ on the need to broaden our approach to include workforce capacity. This article was published in the *American Journal of Health Promotion* in response to the HERO business leader survey findings. Our key point is that a broader value proposition goes hand-in-hand with a broader intervention approach. If you seek to broaden one, you must also broaden the other. As we stated in that article, a narrowly defined wellness approach is often not enough to drive enduring high levels of employee engagement, productivity, and performance.

★ **R P** In your expertise through research, what is the one thing that health promotion professionals can start doing right now if they want to start communicating the total value of the wellness investment to their leadership or to those they work with?

J G The best place to start is by asking one's business leaders about the outcomes that matter most to them. That is a step everybody can take today. Even if we think we know what our leaders value, it is important to ask not just one set of business leaders but a variety of them. Because as we found in the HERO survey

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of business leaders that they do not all think about this the same way. When we do not fully understand the spectrum of attitudes that exist within an organization, we miss out on the opportunity to message about the value of our efforts in a more targeted way as well as the opportunity to evaluate our initiatives based on what a business unit line leader values versus perhaps a plant manager within an organization or the call center operations folks. So I think that is the first thing that everybody can do: do not assume, ask the business leaders what they think the value of our efforts is.

Some of the emerging industry surveys, including the HERO survey report, is a great conversation starter. For example, the 2015 Willis Health and Productivity survey⁶ found a majority of employers say they invest in workforce health and well-being based primarily on a broader VOI justification. One approach is to share the executive summary with one's leadership team and say, *look, this is what some business leaders think about this; how do you view the value of our wellness program?* Just have an honest discussion with them to discover for yourself what they really value.

Even more important than that is the need we have to translate our business case into terms that are meaningful to our business leaders. So for example, there is a lot of research out there that will link workforce health and well-being to some percent of *presenteeism* impact. Well, that does not mean much to anyone but researchers. Research studies need to be translated into terms that business leaders understand, and, by the same token, our evaluation results need to be translated into different terms that business leaders understand.

There are a lot of employers using very sophisticated evaluation techniques and they rely on subject matter experts or vendor/suppliers or academics to translate that into a report or PowerPoint to show business leaders. But we have to take a step back, get rid of the jargon and think about how to translate our findings to what our stakeholders think about every day. We have to figure out how to translate our metrics into terms that might be more readily meaningful to them such as the number of FTE hours or dollars that can be translated into a bottom line number. I remember back in the day, Chrysler converting the wellness opportunity into how much less they would have to charge for a specific model of truck if they were able to improve the health of their employee population to a certain degree. That really gave them something tangible to respond to. Translating our statements about the value of health and well-being into real business terms is an area where we could all do a better job.

★ **RP** Awesome. Anything else that you would like to add in summary?

JG Even though the term can be found in industry writing as far back as 2009—I recently discovered the term in a book chapter written by Steven

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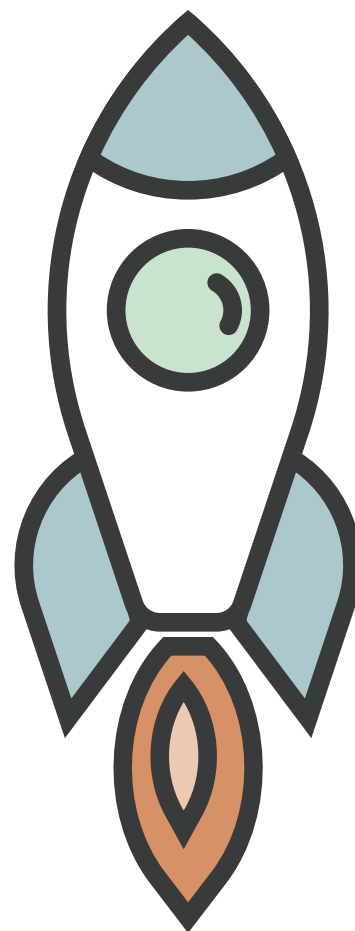


Noeldner at Mercer⁷—this whole concept of VOI is still an emerging concept. In the industry we have several think tanks of really smart individuals who have come together to determine how we define VOI, but as I have talked with people outside of our industry and people in other countries, they are thinking about this very differently. So I would still characterize our conversations about value of investment as new and emerging, and the evidence base underneath it as new and emerging. In fact, the program measurement and evaluation guide that *HERO* and *PHA* co-published together is being promoted by these organizations as just version one. We are beta testing that guide now, and we will get a sense from employers in the field whether these measures even make sense. Do they translate well to their business leaders? Do they resonate? Are they even measurable? Those are all questions we still have to answer for ourselves related to VOI. So I am very much looking forward to watching this as it evolves. 🏠

“I would still characterize our conversations about value of investment as new and emerging, and the evidence base underneath it as new and emerging.”

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