



**CASE STUDY:**  
HEALTHCARE COMPANY FINDS SUCCESS AFTER  
PUTTING OWN WELLNESS AND INCENTIVE  
PRODUCTS TO THE TEST





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## The Intro

Billions of healthcare dollars are spent every year on emergent, catastrophic events that result from preventable chronic diseases. This means billions of dollars that could have been saved had patients received seemingly basic and routine primary care. However, such treatment is often inaccessible to many under the traditional healthcare system, largely due to an influx of new healthcare users, individual financial burden, and lack of convenience.

The burden and cost of chronic disease is growing in the US, and rising rates of obesity and physical inactivity isn't helping the situation. Particularly worrisome is that the onset of chronic disease is shifting to younger-age individuals, who will be participating in the labor environment for years to come. This shift further increases the economic burden to employers, as illness-related loss of productivity is added to the cost of care.

To counter, employers are implementing health promotion and disease prevention strategies, which range from changes to the working environment, healthy food options, health education, and comprehensive programs that incentivize and support employees in their adoption of a healthier lifestyle.

While corporate wellness programs have gained considerable momentum over the years, it has been matched by an equal amount of criticism and scrutiny. Often times viewed as invasion of privacy or a benefit designed to call-out the less healthy workers, employers have had to go great lengths to ensure that programs not only meet strict federal guidelines, but also work to enhance the culture of their organization by remaining fair and obtainable to all.

That said, the future of corporate wellness looks bright. According to RAND Corporation, over 50% of all companies currently offer some type of wellness program, with many more claiming they plan to add corporate wellness within the next two years. Further, a recent meta-analysis of 51 studies of wellness programs showed an average ROI of \$1.38 for every dollar invested [Am J Health Promot. 2014;28(6):347-363].

## The Background

CareATC, Inc. is a national health and wellness organization that provides employers with strategic healthcare solutions to combat the rising cost of healthcare. Headquartered in Tulsa, Oklahoma, they currently operate full-service primary care clinics in 22 states, all of which are sponsored directly by employer groups. Since 2000, CareATC has been leading the charge for transforming health - and lives - through their distinctly proactive approach to workforce health.

Every year, CareATC provides all of their patients with a comprehensive biometric screening that they call the Personal Health Assessment (PHA).



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This advanced biometric screening is a key component of the CareATC methodology, and the primary tool used to kick-start an employee's relationship with CareATC. After the screening event, each participant receives a customized booklet in the mail, providing a snap shot of their overall health and highlighting their biggest risk factors. Employees are then encouraged to schedule a follow up appointment with a CareATC provider to go over their results and create an action plan for improving their lifestyle habits.

CareATC works with each of their clients to create a customized incentive plan surrounding the PHA, such as premium breaks or cash for annual participation. An aggregate report is also reviewed to isolate the population's biggest risk factors as a whole. Based off these results, CareATC may work with the client to support ancillary program offerings or educational events that address their specific needs, such as lunch and learns about diabetes, on-site weight watcher's classes, etc.

The ultimate goal of the PHA is to identify and measure the need for change. While medical intervention is a key component of achieving these changes, general lifestyle change is also vital for improving health long term. Wellness programs and incentives help keep employees engaged by rewarding healthy behaviors between visits to the clinic.

### **The Goals & Program Design**

CareATC has recognized the importance of lifestyle change

in impacting overall health, and wanted to expand their wellness program offerings to include a product that would integrate with the CareATC clinic and offer true, measurable value for their patients. In 2015, CareATC decided to put their experience and knowledge of wellness programs and incentive strategies to the test by piloting their first ever corporate wellness program with their own employees. The purpose was to demonstrate how a wellness program could create a positive cultural change within the organization that promoted more peer interaction, accountability, and support.

The program was opened to all full-time employees, from corporate support staff, to physicians and medical staff in clinics across the country. In order to enroll in the program, employees were required to participate in their annual PHA and register for their on-line wellness program platform. A \$250 deductible discount was given to those who participated in the PHA, and a \$10 retail gift card was given to everyone that registered on-line within the opening week. The program was both participation and outcomes based and offered 3 major incentives tiers with rewards for successful completion that included up to 2 paid vacation days and \$500 cash.

Participation and progress was managed on-line through the portal, where employees could earn points by tracking their daily fitness, nutrition, and wellness activities. Various competitions were offered through out the year where employees could compete against



one another and earn bonus points and miscellaneous surprise give-a-ways.

For example, the “Walktober” competition challenged employees to walk every day in the month of October for at least 30 minutes a day. Employees would take walks with co-workers over lunch and track their activity within HealthPassport in order to boost their spot on the competition leader board. “Colorful Choices” was a group competition between departments to consume and track the daily recommended amount of fruits and vegetables during the month of July.

Health Education Materials were available for employees to read and learn about how to maintain a healthy lifestyle, how to quit smoking, or lose weight. Quarterly newsletters, an outlet where employees could access healthy recipes, monthly health topics about important cancer screenings and chronic conditions, etc, were made available on-line through the portal, as well as via the CareATC mobile app.

The company provided several “nutri-bullets” for the break room, subsidized healthy ingredients, and encouraged employees to participate by sharing their favorite healthy recipes. The Executive Team led the company in a local 15K where the organization as a whole received 3rd place. Employees were offered gym membership reimbursements and encouraged to

participate in various local marathons and walks within the community.

### **The Incentives**

Monetary rewards and PTO were also offered to incentivize participation and drive better outcomes. In total, the company risked paying out over \$100,000 if all the employees met the full incentive requirements:

#### 2 Paid Vacation Days

Within the wellness portal were 4 major reward levels employees could reach by obtaining points. Each time an employee reached an award level, a flag would appear on their homepage and they would

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earn ½ vacation day. Points could be earned by tracking fitness, nutrition, and wellness activity, as well as participating in competitions and reading health education materials. To help create a little healthy competition, a live leader board was posted on a 60” TV within the corporate office.





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#### Individual Weight Loss Challenge

Depending on the results of their PHA, employees were challenged to either lose 10% of their body weight, or maintain their current weight if their BMI was already in the normal range. Employees could earn up to \$250 on a sliding scale for meeting this goal.

#### Group Weight Loss Challenge

As a whole, the company was challenged to lose 10% of their combined body weight. All employees who also met their individual goal would earn up to an additional \$250 on a sliding scale for meeting this goal.

#### **The Outcomes**

In total, 153 of CareATC employees registered to participate in the 2015 program, which is 66% of the eligible population. Of the 153 participants, 61 individuals met their goal to either lose or maintain the designated weight. The second challenge within the outcomes based incentive was for the company to lose a total of 10% of their combined excess weight.

At the end of 2014, CareATC needed to lose a combined 429 pounds. By the close of the 2015 program, the company lost 471.70 pounds in combined weight, meeting 110% of their targeted goal. On average, CareATC paid out \$55.00 for every pound lost. The participation component of the incentive program was also successful, with 22 total employees reaching the “Diamond” reward level and earning a full 2 days of paid vacation.

Other relationships were analyzed, such as age and years employed, to see if those factors had impact on weight lost. Overall, significant relationships were found between total payout and weight lost, participation and weight loss, and participation and HbA1C improvement. From this we can infer that the monetary incentive for physical outcomes was the most successful motivator, and directly led to positive health outcomes among participants.

#### **The ROI**

The cost to operate the on-line platform was \$4,650, making the total cost including cash incentive payouts \$49,138.00 plus 412 hours of PTO.

On average, the annual cost to manage a high risk BMI employee is \$2,741, with the total opportunity sitting at \$1,455,471. Based off the results from the 2014 Personal Health Assessments, 41 employees fell into the high risk BMI category, which equals an average annual cost of \$112,381 and a total opportunity risk of \$59, 674,311.

By the close of the 2015 program, 6 of those high risk patients improved and were removed from the high risk group, which equates to \$16, 446 average annual savings, with a total opportunity savings totaling \$8,732,826.



***All three risk factors combined, the total savings from improved outcomes came to an estimated average of \$43,966, with a total opportunity of \$11,129,226.***

Three High Risk HbA1c individuals improved, which equates to an annual cost savings of \$23,700, with a total opportunity savings of \$2,180,400.

Additionally, one individual move down from high risk LDL, which equates to an average annual cost savings of \$3,800, with a total opportunity cost savings of \$216,600. All three risk factors combined, the total savings from improved outcomes totals an estimated average of \$43,966 with a total opportunity of \$11,129,226.

In addition to these estimated monetary savings, CareATC also feels strongly that the program provided increased moral, productivity, and inspiration to it's employees. For many, this initial year kick-started a lifestyle change that has continued even after the close of the program. Overall, CareATC feels confident in their initial investment and believes that the ROI will continue to grow as these individual's health continues to improve.

### **The Online Platform**

CareATC used an on-line wellness program platform called HealthPassport to manage their wellness program. HealthPassport not only functioned as the location for employees to track their incentive progress, but also where CareATC wellness program administrators could funnel their wellness content and communicate with employees. The single-sign-on functionality allowed employees to access their Patient Portal directly through their CareATC portal, where the rest of their personal medical information and health resources lived as well. This integration brought the wellness aspect full circle, connecting biometric screening, clinics, and wellness programs into one single ecosystem.

For example, if employees had not yet received their PHA, they were directed to schedule an appointment straight from the HealthPassport homepage. Health education materials provided information regarding major chronic conditions, and provided patients with questions to ask their doctor regarding their health.

The administrative portal allowed wellness champions to create custom competitions and run participation reports in real time. Human Resource administrators received automatic reports regarding who had met the incentive in order to easily allocate the appropriate vacation days to those employees.

Most importantly, HealthPassport provided a social gathering place for employees to stay up-to-date on each others progress. The success of the program was largely attributed to the engagement that HealthPassport enabled, keeping employees interested and aware of the wellness program goals throughout the year.

### **The 2016 Plan**

The results of the 2015 program has the CareATC wellness team excited for the new year. Since the outcomes portion of the program was so successful, 2016 incentives were re-designed to emphasize improving all personal PHA numbers, not just BMI. Ten of the major risk factors were isolated and monetary incentive is being offered for each risk factor in the yellow or red range that is improved (or a green that is maintained).

If an employee improves a lab value in any category, even if they do not meet the full requirement of moving a yellow or red risk factor down to a green, they will still earn \$12.50 for that improved value. Additionally, employees will only earn their 2 vacation days if they lose at least 3% of their body weight.

Although there was no significant correlation between the points employees earned and the amount of weight they lost, surveyed employees agreed that the on-line platform kept them engaged in the program overall.

**To learn more about HealthPassport or CareATC, Inc, visit [www.careatc.com](http://www.careatc.com).**



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