Designing health benefits for lasting change

What benefits leaders should consider before investing in digital care programs that address chronic conditions

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Every company today is in the healthcare business. That's because in the U.S., managing the health issues of millions of people falls increasingly on employers—regardless of size, location or industry—and the specific plans and programs they offer their workers.

"An individual's health, their access to health care, and therefore their well-being depends on what their employers decide," writes management professor Jeffrey Pfeffer, in a 2020 study in Journal of Occupational and Environmental Medicine, about the expanding role of employers in healthcare.

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At the center of that challenge, increasingly, are virtual care programs and related benefits that address employees' chronic health conditions, which account for 90% of all healthcare costs, according to a Rand study. Diabetes, chronic pain management, high blood pressure and mental health are the four costliest conditions.

The work to reverse these trends (and costs) isn't getting easier, either. Before the COVID-19 pandemic, 6 out of 10 U.S. adults already suffered from at least one chronic condition. That number is likely to rise:

- At least 10% of COVID-19 survivors, for example, are so-called long haulers who experience chest pain, fatigue and "brain fog" for months after recovery.
- The pandemic could also result in a potential 50% increase in depression, anxiety and other mental health conditions, according to a McKinsey analysis.
- 4 in 10 Americans deferred medical care in 2020 due to concerns about COVID-19, creating a ticking time bomb for exacerbated, or new, chronic illnesses.

Meanwhile, the pandemic has left many companies feeling more responsible for employee well-being, according to a Deloitte survey, even as the post-pandemic concept of worker well-being has expanded to include safe workspaces, greater work-life balance, and more effective support for mental health.

$50 billion

Size of the fast-growing corporate wellness marketplace

"Because of COVID, employees have an expectation that employers will do more," says Emily Maher, benefits director at Minnesota-based Land O'Lakes, Inc., an agricultural co-op with over 9,000 employees. "There's a pent-up demand for organizations to be able to do that."

How can benefits leaders make progress with employee health challenges, arguably against long odds? For starters, experts say, they need to be shrewd buyers in a fast-growing, $50 billion marketplace of care tools and programs, increasingly driven by digital apps and services.

"During the pandemic, there has been an explosion of new corporate well-being solutions and vendors," says Janet Mertens, global research director at HR consultancy Josh Bersin Inc. "This is an inflection point where there's an opportunity to take a step back and look at the landscape more strategically."

Making the right choices for employees when it comes to designing health benefits, according to experts, starts with a grounding in three principles: personalizing health programs to match the specific needs of workers, focusing on programs that demonstrably change health behavior, and deploying analytics that track the right metrics of success.

Tailor health benefits to the specific needs of your workforce

Between 2016 and 2018 alone, year-over-year corporate investment in fitness-tracking programs rose by 38%, according to health-services provider Optum. But their positive impact has been short-lived at best, with most employees quitting after one month, according to a recent Journal of Occupational Health Psychology study.

Planners should thus be skeptical of any such “one-size-fits-all” digital care program. Before they consider any specific app or solution, they need to get better acquainted with the health profiles and demographics of their employees.

Older, rural and lower-income workers, for example, are less likely to keep wearing fitness trackers. Similarly, other demographics are more resistant to digital wellness solutions, particularly older, Black, female, Latinx and lower-income employees, according to a 2020 JAMA study of remote-health services during the pandemic.

It’s not just Baby Boomers who may reject digital tools and virtual wellness solutions, explains Mertens. “Recently, I talked to the CHRO of a company who has a workforce that’s primarily Millennials,” she says. “Because they are inherently healthy as a demographic, it’s incredibly difficult to engage them with preventative well-being.”

The reality is that Millennials may not be “inherently healthy” for much longer. Many are facing rising obesity rates thanks to the adoption of unhealthy habits that could lead to chronic illnesses such as diabetes, according to a University of Ohio study.

“Have we figured out how to talk differently about diabetes to a Millennial and a Baby Boomer perfectly yet? I don’t think I’ve seen it,” says Jennifer Spence, national director of health and productivity for Alliant Employee Benefits, which helps design benefits plans for companies of all types and sizes.

Spence encourages benefits leaders to look beyond standard demographics such as age and gender to consider other factors such as geography.

"Healthcare is different in every state," explains Spence. "You have to drill down into the data to notice that individuals with diabetes in the outskirts of Dallas are getting worse care and are less adherent to chronic condition management programs than those living in downtown Seattle. You need to customize communications, touchpoints and coaches to directly impact those populations."

Another factor planners must consider is the type of work — and the work environment — employees are engaged in. A seemingly homogenous workforce, says Land O'Lakes' Maher, can often have diverse wellness needs.

40% Increase in corporate investment in fitness-tracking programs since 2016

Different digital care programs, she notes, are needed for distinct groups of workers, such as corporate staff who may be sedentary all day, sales staff stressed by frequent travel and manufacturing plant workers engaged in repetitive physical activity.

Choose the right behavior-based tools and programs

Companies spent nearly $53 billion globally on wellness tools and programs in 2020, according to Grand View Research. At least 550 vendors offer corporate wellness products and services. The vast majority of these companies claim their products are based on behavior science.

But how can benefits planners assess the validity of their claims?

Determining whether the company in question offers accreditable services is a start. Digital care companies are beginning to seek official certifications to substantiate their claims, such as through the National Committee for Quality Assurance (NCQA), a well-recognized gold standard for quality in healthcare services. In May 2021, Omada Health became the leading virtual-first healthcare provider to earn the NCQA's Population Health Program Accreditation for its Type 2 Diabetes and Type 2 Diabetes+Hypertension programs.

Another remedial (but underutilized) strategy, says Spence, is for planners and HR leaders who lack specialized health education to brush up on the fundamentals of behavior science. Popular e-learning platforms such as Coursera and edX offer free courses from a variety of universities and accredited organizations.



Once benefit teams are up to speed on behavior-based programs that address chronic health conditions, they should focus on those that build and reinforce healthy behaviors gradually over 12 to 16 weeks, the kind of timeline researchers say is required to inculcate positive new habits. Spence also cautions against health apps and programs that lean too heavily on gamification. "Some [vendors] try to gamify chronic condition management too much and take the seriousness out of it," she says.

60% of workers made healthier lifestyle choices because of their company's wellness programs.

Benefits planners should instead work backward, by identifying the specific problems facing their workers — such as a rise in new diabetes cases across the workforce, or an increase in claims by existing diabetics who may not be finding pathways to clinical care. "Take it one step at a time by asking, what are the problems? What solutions are in the marketplace, and how do we align those for optimal fit?" says Spence.

Scrutinize measurement as much as the program itself

Corporate spending on digital care programs is rising sharply, increasing by 36% between 2019 to 2020, according to a Fidelity Investments survey. Nearly 90% of employers with a workforce of at least 200 now offer wellness programs.

But when it comes to evaluating return on investment, most companies are flying blind. Only 51% of companies offering care programs are using analytics to monitor usage levels, according to a Thomsons Online Benefits report.

"I talked to a company that has 250 well-being solutions in their portfolio," Mertens says. "While they know that all of them are being used by some, they have no idea which ones are actually having an impact."

Further complicating the ROI issue is the fact that research on the clinical benefits of care programs are insignificant, but looking at data reported by third parties may add clarity. In April 2021, Cigna reported improved health by Omada Health program members, and reduced healthcare costs (net of program fees) for employers with an average savings of $348 per member in year one, and $989 through year two with Omada for Prevention.

But other measurable outcomes may be just as, if not more, important than a decline in healthcare costs. Take, for example, employees' perception of their own well-being. A recent Aflac survey, for instance, found that 60% of workers say that they've made healthier lifestyle choices because of their company's wellness programs.

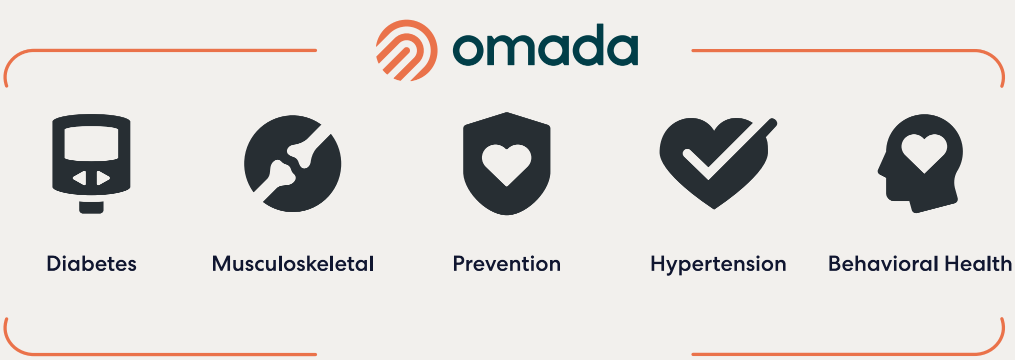
For employers, the payoffs extend beyond obvious measures (such as weight loss, or reduced pain, or adherence to medication schedules) to less obvious but important metrics such as increased productivity and engagement. Despite their short-comings on some metrics, digital care programs have reduced absenteeism at 79% of companies that have provided them, and 78% credit their offerings with helping to attract and retain talent, according to research by Optum.

Maher credits Land O'Lakes' digital care offerings with forging a stronger bond between the company and its employees. "Maybe the greatest value we've found is that ultimately our people feel like the company cares about them," she says.

Spence recommends that concrete outcomes like reduced absenteeism and employee engagement can and should be tracked and measured, but companies should also look at long-term outcomes. "Beyond asking, 'Are they participating in the program?' we want to see ongoing lifestyle sustainability," she says. "If we just change behavior for 12 weeks, what are we really doing? Sustainable change is the real goal."

In other words, alleviating chronic conditions like musculoskeletal pain, diabetes and depression in the short term is valuable. But preventing and reducing them over the long haul should remain the greater goal. ■

Cigna Diabetes Prevention Program with Omada claims study, October 2020, year 1 follow up data = 15,780 participants from 551 clients and year 2 follow up data = 4,253 participants from 413 clients.



Omada Health combines the latest clinical treatment guidelines with breakthrough behavior science to make it possible for people with chronic conditions to achieve long term improvements in their health.