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Scaling Wellness Program ROI

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When I attend a conference, I like to make sure that I come back with mountains of new, applicable information for professional growth and new contacts for networking and collaboration. I recently spent four days at the American Journal of Health Promotion Conference in South Carolina and my goal was to find one big idea to share with you. As the presenters at the conference were required to disclose, Healthcare Management Administrators, Inc. markets wellness programs to our self-funded medical plan clients.

The term wellness has its challenges meaning different things to different people. Therefore, for the purposes of this discussion a wellness program may include but is not limited to a mix of web portals/applications, health assessments, onsite or telephonic coaching for lifestyle and chronic condition management, onsite education, or programs like walking challenges, etc.

Professionals involved in the marketing, selling, procurement, or management of wellness programs know that the Return on Investment (ROI) question is critical at every point in the life cycle of a wellness program. The instructor/researcher of the workshop I attended has at any time 24 wellness-related research projects in process where he and his colleagues are measuring the success of one or a group of wellness programs. I am not going to attempt to summarize the results of that research. I am going to attempt to explain to you the one big idea. Wellness program ROI is not scalable.

What do I mean by that? Let's say that you were able to carve out some time and you read through some recent research studies in the *American Journal of Health Promotion, Health Affairs*, or *The Art of Health Promotion* and you found a study that supported a 3 to 1 wellness return on investment (consistent with the studies I have read). Wow, that might be just what you need to get approval for a wellness program from a finance and executive leadership team. Caution! Now you are just getting started! Remember the idea we learned in Science class called Critical Mass? Encarta has 5 definitions and I will use this one for our purposes: point of change, a point or situation at which change occurs. Now let's apply that definition to a wellness program example. A wellness program that spends $5,000 is not necessarily going to return $15,000 in savings to match the 3 to 1 ROI as indicated in the research. The idea of critical mass is to determine at what level of investment the 3 to 1 ROI will begin.

Many companies have negative experiences with wellness programs. More specifically, I might argue that many companies have had incomplete wellness strategies that did not have the critical mass of resources, support, and strategy necessary to reach critical mass. Companies in the wellness industry have started and failed because they offered a too high ROI promise, undercharged for incomplete services that were not part of an overall strategy, and had to over work their staff to support their services and promises. A common theme with the companies at the conference who have established track records are a focus on their client's overall wellness strategy first, garnering resource commitments second and selling the specifics around their programs and services last. Critical mass must include a dedicated effort towards creating a culture of wellness. Creating a culture of wellness that supports participation and reinforces engagement in a subsequent program is a key component to the successful programs described in research literature.

Wellness programs at the company level are much like our personal wellness efforts. We can save some money and time and buy a pill, those electric stimulation patches, or a 2-minute AB routine video (I am sure it exists!). Should we expect the same results from these programs that we would from a long term commitment to an exercise and nutrition program? Are they as powerful as rearranging our daily routines, our homes, and our kitchens to foster healthy behaviors that are fun and sustainable? Why would we apply similar thinking to our corporate wellness strategies?

Most companies do not have the resources of a Johnson & Johnson, Vanderbilt University, King County, or Dow Chemical to support teams of wellness coordinators and research budgets to verify ROI. However, most companies do have access to smart, motivated employees who can partner with committed brokers/consultants, health plans, wellness vendors, and their community to sponsor wellness programs that work over a sustained period of time.

Reviewing the research literature that is available on wellness programs over the last 20 years confirms that a return on investment is possible and may be one of the few remaining cost containment programs available in the market. Companies considering wellness programs should not ask whether or not they work? They should be asking the following questions. Do we want to commit at the critical mass amount necessary to achieve a ROI on a wellness program strategy? Would that commitment fit into our overall strategy as a company and be a good fit for the culture we are trying to build within our organization? The answers to these questions will begin a thoughtful conversation leading to the creation of a successful wellness strategy with the critical mass necessary to generate a ROI.

Andrew Sutton is the Senior Account Executive for Healthcare Management Administrators, Inc. (HMA). Since joining HMA in 2008, he has led their initiatives around stop loss and pharmacy, he has managed account teams in Washington and Oregon, and most recently he is responsible for their initiatives around health plan risk management. Prior to HMA, he was the practice leader for a health and welfare benefits consulting practice in Raleigh/Durham, NC.

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