

Workplace Wellness Reference: Health Benefit Design

Introduction

Evidence-based worksite policies and programs have the potential to reduce employee health risks and improve their quality of life. Healthier employees result in a more productive workforce since employee health status influences on-the-job performance and rates of absenteeism. Successful companies know this and report that they regularly measure health status as a component of their overall risk management strategy. What's more, these organizations further integrate efforts and align health benefits, wellness programs, policies and procedures to successfully drive health outcomes.¹

Value-Based Benefit Design (VBBD)

According to the National Business Coalition on Health, VBBD comprehensively addresses the way health benefits are structured and utilized by employees. VBBD strategies focus on different aspects of health care such as health behaviors, chronic condition management, medications and provider choice. Insurance design is paired with wellness programs and incentives to increase the likelihood that employees make positive behavioral changes, which lead to better health and reduced health care costs for both employers and employees.

Typically the first step in VBBD is to collect data about the company's health care utilization and compare the results with other benchmarks in their industry or region.²

VBBD Recommendations and Examples²

- Use data to drive decision making
- Collaborate with vendors
- Align health and wellness benefits with employee needs and company culture
- Ensure compliance with legal issues
- Effectively communicate with employees
- Examples of value-based benefits
 - Incentives* for employee participation in activities to assess personal health status such as health risk assessment and biometric screening
 - Incentives* for employee participation in wellness program initiatives
 - Incentives* for employees to manage chronic conditions such as by participating in a disease management program and adherence to medications
 - 100% coverage of annual preventive care services

*Examples of incentives used in VBBD include: cash or gift cards; copayment reduction; premium reduction; health saving contributions.

Healthy Workplace Recognition Program Criteria

Gold Level

At a minimum applicant includes the following processes when designing health benefits for employees:

- Data collection (claims, productivity, etc)
- Determines health risks of employees
- Uses data and risk assessment to tailor benefit design
- Reduces barriers, such as time, money and distance to increase utilization of services
- Measures progress and adjusts

Refer to the [HWRP application](#) for additional information regarding the health benefit design criteria.

Sources: ¹ Chenoweth, D. (2011) [Promoting Employee Well-Being, Wellness Strategies to Improve Health, Performance and the Bottom Line](#). Society for Human Resource Management Foundation's Effective Practice Guideline Series.

² National Business Coalition on Health (2011) [Value-Based Benefit Design](#). Value-Based Purchasing Guide.

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Resources for VBBD

- Center for Health Value Innovation:
 - Archives for VBBD
<http://www.vbhealth.org/tag/vbbd>
- National Business Coalition on Health:
 - Value-Based Purchasing Guide
<http://www.nbch.org/VBP-Home>
- Preventive Care Services:
 - Partnership for Prevention, Clinical Prevention
<http://www.prevent.org/topics/clinical-prevention.aspx>
 - U.S. Preventive Services Task Force Recommendations
<http://www.uspreventiveservicestaskforce.org/recommendations.htm>
- University of Michigan Center for Value-Based Insurance Design
 - <http://www.sph.umich.edu/vbidcenter/>
- Use of incentives to motivate employee behaviors:
 - Society for Human Resource Management article, “Finding Success with Progress-Based Health Incentives”
<http://www.shrm.org/hrdisciplines/benefits/articles/pages/healthincentives.aspx>
 - Health Enhancement Research Organization, Outcomes-Based Incentives: Joint Consensus Statement
http://www.the-hero.org/learning_series/incentives_joint_consensus.html