

# Wellness Programs Show Modest Benefits, as Efforts Pivot to 'Well-Being'

Beyond better health, employers focus on emotional resilience and financial security

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**W**orkplace wellness programs only modestly affect participating employees' health and health care use, a two-year study by researchers at the University of Illinois at Urbana-Champaign found. While the results have bolstered wellness program critics, others say that wellness initiatives can improve employee engagement and productivity, especially when programs address broader "well-being" issues such as stress management and debt reduction.

The question of wellness program costs versus benefits is attracting renewed attention as the U.S. Equal Employment Opportunity Commission (EEOC) voted on June 11 to move forward with revised guidance (<https://www.healthaffairs.org/doi/10.1377/hblog20200617.824130/full/#:~:text=In%20a%20public%20meeting%20on%2cproposed%20rulemaking%20on%20wellness%20programs>) detailing how employers can use financial incentives to promote program participation without violating the Americans with Disabilities Act (ADA) or the Genetic Information Non-Discrimination Act (GINA). Earlier guidance was withdrawn ([www.shrm.org/resourcesandtools/legal-and-compliance/employment-law/pages/court-report-eeoc-wellness-regulations-vacated.aspx](http://www.shrm.org/resourcesandtools/legal-and-compliance/employment-law/pages/court-report-eeoc-wellness-regulations-vacated.aspx)) in December 2018 after a federal district court in Washington, D.C., held that the regulations had not been properly adopted.

The paper by the University of Illinois researchers, "Effects of a Workplace Wellness Program on Employee Health, Health Beliefs, and Medical Use: A Randomized Clinical Trial

([https://jamanetwork.com/journals/jamainternalmedicine/fullarticle/10.1001/jamainternmed.2020.1321?guestAccessKey=e5e8e875-c27f-44c4-a5b1-](https://jamanetwork.com/journals/jamainternalmedicine/fullarticle/10.1001/jamainternmed.2020.1321?guestAccessKey=e5e8e875-c27f-44c4-a5b1-bea7ea27af57&utm_source=For_The_Media&utm_medium=referral&utm_campaign=ftm_links&utm_content=tfi&utm_term=052620)

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The key finding: After 24 months, the program had no significant effects on measured physical health outcomes, such as weight, blood pressure, cholesterol or blood glucose, nor on rates of medical diagnoses or the use of health care services.

"Many employers use workplace wellness programs in an attempt to improve employee health and reduce medical costs, but randomized evaluations of their efficacy (<https://www.medicinenet.com/script/main/art.asp?articlekey=39532>) are rare," said study co-author David Molitor, a professor of finance at the University of Illinois Gies College of Business, the university's news bureau reported (<https://news.illinois.edu/view/6367/808849>). "Our randomized evaluation found no significant effect of the program on employee health measures or medical use."

Measures taken after the first and second years included 16 clinician-collected biometric outcomes; insurance claims related to medical diagnoses such as diabetes, hypertension and hyperlipidemia; and medical use such as office visits, inpatient visits and emergency room visits.

Feedback

In addition, iThrive encouraged physical activity such as campus walks over lunch breaks and provided smoking-cessation programs and chronic disease self-management programs.

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### Limited Health Improvement

The program did improve two self-reported health outcomes: It increased the proportion of employees reporting that they had a primary care physician after 24 months, and improved employee sense of being healthy, the study found. "But we found no significant effect of the program on employee health measures or medical use, demonstrating a mismatch between employee perceptions of workplace wellness programs and an actual improvement in health," Molitor said.

The study adds to a growing body of evidence (<https://hms.harvard.edu/news/do-wellness-programs-work>) showing that workplace wellness programs affect some self-reported outcomes but are unlikely to significantly improve employee health or reduce medical use in the short term, said co-author Julian Reif, a professor of finance at the Gies College of Business. "Many prior studies found that workplace wellness programs improved health and reduced medical use, but those results were likely due to differences in who participates," Reif said.

*[SHRM members-only toolkit: Designing and Managing Wellness Programs ([www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/designingandmanagingwellnessprograms.aspx](http://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/designingandmanagingwellnessprograms.aspx))]*

### Shift to Well-Being

Many wellness programs are now focusing on workers' well-being, which, in addition to physical health, encompasses emotional resilience, stress management and financial fitness.

Even before the pandemic, a fourth quarter 2019 survey by Alight Solutions, a business process outsourcing company, and Business Group on Health (BGH), a nonprofit association representing large employers, found that the importance of employer-sponsored well-being programs had increased for workers feeling emotional, physical and financial strains (<https://alight.com/research-insights/infographic-2020-employee-wellbeing-mindset-study>). The survey of 2,500 U.S. employees at large U.S. companies found less than half (44 percent) felt optimistic about their well-being, even before the pandemic hit.

"The global pandemic has and will continue to advance employer strategies that integrate well-being into employees' lives and create great experiences," said Ray Baumruk, vice president of employee experience research and insights at Alight. "Many employers are taking this opportunity to enhance well-being support that ensures their people and their families are cared for during these tough times."

"Employees are currently in very different places along the well-being spectrum," said Ellen Kelsay, president and CEO, Business Group on Health (BGH). "At the same time, employers have been boosting their efforts to support employees' emotional and financial well-being through a variety of initiatives, including enhancing employee communications on well-being."

Baumruk and Kelsay pointed out potential opportunities for employers to improve their well-being strategies:

- **Prioritize mental health.** Due to the massive, sudden shift to working from home arrangements, as well as pandemic impacts on lifestyle, employers should continue to prioritize mental health for employees who may be dealing with social isolation, higher

stress, greater anxiety and emotional exhaustion.

- **Support financial security.** Employee sentiment around control over their financial futures (debt burdens, retirement readiness) will likely worsen due to COVID-19's economic consequences, so employers should make sure support is more easily accessible.
- **Help build resilience.** The growing segment of virtual workers are more likely to feel lonely and burned out.

There is evidence that well-being is tied to business profitability. A 2019 study by the Centre for Economic Performance at the London School of Economics and Political Science used a meta-analysis of 339 independent research studies accumulated by Gallup, covering 1.8 million employees. The research showed that workers who reported a higher sense of well-being were more productive and more likely to remain with their employer (<https://ideas.repec.org/p/cep/cepdps/dp1605.html>), which ultimately benefited the business's bottom line.

### Help for Emotionally Trying Times

"Now more than ever, employers are highly focused on employee mental health and well-being as they adjust to the pandemic, economic disruption, and heightened focus on the impact of racial and societal issues," BGH's Kelsay said.

Employers are likely to consider allocating additional resources and well-being support for the increasing number of employees who continue to work from home on a regular basis, she added.

A survey of 152 jumbo, large and midsized companies by BGH and Fidelity Investments, with responses through January 2020, found that commonly offered mental/emotional help programs were (<https://www.businesswire.com/news/home/20200618005185/en/>):

- Teletherapy (offered by 69 percent of employers this year).
- Stress management (50 percent).
- Resiliency programs (49 percent).

Another 33 percent of employers will offer programs to help improve sleep ([www.shrm.org/ResourcesAndTools/hr-topics/benefits/pages/sleeplessness-worsens-employees-health.aspx](http://www.shrm.org/ResourcesAndTools/hr-topics/benefits/pages/sleeplessness-worsens-employees-health.aspx)), up from 25 percent in 2019.

Popular work/life balance benefits were:

- Caregiver support (46 percent).
- Programs and tools for new parents (36 percent).
- Child care support (35 percent).

"During the pandemic, we have seen organizations emphasize telehealth benefits, employee assistance programs, mental health/resilience counseling and financial wellness help," said Robert Kennedy, health and welfare practice leader at Fidelity Investments.

Financial incentives continue to play an important role in encouraging employees to participate in well-being offerings, he noted. While most incentives are for physical health initiatives, 15 percent of incentive payments are now tied to programs that address mental, financial and emotional health, the survey found. Incentives include contributions to a health savings account, premium reductions and direct payments to program participants.

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Employers Enhance Emotional and Mental Health Benefits for 2020 ([www.shrm.org/ResourcesAndTools/hr-topics/benefits/pages/employers-enhance-emotional-wellbeing-benefits-for-2020.aspx](http://www.shrm.org/ResourcesAndTools/hr-topics/benefits/pages/employers-enhance-emotional-wellbeing-benefits-for-2020.aspx)), *SHRM Online*, October 2019

Viewpoint: 3 Questions to Ask Wellness Program Providers ([www.shrm.org/ResourcesAndTools/hr-topics/benefits/pages/3-questions-to-ask-wellness-program-providers.aspx](http://www.shrm.org/ResourcesAndTools/hr-topics/benefits/pages/3-questions-to-ask-wellness-program-providers.aspx)), *SHRM Online*, July 2019

Crafting Wellness Efforts for Those Most in Need of Them ([www.shrm.org/ResourcesAndTools/hr-topics/benefits/pages/craft-wellness-efforts-for-at-risk-employees.aspx](http://www.shrm.org/ResourcesAndTools/hr-topics/benefits/pages/craft-wellness-efforts-for-at-risk-employees.aspx)), *SHRM Online*, January 2019

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