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New Research from EBRI:

Financial Incentives Key to Effective Wellness Programs

WASHINGTON—Financial incentives appear to be a crucial factor in bringing unhealthy workers into workplace wellness programs, according to a new analysis by the nonpartisan Employee Benefit Research Institute (EBRI).

Using administrative data from a large employer that provided anonymous participant information, EBRI analyzed the impact that financial incentives had on the first-time participants in the employer's wellness programs.

Specifically, EBRI looked at those who completed a health risk assessment (HRA) or biometric screening in the two or three years after financial incentives were offered to workers to participate.

“Our findings paint a vivid picture of who responds to wellness-program financial incentives. They indicate incentives have a strong impact at bringing in the kind of people who really need the program,” said Paul Fronstin, director of EBRI's Health Research and Education Program, and co-author of the report.

Among the report's findings:

- *Demographics*—Older men were most likely to respond to incentives. Among employees who first completed an HRA post-incentive, 82.4 percent were male versus 70.2 percent pre-incentive, and the gender comparison was similar for biometric screenings. Late adopters also tended to be older: Among those first completing an HRA post-incentive, the mean age was 50.0 compared with 45.0 among the pre-incentive group. For biometric screenings, the average age was 48.7 versus 46.4 for the post- and pre-incentive cohorts, respectively.
- *Health Status*—In general, individuals who first completed the wellness programs during the post-incentive period were less healthy than early adopters. Moreover, prevalence rates of diabetes, high blood pressure and high cholesterol were all higher in the post-incentive groups than in the pre-incentive groups.
- *Health-Services Utilization*—Visits to specialists were higher for the post-incentive cohorts. Prescription drug utilization was higher as well among post-incentive HRA completers (17.0 fills per year) compared with pre-incentive HRA completers (14.2 fills per year), and also greater for post-incentive biometric screening completers. In large part, individuals who first completed HRA

and biometric screenings after the financial incentives were introduced were less likely to consume preventive care, and they were less likely to have visited a primary care provider.

- *Health Risks*—Individuals who first completed the HRA post-incentive had greater health risk than those first completing it pre-incentive. Employees first completing the HRA post-incentive were more likely than those completing it pre-incentive to be at risk for blood pressure, exercise, glucose, nutrition, smoking, and weight.
- *Biometrics*—Late adopters of biometric screening also had worse biometric values. Over one-third (35.2 percent) of post-incentive biometric screening completers was obese compared with about one-quarter (26.3 percent) of pre-incentive completers. Further, 50.3 percent of post-incentive biometric screening completers were pre-hypertensive, compared to 45.8 percent of early adopters.

The full report, “Financial Incentives and Workplace Wellness-Program Participation,” is published in the March 2015 *EBRI Issue Brief*, online at www.ebri.org

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