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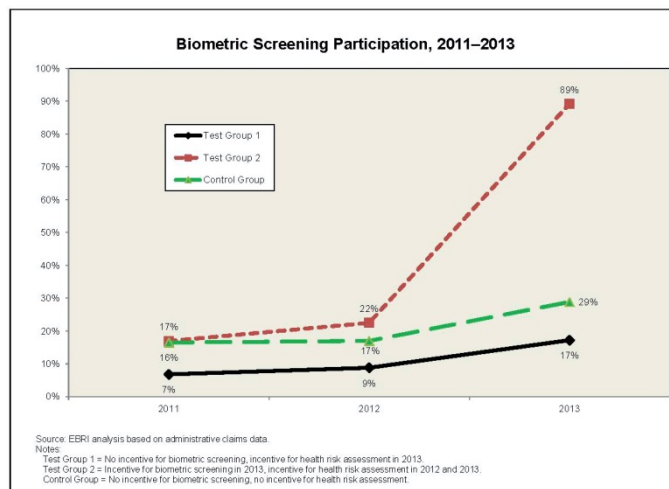
New Research from EBRI:

Financial Incentives Boost Wellness Program Participation

WASHINGTON—Offering financial incentives to workers to participate in workplace wellness programs has a big impact on the programs’ success, according to new research by the nonpartisan Employee Benefit Research Institute (EBRI).

Examining 2013 patient data with one large Midwest employer that enhanced its incentives to encourage participation in its wellness program, EBRI found a huge increase in the share of workers taking health risk assessments (HRAs) and biometric screenings, designed to identify chronic medical conditions.

Specifically, EBRI found that a financial incentive in the form of a \$20 per month premium discount increased participation in HRAs by 50 percentage points among members of unions that bargained for the incentive, and 22 percentage points among non-union members. Participation in biometric screenings went up even more, by 55 percentage points.



“While most workers say they participate in these programs to improve their health, financial incentive are very effective at getting workers in the door,” said Paul Fronstin, director of EBRI’s Health Research and Education Program and co-author of the report. “There is a growing body of evidence that suggests workplace wellness programs may reduce health care spending, but workers have to participate for the programs to work.”

With private- and public-sector employers spending some \$660 billion on employment-based health benefits in 2013, sponsors of health insurance plans are increasingly

interested in ways to improve their workers’ health and productivity. The Patient Protection and Affordable Care Act of 2010 (PPACA) created an inducement for wellness programs, allowing employers to provide financial incentives of as much as 30 percent (up from 20 percent) of the total cost of coverage when tied to participation in a wellness program. The provisions are expected to drive increased adoption

of this strategy, and there is already evidence to suggest that adding wellness program incentives is by far more commonplace among employers than other health plan changes.

Besides the big increase in participation in wellness programs because of financial incentives, EBRI also found:

- Biometric screenings led to an average increase of 0.31 annual prescription drug fills, with related spending higher by \$56 per member per year. Otherwise, no significant effects of participation in HRAs or biometric screenings on utilization of health care services and spending were found.
- The largest increase in medication utilization as a result of biometric screening was for statins, which are widely used to treat high cholesterol. This therapeutic class accounted for one-sixth of the overall increase in prescription drug utilization. Second were antidepressants, followed by ACE inhibitors (for high blood pressure), and thyroid hormones (for hypothyroidism).
- Biometric screening also led to significantly higher utilization of biologic response modifiers and immunosuppressants. These specialty medications are used to treat autoimmune diseases, such as rheumatoid arthritis and multiple sclerosis and are relatively expensive compared with non-specialty medications. The added spending associated with the combined increase in fills of 0.02 was \$27 per member per year—about one-half of the overall increase in prescription drug spending from those who participated in biometric screenings.

The full report, “Financial Incentives, Workplace Wellness Program Participation, and Utilization of Health Care Services and Spending,” is published in the August 2015 *EBRI Issue Brief*, online at www.ebri.org

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