

Healthy Lifestyles

INSTITUTE ON
The Costs
AND **Health**
Effects
OF **Obesity**



A Best Practice Case Study Highlighting Aetna Inc., Hartford, CT

I. The Bottom Line

Challenge

Create a strategic response to growing health care costs for both Aetna Inc. and its employees. Increase enrollment in health and wellness programs by offering incentives; integrate the employee health and productivity concept into the corporate culture; reduce absenteeism, improve productivity and decrease overall medical expenses.

Summary

The cornerstone of Aetna's multifaceted incentive strategy is a financial reward of up to \$600 annually to every employee who participates in the company's *Healthy Lifestyles* program. As one of the nation's leading insurers, Aetna uses its resources, such as its data-gathering expertise, to monitor employee progress.

The company believes that to maintain good health and maximize productivity, several things are necessary: a balanced diet; frequent physical activity; and adherence to preventive screening guidelines. Aetna's comprehensive *Healthy Lifestyles* incentive program reflects this by encouraging employees to take personal responsibility for their health and participate in the following four main components of the company's wellness program:

- Education and awareness, including the health assessment;
- Preventive screenings;
- Physical activity; and
- Disease management.

With more than 100 locations nationwide, Aetna employs 27,000 people, of whom 22,000 are in an Aetna plan making them eligible to register and qualify for incentives; in 2006, 50% of those eligible, or 11,000 employees, registered.

Key Goals

- Develop a program that connects the incentive strategy with the consumer-directed health care model, by placing the incentives directly into the health savings or reimbursement accounts.
- Make the consumer component attractive so that employees take proven preventive actions that have the greatest impact on health and health care cost reduction.
- Create a rewards tracking technology that is easy to access and encourages employees to participate and achieve *Healthy Lifestyles* goals. (Because employees earn the \$600 incentives throughout the year and not all at once, employees remain engaged, active and healthy the entire year.)
- Help people achieve their optimal health, despite whatever medical issues they may have.

ROI to Date (2005)

Participation:

- 15,325 employees, or 57% of the employee population, received free pedometers.
- 5,230 employees completed a Health Assessment.
- 4,190 employees completed preventive health screenings.
- 8,000 employees received a flu shot.
- 4,070 employees completed a 6-week online “Healthy Living” program.
- 3,170 employees participated in the physical fitness component.
- 340 employees completed a 13-week Weight Watchers program.

Behavior:

- Fitness center members completed an average of 96 workouts in 2005, up from 58 in 2004, representing a 66% increase.
- 1,166 participants completed 100 or more workouts in 2005.
- 51% of those who completed the Healthy Living program, which is a component of *Healthy Lifestyles*, showed an improvement in their body mass index (BMI).
- 90% of employees completing at least one Healthy Living program indicated that they achieved their goals.

- 30% increase in those who completed a program who report they get at least 30 minutes of moderate-intensity physical activity three days a week.

More ROI

- 3.4:1 ROI for the physical fitness component of the *Healthy Lifestyles* program (based on Aetna study results, “Evaluation of Participation in Aetna’s Onsite Fitness Centers on Health Care Costs”).
- \$1.4 to \$1.9 million in savings from participation in *Health Lifestyles* (based on Aetna study, “Literature Based Value Assessment of the Increased Participation in the *Healthy Lifestyles* program”).

II. Process and Resources

Program Chronology

2004

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|-------------------|---|
| May: | Strategic direction and design |
| June: | Stakeholder buy-in
Management support
Budget development |
| July: | Legal review
Program design
Requirements gathering
System design
Technology development |
| July-Nov.: | Organizational readiness
Training
Implementation |
| Sept.: | Communications |
| Dec.: | Launch of program |

From Concept to Implementation

Step 1— Design Program and Make Proposal to Management

- Design *Healthy Lifestyles* program; develop eligibility criteria, goals, expected outcomes and personal health scorecard.
- Propose program to management and secure management support.

Step 2— Obtain Program Staffing and Financial Support

- Identify administrative resources and finalize total budget.
- Establish cash award amounts made to employees for each activity accomplished.

Step 3— Identify and Develop System Requirements and Interfaces

- Determine technological support.
- Determine how participation will be tracked administratively.
- Develop system payment methods for medical plan accounts and cash awards (through Payroll).

Step 4— Establish Delivery Logistics

- Determine evaluation methods and set performance targets.
- Organize wellness tools under one umbrella (e.g., *Healthy Lifestyles* “Home” page featuring on-line tools, interventions, links to programs and services, etc.).

Step 5— Complete Legal and Compliance Review of Program

- Work with legal and compliance offices to determine what incentives can be included.
- Develop HIPAA language within systems to capture electronically the employees’ agreement to have this program track their activity for the purposes of paying the incentives.

Step 6— Develop Communication Strategy

- Establish communication channels with senior leadership.
- Develop communication materials, such as Q&A for employees, and ongoing avenues to support employee involvement in program.

Monitoring and adjusting took place through each phase of the project.

Eligibility/Target Population

- Only employees enrolled in an Aetna-sponsored employee medical plan are eligible to participate in *Healthy Lifestyles* and receive incentives; dependents are not eligible.
- All employees may participate in the program's wellness activities.
- In 2007, completing a health risk assessment (HRA) is a prerequisite to receiving any financial reward.

Program Features

The *Healthy Lifestyles* incentive program encompasses four major areas—healthy diet, exercise activity, preventive screenings and disease management. Also included are the Healthy Living programs that address diet, exercise, stress and aging.

Key *Healthy Lifestyles* program components include the following:

- A \$600 annual incentive potential for most participating employees (men are not eligible for the mammogram incentive);
- Free pedometer available to all employees, whether they participate or not;
- Online pop-up alert feature for rewards tracking and payouts that keeps employees engaged in tracking activities;
- 24/7 access to all programs from home or work;
- Incentives for disease management program participation;
- Incentive for two dental cleanings per year;
- Incentive for completion of a Weight Watchers program, at work, online or in the community;
- Success messaging throughout the program for accumulated exercise activity points, which keeps employees engaged and encouraged; and
- Two state-of-the-art rewards tracking systems—HealthCalc for exercise activity points and e.Service for overall incentive rewards portal—that enable employees to view incentives earned throughout the program year and help sustain the program's momentum.

Program Management and Resources

- The *Healthy Lifestyles* incentive program is a critical part of Aetna's overall benefit strategy. As such, enhancing all aspects of the program, including its delivery, is discussed on an ongoing basis in a highly collaborative environment.
- The program was developed and is currently delivered by a multidisciplinary team consisting of the following: a benefits consultant who handles activities associated with program strategy and delivery; a communications resource consultant; IT professionals; a national fitness manager; and additional benefits consultants, as needed.

Critical Success Factors

- Aetna's culture and organization were receptive to the concept of an incentive program.
- Senior management was supportive.
- The company was financially sound and in a position to reward behavior change with monetary incentives.
- *Healthy Lifestyles* incentive strategy aligned with overall benefit strategy.
- Technological expertise was available to custom-build a system that could support incentive payout and tracking.
- Communications support was in place to encourage employee participation.

Strategies for Avoiding Pitfalls

- Program was developed and delivered in a collaborative environment using a cross-functional team with subject matter experts from a variety of disciplines.
- Goals and program objectives were clearly defined.
- Senior management support was secured early, and it was maintained throughout the program lifecycle.
- Incentive strategy was coupled with wellness programs already familiar to employees.

Implementation Bumps

Although Aetna has a long history of implementing innovative wellness programs, *Healthy Lifestyles* was unlike anything it had ever offered to employees. The program's delivery required a sophisticated level of organizational planning and operations. Although there were no bumps *per se*, the requirements listed below presented challenges that needed to be met prior to implementation. How this was resolved hinged on a lot of out-of-the-box thinking.

- *Requirement.* Comply with HIPAA regulations. Most of the issues centered on access to health-related data in order to systematically reward the employee.
- *Resolution.* When registering and prior to participating, have each employee read and acknowledge a statement saying that activities will be tracked for the purposes of receiving incentives. The additional benefit is that Aetna now can segment the employee population by registrants and non-registrants, allowing it to compare aggregate claim and attendance data to analyze the impact of the incentive program.
- *Requirement.* Develop a program that is cost-effective and does not require service delivery support to address employee questions and concerns. Disperse rewards without staff involvement so that the *Healthy Lifestyles* team can focus mostly on program strategy and communications.
- *Resolution.* Created interfaces from several different business sources within Aetna that enabled incentive payments to be made for all the program's components. To make tracking easy for the employee, it was critical to display on one rewards screen fitness exercise activity, preventive screenings and other program components.
- *Requirement.* Deliver a multifaceted incentive program by partnering with internal Aetna product areas and external vendors, and coordinate with the IT, benefits and payroll departments.
- *Resolution.* Coordinated closely with external vendors—Simple Steps To A Healthier Life, HealthCalc and others—that customize files and web pages in order to deliver the program to employees seamlessly.

Communications

The *Healthy Lifestyles* incentive program is communicated in the following ways:

- Electronic publications;
- Monthly fitness center newsletters;
- Employee testimonials;
- Participation in onsite employee customer fairs; and
- Outreach initiatives to employee diversity networks and other employee groups.

In addition:

- Employee registration and utilization are tracked against monthly communications to measure impact; and
- Reports produced from the *Healthy Lifestyles* administration function allow Aetna to create custom communications lists for just-in-time messaging to areas of the organization that have low registration/participation rates.

III. Assessment

Feedback for Goal Refining

At the end of each year of the program, Corporate Benefits together with Strategic Marketing conducts online focus groups and a survey to program participants. They are also provided to non-participants to find out why they are not engaged. The focus groups and survey are designed to do the following:

- Gauge understanding of current program offerings;
- Assess attitudes toward the program and its perceived value to participants;
- Measure readiness for further changes; and
- Determine priorities and preferences related to administrative features, and communication channels and tools.

Each year, the *Healthy Lifestyles* project team develops a list of program enhancements derived from feedback from participants and non-participants, and subject matter experts from benefits, fitness, legal, compliance, finance, technology and communications.

This review process ensures that the *Healthy Lifestyles* program continues to complement the company's benefit strategy, adheres to the consumer-directed model, supports

behavior change methodologies and is delivered in a cost-effective way using a proven communications strategy.

Benchmarking

- Benchmarking surveys indicate that of the five major health care industry competitors, Aetna is the only company offering an incentive program that rewards employees for positive health care choices and behaviors. (The *Healthy Lifestyles* program deposits the financial incentive an employee has earned into their medical plan account, which may help to offset out-of-pocket medical costs.)

Financing

- Start-up costs and program expenses are aligned with the annual overall medical plan budget.

Additional metrics

- Through monthly *Healthy Lifestyles* incentive reports, Aetna is able to track all incentive distribution amounts, eligible employees, and pedometer orders and cost.
- Aetna can validate preventive screening use, number of days absent and reason for absence codes by *Healthy Lifestyles* participants vs. non-participants, and track exercise activity occurrences/points, program component web page hits, *Healthy Lifestyles* “Home” page hits and “Rewards” page hits. Where communications for the program appear on Aetna’s intranet sites, the company is able to track web page hits as well.

Promoting
Healthy Weight
Through Healthy
Lifestyles

BEST Practices

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About the Institute on the Costs and Health Effects of Obesity

The Institute on the Costs and Health Effects of Obesity is part of the National Business Group on Health. The Institute works with large employers to develop practical and cost-effective solutions to reduce the health and cost impact of overweight and obesity on workers and their families. This Best Practices and Innovations series showcases successful programs developed and implemented by large employers.

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