



# MANAGED CARE

## OUTLOOK

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## **Capturing Wellness Program Outcomes and Return on Investment**

*Jo Anne Hunt*

Organizations of all sizes are incorporating wellness programs into their health care cost containment strategies. Driving some of this interest in wellness initiatives is the realization that employee lifestyles account for a vast majority of an employer's health care costs and that the improved overall health of employees has been shown to contribute to long-term health cost avoidance and

*(See Capturing Wellness ... page 5)*

## Capturing Wellness ...

(from p. 1)

increased productivity. For example, the American Institute for Preventive Medicine reviewed published studies on wellness program outcomes and found \$3.48 in reduced medical cost for every dollar spent. This type of objective return on investment (ROI) is key to an organization's decision to continue to offer wellness programs.

### Overview of Wellness Program Outcomes

Essential to an organization's success in demonstrating ROI for wellness programs is consensus from key stakeholders on the program's goals and success metrics. The metrics an organization chooses should be based on the program initiatives, data sources, and available resources. It is also important for an organization to remember that not all outcomes can be translated into dollar savings.

Common ways wellness program outcomes and ROI can be measured include the following:

- Reduced medical claim costs, such as workers' compensation claims or unnecessary health care services;
- Increased employee morale, which can be seen through lower turnover rates and higher employee survey satisfaction scores;
- Improved overall health and well-being of individuals participating in programs;
- Increased employee wellness program participation rates;
- Reduced absenteeism; and
- Increased productivity.

### Current Challenges

While there are examples of successful ROI in the literature of some organizations, the scarcity of published results hints that many organizations of all sizes continue to struggle with evaluating the outcomes and value of wellness activities. The lack of ROI calculation

may be rooted in current challenges to identify and analyze outcomes.

Challenges in measuring programs include the following:

- **Standardization of program components** — To measure an objective ROI, there needs to be standardization across the components of an organization's wellness program for results to be accurately compared.
- **An established starting point** — Before an organization can measure outcomes of its wellness programs, it needs to have an established baseline against which to measure. This can be challenging for an organization when it does not have sufficient amounts of historical data on a population or if the data are not in a format that can easily be analyzed. Additionally, organizational data related to wellness programs and comparable benchmarks are not always available.
- **Gaps in self-reported data** — Much of the data on the outcomes of wellness programs are related to behavioral changes and, as such, depend heavily on self-reported information. While this type of information may be captured by wellness program staff and periodic updating of an individual's health risk assessment (HRA), it may not be documented in a format that lends itself to later data analysis.
- **Time and ROI pressures** — Results must be evaluated over time to accurately reflect program outcomes. This can present problems for organizations under pressure to show positive returns for their programs in order to continue with funding. Results are often evaluated soon after programs are implemented, leading to disappointing or exaggerated results. Adding to the challenge, some organizations do not have the capability to store adequate amounts of historical data.
- **Accurate tracking** — Absences from work may not be accurately recorded by the employer, especially for salaried staff, and

associating outcomes with specific program interventions can be difficult.

- **Participation rates** — A wellness program needs solid, secure participation rates to effectively evaluate outcomes and ROI. Fluctuating participation and high employee turnover rates complicate the analysis.
- **Concerns around confidentiality** — Use of a health risk assessment must be incorporated into the wellness program, but employees may opt not to complete the assessment due to concerns over confidentiality of the information they provide.

#### **Technology's Role in Meeting the Challenges**

As affordable information technology (IT) solutions designed to support wellness initiatives emerge in the marketplace, opportunities for measuring wellness program outcomes and ROI have become a reality even for small organizations. For optimum value, the chosen solution must support the organization's wellness-focused workflows and unique program needs.

#### **Program Portability**

Portability of the wellness program information is a key consideration for both program participants and staff. Individuals should have the ability to view and download their personal wellness program data through a secure Web site or member portal. Direct entry of assessment information and notes should be available to wellness program staff at the point of use, regardless of whether or not they are connected to a server or the Internet.

Having the ability to enter information as it is received:

- Decreases the chance of documentation or information received being overlooked;
- Assists staff in asking key questions while with the individual;
- Minimizes the chance of data breaches;
- Eliminates errors from transcription of written notes into online documentation, also reducing error rates within this process;
- Increases staff and program efficiency; and
- Allows staff to view history and the individual's information during the onsite assessment.

#### **The Benefits of Electronic HRAs**

Offering an electronic HRA can assist in the collection of self-reported participant information in a format designed by the organization to encourage program analysis. Key information fields can utilize functionality such as drop-down selection boxes rather than free-form text fields helping to standardize program reporting. Furthermore, the costs associated with the distribution and processing of paper HRA forms can be avoided.

#### **Ensuring a Complete View of Participants**

Integration of key information from disparate sources allows a more comprehensive view of an individual. Types of available information will vary by organization, but ideally the following would be integrated:

- Claims data (medical, pharmacy, worker's compensation, and disability);
- Eligibility data and demographics;
- Absenteeism data;
- Health risk assessments; and
- Wellness program participation data.

To ensure an organization's wellness initiatives are able to change and evolve as rapidly as their population does, it is mandatory that the solution or tools used to support such activities are flexible and easily configurable, allowing for such changes. For example, workflows and forms must be wellness focused. Trying to use forms designed for other programs, such as claims payment, case management, or disease management, leads to loss of efficiency and effectiveness of programs. The system must be affordable. Smaller organizations need to find the "work horse" and not the "Cadillac" solution, remembering that functionality is more important than flashy looks.

Any system, whether internally or externally developed, must be easy for the wellness program staff to use. An organization must weigh its need for data against the potential burden collecting that data poses for end-users. If the system is not user-friendly, staff acceptance of the system will be hampered, and they may be less likely to complete all essential data entry for measuring outcomes/ROI.

Specific program interventions must be tied back to the corresponding problem(s) that drove their identification. In addition, interventions completed must be linked to corresponding outcomes. The easiest way to accomplish this is to make staff entry of outcomes mandatory before closing an intervention. Outcomes should be entered in a way that fosters data analysis and program evaluation as well as ease of entry.

System integrated reporting tools are necessary for comprehensive, efficient outcome/ROI reporting. These report systems should be easy enough to use so organizations with limited technological or analytic staff can produce meaningful outcomes reports for both internal program evaluation and external customers.

The reports need to integrate key data elements from disparate sources. In addition, the system needs to be able to export data to

other reporting platforms or data warehouses an organization uses. Because meaningful outcomes reporting for a wellness program may not be done for two to three years into a program, historical data should be stored and available for *ad hoc* as well as ongoing queries/outcomes reports.

While some organizations have been successful in demonstrating positive ROI for their wellness initiatives, many continue to struggle in quantifying the value of their programs. There is an array of ways an organization can measure outcome and ROI related to their wellness programs, but challenges persist. Carefully chosen, wellness-focused IT solutions can aid in demonstration of program outcomes and ROI by collecting, integrating, and reporting on key program information. ■

Jo Anne Hunt, ARNP, CCM, is director of Clinical Solution, Casenet ([www.casenetinc.com](http://www.casenetinc.com)).