Benefits leaders have long known that healthy workers are productive workers — and that they have lower health care costs. Still, getting workers to adopt employer-sponsored wellness offerings is difficult. And so, nearly four in five employers use incentives to help employees get started or continue on their health journey.
As companies look for additional ways to support their employees and reduce their out-of-pocket medical costs, they are expanding their traditional incentive program goals around physical health to take a more holistic approach to well-being, incentivizing actions that support mental and emotional well-being, as well as offering rewards for making cost-effective care choices.

Quick Stats

78% of employer-based wellness programs offer incentives, either for participating in a health-related activity or for achieving a particular health outcome.

15% of incentives are tied to mental, financial and emotional health.

Nearly 85% of members earning incentives are considered high risk, meaning the programs are reaching those who need them most.

78%
15%
85%

Five Primary Categories of Rewarded Activities

Generally speaking, rewarded activities fall into five primary categories:

Survey
- health survey or health risk assessment

Screenings
- including annual physicals, cancer screenings, and dental exams

Health Goal Achievement
- reaching a healthy BMI, cholesterol, blood pressure, or waist circumference, as reported by a clinician or the member

Wellness
- such as gym check-ins or enrolling in a coaching program for stress management

Care decisions
- such as obtaining care cost estimates to drive cost-effective choices
**Rewarding the Activities That Matter**

Employers who partner with Rally on their incentives programs offer a variety of rewardable activities. The most popular activities among Rally users are:

- **Preventive screenings**: 3.8M total completions
- **Risk assessments / surveys**: 3.6M
- **Health goal achievements**: 1.6M
- **Wellness activities**: 2.7M
- **Cost estimates**: 1.7M

**Impacting Engagement With Incentives**

In a traditional wellness program approach, companies offer a smorgasbord of activities and programs, then cross their fingers that employees select the best options for themselves. Workers are bombarded with weight management options, smoking cessation programs, specific disease management programs, various health screenings, and daily activity challenges.

The reality, though, is that putting unstructured information in front of people won’t drive meaningful engagement. Instead, effective programs must be designed with your business and population health goals at the forefront.

Incentives offer a unique opportunity to target your wellness offerings to those who will benefit most, which can support meaningful engagement. For example, Rally data shows that even high-risk populations who are digitally engaged and incentivized have higher clinical program completion rates than less healthy members who are not digitally engaged and incentivized.

**Different Strokes for Different Folks**

Where you begin, or go next, with incentives depends on a variety of factors, including the maturity of your wellness program, your corporate goals and culture, and your population’s demographics. However, one theme remains consistent: Moving toward a more personalized approach over time can maximize program effectiveness. Use this three-level framework to guide your advancement.
Choose appropriate care

Whether it's preventive health, emotional well-being, condition management, or otherwise, ensure your program incentivizes appropriate care actions. For example, if you are focused on encouraging employees to stay on track with preventive care, you may incentivize actions such as seeing their primary care doctor; undergoing a biometric screening, and getting a flu shot.

Align rewards with activities

Research shows that some rewards have a greater impact on certain wellness activities than others, so it's important to align the two. For example, a recent study shows that gift cards are an effective way to drive health survey completion, while HSA contributions are strongly associated with better participation in biometrics screenings. And any reward, from gift cards and HSA contributions to premium reductions and paid time off, effectively spurs people to participate in a weight loss program. Also consider letting employees choose their rewards based on what's most relevant to them.

Optimize reward amounts

Financial incentives are a popular way to support benefit engagement, but when looking for ways to optimize participation to the fullest extent, data shows that simply adding more money won’t work. In looking at a broad range of incentivized activities, larger incentives were associated with higher odds of participating in biometric screenings only. One size doesn’t fit all — and dangling additional dollars for action or achievement that’s irrelevant to an employee isn’t effective.

Designing for all employees

If you’re a smaller company just beginning to gather insights on employee health or are just implementing your incentives program, you can start off with an incentives strategy designed to serve your entire workforce. In doing so, consider the following to drive maximum initial engagement and enable the transition to a more targeted approach over time:

Start with a health survey

The health survey is the entry point and registration hook to get employees engaged with your wellness program. It will also help you gather the health insights you need to personalize your program. Data provided by the survey is key to helping you understand condition prevalence and trends in your employee population, as well as to providing employees with visibility into their overall health.
Designing for segments

If you’re a larger company or more experienced with incentives, consider designing your program to address health risks among segments of your employee population. Consider the following:

**Data is key**

Partner with an expert who can leverage data to identify segments, or groups, of employees based on insurance claims and eligibility information, health risk and engagement trends, and population and industry needs. Then, set goals for each segment and design your incentives program to support achievement.

For example, if you identify that 30% of your population is pre-diabetic, this method allows you to deploy rewards to that segment that correspond to enrolling in a weight management program with tools and coaching targeted toward Type 2 diabetes prevention. This program will have a bigger impact on pre-diabetic employees than if you were to reward them for enrolling in a basic activity challenge.

**The role of regulations**

Incentives plans must comply with federal and state health-related incentives requirements, which protect employee rights and can vary among regions, offices and populations. In some cases, if program incentives are too high, they can be seen as coercing participation.

**Offer choices**

The best plans offer members a variety of actions to improve their physical, mental, social, and financial health. They also give employees a limited scope of choice as to which rewardable activity to pursue, because while too much choice paralyzes decision-making, a basic element of choice can increase motivation and drive participation.

Offering several options allows members to enroll in activities that best align with their personal health goals. For instance, someone who is already losing weight via a weight loss program can enroll in a sleep coaching program. (Research demonstrates a strong correlation between adequate shut-eye and managing a healthy weight.)

**Re-evaluate segments annually**

When establishing a segmented incentives program, consider re-evaluating your groupings annually as employee needs and health trends evolve.

**Easy Does It**

*Data suggests* that when given a choice, workers will opt for an activity that is considered easier (e.g., a health survey) over more difficult options (e.g., achieving weight loss). Design your program with choices of equal difficulty, as well as ones that contribute to your population health goals.
Individually curated rewards

Large companies that have successfully implemented a segmented incentives program should consider going further to drill down to the individual employee. In this most advanced level of targeting, data is crucial to understand employees’ diverse interests and individual health journeys and to most successfully optimize their behavior. Curated, or personalized, rewards take into account a host of clinical and engagement analytical data sources, including:

- An employee’s attitudes, preferences, and motivations gleaned from their health survey responses
- Actions they have taken toward achieving recommended activities
- Biometrics results and claims data to understand the full breadth of their health profile
- Demographic information from external sources to understand individual characteristics and barriers to care access that are not readily available elsewhere
- Geography and location based on where they engage with their incentives platform or track their fitness activities

Dynamic actions, dynamic rewards

Curated rewards programs are tailored to the individual, so each person is served the action most relevant to them, along with the reward they find most attractive. Recommendations are dynamic, prioritized by potential impact, and dependent on each person’s place in their health care journey. Advanced companies are using the latest in new technologies like predictive analytics to update recommendations over time based on how employees are progressing.

For example, a 42-year-old woman is diagnosed with COPD and has not yet received her annual flu shot. Because COPD is higher risk and potentially higher cost, a curated rewards program will assign a larger reward to the higher-priority action. Accordingly, the woman will receive a $100 HSA contribution for enrolling in a COPD management program and a $25 contribution for getting her flu shot.

Personalized rewards can also help healthy individuals stay on track by incentivizing them for maintaining their health. For example, an employee with limited clinical needs may be offered a reward for completing a monthly fitness challenge.

A partner for the process

This degree of personalization requires a vendor that can pinpoint and manage the data to guide your approach, as well as offer the digital tools necessary to implement a truly dynamic program. When evaluating potential partners, make sure to look for:

Connectivity and data integration: Ensure they can consolidate multiple data streams into a simplified experience.
Flexible, scalable implementation: Make sure they can deliver a seamless implementation regardless of your company size and are equipped to adapt to your business needs, current events and industry trends. The importance of adaptability has never been more apparent as COVID has required companies to re-evaluate their program offerings.

Deep personalization expertise: Nudging all employees to complete the same tasks for the same incentives year after year can lead to lower engagement, and can make budgeting an exercise in frustration. True personalization draws on data-driven insights across industries and population dynamics, social determinants of health, risk profiles, attitudinal data, and more. The result is more relevant recommendations, meaningful engagement, and better use of your budget.

Program evaluation and reporting: The success of your incentives program depends on understanding what’s working and what’s not, so make sure your platform has the ability to:

○ Measure the impact of incentives on specific desired outcomes
○ Look beyond employee engagement and participation to evaluate trends in medical spend, risk shift, and behavior change
○ Provide a holistic understanding of program impact and help you determine how to best refine it to achieve maximum ROI

A Data-Driven Partner

Rally’s technology analyzes claims data to suggest individualized programs based on the care services an employee has received. But that’s just a start. We also create personalized incentive programs with targeted rewards based on the most important actions an individual can take to improve their health. For example, someone who has indicated that they are stressed on their health survey might qualify for an employer-sponsored financial reward tied to completing a stress management coaching program, while someone who has indicated that they use nicotine might earn the money if they complete a smoking cessation program.

Completing the Engagement Puzzle

Incentives are an important element of any well-being program, yet they remain just that: one element of the engagement puzzle. The best-performing programs also follow several universal best practices:

They build self-efficacy

While incentives can support engagement, make sure you educate and empower employees to manage their own health and well-being, even when it’s not being rewarded.

They instill a supportive company culture

Your organization’s culture must reinforce the healthy actions being encouraged in your wellness program.

They have a communications plan

The best way to drive engagement is to consistently communicate program benefits and encourage participation. Communications from executive leadership can be especially effective.
At Rally Health, we use technology to make health care and staying healthy more accessible and affordable for all, regardless of health plan. We create digital solutions and experiences for all of the health care system’s participants: employers, health plans, providers, and consumers.

In addition to building our own experiences, we also partner with health programs and services providers to power their digital engagement, creating a unique partnership of clinical expertise with consumer-friendly digital experiences.

What makes Rally unique is that we combine a user-first design approach with unparalleled health care system access to make something as complicated as managing your health as easy to use as your smartphone.

References

Business Group on Health; Rally internal data; Journal of Occupational and Environmental Medicine; Centers for Disease Control and Prevention