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Setting Up

Wellness Strat

Multiemployer wellness programs may improve their chances of success by properly designing incentives, using on-site clinics and taking advantage of increased use of smartphones.

by | **Sadhna Paralkar, M.D.**

for Success:

Strategies for Multiemployer Plans

Wellness programs in a multiemployer plan environment pose unique challenges. Even if plan trustees and participants believe in wellness, most wellness programs, with the exception of a few, have experienced limited participation and, hence, limited success.¹

One challenge is that most of the literature and other guidance on workplace wellness focus on the experience of corporate employers whose employees work in one or a few locations. This creates an informational vacuum for multiemployer plans. Mimicking single employer wellness programs is bound to fail because the multiemployer plan work environment and culture are simply too different. Taking a different approach can increase the success of a wellness program for multiemployer plans. In addition, given the loyalty and lower turnover within multiemployer plans, wellness programs are, in fact, likely to produce better results over corporate plans, rewriting the return on investment for these programs.

The Unique Challenges of Multiemployer Plans

According to a recent report,² successful wellness programs exhibit two characteristics that most multiemployer plans lack.

A Culture of Wellness

This consists of integrating a total health model into every aspect of business practices. Examples include offering

flexible work schedules, enforcing health-promoting policies and establishing a healthy physical environment (e.g., making healthy foods available, instituting exercise and stretching breaks on job sites, encouraging the use of staircases instead of elevators and installing walking trails and treadmill workstations).³

The issue for multiemployer plans is that establishing a culture of wellness is typically an employer-centric activity that works best at a single workplace. It may not be possible for multiemployer plans whose participants do not work for one employer in one location.

In most cases, there is no single cafeteria or breakroom in which to display pamphlets and newsletters and no intranet or e-mail that participants must use for work every day. In some plans, the participants' physical workplace changes every few days or months (e.g., building trades or Teamsters unions). In other industries, such as those that cover United Food and Commercial Workers (UFCW) members, participants may work in the same grocery store, but the employer controls the work environment, and its health and wellness policies may not align with those of the plan.

Leadership Commitment and Support

A successful wellness program starts with a pledge from company and union leaders, and its continued success depends on ongoing support at all levels of the organization. In particular, leaders establish a healthy work environment by integrating health into the organization's overall vision and purpose. Senior leaders not only speak of its importance to the organization, but they lead by example.

This poses yet another obstacle for multiemployer plans where the leadership is generally not visible to the membership on a day-to-day basis. Even if the chair of the board of trustees and the fund administrator are willing to lead by example by participating in wellness activities, the members may not be aware of it.

Breaking the Pattern

While wellness programs have failed to catch on for many multiemployer plans, three developments have come to the rescue: (1) smartphones, (2) incentives that are easy to understand and use, and (3) on-site clinics for very large plans. By using these advances, multiemployer plans can overcome their inability to develop and communicate a culture of wellness and leadership support.

Me and My Smartphone

According to the Pew Research Center,¹ 77% of adults in the United States own a smartphone, up from 35% in the spring of 2011. Pew estimates the number of smartphone users in the U.S. will reach 222.9 million this year.

Most people have a very personal relationship with their smartphone. We use them for practically everything—communicating, staying informed, making and keeping appointments, paying bills, accessing maps and directions, entertainment and more.

Wellness is also personal. Keeping fit and living a healthy lifestyle involve many individual choices,² which is ideal for today's smartphone culture.

1. Pew Research Center, Mobile Fact Sheet, www.pewinternet.org/fact-sheet/mobile/. (Accessed June 28, 2017.)
2. The *Prochaska Model*, which describes five stages people go through on their way to change, is widely used in the wellness industry. James O. Prochaska, C. A. Redding, and K. E. Evers, "The Transtheoretical Model and Stages of Change," (*Health Behavior and Health Education: Theory, Research, and Practice*, Fourth Edition, Jossey-Bass, Inc., San Francisco, California, 2002): 99-120.

Take Advantage of Smartphones

Multiemployer plan members don't have a single workplace, and many don't have desktop computers. But multiemployer plans can capitalize on the relationship participants have with their smartphones to deliver creatively designed wellness messages. These ubiquitous devices are revolutionizing how health care is delivered and consumed, giving multiemployer plans the same advantages as plans sponsored by individual employers. (See the sidebar "Me and My Smartphone.")

Communication is the key to a successful wellness program. Participants who are unaware of program offerings or do not know how to participate cannot engage in the program. Targeting also is essential, as "one size fits no one" is the mantra behind any successful wellness program. Thanks to smartphones, multiemployer plans can deliver carefully targeted, personalized communications with the help of a vendor partner that has a high-quality, secure mobile wellness program and has exhibited proficiency with the mobile communication platform.

Accessibility also is key. In addition to communications, participants can use smartphones to access the many health-related mobile apps that allow participants to engage in all kinds of wellness-related activities. For example, smartphone users can download apps to use their phone as a pedometer and calorie tracker, monitor their weight and vital signs, create meal plans and recipes, access one-on-one health coaching and retrieve fitness, dietary and nutritional advice.⁴

Design and Communicate Incentives Carefully

Although a culture of wellness and leadership commitment and support are the hallmarks of most successful wellness programs, properly designed incentives improve wellness program participation and keep participants engaged and motivated to achieve self-determined wellness goals.

For example, successful wellness plans use behavioral economics, which demonstrates that extrinsic (tangible) incentives (i.e., simply paying people to change lifelong habits, generally through health reimbursement accounts) are not as effective as intrinsic (intangible) incentives (i.e., guiding participants to a place where the new behavior or habit is sufficiently satisfying and worth maintaining).

Another key lesson from behavioral economics is that the size of an incentive matters far less than how it is framed and messaged, how it travels along existing pathways of social networks and how it connects to individuals emotionally.⁵

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Workplace Wellness That Works

Laura Putnam. Wiley. 2015.

Visit www.ifebp.org/books.asp?9058 for more information.

Rule the Rules of Workplace Wellness Programs

Barbara J. Zabawa, J.D., M.P.H., and Joann M. Eickhoff-Shemek, Ph.D.

American Bar Association. 2017.

Visit www.ifebp.org/books.asp?9106 for more details.

Segal Consulting worked with one large multiemployer fund to design incentives based on behavioral economics. Instead of offering an incentive for completing a biometric screening and health risk appraisal, this fund gave everyone a reward up front and set a deadline to complete the biometric screening and the health risk appraisal. If they did not finish both activities on time, they were automatically downgraded to a higher level of cost sharing within the plan. The plan participation level for biometric screenings and health risk assessments skyrocketed to 75%, much higher than the participation level for any of its peers, which average 45-50%.

In this case, the behavioral economics principle of *loss aversion*—which holds that people are more likely to take action to avoid a loss than to effect an equivalent gain—worked powerfully in the plan's favor. In other words, losing something you have has a greater impact than earning something you don't have. However, federal law places strict requirements on when incentives can be provided or taken away, and the program must be designed to meet these rules. (See the sidebar "Compliance Considerations.")

Of course, plans must properly communicate even the best designed incentives. Participants must be aware of what the wellness program has to offer and the behavior change expected of them. Federal law requires various notices concerning wellness incentives, and such incentives must be voluntary.

Compliance Considerations

Wellness programs are governed by a variety of laws, including the Affordable Care Act, the Americans with Disabilities Act, the Genetic Information Nondiscrimination Act and nondiscrimination rules of the Health Insurance Portability and Accountability Act. Courts also are weighing in on how these laws work. And the Internal Revenue Code affects whether incentives can be provided on a tax-free basis.

For multiemployer plans, there are additional concerns such as the fact that the Taft-Hartley Act does not permit paying cash incentives.

These compliance considerations need to be front and center when designing a wellness program, and all wellness programs should be reviewed by legal counsel.

Once again, this is where the smartphone comes into play, giving multiemployer plans the ability to communicate their incentives with the same frequency as employers with physical workplaces. For instance, a plan could use a smartphone to send a participant a discount lunch coupon on the day he or she completes a significant fitness challenge.

Use On-Site Clinics as the Hub of Wellness

While the investment to create on-site clinics has limited the number of multiemployer plans that have established them, it should be noted that they can serve very effectively as the hub for a successful wellness program for the following reasons.

- Because clinic staff are very familiar with plan offerings, they can provide personal attention to get participants to engage in the wellness program.
- Proximity and a well-designed facility allow the clinic to offer all the necessary services (e.g., one-on-one health coaching, nutritional counseling, personal fitness training, weight-loss counseling) under one roof.
- Participants are more likely to comply with wellness program suggestions when their own clinicians offer them in person.

Various federal laws affect the design and implementation of on-site clinics, so they must be established and operated with those rules in mind.

takeaways

- To achieve success, multiemployer wellness programs must be tailored to fit the multiemployer plan work environment and culture.
- Multiemployer plans can capitalize on the relationship participants have with their smartphones to deliver creatively designed wellness messages.
- Properly designed incentives that use behavioral economics to encourage change can improve wellness program participation and keep participants engaged and motivated.
- On-site clinics can serve as a hub for successful wellness programs. The clinics can provide easy access to wellness-related services and opportunities for participants to receive personal attention.

What Not to Do

Multiemployer plans with disappointing wellness programs cite the following mistakes.

- **Hiring one vendor to “fix” everything.** Plans sometimes hire an outside vendor and expect it to magically make their participants adopt healthy behaviors. The biggest problem is that most of these vendors are not familiar with how multiemployer plans differ from single employer plans. In addition, membership may show distrust of this outside vendor if it does not have the clear and visible support of the union.
- **Hiring different vendors to address different issues.** Examples include life coaches, employee assistance counselors, case- and disease-management vendors and nurse phone lines. When hired independently with no data integration or oversight, the vendors work in silos, which can result in overlap or failure to meet the participants’ needs.
- **Mishandling health risk assessments.** Problems include offering assessments without incentives for participants to take them.
- **Offering only a website.** Many plans think that simply sending participants to a wellness website, whether they or their insurer operates it, means they are offering a wellness program. Nothing could be further from the truth.

Key Takeaways

Multiemployer plans that have struggled with a lack of participation or never even tried a wellness program

because of poor results experienced by other plans need to take another look at this valuable benefit offering. Recent changes in how plans communicate with their participants have greatly improved the odds for success.

Smartphones, well-designed and well-communicated incentives, and on-site clinics for large plans have broken the pattern for multiemployer plan wellness programs by eliminating many of the problems they have encountered in the past. Moreover, custom-designed wellness programs with support from union leadership can improve the odds for having a program that gains traction with the membership. ●

Endnotes

1. Cigna, *Built to Fit: Understanding Wellness in the Building and Construction Trades Industry*, https://www.cigna.com/assets/docs/business/taft-hartley-built-to-fit-white-paper.pdf?WT.z_nav=business-segments%2Ftaft-hartley-and-federal-plans%2Fcase-studies-whitepapers%2Fbuilt-to-fit%3BBody%3B. (Accessed June 28, 2017.)

2. Transamerica Center for Health Studies and the Institute for Health and Productivity Studies at the Johns Hopkins Bloomberg School of Public Health, *From Evidence to Practice: Workplace Wellness that Works*, www.transamericacenterforhealthstudies.org/docs/default-source/wellness-page/from-evidence-to-practice---workplace-wellness-that-works.pdf?sfvrsn=2. (Accessed June 28, 2017.)

bio



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3. Hector De La Torre and Ron Goetzel, Ph.D., “How to Design a Corporate Wellness Plan That Actually Works,” *Harvard Business Review*, March 31, 2016.

4. For more information, see “The Rise of the Mobile Devices—Putting Benefit Communication in Your Participants’ Hands,” by Tupper Hillard in the July 2017 issue of *Benefits Magazine*.

5. David A. Asch, M.D., Kevin G. Volpp, M.D., “Use Behavioral Economics to Achieve Wellness Goals,” *Harvard Business Review*, December 1, 2014.

