



THE HERO HEALTH AND WELL-BEING BEST PRACTICES SCORECARD IN COLLABORATION WITH MERCER©

2016 PROGRESS REPORT



MAKE TOMORROW, TODAY



CONTENTS

Case
Studies



1

A MESSAGE FROM THE HERO AND MERCER SCORECARD TEAM LEADERS

It is with pride and enthusiasm that we share this 2016 Progress Report for the HERO Health and Well-being Best Practices Scorecard in Collaboration With Mercer© (HERO Scorecard). Launched online in 2009 and updated in 2014, the HERO Scorecard is perhaps the most widely used assessment tool of its kind. More than 1,200 organizations completed the first online version and more than 550 have completed the current Version 4. With such a robust and growing database, the HERO Scorecard is achieving the vision we set out to accomplish. It's a well-known, validated tool that allows employers to compare their health and well-being programs and policies against organizations nationwide. What's more, as you'll see in this Progress Report, pooled data from the HERO Scorecard is now regularly used to examine how employee health, performance and health plan cost is affected by employer initiatives, ranging from strategic planning and program design to incentives, champion networks and even wearables.

Given the important role the HERO Scorecard is playing in the United States, it was only a matter of time before we felt compelled to share this useful tool with the rest of the world. To that end, this year, we launched the HERO International Scorecard, developed in partnership with Mercer with help from

international health promotion experts to ensure cultural context and sensitivity to country differences. Having successfully used the data collected through the US version to partner with other organizations interested in quality improvement and research here at home, we're eager to establish similar relationships with innovators worldwide. We believe the HERO Scorecard can support our well-being ambassador role abroad, and we also know we have much to learn from other cultures that share our passion for advancing health and well-being for all.

In this Progress Report, you'll learn how HERO-Scorecard-based studies are answering the practical questions needed for improving programs, including those that support the business case for continued investments in health and well-being initiatives. Commentaries written by HERO members in 2015 and 2016 are featured, discussing emerging practices related to food choices in the workplace, time away from work for wellness, tobacco-free policies and related penalties or rewards, intentional focus on intrinsic motivators, the use of tracking devices and wearables, the effectiveness of social media, the role of team challenges, and trends in the use of smart phones and other mobile devices. Although all such analyses advance our shared interest in quality improvement, some uses of HERO Scorecard data have garnered special attention in both scientific and popular media. Earlier this year, a study entitled "HERO Scorecard Associated With Company Stock

Performance,” by Dr. Jessica Grossmeier et al, appeared in the *Journal of Occupational and Environmental Medicine* and was cited in many mainstream media outlets.

You'll also find employer case studies submitted by HERO Scorecard Preferred Providers that showcase how employers are using the HERO Scorecard to assess and improve their programs — as well as to demonstrate their value. Our Preferred Providers not only help foster use of the HERO Scorecard, they provide valuable insights and suggestions from the user's perspective, and we're grateful for their support.

We thank all of you who've contributed data to the HERO Scorecard, who are using data for continuous improvement and who support HERO's research agenda. It's because of such open collaboration and sharing that we're confident support for health and well-being in the workplace will continue to spread and take hold worldwide.

To learn more about the HERO Scorecard or to download the report, visit <http://hero-health.org/scorecard>.

Paul Terry, PhD
President and CEO, HERO

Steven Noeldner, PhD
Partner, Mercer



2

TEN YEARS STRONG!

*HERO SCORECARD PROGRESS REPORT,
HIGHLIGHTS AND KEY ACCOMPLISHMENTS*

The HERO Health and Well-being Best Practices Scorecard in Collaboration With Mercer© (HERO Scorecard) was initially launched in 2006 to provide employers with guidance on employee health and well-being best practices. Now in its fourth version, the HERO Scorecard has expanded far beyond its initial role as an educational tool, with demonstrated usefulness for strategic planning, benchmarking and research on the health and well-being practices associated with superior program participation rates, health improvement, healthcare cost trends and productivity outcomes.

Available free of charge, the HERO Scorecard is a web-based survey tool with questions organized into six sections that represent the foundational components associated with exemplary health and well-being programs: Strategic Planning, Organizational and Cultural Support, Programs, Program Integration, Participation Strategies and Measurement and Evaluation. Once an organization submits its responses to the HERO Scorecard's online system, they receive an email that provides them with an overall score and section scores. This brief report also includes the average score for all respondents nationally and for three employer size groups, allowing employers to compare their practices with other organizations.

In addition to collecting information on employer practices to advance employee health and well-being, an optional outcomes

section provides an opportunity to share the results they've achieved in participation rates, health outcomes, healthcare cost and productivity. Responses in this optional section are not scored but are used for benchmarking and to study relationships between specific best practices and outcomes.

GROWING DATABASE

When employers complete the HERO Scorecard, they not only benefit by understanding how their programs compare with other organizations' health and well-being efforts, they contribute to a rapidly growing database that supports ongoing benchmarking and research. More than 1,200 employers completed the previous version of the HERO Scorecard, enabling HERO to conduct analyses linking specific practices on the HERO Scorecard to employer-reported outcomes. The current version (V4) has garnered more than 550 unique responses, and many organizations are retaking the HERO Scorecard to enable time-over-time data analysis. Each quarter, members of the HERO Research Study Subcommittee partner with HERO to explore relationships in the data, and this report shares eight commentaries leveraging the HERO Scorecard V4 database. Previously published commentaries are available in the 2014 HERO Scorecard Progress Report on the HERO website (www.hero-health.org/scorecard). The first commentary in this report features an analysis demonstrating that higher scores on the HERO Scorecard are linked with higher participation rates, better health outcomes and healthcare cost trends, and lower turnover rates (see page 7).

NEW RESEARCH INSIGHTS

In addition to quarterly data analyses, HERO also uses the database to support more formal research studies. The 2014 HERO Scorecard Report summarized the first such study, which found companies with higher HERO Scorecard scores had lower medical plan costs. That study was published in a 2014 issue of the *Journal of Occupational and Environmental Medicine*.¹

This 2016 Progress Report shares the results of a new study based on HERO Scorecard data, which linked higher HERO Scorecard scores with company stock price (see page 15). The study was published in a 2016 issue of the *Journal of Occupational and Environmental Medicine*.²

BENCHMARKING REPORTS

The HERO Scorecard database is also leveraged to support benchmarking. Comprehensive benchmark reports are produced quarterly with aggregated responses to every question asked in the HERO Scorecard. So, if an organization is interested in understanding how many other employers are implementing a specific type of policy, program or environmental support for employee health and well-being, they can look to the Benchmark Report. They can also compare their HERO Scorecard responses to organizations of similar size, industry type or geographic location. Benchmark Reports have been available for

purchase based on the previous version of the HERO Scorecard, and the V4 database is now large enough to support new Benchmark Reports. For information on available reports, email HERO at info@hero-health.org.

INTERNATIONAL VERSION LAUNCH

HERO and Mercer partnered to launch the International Version of the HERO Scorecard in February 2016. Modelled after the successful US version, the HERO International Scorecard is designed for use by employers in any country. The two questionnaires are similar enough to enable comparisons between the US and International versions. In the HERO International Scorecard, references to the US were removed and terms that may not be familiar to users outside the US were replaced. In a few instances, the scores assigned to specific practices were lowered because they aren't commonly used outside the US. Like the US version, the HERO International Scorecard is available online and free of charge. Over time, as more employers outside the US complete the international version, national benchmarks will become available for countries throughout the world. The international version was originally launched in English, but is now available in Spanish and Portuguese as well. We welcome collaboration with groups in other countries interested in translating the international version for their own use.

¹ Goetzel et al. "The Predictive Validity of the HERO Scorecard in Determining Future Health Care Cost and Risk Trends," *Journal of Occupational and Environmental Medicine*, Volume 56, Issue 2 (2014), pp. 136-144.

² Grossmeier et al. "Linking Workplace Health Promotion Best Practices and Organizational Financial Performance: Tracking Market Performance of Companies With Highest Scores on the HERO Scorecard," *Journal of Occupational and Environmental Medicine*, Volume 58, Issue 1 (2016), pp. 16-23.

PREFERRED PROVIDER NETWORK

One of the fundamental goals of HERO is to promote the use of best practices and standard outcomes measurement. For this reason, we want organizations with constituencies that would benefit from easy access to the HERO Scorecard to have the opportunity to offer it directly by becoming a HERO Scorecard Preferred Provider. As a Preferred Provider, an organization will receive a custom link to the HERO Scorecard that can be promoted to a Preferred Provider's members or clients. HERO collects responses from each custom link and furnishes them to the Preferred Provider in a separate, independent database that can be used to conduct data analyses and research. Preferred Provider organizations also have access to exclusive training and resources to help them support use of the HERO Scorecard with their clients and are invited to participate in quarterly calls with other Preferred Providers to network and offer feedback on the HERO Scorecard.

The HERO Scorecard Preferred Providers

- Alere Health
- Blue Cross/Blue Shield of North Dakota
- Capital BlueCross
- Healthyroads
- Kaiser Permanente
- Mayo Clinic
- Mercer
- StayWell

ABOUT THE HERO SCORECARD

Early versions of the HERO Scorecard have been available since 2006 and were developed in collaboration with leading researchers and industry experts on workplace health and well-being best practices. During the initial development of the HERO Scorecard, HERO referenced The Health Project's C. Everett Koop National Health Awards criteria, the WELCOA Well Workplace Awards criteria (Platinum level), Partnership for Prevention's Health Management Initiative Assessment and the Department of Health and Human Services' Partnership for Healthy Workforce 2010 (PHW2010) criteria. Subsequent revision efforts included a review of additional industry scorecards and award program criteria as well as emerging research on best practices.

In 2009, HERO and Mercer collaborated to update the HERO Scorecard content and scoring system to make it widely available for the first time in a web-based format. Again, a broad panel of experts was recruited to assist with the questions and scoring system, which were developed using a consensus-building exercise. Work on V4 began in 2013. A core team overhauled the questions and an additional panel of experts reviewed its work and provided feedback. Analysis of the HERO Scorecard V3 database was used to refine the scoring system, although panel members relied on the judgment of other available research for newer practices. HERO Scorecard V4 was released in June 2014. Following the launch of V4, HERO and Mercer began working together

on an International version of the HERO Scorecard, launched in February 2016.

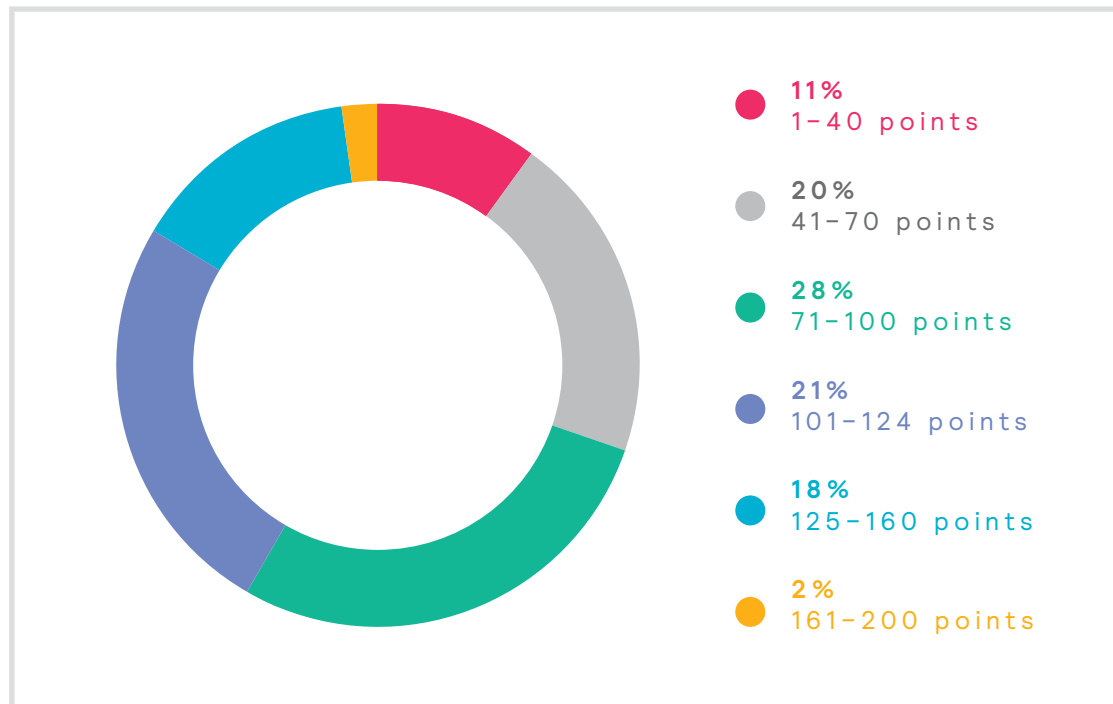
For a more complete history on development of the scoring system and a list of contributors to the HERO Scorecard, see the HERO Scorecard Background document on the HERO website (www.hero-health.org/scorecard).

HERO SCORECARD RESPONDENT PROFILE (VERSION 4)

Number of participants *	
All employers	555
Employers with fewer than 500 employees	170
Employers with 500–4,999 employees	234
Employers with 5,000 or more employees	138

*Not all participants provided the number of employees

Figure 1. Distribution of the HERO Scorecard Scores



3

WHAT THE HERO SCORECARD DATA TELLS US

BETH UMLAND, PARTNER AND DIRECTOR OF RESEARCH,
HEALTH & BENEFITS, MERCER

More than 550 organizations have now completed Version 4 of the HERO Health and Well-being Best Practices Scorecard in Collaboration With Mercer© (HERO Scorecard). In the process, we hope each individual employer got to know its own program better and discovered opportunities to strengthen it by incorporating more of the best practices described in the HERO Scorecard. Collectively, these participants have helped build a unique database of detailed information about how employers are working to optimize the health and well-being of employees and their families. One use of this database is to learn how prevalent the HERO Scorecard best practices have become and how fast they're growing. In this overview, we'll examine a number of key strategies to see how their use has changed over time.

Notably, the HERO Scorecard also asks about the impact the program is having on health risks and medical cost savings. About half of respondents say they've been able to measure the impact, and we're just at the point where we can begin to study the relationships between specific best practices and these outcomes. To begin with, we divided HERO Scorecard respondents into four groups based on self-assessment of program performance in the areas of cost and health risks (Figure 2 shows the self-assessment scales used). In this discussion, we highlight the best

practices most common among employers with the best results and notably rare among employers that have yet to see improvement. Although by no means conclusive, this initial review should help point the way for more rigorous analysis. One of the most startling – and encouraging – findings to emerge from this review is that lower turnover rates are associated with employers that believe their programs have reduced health risks in their employee population. It suggests, as many employers believe, that the good effects of improved employee health and well-being extend beyond medical plan savings.

To compare the use of best practices over time, we use data collected from 624 employers who completed HERO Scorecard Version 3 from 2009 to 2011 and data collected from 555 employers who completed HERO Version 4 from 2014 to 2016. (We left a gap of two years so that changes in prevalence would be easier to see than if the timeframes were contiguous.) Only questions that were essentially the same in Versions 3 and 4 are compared. For simplicity, we'll refer to the earlier dataset as 2011 and the current dataset as 2016.

Figure 2. HERO Scorecard Question: Self-assessment of Program Results

Employee health risk
A significant improvement in health risk was found
A slight improvement in health risk was found
No improvement in health risk has been found so far
We have attempted to measure, but we're not confident that the results are valid
We have not attempted to measure change in health risk
Medical plan cost
Substantial positive impact on the medical trend (greater than the cost of the employee health and well-being program)
Small positive impact on medical trend (less than the cost of the employee health and well-being program)
No improvement in medical cost trend was found so far
We have attempted to measure impact on cost, but we're not confident the results are valid
We have not attempted to measure impact on medical plan cost trend

STRATEGIC PLANNING

Past analyses of HERO Scorecard data have shown that employers with formal, written strategic plans for employee health and well-being were more likely to report positive outcomes (see page 33 for a detailed discussion). More than half of respondents in 2016 (56%) have a formal strategic plan in place, compared to 44% in 2011. In Version 4, respondents were asked to gauge whether leaders understand the strategic importance of employee health and well-being: "To what extent is your program viewed by senior leadership as connected to broader business results?" About a fourth responded "To a great extent," whereas 20% reported that it isn't seen as connected at all to results. Among employers that have seen a substantial improvement in medical cost, 63% answered "To a great extent," compared to just 24% of those that have not seen savings.

ORGANIZATIONAL AND CULTURAL SUPPORT

Recognizing that health and well-being programs don't operate in a vacuum, the HERO Scorecard asks detailed questions about organizational and cultural support strategies. One significant way to demonstrate commitment to and maintain focus on supporting employee well-being is with the company vision or mission statement. However, only 35% of HERO Scorecard respondents in 2016 say their company vision or mission statement supports a healthy workplace culture, up just slightly from 32% in 2011. Among the programs that have had the biggest impact on cost, 66% include employee health in the mission statement.

One of the sharpest differences between respondents that have seen significant improvement in health risks and those that haven't is in the percentage saying leaders actively participate in health and well-being programs — 84% compared to 48% (Figure 3). There was modest improvement in this best practice from 2011 (46% of respondents said leaders actively participate) to 2016 (53%). However, only 23% of current respondents say leaders are role models for prioritizing health and work-life balance (for example, they take activity breaks during the day, they don't send email while on vacation and so on). In the organizations that have seen the most improvement in health risks, 45% say leaders are role models (compared to just 14% in those

that haven't seen health risk improvement). The use of a network of wellness champions has grown over time, from 45% of respondents in 2011 to 54% in 2016. However, this form of peer support doesn't seem to be as strongly associated with better outcomes as leadership involvement.

PROGRAMS

Because core health and well-being programs such as health assessments, lifestyle coaching and chronic disease management were already common in 2011, there wasn't much growth in offerings between 2011 and 2016. Neither is there much difference in prevalence among respondents based on cost and health risk outcomes. Of the new types of programs included in Version 4 of the HERO Scorecard, the use of monitoring or tracking devices was far more common among employers with the best cost outcomes (58%) than with those not seeing an impact on cost (17%). As discussed in the commentary beginning on page 19, the HERO Scorecard data shows a link between employer use of technology such as wearables and higher participation rates — a leading indicator of program effectiveness. Although the sample is too small to draw any conclusions about the effectiveness of these devices, the impact of these and other new technologies that can create a more personalized, real-time experience for users may ultimately be considerable.

PROGRAM INTEGRATION

Respondents in the 2016 database still have plenty of room for improvement in ensuring their health and well-being programs are effectively integrated with each other, the health plan, the safety program and disability programs. In 2011, just 27% of respondents said “stakeholders are required to provide warm transfer of employees to another program.” In 2016, just 34% of respondents say “partners provide warm transfer of individuals to programs and services provided by other partners.” Warm transfers are more than twice as common among programs with the best health risk outcomes as among those reporting no impact on health risks.

In addition, only 24% of current respondents say their health and well-being program is integrated in any way with disability programs. This represents a significant opportunity for employers, because employees may be more ready to engage in health promoting programs when struggling with a significant health issue.

Figure 3. Comparison of Best-practice Use Between Respondents Reporting Substantial Program Impact Versus No Impact on Cost Trend and Health Risk

	Percentage of respondents using best practice among those reporting			
	Substantial impact on cost	No impact on cost	Substantial impact on health	No impact on health
Leaders participate in programs	82%	50%	84%	48%
Financial incentives in connection with program	84%	85%	87%	77%
Building intrinsic motivation is primary focus	61%	37%	61%	29%
Well-being partners provide warm transfer to programs/services provided by other partners	63%	38%	61%	26%
Strategic plan includes measurable objectives for employee satisfaction	76%	48%	87%	42%

PARTICIPATION STRATEGIES

Participation strategies, which include communication and incentive design, significantly affect participation rates and program outcomes. Although financial incentives help drive participation rates, communication efforts are even more strongly related to positive health and financial outcomes. In 2016, 62% of all HERO Scorecard respondents – and 76% of those with 5,000 or more employees – brand the health and well-being program with a unique name and logo. In 2011, just 57% of all respondents and 66% of those with 5,000 or more employees had this best practice in place. Year-round communication has also become more common. In 2016, 71% of respondents communicate about the program at least quarterly, up from 60% in 2011.

About two-thirds of current respondents (67%) use some type of financial incentive in connection with the program, and nearly all of these are communicated as rewards rather than penalties. Incentives for participating are the most common, but 30% of respondents provide a financial incentive to achieve, maintain or show progress toward specific health status targets. The average maximum value of all participatory incentives a member can earn is \$432, and the average maximum value of outcomes-based incentives is \$475. Interestingly, employers with the best cost outcomes have a much higher average participatory incentive (\$775) than those that report no improvement in cost

(\$334). However, the average outcomes-based incentive is virtually the same for both groups of employers.

Respondents report that, on average, 57% of eligible employees earn at least some of the available incentive and 38% earn the maximum incentive.

Although financial incentives are widely used, 38% of respondents say their engagement strategy intentionally includes a focus on increasing employees' intrinsic motivation to improve or maintain their health. Among those with the best cost outcomes, 61% say this is a focus.

BEYOND MEDICAL COST AND HEALTH RISK – TURNOVER IS LOWER AMONG HIGH-SCORING RESPONDENTS

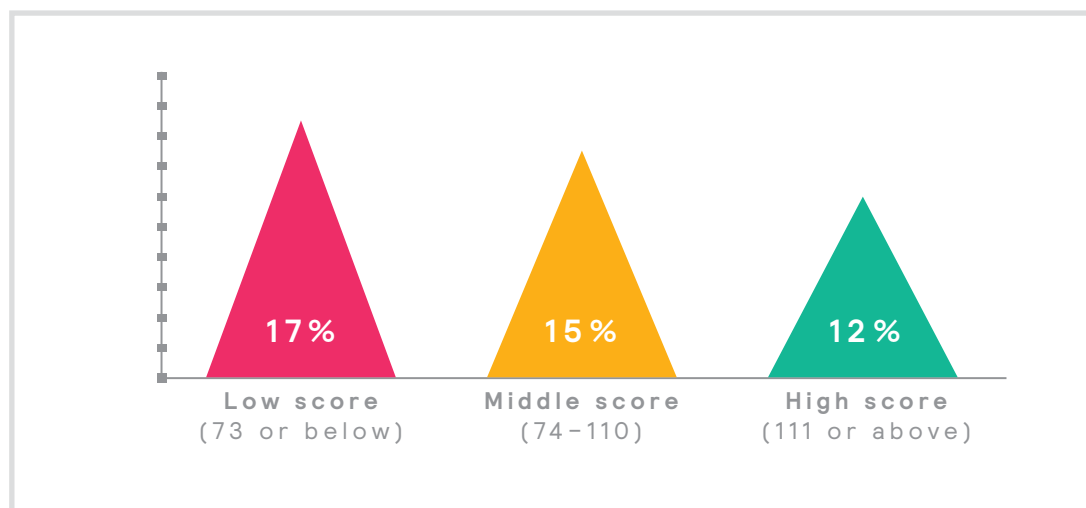
Proving the value of an investment in employee health and well-being remains a challenge. Although we've analyzed HERO Scorecard results based on reported improvements in medical cost and health risk, about half of all respondents haven't attempted to measure these outcomes – either because of the significant resources required to perform such an assessment or because such outcomes weren't a priority. One of the goals of Version 4 of the HERO Scorecard is to encourage employers to consider the full range of outcomes rather than just financial returns. (A set of metrics are included in the HERO Scorecard that reflect the measures


outlined in the *HERO/Population Health Alliance Program Measurement and Evaluation Guide: Core Metrics for Employee Management*, available on the HERO website at www.hero-health.org/hero-publications.)

One intriguing indication of the value of a robust health and well-being program comes from a simple comparison of turnover rates based on score. We arrayed HERO Scorecard respondents based on their scores, from lowest to highest, and divided them into three roughly equal groups: those with scores of 73 or below, those with scores of 74–110 and those with scores of 111 or higher. Interestingly, the highest-scoring group didn't spend the most on their programs; they reported spending an average of \$36 per eligible person per month (not including incentives), compared to \$45 and \$44 for the medium- and low-scoring groups. This group was more likely to report improvement in medical trend and health risk. But they also reported an average turnover rate of just 12%, compared to 15% in the medium-scoring group and 17% in the low-scoring group. Although the questions on medical cost and health risk were framed in terms of the impact of the program, the question on turnover was simply included along with demographic questions about the workforce, such as average age and percent male/female. In other words, it's not likely that this turnover analysis reflects wishful thinking on the part of a program manager.

An organization that scores highly on an assessment of its support for employee health and well-being is likely doing a few other things right as well. But it makes intuitive sense that employees who work at a company that invests in their health and well-being will be inclined to stay there.

Figure 4. Employers With More Robust Health and Well-Being Programs Report Lower Turnover





“The HERO Scorecard has provided guidance in helping us focus our efforts and understand where we can grow. We are very satisfied with the improvements made at this point in time, and fully expect to continue to improve our workforce health movements with HERO helping to drive these efforts.”

— Wellness Manager, Arapahoe House

CASE STUDY 1

USING THE HERO SCORECARD TO IMPROVE EMPLOYEE HEALTH AND WELL-BEING EFFORTS AT ARAPAHOE HOUSE

With about 350 employees, Arapahoe House is the largest provider of substance abuse treatment in Denver, Colorado. Established in 1975, this nonprofit organization provides essential life-saving services to patients and their families by using national models of substance use disorder.

In 2014, members of the HR team at Arapahoe House completed the HERO Health and Well-being Best Practices Scorecard in Collaboration With Mercer® (HERO Scorecard) to help the organization craft a strategic plan with measurable objectives. Employee health and well-being was becoming more of a priority for the organization and its leadership because they recognized that investing in their employees' well-being could also translate into patient care and satisfaction. The team was interested in learning how they compared to other organizations and in opportunities to strengthen their strategic plan.

Working in collaboration with its health insurance provider, Kaiser Permanente Colorado, to benchmark its results against other organizations of similar size and industry category, Arapahoe House found that initial HERO Scorecard results revealed opportunities for improvement. One of the strategies identified in the HERO Scorecard assessment was a need to have a full-time staff member dedicated to its health and well-being program to ensure greater success for the program. Up to that time, one staff member was dedicated to helping patients recover through health improvement efforts, including increasing physical activity levels, but no one was dedicated to the health and well-being program. Later that year, a wellness manager was identified to lead efforts in that area.

Another key recommendation put into practice as a result of the HERO Scorecard was the use of a very methodical process to assemble a multidepartment wellness committee. The committee's purpose was to strengthen employee representation, provide creative program ideas and feedback, act as subject matter experts and champions, and to improve employee health and well-being engagement efforts.

In 2016, Arapahoe House repeated the HERO Scorecard and improved its scores by 26%, exceeding scores in regional, national and size categories. According to James Warne, MPH, ACSM CPT, EP-C, Wellness Manager at Arapahoe House, "The HERO Scorecard has provided guidance in helping us focus our efforts and understand where we can grow. We are very satisfied with the improvements made at this point in time, and fully expect to continue to improve our workforce health movements with HERO helping to drive these efforts."

4

CAN WORKPLACE WELLNESS SIGNAL SUPERIOR STOCK PERFORMANCE?

JESSICA GROSSMEIER, PHD, MPH, VICE PRESIDENT, RESEARCH, HERO

In 2015, HERO commissioned HealthNEXT to conduct a research study that would examine the link between company scores on the HERO Health and Well-being Best Practices Scorecard in Collaboration With Mercer© (HERO Scorecard) and corporate stock performance. The study was published in the *Journal of Occupational and Environmental Medicine* in January 2016 in an article authored by researchers at HERO and HealthNEXT and several HERO members, including David Anderson, Jennifer Flynn, Ron Goetzel and Steven Noeldner. Funding for the research was provided by the HERO Research Partners, which included contributions by Bravo Wellness, Kaiser Permanente, Prudential Financial and StayWell.

This study is summarized based on its publication in the January 2016 issue of the *Journal of Occupational and Environmental Medicine*.

The concept that good health is good business has been validated over the years by research linking health risk factors to higher employee healthcare costs, reduced on-the-job productivity and higher absenteeism. More recently, research has expanded its focus to overall well-being, with some studies showing a correlation between low employee well-being, higher turnover, lower employee engagement and lower employee performance. Although such outcomes demonstrate the role of improved employee health as part of a cost containment strategy, HERO commissioned a study to demonstrate a stronger link between employee health and corporate profitability. It expanded upon a study that was published in 2013 demonstrating that companies recognized with the Corporate Health Achievement Award (CHAA) had better stock performance.³

Instead of using an award program (CHAA) to identify companies that invest significantly in workforce health and well-being, the HERO study relied on the HERO Scorecard, which generates a best practices score for each employer based on how they respond to the questions in the online inventory. The highest maximum score that can be achieved is 200 points, but an analysis of the HERO Scorecard database showed that the top 25% of organizations submitting a HERO Scorecard were at or above 125 points. This was also the cut-point identified in a previously published HERO Scorecard study that found high scores on the HERO Scorecard predicted more favorable healthcare cost trends.⁴ From this group of 166 high-scoring organizations, the researchers identified 45 publicly traded companies and divided them into four cohorts based on the year they completed a HERO Scorecard.

³ Fabius et al. "The Link Between Workforce Health and Safety and the Health of the Bottom Line: Tracking Market Performance of Companies That Nurture a 'Culture of Health'," *Journal of Occupational and Environmental Medicine*, Volume 55, Issue 9 (2013), pp. 993-1000.

⁴ Goetzel et al. "The Predictive Validity of the HERO Scorecard in Determining Future Health Care Cost and Risk Trends," *Journal of Occupational and Environmental Medicine*, Volume 56, Issue 2 (2014), pp. 136-144.

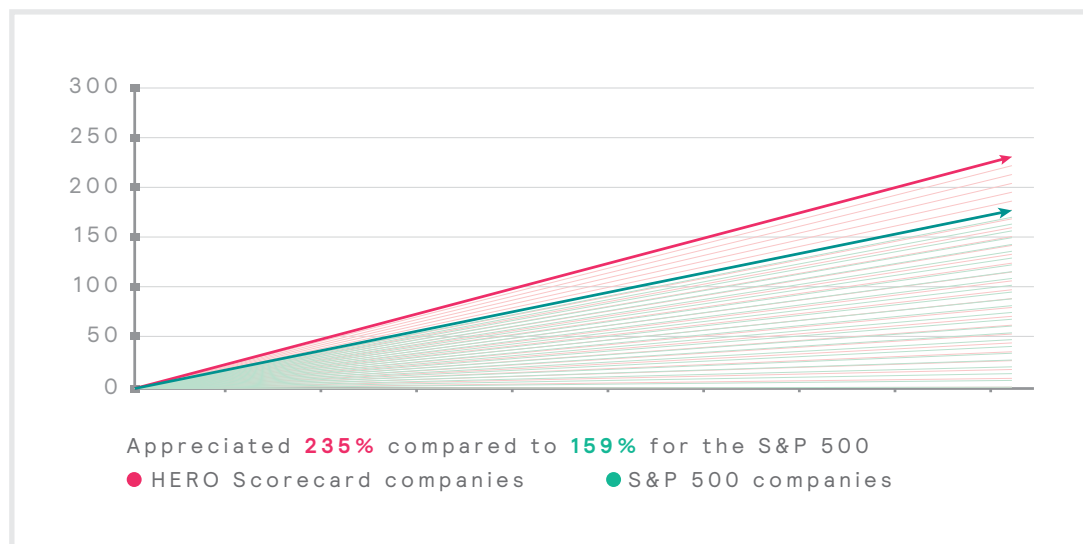
The researchers then examined the stock performance of the companies from the year of HERO Scorecard completion through 2014 and created a simulation analysis. The simulation was based on an initial investment of \$10,000, which was equally divided across the high-scoring companies included in each of the four study cohort groups. The financial performance of this high-scoring portfolio was compared with the stock performance of the Standard and Poor's 500 Index (S&P 500) over the same time period.

WHAT DID WE FIND?

The HERO study revealed a distinct correlation between the companies that invested in comprehensive, best practice wellness programs and corporate stock performance. More specifically, the study showed companies that scored highly on the HERO Scorecard outperformed the S&P 500 in the following areas:

- Appreciated 235% compared to 159% for the S&P 500
- Outperformed the S&P 500 in 16 out of 24 (67%) quarters during the study period
- Produced a comparable dividend yield of 1.97% by the end of the study period compared to a 1.95% yield for the S&P 500

Figure 5. Appreciation of HERO Scorecard High-scorers Compared to S&P 500 Index Companies



Companies in the study portfolio ranged in size from 762 to 272,890 employees and came from a diversified collection of industry categories. The average age of employees within these companies was 43 years, and 56% of employees were male. A study sub-analysis revealed that outperformance was attributed to stock selection and not to sector performance. In other words, the companies within the HERO Scorecard portfolio were the ones that outperformed and not the industries represented within the portfolio.

WHAT CONCLUSIONS CAN BE DRAWN FROM THE STUDY?

Although it would be tempting for us to conclude that investing in worker health drives company stock performance, study researchers urge a more cautious interpretation. These findings are correlational, not causal, so we can't be certain whether other practices or factors the HERO Scorecard companies had in common influenced their stock performance. For example, it's possible that companies that invest in the health and well-being of their workers also institute other effective business practices to a greater degree than companies in the S&P 500.

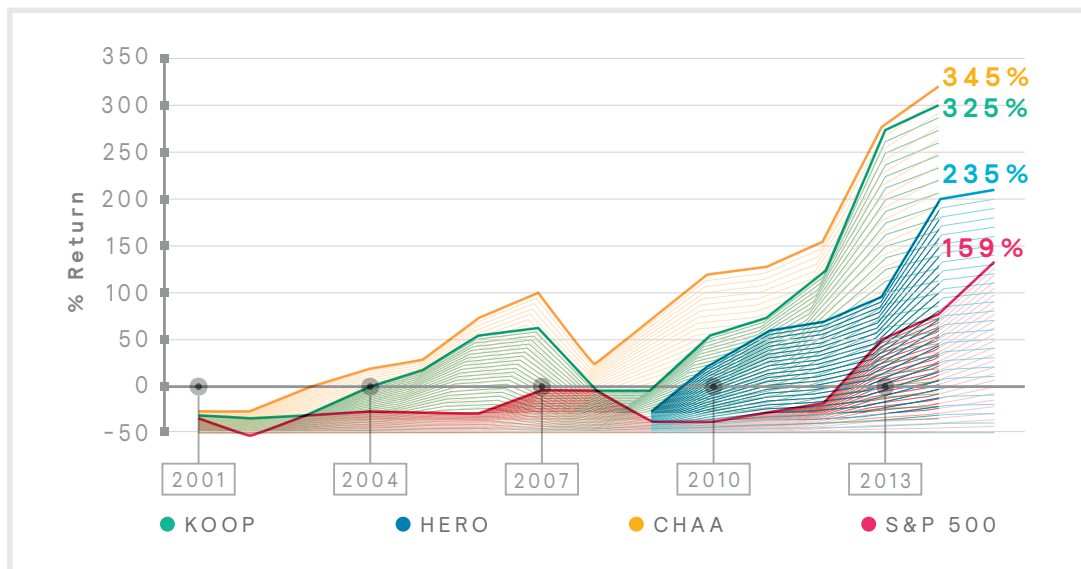
At the same time the HERO study was conducted, two other studies used a similar approach to demonstrate that companies investing in employee health and well-being had better stock performance. These studies were drawn from two different populations of employers and used slightly different methodologies and timeframes, but the outcomes were similar. One study included 16 companies that applied for ACOEM's Corporate Health Achievement Award over a 13-year period and achieved high scores in the areas of health and/or safety,⁵ and the other study compared 26 companies that had won the C. Everett Koop Award over a similar timeframe.⁶ Both compared these award winners to the performance of the S&P 500 using an initial investment of \$10,000 and found award winners outperformed the general market.

What we can conclude is that this study adds to the growing evidence that investment in workforce health and well-being is one facet of high-performing, well-managed companies. This relationship may be of interest to business leaders as well as financial investors.

⁵ Fabius et al. "Tracking the Market Performance of Companies That Integrate a Culture of Health and Safety: An Assessment of Corporate Health Achievement Award Applicants," *Journal of Occupational and Environmental Medicine*, Volume 58, Issue 1 (2016), pp. 3-8.

⁶ Goetzel et al. "The Stock Performance of C. Everett Koop Award Winners Compared With the Standard & Poor's 500 Index," *Journal of Occupational and Environmental Medicine*, Volume 58, Issue 1 (2016), pp. 9-15.

Figure 6. Three Studies Show Investment in Employee Health and Well-being Linked to Organizational Financial Performance



HOW SHOULD EMPLOYERS AND PROVIDERS USE OR APPLY THE STUDY FINDINGS?

Better employee health is clearly linked to higher levels of employee productivity and performance, and emerging evidence shows healthier employees are more engaged in their work and have lower turnover. For health and benefits professionals who want to make the business case for wellness to corporate leaders, this research is one more indication that effectively run companies do, indeed, invest in workplace health and well-being. Additionally, employers looking to implement an effective health and well-being program for employees can emulate the companies that score highly on the HERO Scorecard. The HERO Scorecard provides a detailed inventory of specific practices employers use to achieve a high-scoring program. Companies that score highly report strong strategic planning practices, senior leadership engagement and cultural support for health, a rich and comprehensive set of programs that meet a diverse spectrum of health needs, a comprehensive array of communication and participant engagement strategies, and robust program evaluation and performance reporting.

5

CAN TECHNOLOGY DRIVE ENGAGEMENT IN WELLNESS PROGRAMS?

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The wellness industry is looking toward technology-based solutions for increased participant awareness and engagement. Many providers of personalized health and wellness solutions are using computerized web applications or information and communication technologies (ICTs) to encourage positive behavioral change, increase awareness and tracking of wellness and fitness goals, become more accessible to clients and/or to encourage new or increased participation.⁷ The HERO Health and Well-being Best Practices Scorecard in Collaboration With Mercer© (HERO Scorecard) assesses the use of technology-based resources to promote participation in wellness activities and also collects information on organizations' participation rates in health assessment, biometric screening and interactive health coaching programs. The question related to use of technology-based resources is stated very generally as: "Which of the following technology-based resources does your organization use to encourage participation in health and well-being programs?" Response choices are equally broad, including: "web-based resources or tools," "onsite kiosks at the workplace," "mobile applications (for example, smart phone apps)" and "devices to monitor activity (pedometer, accelerometer, etc.) or other health measures (blood pressure monitor, weight, etc.)."

Data analysis was conducted on 396 organizations that completed the HERO Scorecard to determine if there were associations between use of technology-based resources and participation in wellness activities. Most organizations completing the HERO Scorecard report using some type of technology-based resource (85%), and this is a testament to the industry moving toward technology-based solutions. The majority of HERO Scorecard respondents (76%) rely on web-based resources to encourage participation in programs, but nearly half report using monitoring devices that track activity or other health measures (49%) and/or mobile applications such as smart phone apps (46%). Onsite kiosks at the workplace were the least likely technology-based resource to be used, with only 19% of organizations reporting using them.

WEB-BASED TECHNOLOGY

Results from the HERO Scorecard analysis indicate organizations using web-based resources or tools report higher participation rates in health assessments (52% versus 47%) and biometric screenings (51% versus 47%) but not necessarily in interactive health coaching programs (30% versus 37%) when compared to organizations that did not use web-based resources or tools.

⁷ Kutz D, Shankar K and Connelly K. "Making Sense of Mobile- and Web-Based Wellness Information Technology: Cross-Generational Study," *Journal of Medical Internet Research*, Volume 15, Issue 5 (2013), e83.

DEVICES TO MONITOR ACTIVITY

A large influx of monitoring devices has recently penetrated the market, with capabilities that range from tracking a person's activity to sending them behavioral nudges to remind them to move. Monitoring devices are widely used, and there is some evidence they provide value and motivation for long-term users.⁸

The HERO Scorecard analysis demonstrates a positive association between the use of monitoring devices and superior participation rates in wellness programs. Use of devices that monitor activity or other health measures was associated with higher participation rates in health assessments (55% versus 47%), biometric screenings (51% versus 48%) and interactive health coaching programs (37% versus 23%) when compared to organizations that reported not using them.

MOBILE APPLICATIONS

Over the past ten years, there has been a large insurgence of mobile applications to help individuals track their health data and to encourage positive behavioral change to improve health and wellness. Mobile application use is still in the early adoption stages. Research shows some incremental gains from mobile application use in aiding health behavioral change, but many gaps in knowledge exist in how to properly engage and influence mobile application users.⁹ As was observed in the web-based technology analysis above,

the use of mobile applications was associated with higher participation rates in health assessments (54% versus 49%) and biometric screenings (51% versus 48%) when compared to organizations not using mobile applications. However, use of mobile applications was not associated with higher participation in interactive health coaching programs.

ONSITE KIOSKS AT THE WORKPLACE

The onsite kiosk is the technology-based solution with the least utilization, with only 19% of HERO Scorecard respondents reporting usage of the technology. Surprisingly, this least-used technology-based solution was associated with the highest rate of participation in health assessments (62% versus 49%) and biometric screening (57% versus 48%), as well as interactive health coaching programs (37% versus 28%) when compared with organizations not using the technology. This analysis indicates organizations offering wellness programs could be missing a key technology-based component that demonstrates positive effects on member participation. Given the correlational nature of the analysis, more research should be conducted to investigate the link between employer use of onsite kiosks and participation in wellness programs.

⁸ Fritz T, Huang EM, Murphy GC and Zimmermann T. "Persuasive Technology in the Real World: A Study of Long-Term Use of Activity Sensing Devices for Fitness," in *Proceedings of the SIGCHI Conference on Human Factors in Computing Systems* (New York: ACM, April 2014), pp. 487-496.

⁹ Free C, Phillips G, Watson L, et al. "The Effectiveness of Mobile-Health Technologies to Improve Health Care Service Delivery Processes: A Systematic Review and Meta-Analysis," *PLOS Medicine*, Volume 10, Issue 1 (2013), e1001363.

CONCLUSION

There were three key findings from this analysis. First, employer use of web-based technology and mobile applications is associated with higher levels of participation in health assessment and biometric screening but not with participation in interactive health coaching programs. Second, use of monitoring devices such as wearable activity trackers and onsite kiosks was associated with higher participation rates in health assessment, biometric screening and interactive health coaching programs. Last, the least-used technology — onsite kiosks — was associated with the highest participation rates in health assessment and biometric screening, which suggests that technology-based solutions with a more physical presence may be associated with increased participation in wellness activities.

However, there were several limitations to this analysis that require caution with interpretation. These analyses were all correlational and not causal, so it could be that companies using technology-based solutions are more sophisticated than organizations that don't use such solutions in other ways that drive participation in programs. In addition, the terms used on the HERO Scorecard to identify technology-based solutions being used by organizations are rather broad and undefined, so we cannot be certain of the specific mechanisms or features for the solutions being offered. For example, it's unclear whether the onsite kiosks serve as a mechanism for completing a health assessment, collecting biometric health measures or some other purpose. Further, participation rates in health assessment, biometric screening and interactive health coaching are based on self-reports by the organizations completing the HERO Scorecard. For all of these reasons, more research is needed to understand how technology-based solutions can effectively engage members in wellness activities.



Overall, technology-based products are proliferating in the wellness industry due to their potential to increase participation in programs, but more research needs to be conducted to support this potential. Technology-based solutions and new products and capabilities are being added to the marketplace every day. The potential for technology-based solutions to influence how employees engage in wellness is indeed promising and with continued research may increasingly allow wellness to become deeply integrated into employees' lives.

Data cited in this commentary are based on HERO Scorecard responses submitted through December 31, 2015.

6

STRATEGIES FOR WELLNESS CHAMPION NETWORKS VARY BY EMPLOYER SIZE

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Wellness champion networks (WCNs) are among the tactics used by employers to help build grassroots support for employee health and well-being (HWB) initiatives. The influence of social networks on health is fairly well-studied, though most of the work to date focuses on family members or close friends. Some studies have suggested that the support of one's peers, including WCNs, is associated with improved workplace health outcomes.^{11,12} However, little empirical research has been done on how to best support these networks.

The HERO Health and Well-being Best Practices Scorecard in Collaboration With Mercer© (HERO Scorecard) includes questions related to the use and support of WCNs, so an analysis was conducted to determine how employers are using and supporting WCNs as part of their HWB initiatives and if this differs by the number of employees at an organization.

PREVALENCE OF WELLNESS CHAMPION NETWORKS AND RELATED SUPPORT STRATEGIES

Of 396 employers who have completed Version 4 of the HERO Scorecard to date, 55% reported using a wellness champion

network to support employee HWB. This varied by employer size, as discussed below. For employers that reported using WCNs, the most commonly reported strategy for supporting them was "regularly scheduled meetings for the champion team" (77%). Other strategies were less common, with 56% reporting use of a WCN toolkit, 54% reporting use of rewards or recognition for wellness champions and 47% reporting that they provide training for wellness champions. It should be noted that the HERO Scorecard doesn't provide a definition of each of these strategies, so there is room for some interpretation among the respondents in terms of what each strategy entails.

These basic findings offer some food for thought. Companies looking to start or enhance a WCN could use these results to inform priorities. It appears companies have accepted the time-honored idea that in order for a group of people to function as a true network, meetings are imperative. In an increasingly connected society, ample interaction between members of the WCN can happen via email, online portal or impromptu one-to-one calls, but regularly scheduled meetings were still an important strategy for more than three out of four WCNs. And without the "regularly scheduled" qualifier in the HERO Scorecard question, this number might have been even higher. For instance, last year, in an unpublished study of StayWell clients, a similar

¹⁰ Smith KP, Christakis NA. "Social Networks and Health," *Annual Review of Sociology*, Volume 34 (2008), pp. 405-429.

¹¹ Weibel AR, Okonsky J, Trompeta J and Holzemer WL. "A Systematic Review of the Effectiveness of Peer-Based Interventions on Health-Related Behaviors in Adults," *American Journal of Public Health*, Volume 100, Issue 2 (2010), pp. 247-253.

¹² Terry PE, Grossmeier J, Mangen DJ and Gingerich SB. "Analyzing Best Practices in Employee Health Management: How Age, Sex, and Program Components Relate to Employee Engagement and Health Outcomes," *Journal of Occupational and Environmental Medicine*, Volume 55, Issue 4 (2013), pp. 378-392.

question without the “regularly scheduled” qualifier showed that more than 90% of organizations with a WCN held meetings at some frequency, either by phone or in person.

In contrast, a majority of respondents offered no training, or they offered such minimal training that they didn't feel it merited mention when they were completing the HERO Scorecard. It seems reasonable to assume wellness champions will be more successful with thoughtful guidance as to what is expected of them, what resources are available to them and where they can go with questions. Conversely, having no training may be limiting the effectiveness of the network. Future research in this area would be beneficial, specifically to understand the influence of different kinds of training on the success of WCNs.

USE OF WELLNESS CHAMPION NETWORKS BY EMPLOYER SIZE

For the purposes of this analysis and commentary, organizations were divided into three groups, consistent with HERO Scorecard benchmarking reports. “Small” organizations were those that reported having fewer than 500 employees. “Large” organizations were those that reported having 5,000 or more employees. “Midsize” organizations were those in between those two categories.

According to HERO Scorecard data, large employers were more likely to have WCNs in place. In fact, there was a fairly clear relationship between the number of employees an organization had and the likelihood that they had a WCN. Small organizations had the lowest prevalence of using WCNs (47%) and large organizations (5,000+ employees) had the highest prevalence (62%). Midsize organizations were in the middle, with 58% having WCNs.

Likewise, large organizations were more likely than small and midsize organizations to offer training (61%), toolkits (78%) and rewards/recognition (63%) in support of WCNs. Here, though, the clear pattern based on organization size wasn't present. Small organizations were more likely than midsize organizations to offer training (46% and 37%, respectively) and rewards (54% and 48%, respectively) but slightly less likely to offer toolkits (44% and 48%, respectively). Small organizations were most likely to have regularly scheduled meetings (89%).

As the field of workplace health and well-being matures, opportunities for small and large organizations to learn from each other will grow. Large organizations may do well in this instance to reflect on why small organizations are more likely to have regularly scheduled WCN meetings.

Similarly, small organizations may want to consider why large organizations are more likely to support their wellness champions with training, toolkits and recognition. This comprehensive approach may have greater impact, though it may also require more resources.

Finally, it's important to keep in mind that all networks are truly unique, and these support practices may not make sense for some organizations (for example, a network of three people may not need such formality). Practitioners should therefore take what seems most useful from these data and apply it to their work, leaving behind findings they feel won't benefit them. Each organization may need to use distinctly different organizing principles to get support strategies in place. That, among other things, is what makes future research on these networks a very interesting prospect.

Data cited in this commentary are based on HERO Scorecard responses submitted through March 31, 2016.



CASE STUDY 2

LEVERAGING THE HERO SCORECARD AS PART OF AN AWARDS PROGRAM FOR EMPLOYERS

In 2012, Capital BlueCross launched an annual Worksite Wellness Awards program to recognize employers for their innovative, motivating and health-enhancing worksite wellness programs. The award recognizes organizations (among those offering Capital BlueCross insurance) that pursue best practices in their worksite health and well-being programs. Best practice categories for the award are closely aligned with the HERO Health and Well-being Best Practices Scorecard in Collaboration With Mercer© (HERO Scorecard) and include: leadership and engagement, strategic planning, supportive environments, effective engagement methods, targeted programming and evaluation.

Key criteria for eligibility include employer groups creating a strong foundation of wellness and completion of the HERO Scorecard. The award program focuses on the extent to which employers incorporate best practices or effective methods for garnering positive health outcomes. This includes using the HERO Scorecard as part of the strategic planning process, and many of the practices incorporated into the award application are drawn from the HERO Scorecard.

Winners are selected for three market segments based on size. A ceremony honoring all the applicants marks the completion of the awards process. Winners receive trophies and financial awards to apply to their wellness venues. Additionally, winners are recognized in a news release. However, all the organizations that apply for this award show incredible commitment to improving workplace health by providing their employees with resources to lead healthier lives.

7

GOING BEYOND PHYSICAL HEALTH

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The January 2016 issue of *The Art of Health Promotion* discusses the shift in the workplace health promotion field from use of the term wellness to well-being. Although the reasons for this observed shift may be up for debate, there is growing consensus that organizations should seek to take a multidimensional approach to supporting workforce health. The HERO Health and Well-being Best Practices Scorecard in Collaboration With Mercer© (HERO Scorecard) lists a range of policies, programs and practices an organization may take to advance the health and well-being (HWB) of its workforce, enabling an analysis to determine the degree to which workplace health promotion programs address multiple dimensions of health.

Because there is no single consensus definition of well-being or the dimensions of health that a broad well-being approach should take, data analysis began by grouping practices listed on the HERO Scorecard into meaningful categories. Five potential dimensions of HWB practices were identified based on the HERO Scorecard, including physical health, mental or emotional health, social health, financial health and community support. A description of the practices comprising each category for this analysis is detailed below along with the percentage of companies that report implementing each practice (Figure 7).

Figure 7. HERO Scorecard Practices Grouped by Health and Well-being Dimension

Physical well-being	98%
Policy to take work time for physical activity	28%
Policy to support healthy eating choices	59%
Tobacco-free workplace or campus	66%
Policy to promote responsible alcohol use	39%
Healthy eating choices available and easy to access	67%
Physical activity encouraged by features or resources within work environment	67%
Offers individually targeted lifestyle management services to address tobacco, weight, physical activity, blood pressure, etc.	78%
Offers disease management programs	81%
Mental/emotional well-being	96%
Provides opportunities to use work time for stress management and rejuvenation	31%
Policies to support work-life balance (for example, flex-time or job-share options)	57%
Stress management and mental recovery breaks are supported with quiet areas	35%
Offers employee assistance program	89%
Offers childcare and/or elder care assistance services	36%
Provides initiatives to support a psychologically healthy workforce	26%
Offers depression management programs	47%
Financial well-being	60%
Offers legal or financial management assistance	60%
Social well-being	83%
Program incorporates social connection (for example, allows individuals to communicate with, support and/or challenge others or to form teams)	47%
Offers onsite group classes	38%
Utilizes peer support strategies to encourage participation (for example, buddy systems or interventions that include social components)	47%
Utilizes competitions, challenges or other “game” strategies	73%
Community support for well-being	66%
Encourages use of community health and well-being resources (for example, community gardens, recreational facilities, health education resources)	51%
Provides information about community health resources	46%

As would be expected, nearly all companies (98%) address physical well-being as part of their HWB programs. Financial well-being appears to be the dimension least likely to be addressed by employers, but this is speculative, since the HERO Scorecard doesn't ask employers about practices outside of legal or financial management assistance. A more exhaustive list of practices might have yielded a different result.

A second analysis cross-tabulated the categories against each other to determine how many HWB dimensions are addressed by HERO Scorecard completers. Nearly all companies (98%) address more than one dimension of employee HWB, with 9% addressing two dimensions, 15% addressing three dimensions, 33% addressing four dimensions and 42% addressing all five dimensions. Not surprisingly, larger organizations tend to address a greater number of HWB dimensions. Additionally, small but statistically significant differences were noted across industry categories (Figure 8).

Figure 8. Number of Health and Well-being Dimensions Addressed

By organization size	Dimensions
Companies with fewer than 500 employees	3.80
Companies with 500–4,999 employees	4.08
Companies with 5,000+ employees	4.26
By industry type	
Colleges/universities	4.70
Financial services companies	4.37
Other industry types	4.36
Hospitals and healthcare clinics	4.24
Government	4.03
Manufacturing	3.98
Other health services	3.93
Retail/wholesale/food services/lodging/entertainment	3.86
Other services	3.82
Technical/professional services	3.78
Other educational organizations	3.67
Transportation/communications/utilities	3.57
Manufacturing	3.44

This analysis affirms that companies completing the HERO Scorecard approach their programs using a broad framework that goes beyond solely addressing physical health. However, companies completing the HERO Scorecard may not be representative of all employers in the United States. What we cannot know from this analysis is if, and how, employers have broadened their strategy over time, because many of the practices included in this analysis were not tracked until the HERO Scorecard V4 was launched in 2014. What is certain is that the broad meaning characterized by the term well-being is reflected in the workplace health promotion programs offered by this cross-section of employers regardless of size or industry.

Data cited in this commentary are based on HERO Scorecard responses through September 30, 2015.



CONSTRUCTING ORGANIZATIONAL SUPPORT

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The important role of strong organizational support in creating a culture of health and wellness has been widely recognized. The HERO Health and Well-being Best Practices Scorecard in Collaboration With Mercer© (HERO Scorecard) asks about a range of best practices in organizational support for health, from leadership involvement and methods of communicating the company’s health values to specific tactics, such as company policies and the physical environment features that address stress management, physical activity, eating habits, safety, tobacco usage and work-life balance.

Employees are affected by workplace policies and the physical environment every day. These areas present great opportunities for organizations to demonstrate their commitment to employees’ well-being. Not only can targeting specific behaviors through policies and the environment directly impact an employee’s habits at the workplace, this can be less expensive than individual sessions with a health coach or advisor. In addition, when such programs exist, supportive policies and physical environmental approaches work synergistically with these individualized programs. Moreover, with the environment and policies “nudging” employees to make healthier choices, a company may direct its investments in reward strategies and communications to other areas of well-being where additional support is needed.

Most companies (86%) have a strong foundation in providing a safe physical environment, but the latest HERO Scorecard data reveal several opportunities for companies to improve organizational support for health through health-promoting policies and changes to the physical environment.

Figure 9. Employer Use of Health-related Policies and Physical Environment Support for Health

Health-related policies	% Yes	Physical environment support	% Yes
Tobacco-free policy	66	Environment of safety	86
Policies to support healthy eating	58	Physical activity encouraged by features/resources at workplace	68
Work-life balance	57	Healthy choices available	66
Promote use of community health resources	54	Stress management and mental recovery areas provided	36
Responsible alcohol use policies	38		
Allow use of work time for stress management or rejuvenation	31		
Allow physical activity during work time	29		

It's intuitive that health-promoting policies and physical workspaces operate synergistically, and employers would ideally address both policies and the physical environment at the same time. Yet only half of the organizations that have completed the HERO Scorecard address healthy eating holistically by having both policies and physical environmental support to promote healthy eating habits. Furthermore, more than half of all respondents reported having no policies or physical environment supports to help employees manage stress. Physical activity is addressed mostly by creating opportunities through physical environment (68%), but 45% of all respondents promote increased physical activity through creating a supportive physical environment (for example, by providing onsite fitness facilities) without an aligned policy of permitting employees to exercise during work time.

Table 10. Overlap in Policies and Physical Environment Support for Health Behaviors

Supports physical activity		Policy	
		Yes	No
Physical environment	Yes	23%	45%
	No	6%	27%
Supports healthy eating		Policy	
		Yes	No
Physical environment	Yes	51%	16%
	No	8%	26%
Supports stress management		Policy	
		Yes	No
Physical environment	Yes	20%	16%
	No	10%	54%

Total summed cells may exceed 100% due to rounding.

As employers seek ways to make their programs more effective, the HERO Scorecard suggests numerous specific tactics for embedding health and well-being into employees' everyday lives. By implementing policies that support employee health and well-being and creating a supportive physical environment, organizations send the message to employees that their health is an important contributor to achieving the organization's strategic goals.

Data cited in this commentary are based on HERO Scorecard responses through September 30, 2015.

9

GOT STRATEGY? DESPITE LINK TO OUTCOMES, MANY EMPLOYERS LACK A STRATEGIC PLAN FOR HEALTH AND WELL-BEING

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ORIGINALLY PUBLISHED IN Q3 2015

A 2013 analysis of HERO Scorecard V3 data found that organizations that had a strategic plan for their employee health and well-being program also reported higher participation rates, better health outcomes and better healthcare cost containment. Although organizations are more likely today to say they have a strategic plan in place than they were when the HERO Scorecard was first launched, 43% of employers responding to the HERO Scorecard said they do not have a strategic plan, and 22% said they only have an annual plan. What's ironic about this finding is that the HERO Scorecard can help support the strategic planning process. The questions within the strategic planning section of the HERO Scorecard are themselves an indicator of the practices that make up the strategic planning process. Moreover, the HERO Scorecard can serve as a benchmarking tool to identify gaps between existing and potential practices. For organizations that don't have a formal strategic plan for their program, this commentary outlines a few key steps to help you get started.

STEP 1: BEGIN WITH YOUR END GOALS IN MIND

Before identifying partners and selecting programs, it's essential to pause and consider what you hope to achieve through employee health and well-being initiatives. Of the employers that report having a strategic plan, most include written measurable objectives for participation in programs (83%), changes in health status (64%) and financial outcomes (59%). Although it may seem obvious that the key goal for most programs is to improve employee health and well-being, it's essential to consider broader organizational goals and those of your stakeholders. A significant proportion of employers with strategic plans also include written objectives related to employee satisfaction/engagement/morale (55%) and improvement in clinical outcomes (48%).

Ideally, the strategic plan would articulate how the goals of the health and well-being initiative are linked to and align with key organizational goals. Less than a third of employers (28%) say their program is viewed by senior leaders as connected to broader business goals to a great extent. A well-written strategic plan supported by research connecting workforce health and well-being to broader organizational goals may support a stronger and broader business case for your initiatives.



STEP 2: COLLECT AND ANALYZE DATA

The HERO Scorecard provides three categories of data that can be used to inform your strategic plan, including workforce health measures, employee survey data, and business measures or organizational assessment data. Most employers completing a HERO Scorecard leverage healthcare claims (76%), health assessment (67%) and biometric screening (64%) data. The majority also conduct employee interest/feedback surveys (64%) and review employee engagement and morale data (60%). Fewer incorporate business performance (31%) and other organizational assessment data. Ideally, a strategic planning process incorporates data from all three categories to inform the planning process and seeks to align health and well-being goals to influence the data being reviewed. This ensures the health and well-being initiative addresses issues that employees care about and that are integral to the organization's success. If an organization cannot connect the dots between its health and well-being efforts and the organizational outcomes it hopes to influence, one part of the strategic plan may be to identify other organizations that have been able link their health and well-being strategies to similar outcomes and to leverage evidence from published case studies and research in order to support its strategic plan.

STEP 3. IDENTIFY EVIDENCE-BASED STRATEGIES AND PROGRAMS

Once the strategic planning team has identified the outcomes of interest to stakeholders and considered the needs and interests of the population, it can begin to identify evidence-based strategies and programs that influence the key objectives documented in the strategic plan. Potential resources include leveraging systematic reviews of the published literature, reviewing health and well-being award program websites to identify case studies of exemplar programs and drawing from HERO Scorecard benchmark reports to consider specific practices to incorporate into program implementation plans. Published case studies in the 2014 HERO Scorecard Annual Report document how organizations have used the HERO Scorecard to inform strategic planning and ongoing program improvements. One key best practice to address is ensuring programs are provided that address the needs of all members of the population, from the very healthy and high functioning to those with chronic conditions or acute health needs. Although more than 90% of employers report providing programs for healthy and at-risk members of the population, only about half (55%) provide resources or programs that support individuals with acute or catastrophic health events.

STEP 4: COMMUNICATE AND VET THE STRATEGIC PLAN WITH COLLABORATING STAKEHOLDERS

Once the strategic plan has been drafted, it's important to share it with stakeholders across the organization to build buy-in and support. To be most effective, the plan should be shared with a broad cross-section of stakeholders. Some organizations create cross-functional wellness councils to serve as advisors to ensure they're addressing stakeholder needs and aligning the health and well-being strategy with their goals.

STEP 5: REVIEW THE STRATEGIC PLAN AND UPDATE IT REGULARLY

A written strategic plan is never really complete. Ideally, it becomes a working document that's referenced frequently, particularly as ideas are generated for program enhancements or as program evaluation results emerge. The strategic plan should be updated at least annually based on program evaluation results and feedback from all levels of stakeholders, including both program participants and nonparticipants. Although strategic planning takes a significant amount of time at first, it becomes less time-intensive when it's built into the annual program and budget-planning cycle. HERO research demonstrates that taking the time to do solid strategic planning increases the odds of achieving superior outcomes associated with this best practice.

Data cited in this commentary are based on HERO Scorecard responses through June 30, 2015.

CASE STUDY 3

HERO SCORECARD HIGHLIGHTS IMPORTANCE OF EMPLOYEE INPUT FOR CITY OF BAKERSFIELD WELLNESS PROGRAM

The City of Bakersfield, California, has a diverse economy as the highest oil-producing county and the fourth most productive agriculture county in the United States. Due to the economy, along with its considerable cultural and economic diversity, the City of Bakersfield faces many challenges to the health of their employees and community.

The City has previously participated in some grassroots efforts to improve the health of their employees and the community they serve — but with no real strategy or meaningful impact. This prompted the City to submit an entry for the Cities for Workforce Health wellness grant to gain more support. In 2016, they were one of five Southern California cities to be selected out of more than 100 applicants for the wellness grant in partnership with the Cities for Workforce Health and Kaiser Permanente.

With the support of a workforce health consultant from HERO Scorecard Preferred Provider Kaiser Permanente and the Cities for Workforce Health grant in its pocket, the City began its journey toward a comprehensive and meaningful strategy for its employees. The first step recommended by the consultant was to complete the HERO Health and Well-being Best Practices Scorecard in Collaboration With Mercer© (HERO Scorecard) to help guide their efforts and provide credibility around the plan that was presented to City of Bakersfield leadership.

The City's HERO Scorecard results confirmed the need for deeper leadership engagement and a culture that supports those efforts. Despite the valuable data the City receives from its health carriers, the City also needed to hear from its employees. The next step was deploying a citywide employee interest survey. Approximately 25% of the population was surveyed, with representation from all departments. The City also identified more than 40 employees who were willing to volunteer their time on a wellness committee or in a wellness champion role.

The City recently presented the HERO Scorecard results, coupled with the employee interest survey results, to City leadership to gain buy-in for next steps and support of the overall program goals. City leadership understood the need for deeper engagement and fully supported the next step of putting a wellness team together with representation from all departments. As of today, the City is solidifying those efforts and planning to move forward with a strong strategy team, using the best practices identified in the HERO Scorecard.

10

CREATING A CULTURE OF HEALTH AND ENGAGEMENT THROUGH ORGANIZATIONAL SUPPORT

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CULTURAL AND ORGANIZATIONAL SUPPORT

In 2012, the Health Enhancement Research Organization (HERO) began exploring organizational support of health and well-being in an effort to better define and measure this domain. This exploration evolved into a collaborative effort facilitated by HERO and the Population Health Alliance (PHA) to identify the key elements of organizational support as well as the recommended measurement of this domain to determine effectiveness. Published in 2014, the *HERO/PHA Program Measurement and Evaluation Guide: Core Metrics for Employee Health Management* (the *Guide*) outlines this work and is the foundation of the significantly expanded Cultural and Organizational Support section of the HERO Health and Well-being Best Practices Scorecard in Collaboration With Mercer© (HERO Scorecard) Version 4.

As outlined within the *Guide*, organizational support is defined as “the degree to which an organization is committed to the health and well-being of its employees.”¹⁴ The eight elements of organizational support are:

- Company-stated health values
- Supportive “built” environment
- Leadership support
- Employee involvement
- Health-related policies
- Organizational structure
- Resources and strategies
- Rewards and recognition

In addition to these elements, the *Guide* recommends that organizations measure both their levels of organizational support and the degrees to which their employees, managers and leaders perceive they’re supported in their health and well-being by their employer organizations. Recognized as an important building block in creating a culture of health and well-being, a high level of organizational support has become a best practice for employers working to build a culture of health and engagement.

HIGH LEVELS OF ORGANIZATIONAL SUPPORT = GREATER USE OF BEST PRACTICES

With slightly more than 200 companies completing the V4 HERO Scorecard to date, cultural and organizational support (COS) practices are proving to have a positive association with all other health and well-being best practice areas. In fact, those companies that report a high level of COS not only have a higher average total score but also have higher average scores in all of the other five sections of the HERO Scorecard.

¹⁴ HERO/PHA. *Program Measurement and Evaluation Guide: Core Metrics for Employee Health Management*, 2014

Figure 11. Average HERO Health and Well-being Best Practices Scorecard V4 Scores by Organizational Support Level

Best practice section	COS low (score of 1-16)	COS moderate (score of 17-28)	COS high (score of 29+)	National average
Total score	55	86	127	91
Strategic planning	7	10	13	10
Programs	16	22	28	22
Program integration	3	4	7	5
Participation strategies	13	20	30	21
Measurement and evaluation	6	8	12	9

STRATEGIC PLANNING AND PROGRAM EVALUATION

Based on the current analysis, organizations reporting a high level of COS implement a greater number of strategic planning and program evaluation best practices. These companies are not only using more data sources within their strategic planning and evaluation efforts, they're incorporating more measurable objectives into their strategic plans. Specifically, human capital outcomes including recruitment and retention; employee satisfaction, morale and engagement; and customer satisfaction are used as health and well-being program objectives more frequently by organizations reporting high levels of COS. In addition, organizations reporting high COS are more likely to report health and well-being program outcomes to all stakeholder groups on a regular basis. Last, managers and supervisors are more likely to receive health and well-being program performance data within organizations that have a high level of COS (51% high COS, 18% moderate COS, 10% low COS).

PROGRAMS AND PARTICIPATION STRATEGIES

COS for health and well-being includes providing evidence-based programs to assist individuals in their health management. Not only do organizations reporting a high level of COS provide more comprehensive programs, they report greater effectiveness of their efforts (effective and very-effective rating – 96% high COS, 60% moderate COS, 22% low COS). Furthermore, 57% of organizations reporting a high level of COS also report that intrinsic motivation is used as a reward and is a primary focus of their engagement strategy, compared to only 13% for those reporting a low level of COS. In addition, there is a greater use of communication best practices among those companies that report a high level of COS within their organizations.

CONCLUSIONS

Based on the work done in this area over the last three years and the HERO Scorecard data highlighted above, employers increasingly recognize the importance of organizational support in creating a culture of health and engagement. The HERO Health and Well-being Best Practices Scorecard in Collaboration With Mercer© (HERO Scorecard) Version 4 is the first scorecard to incorporate the *Guide's* organizational support elements into an industry scorecard, providing an opportunity to assess the use of these best practices. Through such efforts, we'll better measure and assess our success in building cultures of health within our organizations.

Data cited in this commentary are based on HERO Scorecard responses through March 31, 2015.

CASE STUDY 4

HERO SCORECARD ALLOWS UNIVERSITY OF MINNESOTA TO BENCHMARK AND IMPROVE WELL-BEING INITIATIVE

The University of Minnesota (the University) is committed to helping employees lead happy, healthy and fulfilled lives through its wellness and well-being program, which has been in place for more than 10 years. The HERO Health and Well-being Best Practices Scorecard in Collaboration With Mercer© (HERO Scorecard) was first utilized formally by the University in 2015. To complete the HERO Scorecard, the University's vendor partner and a HERO Scorecard Preferred Provider, StayWell, facilitated a group discussion among University stakeholders. Difficult questions were divided among the group to further research the most accurate answers.

A HERO Scorecard Benchmarking Report prepared by StayWell revealed that the University's results were better than the national, university and similar-size employer averages, which reflected a mature, comprehensive program. The greatest strength identified was in the best-practice domain of Programs. The University offers a wellness assessment, coaching (phone and digital) and physical activity challenges and also taps into confidential internal services for onsite screenings and face-to-face coaching. Offerings from eight other University partners range from onsite cooking classes to a bike commuter incentive program monitored by a University-pioneered automatic recognition system. The most recent wellness assessment results indicate that individuals appropriately self-selected activities in which to participate, and activities were effective in reducing or maintaining risks.

In the coming year, the University plans to focus on its greatest area of opportunity identified by the HERO Scorecard: Organizational and Cultural Support. The intent is to strengthen the existing grassroots network of wellness advocates and the work they do within their individual departments. Leadership commitment to the Wellness Program has always been strong in terms of resources, and additional leadership support is being focused on the University's well-being initiative going forward. The University is developing a three-year strategic plan and using HERO Scorecard results to inform focus areas. The strategic plan will be shared with leadership and internal and external vendor partners to ensure a collaborative approach that continues to drive University Wellness program success.

"The University appreciates having a credible benchmark for our program against comparable organizations," said Ken Horstman, Director of Total Compensation. "It's also helpful for us to have clear direction for how we can improve."

For further information, please
visit our websites at:

www.hero-health.org
www.mercer.com