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Two health management organizations have partnered on a guide that walks plan sponsors through seven steps in evaluating their wellness efforts.

Evaluating Wellness Programs:

Measure the Right Things

by | **Jessica Grossmeier, Ph.D.**



Companies want to be sure they're getting the best possible product for their money, at the best price and with optimal outcomes. But sometimes that's easier said than done. Sometimes the service the company is buying doesn't lend itself to an apples-to-apples comparison of possible resources. How does the company know if what it is buying is the best value?

Such is the case for employers that invest in workplace wellness programs. While the wellness industry and employers that invest in the health of their workforce have become quite sophisticated in how they evaluate their program results, until now there has not been an easy way to gauge if they're quantifying the right things and against what measures they should be judging their outcomes.

Two leading health management organizations, the Health Enhancement Research Organization (HERO) and the Population Health Alliance (PHA), partnered to develop a resource for employers called the *Program Measurement and Evaluation Guide: Core Metrics for Employee Health Management*, which provides a recommended set of core metrics and guidance to help employers evaluate their wellness programs.^{1,2}

The online guide is the result of a collaborative effort initiated by HERO and PHA. The effort included participation by subject matter experts from over 40 organizations and more than 80 individuals representing virtually all industry segments, including employers, health plans, program providers, academic research centers and certification agencies.

“Measuring return on investment can be costly for many employers, and health management research has shown that focusing on ROI alone does not accurately encompass all fac-

Audience for Guide

The *Program Measurement and Evaluation Guide* is recommended for:

- An employer offering a workplace wellness program
- A wellness supplier that provides programs and services to employers
- A consultant who recommends wellness suppliers to employer clients
- A health management research professional focused on wellness program evaluation.

ets of wellness program effectiveness,” said Jerry Noyce, president and CEO of HERO. “The *Program Measurement and Evaluation Guide* walks employers through a set of seven categories of measurement that has been researched and verified by population health experts and provides hands-on advice for how to implement these metrics.”

Employers can use the guide when conducting internal reviews of their wellness programs or selecting program partners. In addition, it can be used as employers and wellness suppliers work together to continually evolve and improve their programs. (See the sidebar.)

Why Measure?

When an employer implements a workplace wellness program, it typi-

cally does so for a specific reason—to reduce a health risk (such as obesity, physical inactivity or diabetes) for the employer’s workforce, to manage health care spending or as a more general investment in the health and well-being of employees. The only way to know if a company has achieved any of these objectives is to measure them.²

An effective measurement strategy can help an organization advance its corporate health goals in many ways, including:

- **Fostering continuous program improvement**—Ongoing measurement allows an organization to check its progress at regular intervals and to ensure that it is continuing to strive for better, more effective programs and out-

comes that matter most to stakeholders.

- **Demonstrating program outcomes to corporate leadership**—Outcomes data help tell a program’s story, including what the program has accomplished and the difference it has made for the company and its employees.
- **Understanding financial impacts generated from the wellness program**—The right metrics can help translate outcomes into relatable terms for business leaders.
- **Understanding the impact of the wellness program on employee health, engagement and satisfaction**—A well-known benefit of measuring wellness program outcomes is that it demonstrates whether or not there is a connection between the program and the health of employees, how engaged they are in wellness offerings and how satisfied they are with their program experience.

Defining Common Core Metrics

The *Program Measurement and Evaluation Guide* provides recommendations on seven categories of process, impact and outcomes measures that are critical to every wellness program evaluation strategy.

1. Participation Measures

These take the form of cascading levels of employee involvement—from the initial point when an employee interacts with and becomes eligible to participate in a program (such as a screening or health assessment completion) to deep levels of participation. At these deeper levels, employees may be completing any number of program activities successfully.

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Kathleen Greer. International Foundation and New England Employee Benefits Council. On-Demand Presentation from November 2014.

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From the Bookstore

Workplace Wellness That Works

Laura Putnam. Wiley. 2015.

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

User tip: Examples of participation measures include completion rates for health assessments, health coaching programs, telephone-based programs, web-based programs, online and on-site team challenges and daily activities in the workplace.

2. Satisfaction Measures

The *Guide* includes measures of both employer and participant satisfaction with the wellness program and recommends specific ways to capture this information. It also includes sample survey questions that can be used to assess each area of satisfaction, as well as tips for how to approach sampling and performance standards.

User tip: Not sure what questions are the right ones to ask participants or employer clients? To collect useful feedback, ask questions related to overall satisfaction with services/programs, program effectiveness, scope of offerings, convenience of program components, communications, member experience and perceived value.

3. Organizational Support

Support encompasses the degree to which an organization commits to employee health. The *Guide* defines the specific elements of organizational support, introduces three ways to approach measurement of organizational support and suggests measurement tools that employers can use to assess their programs.

User tip: Three primary ways to measure an organization's support are to assess (1) the programs, policies and procedures related to health, (2) employee perceptions of organizational support for their health and (3) leadership perceptions of organizational support for employee health.

4. Health Impact Measures

These are categorized into four areas: the impact of wellness programs on the physical health, mental/emotional health, health behaviors and overall health risk status of a workforce. Special issues are discussed, including use of directly measured versus self-reported measures and the frequency and timing of data collection relative to program implementation periods.

User tip: When determining how health impact will be measured, use the Program Measurement and Evaluation Guide to identify a detailed definition of the health areas of interest, along with recommendations for risk-level thresholds and suggested questions for self-reported measures.

FIGURE

Seven Categories for Process, Impact and Outcomes Measurement



Source: *Program Measurement and Evaluation Guide*, HERO and PHA, 2015.

5. Financial Outcome Measures

These focus on quantifying health care cost outcomes that are directly observed by analyzing factors such as health care claims, estimated health impacts that are monetized based on a modeling approach or estimated cost impact based on changes in how employees are using health care services.

The financial outcomes section describes five methods currently in use in the wellness industry to measure health care cost savings. Employers will find information about the time frame for expected cost savings, a helpful decision tool for selecting the right measurement strategies based on the size of the employee population and the level of resources that might be needed to support the chosen measurement approach.

Employer readers will also benefit from the dashboard approach recommended in this section of the *Guide*. Employers can forecast financial savings in a more timely manner by monitoring leading indicators (those that emerge more quickly) such as engagement, medication adherence and achievement of specific clinical targets.

User tip: Health experts caution that it can take two to five years to realize the impact of wellness programs on health care cost trends and other financial outcomes. This makes it even more important to consider measuring leading and lagging indicators listed above.

takeaways >>

- There is more to measuring the effectiveness of a wellness program than return on investment alone.
- A measurement strategy helps an organization regularly check progress and ensure it continues to strive for more effective programs and outcomes.
- Measuring outcomes can show corporate leadership what programs are accomplishing and whether they are worth an investment in wellness.
- Assessing programs, policies and procedures related to health and how employees and leadership perceive organizational support are ways to measure support for employee health.
- It can take two to five years to realize the impact of wellness programs on health care cost trends and other financial outcomes.

6. Productivity and Performance Measures

These are categorized into measures that address time away from work due to poor employee health, on-the-job productivity loss due to poor health and performance on the job due to health status. Health-related performance measurement is an emerging area that requires further study, and employers should be somewhat cautious about interpreting and monetizing changes in productivity.

User tip: The authors of the Program Measurement and Evaluation Guide acknowledge that most measurement relies on the use of validated self-report measurement tools. To help employers address this, the authors provide guidance on how to select a measurement tool, along with a list of available tools.

7. Value on Investment (VOI)


VOI is a measurement approach that integrates all of the other domains into a unifying framework and broadens wellness program evaluation from a single measure of success to more of an indexed approach that assesses the financial impact. The VOI framework presented in the *Guide* emphasizes the entire range of outcomes that are considered to be of value to an employer. This can include some or all of the measures listed in other sections, along with other business-relevant outcomes that may not be represented in the *Guide*.

User tip: The concept of VOI is different from the more narrow return-on-investment (ROI) measure, because ROI can actually be a component of VOI. Employers that want to convert VOI into a single financial measure will benefit from a

suggested process and framework for translating valued outcomes into a cost-effectiveness analysis.

Change Is Constant; So Are Measurement and Evaluation

The *Program Measurement and Evaluation Guide* was developed to provide guidance to employers and wellness program providers on how to measure the effectiveness of health management programs. (See the sidebar.) Keep in mind this is not a prescription for program measurement, but rather a suggested framework of measures that are applicable to a variety of health maintenance and health improvement programs. Nor is this list of measures carved in stone. The wellness industry and the modern workplace are constantly evolving and so, too, will the *Program Measurement and Evaluation Guide*. Think of this as an evidence-based and well-vetted jumping-off point.

Keep an eye out for more on this topic and how employers are able to translate this into meaningful use as HERO, PHA and the partner organizations that produced the *Program Measurement and Evaluation Guide* test the tools and information with employers of all sizes.³ 

Endnotes

1. The *Program Measurement and Evaluation Guide* can be downloaded free of charge at www.hero-health.org or www.populationhealthalliance.org.
2. Jennifer Flynn wrote in the June 2015 *Benefits Magazine* about the elements involved in creating a healthy workplace culture, as identified in the *Program Measurement and Evaluation Guide*.
3. Organizations interested in becoming a test site for the *Program Measurement and Evaluation Guide* may contact karen.moseley@hero-health.org.

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