

Lessons From Health Coaching... Taking a Judicious Approach to Health Reform and Financial Incentives



...by **Paul Terry**



In past columns I've described the positive impact financial incentives can have on participation in health coaching and other population health management offerings. Incentives have the best chance of leading to healthy change if used within the context of an ongoing commitment to a culture

of health. It's easy to tell when I'm coaching someone working where the healthy choices are the easy choices — whether it's the food available in the workplace, opportunities to take breaks, or the personal support from coworkers and leaders. It's deeply ironic when employers use incentives to make connecting with a health coach easy, but don't confront the workplace stumbling blocks that make healthy behavior change hard.

One component of health care reform provides an opportunity for employers to increase the use of financial incentives for wellness. At the same time, employee protections against health discrimination, such as those provided by HIPAA, help ensure incentives are used judiciously. There has never been a more vital time to carefully study the opportunities and threats posed by incentives. Thankfully, there is also new thinking, particularly related to behavioral economics, that you can use when making incentive policies. Here are 4 books I'd recommend:

- **“Nudge” by Richard Thaler and Cass Sunstein** (<http://nudges.org/>) — This book is having an impact on health promotion professionals by supporting “make healthy choices the easy choices” — a common phrase in current conferences and periodicals. If you only read one book on behavioral economics, I find this the

best at providing credible evidence for how to balance individual versus social responsibility for health. The authors capture this in their clever but provocative idea that policy makers need to be “paternalistic libertarians,” meaning we are duty bound to set policy that advances the public good, while assuring we don't interfere with fundamental individual freedoms.

- **“Drive: The Surprising Truth About What Motivates Us” by Dan Pink** (www.danpink.com) — If you like Malcolm Gladwell's writing and the way he weaves interesting research together with instructive anecdotes, you'll love Dan Pink's ability to knock you upside the head with studies that drive home his thesis: When it comes to behavior change, there can be no substitute for intrinsic motivation; yet incentives can backfire. Not only does this book offer scientific justification for limiting the use of rewards to simple behaviors, like showing up for something, Pink also smartly illustrates how incentives too often diminish motivation. Health coaches will resonate with his conclusions that successful self-changers almost always manage to connect new habits to long held personal passions.
- **“Predictably Irrational” by Dan Ariely** (<http://danariely.com>) — If you liked Dubner and Levitt's “Freakonomics” you'll like Ariely's penchant for using obscure but useful

studies to change your assumptions about the supremacy of money. If, like me, you subscribed to the common-sense idea that when given the “right” financial or policy incentives, we’ll make rational choices that advance our personal interests, think again. Ariely offers multiple examples where people make the irrational choice, meaning policy makers need to take these predictable human foibles into account. I’m guessing that if Ariely had his way, the “paternalistic libertarianism” movement would tilt strongly in favor of “father knows best.” But in Ariely’s world, dad is busier putting his house in order than issuing orders to the kids.

- **“Punished by Rewards” by Alfie Kohn** (www.alfiekohn.org/index.php) — If you’re not persuaded by the above scholars that rewards come with landmines attached, Kohn may tip you over the edge. Or maybe not. I found Kohn’s book so focused on selectively highlighting studies advancing his condemnation of incentives that he threw the baby out with the bath water. And more noticeable than his assemblage of one-sided studies is the lack of

citations from scientists like Bandura, Prochaska, or Becker, who’ve clearly mapped the path where incentives for small steps can be catalysts for larger changes. Still, Kohn has an enthusiastic following in education reform circles and has been a leader in preventing ill-considered use of incentives.

Together, these books lead to the following guidelines for health promotion practitioners and health coaches intent on using incentives to good effect:

- **Make incentives a catalyst or a means to an end.** Financial incentives can lead a horse to water, but that’s it.
- **Keep incentives modest.** The larger the reward, the more focus shifts from doing what I think may be good for me to resenting attempts to control my personal choices.
- **Consider reward reductions for nonparticipation (rather than incentives to participate).** Research consistently demonstrates that losing a benefit we already enjoy is more powerful than gaining a benefit we don’t currently have. However, keep in mind that overly punitive

approaches guarantee anger and alienation, so any system you create needs to be accepted as reasonable and equitable.

- **Focus on intrinsic rewards.** Once you’ve led them to water, make sure they’re reminded how sweet it has been for those who’ve chosen to drink. Tell success stories early and often.
- **Maintain program simplicity.** There’s nothing more counterproductive than spending time going over complicated details of incentive rules rather than doing the real work: setting goals and achieving new health behaviors tailored to a participant’s current needs and values.

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For an in-depth review of the value of management support, read the white paper *Management Support: Inspiring Wellness Leadership* at <http://www.hesonline.com/mwp>.

What’s Your Holy Cow! Number?

A picture may be worth a thousand words, but a picture with a number can tell a compelling story with very few words.

Health promoters are notorious for dispensing information like a fire hose — flooding participants with statistics and lengthy arguments in an effort to inspire action. Often, a stronger message involves a single (Holy Cow!) number and a simple image to bring home the point.

86%
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