

BEST PRACTICES IN

Compensation & Benefits

September 2007

www.blr.com

Issue 733

**Virgin Life Care coverage
Case Study: Take Wellness One Step Further**

Take Wellness One Step Further

Who: A 21,000-employee financial services firm, spread across 21 states, with many call center employees

What: Implemented a wellness program emphasizing activity, rather than simply weight loss

Results: Moved 35% of obese employees into a normal weight range, 35% of hypertensive employees into normal or prehypertensive categories, and 30% of sedentary employees into the active range. Potential savings to the health plan, \$2,000 to \$4,000 per participating employee per year.

Which came first, obesity or inactivity? Each have a tremendous impact on the cost of health care. According to a 2005 study conducted in California, *The Economic Costs of Physical Inactivity, Obesity, and Overweight*, the incremental cost of worker inactivity is about \$2,400 a year, while obesity in employees costs about \$3,200 a year. So does it matter which leads to which?

It does to Christopher Boyce, CEO of Virgin Life Care (www.virginlifecare.com). His company aims to get people healthy by first getting them active. Elements of Virgin's program can work for you, whether you hire a company to run your wellness program or do it yourself in-house.

Looking at the above figures, most people conclude that obesity burdens the healthcare system more than inactivity does. "The fact of the matter," says Boyce, "is that inactivity is more costly, because of the numbers of people involved.

"By the Center for Disease Control's standards, about 65–70% of the population is sedentary, about 33% of the population is obese, and another 33% of the population is overweight. The number one indicator of whether someone who is obese loses weight and keeps it off is whether or not they've adopted a program of physical activity. That's where we think the most dollars are, and that's why we're purely about physical activity. If you get somebody to be active, that's going to work against the obesity epidemic."

Engaging Employees, Tracking Data

Getting employees to get active is a challenge. Often, wellness programs appeal only to those employees who are already fit. By emphasizing physical activity, rather than weight, and by engaging employees in fun activities, Boyce says you can increase utilization and get better results.

"We've got a corporation that has rolled our program out to their 21,000 employees, and they now have about 28% of their population enrolled. Seventy-five percent of those are not only registered for the program, but are actively using it in some way. That number is extraordinarily high," Boyce says. "In that specific population, about 30% have moved from being completely inactive to active. So the company has basically picked up that \$2,400 per employee per year (mentioned above in the California study). That alone more than offsets the cost of the program, so there's a significant return on investment there."

"Prove it," you're thinking. Well Boyce can because Virgin Life Care doesn't rely on employees to track their own progress. Rather, it begins with a Web-based system that does the tracking for you.

"Employees who join the program get a personalized Web space where all of their activity data are kept. Kiosks are part of the component so you can sit down and take your personal biometric data, and it gets reported back to the website," he says. "The kiosks measure your weight, your body fat, and your blood pressure, and turn those into a Body Mass Index (BMI) score for you. People sit down and have those readings taken, then are rewarded for doing that. They are also rewarded for improving [their BMI score], or having it be at an ideal level."

Step two is tracking the participant's daily activity. "When you sign up with the program, you get what I call a 'smart' pedometer," Boyce says. "It automatically uploads your activity—the number of steps you've taken in a day—to the website. We reward people for hitting a certain number of steps in a day, and for every day they do, they get more of a reward."

The third part of the program involves a personal fitness assessment. "We've partnered with a variety of gyms. They do a real simple 3-minute step test, with some strength and flexibility measures. It really shows how fit a person is. People are rewarded for taking the assessment, and also for improving or hitting the ideal on it."

Reward Personal Responsibility With Money

Data from the last two components are fed back into the website, says Boyce, where it can be viewed as a whole by the company, and individually by the participant. "Through the website we can communicate back to the individuals, and reward them for their participation," he says.

"Most of our corporate members offer \$400 back to the employee if they are in the program at the highest level. They can use the money in any way they'd like. It starts a conversation between

employer and employee about health and fitness. The employer is saying, ‘If you’re going to take a real active part in your own health, we’re going to reward you for it.’”

Most CEOs want employees who are active participants in work and in life, he says. “I want to hire high-performance people, people who take personal responsibility for the results they generate. They’re going to be engaged in their job, they’re going to be more productive, they’re going to be working hard, and they’re going to take control of a situation and make it better. That’s the kind of organization most CEOs want. Our program takes that concept—personal responsibility—and makes it part of the solution to the healthcare crisis.”

Creating Your Own Fitness Program

“Eighty-five percent of the population doesn’t go to a health club,” Boyce says. “Wellness plans in general put people on a program for 6, 8, or 12 weeks, and they have a high attrition rate during those weeks. People get excited about a program, but they get off it pretty fast.” Virgin Life Care’s program, with its emphasis on simply moving more, achieves different results, says Boyce.

“Data showed an increase in utilization and activity levels at 12 months

over the same figures at 6 months. We found the people who engaged in the program were increasingly active, increasingly took more steps per day. They had become active, lost weight, reduced their hypertension. Of obese people, 35% were down to normal weights. Thirty-five % of people who were hypertensive when they began had moved to a normal or prehypertensive level.”

To get those kinds of results, Boyce believes you need to make the program both fun and easy to use:

- **Keep the program simple.** “There are so many programs that get into so many different things, they confuse the employees. We’ve talked with many companies that say they’ve tried 43 different things in their wellness programs, and now they don’t know which ones are working and which aren’t, and everyone is confused.”
- **Keep it relevant.** “I would encourage people to look for programs that have a lot of engagement to them, because if the employee actually finds it valuable and engages in it, you know you’ll get results. In our program, the threshold of engagement is pretty low; everyone can do this. The more people you can engage, the better.”

- **Keep the program “top of mind.”**

Advertise it in newsletters, on the Web, with posters, and anywhere else you can.

“I don’t think I’ve ever talked to anyone who hasn’t said ‘I need to exercise more,’” concludes Boyce. “At the end of the day, this is about getting people engaged in a process, and helping them change their behavior.”