



HEALTHMILES

CASE STUDY: NW Natural

CHALLENGE:

Rising Health Care Costs Drive Need for Prevention

Portland, Oregon-based utility company NW Natural had a mission: contain its rising health care costs. The company's health care costs had tripled since 1999, and those costs were continuing to grow – a situation the company knew was not sustainable.

The 150 year-old utility company had long been an advocate for corporate wellness, offering comprehensive smoking cessation, health screenings, and other programs under its wellness umbrella to its 1,050 employees throughout Oregon and Washington.

“We had tried a number of approaches over the years to control our growing health care costs; some took hold, some didn't,” said NW Natural's senior vice president, Lea Anne Doolittle. “We found that we needed to go back to the root cause of the sharp rises in our costs – and we knew that obesity and other preventable chronic diseases were some of the primary drivers.”

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Senior Vice President

However, it was difficult to develop a comprehensive wellness program for employees in 13 different locations working in offices, their homes and in the field with different needs and interests. Many programs the company considered weren't available to employees in all the Oregon and Washington communities where employees lived and worked. Certain programs, like the smoking cessation incentive, were only targeted to limited groups of employees.

SOLUTION:

Innovative Incentives-Based Approach and Technology Platform Fuel Excitement

Intrigued by Virgin HealthMiles' clear focus on prevention and the online accessibility of its program, NW Natural began evaluating the program in June of 2008. As part of its due diligence, NW Natural conducted meetings and focus groups within its multiple locations. Employee feedback was positive, especially as it pertained to the online wellness capabilities, ease of administration, employee engagement and budget management.

The total time from buy-in to deciding to implement the program spanned just a couple months. To launch the Virgin HealthMiles program, NW Natural conducted an extensive communications campaign, providing each work location with bulletins, brochures and email announcements about the program and its multiple benefits. NW Natural also spotlighted the Virgin HealthMiles program in quarterly all-company meetings and offered extra incentives for initial sign-up.



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The Virgin HealthMiles program enabled NW Natural's participating employees to immediately start earning "HealthMiles" based on their daily physical activity and their on-going participation in the program. As their HealthMiles accumulated, employees were able to redeem them online for cash or gift cards.

NW Natural chose to reward employees who participate in the Virgin HealthMiles program with up to \$500 per year — "like little savings accounts," says the company's senior HR consultant, Tina Freel. The program is funded by a combination of employer dollars and participating employees' contributions through payroll deduction.

"We like the way the Virgin HealthMiles program is designed. Its focus on incentives provides a great motivator for wellness. We also felt it was important for employees to contribute to this program as this adds to the employee's commitment," added Freel. "And if employees are modestly working toward being active, they will easily earn back their contributions and have extra spending money as their reward."

In addition, NW Natural installed Virgin HealthMiles HealthZone® measurement stations. These measure key biometrics, including weight, blood pressure, and body fat percentage, giving NW Natural and employees an accurate and convenient way to benchmark their health and progress.

Equally successful were the unique online challenges that Virgin HealthMiles offered. NW Natural employees could form teams and challenge one another in earning steps. Virgin HealthMiles awarded employees with bonus HealthMiles the first time a challenge was initiated.

"Competitions work wonders in our employee demographic," said Doolittle. "It's like betting on a baseball game. Everyone can participate. You can make up fun names for teams, have online chats, and encourage each other. It makes for a better work community."

To excite employees and encourage additional program enrollments, NW Natural's HR team launched an 'Executives vs. Employees' challenge designed to encourage employees and executives alike to use their GoZone pedometers to track their daily activity. The goal was to accumulate as many steps as possible over a one-week period.

Sixty-five percent of HealthMiles participants joined the challenge, with the executive team taking home the final prize. This executive level support was critical to the overall program success, as data shows that employees often take their cues from senior management actions.

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“One of our executives walked several miles to work each day,” said Freel. “We also have an avid biker who biked record amounts during the challenge week! There was a lot of excitement around the challenge. Since then, employees continue to feel good about themselves and their increased activity levels.”

RESULTS:

High Employee Participation Leads to Culture of Wellness and Projected Long-term Savings

In just one year, 41 percent of NW Natural’s employees have joined its wellness program, well above industry average engagement rates. The company has seen a quantifiable increase in employee activity, with 25 percent of inactive employees becoming active.

NW Natural also liked the administrative aspects of the program. The Virgin HealthMiles program was turn-key, yet customizable, which meant that NW Natural’s HR team did not have to create materials from scratch or spend valuable time and resources on validating data or running reports. The promotional emails and marketing collateral Virgin HealthMiles provided inspired employee participation in the program, and Virgin HealthMiles’ underlying technology platform was compatible with NW Natural’s existing systems.

As the buzz about the wellness program grew and employee morale rose, the company’s wellness culture strengthened — both in the field and at corporate headquarters. NW Natural systems analyst Jamie Martin said, “It’s all word of mouth, and so many people I know are out walking the downtown loop during lunch. I really wasn’t healthy before I started the Virgin HealthMiles program—my blood sugar and cholesterol levels were high. Everything was pointing in the wrong direction. With Virgin HealthMiles, I lost 50 pounds, and on my last visit to the doctor, all my lab tests came back with good readings. What is great is that the small things like walking are what really add up to success.”

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Systems Analyst

The grassroots challenges are also contributing to a greater goal. The company is now tracking the correlations between wellness programs and health care costs, and is optimistic that there will be a positive impact in the near future. NW Natural expects the Virgin HealthMiles program will help curb, and perhaps even reduce, the health care inflation that has plagued the company over the past decade.

“Wellness and prevention just make sense,” said Freel. “It’s really a win-win for both the company and our employees for them to be healthier and more productive on the job. Our employees have really embraced the Virgin HealthMiles program. We think we’re doing the right thing by creating a culture of workplace wellness – with the help of Virgin HealthMiles.”