

A close-up photograph of a hand reaching out from the top right towards the center. Below the hand, a grey and black sneaker is visible on a red dirt track. The background is a blurred green field.

Developing a benefits philosophy that supports wellness provides a road map and is a valuable tool for decision making. This article suggests steps to take in establishing a benefits philosophy for wellness.

by **Deborah Stephens**

Getting Started: Developing a Benefits Philosophy That Supports Wellness



Workplace wellness programs are rapidly moving into the mainstream, with many plan sponsors and employers embracing them as a good business practice. These programs span physical, mental, emotional and financial well-being. Wellness embodies the opportunity for improving and maintaining holistic health.

Sponsors of all types of group benefits plans—multi-employer, single employer, jointly trusteed or others—should have an interest in healthier members. The meaning of *wellness* can be broadly interpreted. Similarly, the range of possible components within a wellness program invites creative ideas. Plan sponsors may be well-advised to step back and first define their own understanding of wellness when deciding how to incorporate it into an existing benefits program.

Establishing a wellness program is a strategic initiative that, using the analogy of a financial instrument, can provide future returns. Developing a relevant benefits philosophy that supports wellness can pay big dividends over the long term. Here's why: A *benefits philosophy* is a view-

Takeaways

- A benefits philosophy that supports wellness is a written summary describing a plan sponsor's values and way of thinking about wellness.
- Before developing a benefits philosophy, employers should start by putting together a broad-based picture of plan members' health and wellness.
- Gathering input from key stakeholders is another important part of developing a benefits philosophy.
- A benefits philosophy can be used to help determine how a wellness program will be funded and implemented.
- When embarking on a wellness program, it can make sense to build on what is already in place, such as increasing usage of an existing employee assistance program.

point or a way of thinking about benefits. Expressing these views through a document provides a road map and is a valuable tool for decision making. This may sound simplistic on the surface. While a benefits philosophy need not be complicated, it should provide clarity on the rationale for wellness. It will be a legacy document for those who will deal with benefits in the future.

Here are some steps for incorporating wellness into a benefits plan using a benefits philosophy:

Step 1: Temperature Check— Your Wellness Starting Point

Plan sponsors should start by determining a baseline—a broad-based picture of plan members' health and their view of wellness. This can best be achieved through wellness questionnaires administered by a third party. Members must be assured of anonymity and confidentiality. It's also essential to communicate the rationale for the questionnaire or survey, such as improving benefits or adding a wellness program. Otherwise, participation is likely to be minimal and not statistically valid. Plan sponsors should think about their audience and which communication strategies are most effective.

Survey questions should clearly relate to wellness and may ask members to rank the importance of current initiatives or those under consideration. Information can be gathered

through web- or paper-based surveys, depending on the plan sponsor's budget and the nature of the membership. Regardless of whether wellness initiatives are implemented, members should not be left wondering "What happened to my input?" Following the close of the survey, members should be thanked and provided with a high-level overview of the participation and any actionable items that can be mentioned.

Plan sponsors also should review claims experience and identify trends in health and disability plans with their advisor and administrator. An understanding of how demographics and projected trends within the plan membership may affect costs in the next few years is critical.

Step 2: Develop a Benefits Philosophy for Wellness

In a nutshell, a *benefits philosophy* is a written summary describing a plan sponsor's values and way of thinking—in this case, about wellness. The definition can change over time, but having a written document to refer to will help to focus discussion and is a good governance practice. A benefits philosophy will explain *why* a wellness program is being offered.

To develop a philosophy, key stakeholders should discuss the rationale for wellness and what they want the program to achieve. Stakeholders could include the board of trustees, employers, union representatives, health and safety committee, ad hoc consultants as well as the regular advisor, administrator, insurer and plan members. It may make sense to create a wellness group or smaller working group that can make recommendations to the larger board or employer along the way.

It can be an interesting exercise to hear different viewpoints around the table in creating a plan sponsor's unique definition of wellness.

Through a process of reviewing data and dialogue, the benefits philosophy that makes sense for the organization will start to come together. To get the process started, here are some suggested questions to consider in developing a philosophy:

- **What is the purpose of the wellness plan?** Is it intended primarily to reduce disability costs? Is im-

proved cardiac wellness a key focus? Is smoking prevalent? Could a focus on financial planning seminars make a meaningful impact on members' well-being?

- **Who will be covered?** Will all members be covered, regardless of age, or is there a focus? Will spouses be included? Will dependants be covered equally, and to what age?
- **If the benefit plan includes retirees, will they have access to the wellness program?** Can the plan afford to cover/subsidize the cost of growing numbers of retired members?

Once the stakeholders agree on these points, the philosophy can be described in a few sentences or paragraphs.

Step 3: Benefits Philosophy and Funding Wellness

Now that the benefits philosophy has been agreed upon and written in a document, it can be used to help determine *how* the wellness program will be funded and implemented.

If the intent is to fund certain initiatives for a defined period, say a minimum of three years, the short- and long-term sustainability of the wellness program should be considered. Perhaps specific funds will be earmarked for wellness. Other funding policies will consider allocating money to additional wellness initiatives if certain conditions are met, i.e., a predetermined surplus or money from a reserve fund that has reached a specified level.

As with other discussions regarding the allocation of funds, the party(ies) providing funding may wish to focus on different areas of wellness than may be desired by other representatives. It is for this reason, also, that a benefits philosophy will help to clarify objectives. Opinions around the table may vary wildly about the priority or value of certain wellness initiatives. Belief systems are highly personal, and a robust discussion should be encouraged to ensure all points of view are considered.

Some health plans have a benefits policy or a benefits and funding policy that likely contain belief statements or guiding principles. These statements or principles are intended to help with plan design and financial decisions including the allocation of surplus, etc. Depending on how the plan is structured, even if it does not currently have a benefits and funding policy, belief statements and guiding principles can be used to develop a benefits philosophy for a wellness program.

Here are some sample benefits philosophy statements:

- Improving and helping to support members' physical and mental health is a key priority of our company.
- We believe in providing equal access to all members.
- We will make all programs available at all locations across the country.
- The wellness program will be available to all active members in good standing.
- We will provide funding for an on-site weight-loss program, monthly financial planning seminars and confidential telephone mental health counselling.

A well-developed philosophy will also describe how a wellness plan will be rolled out, communicated and sustained on a long-term basis. A high-level statement can be supported by annual goals or specific wellness tactics with ownership and responsibility

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Laura Putnam. Wiley. 2015

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Ann O'Neill, Editor. Advocis. 2015.

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clearly identified. Leadership support for wellness is essential to a successful program.

Step 4: Prioritize and Focus on a Few Key Initiatives

With so many options available, it can be difficult to decide where to start without blowing the budget. It is tempting to jump in and implement as many initiatives as possible, especially given the pressure from claim costs and hype surrounding wellness. Plan sponsors or a board of trustees that have done their homework are in the best possible position to select a few key wellness initiatives that they believe will resonate with plan members.

A wellness program is not a panacea that will magically make plan members healthier overnight. Increasing focus on improved well-being can be a cultural shift that needs time to be pushed out to the plan member population. From both a budget and communication perspective, it may make sense to begin by building on what is already in place. Sometimes there is minimal cost in building on existing plans, and the effort is mainly in communication.

For example, a plan might have an employee assistance program (EAP) in place that is underutilized and poorly understood. A plan sponsor could start a campaign to educate

members and their dependants about the services included in the EAP to increase member usage. Another communication effort that could have a big impact at little cost would be providing information and leadership about healthy eating. It has a big impact when those in leadership positions visibly embrace wellness strategies being promoted.

Another option is to promote wellness on a cost-contained basis by offering an active-living program that reimburses members for expenses such as gym memberships, running equipment, etc. This strategy offers a wide range of voices to plan members, and the list of services and items that can be included is extensive. The annual amount that may be reimbursed—typically between \$200 and \$500—is taxable to the member. These types of programs should be explained and communicated clearly. They are voluntary but represent a way to engage members in their own wellness.

Another voluntary, low-cost option is offering health risk assessments or wellness fairs at worksites at no cost for the member. These types of programs require commitment, time and energy from leaders to implement. The rewards are not always immediately tangible in terms of lower claim costs; however, these events almost always result in improved morale.

Getting started on the wellness journey can seem daunting, but it need not be. These relatively low-cost options can begin to get members interested in and thinking about wellness and set the stage for additional wellness programs in the future, such as annual health risk assessments, smoking-cessation incentives, exercise challenges and more.

The dividends that can be derived from offering a strategically structured wellness benefit based on the foundation of a benefits philosophy are numerous. Tangible results include reduced sick days and absenteeism. Members should feel stronger and fitter and will be in better overall health. This should lead to better productivity at work and over the longer term should help curb claim cost increases.

Not everything is measurable or tangible. Plan sponsors will find the collective effort and engagement of developing a sound benefits philosophy on which to build a wellness program will be worth the effort now and in the future. 

BIO

Deborah Stephens, C.Dir., FLMI, is managing consultant at the McAteer Group of Companies in Markham, Ontario, where she has senior corporate responsibilities including communications, governance and compliance for a variety of clients, particularly multi-employer and pension trust funds. She has more than 25 years of diverse industry experience in providing strategic advice on plan design, funding, cost containment, communications and client management.



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