



## Four Reasons Why Corporate Wellness in America is Upside Down



# Today's Presenters



Sam Salbi, MS, FitLyfe CEO

Sam has over 20 years in the technology, engineering, health, and wellness sectors. Sam has architected numerous award winning solutions for Fortune 100 companies.

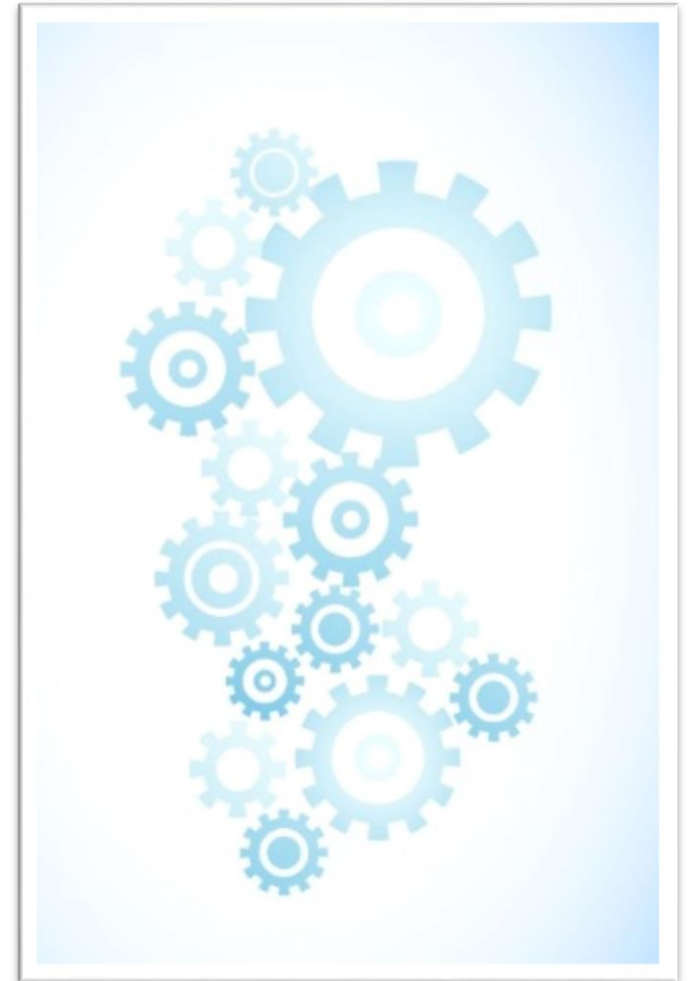


John Tucker, MS, FitLyfe SVP

John has over 20 years in leadership roles in the healthcare, behavioral health, EAP, and wellness sectors. He has worked with large and mid-sized carriers, servicing customers from small to jumbo market sizes.

# Objectives

- Overview of the Primary Corporate Wellness Program Designs Offered
- Discussion of “The Four Reasons”
- Charting a Path Forward



# Current Landscape

- There are three primary program designs offered
  - Nice to Have
  - Wellbeing
  - Outcomes-Based/Health-Contingent
- Each has its own merits and impacts the approach to health and wellbeing in different ways



# Nice to Have Programs

- Voluntary participation
- Used to establish a culture of health/wellbeing and improve morale
- Primarily used to recruit and retain employees
- Adds value to your overall benefit portfolio
- Purely a “check the checkbox” approach
- No focus on risk reduction or way to evaluate risk-impact
- No evaluation or personalization
- Extremely low return on investment, better classified as VOI





# Wellbeing Programs

- Voluntary participation
- Focus begins to shift to some level of risk-reduction
- Activity focus with some incentive
- Goal is to build awareness and increase member engagement
- Weak evaluation and personalization

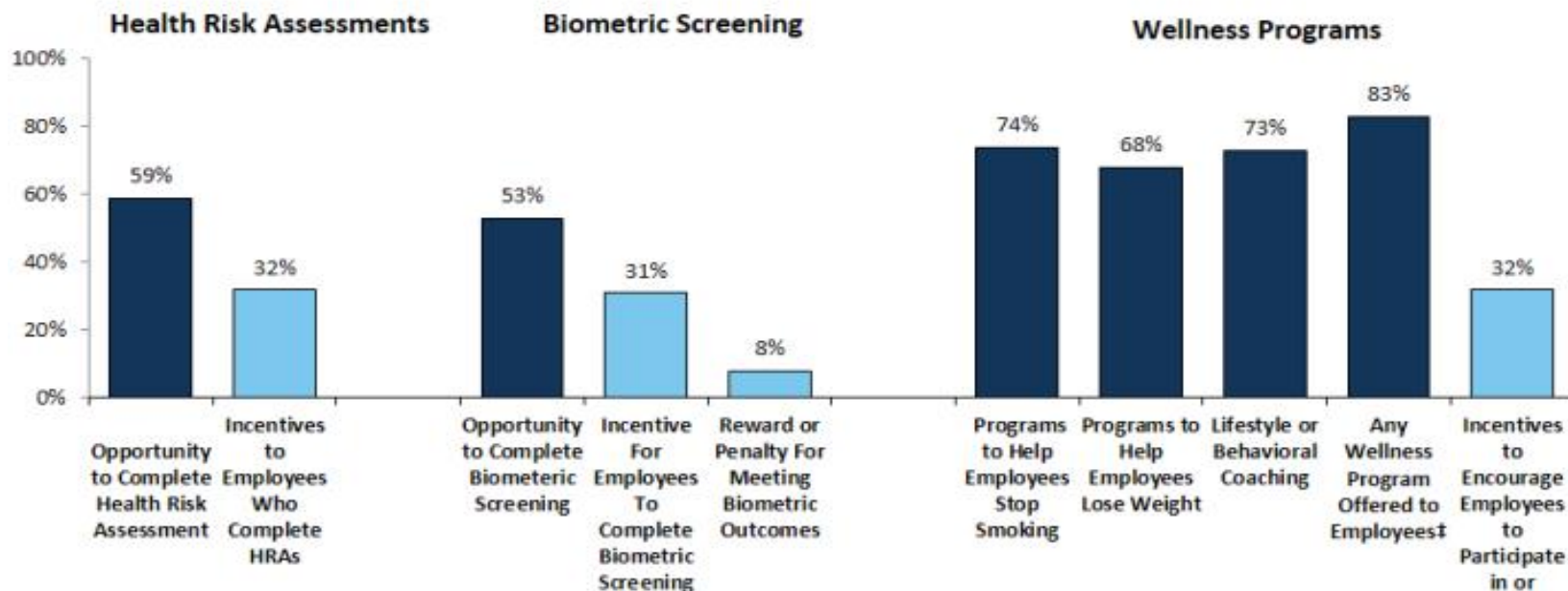


# Outcomes-Based/Health-Contingent Programs

- Participation is mandatory
- Most complex plan design offered
- Results driven
- Greatest focus on risk reduction
- Requires comprehensive planning, oversight, and competent technology
- Measures year-over-year improvement/decline
- Greatest degree of personalization and return on investment



## Among Large Firms (200 or more workers) Offering Health Benefits, Percentage of Firms Offering Incentives for Various Wellness and Health Promotion Activities, 2016




NOTE: Among large firms that offer a health risk assessment, 54% had incentives or penalties to encourage employees to complete it. Among large firms that offer biometric screening, 59% had incentives or penalties to encourage employees to complete it and 14% had incentives or penalties for employees to meet a biometric outcome. Among large firms that offer a wellness program, 42% had incentives or penalties to encourage employees to complete it.

† Firms that offer either "Programs to Help Employees Stop Smoking", "Programs to Help Employees Lose Weight", or "Other Lifestyle or Behavioral Coaching".

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2016.







# So, What are the Four Reasons Why Corporate Wellness in America is Upside Down?

# Reason #1--Strategy

- No mature, overarching strategy
- ACA provides only guidelines
- Wide program variations
- Strategy has to be unique to each company
- Assuming technology drives strategy is a mistake
- Nationally, there is no clear view of how risk is addressed, mitigated, etc.
- Best practices should be building blocks

# Current Market Offerings

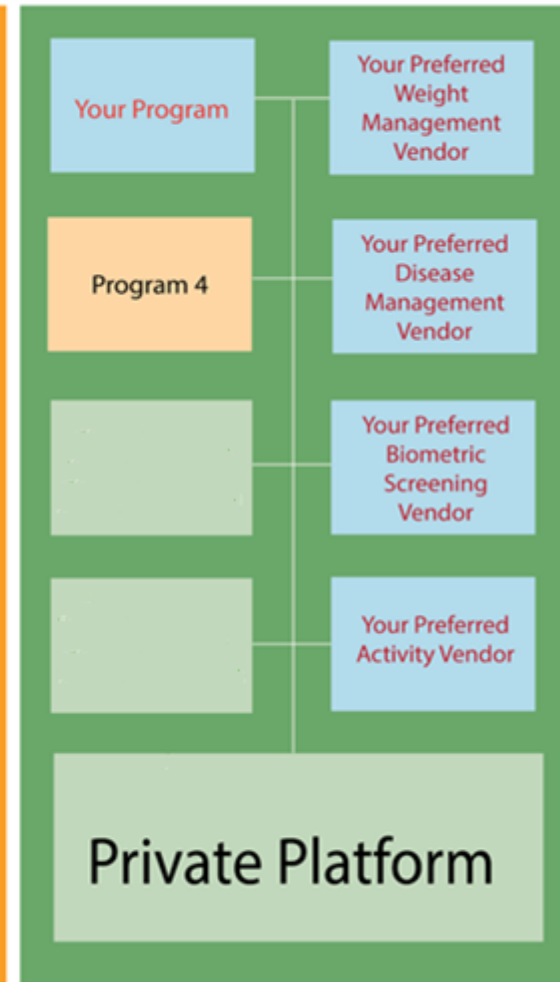
## Hard to Manage



## Limited Program Options

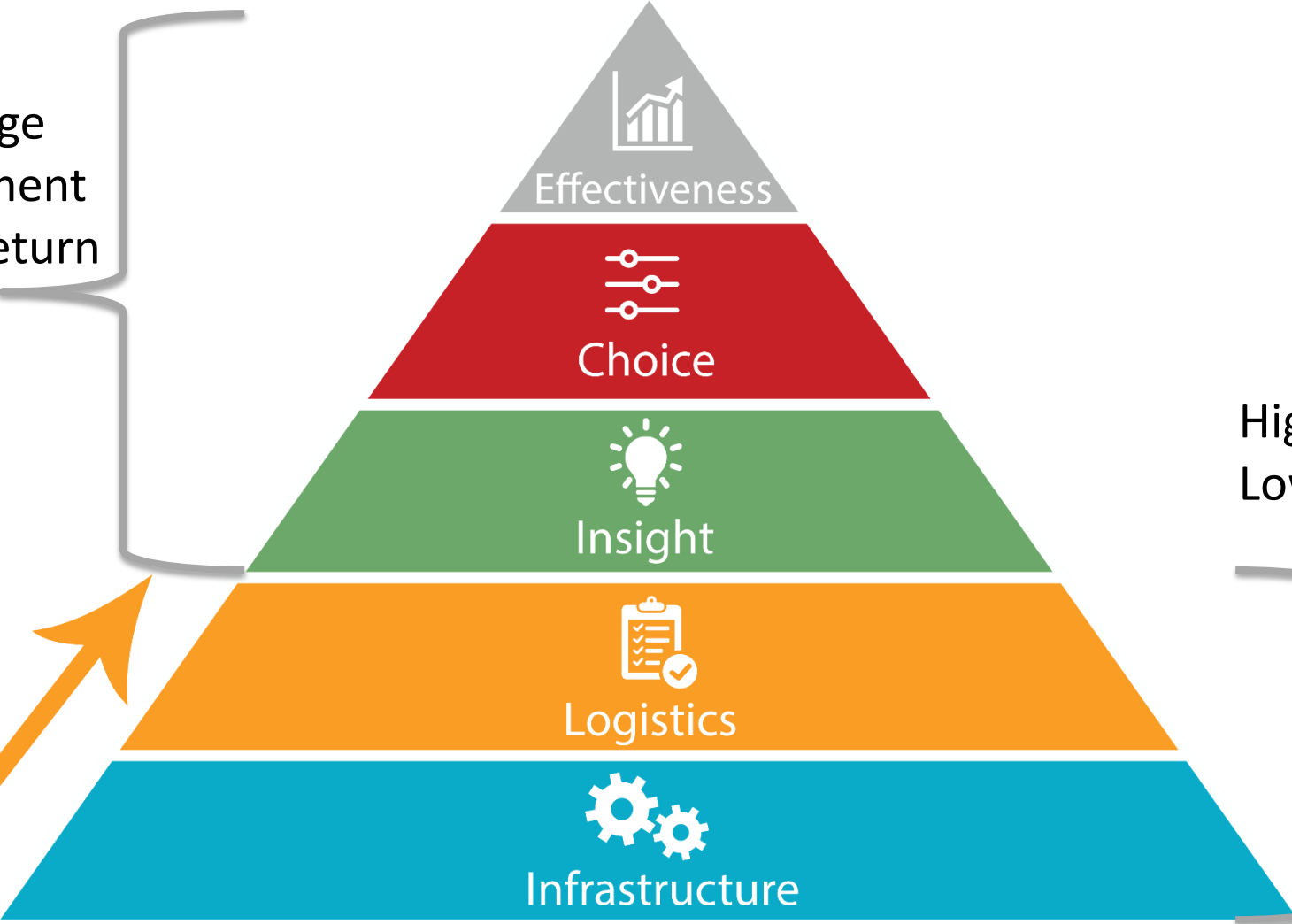


## Best of Both Worlds



# Value Pyramid

Coverage  
Investment  
High Return



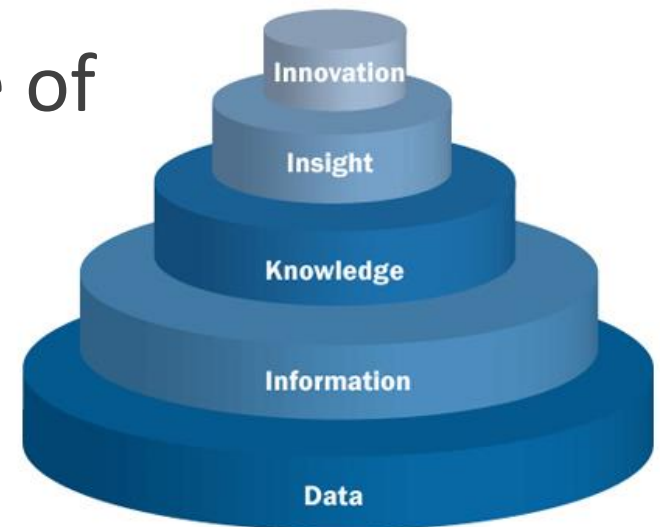
High Cost  
Low Return



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# Reason #2--Data

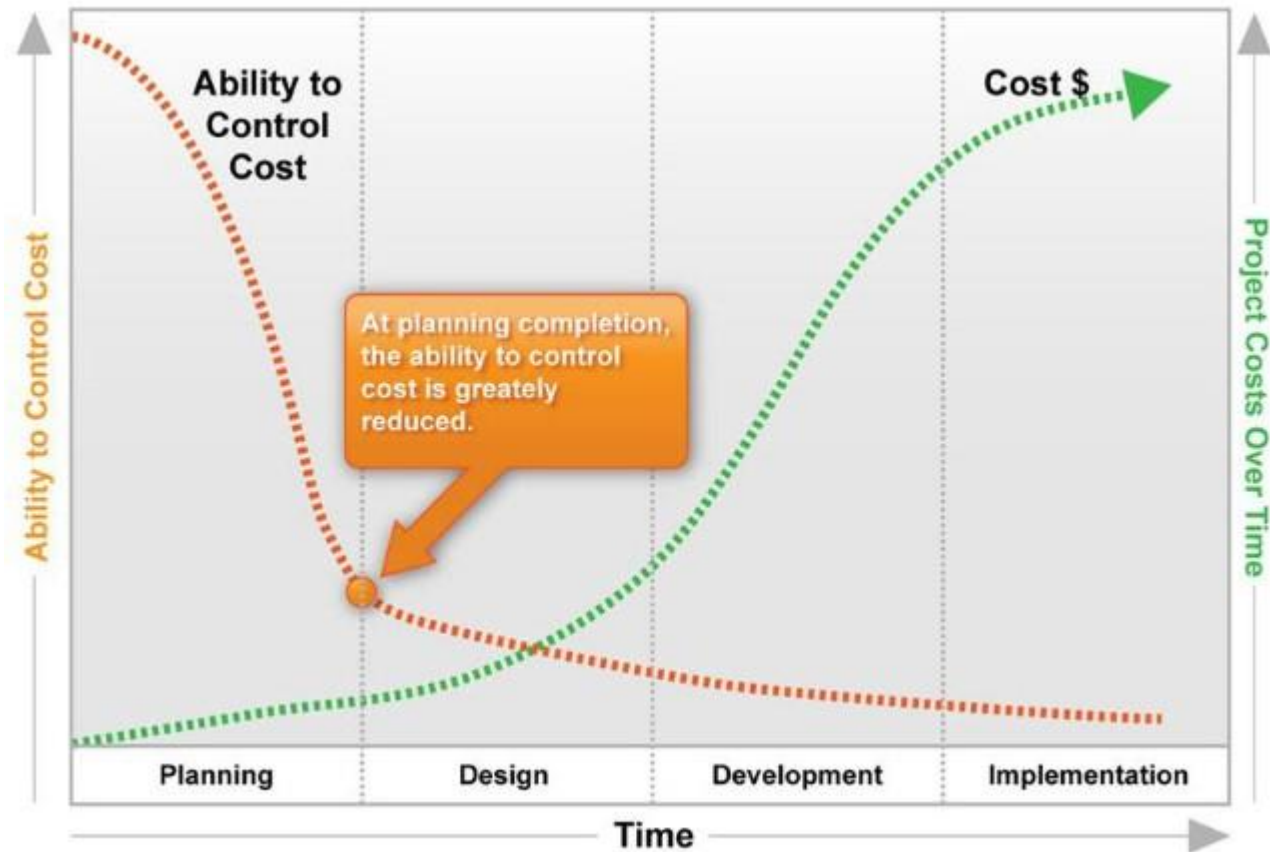
- Purpose and usage of data is not clearly defined
- Lack of strategic planning to drive data
- Technology's role in data
- Many vendors force the use of "their data"



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# Cost Containment Model



# Reason #3--Accountability

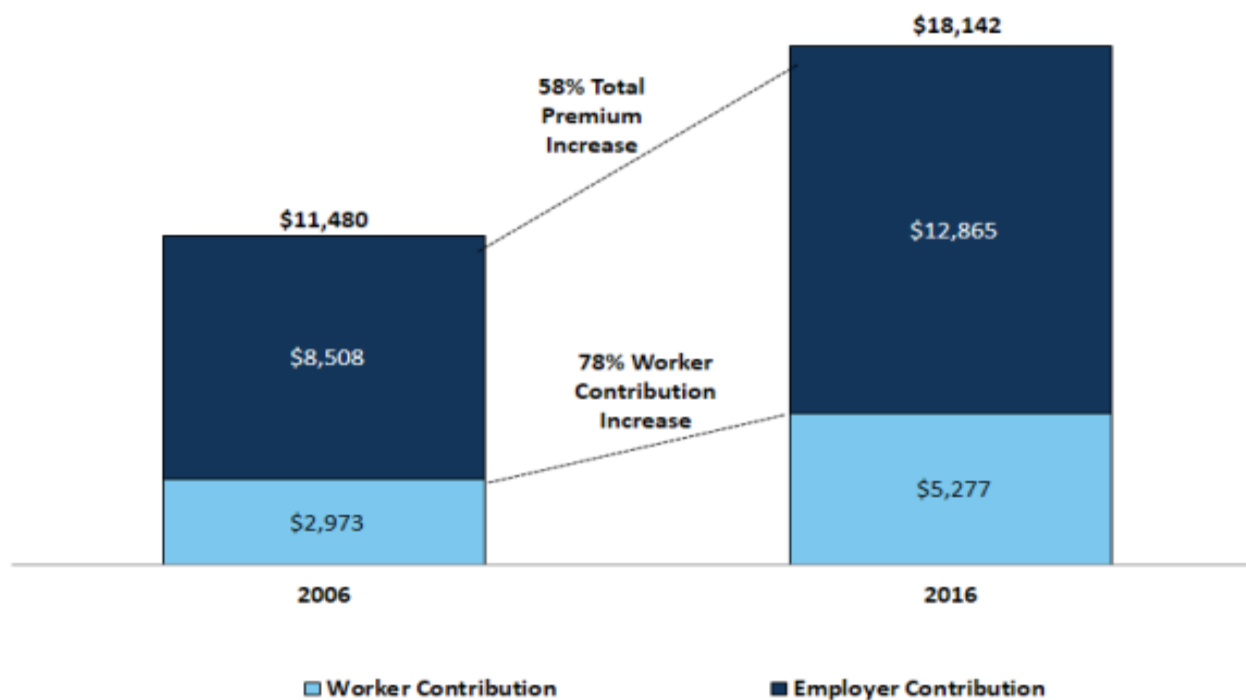
- Limited vendor and broker accountability
- Vendors have spent hundreds of millions to achieve name recognition
- Gaps between vendor promises and actual performance
- Vendor vetting process doesn't tell the true story

# Reason #4—Market Mechanics

- The healthcare market is built on disease and unhealthy lifestyles
- Money and disease drive profits
- Inherent conflicts of interest prevent change
- What other industries grow at huge rates per year?!?



## Average Annual Health Insurance Premiums and Worker Contributions for Family Coverage, 2006-2016



SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2016.




# Conclusion

- How do we mitigate the issues and chart a path forward?
  - Focus on risk reduction and outcomes
  - Strategically planning for success
  - Incorporate mature data
  - Drive flexible technology







Thank You  
Q&A