



**Testimony of David Grossman, M.D., M.P.H., Group Health Cooperative  
U.S. Senate Committee on Health, Education, Labor and Pensions  
“Employer Wellness Programs: Better Health Outcomes and Lower Costs”  
January 29, 2014**

Chairman Alexander, Ranking Member Murray and members of the Senate Health, Education, Labor and Pensions Committee, thank you for inviting me to testify at this important hearing on workplace wellness programs.

My name is David Grossman, and I am Medical Director of Population Health and Purchaser Strategy at Group Health Cooperative in the State of Washington. Group Health is an integrated health system – by which I mean we provide both direct care and plan coverage. We cover about 600,000 lives in Washington and Idaho and rank among the highest-quality plans and health systems in the country, as measured by the Centers for Medicare and Medicaid Services’ star rating system, the National Committee for Quality Assurance, the Washington Health Alliance’s Community Checkup, and others. In my role at Group Health, I lead the design, promotion, delivery, and evaluation of population care services, and I work with large purchasers in their efforts to design benefits and programs that maximize health and effectively steward resources. Additionally, I serve as a senior investigator at Group Health Research Institute and practice pediatrics part-time at a Group Health medical center in Seattle. I am also a member of the Center for Disease Control’s Community Preventive Services Task Force, and I am the incoming vice-chair of the U.S. Preventive Services Task Force.

The health care we receive determines only a small percentage of our health. By some estimates, only about ten percent of an individual’s health is determined by the care he or she receives; the rest is dictated by behavior, genetic predisposition, social circumstances, and environmental exposure.<sup>1</sup> This means that there are many places other than a doctor’s office that an individual’s health can be affected. As a pediatrician, I’ve seen firsthand how school-based health programs

and embedded clinics have made an incredible positive difference in childhood health throughout the country. From requiring and providing immunizations to offering care in school-based health clinics, over the years we've changed young lives by making prevention, wellness and chronic condition management accessible in a place where we know children spend a significant part of their day. At Group Health, we believe, as our large purchasers also tell us, that the worksite offers a similar opportunity for health promotion.

As an example, at Group Health Research Institute, I work with an analyst named Heidi Merrifield. In 2012, Heidi was feeling tired a lot. It was getting tougher to move around, but she told herself it was just the inevitable impact of turning 50. At more than 220 pounds, Heidi was close to her highest weight ever, but she had never seriously considered joining Weight Watchers or another formalized weight loss program. With her long commute on top of a long work day, Heidi couldn't imagine how she would find time, and the programs seemed expensive as well. She figured she knew how to lose weight if she really wanted to. But she didn't act on it.

Then Heidi discovered that Group Health's "Total Health" employee wellness program would significantly reduce her health insurance premiums if she undertook certain wellness activities, including participation in Weight Watchers. Group Health would, in addition, reimburse her for half the cost of participating in the program. She also discovered she had the option of meeting with a Weight Watchers group at work. While she wasn't particularly hopeful, she says Group Health made it so easy, she had to try.

Heidi learned a lot about herself and her eating habits, and eventually she lost 33 pounds. Heidi reports she felt like age 25 again. She has more energy, she's more agile, and at 53, she requires no medications. She and her husband have always loved sailing, and Heidi says it's even more fun with her increased dexterity and strength. Heidi says now even when her weight starts to inch back up, she understands what to do to stay healthy and knows she has the skills and motivation to do it.

Group Health, as an employer, benefits too, given the strong association between obesity and health care costs, absenteeism, and presenteeism.<sup>ii</sup> Employees who are engaged in their health care are also more productive and positive at work, contributing to a stronger workplace overall.

It's a simple story. It's not particularly dramatic. But I believe its simplicity, and the science behind it, make it replicable. Heidi lost a significant amount of weight and got healthier just because her workplace wellness program made it easy and incented her to do so; you can see why at Group Health, we believe the worksite offers a tremendous opportunity for improving health and well-being.

There is good science behind programs that engage employees to improve their health by reducing risk factors for heart disease, diabetes, and cancer through increasing time in health promoting activities and receipt of clinical preventive services.<sup>iii</sup>

With that said, it's important to note that today there is tremendous variation in workplace wellness programs across the country – and that means that it's likely there is an equally large amount of variation in their effectiveness. Just like clinical care, these programs are best positioned to deliver when they are based on good science and are well executed and coordinated.

Financial incentives are a common approach toward the initial engagement of employees. We all know that economic incentives can be a powerful way to get attention and even change behavior. Incentives vary considerably. One company may offer a free t-shirt to employees who report eating more vegetables. Another may provide an Amazon gift card for filling out a Health Screening Assessment (HSA). And others may tie it to health benefits and offer a more financially significant premium discount for participating in wellness programs in other ways, or for meeting certain outcome-based goals (e.g., weight loss or reducing blood pressure). Though one study<sup>iv</sup> showed about half of employers in 2013 offered workplace wellness initiatives of some kind, there is a lot of variation. This makes measuring effectiveness and standardizing best practices difficult.

Premium discounts are an increasingly popular tool for employers to incent employees to participate in wellness programs. Since 2006, rules issued under the Health Insurance Portability and Accountability Act (HIPAA) have generally prohibited group health plans and insurers from discriminating against participants as to eligibility, benefits, or premiums based on a health factor. However, an exception was created to allow premium discounts, rebates, or modification of cost sharing for employees participating in workplace wellness programs. The Affordable Care Act amended and expanded the HIPAA rules, most notably by increasing the maximum permitted financial incentives from 20 percent of the total annual cost of employee-only coverage to 30 percent.

One common requirement to receive premium discounts is completion of a health risk assessment (HRA). The HRA is a common screening tool that allows assessment of an individual's specific health risks and chronic conditions, which supports individualized action plans to address risks and manage conditions. At Group Health, we encourage all of our patients to complete HRAs; we also use HRAs as a tool in our organizational wellness program.

At Group Health, we believe there are two basic principles to guide wellness programs to success. First, we believe successful workplace wellness programs should have a clear primary goal: improved worker health and productivity. Employers, therefore, may or may not experience reduced health care costs. The best evidence indicates that employers are most likely to benefit from improved productivity – whether they benefit from reduced future health care claims is less clear and subject to substantial variation.

In Group Health's own employer-sponsored wellness program, "Total Health," we work very hard to ensure that the means to achieving the goal of improved health and productivity are never a threat to the privacy of an employee's health information; nor are they discriminatory in nature. Privacy, nondiscrimination, and engagement incentives are issues that every workplace wellness program must address.

Second, workplace wellness programs should be evidence-based whenever possible. The number of wellness vendors seems to be increasing by the day – each with its own approach for pursuing

good health. But greater scrutiny is required to ensure success and avoid unnecessary services; for example, a company that requires lipid screenings for grocery store clerks of all ages really isn't adding value to employee health. And in the 2013 RAND Employer Survey, while “employers overwhelmingly expressed confidence that workplace wellness programs reduce medical cost, absenteeism, and health-related productivity losses,” only half reported formally evaluating program impacts, and “only two percent reported actual savings estimates.”<sup>v</sup> There is clearly room for more rigorous study and evaluations, as these will be important to building programs that work to improve health for large numbers of workers.

Happily, there is already a good deal of unbiased evidence available for clinicians, communities, and employers to use in building and judging wellness initiatives.

The Centers for Disease Control and Prevention supports the Community Preventive Services Task Force (CPSTF) to provide a “Community Guide” – evidence-based guidance to policymakers, practitioners, program planners, and other decision makers in communities, including companies, schools, public health agencies, health care institutions, and health plans, at the local, state, and federal levels. The scientific literature tells us that worksite programs can indeed lead to engagement and improved health. The Community Preventive Services Task Force recommends the use of assessments of health risks with feedback when combined with health education programs, with or without additional interventions, on the basis of strong evidence of effectiveness in improving one or more health behaviors or conditions in populations of workers. Additionally, the Task Force recommends the use of assessments of health risks with feedback when combined with health education programs to improve the following outcomes among participants:

- Tobacco use (strong evidence of effectiveness)
- Excessive alcohol use (sufficient evidence of effectiveness)
- Seat belt use (sufficient evidence of effectiveness)
- Dietary fat intake (strong evidence of effectiveness)
- Blood pressure (strong evidence of effectiveness)
- Cholesterol (strong evidence of effectiveness)

- Number of days lost from work due to illness or disability (strong evidence of effectiveness)
- Health care services use (sufficient evidence of effectiveness)
- Summary health risk estimates (sufficient evidence of effectiveness)

Again, health assessments are often considered the portal to worksite wellness programs, given that interventions should be tailored to a person's need and risks.

The U.S. Preventive Services Task Force (USPSTF), supported by the Agency for Health care Quality and Research, provides complementary evidence-based recommendations on clinical preventive services for patients. Their recommendations are typically used in primary health and health care-referable settings by clinical care professionals and decision makers. But since these recommendations address screening, such as blood pressure or blood lipids, they form the basis of worksite programs that offer onsite screening and referral programs.

In addition to offering our own employee wellness program, Group Health actively works with employers who want to offer worksite wellness programs. Our goal, as an integrated system, is to make sure that incentives are aligned at all levels – the worksite, the health plan and the medical provider – to maximize success.

One of the most successful and recognized employer wellness programs in the country is found in King County, Washington, where Seattle is the county seat. The King County government, under the leadership of former King County Executive Ron Sims, created its “Healthy Incentives<sup>SM</sup>” workplace wellness program in 2005. According to the county, Healthy Incentives was created based on two principles. “First, an environment that supports health empowers lifestyle changes that reduce the impact of chronic conditions. Second, integrated care that focuses on preventive, evidence-based medicine produces better outcomes and is less expensive.”<sup>vi</sup>

Creating an environment that supports health and lifestyle changes wasn't easy – but the county worked collaboratively with organized labor and worker representatives with a focus on improving health rather than shifting costs. According to King County,

In 2005, the county negotiated an agreement with labor unions to overhaul its medical plan design. The obvious strategy for stemming rising costs was [instituting] a health care premium [cost-share for the first time]. Instead, the county offered lower out-of-pocket expenses for employees participating in wellness activities; the higher the level of participation, the lower the member's out-of-pocket expenses. The new plan was introduced to employees in 2006. Participants get a substantial reduction in out-of-pocket expenses for taking a health risk assessment and even lower for participating in an action plan targeting behavior-related health risks.<sup>vii</sup>

The county worked aggressively to build a new culture of health in the workplace for employees. “Wellness programs like Weight Watchers at Work® were brought onsite, healthy food options were put in vending machines, and ongoing education on nutrition and exercise were launched through a newsletter and website.”<sup>viii</sup>

King County also worked closely with Group Health to drive costs down by extending high-quality health care to more workers. Group Health has consistently been rated the highest-quality provider in the region by the non-profit Washington Health Alliance, and claims data demonstrated that employees using Group Health as their provider cost the county about \$4,200 per employee less annually, even though the quality of care was much higher. In 2009, Group Health served only about 20 percent of county employees, so the county created more incentives for its workers to obtain higher-quality care. The county eliminated the deductible for employees who chose Group Health and lowered copayments for those who participated in the Healthy Incentives program. Group Health has long offered free preventive care benefits and had a medical home model, so employees engaged in their program received great reinforcement for their health care needs at our medical centers. Continued support for screening services, immunizations or smoking cessation could all be fulfilled through, and reinforced by, their medical home provider.

Group Health also brought lifestyle management programs that had proven successful in a clinical setting into the King County workplace. Despite initial concerns that the “Better choices, better health” program for living well with chronic conditions might not translate outside the clinical setting, the program has been a great success.

In the end, according to the County the results – in measurably improved health – have been nothing short of stunning:

Through improved health of employees and use of higher quality health care, the county has reduced its health care cost trend from 11 percent to 6.2 percent, avoiding \$46 million in costs. Employee engagement has been at or above 90 percent since the program began. Participants have lost 19 tons more weight than a national comparison group, and the smoking rate has dropped below the national average from 11.3 percent to [less than 5 percent].<sup>ix</sup>

The Healthy Incentives program has been recognized with the National Committee for Quality Assurance’s Health Quality Award, the National Association of Counties’ 2006 Achievement Award, and more recently with Harvard University’s Innovations in Government award. We believe that King County, working closely with Group Health, has delivered abundantly on the promise of workplace wellness programs and preventive care.

There are two keys to success in creating a high-value worksite health promotion program and they are found in the goals King County embraced at the Healthy Incentives program’s outset: (1) creating a culture of health in the workplace to make healthier employee behavioral and lifestyle choices easier and normative, and (2) encouraging employee consumption of evidence-based clinical preventive services and chronic condition management. Financial incentives help to nudge employees toward making the right choices.

Group Health’s own workplace wellness program, “Total Health,” is one example of the kind of program that is making progress toward building a culture of health at the worksite. The program includes making healthier choices at work easier (e.g., offering no-cost Quit for Life® phone counseling for smoking cessation, subsidizing Weight Watchers at Work for employees, and offering healthier choices in vending machines). It also uses significant premium discounts – up



to \$750 annually – based on screenings and self-guided participation in selected wellness activities focused mostly on cardiovascular risk reduction. More than 80 percent of Group Health employees participate in Total Health, with stories like Heidi’s becoming more and more common. Like King County, we designed Total Health with labor organizations at the table to ensure our goal of improved employee health remained paramount. It wasn’t always easy, but in the end, we designed an evidence-based program whose outcomes are currently under study by the Group Health Research Institute.

Of course, in addition to being an engaged employer sponsor of Total Health, Group Health is also an integrated health system eager to engage with other employer sponsors to ensure employees have access to high-quality, high-value preventive services and a patient-centered medical home model.

We believe the integrated nature of the Group Health system – with our reach into not just the plans sold, but the provider system – gives us the ability to collaborate with purchasers in designing truly individualized solutions to their workplace wellness and prevention needs.

In fact, Group Health recently worked closely with one purchaser – the SEIU Healthcare NW Benefits Trust – to address high emergency department and hospital utilization. Working together, we devised a unique approach to addressing the problem. The Trust offered \$100 to any worker who completed three tasks: (1) registering with Group Health’s online member portal; (2) completing a health risk assessment; and (3) making one preventive office visit. Surfacing health issues through an HRA and establishing a relationship with a primary care provider made a remarkable difference; these simple steps (over a four year period) led to a 27 percent reduction in emergency department and a 14 percent reduction in hospital admissions.

This example illustrates an important point – meaningful engagement by employers with health systems and by employees with their own health are critical success factors for workplace wellness programs. King County and the SEIU Healthcare NW Benefits Trust offer powerful examples of very engaged employers who have created their own very significant positive outcomes.

Of course, health systems also must be willing to engage with employers in innovative, individualized approaches; today many health systems are simply not prepared to have a conversation with their purchasers about new ways to serve employee health promotion needs. Until incentives are fully aligned through the marketplace, we expect the engagement with health systems will progress slowly.

My message today is not that all or even most workplace wellness programs are effective, but that carefully designed, evidence-based programs with the primary goal of improved employee health can demonstrate dramatic results to reduce risk and improve health, often improving worker productivity at the same time. The incredible variance in programs, vendors, employers and research on workplace wellness prevent any blanket conclusions about program effectiveness.

I commend this committee for hosting this discussion and encourage further study of the issue in pursuit of the most effective paths to success. I urge more high-quality research on program outcomes so that evidence may guide our decisions, answering important questions about the necessity and size of incentives to improve health, the qualities that will encourage meaningful engagement by employees, and the most effective protections against discrimination and on behalf of consumer privacy.

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<sup>i</sup> McGinnis JM, Williams-Russo P, Knickman JR. The case for more active policy attention to health promotion. *Health Affairs (Millwood)* 2002; 21(2):78-93.

<sup>ii</sup> Goetzel, Gibson, Short, Chu, et al. A Multi-Worksite Analysis of the Relationships Among Body Mass Index, Medical Utilization, and Worker Productivity. *Journal of Occupational and Environmental Medicine* 2010; 52 Suppl 1: S52-S58.

<sup>iii</sup> Centers for Disease Control and Prevention. Benefits of Health Promotion Programs. Accessed online January 25, 2015 at <http://www.cdc.gov/workplacehealthpromotion/businesscase/benefits/index.html>.

<sup>iv</sup> Mattke, Liu, Caloyeras, Huang, Van Busum, Khodyakov, and Shier. Workplace Wellness Programs Study: Final Report. RAND Health for the U.S. Department of Labor and the U.S. Department of Health and Human Services. Accessed online January 22, 2015 at [http://www.rand.org/content/dam/rand/pubs/research\\_reports/RR200/RR254/RAND\\_RR254.sum.pdf](http://www.rand.org/content/dam/rand/pubs/research_reports/RR200/RR254/RAND_RR254.sum.pdf).

<sup>v</sup> Mattke et al, p. xix.

<sup>vi</sup> King County application, Harvard Innovations in Government Award.

<sup>vii</sup> Ibid.

<sup>viii</sup> Ibid.

<sup>ix</sup> King County application, Harvard Innovations in Government Award and Vestal, Christine.