



# Structuring your wellness program – activities, outcomes or both

When implementing a new wellness program or making changes to an existing one, it is important to consider which type of program design approach to use. The Affordable Care Act (ACA) defines workplace wellness programs in two categories:

- Participatory
- Health-Contingent:
  - Activity-based
  - Outcomes-based
  - Or can be a combination

Whichever you chose, it is important to:

- Provide the necessary skills, tools, awareness and education to assist and motivate change in the culture
- Be conservative – you do not have to “lead the pack” when it comes to implementing a wellness program design

Participatory programs are open to any employee who wishes to participate and rewards are based on completion of or participation in an activity not related to a health factor. Examples of activities include a screening, Health Risk Appraisal (HRA), health education, a challenge or one-time event.

Participatory programs are ideal for workplaces who may be just starting out and have not offered any wellness programming previously or those wanting

flexibility in the type of incentive(s) being offered. Employees also may be more open to participate since there is no concern of having to meet a specific health outcome. Although they may be more easily administered, participatory programs may not lead to the long-term employee health outcomes desired.

Health-contingent programs require an individual to satisfy a requirement related to a health factor in order to earn a reward. There are two general types of health-contingent wellness programs:

- Activity-based incentive programs reward employees for participating in a health-related initiative or behavior, such as walking, weight loss or tobacco cessation programming and employees earn the incentive for completing the program versus the actual result (i.e. miles walked, pounds lost or quitting tobacco).
- Outcomes-based incentive programs require specific health parameters be met to receive an incentive, such as meeting certain standards or criteria on a biometric screening. Conversely, if the goal is not met, a penalty may be incurred unless those who failed to meet the initial goal(s) take certain other ‘qualifying’ actions.

When considering an outcomes-based design, timing and delivery will be key. Strong indicators of readiness include a positive workplace culture and supportive senior leadership. For this type of program to thrive,

these elements are necessary to establish a more nurturing environment that empowers its employees.

The delivery of communications regarding all programs should be both visible and frequent, with the goal of reaching as many employees as possible. Employees should be made aware well in advance so that they can feel prepared for the program rollout and if possible, be offered the ability for input.

To assist in employee success, be prepared to answer questions, and provide a way for them to track their progress.

Although health-contingent programs require more time and effort to administer, they have an increased potential to meet the health outcomes desired. Regardless of the type of program design you choose, to be effective, aim to include the steps identified in this toolkit as it will help you build morale and an overall strong foundation.

Note: This information is intended to be general. Consult with your legal counsel to navigate federal and state laws, as well as most up-to-date guidelines. Some additional resources include:

- U.S. Equal employment Opportunity Commission (EEOC) – [www.eeoc.gov](http://www.eeoc.gov)
- The Society for Human Resource Management (SHRM) – [www.shrm.org](http://www.shrm.org)
- Wellness Council of America (WELCOA) – [www.welcoa.org](http://www.welcoa.org)

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