

# 2017 Vitality Engagement Study

## EXECUTIVE SUMMARY

In 2014, the Vitality Group released the findings of its first engagement study that helped quantify the impact of different program components on engagement. Since that time, the wellness industry has continued to evolve and so has Vitality. As such, we've continued to deeply analyze the program features and support structures that drive engagement in healthy lifestyle behaviors. Vitality's 2017 Engagement Study is a new in-depth statistical analysis on our client base to quantify the impact of different factors on engagement. The study aims to help employers optimize program design to achieve the best health outcomes in the most cost-effective way. In conducting this analysis, Vitality aims to answer a number of key questions facing employers which includes:

1. What incentives and employer support actions have the biggest impact on initial engagement in the program?
2. What incentives and employer support actions have the biggest impact on sustained engagement in the program?

To demonstrate the impact that certain incentives or employer support actions have on participation we looked at key areas of engagement:

**INITIAL ENGAGEMENT** is measured by Vitality Health Review™ (VHR) completion. The VHR, more commonly known as a health risk assessment, is Vitality's proprietary tool that gathers information about each of the 10 modifiable health risk factors and conditions targeted by Vitality, as well as readiness to change, perceived health status and productivity. With more than 20 years of experience, and 35 million years of member data collected,

our VHR has been developed with a considerable amount of behavioral and clinical rigor. The VHR, in collaboration with biometric screening outcomes (if applicable), provides members with their Vitality Age®, which is a risk-adjusted age that translates everyday behaviors and choices into a personalized health-related age.



















**ONGOING ENGAGEMENT** looks at the number of Vitality point-earning activities in which members participate outside of assessments or screenings such as the VHR, biometric screenings and self-reported workouts. Vitality offers members a wide range of activities in which to choose and engage, allowing participation in ways that are important to members personally. Categories of activities include: physical activity, prevention, certifications, online education, challenges, healthy eating and many others.

Additionally, program year plays a factor in the level of engagement, allowing us to chart how engagement varies over time. With the Vitality program, we see that as members become more familiar with it, their engagement rates increase. By incorporating clients who have been with Vitality for varying lengths of time, we've built a model that includes a time factor.

This executive summary will provide program components that include incentives and company support structures and their impact on engagement.

Further analysis and commentary on sustained engagement as well as what highly engaged clients do differently is provided in the full-length version of the engagement study which can be accessed at: [VitalityGroup.com/Insights/2017EngagementStudy](http://VitalityGroup.com/Insights/2017EngagementStudy)

### THE KEY MODIFIABLE DRIVERS OF MODEL:

1*	2	3	4	5	6
					
<b>VITALITY CONTRIBUTION MANAGER</b>	<b>COMMUNICATION</b>	<b>REWARDS MALL</b>	<b>SPOUSE ELIGIBILITY</b>	<b>DEVICE SUBSIDY</b>	<b>VITALITY CHAMPS</b>
Correlates to a*:  8.7-25.8% VHR completion rate increase	Correlates to a*:  13-20.8% VHR completion rate increase	Correlates to a*:  41-15.7% VHR completion rate increase	Correlates to a*:  5.1% VHR completion rate increase	Correlates to a*:  2% VHR completion rate increase	Correlates to a*:  0.01-0.8% VHR completion rate increase
 0.9-3.1 increase in activities pmpm***	 1.6-2.8 increase in activities pmpm	 0.5-2.1 increase in activities pmpm	 0.8 increase in activities pmpm	 0.3 increase in activities pmpm	 0.3 increase in activities pmpm

\*Engagement impact is illustrative as a client in program year 1. \*\*The increases represented are comparing the least impactful to the more impactful strategies within each component. \*\*\*pmpm = per member per month.



VITALITY CONTRIBUTION MANAGER (VCM)

The VCM is a highly configurable incentive mechanism that can be leveraged for targeted emphasis on specific engagement and/or outcomes. Our analysis showed that the requirement for achieving an employer's incentive has significant impact on initial engagement as measured by completion of the VHR, and ongoing engagement as defined by looking at the number of activities members engage in per month. The charts below show the various impacts on engagement in program year 1 and in years 2 and 3.

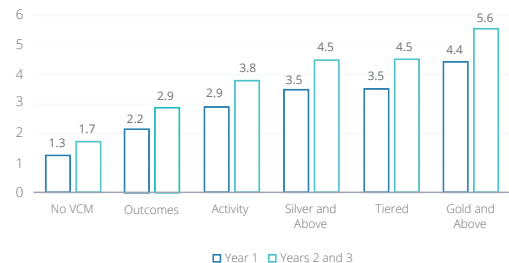
The incentive strategies included in the analysis are:

NO VCM	OUTCOME-BASED VCM	ACTIVITY-ONLY VCM	TIERED VITALITY STATUS VCM	SILVER VITALITY STATUS VCM	GOLD VITALITY STATUS VCM
Client does not have an incentive strategy in place as part of the program.	Client aligns the incentive to meeting 1 or more in-range biometric screening metrics.	Client aligns the incentive to completion of a certain activity such as the completion of the VHR or biometric screening.	Client aligns different incentives to members based on Vitality Status.	Client aligns the incentive to members achieving Silver Vitality Status or above.	Client aligns the incentive to members achieving Gold Vitality Status or above.

VHR Completion Rate



Average Monthly Activities per Member



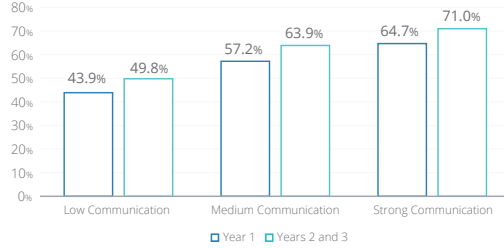


Our analysis shows a strong correlation between employers who deploy strong communication and higher levels of engagement compared to employers deploying medium or low levels of communication strength. Level of communication strength is defined by:

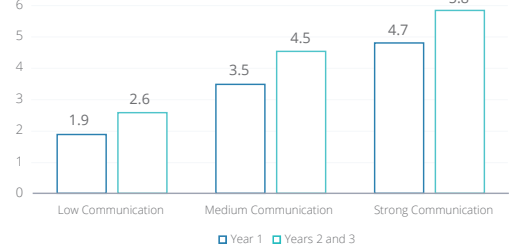
LOW		MEDIUM		STRONG	
Client relies only on triggered emails or has; turned off triggered emails	Relies on posters or digital ads (TV monitors) Limited communications usually revolve around VCM only	Client uses Communications Center Posters in common areas	Quarterly communications 2 challenges per year	Monthly communications Client uses Communications Center Posters in common areas Newsletter inserts	Participates in Quarterly campaigns Uses website real estate and or push notifications 4 or more challenges per year

The below charts show the various impacts on engagement in program years 1, 2 and 3.

VHR Completion Rate

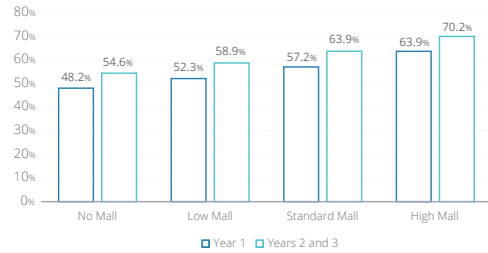


Average Monthly Activities per Member

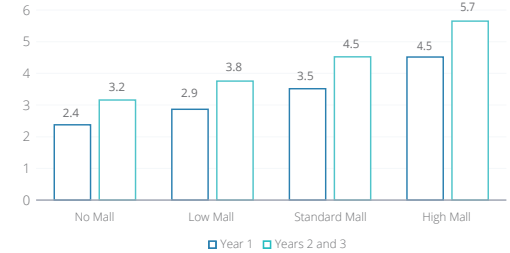


Behavioral economics tells us people are predictably irrational. Present bias dictates that people will often make the wrong decision in order to gain immediate gratification, i.e., choosing a cheeseburger over a salad. Our analysis shows a correlation of increased engagement at various levels when the Mall is offered. Through the Mall, members can use their points earned through engagement throughout the program to reward themselves with some of the most powerful consumer brand products. Helping members overcome behavioral barriers in present bias. The monetary value of "bucks" can be set at low, standard or high. The charts below show the various impacts on engagement in program year 1 and in years 2 and 3.

VHR Completion Rate

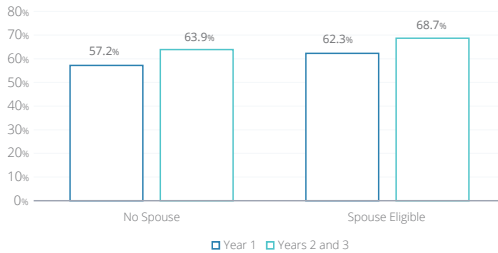


Average Monthly Activities per Member

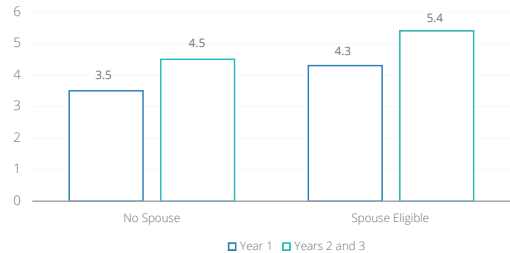


Social networks of friends and family can have a significant impact on lifestyle behavior and health status. Our analysis shows a correlation between the eligibility of spouses on the program and higher overall engagement. The charts below show the various impacts on engagement in program year 1 and in years 2 and 3.

VHR Completion Rate



Average Monthly Activities per Member



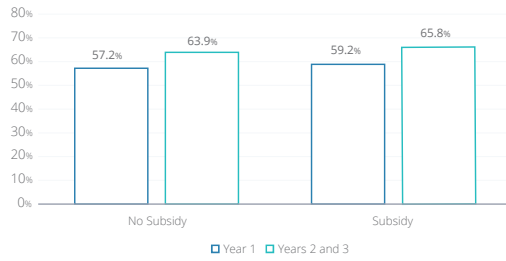
\* Spouse eligibility includes both eligibility and a spouse VCM requirement.



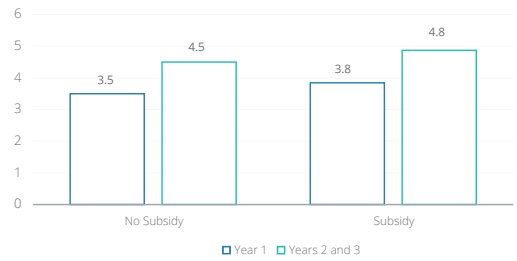
DEVICE  
SUBSIDY

The proliferation of fitness devices being introduced to the masses has made understanding current physical activity levels more present and easy to understand. Our analysis shows a correlation between the offering of a device subsidy and increased engagement in the Vitality program. The charts below show the various impacts on engagement in program year 1 and in years 2 and 3.

VHR Completion Rate



Average Monthly Activities per Member

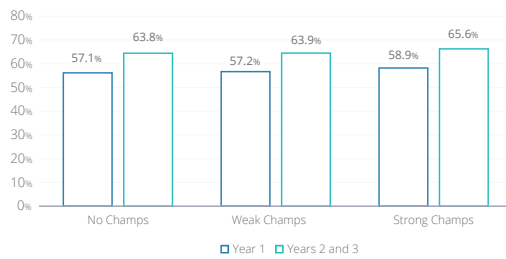


CHAMPS  
PROGRAM

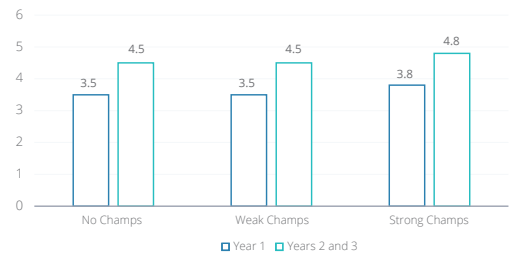
Working adults spend the majority of their time at work and as such, there is an opportunity to be influenced, positively or negatively, by those around you. Vitality Champs are influential colleagues within our clients' organizations who act as ambassadors for the wellness program, spreading the culture of health throughout their respective organization. Our analysis shows a correlation of increased engagement for employers who establish a Champs program. The charts below show the various impacts on engagement in program year 1 and in years 2 and 3.

NONE	WEAK	STRONG
No Champs program	Champs identified. Champ meetings often canceled and/or are sparsely attended. They are not motivated (may have been assigned vs. volunteered), have little support and are not empowered to run activities on their own at their locations.	Champs program is established and Champs attend and run monthly calls. They are motivated and active, and they have the freedom to run regular activities. They have full support of management, and have access to and utilize the employer portal to manage employer-sponsored events.

VHR Completion Rate



Average Monthly Activities per Member



## APPLYING THE PRINCIPLES IN PRACTICE: LESSONS FROM A VITALITY CLIENT

### MCKESSON

McKesson is recognized as the largest healthcare services company in the nation and ranks 5<sup>th</sup> on the FORTUNE 500 list of companies with more than \$190 billion in annual revenue. McKesson's workforce members reside in all 50 states, and the average distance from McKesson's corporate headquarters to their employees is 1,769 miles, resulting in a relatively disperse population with unique challenges.

Since joining Vitality, McKesson has effectively used Vitality's incentives, technology, account management team, as well as put in place strong support structures to encourage employees to participate and engage in the program. The company has received prestigious awards, such as the 2015 C. Everett Koop National Health Award for their health and wellbeing offerings and impressive outcomes in improved health and financial benefits.

#### Incentives\*



VCM



Device subsidy



Vitality Mall



#### Company Support\*



Strong wellness communication



Vitality Champs



Spouses on program



#### Wellness Results\*\*

73.6% VHR Completion Rate

10 average monthly activities per employee

67.3% of current employees earned Vitality Silver status or above.

\* The incentives and company support structures represented are not the only program components in place for this client, but only represent those that matched the overall analysis as key engagement drivers.

\*\* Program results from program year 2016; January - November.

