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Perspective

Corporate Wellness Programs: Implementation Challenges in the Modern American Workplace

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Abstract

Being healthy is important for living well and achieving longevity. In the business realm, furthermore, employers want healthy employees, as these workers tend to be more productive, have fewer rates of absenteeism, and use less of their health insurance resources. This article provides an overview of corporate “wellness” efforts in the American workplace and the concomitant challenges which employers will confront in implementing these programs. Consequently, employers and managers must reflect upon wellness policies and objectives, consult with professionals, and discuss the ramifications thereof prior to implementation. The authors herein explore how employers are implementing policies that provide incentives to employees who lead “healthy” lifestyles as well as ones that impose costs on employees who lead “unhealthy” lifestyles. The distinctive contribution of this article is that it proactively explores wellness program implementation challenges and also supplies “best practices” in the modern workplace, so employers can be better prepared when they promulgate wellness policies, and then take practical steps to help their employees become healthier and thereby help to reduce insurance costs. The article, moreover, addresses how wellness policy incentives—in the form of “carrots” as well as penalties—in the form of “sticks” could affect employees, especially “non-healthy” employees, as well as employers, particularly legally. Based on the aforementioned challenges, the authors make practical recommendations for employers and managers, so that they can fashion and implement wellness policies that are deemed to be legal, ethical, and efficacious.

Keywords

Wellness Programs, American Workplace, Carrots and Sticks, Healthy Lifestyle

Background

American employers are very concerned about the increase in healthcare costs, which they believe will be exacerbated by the requirements of President Barack Obama’s Affordable Care Act. Due to the rising cost of health insurance, many people do not have health insurance. Texas is the state with the highest number of individuals without health insurance and Florida is the second largest state with 25% of its population under the age of 65 without health insurance since it costs too much. Accordingly, many employers have been looking for measures

to lower healthcare costs (1). Employers also want healthy employees in order to avoid absences, enhance productivity, and improve morale. So employers are looking for ways to reduce healthcare costs and to help enhance the health and productivity of their employees. One perceived beneficial measure is in the form of “wellness” programs in the workplace, which encourage, or at times attempt to “force,” employees to lose weight, stop smoking, reduce health risks, and overall improve their health. However, employers have to be very careful in creating and implementing wellness programs since there are a variety of laws—statutory, regulatory, and common law—that can apply to wellness programs.

One initial problem with any examination of wellness programs in the workplace is that there is no statutory, regulatory, or uniform definition of the term “wellness program.” There simply is no single definition of a “wellness program” from a legal, healthcare, or management perspective. One court stated that “wellness plans are incentive programs offered by companies to their employees to reduce insurance premiums, and often include biometric testing such as recording the medical history of participating employees, taking their body weight and blood pressure information, and testing the glucose and cholesterol levels of their blood. Those blood tests, in turn, typically involved a trained examiner drawing a drop of an employee’s blood with a prick of the finger and placing the blood onto a ‘cassette,’ which was then placed in a machine that measured blood glucose and cholesterol” (2). One general definition would mean programs that are sponsored by an employer and seek to improve the physical and/or mental health of an employee (3). Another definition is a program designed “to encourage individuals to take preventative measures, through education, risk assessment and/or screening, or disability management to avert the onset or worsening of an illness or disease” (4). Yet another definition of a workplace wellness program is “an employment-based activity or employer-sponsored benefit aimed at promoting health-related behaviors (primary prevention or health promotion) and disease management (secondary prevention). It may include a combination of data collection on employee health risks and population-based strategies paired with individually focused interventions to reduce those risks” (5). Nevertheless, “a formal

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and universally accepted definition of a workplace wellness program has yet to emerge, and employers define and manage their programs differently” (5). The diversity of definitions demonstrate that companies have different needs and may clarify the boundary of their wellness program by having a clear definition and purpose for it based on their mission, vision, values, and work culture.

Employers, of course, have the discretion in formulating wellness programs. Some programs focus on employees with specific health problems, such as heart disease or diabetes. Others take the form of incentives to the employees to undergo physical examinations or to take health assessments as well as incentives to lose weight and stop smoking (6,7). All these programs have an educational component that seeks to inculcate to the employees the benefits of a healthy lifestyle and thus to increase awareness of how lifestyle choices can impact one’s physical and mental health (4). Common features of wellness programs can encompass the following: providing healthcare and medical information by means of health fairs, seminars, classes, lectures, and newsletters; online health and wellness resources; nutrition counseling; lifestyle and risk factor analysis; health and exercise coaching; gym and health-club memberships or membership discounts; health risk assessments; stress management programs; disease management and control programs (concerning heart disease, diabetes, blood pressure, for example); biometric testing and screening, maintenance, and control for heart disease, blood pressure, hypertension, cholesterol, and weight loss); smoking cessation programs; and immunization programs; and on-site clinics (3–5).

In addition, it should be noted that the challenges related to health concerns are not limited to the United States or just the developed nations. Researchers and political leaders in other countries are just as concerned about unhealthy lifestyles as well. For example, according to Eyal, the prevalence of obesity in Iran has also reached epidemic proportions since about 40% of the adults in Tehran were found to be overweight and 23.1% were assessed to be obese (8). In general, Eyal estimates that the prevalence of obesity among Iranian adults appears to be around 21.5%, and obesity seems to specifically affect Iranian women (8). To change such patterns, some medical experts are even supporting measures to deny non-emergency treatment to those who are considered obese or those patients who do not lose weight. Eyal agrees that we should proactively deal with the obesity challenge “head-on,” but conditioning medical access on weight loss is fraught with ethical concerns and thus is not the best way to move ahead to healthfulness. Of course, it must be emphasized that healthcare is a basic and an inalienable right for everyone in society. Accordingly, Eyal states: “Doctors, health managers, and health policy makers can help us lose weight and remain thin by using carrots and sticks. They may want to offer prizes such as iPods or museum tickets or maybe even cash to patients who lose weight” (8). Yet, denying overweight or obese individuals’ medical treatment, regardless of the approach to any wellness program, is not an ethical approach.

This article, therefore, succinctly explores some of the legal, ethical, and practical ramifications of employers adopting such wellness programs; and then provides appropriate recommendations. Specifically, the authors make appropriate recommendations to managers on how to set up and implement legal, moral, and practically efficacious wellness programs in the workplace.

Wellness programs

Employers definitely want lower health insurance costs and more productive employees; and one way to achieve these goals is to have more healthy employees. The question, and one with legal, ethical, and practical ramifications, is how to attain these laudable objectives. Should the employer in adopting a wellness policy take a voluntary “carrot” or a more coercive “stick” approach? Should employees who adopt healthy lifestyles be rewarded? Or should employees who lead unhealthy lifestyles be penalized by the employer? In some wellness programs, an overweight or smoking employee may have to confront certain “sticks,” for example higher monthly healthcare premiums and no discounts, if the employee does not avail himself or herself of the wellness program. Regarding the “sticks” approach, Sizemore noted that “such programs stand for the idea that individuals making poor health decisions should not have their decisions subsidized through an insurance program by those making good health decisions” (9).

A wellness program can consist of a health or health-risk assessment offered by the employer, which is usually an annual, or semi-annual, medical exam that ascertains the employee’s weight, height, blood pressure, and cholesterol and sugar levels. The employee also may be asked questions about his or her lifestyle, especially in regards to smoking and alcohol consumption. Some assessments even go further and seek to delve into the employee’s mental and emotional state. Of course, some employees may be hesitant about taking part in these “free” health assessments for a variety of reasons. They may be concerned with how the results of these medical exams will be handled and used and what will happen if they are not successful in improving their health and achieving a healthier lifestyle. They naturally will be concerned if there is any perceived “penalty” for remaining unhealthy.

Initially, it must be noted how “very common” wellness programs have become: Mattke *et al.* report that 92% of employers with 200 or more employees offered wellness programs in 2009 (5). Moreover, the most frequently targeted behaviors are exercise (addressed by 63% of employers with programs), smoking (60%), and weight loss (53%). Mattke *et al.* also report on a 2010 Kaiser/HRET survey that 74% of all employers who offered health benefits also offered at least one wellness program (5). Program costs, which typically are expressed as cost per program-eligible employee (as opposed to per actual participant, range between 50 to 150 US dollars a year for typical programs. Employers have begun to use incentives to increase employee’s participation in wellness programs; and estimates indicate that the average annual value of incentives per employee typically ranges from between 100 US dollars to 500 US dollars. However, as will be discussed, there are a variety of laws that impose limits on the use of financial incentives by employers as part of the wellness program.

Mattke *et al.* vividly illustrate how people in the U.S. “are in the midst of a ‘lifestyle disease’ epidemic,” (5) to wit:

- The Center for Disease Control (CDC) has identified four behaviors that are the primary causes of chronic disease in the United States—inactivity, poor nutrition, tobacco use, and frequent alcohol consumption; and these activities are causing an “increasing prevalence” of diabetes, heart disease, and chronic pulmonary conditions.
- Chronic diseases have become a “major burden” in the U.S.

leading to “decreased quality of life,” accounting for severe disability in 25 million people in the U.S., as well as being the leading cause of death, claiming 1.7 million lives per year.

- Treating chronic diseases is estimated to account for over 75% of national health expenditures.
- The number of working-age adults with a chronic condition has grown by 25% in ten years, nearly equaling 58 million people.
- A 2008 PricewaterhouseCoopers survey found that the “indirect” costs (for example, missed days at work) were approximately four times higher for people with chronic diseases compared to healthy people.
- A report by the Milken Institute indicated that in 2003 the cumulative indirect illness-related losses associated with chronic diseases totaled 1 trillion US dollars compared with 277 billion US dollars in direct healthcare expenditures.

According to Stafford as well as Cavico and Mujtaba, one in four people in the United States aged 18 years and older, amounting to 66 million people, are defined as obese (or approximately 30 pounds over their ideal weight) (7,10). Moreover, about three in ten adults in the U.S. have high blood pressure; and almost one in ten has diabetes. Obesity, combined with lack of exercise and sedentary lifestyle, contributes to high blood pressure, high cholesterol, diabetes, and heart disease, as well as increasing healthcare expenditures. Specifically regarding obesity, it is reported that obesity increases Americans’ healthcare expenditures by 1,723 US dollars per year per person (10). There are, therefore, benefits to be accrued from wellness programs and not “merely” saving money for employers but also by improving the health of employees and job applicants, thereby benefiting families, local communities, and society as a whole. This article, of course, is focusing on the benefits to the employer to be obtained from wellness programs, notwithstanding the implementation challenges. There are commentators, accordingly, who have emphasized the more utilitarian societal benefits that wellness programs can produce. The authors in fact have addressed the morality of wellness programs from a utilitarian ethical and stakeholder perspective (7,11). Moreover, a broader approach to wellness programs has been taken by the Nobel Prize-winning economist, Amartya Sen, who has argued that “development should be assessed less by material output measures such as Gross National Income (GNI) per capita and more by the capabilities and opportunities that people enjoy” (12). Having a healthy population is important for economic prosperity of a nation. Sen viewed development in countries as an expansion of freedom. Also certain things should be removed from poorly developed countries such as poverty, tyranny, poor economic opportunities, social deprivation, and neglect of public facilities. Naturally, all of this would involve politics, management and effective leadership. Sen believed that countries should give the people a “voice” so they can partake in important decisions involving the community; and this input would naturally include means of overcoming health problems and effectively dealing with the rising insurance costs. Sen also emphasized healthcare and education, saying that these types of initiatives would lead to people getting better jobs and making more money which would in turn help the economy become more prosperous. Most experts agree and believe that this is a much better way to measure the development of a country

than just income generated from high exports. If the people are healthy, educated, and happy they will be better able to increase productivity and enjoy going to work which will help everyone in the country (12).

Carrot and sticks of wellness programs

Wellness programs, therefore, can result in many benefits for many stakeholders. One key, as well as contentious, issue, as emphasized, is for the employer to ascertain which approach to take in implementing a wellness program—“carrots” or “sticks” (or perhaps a combination thereof). Table 1 provides a brief overview of some examples of “carrots” or incentives and “sticks” or penalties that employers might offer or impose as part of their wellness programs to encourage or “force” employees to become healthier.

Most employers, based on the authors’ judgment, would prefer the “carrot” approach, principally because it does not alienate employees or cost jobs and promotions, especially due to any preexisting chronic health conditions. Nevertheless, one legal commentator questioned if even the “carrot” approach was a truly voluntary one (9). Yet if the “carrot” approach does not work, and employees cannot, or will not, “voluntarily” become or stay healthy, and consequently employers continue to see healthcare costs rise, employers may consider “forcing” employees to be healthy by penalizing unhealthy employees. Furthermore, support for a more punitive approach to changing lifestyles is found, as Kwoh reported, “the findings of behavior economists showing that people respond more effectively to potential losses, such as penalties, than expected gains, such as rewards” (13). To illustrate, Kwoh pointed to two studies: one, which is a study of 800 mid- to large-size firms, showing that 6 in 10 employers tend to impose penalties in the next few years on employees who do not take actions to better their health; and the other indicates that the share of employers who plan to impose penalties is likely to double to 36% by 2014 (13). Furthermore, a human resources survey indicates that 60% of the employers stated that they plan to impose penalties in the next three to five years on workers who do not improve their health (14). Nonetheless, Kwoh predicted a “murky” future—legally, ethically, and practically—for these increasing, and increasingly punitive, “stick” wellness programs (13).

There are many critics, however, of a punitive “stick” approach to wellness in the workplace. Sizemore fears that “the potential for discrimination and harassment at the workplace for failure to participate in the program also exists” (9). Lamkin fears that wellness programs, particularly with penalties, will erode the informed consent of the employee-patient in medical decision-making (11). The labor organization, the AFL-CIO, is opposed to mandatory health tests. A spokesperson, as indicated by Mathews, declared that health tests are a personal matter that should not be brought into the workplace and tied to benefits (15). Workers’ rights advocates, as indicated by Kwoh, condemned the penalties as “legal discrimination” and “essentially salary cuts” by a different name (13). There is also a fear that these wellness programs—whether voluntary or mandatory—are giving employers too much control over their employees’ lives (13). Kwoh reported on another critic of wellness programs, a university chair and professor of health policy, who condemned wellness programs as “unethical” because the employer’s main motivation is not to improve the employees’ health but to get smokers and other employees with “unhealthy” lifestyles “off

Table 1. Incentives and penalties in wellness programs

CARROTS	STICKS
Gyms at work and/or free gym membership	Higher healthcare insurance premiums for unhealthy employees
Healthy low-fat meals in the cafeteria	No discounts for healthcare insurance for unhealthy employees
Reducing insurance premiums for regular exercise	Charging overweight employees and smokers a health insurance surcharge
Reducing premiums for losing weight	Charging additional fees for insurance to overweight and smoking employees
Reducing premiums for lower cholesterol	Charging more for insurance for employees who do not get regular medical checkups
Reducing premiums for quitting smoking	Charging more for insurance for employees who do not get preventative care
Reducing premiums for lower blood sugar and better body fat ratios	Loss of healthcare insurance for employees who do not get regular medical checkups and tests
Reducing premiums for better blood pressure	Increasing deductibles for employees with unhealthy lifestyles who fail to meet health care standards
Nutrition advice and diabetic counseling	Higher insurance premiums and loss of insurance for female employees who do not get Pap smears and mammograms
Rewards for participating in exercise and weight loss classes	Not covering surgical procedures unless programs for non-surgical alternatives are taken
Free smoking cessation programs	Denial of reimbursements for employees who do not obtain and maintain a healthy lifestyle
Health insurance discounts and reimbursements for employees who meet health standards and maintain a healthy lifestyle	Not hiring job applicants who are smokers, overweight or otherwise unhealthy

their health bill and pass on the costs to someone else” (13). Another critic, expressed concern that wellness programs might become a “tool for shifting health-care costs” to sick people, especially under the Affordable Care Act, which will allow employers to charge employees who do not meet certain health standards more for insurance premiums, and thus “you might undermine the whole idea of workplace wellness”(16). And another professor of public health called wellness policies a “slippery slope,” and expressed concern about what actions of employees would be penalized next, such as going out for fast-food, drinking alcohol, and even, the professor said, unsafe sex (14).

In addition to labor union, employee rights organizations, and academic objections; there are many potential legal problems for employers in adopting and implementing wellness programs. As such, and especially due to legal concerns, some employers have shied away from any wellness policies. One potential legal problem for an employer when it comes to weight provisions and height and weight indexes is that some employees may contend that their weight is based on a medical condition or genetics, and in the latter case tied to racial or ethnic background, and thus the employee is protected by federal discrimination law, such as the Americans with Disabilities Act and the Civil Rights Act. To illustrate, some critics of wellness programs state that tobacco penalties or bans on hiring smokers are discriminatory against poorer and less-educated segments of society, who tend to smoke more (13); and these people may be minorities who are protected by the Civil Rights Act against discrimination in employment. Moreover, all these health issues must be kept very confidential so as not to trigger lawsuits based on the common law tort of invasion of privacy as well as federal and state statutory confidentiality laws. The *Sun-Sentinel* newspaper (14) quoted a statement from a private non-profit Patient Privacy Rights organization based in Texas, which condemned wellness programs as “coercive” and “invasive,” and which expressed deep concern about the privacy of the wellness information collected, because “it doesn’t give patients any control over the extremely

sensitive health information they are required to submit. Not only they can be certain whether their employer will see this information or not, but also the data can be collected, sold and used in different circumstances without their knowledge or consent.”

Regardless of legal compliance and laudatory objectives, other critics assert that wellness programs, even incentive-based ones, are unfair because they can disadvantage some people most in need of healthcare and also they, in effect, penalize employees who legitimately struggle to attain wellness objectives, but who fail or regress, particularly since it is recognized that major lifestyle changes are difficult to achieve (17). As such, employers must be careful when it comes to implementing wellness programs so they can be in legal compliance and fair to their employees (18).

Legal challenges

One of the most daunting challenges to the implementation of wellness programs in the United States is the wide variety of laws—federal and state—statutory, regulatory, and common law (case law)—that arguably could apply to wellness programs in the workplace, including the recent Affordable Care Act (that is, “Obama Care”) of 2014 (though which legal effect has been partially postponed for employers, but not yet for individuals, as of this writing, until 2015 due to the statute’s own implementation problems). Though it is beyond the scope of this succinct work to examine all these statutes in detail, mention and brief discussion must be made of the following critical ones, to wit: Title VII of the Civil Rights Act, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Employment Retirement Income Security Act (ERISA), the Health Insurance Portability and Accountability Act (HIPAA), the Genetic Information Non-Discrimination Act (GINA), the Affordable Care Act, state Lifestyle Discrimination statutes, and the common law intentional tort of invasion of privacy.

The Civil Rights Act of 1964 is the paramount civil rights law in the United States. Title VII, which applies to employment,

prohibits discrimination against an employee or job applicant based on the protected categories of race, color, national origin, sex, and religion (19). Consequently, if an employer's wellness program or its implementation treats employees differently based on their race or any other protected category, there is a legal violation. Moreover, pursuant to civil rights law, if a wellness program, though neutral on its face and applying to all employees, has a disparate or disproportionate adverse impact on a protected group then a Title VII violation will occur too. The Age Discrimination in Employment Act (ADEA) of 1967 prohibits discrimination in employment based on age (if the employee or job applicant is over 40 years of age). As such, the employer must ensure that its wellness program or the implementation neither treats employees differently based on their age nor has any disparate adverse impact on older workers or job applicants. The Americans with Disabilities Act (ADA) of 1990 prohibits discrimination in employment against job applicants and employees with a legally recognized disability. Moreover, the ADA requires that an employer makes a reasonable accommodation for an employee with a disability unless it would an undue burden to do so. The ADA, however, does not prohibit wellness programs in the workplace. Nonetheless, if an employee's or job applicant's weight problem or addiction to nicotine or other health issue is deemed to be a disability, then the employer's wellness program cannot act to discriminate against or otherwise penalize this disabled employee or job applicant. The ERISA of 1974 is also a federal law in the United States that governs healthcare and pension plans in the private sector. Pursuant to ERISA, an employer wellness program that provides healthcare, medical, or sickness benefits, directly through reimbursement or other monetary incentives, or indirectly, for example, by means of health counseling, is covered by ERISA; and as such the employer is subject to detailed disclosure and reporting requirements (20). The HIPAA of 1996 is another federal statute governing the provision of health care benefits. The law has extensive provisions dealing with the confidentiality and security of healthcare information. HIPAA also prohibits discrimination in health plans; but, it is important to note, an important exception pertaining to wellness programs. If a wellness program is deemed to effect only "benign discrimination," that is, providing rewards, discounts, and reimbursements for voluntary actions that promote good health, such a program is permissible under HIPAA. However, if the wellness program is "results-based," that is, a health standard must be met to qualify for a reward or incentive, the program is deemed to be discriminatory but nevertheless still permissible under the law if several factors are met, most importantly the total reward in the program is limited to 20% of the total cost of the employee-only coverage under the wellness program. Note, too, that the percentage will be raised to 30% by the Affordable Care Act when it is fully implemented). The GINA of 2008 makes it illegal for employers to discriminate against employees or job applicants based on genetic information. Moreover, GINA makes it illegal for the employer to request, require, or purchase genetic information. There are, however, several exceptions in GINA. The main one pertinent to the discussion herein is that an employer can obtain genetic information from an employee or job applicant pursuant to a wellness program on a voluntary basis, the employee participating in the wellness program gives prior, knowing, voluntary, written consent, and only the employee (or employee's family member) and a certified

genetic counselor or licensed healthcare professional receives the information. The Affordable Care Act (ACA) of 2014 (with those provisions impacting employers are now postponed until 2015) has several provisions that apply to wellness programs. As noted, the maximum permissible reward for participating in a wellness program will be increased to 30% of the cost of health coverage; and the maximum reward will be increased to 50% for wellness programs designed to prevent, reduce, or stop tobacco use. Moreover, the ACA requires that wellness programs be available to all similarly situated employees. However, wellness programs also must offer alternatives to certain employees to qualify for rewards even if they cannot meet healthcare standards if it would be unreasonably difficult or medically inadvisable for them to do so. The preceding statutes are all federal laws in the United States.

On the state level, a brief mention must be made of certain state Lifestyle Discrimination statutes that protect the rights of employees to engage in lawful activities outside of the workplace, such as smoking or otherwise having an unhealthy lifestyle. However, these statutes typically say that if an activity by the employee harms the business interests of the employer, then the employer can discriminate based on that activity. Employees' legal actions challenging their employers' wellness policies as violating these lifestyle statutes ultimately have to be decided by the courts on a case-by-case basis. Finally, the common law intentional tort of invasion of privacy may also arise in a wellness context if the implementation of the employer's wellness policy is deemed to be in impermissible intrusion into the employee's private life or private or personal "space" or if there is an improper disclosure of the employee's personal healthcare information. The employer, therefore, in adopting and implementing a wellness program, surely will be confronted with a wide array of laws that could impact wellness programs and thus subject the employer to legal liability.

Practical recommendations

First and foremost, an employer must be cognizant of the many federal and state statutory and regulatory laws as well as the common law of tort that can apply to wellness programs in the workplace. There is, literally, a patchwork of laws that could apply to workplace wellness programs. The employer has, of course, discretion in adopting a wellness plan, but this discretion must be exercised very carefully, especially since there is not yet a great deal of legal guidance as to the applicability of key laws to wellness programs. The wellness plan must be properly structured to be legal, moral, and efficacious. Legally, let us emphasize the following basic points about wellness programs:

- Avoid any direct or indirect discrimination when creating or implementing the wellness program.
- Make sure the wellness program does not treat similarly situated employees differently based on the protected characteristics of civil rights laws.
- Make sure the wellness program, though seemingly neutral and applying to all employees, does not have any illegal disparate adverse impact on a protected group.
- Make sure health-related rewards or penalties do not exceed 20% of the cost of the employee's health coverage based on current U.S. laws (and, as noted, this percentage will increase to 30% as per the ACA enacted by President Barack Obama's administration).
- Do not reduce an employee's pay for any healthcare issue;

rather, connect what the employee pays for healthcare to whether the employee meets or fails to meet certain healthcare standards based on the applicable law.

- Provide alternatives or offer exemptions for employees who cannot for underlying medical reasons participate in a wellness program or meet certain healthcare goals.
- Do not request health records before extending an offer of employment.
- Keep employee's healthcare information strictly confidential.

Mattke *et al.* suggest that the “three common themes” and strategies for workplace wellness programs are 1) internal marketing, 2) program evaluation and improvement, and 3) leadership and accountability (5). Regarding the first—internal marketing—companies should actively engage their workforce in health promotion, including face-to-face interactions, mass disseminations, explaining the program during the new hire orientation process, and providing multiple communication channels. Regarding the second—program evaluation and improvement—companies should have a “needs assessment,” consisting of surveys, HRA data, and using voluntary employee committees; then engage in data collection, storage, organization, and integration; and next conduct performance evaluations based on performance measures to determine the success of the wellness program. Finally, regarding the third component—leadership and accountability—a strong commitment to the wellness program by all levels of the organization is required, especially by senior and middle-management, as well as by external stakeholders, such as unions, is required. For example, concerning senior-management support, some points to the example of Johnson & Johnson, where a “champion,” who is a senior level manager, is identified for each component of the wellness program; and this wellness “champion” is responsible for taking the lead in developing and promoting his or her wellness component. Mattke *et al.* emphasize the “alignment with mission” factor, that is, “a characteristic of many successful programs with an explicit linkage between the goals of these efforts and an overarching organizational mission” (5).

A “carrot” incentive-based approach makes more sense for the prudent employer because it encourages and motivates the employee to achieve a healthier lifestyle, perhaps by seeking medical assistance to attain that goal. Pursuant to an incentive-based approach, employees should be more forthcoming about their health issues, particularly if they are assured of confidentiality, so that they can strive to receive the rewards and benefits from changing their “bad” habits to become healthier. A good wellness program should be able to motivate employees to take preventative health measures which are customized to their personal well-being (21). Confidentiality is a critical component of any wellness programs as some evidence shows that an employee is meeting wellness standards and goals will be required without discriminating against them based on non-relevant dimensions of diversity (22).

The employees should have the option to participate in the wellness program. Based on the authors' judgment from a legal paradigm and a human resources perspective, it is best if such a program is a “carrot” based one. Although, we acknowledge that the “stick” approach can also motivate behavior toward becoming healthier and employers should implement it with a positive tone to minimize resistance and increase its acceptance by employees in the most efficient manner possible. As such,

the rational and egoistic employee will certainly take heed of the “sales pitch”—Get healthy, feel good, and save money! Such an approach if carried out in a legal and ethical manner, in the authors' judgment, would be a “win-win” scenario for the employee and employer as well as society as a whole.

Summary

Creating and implementing a wellness program can be beneficial to the employer as well as the employee. The goal is to have an efficient, effective, legal, and moral wellness program that helps the employee to attain and keep good health as well as help the employer to manage and reduce healthcare costs. Furthermore, beyond legality, the employer must be cognizant of the ethical issues involved and consequently must strive to have a moral wellness program and not one perceived as coercive, manipulative, demeaning, or punitive by the employees. The goal, as always, is to be fair to all employees and to always act legally and ethically.

The employer's ultimate objective, therefore, should be to create a “wellness culture” in the workplace by means of its legal and moral wellness programs and other healthy-lifestyle measures. A company's investments in its employees' health and wellness will “pay off” for the company in the long-run and naturally will benefit the employees, their co-workers, families, communities, and society as a whole. Encouraging and motivating employees to get involved in work wellness programs using “carrots” and “sticks” will produce positive feelings on the part of the employee as well as positive interaction among employees who, for example, may share wellness “tips,” anecdotes, and most importantly, “success stories.” The employees, employer, as well as all the stakeholders affected, will benefit from such a “good” wellness program.

Ethical issues

Not applicable.

Competing interests

The authors declare that they have no competing interests.

Authors' contributions

The authors have had equal contributions in this article.

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