

Company Profile

Seattle-based Providence Health & Services is a nonprofit health system with a presence in Alaska, Washington, Montana, Oregon and California. It comprises 26 hospitals and numerous other health, housing and educational services.

Health and wellness are fundamental to Providence's mission, and for Lisa Schmidt, CEBS, system director, Health and Welfare Benefits, that mission extended to her workforce. She needed a way to incorporate that mission while containing costs. Rather than shifting costs to workers, Schmidt sought to manage the health benefit spend through effective coaching and incentives.

Companies often offer incentives; the challenge is to deploy them correctly. Many firms talk the right talk; the trick is to walk the walk. Providence faced a particularly complex path: Its 48,000 employees (78% female, average age of 48) are ethnically, linguistically and educationally diverse.

The Business Challenge

In an environment where one size would not fit all, Schmidt wanted a comprehensive, integrated strategy that would reach every employee.

She envisioned a technology-driven program that would integrate Providence's plan design and population health efforts and offer efficiencies in program administration. It would include a robust incentives component to encourage workers to complete health risk assessments and participate in health and wellness programs. Schmidt wanted one interface, one look, one feel throughout the organization.

It was no simple task: Providence had four distinct regions with incompatible eligibility data file requirements. It was using onsite and vendor-supplied wellness programs, all with different data requirements. The ability to harmonize disparate components of the enterprise was vital.

Fortunately, one of Schmidt's vendors was

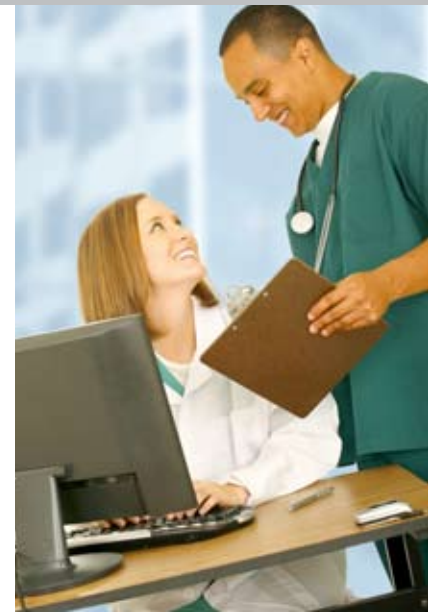
IncentOne, the best-in-class provider of incentive intelligence, technology and program administration. With data integration as a core competency, IncentOne could meet Schmidt's needs.

IncentOne's Solution

IncentOne not only handled incentives management, it took the lead in managing the program data and technology. "They have the responsibility for managing our file feeds as they go out to the other vendors," Schmidt explained. "They are awesome."

Of all the vendors, IncentOne was "the most nimble, the most motivated and the one who 'got it' the most."

As important as IncentOne's expertise was its ability to be a partner. While Providence needed IncentOne to take the lead on the technology end, Schmidt wanted to handle the incentives design internally. "We didn't look to them and say: 'Tell us how to do this.' We looked to them and said, 'This is what we want to do. Help us implement it.'"



IncentOne

160 Chubb Avenue, Suite 203
Lyndhurst, New Jersey 07071
201-372-9250 x513

HealthIncentives@IncentOne.com

That's precisely what IncentOne did. Taking a consultative approach, it leveraged Providence's understanding of its workforce with IncentOne's administrative and technological expertise.

Providence launched IncentOne's Health Power™ integrated, points-based incentive solution. Health Power awards points (1 point = \$1 of value) to members who participate in designated activities, such as a health risk assessment or a cancer screening. (IncentOne's Self-Reporting Toolkit™ tracks participation in programs requiring on-site visits.)

**More than
7,000**
Providence employees have completed
health risk assessments

IncentOne provided a portfolio of more than 400 retailers from which employees could select rewards. Choosing incentives that will motivate employees is tricky. With a workforce as diverse as Providence's, a broad selection of rewards was essential.

Simplicity was also critical, Schmidt said: For optimum participation, you want one portal, where the employee can read about the program, click to complete a health risk assessment, and then immediately redeem points. "Most employers get that," but making the idea a reality is much harder.

IncentOne made it a reality.

Results

More than 7,000 Providence employees have completed health risk assessments. But even more significant to Schmidt is the impact on senior management; she credits IncentOne with helping spark C-suite enthusiasm.

With IncentOne's help, she has engaged employees in healthier behaviors and she's engaged senior leaders in "a different kind of conversation." That conversation is focused on health management, not cost shifting. "It's what I've dreamed," Schmidt said.

Building on 2007's success, Schmidt is discussing plans with IncentOne and Providence's senior management. Her executives now understand that the intelligent use of incentives can unlock the value of health programs by shaping behaviors and ultimately improving outcomes.

Key considerations

Schmidt's experience yields important lessons for employers:

- **Program integration is crucial.**

Merely offering incentives as an HR/benefits initiative won't work. You can't "dangle incentives on the outside," warned Schmidt. That hampers effectiveness and makes them more vulnerable to budget cuts. That's why IncentOne's strategy proved so valuable. The more an employer can embed an incentives program into the structure of the benefits plan, the more successful the program will be, she stressed.

- **Employees want choice, simplicity.**

IncentOne cultivated employee satisfaction by offering a broad portfolio of rewards and providing easy, one-click access.

- **Technology matters.**

Organizations need more than a technology vendor. They need a technology partner. That's what IncentOne promised, and that's what it delivered. "They are tremendous," she said. "I never heard from them, 'We can't really do that.' I heard: 'We'll do it.'"

"They are tremendous. I never heard from them - we can't really do that. I heard - we'll do it."

- Lisa Schmidt