



Creating healthcare consumers: 5 best practices for driving employee engagement

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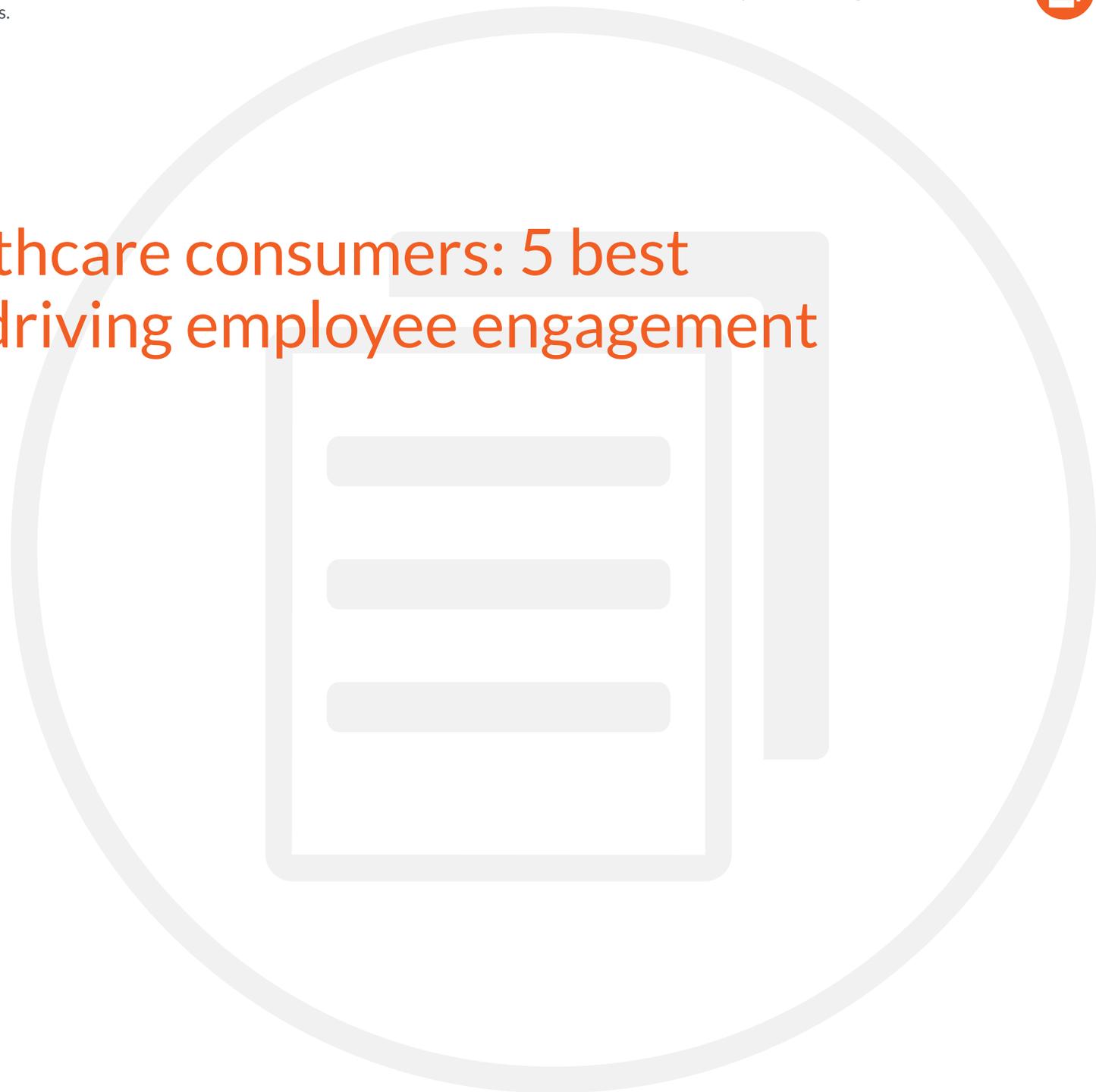


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As employers turn to innovative new benefits, programs, and technologies to improve healthcare quality and reduce healthcare costs, they must also adopt more innovative communication tactics to engage employees in using these resources.

“When you go shopping for a car, you know its price: it’s right there on the window, and there are numerous sources for information about key aspects of quality. When you are booking a hotel room, likewise, it’s easy to know the charges and instantly access evaluations on everything from the cleanliness of the bathroom to the friendliness of the front-desk staff. Yet, when it comes to our healthcare system, it has been virtually impossible for a consumer to find out what it will cost for any given procedure or course of treatment, and to determine whether the quality of care is worth the price.”

- Giovanni Colella, MD, CEO and Co-Founder of Castlight Health

Introduction

The rising costs of US healthcare have driven HR leaders to expand their traditional focus from simply administering benefits to motivating employees to become engaged healthcare consumers, actively making informed medical decisions based on cost and quality data.¹ Evidence shows that when employees use such data, they are more likely to choose high-value, clinically effective providers.²

Over the last several years, employers have pushed for greater access to healthcare cost and quality data. The annual Towers Watson/National Business Group on HealthSM (the Business Group) Employer Survey on Purchasing Value in Health Care found that 60% of large employers provide price and/or quality transparency solutions through their health plan or a specialty vendor, and another 29% plan to provide these solutions in 2015.³

Employee adoption of these resources is a significant challenge. In the 2013 Business Group survey, employers reported that it is extremely difficult to change entrenched healthcare-seeking habits within large and diverse employee populations. Nearly 80% cited a lack of employee engagement as the biggest obstacle to changing behavior, 20% more than 2012.^{3,4}

To help employers overcome this engagement challenge, Castlight Health applies real world experimentation complimented by an analytical approach to identify impactful practices employers can use to drive adoption. Based on this deep understanding, Castlight Health’s communications team works closely with employers to develop tailored communication strategies for their unique employee population segments.

In January 2014, Castlight Health completed a comprehensive statistical analysis of key drivers of engagement across its book of business. This study evaluated the engagement of nearly 500,000 employees across all 50 states, and covering a wide range of industries including technology, manufacturing, retail, education, government, and services.*

This whitepaper synthesizes the best practices from this analysis, as well as Castlight’s experience executing employee engagement and behavior change initiatives. This focused approach has resulted in registration rates exceeding 80% - far greater than the industry average of 15% to 20%.⁴ The key learnings here can be applied to communications efforts across almost any major employee benefits program or initiative.

*All employers had been live on Castlight for at least three months.

Castlight's five best practices for employee engagement are summarized below, with helpful details and customer case studies provided in the sections that follow:

5 best practices for employee engagement

1. **Maximize incentives:** Design and promote creative, cost-effective incentives through repeated communications
2. **Leverage digital:** Use a robust, multi-media digital promotion strategy
3. **Develop a ground game:** Use on-the-ground recruitment strategies and advocates at all levels of your organization
4. **Find the right messenger:** Involve leadership and supporting employee testimonials to build program credibility
5. **Reach the family:** Drive spouse engagement to address potential gender gaps

Maximize incentives

One of the most important tactics in any engagement strategy is the use of incentives. A recent Business Group and Fidelity Investments Benefits Consulting Survey showed that 74% of the 95% of employers offering health and wellness programs tie them to incentives or disincentives, with the median incentive offered to employees in 2013 at \$500, up from \$338 in 2010.⁵

Castlight Health has found that incentives make a significant impact when driving the initial registration and ongoing use of solutions and programs to help enterprises control and shape healthcare spending. As shown in Figure 1, programs that launch with an incentive experience registration rates that are approximately 75% to 150% higher in the first year than programs with no incentives.

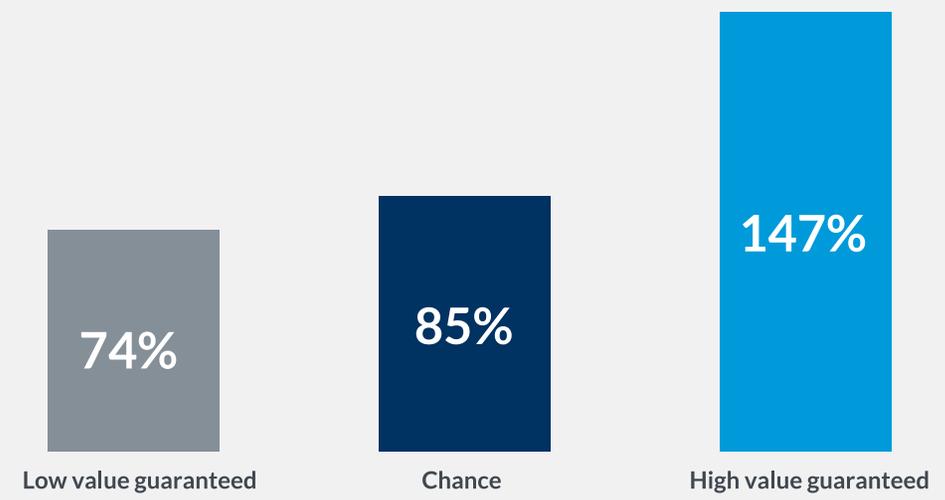


Figure 1: Impact of incentives on registration rate (above baseline of no incentive)

Use creative, cost-effective incentives

Figure 2 provides more detail on three commonly used incentives:

- Low value guaranteed incentives: Provide prizes from \$20-\$50 for every employee who registers and/or completes specific activities (e.g., search)
- Chance incentives: Enter employees who register and/or use the solutions into drawings for prizes
- High value guaranteed incentives: Provides prizes of \$50 or more for every employee who registers and/or completes specific activities

Which incentive type is best?

Castlight Health found chance incentives, when properly executed, to be slightly more effective than low value guaranteed incentives. They also cost employers less on a per employee basis over guaranteed incentives. To make these chance incentives effective, it's important to generate buzz with marketing, and create a sense of urgency by setting deadlines and sending deadline reminder communications just prior to the incentive expiration.

Incentives in action

A wireless communications company used a company-wide email from a high-level executive to communicate the unique value of Castlight, and offered a raffle for assorted electronics and gift cards to employees who registered. As shown in Figure 3, the announcement email and the final reminder email had a significant impact.

Incentive type	Definition	Example
Low value guaranteed incentive 	<ul style="list-style-type: none"> • Valued between \$20 - \$50 • Guaranteed to eligible participants upon registering* 	<ul style="list-style-type: none"> • Gift cards • Wellness rewards/points • Monthly premium reduction
Chance incentive 	<ul style="list-style-type: none"> • Eligible participants entered into a drawing upon registering* • Eligible Castlight users compete in registration contest 	<ul style="list-style-type: none"> • Gift cards • Consumer electronics • Free vacation day
High value guaranteed incentive 	<ul style="list-style-type: none"> • Valued at \$50 or higher • Guaranteed to eligible participants upon registering* 	<ul style="list-style-type: none"> • Gift cards • HSA contribution • Monthly premium reduction

*Some incentives require additional actions such as completing a search or watching an educational video.

Figure 2: Overview of incentive types



Figure 3: Castlight registration: The first 30 days

Promote incentives and programs through repeated, multi-channel, and personalized communications

The Society for Human Resource Management found that just one-fifth of 447 employers surveyed believed their benefits communication efforts were “very effective” at informing employees about their benefits.⁶ Castlight Health research indicates that campaigns with simple, targeted, repeated, time-sensitive messages are most successful.

An effective communication plan for incentives requires:

- Introducing the incentive through a broad announcement, such as a company-wide email
- Following up with reminders distributed through multiple channels
- Evoking a sense of urgency with repeated calls to action (i.e., “Register now! You have only 24 hours left!”)

Know your audience

The perceived value of an incentive can vary based on the employee profile,

corporate culture, and/or industry. For instance, when a national manufacturer with a highly distributed blue-collar workforce offered a \$100 contribution to employees’ health reimbursement accounts (HRAs) if they registered for Castlight, just 18% of employees signed up in the first six months of launch, a relatively low rate for such a high-value incentive.

Focus groups with employees revealed little understanding of the value of an HRA. In the focus groups, Castlight Health also learned that employees rarely left the work site for lunch. There were no restaurants nearby, so most brought their lunches. Acting on this insight, the Castlight Health team designed high-end lunch boxes that employees received after registering. Enrollment increased more than 75% within a few weeks. This incentive had the added benefit of generating word-of-mouth marketing. As employees saw early adopters bringing their new lunch boxes to work, they signed up too in order to receive their own “gift”. Not only was this tailored incentive highly effective, it was delivered at a fraction of the cost of the HRA contribution incentive.

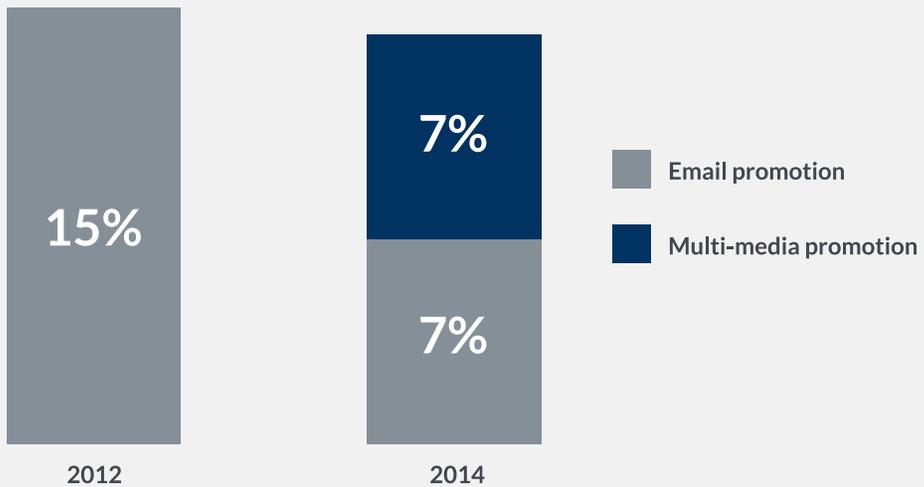


Figure 4: Impact of digital promotion on registration rate across Castlight customers 2012 vs. 2014

Leverage digital

In addition to incentives, employers can optimize registration and usage rates through consistent and repeated communications delivered across multiple digital channels.

Digital media

The Castlight Health regression analysis conducted in January 2014 found that the impact of digital promotion has remained fairly consistent with 2012 levels. However, it became additionally clear that email and creative multimedia digital strategies, such as video and interactive online articles, roughly split the digital effect.

Digital tools, such as those highlighted below, should not only be graphically designed to stand out, but also should remain consistent with the look and feel of the organization's branding. Limit text and only communicate the most important areas of value. Consider integrating short testimonials or quotes from employees who have used the program.

Other options include:

- Mobile apps that enable employees to register online
- Videos, which are short, catchy, and graphically appealing
- Pairing email with electronic newsletters, intranet articles, and published testimonials
- Digital posters displayed on electronic information screens throughout the workplace
- Social media campaigns to generate awareness and word-of-mouth

This mix of media reinforces messages, enables employers to reach a variety of audiences, and powerfully illustrates the product's benefits.

One large employer in the financial industry embedded links to videos about Castlight in its company-wide informational email. The company achieved a 75% registration rate within the first year, nearly doubling its goal.

As Figure 4 depicts, taking a multi-media approach to digital communications yields strong results.

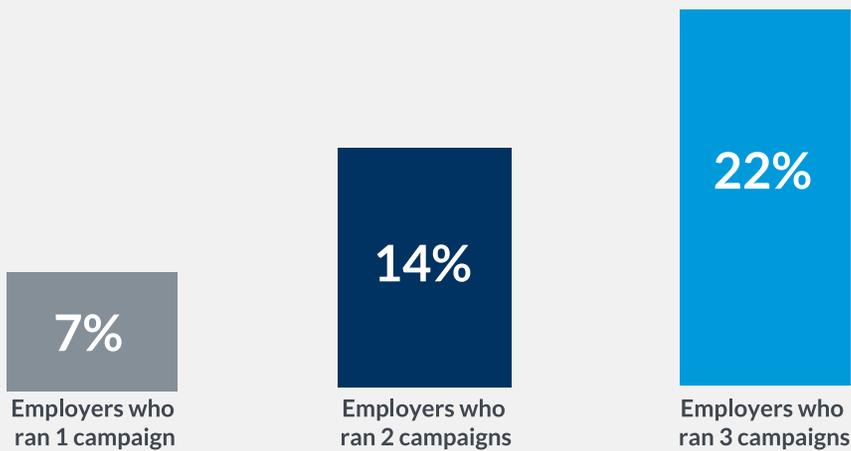


Figure 5: Increase in registration over base of no communications

Email campaigns

Email remains one of the most influential and cost-effective engagement channels. When developing an email campaign, use a strong design that leads with a concise, attention-grabbing message and includes specific calls to actions. Clever wording of subject lines, including personalizing with the recipient's name, can increase open rates. If you're introducing a brand new program, email announcements should ideally come from recognized company leaders to instill trust.

To optimize program recognition and uptake, send multiple emails after launch, with each emphasizing a different area of value or promoting new features or benefits. The content should be concise and relevant, with a subject line that is short, easily understandable, and drives action. Deliver the emails at very specific times during the week, avoiding Mondays, Fridays, and non-working hours, to optimize the open rate. While frequent reminder emails are integral to driving engagement, it's important not to inundate your employee population.

As a case example, the Senior Director

of Benefits at Kraft sent a company-wide email about Castlight. This was reinforced by numerous follow-up emails containing specific information on cost savings employees experienced, identifying medical services with lower-cost alternatives. As a result of this email strategy, registration jumped 15 percent in one month.

Use repeated communications through varied channels

It's not enough to simply promote a benefit during open enrollment, or when the benefit is first offered. Promotion must continue on an ongoing basis using a variety of channels. Castlight Health found that the most effective approach is to use three waves of communications during the first three months after launch. Each distinct wave of communications should promote unique features, and encourage employees and their dependents to interact with Castlight in new ways.

As Figure 5 shows, running multiple sets of campaigns yields significant increases in registration.

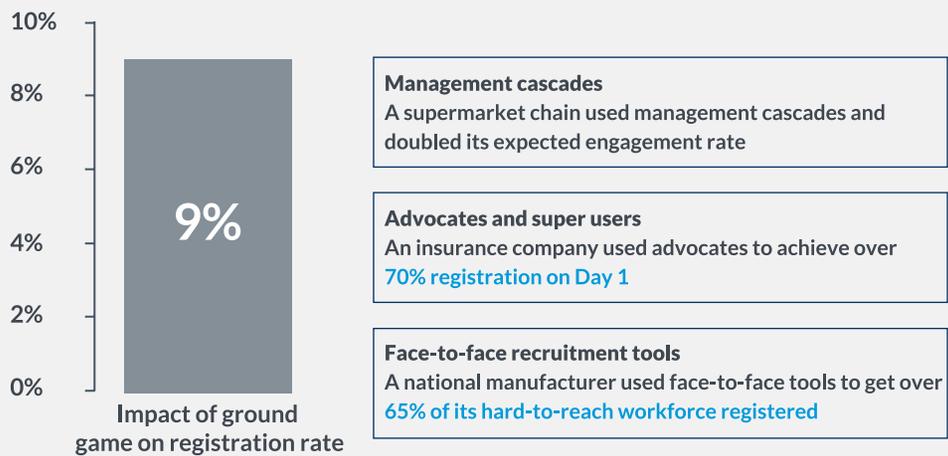


Figure 6: On-the-ground strategy increased registration by 9%

It's also important to re-engage employees and their dependents after the first six months, as well as introduce newly eligible members. Insurance giant Liberty Mutual employed this approach to address plateauing enrollment a year after adopting Castlight. Before employees accessed the health insurance screens in Liberty Mutual's online enrollment flow, information about Castlight appeared. The result? A 15% increase in enrollment.

Develop a ground game

There's no substitute for good old-fashioned, face-to-face recruitment through registration drives, lunch-and-learns, department meetings, and super user outreach. Castlight Health found that these strategies are responsible for an increase of 9% in overall registration rates. While this approach may require significant investment of resources, it can yield a substantial return for hard-to-reach populations. Castlight has utilized many variations of an on-the-ground strategy, and finds that there is no one-size-fits-all solution. This section outlines a few approaches that have

driven meaningful results for unique employee populations. Figure 6 depicts the power that these strategies had on Castlight customers.

Trained Castlight super users

One effective on-the-ground solution involves training front-line employees to become expert users of your solution or program, and spread the word about new initiatives.

A national insurance company used this approach to encourage Castlight registration and usage. The HR department invited 30 team members, representing every department to become super users, including the human resources vice president. The super users received special training and began using Castlight. One week later when super users returned to work and talked about Castlight, registration soared to more than 70%.

The company also filmed the super users during training, as well as created eight videos of the employees discussing their own use of and experience with Castlight. It used the videos as part of its multi-media campaign to promote registration and repeat utilization.

On-site events

Cummins, a leading manufacturing company, partnered with Castlight to design a set of on-site registration drives for its workforce, which includes a large population of hourly employees.

The employees work in facilities with loud machinery, making it challenging to communicate about non-work-related issues such as benefits. This hands-on approach helped Cummins greatly exceed the registration expectations for its factory population. To reach employees, Castlight Health participated in Cummins' annual biometric screening program for which workers receive paid time off to attend.

After the screening, employees were directed to the Castlight kiosk, where a representative helped the employees register. With a quiet environment and no distractions, employees could listen and learn. Half of the manufacturer's employees registered within one month of the screening, bringing its cumulative registration rate to 65%. Cummins had one of the most difficult-to-reach populations, but landed near the top quartile of Castlight's registration rates.

Three questions to ask before creating an on-site promotional event

- Is the investment worth it? Consider that on-site events work best for companies 1) in which few employees have access to computers; and 2) where such events are already scheduled and well attended.
- Have we set aside enough time? Promote the program for at least two weeks before and include incentives (free food, a drawing) to ensure participation.
- Will the new "benefit" get enough attention? Do more than set up a booth at a health fair. Draw employees to the kiosk with an incentive or by conducting a standalone registration drive.

Find the right messenger

Leveraging company leaders can create buzz and accelerate "word-of-mouth" promotion. Encourage trusted members in executive leadership to reach out to employees about the value of the program, their personal experiences, and why the company is offering the program. This is often more effectively communicated by a respected executive than by a 3rd party who hasn't yet developed brand recognition.

Case study: Executive sponsorship and management cascades

The chief operating officer of a national supermarket chain started at the company as an hourly employee and had risen through the ranks to his current role. Throughout his tenure, he had built a huge amount of credibility with managers and employees. To market the benefits of Castlight, he appeared in a video providing a detailed overview of how to register. The company used the video to train and inspire management, pairing it with the requirement that all direct reports enroll. The company also distributed the video throughout the company. His strong executive sponsorship enabled the supermarket chain to double its expected registration rate of 25% to 50% within the first six months.

In addition, reinforcing the value of new benefits with personal testimonials from employees and family members is a highly effective way to influence late adopters. Testimonials can include: filmed interviews with employees (or family members), stories on the company intranet, emails, or newsletter articles. Consider having employees speak during "lunch-and-learn" sessions, or during open enrollment information meetings.

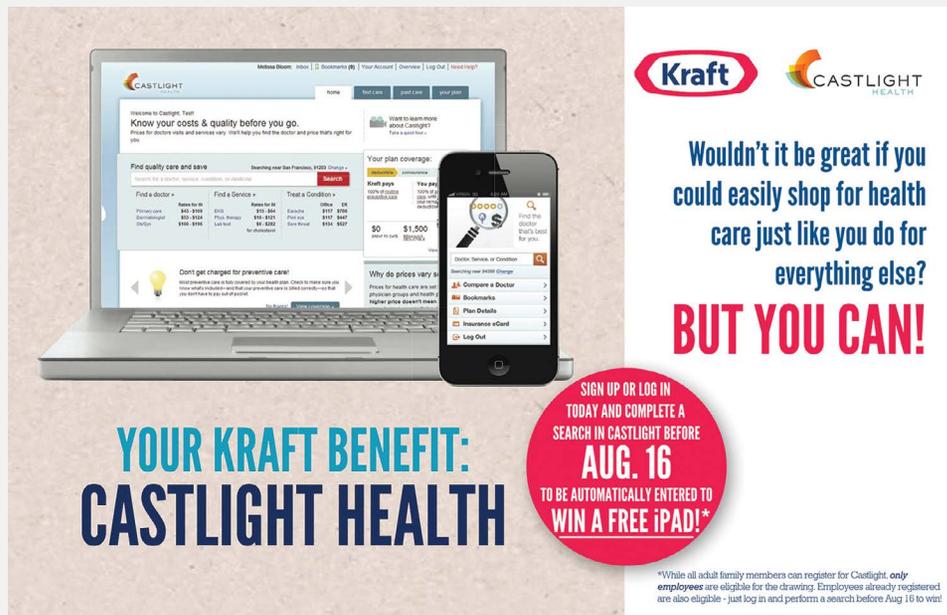


Figure 7: Sample Kraft collateral campaign

Reach the family

Studies find that women make 80% of the healthcare decisions for their families.⁷ They also manage the family budget and pay most out-of-pocket costs. Castlight's statistical analysis shows that females register at a 14% higher rate than males do. Castlight finds that targeting spouses and domestic partners, particularly in male-dominated populations is, therefore, extremely important.

Castlight works with companies to design dedicated dependent campaigns, reaching out directly to spouses and domestic partners through a series of email communications and home mailers. The educational and promotional content is heavily focused on decision-making for the family.

Castlight finds that it's best not only to combine design a specific incentive for this population, but also to notify employees of the campaign and encourage them to reach out to their dependent about the benefits. The goal is to help the family develop a shared understanding of Castlight's value and encourage important conversations about healthcare benefits to occur outside of the workplace.

That's the approach a biotechnology company took. Most of its workforce is male. The company targeted spouses with an email and postcard campaign about the value of Castlight. The company also offered a \$50 HSA incentive and conducted an iPad® raffle to encourage spouses and domestic partners to register. Dependent registration increased by 500% within a few months.

Effective print campaigns

While overall, Castlight finds that digital communications have a greater impact on registration, print is an effective medium for hard-to-reach populations such as spouses and domestic partners who may not have access to company email and/or intranet. Use several channels, including brochures and mailers sent to the home or distributed as paycheck stuffers.

Conclusion

As employers turn to innovative new benefits, programs, and technologies to improve employee healthcare quality and reduce employee healthcare costs, they must also adopt more innovative communication tactics to engage employees in using these resources.

Employers are investing in solutions and services to help employees make wise healthcare decisions, and make the best use of their healthcare dollars. They can optimize employee use of these solutions with a strategic communications plan that includes:

- Designing and promoting creative, cost-effective incentives through repeated communications
- Using a robust, multi-media digital promotion strategy
- Using on-the-ground recruitment solutions and advocates at all levels of their organization
- Involving leadership and supporting employee testimonials to build program credibility
- Driving spouse engagement to address potential gender gaps

About Castlight Health

Castlight Health enables businesses to cost-effectively manage their healthcare investments while empowering employees and their families to make informed choices with a clear understanding of their costs and likely outcomes.

Castlight provides businesses with a complete set of products and services for effective healthcare management and employee care. We integrate third-party solutions from leading partners, delivering innovation to benefits leaders and choice to employees. Our unique database delivers transparency and actionable insights to business leaders in benefits.

To learn more about Castlight Health, please visit www.castlighthealth.com. Follow us on [Twitter](#) and [LinkedIn](#) and Like us on [Facebook](#).

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Scott leads Castlight Health's enterprise and end user product marketing teams, including Castlight Health's employee communications practice, which focuses on empowering employees from all industry functions and their dependents to become engaged consumers of healthcare. Scott is a board member of the National Business Group on Health's National Leadership Committee on Consumerism and Engagement.

Prior to joining Castlight Health, Scott held positions at Phreesia, McKinsey & Company, and Accenture. Scott holds an MBA with honors from the Wharton School at the University of Pennsylvania and a BS in Computer Sciences with honors, Phi Beta Kappa, from the University of Texas at Austin.

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