Q3 - What do “treatment” and “control” mean in the context of this study? How does this differ from the definition of a “participant” and “non-participant”? How many employees were in the treatment group, and how many were in the control group? Of those in the treatment group, how many participated in the initial (screening) segment of the wellness program in the first year? The answer to this question can be found in the publications of the Illinois Workplace Wellness Study, but use the public-use data (described in Section 3) to form your answers.

Ans-

An RCT consists of randomly assigning one group of people to a "treatment group," which receives an intervention and assigning the remaining people to a "control group," which does not. Members of the treatment group were invited to take paid time off to participate in the iThrive workplace wellness program, which ran for two years and included health screenings, health risk assessments, and weekly wellness activities. Patients who completed the treatment group program successfully earned financial rewards of up to $650.

There were 4,834 employees in the study, including 3,300 who were randomly assigned to the treatment group. The remaining 1,534 employees were assigned to the control group.

Executive Summary:

Q1. Executive Summary. Produce an executive summary report in PDF format of your approach and findings. The document should have three sections: (I) a concise overview of the case and objectives, (II) answers to each question asked in the Case Description above, and (III) a conclusion that draws lessons for employers who may be considering adopting a wellness program in their workplace. Your executive summary needs to be thoughtful, but it should not be more than 3 double-spaced pages, font 12, in length.

Overview:

In the US, most of the reasons for the high cost of health care are associated with smoking and chronic diseases, including cardiovascular disease, diabetes, hypertension, and obesity. Potentially, people could avoid these diseases by using preventive care more often, reducing their costs. One solution that has become increasingly popular among employers in the United States who offer health benefits to their employees is workplace wellness programs. The industry is now worth $8 billion and is offered as an employee benefit by nearly all large companies. The Affordable Care Act explicitly encourages them by providing financial rewards for participation. The University of Illinois at Urbana-Champaign implemented the Illinois Workplace Wellness Study to analyze the effectiveness of a workplace wellness program (Jones, Molitor, and Reif, 2019; Reif et al., 2020). RCTs are among the most rigorous research designs in scientific research and researchers can identify the causal effects of an intervention on a population by randomly allocating participants into treatment and control groups.

The main objective of this case is to investigate the effect of:

* health care costs, health care utilization, well-being, and productivity
* participation in workplace wellness through financial incentives
* the benefit of the employee and likelihood of participation through this program

Do financial incentives affect workplace wellness program participation? Who benefits most from these programs, and who is more likely to participate? How does this program affect health care costs, health care utilization, well-being, and productivity?

Some of the main drivers of high health care spending in the US are related smoking and chronic diseases such as cardiovascular disease, diabetes, high blood pressure, and obesity. Increasing the use of preventive care could potentially help people avoid these diseases, thereby lowering costs. One widely touted solution is the increased use of workplace wellness programs, which have become popular among US employers that offer health benefits to their employees. They have become an $8 billion industry, are offered as an employee benefit by nearly all large firms, and are explicitly encouraged by the Affordable Care Act, which allows employers to financially reward participation in these programs. The Illinois Workplace Wellness Study implemented a randomized evaluation of a workplace wellness program at the University of Illinois at Urbana-Champaign (Jones, Molitor, and Reif 2019; Reif et al. 2020). Randomized controlled trials (RCTs) are widely regarded as one of the most rigorous study designs in scientific research. Through the random assignment of participants into treatment and control groups, researchers can isolate the causal effects of an intervention on a population.

The datasets, including University of Illinois administrative data, biometric measurements, and health insurance claims data used in the case help to investigate whether the purported health benefits of workplace wellness exist and characterize who benefits from them. The results will assist policymakers and firms in understanding their distributional effects.

Objectives

* What kind of effects do financial incentives have on participation in workplace wellness programs?
* What kind of employees are most likely to benefit from these programs, and who is more likely to select to participate?
* What are the effects of these programs on health care costs, health care utilization, well-being, and productivity?