

## Enhancing the Employee Wellness Program in Tempe, Arizona

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*Tempe employees participate in an enrollment event for the new employee wellness program.*

*As part of Bloomberg Philanthropies' What Works Cities initiative, the GPL provided pro bono technical assistance to help the City of Tempe apply results-driven contracting strategies to improve the outcomes of its employee wellness program.*

**The Problem:** Tempe's employee wellness program provides low-intensity supportive health and wellness services to all City employees. However, the City had not clearly articulated the goals of the program nor set in place a method for evaluating the impact of the services. With the contract nearing the end of its term, Tempe saw an opportunity to use results-driven contracting to implement performance metrics and to drive better outcomes through active management of the contracts.

**Applying Results-Driven Contracting Strategies:** To incorporate results-driven contracting strategies, Tempe and the GPL:

- 1) **Released a request for information (RFI) to gather information about innovations in employee wellness programs nationwide.** The RFI allowed Tempe to a) inform potential vendors about the upcoming request for proposals (RFP), b) learn about innovations in employee wellness programs, and c) identify potential metrics for program evaluation. Tempe received 12 responses to the RFI from vendors of different sizes and offering a variety of program models.
- 2) **Defined key goals of the employee wellness program.** The GPL helped Tempe define the primary goals of the employee wellness program: to improve the overall physical health

and financial wellness of employees; to increase workplace engagement; and to decrease Tempe's healthcare costs. Tempe specified these three goals in the RFP to signal to providers the intent of the program. As a result, providers submitted responses that were tailored to Tempe's needs and clearly described how they planned to achieve the City's goals.

- 3) **Incorporated performance metrics into the RFP to measure progress towards the City's goals.** Tempe defined the following key metrics in its employee wellness RFP but also provided flexibility for adjusting metrics based on recommendations by the service provider:

- Reduction in negative health outcomes;
- Changes in health-related visits;
- Reduction in absenteeism;
- Increase in physical activity; and
- Participation in the wellness program.

By including program goals and metrics in the RFP, Tempe laid the groundwork for obtaining the data necessary to evaluate program performance during the course of the contract.

- 4) **Established a governance structure to review progress and refine program design year-over-year.** The RFP required providers to submit specific data on a monthly and quarterly basis. This data will provide the City leadership with insight into the overall impact of the program and help identify which components of the program have the greatest impact. Tempe can use the data to identify performance trends and make real-time changes to improve the program as needed.

**The Results:** Tempe received 18 responses to the employee wellness program procurement. This positive response will enable the City to select a qualified provider that is open to collaborating with the City on program design and implementation. Tempe is also considering piloting performance-based payments in future years of the five-year contract.