H-E-B: A History of Investing in Employee and Customer Health

H-E-B has used its position as the largest employer in Texas (85,000 Partners) and retailer with the largest presence (more than 300 locations across the state) to demonstrably impact individual health for the past 1½ decades. Some of its efforts, like the Slim Down Showdown, have been well-publicized while others fall into the category of “stealth health.” Read on to learn how this business has figured out how to motivate healthy behaviors without negatively impacting profits.

According to Kate Rogers, H-E-B’s Vice President of Communications and Health Promotion, the company’s strategies are driven by a philosophy of Partners first, and if it works internally, expand to stores and communities as applicable. Like many large, self-insured businesses, the company focused first on its 85,000 individuals (Partners and their dependents) who are covered by the H-E-B health plan. Initially, employees earned what the company called “Healthy Action Credits,” in essence, insurance premium credits, for participating in wellness activities. Over the past seven years the company has transitioned from rewarding action to rewarding outcomes. Employees get their biometrics screened, usually at a store pharmacy where their numbers are sent directly to the company’s payer, Blue Cross Blue Shield of Texas. Participants are coded red, yellow or green based on these measures. If all measures fall within normal ranges, they are coded as green and earn a cash bonus at the end of the fiscal year. If any measures are abnormal (eg. coded red), Partners must participate in a related wellness activity such as an online class or individual coaching in order to earn the bonus. The company also recently opened two holistic health clinics near their manufacturing and transportation operations and their corporate offices in San Antonio. These “medical home” model clinics offer dietetic counseling and health coaching services in addition to primary care to employees who live and work nearby.

As anyone who lives in Texas knows, H-E-B is a huge supporter of community events. When the company rewarded employees for healthy actions (vs. the current outcomes-focused model), participation in health-oriented company-supported events, like the Susan G. Komen Race for the Cure, could earn you credits. This is no longer the case and Rogers admits that she has mixed feelings about this link between action and health outcomes being broken. “If we don’t provide opportunities for Partners to get engaged and stay engaged in their health, the conversation dies down. Too, people have to see health can be fun, and many of these activities are.” With the elimination of healthy action credits for activities that are not considered medical interventions, employee participation in some of these events has decreased.

The company’s community-facing health-promotion work can be divided into three categories: Products, Information and Services. The Product component is variously the most and least visible of these efforts. Visible are produce departments with increased variety and assortment and favorable prices for fresh fruit and vegetables. H-E-B has invested millions of dollars in efforts to source and provide produce at lower prices. Also, many stores have a big line of organic products, as well as dedicated gluten-free and healthy living sections. Less visible are the company’s efforts to increase the healthfulness of its store-branded offerings. The company has spent the last several years doing a “sku by sku” analysis of the product ingredients of all store brand products, their purpose, and whether known substitutes exist that are healthier and wouldn’t sacrifice flavor or texture or increase cost if included. They are using this information to reformulate products and will launch a line called H-E-B Select Ingredients this fall that contain fewer artificial colors and additives.

The Information component of customer-facing work includes the nutrition labels on shelves, brochures available in pharmacies, and health information available on the store’s website and via the H-E-B smartphone application. In addition, the Communications and Health Promotion team created a book, initially intended for internal circulation, that
spells out H-E-B’s philosophy on health and wellness; its contents have since been made available to consumers.

The grand vision of the Health Promotion team is that H-E-B’s stores will be an integral component of the continuum of care for H-E-B customers with chronic conditions. When patients are diagnosed with a condition, like diabetes, they are frequently overwhelmed and confused by the information given to them at the doctor’s office. The Services component of H-E-B’s consumer-facing health promotion work seeks to build off the reality that its stores are “points of choice” where targeted interventions can help consumers put into practice recommendations made by their doctors. With this in mind, the company has placed eight registered dietitians (RDs) in stores throughout the state. They give store tours, lead classes about how to make more healthful choices, and organize community programming. The best known of these programs is the Slim Down Showdown, which aims to build skills that support sustained weight loss. RD’s work alongside contestants to teach skills like meal planning and preparation, avoidance of healthy eating pitfalls, and recognition of emotional and social stressors.

In addition, other employers contract with H-E-B to bring these nutrition services to their employees. The company has gone the extra mile necessary to see its grand vision become reality by ensuring its RDs are covered by most major insurers in Texas. This means that the nutrition counseling they provide can be covered by customers’ insurance plans if they have relevant conditions, like diabetes. Thus, a patient with diabetes who is confused about what changes she should make to her diet can meet with a dietician in-store where purchasing decisions are made to work through the practicalities of making the recommended modifications, and it is likely to be covered by her insurance.

Results. H-E-B has been tracking data on a cohort of 28,000 partners for several years to monitor the impact of its various programs and services on employee health metrics. In addition, biometric data is collected from Slim Down Showdown participants as well as clients who receive nutrition services. For employees, working one-on-one with a dietician has the most impact on biometric data; when this is combined with a class, the results are amplified. Specifically, those Partners who engaged in medical nutrition therapy with a dietician combined with a group class showed the greatest improvement in BMI, blood glucose and cholesterol. Additionally, over the past six years, Slim Down Showdown participants have lost a total of 7317 pounds (on average 35 pounds per contestant). In a recent survey of past participants, 60% of the 102 respondents indicated they have been able to successfully maintain or improve their weight loss post contest.

Rogers says some of the past contestants have positively impacted entire communities. This happens when one individual has great results from an H-E-B initiative and becomes an evangelist for his/her community. Such is the case in Victoria where one customer saw success through the Slim Down Showdown, motivating him to start a local fitness club. Every year, at least one new person from Victoria participates in the program as a result of his initial success.

The Future. Rogers has some very specific (and big) goals for H-E-B’s health promotion programs over the next five years. First, she would like to build the RD team from 8 to 35. Since this will mean that RDs are still only available in 12 percent of stores, she would also like to leverage technology to make nutrition services available to any customer, anytime, anywhere – a “dietician in your pocket,” in other words. Lastly, she would like to include more culinary medicine into their Partner education and community outreach programs in ways that will meet low-income customers where they are on their health journey. “The secret lies in cooking,” she says, “in teaching people how to prepare foods they love in healthful ways.”

Tips for others:

» Don’t let perfection keep you from doing something. It is better to err on the side of doing to get the ball in motion and then make improvements as you learn from your experiences.

» A lot of organizations cite resources as barriers to implementing workplace wellness initiatives. It doesn’t need to be expensive. You can do a break room makeover or have a fitness challenge without spending much. Too, there is no need to invest in a health tracking platform; free products like MyFitness Pal work just fine for smaller organizations.

» The support of leadership is critical. Not just stating support but also role modeling and walking the talk. If you do nothing other than get leaders to model the behaviors you want to see changed in your employees, it will have great ramifications.

» Know that there will be resistance to health promotion / wellness efforts. Some people don’t feel health and wellness should be a part of the conversation at the workplace. Don’t let that stop you.