

Communicating Value-Based Benefits

Employee Research Project Results



April 2012
FINAL REPORT

*A project of the Midwest Business Group on Health,
the University of Michigan Center for Value-Based Insurance Design
and Buck Consultants*

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About the Research

- In 2011, three organizations, each dedicated to better understanding the impacts and importance of communicating health, health care and health benefits to employees and families, embarked on this important research project.
- The project gathered feedback from employees on various concepts inherent in value-based benefit design and assessed their perceptions on health, health enhancement initiatives and the use of incentives.
- The results of this project provides recommendations to help employers:
 - More effectively implement and communicate value-based benefit design provisions in employer-sponsored health benefit plans
 - Design ongoing communication that reinforces existing value-based features
- The project was sponsored by:



Midwest Business Group on Health
Powerful Connections, Vital Solutions

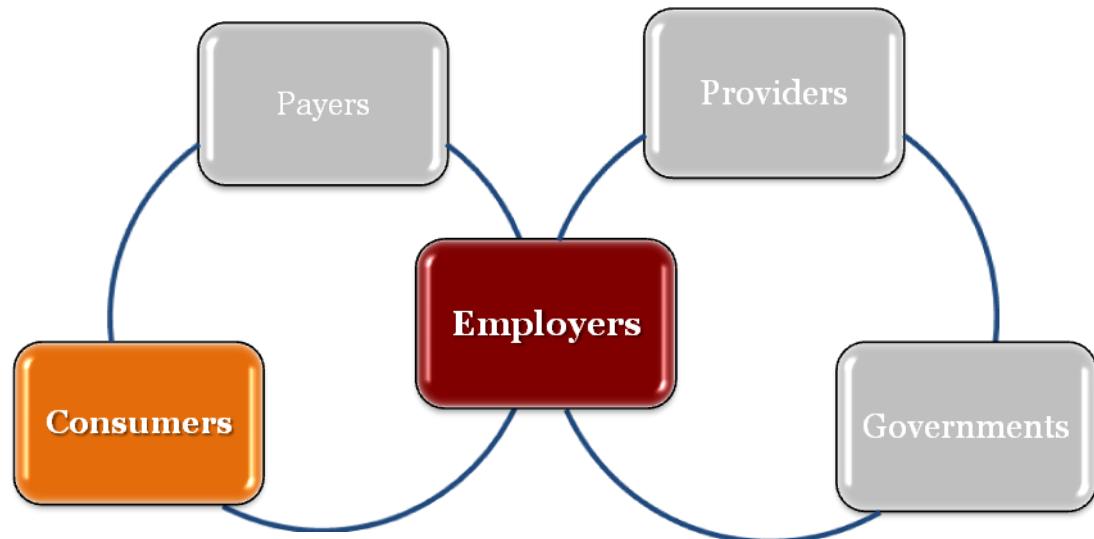


The University of Michigan
Center for Value-Based Insurance Design



Research Focus

The project focused on two key health care stakeholder groups; the employer and consumer (i.e. employee, patient, family member, retiree).



Research Objectives

To help employers:

- Better understand how employees will react to value-based benefit design concepts before they are implemented
- More effectively communicate value-based benefit design features
- Identify and address potential implementation barriers
- Determine how best to engage employees in their use and understanding of these benefits
- Evaluate various communication messaging with employees regarding value-based benefit design using four scenarios; each focused on the level of coverage and the value a consumer receives from the product or service

Process Overview and Participant Summary

- Conducted 12 focus group discussions with employees
- Focus groups conducted in April 2012
- Co-facilitated by MBGH and Buck Consultants
- Represented employers included four mid- to large-sized, self-insured, private companies from the Midwest and Pacific Northwest
- Total of 124 employees participated
 - 64 salaried employees
 - 60 hourly employees
- Participants selected randomly by HR/benefits staff
- Sessions held during work hours; participation was voluntary

Key Themes

The following provides a summary statement for each of the four value-based benefit design scenarios.

Employees:

- Are familiar with and generally buy into incentives for health assessments and biometric screening, but most report that knowing their health risks did not necessarily encourage them to change their behavior
- Agree that incentivizing people with chronic illness to regularly take their medications is a good thing, but some people also want to have incentives built in for those who live healthy lives
- In companies that do not have a well-established coaching program, employees saw health coaching as appealing; but employees whose company had a current coaching program reacted negatively to phone-based coaching negatively as they felt the coaches were impersonal.
- Are skeptical about enhanced benefits for using “high quality” providers, questioning how the ratings are conducted and concerns about access issues

Warm-up Discussion Summary

At the beginning of each focus group session, an initial “warm-up” discussion was conducted allowing employees to provide input on two broader topics; deteriorating health and rising health costs. Below is a summary of employee comments for each of these topics.

Topic #1: The Health Care Landscape – Deteriorating Health

Message

- Studies say as much as 70% of chronic disease is preventable or modifiable, but the number of individuals with chronic disease is skyrocketing and many are not receiving the appropriate care

Employee response

- Why do you think America’s health is declining?
 - Nutrition
 - Too busy to eat nutritiously – “*People don’t cook at home anymore*”
 - Processed foods are full of chemicals and calories
 - Poor food choices; availability of fast food – “*We are a culture of convenience*”
 - Cultural differences – “*In other countries they eat to live but in the U.S. we live to eat*”
 - Lack of exercise
 - Other reasons:
 - Stressful lives; worries about time and money
 - The out-of-pocket cost to see a doctor – “*It’s expensive to go to the doctor, even when you have insurance; I’ve got enough bills as it is*”
- Do you believe that many of our health conditions could be avoided?
 - All agreed “yes” – “*You have to be in charge of your own health, you have to work on it*”

Topic #2: The Health Care Landscape – Rising Costs

Message

- The United States spends 50% more on health care than any other country in the world, but does not achieve better outcomes on many important health measures (e.g., life expectancy)

Employee response

- Why do you think America’s health care costs are growing – and at a faster rate than in other developed countries?
 - Health care “system”

- The cost of malpractice insurance, unnecessary tests ordered to protect against lawsuits
- Greed – “*It’s a money-making industry and there is money to be made*”
- Over-prescribing of medications – “*There’s a pill for everything; it’s easy for doctors to just prescribe*”
- Health care “consumers”
 - People are living unhealthy lives (poor diet, processed foods and lack of exercise), which leads to more use of health care
 - Over-use of health care system (e.g., emergency room visits; “*Some people go to the doctor too often – even for sniffles*”)
- Both “system” and “consumers”
 - Overuse due to insulation from actual costs – “*We lose sight of how much medical care really costs when we have insurance*”

Using What We Learned: Employer Recommendations

Employee Views on the Health Care Landscape



- Since employees are aware of the issues of deteriorating health and rising costs, employers should focus communication efforts on actionable ideas to improve health and control costs
 - Help employees learn how to ask questions about cost and quality:
 - Provide sample questions that can be used for doctor visits
 - Arm employees with instructions on how to use research resources
 - Include cost and quality information in benefit communications
- Consider using real-life employee examples to combat the sense that people don’t have the power to make positive change and use peer influence to inspire others
- Provide resources (e.g., interactive websites, mobile tools, events) on cost-effective and fast ways to eat healthy and stay fit
- Assess, implement and promote ways the work environment can support good health, e.g. cafeteria and vending food choices, walking trails, ergonomics

Summary of Employee Reactions to Four Scenarios

Scenario	Summary of Reactions
1. Rewards for Assessing Health (Preventive Care, Health Questionnaire, Screening)	<ul style="list-style-type: none"> • There is high awareness of this type of scenario, but most do it for the incentive • Only a few say it changed behaviors; there were mixed views on follow-up of HRA reports • Concerns about confidentiality of data; concerns about credibility of the screening vendor versus their doctor • There was low awareness that preventive care (and some drugs) is “free” and a part of their benefits
2. Medication Cost Varies per Impact on Health	<ul style="list-style-type: none"> • Agree it's good for those with chronic illness to take regular medications, but some concerns about favoring those who are ill; what about the healthy? • Skeptical about what medications would be selected for enhanced coverage
3. Rewards for Health Coaching Participation	<ul style="list-style-type: none"> • Strong dislike of intrusiveness, worry about making it mandatory • A few said health coaches made a difference: weight loss, smoking, diabetes • Face-to-face preferred, rather than on the phone
4. Pay Less for High-Quality Providers	<ul style="list-style-type: none"> • Considerable skepticism about who will do the rating and how it will be conducted • Many worried about adequate doctor/hospital availability in rural areas

Scenario #1: Rewards for Assessing Health

Message

Pay less for medical plan coverage if you complete a confidential questionnaire, such as a health assessment, to help you learn about your health risks or if you participate in a confidential biometric screening

Employee response

- What is your general reaction to your company's health assessment and biometric screening program?
 - Do it for the incentive (primarily hourly employees) – *"It's not about benefiting your health; people did it for the money"*
 - Not a lot of energy or enthusiasm about what they learned about their health
 - Not many thought it changed behaviors
 - Concerns about accuracy of the onsite testing
 - Meddling – *"I don't need someone telling me what to do; I already know what my issues are"*
 - Some positive reactions for raising awareness
- Did you participate in the assessment/screenings? Why or why not?
 - A majority did participate in the assessment/screening
 - Cited “the incentive” or to avoid an increase in deductible as reasons
 - Two sites said its part of the culture – *"We had to, or our deductible doubles!"*
 - Onsite made it convenient and promoted discussion among peers
 - Some said they wouldn’t do it on their own, so appreciated it
 - Some frustration from those who already regularly get preventive exams
 - Desire flexibility to have their own doctors’ results count
 - For those who didn’t
 - They trust their doctor more than an outside screening company
 - They were concerned about confidentiality – *"It's good as long as they don't sell the information"*
 - Some feared needles/blood draw
 - Some were in denial and indicated they did not want to know if they had issues – *"If I don't know it, it won't kill me"*
- Does this program help you better understand your health?
 - Most said “no”
 - *"They didn't explain the results to us"*
 - *"I did it for the incentive"*
 - Some said it helped them better understand their health status
 - *"Nudged me into losing weight"*
 - *"It caused me to talk to my doctor about cholesterol medication"*

- Do you think it changes behavior? Does it encourage people to better manage their health?
 - Only a few reported that it changed their behavior
 - Skepticism in the accuracy of the results and experience of screeners
 - Some said results were inconsistent with screening by their doctor
- Do you get regular preventive visits?
 - About half do not – due to time; “*I'm not unhealthy*”; or denial
 - Even though it's “free” – many are unaware; others fear cost surprises for miscoding visits or for extra/diagnosis charges
 - “*People pay \$150 a month for their cell phone but want health care to be free*”
- What did your company do to help you understand and participate?
 - Promoted during standing meetings (many said this was most effective), including integrating with health and safety announcements
 - Easier to reach the salaried groups since they have more meetings
 - “*If you miss it, it's not due to the lack of communication*”
 - One location included screenings within its health fair – seen as highly effective and a great way to draw in spouses
 - “*Our plant HR rep really talked it up and that got a lot to come*”
 - “*Our plant leaders know that if we don't encourage people and they miss out on our [high] incentive, it will damage morale, later*”
 - Payroll stub attachment, emails and posters also used (hourly)
- What ideas do you have to improve communication in the future?
 - Encourage at the management level to talk about it and promote it
 - Focus on the incentive to motivate employees to participate
 - Translation is key to success in certain locations; from posters to having Spanish-speaking leads announce and endorse in meetings

Using What We Learned: Employer Recommendations

Scenario#1: Employee Views on Rewards for Assessing Health



- Communicate assessments and screenings as the first phase in a journey to be healthier – package with descriptions of a comprehensive health enhancement program
- Communicate the different delivery options available to complete the assessment or screening
 - Make it as easy as possible
 - Offer easy sign-ups
 - Allow for make-up sessions when possible
 - Offer health assessment on site to ensure participation
 - Allow them to take the screening on work time
 - If able to include physician data into your metrics, allow for physician screening to count in lieu of screening
- Continue to use incentives to drive participation; build the expectation of shared accountability for health through communicating “we’re all in this together”
- Create a communication strategy that serves as a follow-up to the assessment or screening, one that focuses on behavior change
 - Remind employees about incentives they can receive once they complete the assessment or screening
 - Make sure reports are personalized, easy to understand and are actionable
 - Provide communications that encourage employees to take results to their doctor; incent them for taking the results to their doctor
 - Consider additional educational material on understanding “your numbers” and make it personal through examples and testimonials
 - Be sure to include information regarding your benefit offerings (e.g., preventative screenings, lifestyle/disease management programs)
- When possible promote employee health as it ties to an integrated “health and safety” strategy. This can also tie into the company’s business goals and is another way to highlight the importance of employee health to C-Suite.
- Be sure to get buy-in from leaders at locations (especially for the hourly) and to communicate the message with endorsement and repetition

Scenario #2: Coverage for Medications Varies Based on Impact on Health

Message

Employees with certain conditions receive prescription drugs and treatment supplies free or discounted if they follow certain requirements such as regularly taking their medications, seeing their physician and getting needed screenings. Individuals filling cosmetic-type medications such as acne cream, toenail fungus medication, hair-loss remedies (i.e. Rogaine) – would pay more of the share

Employee response

What would your reaction be if your company provided different levels of prescription coverage based on the impact the medication has on health? (Note: All participating employers are doing some of this already)

- Those who were positive (about half)
 - Some recognized that helping those with chronic conditions improve their health will have a long-term positive impact on cost for all
 - Most seemed to understand that healthy employees come to work and are more productive
 - Many asked, “What about rewards for healthy people?”
- Those who were negative
 - Concern about some medications being deemed unimportant to health
 - Passionate reactions to acne leading to serious mental-health issue
 - “Where do you draw the line?”
 - Equity: “Why should I be penalized for not needing medication?”
 - Concern about how it might affect behavior
 - Overly promoting medications –“Would it discourage people from looking at alternative treatments instead of just popping another pill?”
 - Discouraging compliance by charging more to the non-compliant – “Don’t they need help the most of all?”
 - Some confusion – “Would it be like now, where getting the lower cost depends on ability to convince your doctor on how to code it?”

Using What We Learned: Employer Recommendations

Scenario #2: Employee Views on Varying Medication Coverage



- Consistently communicate your company's benefit design and coverage options for prescription medications
 - Ensure employee understanding of current incentives, such as free or low-cost medications for certain chronic conditions
 - Teach employees how to talk with doctors and pharmacists about generics and alternatives that may be more cost-effective
 - Reinforce existing company benefits and programs to ensure the healthy stay healthy (free preventive care, other incentives and programs) and to support offering incentives for those with chronic illnesses
- Build readiness by educating employees on the cost of chronic illness and how high costs affect everyone in the health plan
- Provide examples of the cost and personal implications of not adhering to medications for life-threatening conditions
 - Pair with education on regular preventive visits
 - Provide education and resources to help employees in their decision-making process, discussing alternative therapies and helping reduce concerns about side effects, etc.

Scenario #3: Rewards for Health Coaching Participation

Message

- Individuals working with a free, confidential health coach will pay less out of pocket; coaches help employees manage chronic conditions, such as diabetes or hypertension, or improve their health, such as losing weight or quitting smoking

Employee response

- Does the health coach concept have a positive connotation to you?
 - Those who were positive
 - Support – “I would like to have the support and encouragement”
 - Education – “There is a lot of information out there and people need to be guided”
 - Approach
 - “I think coaching is a proven strategy that works”
 - Interest for “in-person” sessions to make it more impactful
 - “The phone is impersonal - I’m likely to just tell you what you want to hear”
 - Many admit just “going through the motions” in taking the calls to get the incentive
 - Those who were negative (mostly from one employer with an established phone-based coaching program)
 - Privacy – “Who is paying them?”
 - Cost – “How much will we end up paying for this? The money has got to come from somewhere”
 - Flexibility
 - Those regularly seeing their doctor didn’t see much value
 - “The company shouldn’t force you to use a coach to get a discount – there should be an alternative”
 - Not fair to hourly who can’t take time during the workday to talk to a coach
 - Intrusive and inconsistent (where phone-based coaching was well-established)
 - Calling too often – “I didn’t like them calling me every week, so I quit”
 - Different coach from call to call – “I don’t know you - I don’t want to talk to you”
 - Impersonal and same-old questions each time – “Robo-nurse”

- Inequity: A significant number of participants who said they don't have a condition that would merit a coach suggested the company offer on-site fitness facilities or gym discounts (benefiting and helping healthy people stay healthy)
- What would your reaction be if your company reduced or waived medical costs for certain chronic conditions if you agreed to work with a health coach?
 - Concern about approach
 - On-site nurse or visiting specialist (e.g., chiropractor) viewed as more effective, and could help reduce Workers' Compensation costs
 - Positive
 - A few mentioned a long-term cost benefit for everyone on the plan
 - Of all the scenarios, this one is seen by some as potentially having the most impact and involving the least number of employees
 - Inequity
 - *“How am I getting paid for being well?”*
 - *“This is so much about people with chronic disease – what about healthy people?”*
 - *“Shouldn’t they pay something – to have skin in the game?”*
 - A feeling that it is rewarding unhealthy people – *“What about a health club membership for healthy people?”*
 - Interest in having flexibility to choose other activities to qualify for enhanced benefits

Using What We Learned: Employer Recommendations

Scenario #3: Employee Views on Coaching



- Use surveys or similar tools to gather employee views to determine coaching program effectiveness and to drive future communication efforts
- Define a set of high-quality metrics with your vendors to track effectiveness of coaching services and determine outcomes
- Assess viability of offering on-site opportunities for coaching
- Investigate online live chat or mobile alternatives for a more personal and/or convenient interaction
- Consider hourly workforce schedules when designing your program, including paid time for participation, when possible
- Share testimonials to help inspire others; leverage positive social influence (e.g. employees as wellness advocates)

Scenario #4: Pay Less for High-Quality Providers

Message

- You pay less when you visit selected high-quality doctors and/or hospitals – rated based on quality metrics by the medical community
- You are encouraged to seek care from the physicians and hospitals who have proven they can deliver care that best manages – and improves – health

Employee response

- How would you react if your company implemented this value-based benefit design, where you pay less out of pocket when using high-quality providers?
- Positive:
 - Most of the groups had “initial” positive reactions (although many became skeptical or negative as they discussed)
 - “Who wouldn’t rather go to a high-quality doc if it’s cheaper?”
 - Interest in knowing what providers have better outcomes
 - “I’d like to pay less for better care” and “It’s a no-brainer”
 - Affirmation of the logic – “Sounds like Angie’s List”
 - Could see a benefit for those with certain conditions (e.g., heart disease)
 - “This would be okay if you lower rates for the high-quality tier, not just raising all costs”
 - Some already *travel 30 miles or more for better providers* – “*This is okay*”
- Negative:
 - Access
 - Concern in rural areas about driving too many people to a small number of providers; ability to even get in to see those chosen providers; travel distance to high-quality providers
 - Fear about having to change doctors
 - Skepticism on how “high quality” is defined:
 - *Where does the information come from?*”
 - Transparency would be essential so all could see how providers were selected and by whom
 - Concern about timeliness of ratings (keeping them updated)
 - *Too subjective*”
 - *Who is paying those objective third parties?*”
 - Concern that it doesn’t take into account the “relationship,” which is seen as very important – *You can be the best doctor in the world but if you don’t treat people well, then you are bad*”
 - Concern about any influence by the insurance company in the rating

- Impact on local health care providers
 - Unease that those hospitals not designated as “high quality” would lose patients and go even further downhill
 - *“Won’t the rates go up at those ‘high-quality’ providers if everyone starts to go there?”*
- Is there anything that is confusing?
 - Difference between this concept and current in- and out-of-network providers
 - *“How is this different from an HMO?”*
 - Some concluded that high-quality providers would charge less
 - *“Are providers rated now?”*
 - *“How far would we be expected to have to travel?”*
- What information would you need to be confident that providers in a high-performance network really did deliver quality care?
 - Wanted to understand “who” was doing the rating and what criteria they were using

Using What We Learned: Employer Recommendations

Scenario#4: Employee Views on Paying Less for High-Quality Providers



- Be sure to define new concepts, like “high-quality providers”, in your communications. Make sure that employees understand who the providers are and how the company will utilize them
- Provide detailed information about the organizations that are rating providers and the criteria used; Show employees how this differs from current offerings (i.e. in- and out-of-network costs)
- Communicate early and often to allow employees time to process information; provide a feedback mechanism (i.e. feedback survey or helpline#) so they can ask questions or provide comments
- Promote the benefits of having “better outcomes” – what does having this do for the employee? For the company?
- Use analogies like *Consumer Reports* when explaining an unbiased third-party analysis

Additional Considerations When Using This Type of Research

- Employee perceptions should be considered when implementing value-based benefit design strategies
- Results can be used as a starting point for planning your own approach
- Demonstrates that a value-based benefit design approach requires a planned communication strategy which:
 - Understands how messaging will be received by different employee groups
 - Provides clearly defined messages
 - Ensures cost and health improvement value for employees and their families
- This project is considered a pilot and additional analysis is likely as value-based designs evolve

About the Sponsors

Midwest Business Group on Health (MBGH) – A non-profit, Chicago-based 501(c)(3) business coalition representing the human resources and health benefits professionals of approximately 110 large, self-insured employers. Members represent over 3 million lives and spend more than \$3 billion on health care benefits on an annual basis.

Contacts: Cheryl Larson, 312-372-9090 x104 – clarson@mbgh.org
Margaret Rehayem, 312-372-9090 x103 – mrehayem@mbgh.org

The University of Michigan Center for Value-Based Insurance Design (V-BID Center) – The center leads in research, development, and advocacy for innovative health benefit plans, and provides resources on benefit design for employers, policy-makers, and researchers at www.vbidcenter.org.

Contact: A. Mark Fendrick, 734-615-9635 – vbidcenter@umich.edu

MBGH Research Partner, Buck Consultants – A human resources consulting firm providing innovative solutions in the delivery of HR programs and services. Buck's employee listening process helps companies understand employee opinions before implementing organizational change.

Contacts: Amy Finsand, 612-215-6941 – amy.finsand@buckconsultants.com
Ruth Hunt, 612-215-6933 – ruth.hunt@buckconsultants.com