



Midwest Business Group on Health

What Employees Think of VBID: *Findings & What Questions to Ask*

Midwest Business Group on Health



- MBGH founded in 1980 as a 501(c) (3) non-profit employer coalition by a group of large Midwest employers
- 120 large, self-insured public and private employers – Boeing, City of Chicago, Ford, Kraft, Navistar, Procter & Gamble, State of Illinois
- Members represented by senior human resources/health benefits professionals
- Members represent about 4 million lives and spend approximately \$4 billion on health care annually
- Founding member of National Business Coalition on Health



Value-Based Benefit Design Research Series

*Identifying the Triggers and Barriers to
Engaging Employees in Their Health Benefits
and Wellness Programs*

Key Research Findings: **Barriers**

Top barriers for employees to engage in employer-sponsored benefits and health-related programs include:

- Trust
 - *I don't like anyone knowing my personal health information.*
 - *What are they going to do with this information?*
- Time
 - *(The company) suggests work/life balance, but expect you to be here 10 to 11 hours per day. By the time I get home, I'm dragging.*
 - *Healthier cooking can cost more and seems to take more time.*

Key Research Findings: Barriers

- Money
 - *I can't afford healthy food.*
 - *My barriers are finances and convenience. I have long work hours. It's just not realistic.*
- Convenience
 - *If it's too difficult to incorporate into my lifestyle, I'm going to resist it.*
 - *There are limited healthy options (at work) compared to many types of burgers.*
- Stress
 - *It feels like they're shoving it down my throat. I understand everything they're telling me, but it's one more thing they're telling me to do.*



Midwest Business Group on Health
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What Employees Think of VBID: *Findings & What Questions to Ask*

What Employees Think of VBID



Research Objectives

Test messaging regarding VBID using four scenarios to help employers:

- Understand how employees will react to VBID concepts before implementing
- More effectively communicate VBID features
- Determine how best to engage employees in using VBID benefits

Overview

- 12 employee focus groups in April 2012
- Four large, self-insured private employers representing 124 employees
- Midwest and Pacific NW
- Selected randomly by HR/benefits staff
- Held during work hours; participation voluntary

Scenario #1: Rewards for Assessing Health



Message: Pay less for medical plan coverage (premium differential) if you:

- Complete a confidential questionnaire (e.g. HRA)
- Participate in a biometric screening

Q.What is your general reaction to your company's program?

- Do it for the incentive – *“It’s not about benefiting your health; people did it for the money”*
- Not many thought it changed behavior – *“I don’t need someone telling me what to do; I already know what my issues are”*

Scenario #1: Rewards for Assessing Health



Q. Did you participate in the assessment/health screenings?

- Majority did and cited “the incentive” as the reason
 - Onsite is convenient and promoted discussion among peers
 - Some said they wouldn’t do it on their own, so appreciated it
 - Frustration from those already getting preventive exams
 - Some want their own doctor’s results to count
- Those who didn’t participate
 - Trust their doctor more than a screening company
 - Confidentiality – *“It’s good as long as they don’t sell the information”*
 - Denial – *“If I don’t know it, it won’t kill me”*

Scenario #1: Rewards for Assessing Health



Q. Does this program help you better understand your health?

- *“It nudged me into losing weight”*
- *“It caused me to talk to my doctor about cholesterol medication”*

Q. Do you get regular preventive visits?

- Half do not citing lack of time
- Even though it’s “free” many are unaware of their existence
- *“I’m not unhealthy”*
- *“People pay \$150 a month for a cell phone but want health care to be free”*

Scenario #1: Rewards for Assessing Health



Q. How did your company promote the program?

- *Most effective.....During standing meetings*
- Integrated with health and safety announcements
- Payroll stub attachment and posters
 - *“Our plant HR rep really talked it up and that got a lot of people to come”*
 - *“Our plant leaders know that if we don’t encourage people and they miss out on the incentive, it will damage morale later”*

Using What We Learned



Employees are aware of the programs and will participate to earn the incentive, but don't believe it changes behavior

1. Continue to use incentives but build the expectation of shared accountability
2. Focus on follow-up
 - Personalized reports that are easy to understand and actionable
 - Include education on “know your numbers”
 - Make it personal through examples and testimonials
3. Tie the incentive to benefit plan design
4. Communicating confidentially and value of screenings is key

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



Message: Employees with chronic conditions get free or reduced meds if they follow certain requirements

Employees pay more of the share for cosmetic-type medications such as acne cream, toenail fungus meds, Rogaine

Q. How would you react if your company provided different levels of coverage based on the impact the medication has on health?

– About half saw this as positive

- Some recognized improving the health of the chronically ill can help control costs for everybody
- Most seemed to understand that healthy employees come to work and are more productive
- Many asked – *“What about rewards for healthy people?”*

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



Q (cont.)

- About half saw this as negative indicating concerns about some medications not being seen as important to health
 - Passionate reactions to acne leading to potentially serious mental health issues – *“Where do you draw the line?”*
- Equity – *“Why should I be penalized for not needing medication?”*
- Discouraging compliance by charging more to the non-compliant – *“Don’t they need help the most of all?”*

Scenario #2-B: Can Employer Interventions Improve Health?



Message: Employees with diabetes got free or enhanced benefits for medications and treatment supplies when they received screenings and coaching from local pharmacists

Q. Do you agree with the concept?

- Some were doubtful
 - *“If you give people free health care does that incent them to be unhealthy?”*
- Concern this would decrease focus on prevention
- Some saw “trusted advisor” support as positive
 - *Idea of talking with a pharmacist is something they could try now*

Using What We Learned



Many employees reacted negatively to the ideas and didn't readily see how it could benefit everyone in the plan for the long term

1. Communication is key – build readiness; educate on the cost of chronic illness
2. Communicate company philosophy and coverage for prescription meds throughout the year
 - Incentives (free or low-cost meds)
 - How to talk with doctors and pharmacists about generics and alternatives
 - Integrate information on what you already offer to ensure the healthy stay healthy (free preventive care, other incentives and programs)
3. Provide examples of implications of not adhering to drugs
 - Pair with education on regular preventive visits

Scenario #3: Rewards for Health Coaching Participation



Message: Individuals working with a free, confidential health coach pay less out of pocket

Q. Does the health coach concept have a positive connotation to you?

- Those who saw it as positive
 - *“I would like to have the support and encouragement”*
 - *“I think coaching is a proven strategy that works”*
- There was interest in “in-person” sessions to make it more impactful
 - *“Phone is impersonal and I’d likely just tell you what you want to hear”*

Scenario #3: Rewards for Health Coaching Participation



Q. (cont.)

– Negative

- Privacy – *“Who’s paying them?”*
- Flexibility – those regularly seeing their doctor didn’t see much value
- Intrusive and inconsistent
 - Calling too often – *“I didn’t like them calling every week, so I quit”*
 - Different coach each call – *“I don’t know you and I don’t want to talk to you”*
 - Impersonal and same-old questions each time – *“Robo-nurse”*

Using What We Learned



Employees had mixed reactions; negative on phone-based coaching and positive on the idea of coaching

Gather employee views to determine coaching effectiveness and to help drive future communication

1. Ensure coaching vendors are doing their job and using high-quality metrics to track effectiveness and integrating quality outcomes
2. Assess viability of offering on-site opportunities for coaching
3. Consider hourly workforce schedules, including paid time for participation
4. Share testimonials to help inspire others
5. Address issues of confidentiality via communications to address sensitivity

Scenario #4: Pay Less for High-Quality Providers



Message: You pay less when you visit carefully-selected high-quality doctors and/or hospitals rated based on metrics by the medical community

Q. How would you react if your company had you pay less out of pocket when using high-quality providers?

– Positive:

- Most had “initial” positive reactions; later turned negative
- 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 certain conditions

Scenario #4: Pay Less for High-Quality Providers



Q. (cont.)

- Negative:
 - Access in rural areas
 - Driving too many people to a small number of providers
 - Fear about having to change doctors
- Skepticism on how “high quality” is defined; need transparency to see how providers were selected and by whom
 - *“Where does the information come from?”*
 - Doesn’t take into account the existing “physician/patient relationship”
 - Influence by the insurance company in the rating
 - *“Who is paying those objective third parties?”*

Scenario #4: Pay Less for High-Quality Providers



Q. (cont.)

- Impact on local health care providers; concern that hospitals not designated as “high quality” would lose patients
 - *“Won’t the rates go up at those ‘high-quality’ providers if everyone starts to go there?”*

Q. Is there anything that is confusing?

- Difference between this and current in- and out-of-network providers
 - *“How is this different from an HMO?”*
 - Some concluded that high-quality providers would charge less

Using What We Learned



Employees were skeptical and became increasingly negative as they thought about it

1. Communicate early and often to allow employees time to process information
2. Help them to understand the concepts behind “high-quality providers” and that *High quality = Lower costs*
3. Be transparent by providing detailed information about the organizations rating providers and the criteria they use
4. Promote benefits of “better outcomes”
5. Show employees how this differs from current in- and out-of-network

Key Themes



1. Incentives for health assessments and biometric screening
 - Employees generally participate for the incentive but don't believe it changes behavior
2. Varying coverage of medications based on health impact
 - Agree with incenting chronically ill to regularly take medications, but want incentives for healthy people too
3. Rewards for health coaching
 - Those not currently in coaching see it as appealing; phone-based coaching is seen negatively by those using it
4. Pay less for using high-quality providers
 - Skeptical about definition of “high quality” and worry about access to existing physicians

Conclusions About This Research



- Offers employee perceptions to be considered when implementing VBID strategies
- Demonstrates that a VBID approach requires a planned communication strategy that:
 - 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
- Can be used as a starting point for planning your own approach

Bottom-line: *Communicate...Communicate...Communicate!*

Thank you!



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