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## Health Consumerism: Evaluating Options, Deploying Solutions and Measuring Impact to Get to the Right Results

National Consumer Driven Healthcare Summit

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## Goal: Prudent care seeking

### Progress report on designs and integration

- Offer account-based plan: 11% (but 37% of jumbo employers)
- Expect to offer account-based plan 5 years from now: 60%
- Use salary-based cost-sharing: 11%
- Health plans and health management plans are largely integrated: 48% of employers
- Disability and health programs are largely integrated: 12%
- WC, health, and disability are largely integrated: 10%
- Require plan vendors to share data: 34%
- Use consistent return-to-work approach for all types of disabilities: 67%

Source: Mercer National Survey of Employer-Sponsored Health Plans and Health, Productivity and Absence Management 2006



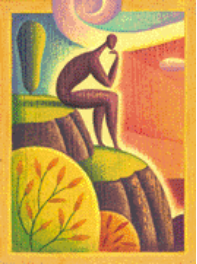
# Goal: Reduced & managed health risks

## Use of specific care management programs

	<u>All large employers</u>		<u>Jumbo employers</u>	
	2005	2006	2005	2006
<b>Provide disease or care management programs through specialty vendor/ request optional services from health plan vendor</b>	<b>25%</b>	<b>30%</b>	<b>55%</b>	<b>65%</b>
<b>Use incentives to encourage employees to use disease or care management programs*</b>	<b>13%</b>	<b>19%</b>	<b>23%</b>	<b>32%</b>
<b>Have attempted to measure return on investment (ROI)*</b>	<b>21%</b>	<b>23%</b>	<b>45%</b>	<b>50%</b>
<b>Of those that have measured ROI, % of employers that are satisfied with ROI</b>	<b>-</b>	<b>77%</b>	<b>-</b>	<b>56%</b>

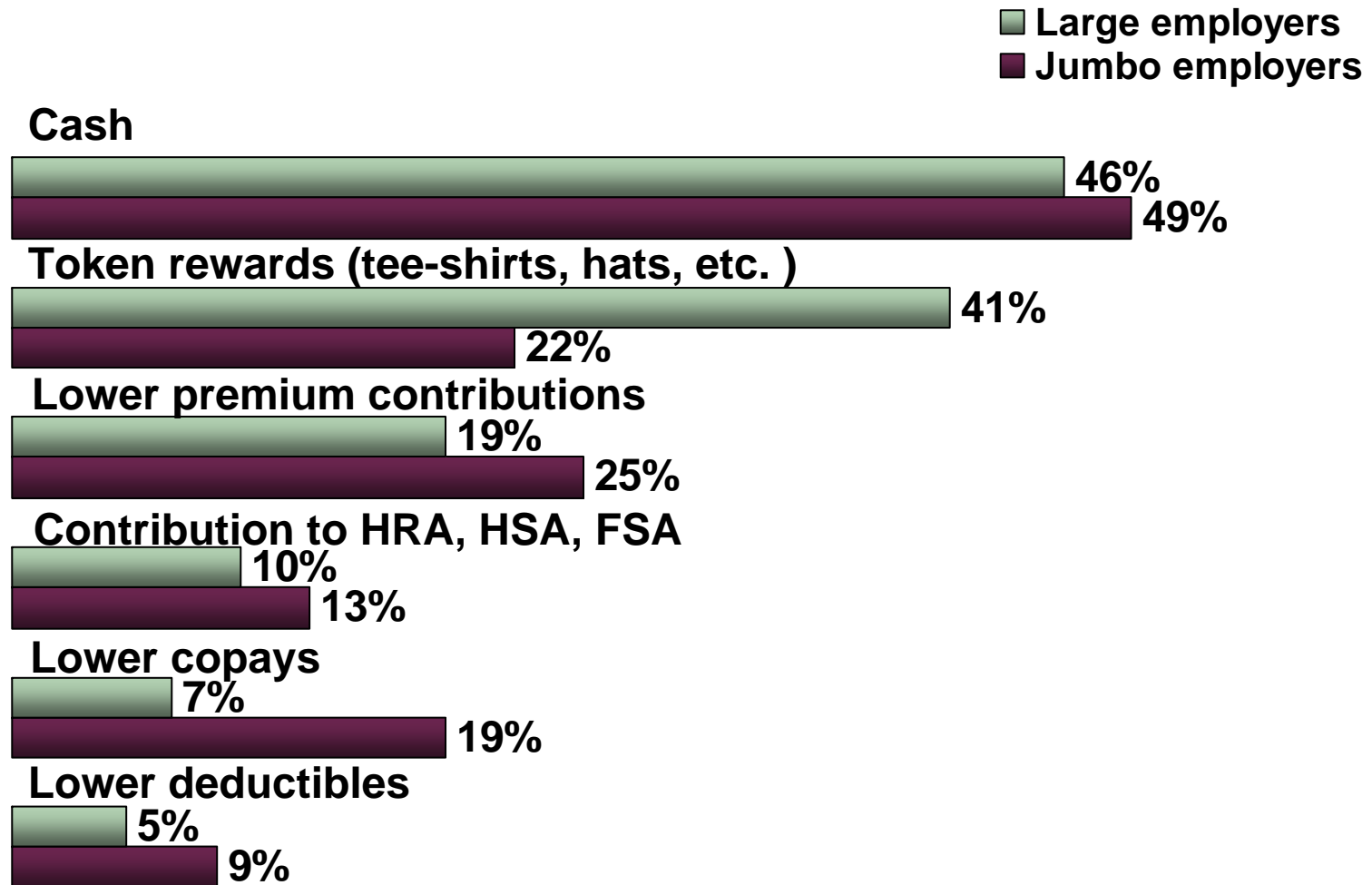
\*Among employers that offer disease or care management programs

Source: Mercer National Survey of Employer-Sponsored Health Plans 2006



# Reduced and managed health risks

## Incentives currently used

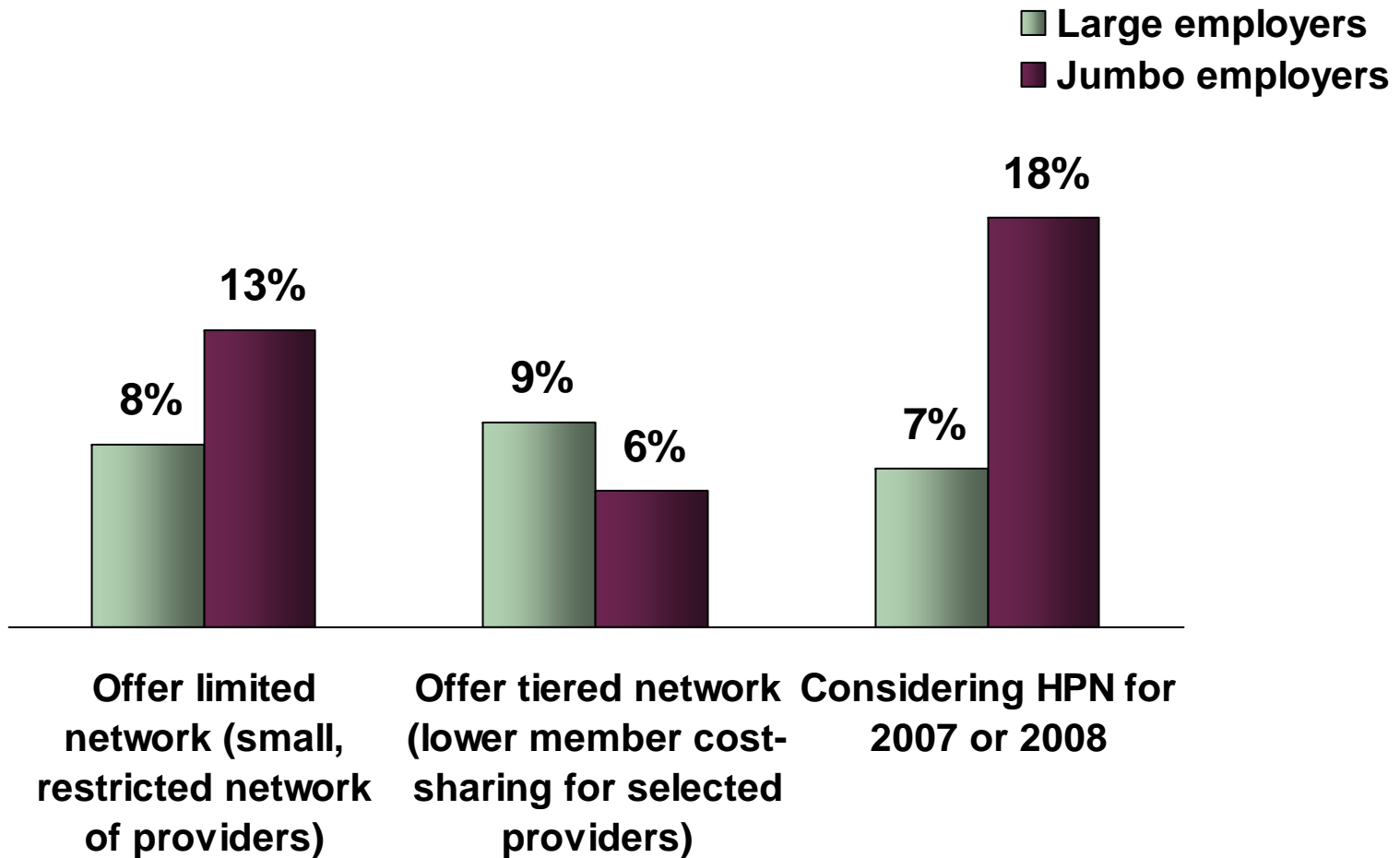


Source: Mercer National Survey of Employer-Sponsored Health Plans 2006



# Goal: High Quality, Efficient Care

## Employers Slow to Move to High-Performance Networks (HPN)

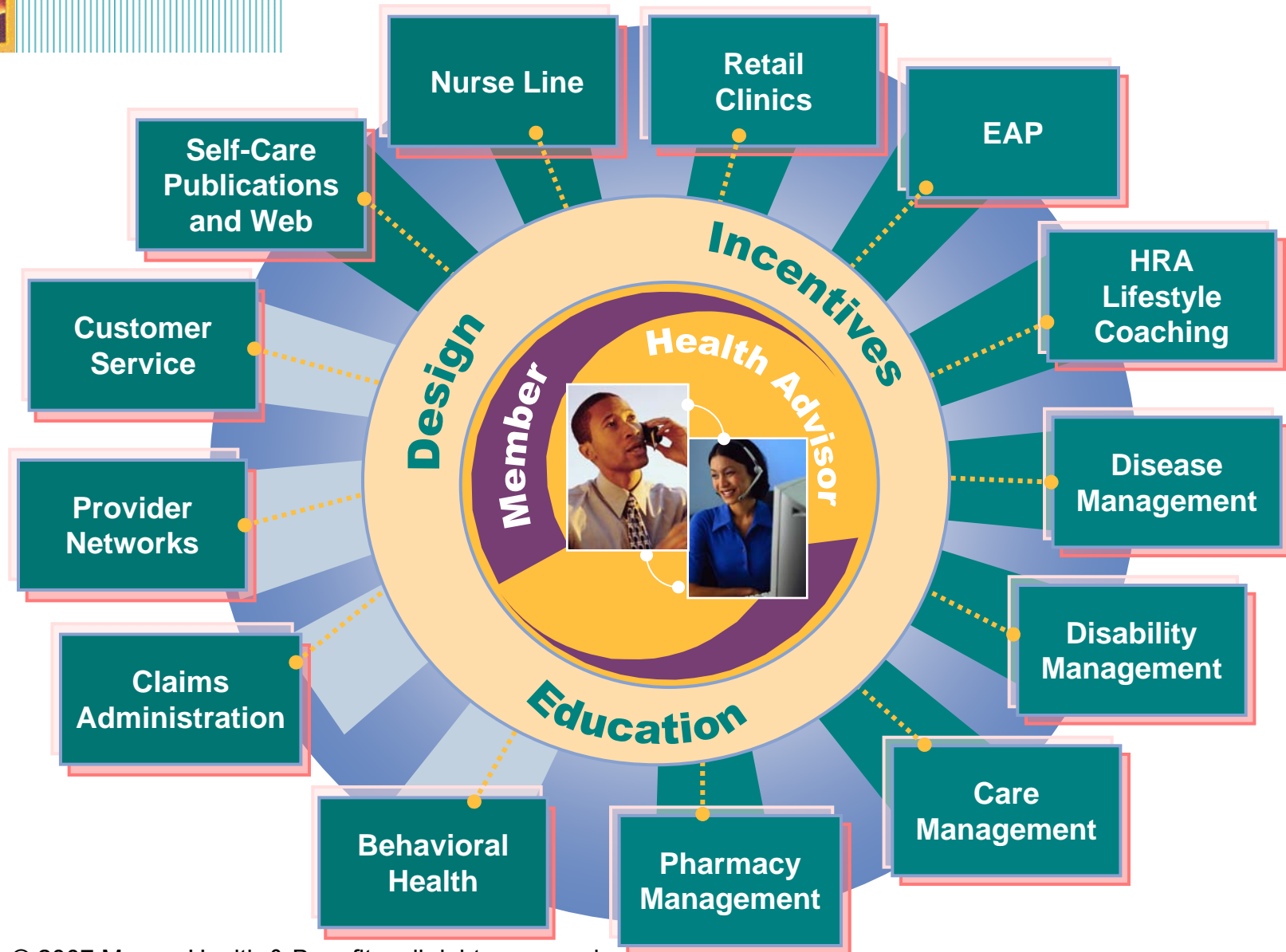


Source: 2006 National Survey of Employer-Sponsored Health Plans



# Goal: Outcomes driven programs

## The challenge of fragmented delivery





# Two different health benefit programs Both called CDH

## CDH (Cost-Driven Health)

- The primary focus: immediately reduce an employer's cost of health insurance.  
*(Little investment in helping employees become more informed and involved in their health care. Small or no account contributions, weak provision of tools, information, support, communication and education.)*

## CDH (Consumer-Directed Health)

- The primary focus: to help employees become more informed and involved in their health care, and control cost over time  
*(Significant investment in resources that support employees in being more informed, involved health care consumers. Meaningful account contributions, strong provision of tools, information, support, communication and education.)*



**Many articles highlight the opportunity and challenges of CDHPs – cost-driven health increases the chances for unintended consequences (significant dissatisfaction, avoidance of care, disproportionate impact to chronic/low paid, etc.)**



# Emerging program elements

## Expanding delivery of care settings and aligned offerings

- Voluntary or company-paid critical illness, sudden & serious, mini-med, hospitalization plans
- Health care credit, company backed or company enabled
- Pay for performance – over 100 sponsoring organizations
- HHS Value Driven Health and four cornerstones – CMS and other public and org quality / cost transparency
- Expanding care delivery model - remote-medicine, structured web visits / email, on-site / near-site clinics, retail clinics, concierge medicine, office-based surgery, centers of excellence, global sourcing
- Acceleration of medical vendor programs (e.g., Health Net's Decision Power, Aetna's MedQuery, United's Rewards for Action, WellPoint's 360 Health, etc.)
- Electronic medical records, personal health records
- Health advocates, coaches, concierges, counselors
- Incentives for not only health management, but education, participation, involvement and results





# Encouraging positive changes

## Activity vs. Results

- Activities like completing a health assessment, participating in a coaching session, engaging in or completing a lifestyle mgmt program, accessing tools/sites (common)
- Results such as lowering blood pressure, cholesterol, becoming tobacco free (emerging)

Biometric Measure	NIH Targets	High Targets	Low Targets
<b>Blood Pressure</b>	$\leq 120/80$	$\leq 130/85$	$\leq 140/90$
<b>LDL Cholesterol</b>	$\leq 100$ mg/dL	$\leq 130$ mg/dL	$\leq 160$ mg/dL
<b>Body Mass Index</b>	$\leq 25$ kg/m <sup>2</sup>	$\leq 27.5$ kg/m <sup>2</sup>	$\leq 29.9$ kg/m <sup>2</sup>
<b>Nicotine/ Tobacco Use</b>	None	None	None

Source: United Healthcare Vital Measures Program



# Incentive structures built into plan design

**Plan 1**

**Plan 2**

Claim Level	80%/60% Insurance Coverage to \$2,000 coins. max	80%/60% Insurance Coverage to \$2,000 Coins. Max
\$1,200	80%/60% Insurance Coverage to \$2,000 coins. max	\$400 "Bridge"
\$800		\$200 Incentive C
\$600	\$200 Incentive C	\$200 Incentive B
\$400	\$200 Incentive B	\$200 Incentive A
\$200	\$200 Incentive A	\$200 Base contribution

\* Funds into FSA or Reimbursement Arrangement

\* Fund into HSA



**Net Deductible:**  
**\$500**

*This employee earned all four credits and has a \$500 "net" deductible*



# Consumerism in action

## Innovative CDHP designs and consumerism support

A large retailer was interested in expanding their consumerism focus for 2007. They boosted enrollment five-fold in their HSA-based plan by adding matching contributions and enhancing coverage for preventive Rx, adding tools and support through a web health portal and providing educational benefit DVDs to their workforce.

\$1,750			Up to \$500 matching contributions from Company
\$1,500		Up to \$500 matching contributions from Company	
\$1,250	Up to \$500 matching contributions from Company		Up to \$500 pre-tax contributions from you
\$1,000		Up to \$500 pre-tax contributions from you	
\$750	Up to \$500 pre-tax contributions from you		\$750 automatic deposit from Company
\$500		\$500 automatic deposit from Company	
\$250	\$250 automatic deposit from Company		
	Associate only	Associate + Spouse/Child(ren)	Family

- For preventive Rx, waived deductible for both PPO and CDHP, plus waived co-pay if risk assessment completed

List of eligible medications provided by pharmacy benefit manager, including:

benefit manager, including:

- **Ace Inhibitors** (*high blood pressure, diabetes, heart failure*)
- **Antihyperlipidemics** (*high cholesterol*)
- **Antihypertensives** (*high blood pressure*)
- **Beta-Blockers** (*high blood pressure, heart attack prevention*)
- **Calcium Channel Blockers** (*heart disease, high blood pressure*)
- **Antidiabetic Drugs** (*diabetes, coronary artery disease, heart disease, prevention of blood clots causing heart attack or stroke*)
- **Antiasthmatics** (*asthma*)
- **Pediatric Vitamins w/Flouride, Prenatal Multivitamin Wife, FA**
- **Diabetic Supplies** (*diabetes*)
- **Diuretics** (*hypertension*)



# Health Incentive structures

## Integrated with the medical plan, or not

### Plan 1

### Plan 2

Claim Level	Plan 1	Plan 2
\$1,200	80%/60% Insurance Coverage to \$2,000 coins. max	80%/60% Insurance Coverage to \$2,000 Coins. Max
\$800		\$400 "Bridge"
\$600	\$200 Incentive C	\$200 Incentive B
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### 2006 Health Rewards Wellness Program Activities

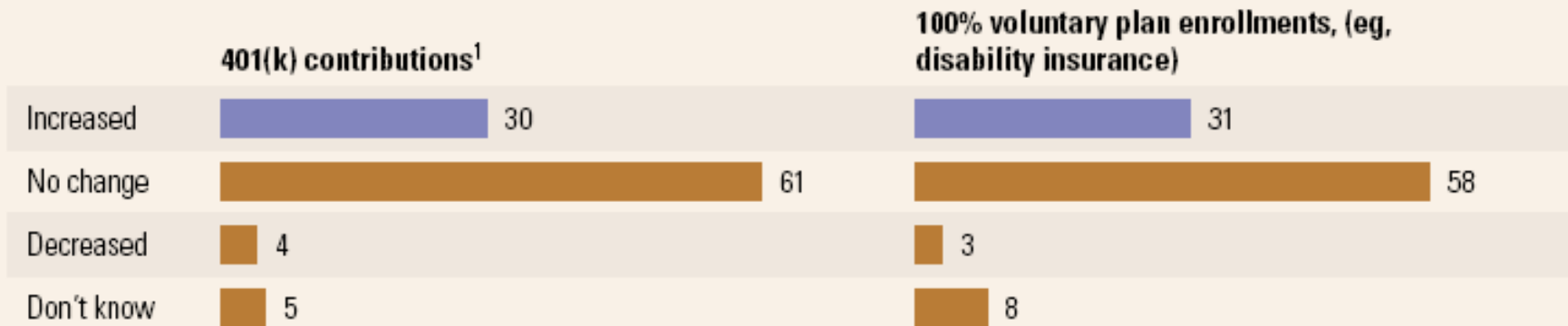
Activity	Credit Value	Max per Year
Complete Wellness Assessment	10 Credits if taken within 30 days of program start 4 Credits for second Wellness Assessment	14
Personal Wellness Plan	2	2
Physical Exam	2	2
Dental Exam	2	4
Vision Exam	2	2
Healthy Pregnancy Plan	2	2
8 Physical Activity Sessions (personal trainer, group exercise, etc.)	1	No Limit
8 Dietary Counseling Sessions (Weight Watchers, meet with Registered Dietitian, etc.)	1	No Limit
Learning to Lose Weight Online Program (coming soon)	4	4
Online Seminars	1	6
Personal Development Program	1	11
Recycling	1	11
Auto-conservation	1	11
Charitable Event (requires physical activity)	1	No Limit
Blood Donation	1	6
Resolve To Be Healthy Campaign	4	4
Tour de Stores Challenge (2005)	5	5
Chug A Jug Challenge	5	5
Fall Fitness Challenge	5	5
Tour de Stores Challenge (2006)	5	5
Be a Wellness Champion	2	2
Be a Challenge Team Captain	1	4



# New core health programs support and encourage use of other aligned programs

## Increased financial involvement

Change in employee participation in other benefits plans after company implemented a consumer-directed health plan, % of respondents whose company implemented CDHP (n = ~400)



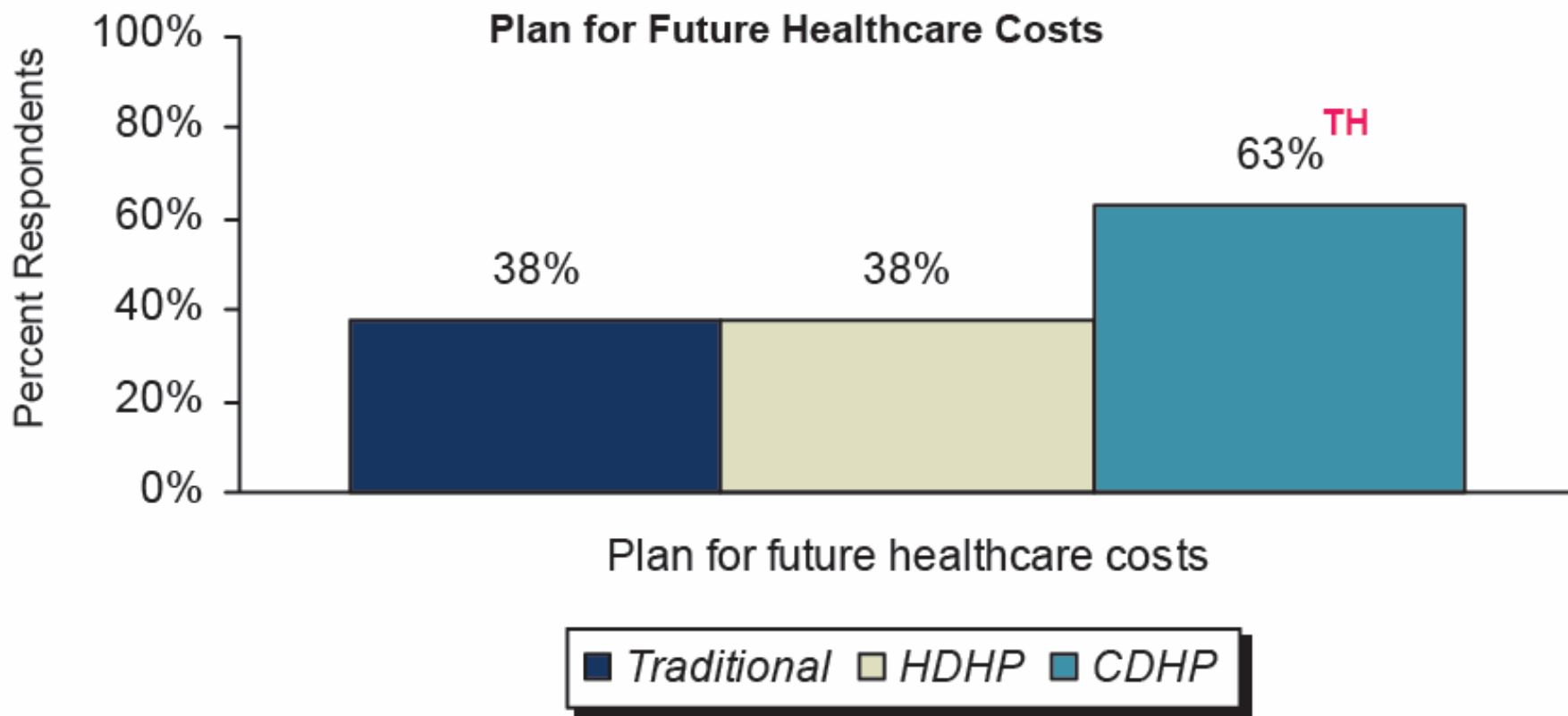
<sup>1</sup>Type of retirement plan available in United States that allows employees to make pretax contributions into an investment account for tax-deferred growth.

Source: 2006 LIMRA-McKinsey employer-consumer health care study



# Consumers planning for health costs

## Percentage of Consumers that Think about Healthcare Costs as They Come up, or Plan for Healthcare Costs in the Future

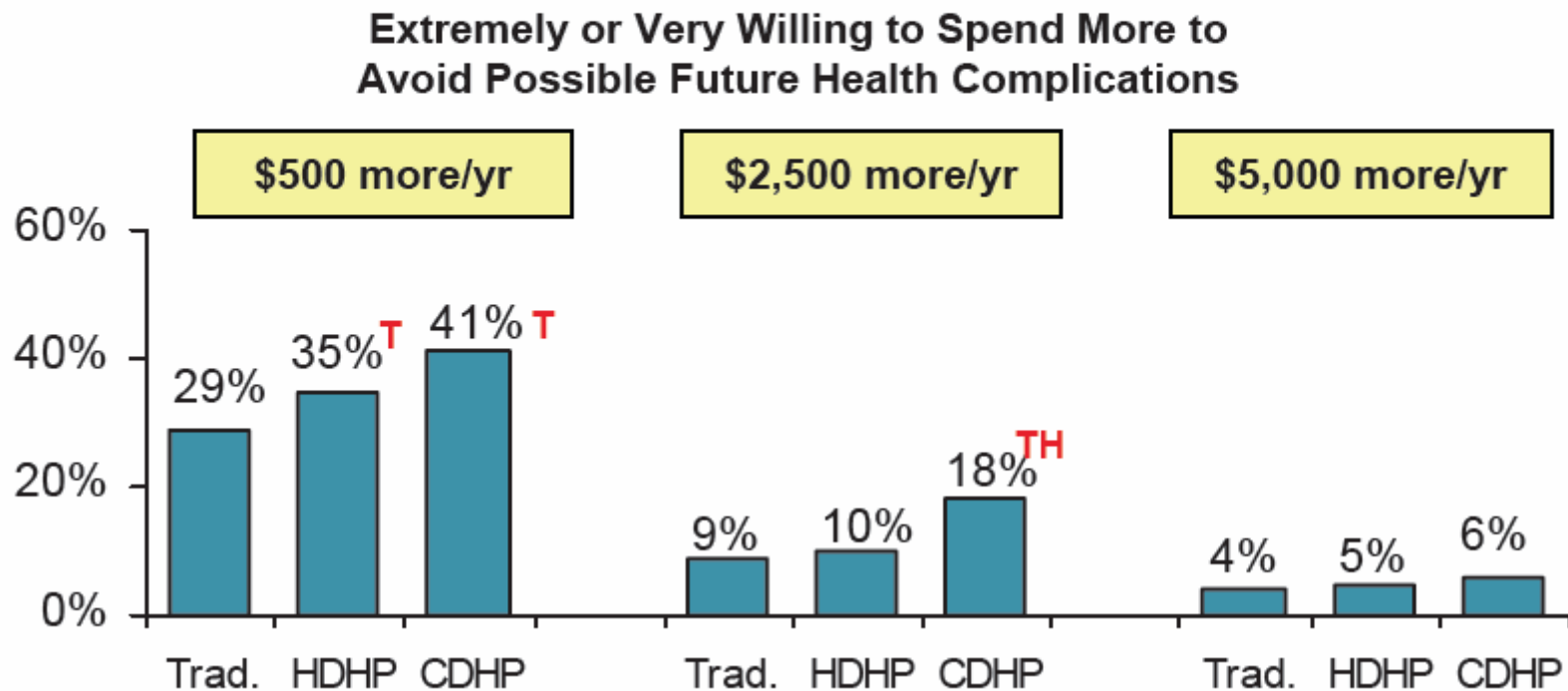


Source: Booz Allen Hamilton "The Shift to a Retail Health Care Market" 2007



# Consumers paying now to avoid adverse health event in the future

## Consumer Willingness to Spend more Now if it Might Lead to Fewer Health Complications in the Future

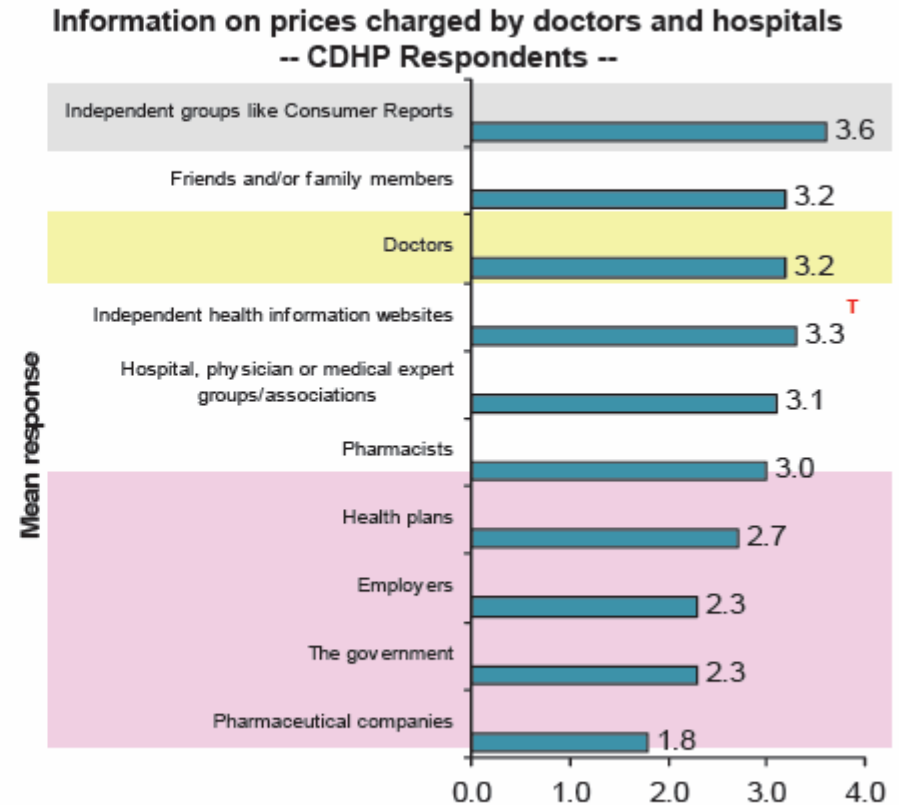
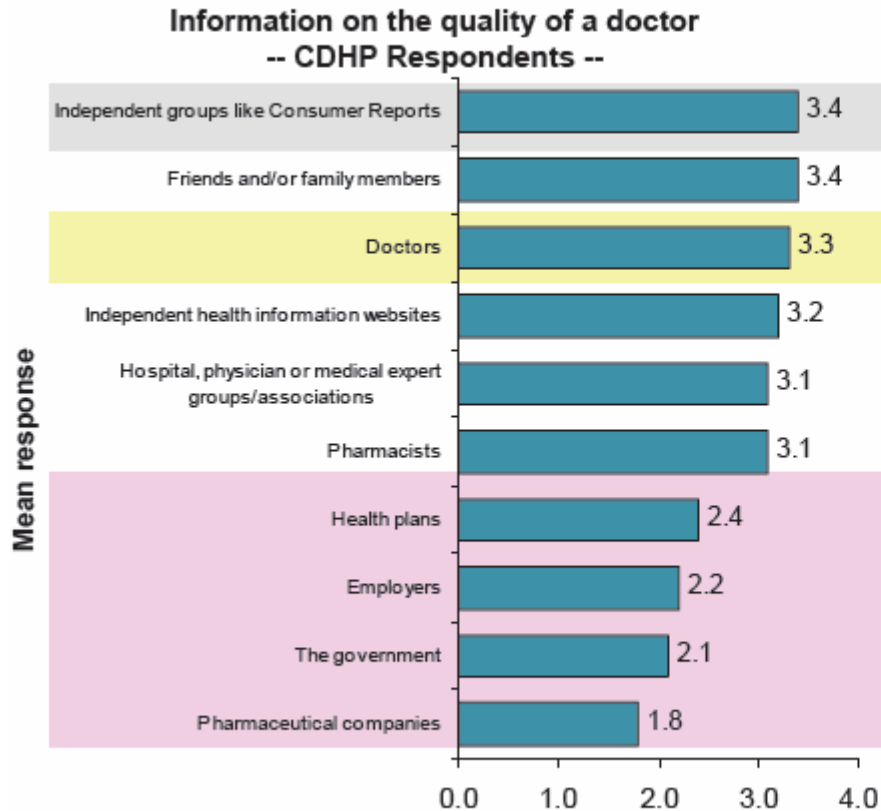


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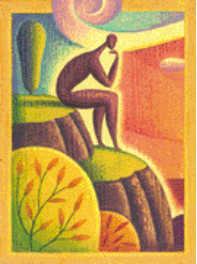
# Collaborate with trusted consumer sources

**Level of Consumer Trust in Sources of Healthcare Cost and Quality Information**  
(scale of 1 to 5, 1 means “do not trust at all” and 5 means “trust completely”)



**They are less trustful of traditional information suppliers such as health plans**

Source: Booz Allen Hamilton “The Shift to a Retail Health Care Market” 2007



# Adult facts of life (not X-rated)

- **Adults don't like to change**
- **Adults think learning means change and represents hard work**
- **Adult learning only starts after overcoming inertia**
- **Adults follow leaders; they follow crowds and early adopters**
- **Adults learn not from altruism but self-interest**
- **Adults learn personally – by pressing flesh and talking to real people**
- Advertisers aim at 18–24-year-olds not because they buy more; adults over 25 are unwilling to change buying habits and brands
- Never underestimate the lack of time available, or overestimate adults' desire to overcome laziness and use time wisely
- There needs to be a Big Bang, which only comes once and can't be wasted
- Don't start by aiming at the masses; get leaders and influencers up to speed first
- It's old-fashioned marketing: coupons, discounts, and promises of a better life
- Web sites and newsletters are not enough; training means door-to-door canvassing, campaign rallies, and real folks on the phone



# Metrics dashboard

## Keeping an eye towards success

### Leading Indicators

Program Participation (Quarterly)					Employee Satisfaction (Annual)		
<u>Program</u>	<u>Target</u>	<u>Q3-05</u>	<u>Q4-05^</u>	<u>Level</u>	<u>Target</u>	<u>2005</u>	<u>Level</u>
Health Assessment	70%	78%	60%	■	90%	85%	■
Health Improvement	70%	94%	29%	■	90%	90%	■
Lifestyle Management	70%	64%	44%	■	90%	100%	■
Chronic Condition Mgmt.	70%	38%	19%	■	90%	98%	■
Nurseline	12%	13%	13%	■	90%	97%	■
Self-care calls	30%	–	41%	■	–	–	–
Health Screenings	40%	32%	–	■	90%	98%	■
Campaigns	15%	27%	–	■	90%	96%	■
EAP Program	20%	–	9.5%	■	90%	98%	■
Expanded program	(future)	(future)	(future)	–	90%	(future)	(future)

### Impact Measures

#### Year-over-Year Comparison

- Healthy Behavior Score: 77.86 (beginning) | 83.42 (end)
- Self-efficacy: Nutrition +6.2% | Exercise +7.8% | Tobacco +12.7% | Stress +4.8%
- Motivation to change: Nutrition -5.5% | Exercise +3.3% | Tobacco no change | Stress +1.7%
- Health service utilization (5/06)
- Knowledge of preventive health issues (future)
- Overall health score (future)

### Outcome Measures

#### Healthcare cost management

- Year 1 ROI projected from risk reduction: 1.16:1
- 1% impact on trend year 3
- 2% impact on trend year 4
- 3% impact on trend year 5

#### Productivity Management (Planned future initiatives)

#### Status Level

- ≥ 95% Target
- 80 – 95% Target
- < 80% Target



# What if....

*...finding a doctor was as easy as....*



*...a Google search?*

*...keeping track of your medical history was as easy as....*



*...using Quicken?*

*...a health plan actually made....*



*... relevant suggestions to help you improve your health?*

*...going to the doctor felt like....*



*...staying at the Four Seasons?*

*...paying your bill was as easy as....*



*...going to the ATM?*

*...health plans and providers cared as much about your health....*

*...as your mother?*



*...getting good advice on your health....*



*...felt like talking with your financial advisor?*