



What Employees Think About Value-Based Benefits, Incentives & Employee Communication

Alliance Learning Circles™

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Employee Focus Group Research



- **Employer Readiness to Adopt Value-Based Benefit Designs - 2006/08**
- **Employee Focus Groups – 2008**
 - Three participating employers – total population 22,000+
- **Nine focus groups, representing 54 employees of various demographic segments**
 - Hourly/salaried; high/low income; high/low education; gender; rural/urban; GenY/GenX/Baby Boomers; union/non-union
- **Paper survey of participant views on health and employer role conducted prior to focus groups**



Employee Focus Groups – 2008 Research Objectives



- Help employers design, administer and communicate benefit, incentive and wellness programs for employees to:
 - Motivate them to alter their behavior or engage in a health-related activity
 - Encourage use of providers for services, tests or drugs that are shown to be more effective or provide higher quality
 - Discourage behaviors or the use of services, tests, drugs and providers when the evidence does not justify the cost or their use
- Identify the level of understanding employees have with the nomenclature used to communicate VBD benefits and wellness programs.
- Learn what it would take to get employees to participate in programs with VBD features – and what would “turn them off” from participating.



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Key Findings: Personal Health Management




- Employees have the desire and confidence to play an active role in managing their health, but are hindered by time, money and know-how.
- They are most confident in their ability to choose their own doctor, but usually rely on word-of-mouth and rarely look at other recommendations:
 - *“I trust my friends and family.”*
 - *“I don’t know where to go for that quality stuff [provider ratings].”*


Employers want to motivate employees to select quality providers, but they don’t believe there is sufficient information to enable employees to make informed decisions.




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Key Findings: Personal Health Management




- Employees lack confidence about the accuracy of the charges they receive for health care:
 - *“Waiting for the final bill feels like a crapshoot...I’m least confident I’m being charged correctly.”*
- They are “turned off” by programs perceived as requiring too much effort in relation to the results:
 - *“I stopped when the phone calls from [disease management vendor] took a long time, and I kept getting the same information.”*
 - *“I stopped Weight Watchers due to cost, and wondered why the company didn’t help with the cost and bring it to my location. Then, I would participate.”*




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Key Findings: Plan Design and Program Administration



- Employees want flexibility to choose from different programs to help them manage their health and the cost of health care...but they are skeptical of employer efforts to steer them toward or away from a particular program.
- They also want to be in the driver’s seat along with trusting their doctor to help them make decisions:
 - *“I’m very proactive. I start with preventive care to cover all the bases.”*
 - *“My rapport with my doctor is important. I want to feel he cares about me and wants to resolve the issue from beginning to end.”*




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Key Findings:


Plan Design and Program Administration



- Confidentiality was a big concern – especially when employers begin to get “too involved.” Employees wonder how information will be used against them or worry their situation won’t be respected:
 - *“I didn’t take it (HRA) because I don’t like someone prying into me.”*
- Management employees are more accepting of employers’ involvement in their employees’ health:
 - *“Whatever the company can do to make people more productive and increase the bottom line is appropriate. You win/they win.”*




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Key Findings:


Plan Design and Program Administration




- Non-management employees are more skeptical/more protective of their personal health situation:
 - *“Employers are motivated to save costs – not to promote employees’ well-being.”*
 - *“I don’t want to use the doctors the company tells me to use.”*
 - *“I don’t think my health is my company’s business.”*
- Non-management employees don’t want to be told what to do by “corporate”; grass roots efforts – especially ones involving a team challenge – are best:
 - *“The weight loss challenge didn’t come from corporate. It started here with this guy collecting the money.”*




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Key Findings: Plan Design and Program Administration




- Employees say they are interested in wellness programs that are interactive (versus static) and prefer:
 - 44% Classes covering various health topics
 - 40% Access to physician or nurse to ask private questions – by phone or email
 - 38% Online self-training tools
 - 31% Onsite weight management programs
 - 31% Hands-on classes such as healthy cooking
 - 27% Onsite personal trainer/health coach
 - 16% Onsite group exercise class
 - 13% Tobacco cessation support



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Key Findings: Incentives




- Monetary incentives alone won't get employees to participate in VBD or wellness programs, but combined with other motivators can encourage initial and ongoing participation (e.g., peer persuasion, management endorsement).
- Monetary incentives can encourage employees to get started and take the first step toward managing their health:
 - *"\$200 off your premium for completing a health risk assessment; it was the reason that got me to do it."*
 - *"Ten minutes on the computer is worth \$200."*
 - *"Flu shots – I do those every year. The fact that it's free is the incentive."*


Employers say money talks when it comes to generics and mail-order for maintenance medications; 39% of employees use generics and 26% participate in mail-order because of the monetary incentive.



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Key Findings: Incentives




- While a monetary incentive may encourage initial participation, it is not essential for *ongoing* participation in health management programs:
 - *“The Health Assessment brings things to light, but after the initial coach’s call, it’s no longer about the incentive; it’s about what you want to get out of it – I want to stay healthy for my kids.”*
 - *“If it’s a serious thing, an incentive is not going to make a difference. If it’s something more minor, then I would probably do it for the incentive.”*


Of employees who participate in disease management programs, only 6% do so because of the monetary incentive.




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Key Findings: Incentives




- Monetary incentives don’t always elicit the right attitude:
 - *“You could BS your way through it and still get the \$200. I would have taken it for \$100.”*
 - *“I would do the Health Assessment for a reduction in premium, not because of the benefit I would get out of it.”*
- Some employees questioned the effectiveness of the online Health Assessment:
 - *“Why not just offer [the incentive] if I go to the doctor once a year? Why do I have to fill something out online?”*
 - *“I don’t think I would get very much from an online survey. I would rather sit down with my doctor and go over my health. I think incentives along those lines would be much more useful.”*




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Key Findings: Incentives




- Employees need to see incentives are in place because employers really do care about their health. They also want to see that the incentives make sense:
 - *“As long as the incentives are aligned properly, I think it’s fine. If they are doing it based on quality, then okay. If it’s based on the employer cutting costs alone, then it’s not okay.”*
- The most powerful motivator can be a new diagnosis or the death of a friend or relative:
 - *“I lost a dad who was an alcoholic, so that affected me. You take time to assess yourself when something happens to someone else in your life. I have kids to take care of.”*
 - *“Both of my parents died from cancer before age 70 due to unhealthy lifestyles. My goal is to be a 92-year-old great-grandmother!”*




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Key Findings: Incentives



- Incentives tied to team challenges can encourage employees to participate with added effort:
 - *“The Biggest Loser works – It’s not handed down by Corporate. We’re all putting money into it (\$25) and have skin in the game. We’re a very competitive bunch. It’s good for team building.”*
 - *“Having money to win keeps me going harder at it.”*
- Employees are not as comfortable with employer efforts to penalize them for non-compliance. Rather, peer pressure has worked to get co-workers to stop smoking/lose weight:
 - *“I have a big problem with making it mandatory...I could smoke for 30 years but you could get cancer before I do!”*
 - *“Get one guy to quit, then I will.”*
 - *“Team competition gets us motivated...and it’s fun.”*



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Key Findings: Incentives



- Having the support of a health coach can be key to motivating employees and engaging them in desired behaviors ... if the process is not complicated:
 - *"I'm in a program where a health coach calls me once a month to see if I'm losing weight, how I'm feeling...they helped me to stop smoking."*
 - *"Someone calls you to keep you honest...and that's good. But it comes down for you to take the lead."*
 - *"The Health Coaches were helpful. They made themselves available for questions."*

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Key Findings: Health Care Purchasing Decisions



- The premise of VBD programs (higher or equivalent quality = lower cost) is counterintuitive to employees' perceptions of the consumer marketplace (higher quality = higher cost)...as a result, employees don't trust the validity of the programs or their employer's motivations for offering them.
- VBD programs seem to go against the paradigm that higher quality equals higher cost:
 - *"It sounds like an inverse relationship because how can you pay less with better physicians/service? The term 'better' implies higher cost."*
 - *"I would be skeptical because how can lower cost equal better care?"*
 - *"Why is the better doctor cheaper?"*

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Key Findings: Health Care Purchasing Decisions



- Factors employees consider in choosing a benefits program include cost, coverage, flexibility and accessibility:
 - *"I would never be in a plan where I don't have full control of what doctor I go to or what hospital."*
 - *"I look at coverage and flexibility."*
- Factors employees consider in choosing a doctor include word of mouth; recommendation from colleagues, family or friends; location; hours of operation; and the doctor's bedside manner:
 - *"Location is always a big issue."*
 - *"Doctor brushed me off, gave me the diagnosis and that was that."*

57% of employees say a doctor recommendation is the most important factor in making decisions on health care service.

32% say cost is the most important.



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Key Findings: Communications




- Employee awareness and understanding of existing benefit programs – including those with VBD features – is generally low. Misinformation from the “grapevine” adds to this confusion.
- Word about one employee’s “bad” experience with a benefits program (e.g., using up an HSA sooner than expected) can spread and influence many other employees’ decisions on whether or not to participate:
 - *"The HSA Plan is only good if you are healthy."*
 - *"The HSA Plan is a gamble, especially if you have kids...you don't get as good doctors as with the PPO."*


Note: While both plans have the same network, employees’ perceptions of the plans differ.




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Key Findings: Communications




- Employees want information pertinent to their life stage (e.g., targeted by age and gender):
 - *“Show me different options at different stages of life.”*
 - *“Turning 40 changed my behavior significantly. I got a high cholesterol test...I changed my diet and exercise significantly.”*
- Third parties are most credible for value-based benefits information:
 - *“I trust my doctor most. I would use Mayo, WebMD and AMA sites after first talking with my doctor.”*
 - *“I like talking with my pharmacist, who has the latest information.”*




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Key Findings: Communications



- Employees want their employer to provide more “traditional” communications to support the push to online information – The most effective “traditional” mediums are #1 face-to-face and #2 print pieces:
 - *“Company used to have a meeting and explained everything. That was great.”*
- Employees believe the *types of benefit* programs a company offers can affect employee morale – e.g., discounts on gym memberships:
 - *“These programs show the company is concerned about my well-being.”*



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Key Findings: Communications



- The camaraderie associated with team competitions can positively impact employee motivation and morale:
 - *“The team challenges are fun, and we motivate each other to do better.”*
- Employees see a conflict between poor work/life balance and employer messages regarding wellness:
 - *“My life is too hectic to participate. Most of us work 75+ hours during the summer.”*
 - *“Your employer should help you manage your health status by helping you find work/life balance, defining good boundaries.”*

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General Recommendations



- Design and administer programs with the *real lives* of your employees in mind.
- Understand the pressures and limitations your employees face by spending time out in the field with them – learn what keeps them up at night.
- Keep things simple – make it easy, yet worthwhile, for them to participate.
- Know how your employees want to receive information.
- Give employees a sense of control by helping them understand “where to go for what.”
- Consider what your employees will or won’t “give up” – e.g., if you’re introducing a tiered physician program, how willing will they be to change doctors?

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General Recommendations



- Once you understand what your employees need *and* value, partner with vendors who are willing to tailor their programs to meet these needs.
- Offer “choice” in benefit program design to increase acceptance of VBD programs and features.
- Raise awareness of VBD design features and the rationale behind them.
- Reframe employees’ perceptions of the health care marketplace, that...higher quality can equal lower cost.

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Incentive Recommendations



- Consider monetary incentives to get employees “in the game”
 - Team challenges at local level
 - The power of peer persuasion
 - Social networks of support
- Consider factors other than incentives that may impact program participation
- Use testimonials from colleagues to resonate with and motivate employees
- Align the right incentive with the right message at the right time – *e.g., target the newly diagnosed as soon as possible when they are eager for information and support*

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Communication Recommendations



- Provide real-life examples of “cost” and “quality” with an emphasis on the reliability of information
- Conduct classes, use posters and other educational materials to increase understanding of health and health care quality
- Stress cost, coverage, flexibility and accessibility when promoting programs and their features
- Reach the audience at various stages of life with benefit features that are pertinent to them
- Reach the audience based on current health status: When you’re healthy and in “consumer mode” you can more effectively look for a doctor versus when you’re sick and in urgent, reactive “patient mode”
- Make sure spouses are targeted, especially when the majority of the workforce is male

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Communication Recommendations



- Adopt terminology that encourages employees to be active participants and publish comprehensive glossaries with these terms – e.g., use *coach* rather than *counselor*; *value* rather than *cost*
- Use a broad array of media and tactics to raise awareness, understanding and appreciation of existing programs – e.g., user-friendly websites, face-to-face meetings, guest speakers, materials mailed to the home
- Stress confidentiality of programs and that PHI is protected by HIPAA
- Use “word-of-mouth” marketing to reframe the conversation about how to choose health care providers and services – e.g., leverage Yelp and other websites that post reviews and recommendations

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Employee Focus Groups Round 2 – 2010



- In addition to 2008 research, 2010 will include a focus on:
 - Consumer-engagement initiatives
 - Incentives to improve participation in programs
 - Adherence and compliance to treatment regimens
 - Consumer/patient self-responsibility
 - Productivity impacts
 - Communication vehicles
 - Social networking – e.g., Facebook, Twitter, other
 - Monitoring and maintaining health
- Findings will be released at MBGH 30th Annual Conference, May 6-7, 2010 and nationally

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Thank You!



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