

HERO Wednesday Webinars



With guest:

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Medical Director, Population Health Management



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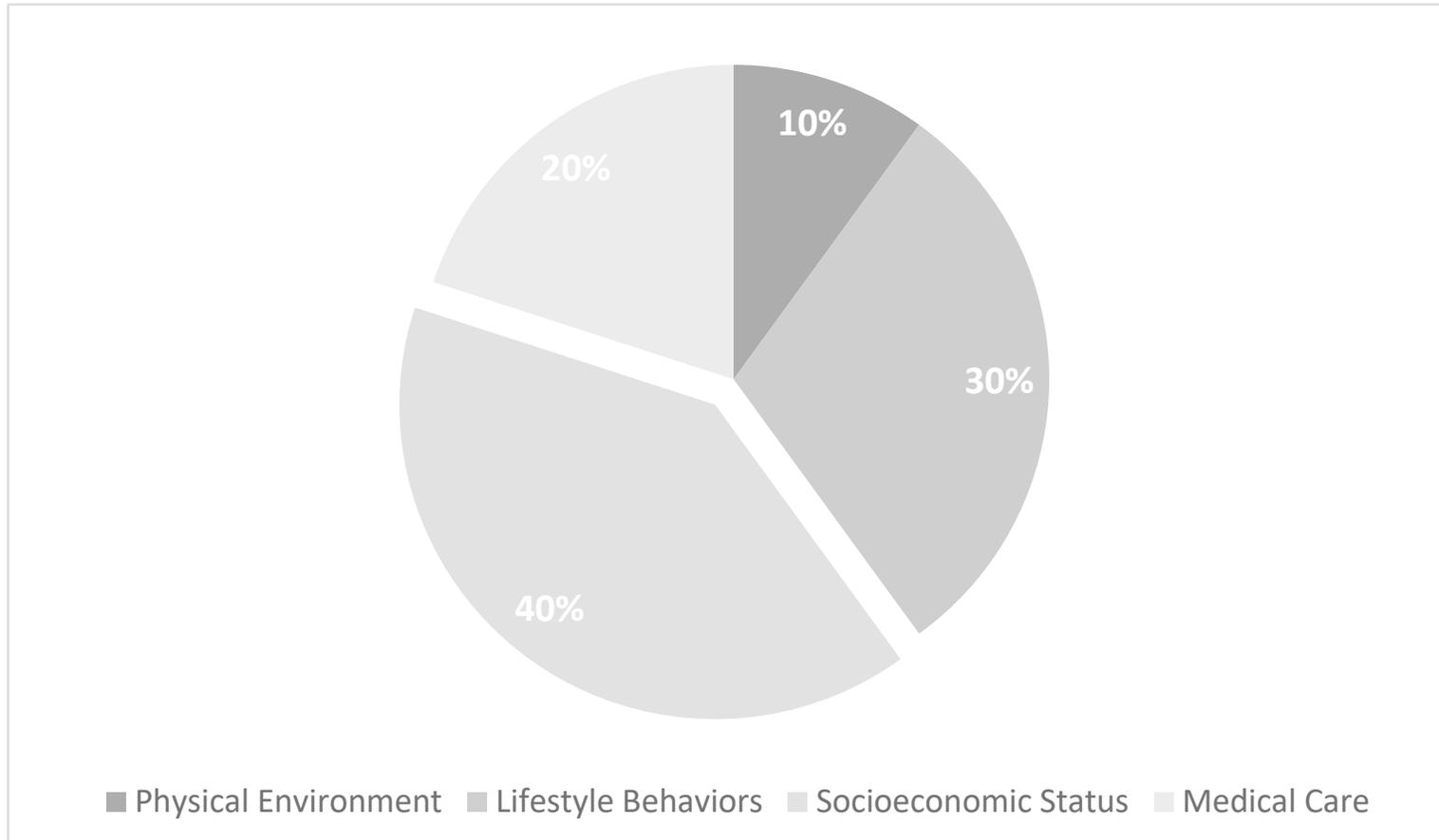


January 11, 2017

Reaching the Disaffected: Strategic Approaches to Employer Health and Well-Being Metrics

Bruce Sherman, MD
Medical Director, Population Health Management

Determinants of health status



If socioeconomic status (social determinants of health) is so important, why aren't we paying more attention?

Socioeconomic status impacts health

Low-wage workers:

- Highest prevalence of unhealthy behaviors and chronic conditions
- Highest proportion of healthcare costs as a percentage of wages

Differences in:

- Prioritization of personal health concerns relative to other life priorities
- Health literacy and healthcare consumerism engagement
- Patterns of healthcare use

Poll question 1

Question: What percentage of US adult workers has net pay of less than \$30,000/year?

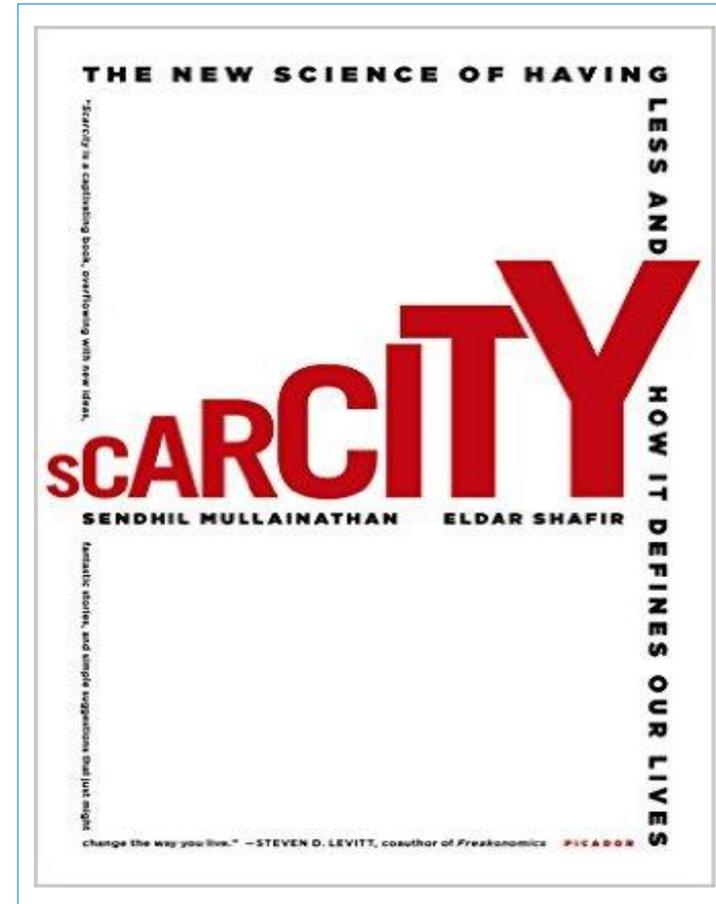
- A. Less than 10%
- B. Between 10-20%
- C. Between 20-30%
- D. Between 30-40%
- E. Between 40-50%
- F. More than 50%

Understanding human behaviors

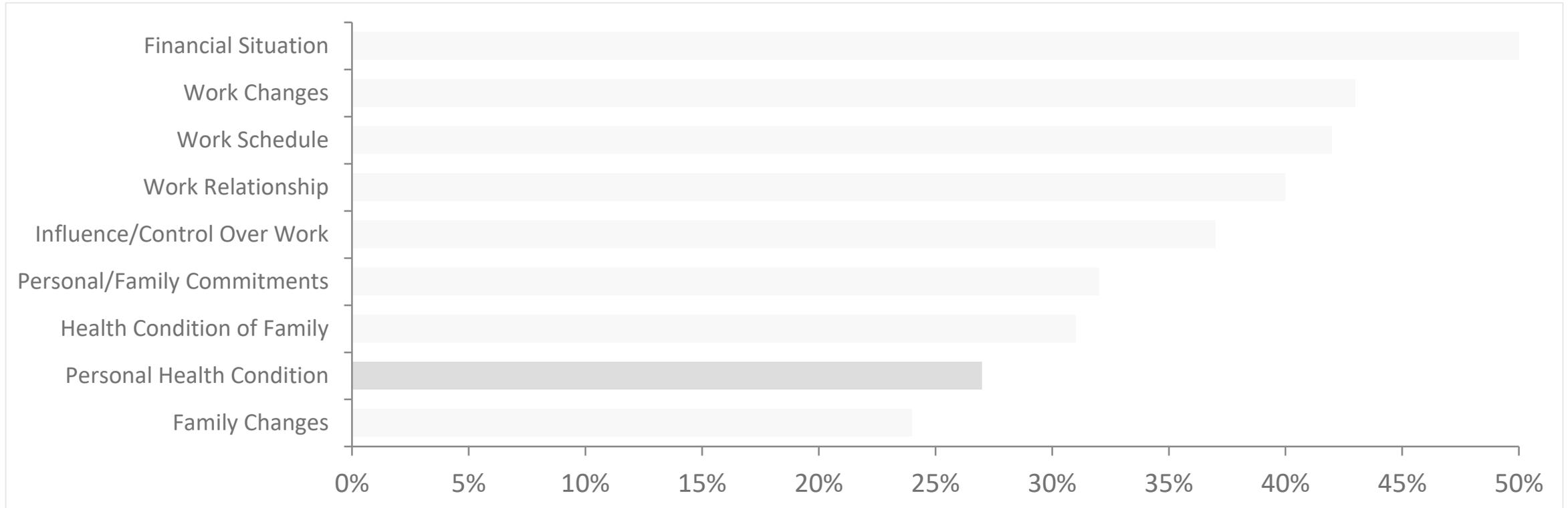
A new vocabulary:

- **Tunneling:** focus on immediate priorities to the exclusion of other concerns
- **Bandwidth tax:** a consequence of tunneling, manifested by neglect for other concerns
- **Slack:** lack of concern when scarcity is not an issue

<http://scholar.harvard.edu/sendhil/scarcity>



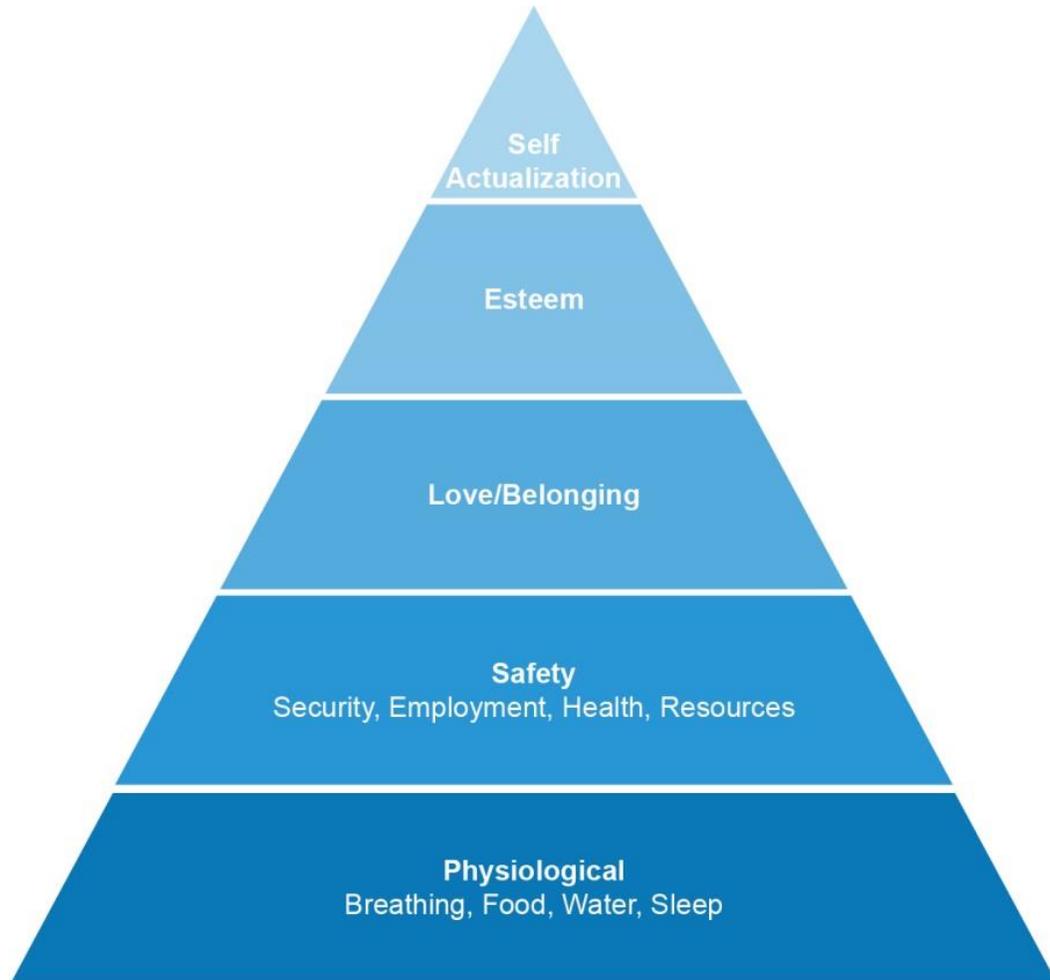
Factors that stress people most intensely



What does this mean for prioritization of personal health issues?

The Consumer Health Mindset Survey. Aon/NBGH/the futures co. , 2016.

Maslow's hierarchy of needs...



... applied to health benefits



Low-wage workers face healthcare headwinds

Wages failing to keep up with benefits costs

- Combined, premiums and deductibles as much as 21% of earnings

Growing prevalence of high deductible health plans

- >80% of employers with HDHP option
- >30% of employers with full replacement HDHP

Rising out-of-pocket costs for healthcare (except preventive services)

- Higher deductibles/out-of-pocket maximums
- Higher cost share

Lack of employer recognition of the cost issue

- Benefits equality, not equity

If we want to control healthcare costs,
should we be looking only at healthcare
claims for answers?

Analysis of low-wage worker healthcare use

Objective: Evaluate healthcare utilization patterns among workers by wage status

- Implications for healthcare consumerism engagement and benefit design
- Sets stage for evaluation of human capital impact on business outcomes

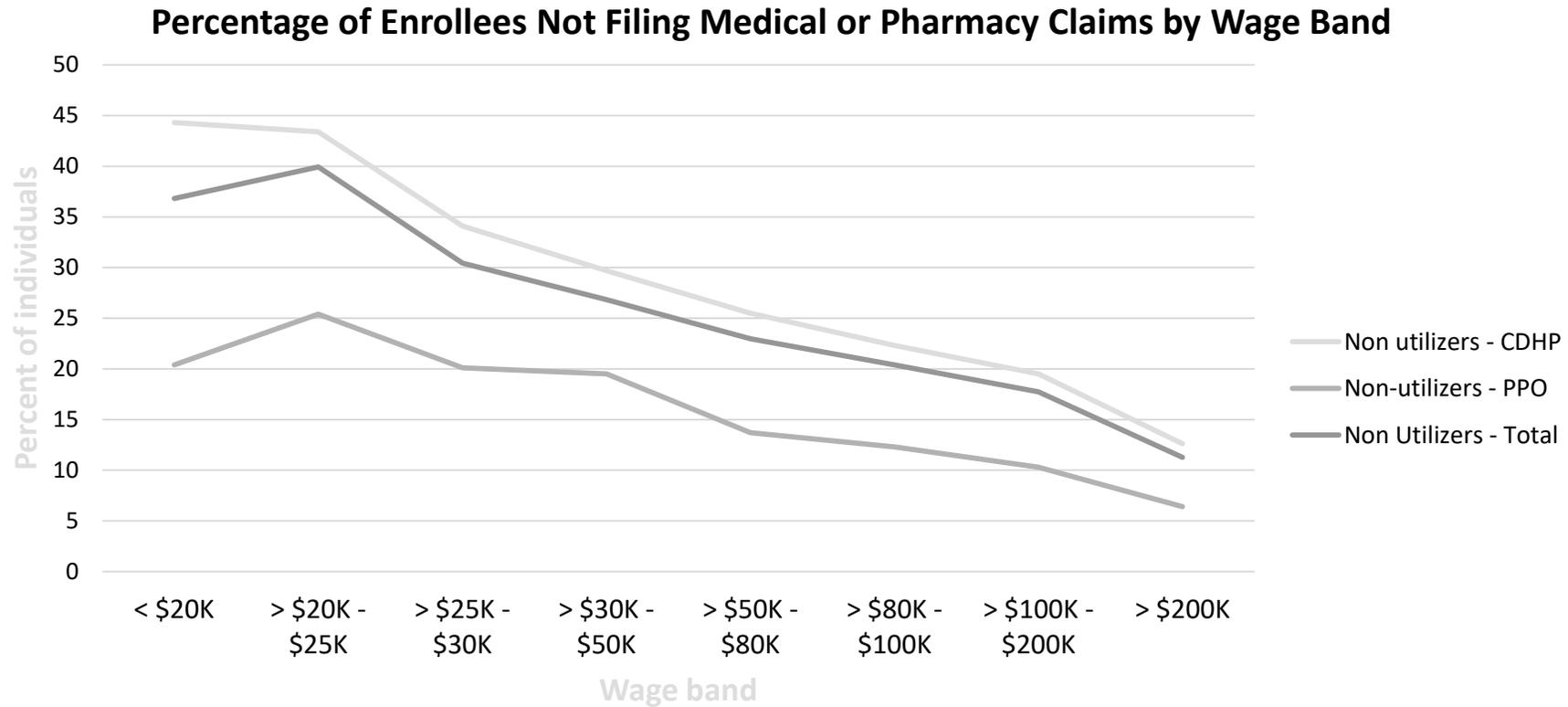
Subjects: Employees continuously enrolled in RightOpt during 2014

Data: All employer medical and pharmacy claims with earnings data for 2014

Domains evaluated:

- Demographics
- Out-of-pocket costs as a percentage of wage
- Non-use of healthcare services
- Healthcare utilization patterns and costs

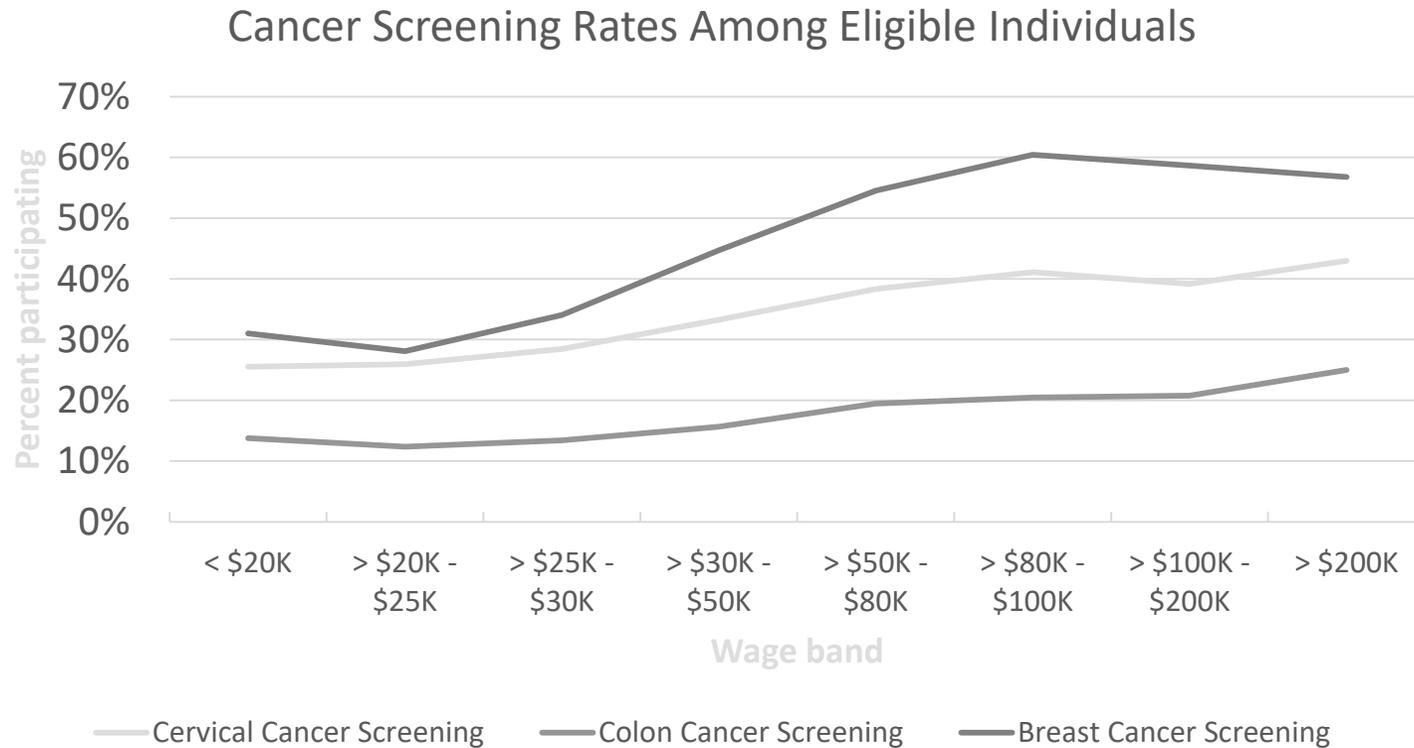
Low-wage workers use less healthcare – despite higher risk scores



Low-wage workers are more reactive users of healthcare

Wage Bands	Employee Number	Relative Risk Score	Preventive Visits / 1000	ED Visits / 1000	Ambulatory-Sensitive ER Visits / 1000	Avoidable Admissions / 1000
≥ \$20,000	3,243	1.35	259.6	628.1	43.2	9.6
> \$20,000 - \$25,000	6,392	1.28	250.3	600.7	35.8	6.1
> \$25,000 - \$30,000	4,421	1.28	311.5	471.1	30.5	8.1
> \$30,000 - \$50,000	12,524	1.26	364.7	275.7	18.8	4.8
> \$50,000 - \$80,000	9,058	1.24	419.8	171.5	9.2	2.8
> \$80,000 - \$100,000	3,851	1.29	442.8	134.8	5.7	2.3
> \$100,000 - \$200,000	5,549	1.26	462.9	113.7	6.7	1.4
> \$200,000	616	1.30	446.2	128.2	8.1	6.5

Low-wage workers have lower compliance with cancer screening

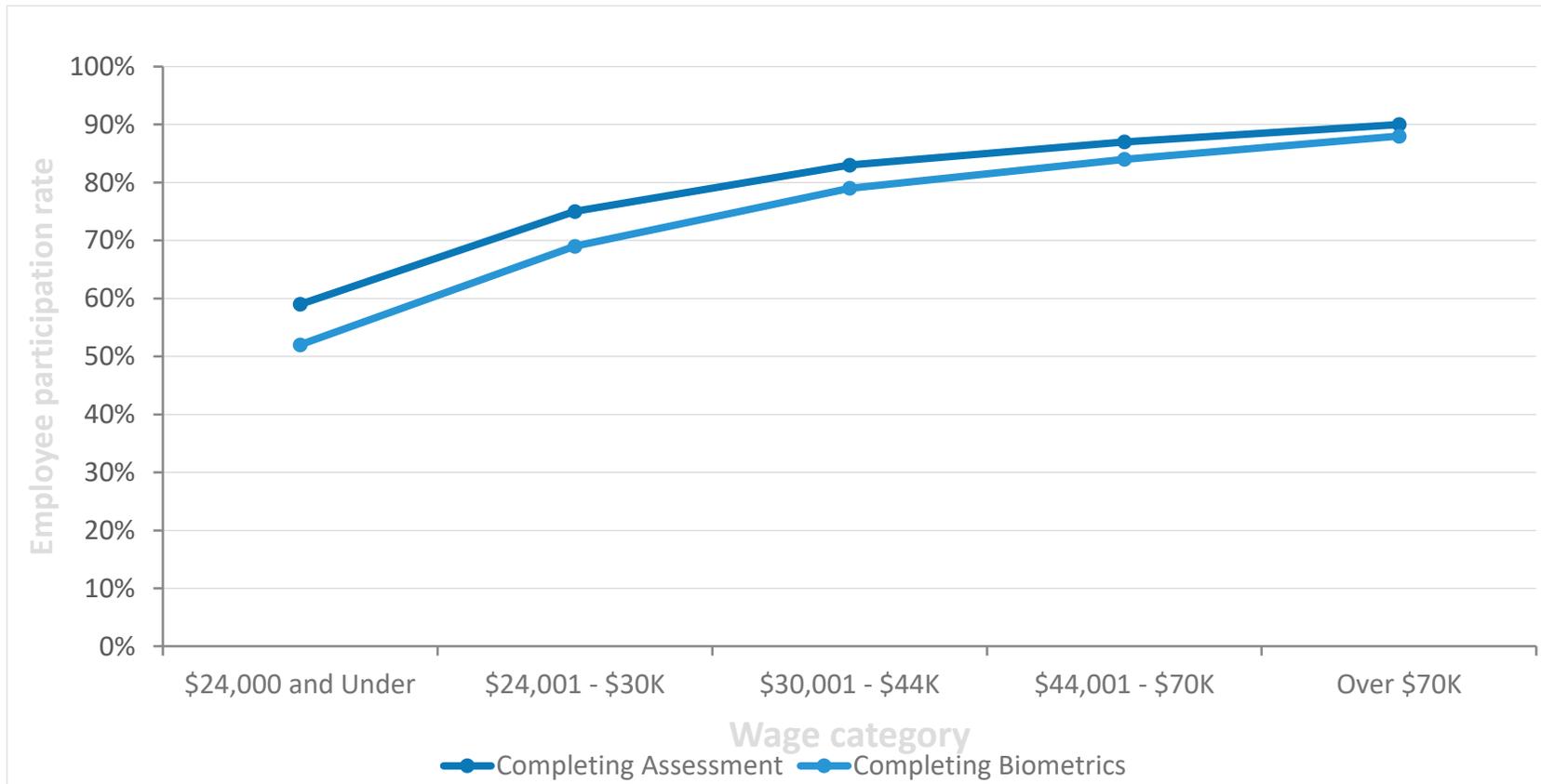


Poll question 2

What's your perspective on this statement:
**Financial incentives are a primary source of motivation
for low wage workers.**

- a. Strongly agree
- b. Agree
- c. Not sure
- d. Disagree
- e. Strongly disagree

Participation rates in health assessments, biometrics associated with wage status



RightOpt-Truven data warehouse – 2014 employee-only benefits enrollee data

Key findings and implications

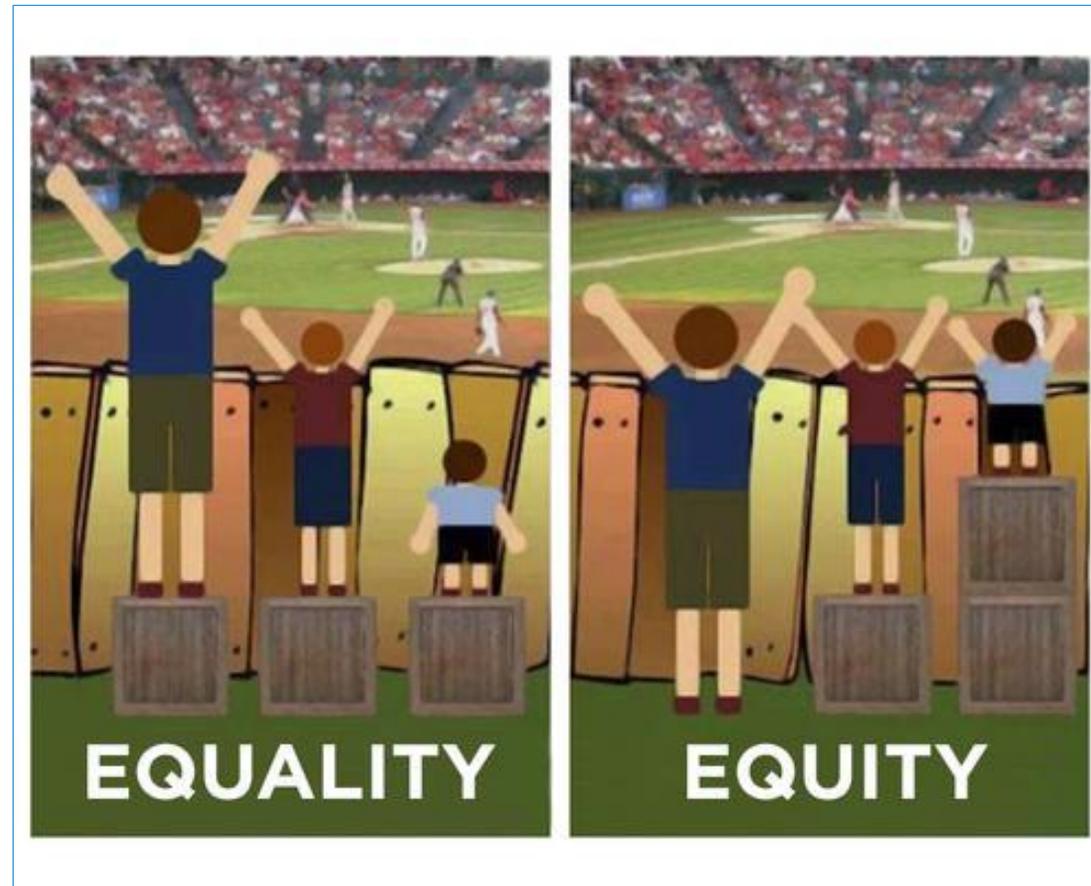
- Cost of care relative to wages for low-wage workers is a major problem.
- Low-wage workers use more inappropriate care and have more barriers to care.
- It may well be that chronic conditions are poorly managed by low wage workers due to cost constraints, resulting in illness-related work productivity losses.
- Current benefits policy/practice direction will only make the situation worse for low wage workers.

Implications for employers

Benefits strategy considerations for low-wage workers:

- Equality – or equity?
- Any impact of wage-based premiums?
- What impact are outcomes-based incentives having?
- What role for other incentives?
- How should well-being issues be addressed?

Opportunities exist to rethink benefit designs for low-wage workers.



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However...

- Low-wage workers also use care differently regardless of cost.
- Other barriers may be even more problematic than cost for low-wage workers.
- Low-wage workers seem less likely to use useful services and program and incentives, even when they are provided.
- Simply subsidizing health benefits may not be enough to make a difference

Summary

Low-wage workers use healthcare significantly differently from other benefits enrollees.

- Contributors include health literacy concerns, out-of-pocket costs, access barriers to healthcare services.

Scant available information as to the business impact of improving low-wage worker benefits.

Employers can:

- Seek to better understand low-wage worker health barriers and opportunities
- Consider approaches to reducing discriminatory practices (outcomes-based biometric incentives)
- Quantify current healthcare and illness-related lost productivity costs for low-wage workers prior to taking action.

Managed thoughtfully, low-wage worker health/well-being can have a profound impact on business performance.

Discussion

Bruce Sherman, MD

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Poll question 3

What do the stakeholders behind your wellness programs consider most important, participation rates or health outcomes?

- Focus on participation
- Lean toward participation
- Equal attention to both
- Lean toward outcomes
- Focus on outcomes

Poll question 4

How confident are you that you could access the data you need to understand engagement and health differences for low wage workers.

- Very confident
- Somewhat confident
- Not sure
- Not very confident
- Not at all confident

Poll question 5

What best describes your approach to wellness for low wage workers?

- High priority: i.e. we have a distinct data collection and engagement strategy for low wage workers.
- Somewhat of a priority: i.e. a clear part of our strategy
- Treat the same: We don't differentiate in our data collect or interventions
- Benign neglect: We're interested in differences but don't have resources to adjust accordingly.
- Intentional neglect: We don't know or care about such differences

Poll question 6

Our current understanding of what motivates those I offer wellness services to derives from: (check the one best answer.)

- We routinely conduct interest surveys
- We conduct focus groups
- We do pre and post tests to evaluate
- Needs assessments through walking around
- All of the above
- None of the above

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