

Leading Solutions and Strategies for Managing Health and Welfare Programs



31ST ANNUAL
ISCEBS EMPLOYEE
BENEFITS

Symposium



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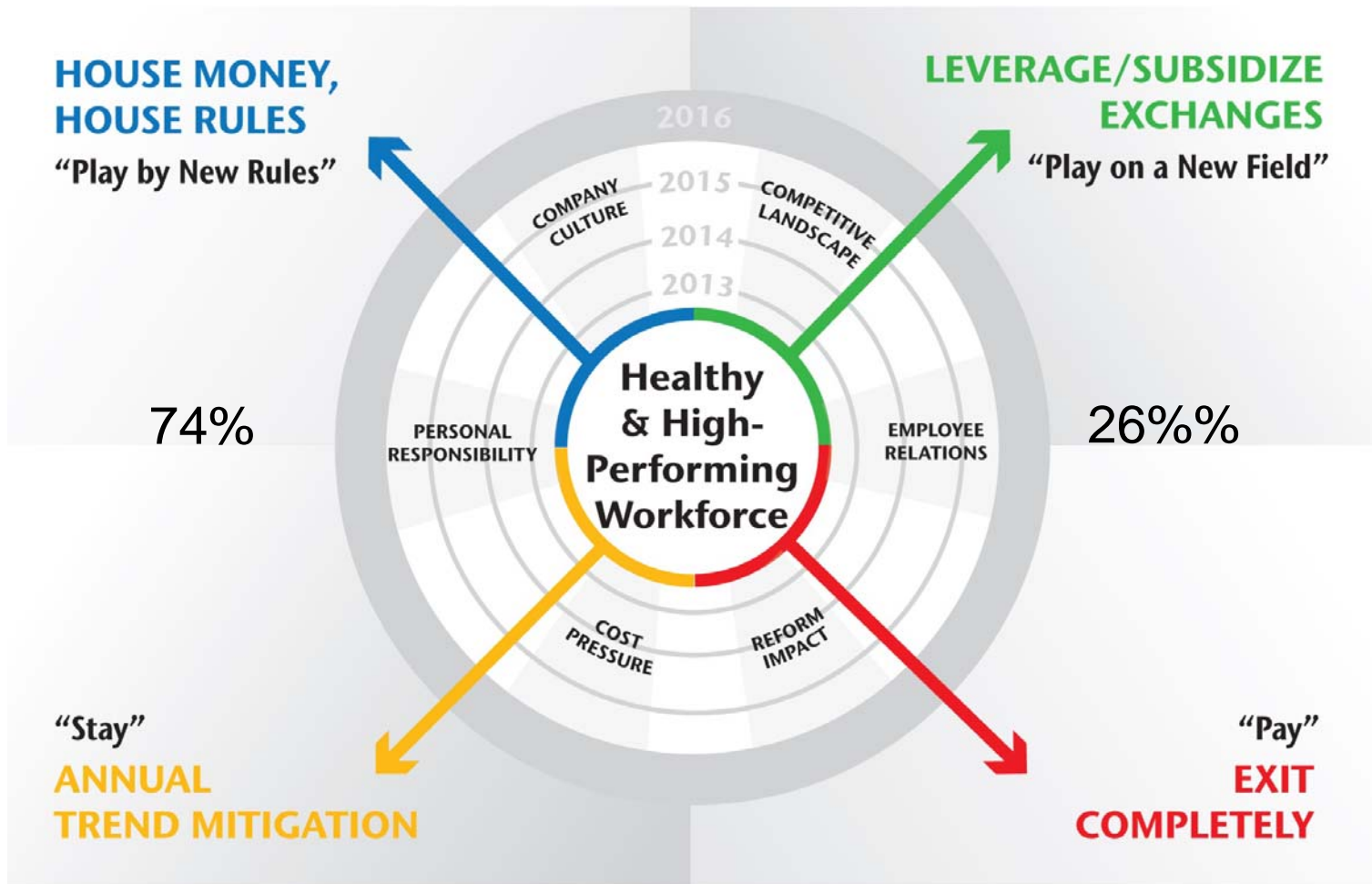
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International Society
of Certified Employee Benefit Specialists

Reform. Rising Cost. Declining Health. What Now for Your Organization?



Strategic Framework: Balancing Employer Goals and Employee Views

“Make it Move Me”

“Make it Meaningful”

**FOCUS ON
BEHAVIOR**

**Engage
Participants**



**Improve Health
& Performance**



**FOCUS ON
COVERAGE**

**Design
with Intent**



**Reduce
Unnecessary
Expense**



“Make it Easy”

“Make it Personal”

Employer Challenges, Outcomes and Tactics

Top Challenges	Desired Outcomes	Top Tactics
Motivating participants to promote behavior change —65%	Increase utilization of wellness and prevention—70%	Offer incentives or disincentives to motivate sustained health care <i>behavior change</i> —61%
Government compliance and regulations—35%	Increasing participants' awareness of, and decision making related to health issues—62%	Promote a culture of health in the workplace (e.g., healthy cafeteria, flexible schedules to allow time for physical activity)—48%
Managing the health of an aging workforce —30%	Lower health risk of population—58%	Move to rewarding improved health results or outcomes —44%
Cultural shift and reluctance to change —29%	Increase participation in health improvement/and disease management—55%	Implement a company wide (or global) wellness policy and guiding principles—38%
Understanding employee attitudes toward health and wellness—28%	Increase participant accountability for consumer behaviors regarding use of the health care system—42%	Promote other consumer-driven plan strategies (e.g., tools, cost, quality data)—31%

Source: Aon Hewitt 2012 Health Care Survey

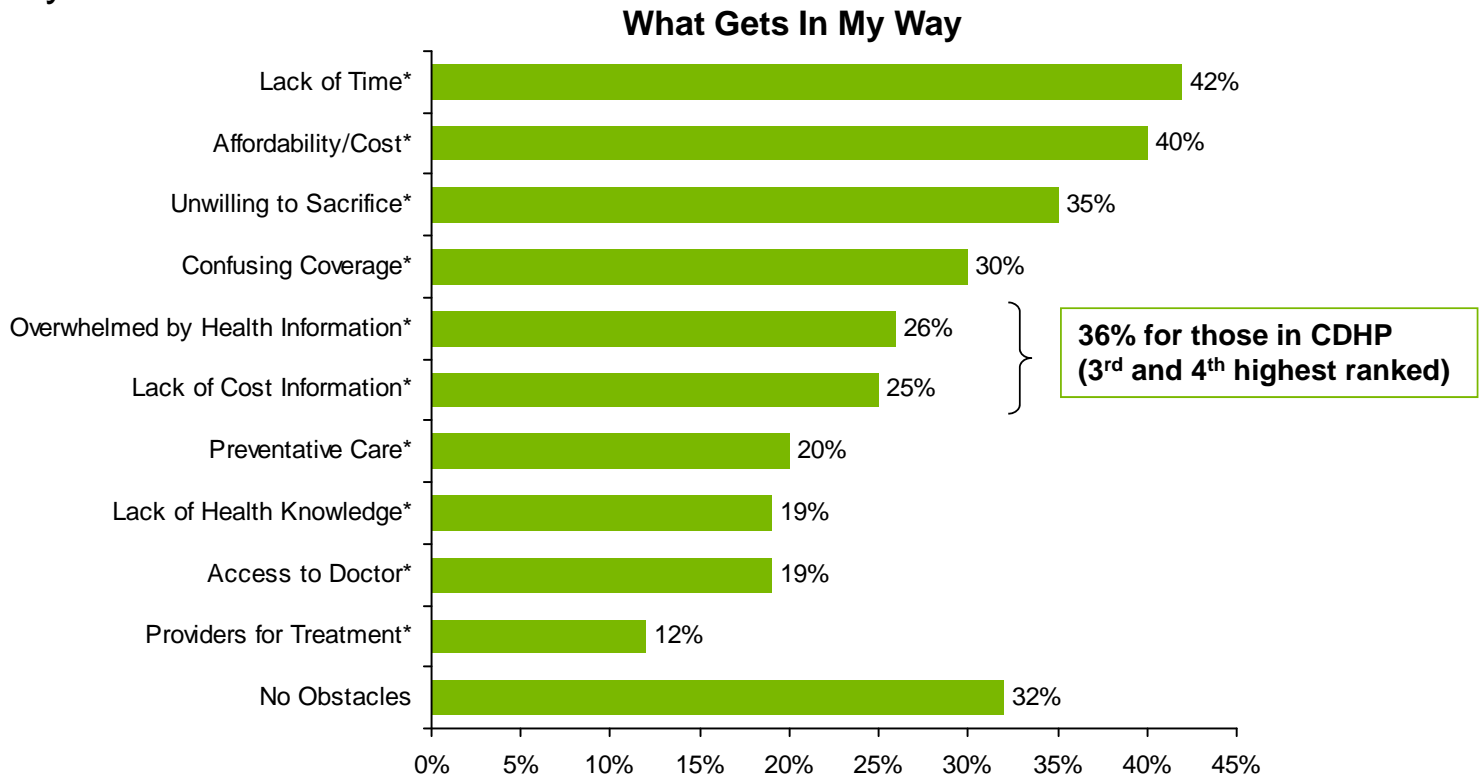
Strategic Framework: Engage Participants



Make it “ Move Me”

Consumers Know WHAT to do, but Don't Do It

74% say that “good health” is the result of “making smart health choices in your daily life.”

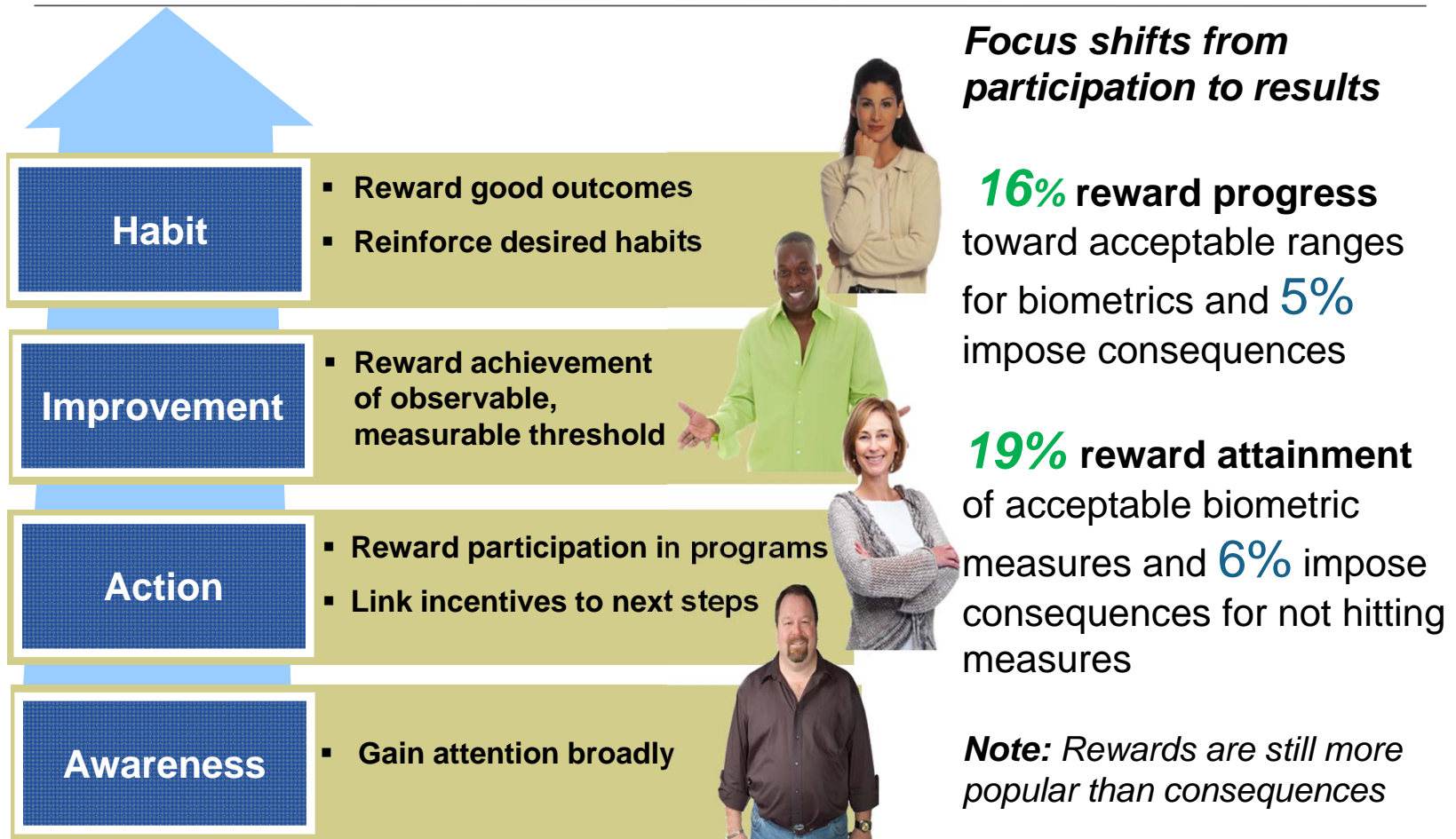


Source: 2011 Consumer Health Mindset Survey

*Percentage ranked #1, #2, or #3, not including “No Obstacles.”

Engage Participants, Take Them to the Next Level

Engage
Participants

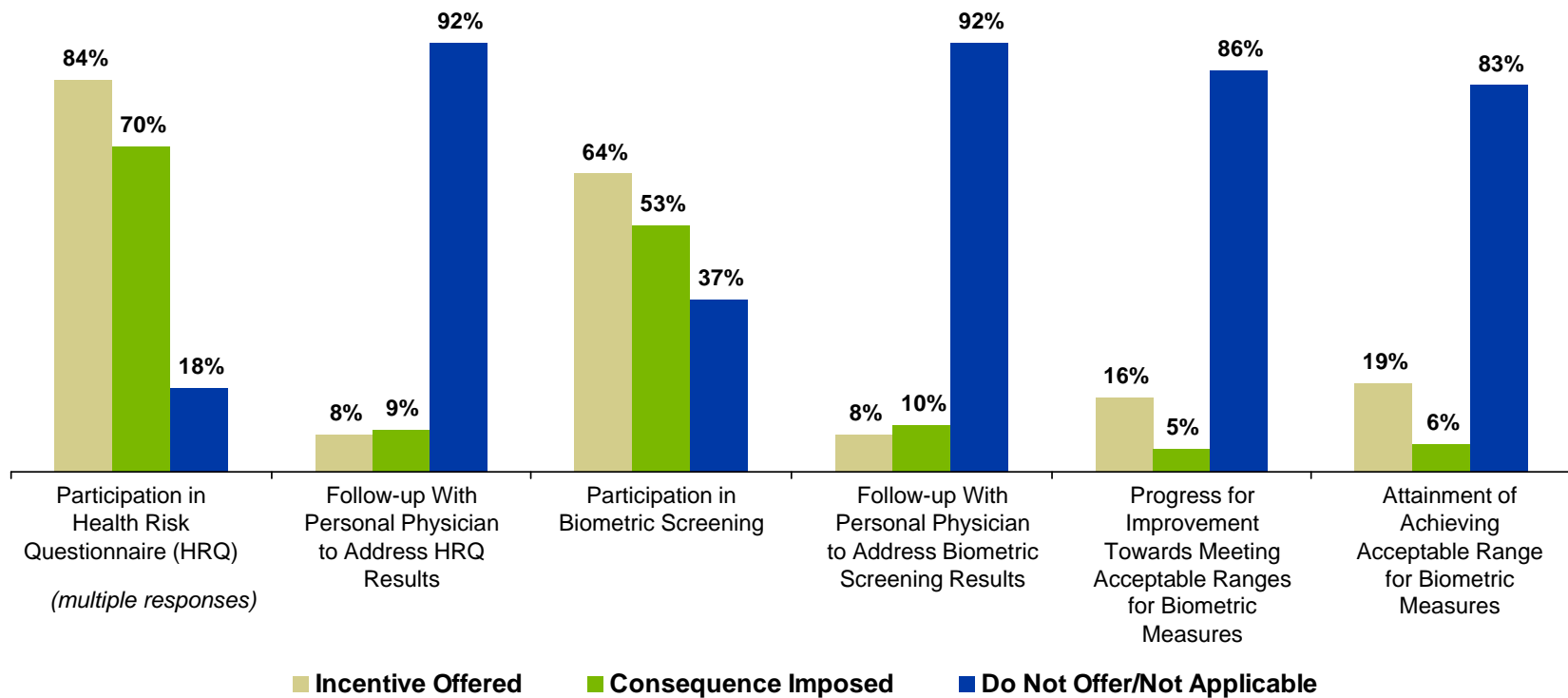


Source: Aon Hewitt's 2012 Health Care Survey

Use of Rewards and Consequences

While more employers use incentives or disincentives to drive positive health behavior, most have not extended that strategy to health outcomes/results.

Employers current use of rewards and consequences



Source: Aon Hewitt's 2012 Health Care Survey

Engaging Participants in Managing Health

Employers continue to use tools, education, and communication to raise health awareness.

- More than half of employers offer rewards for using health awareness tools, and over 40% will add rewards in 2012 or within 3 to 5 years
- 20% of employers impose consequences for not using tools; more than half plan to

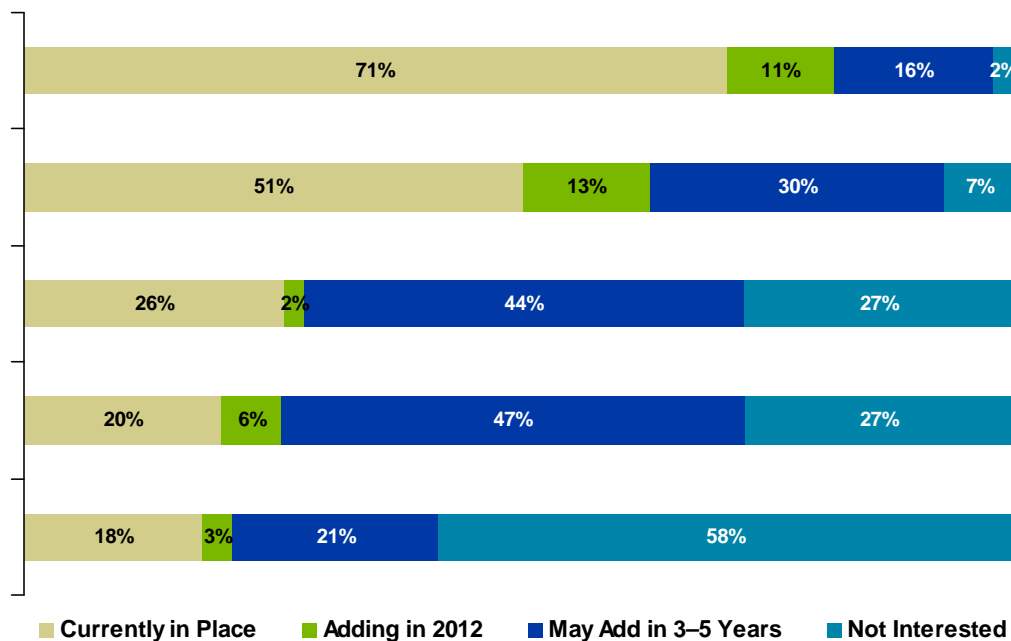
Offer tools (e.g., biometric testing) to raise participants' awareness of their health status and risks

Reward participants for use of health awareness tools

Provide tools/services that give plan participants options for 2nd opinions on diagnosis at no charge to the employee

Impose consequences on participants if they do not utilize health awareness tools

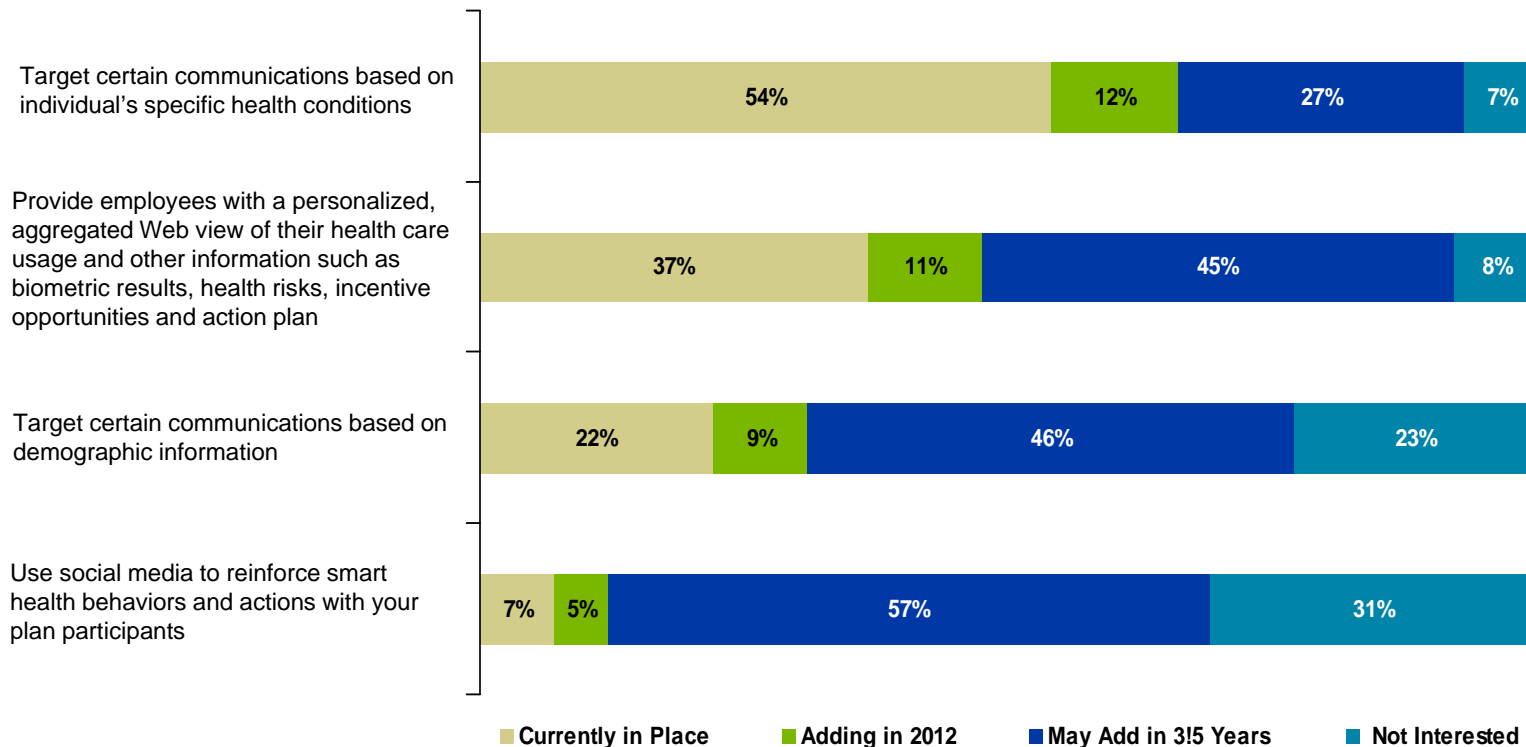
Provide on-site preventive, primary, and urgent care services



Source: Aon Hewitt's 2012 Health Care Survey

Employers Get Personal with Health Care

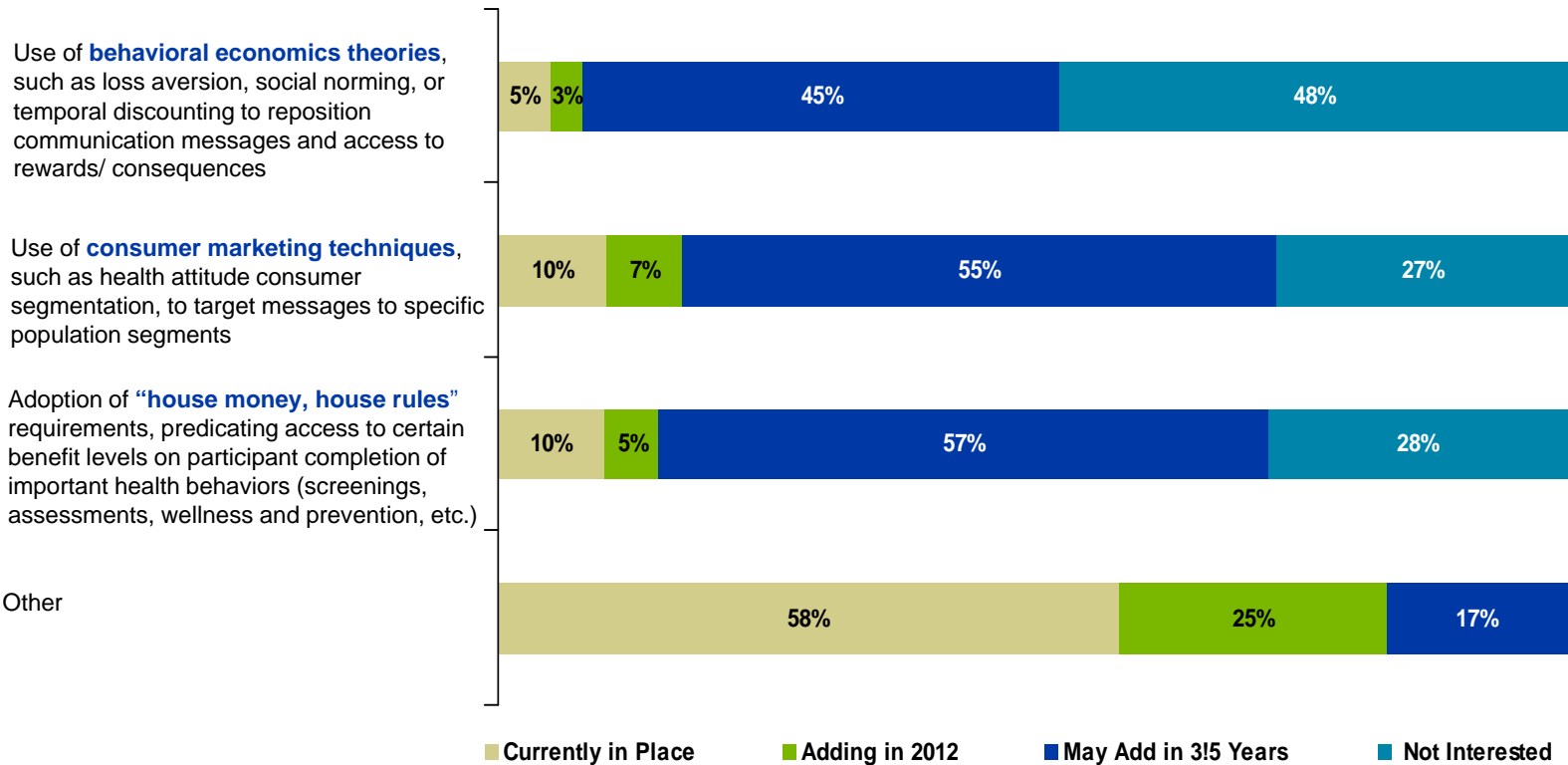
More employers are using a targeted marketing approach to provide what employees want tools and support that provide personal, relevant communications based on each individual's specific conditions, health risks, biometric results and demographics.



Source: Aon Hewitt's 2012 Health Care Survey

Emerging Engagement Strategies

Employers are exploring emerging strategies, such as behavioral economics and attitudinal customer segmentation, aimed at changing participant health behaviors.



Source: Aon Hewitt's 2012 Health Care Survey

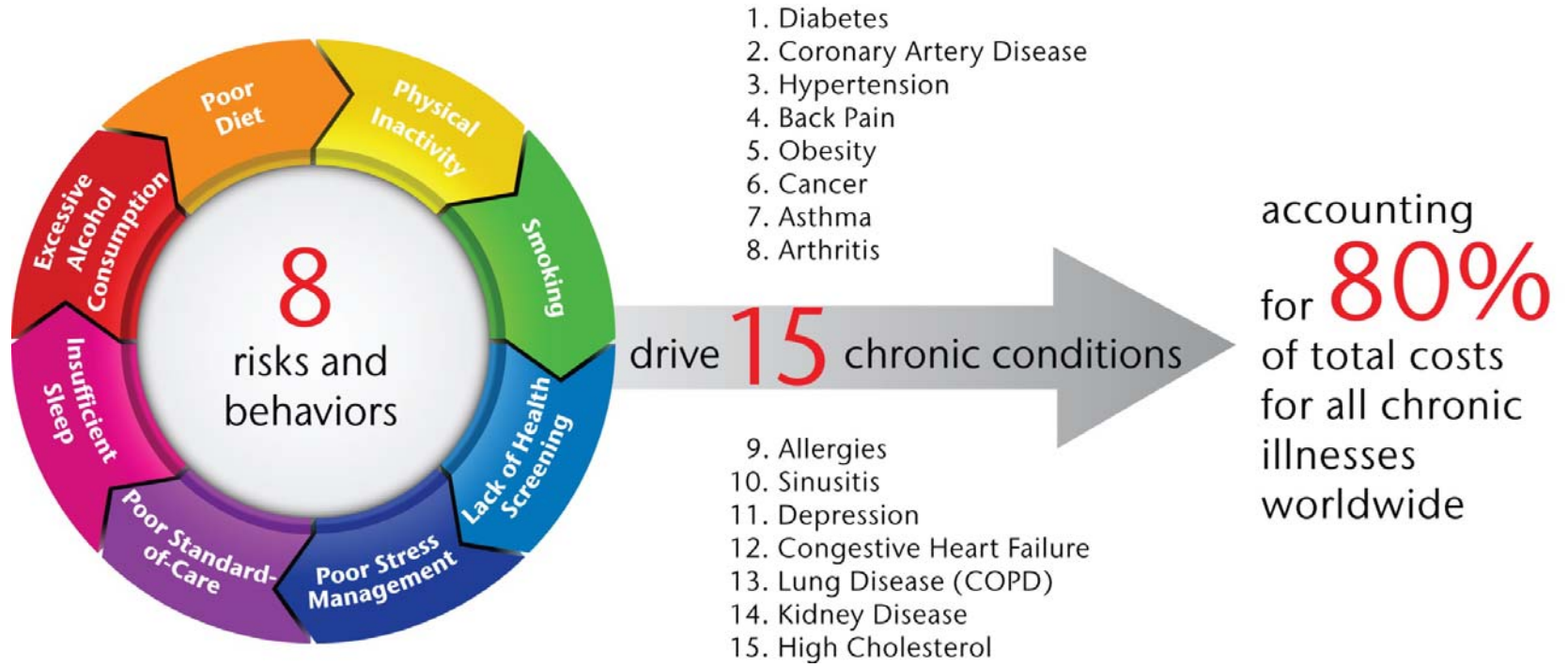
Strategic Framework: Improve Health and Performance



Make it “ Meaningful”

Start With Targeting Behaviors and Risks That Impact Health and Performance

Improve Health & Performance



The Opportunity: Companies that target 3 major modifiable risk factors by changing individual behaviors can save an average of \$700/employee/year in health care costs and productivity improvements

Source: 2010 World Economic Forum

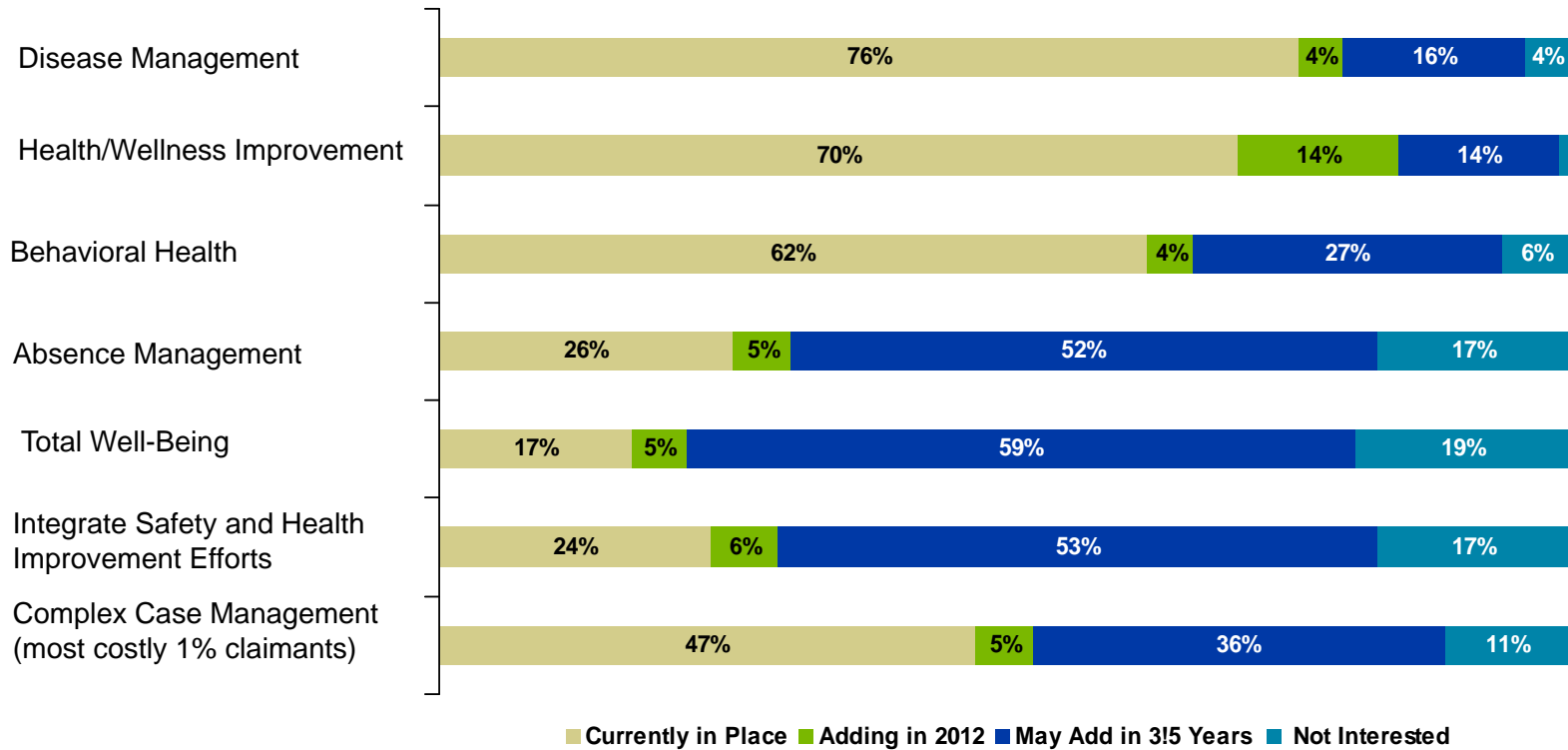
Employers Focus on Health and Performance

Improve Health & Performance

Employers recognize that behavior drives health risk and cost and that employees need help reducing their risk factors and managing their care.

- Going forward employers will address total well-being and absence

Health and Performance Strategies



Source: Aon Hewitt's 2012 Health Care Survey

Employers Offer Many Programs, Little Focus

Employers could improve participation and results by narrowing programs offered to those focused on changing specific, costly health behaviors.

Top Programs Offered in 2012

	Will Offer in 2012	Offered in 2011	Average Percentage Eligible Who Participated in 2011
Health Risk Questionnaire	68%	65%	44%
Health Improvement/Wellness Programs	65%	59%	31%
24/7 Nurseline	64%	68%	14%
Disease/Condition Management Programs	62%	64%	14%
Biometric Screening	57%	50%	45%
Tobacco Cessation Programs	55%	52%	9%
Weight Management	45%	40%	15%
Physical Fitness Challenges	42%	37%	22%
Telephonic Health Improvement Coaching	42%	40%	14%
On-site Fitness Center	30%	32%	20%

Source: Aon Hewitt's 2012 Health Care Survey

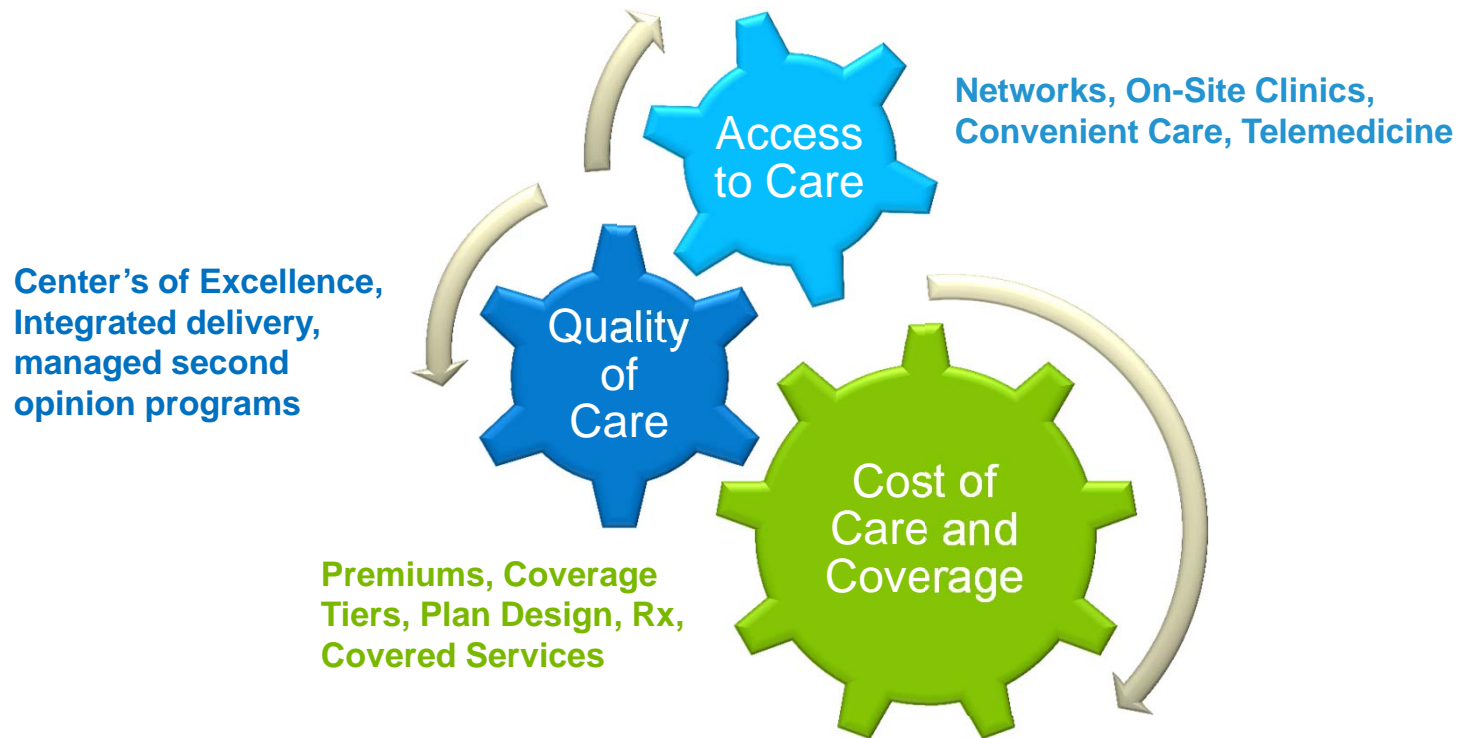
Design with Intent

“Make it Easy”



A Focus on Coverage: One Integrated System Design With Intent and Reduce Unnecessary Expense

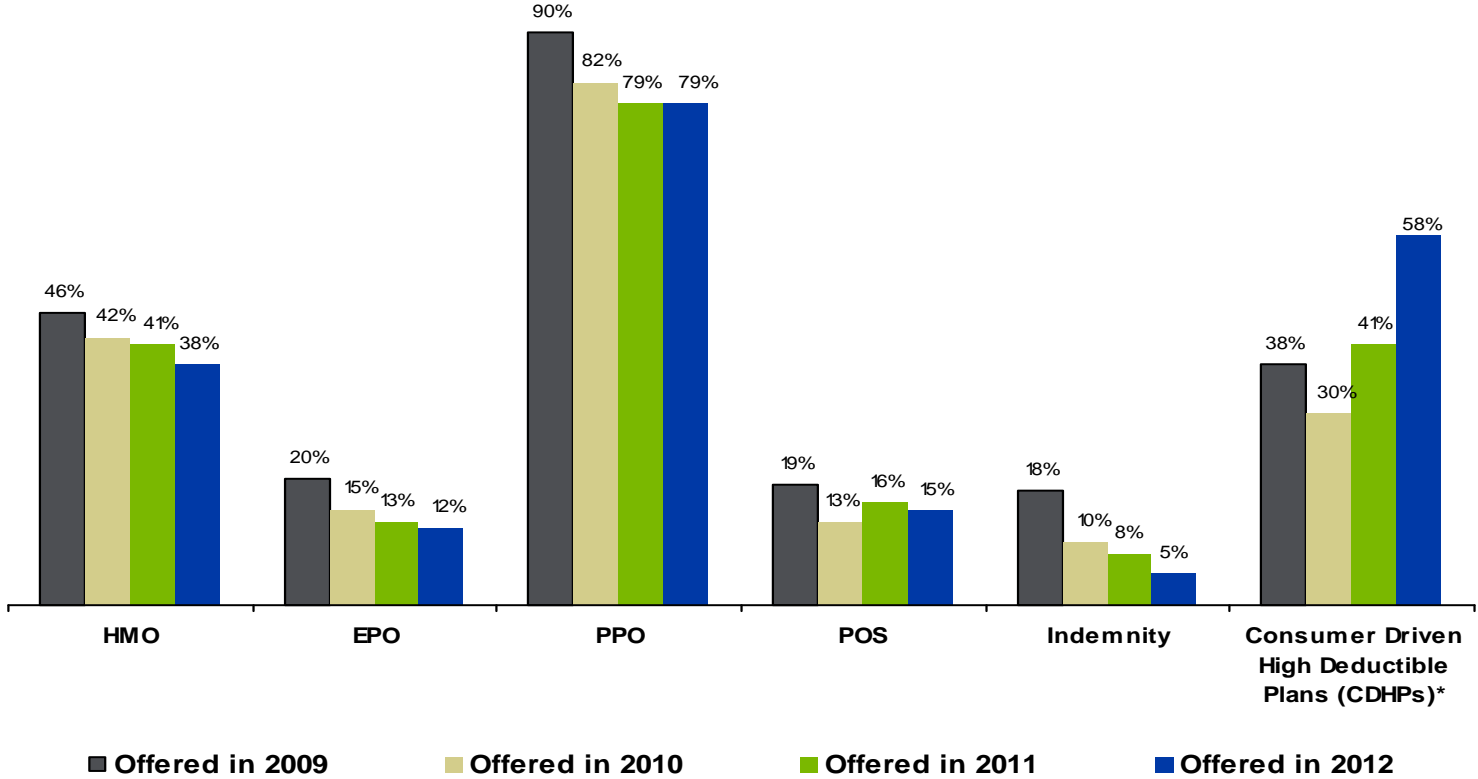
Design
with Intent



Employers Move to Consumer-Driven Plans

Design
with Intent

Plan Types Offered from 2009-2012



*CDHP plans offered regardless of account type or no account

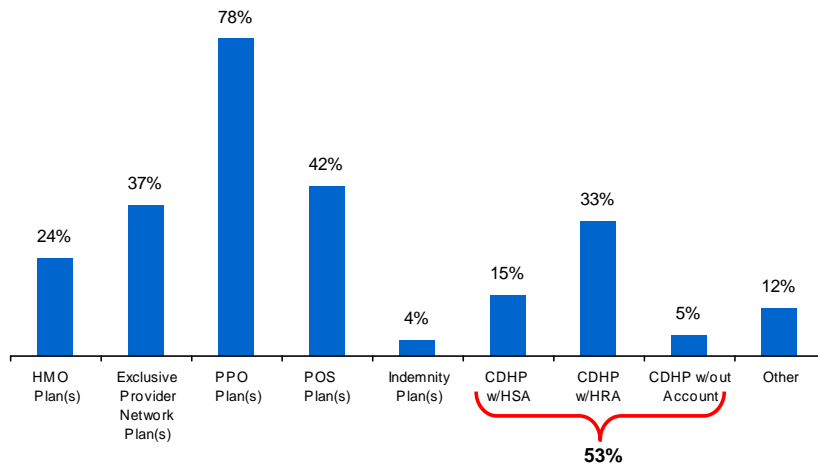
Source: Aon Hewitt's 2012 Health Care Survey

Cost Increases and Enrollment by Plan Type

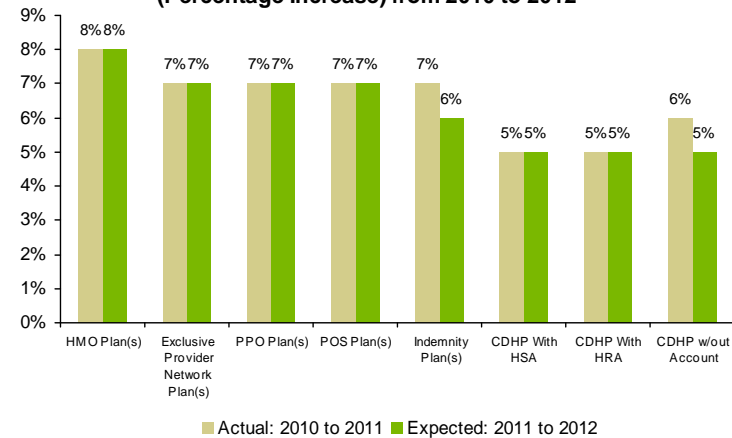
While PPOs continue to be the most popular plan choice for employees, CDHP plans, regardless of account type, have increased in popularity among employees; 53% of employees who have access to a CDHP plan to enroll in one.

Although PPO plans are the most commonly offered and enrolled in, these plans have some of the higher trend rates while employers report lower trend rates for CDHP plans.

Median Enrollment by Plan Type



Median Employer-Reported Cost Trends (Percentage Increase) from 2010 to 2012

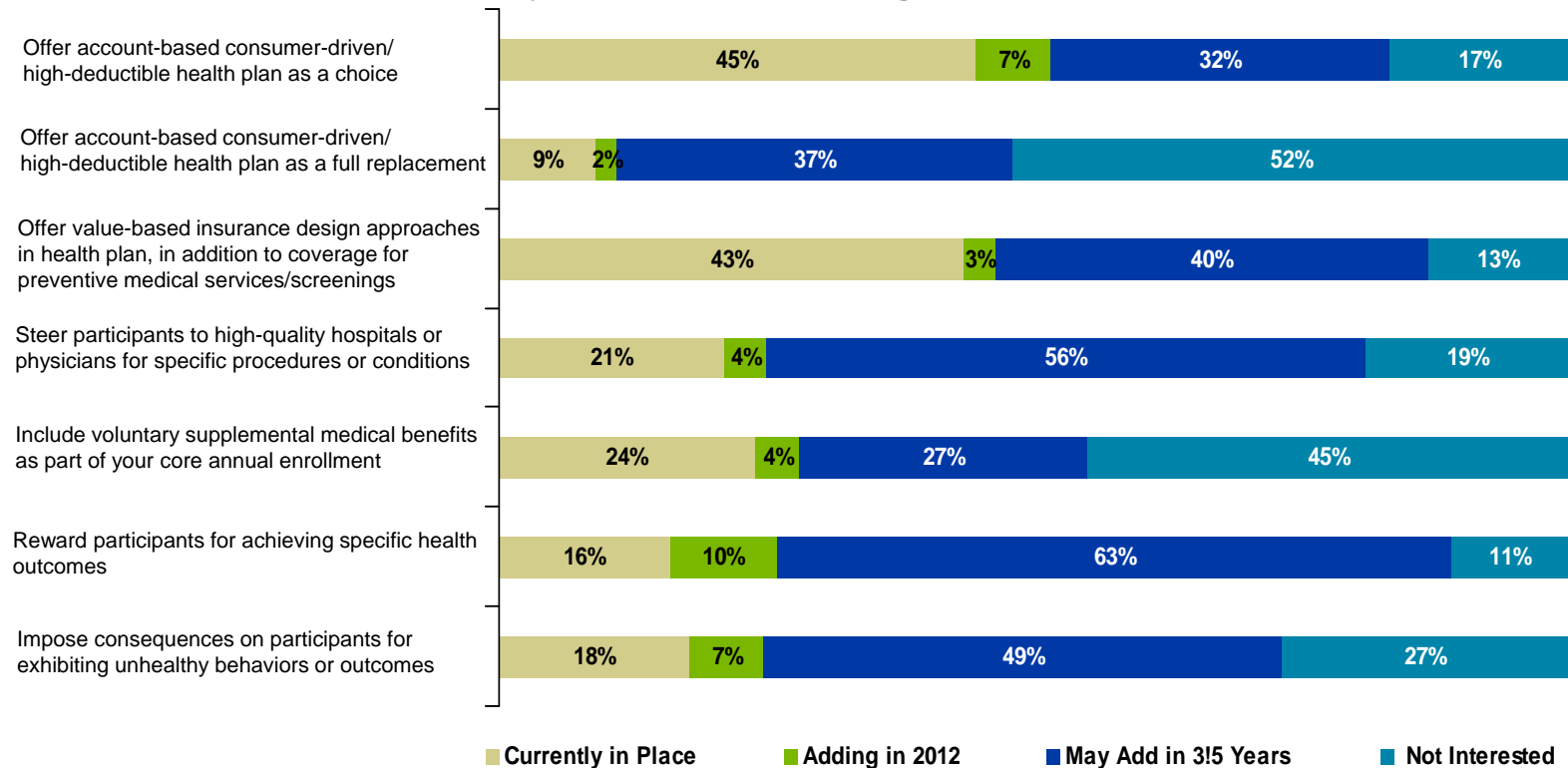


Source: Aon Hewitt 2012 Health Care Survey

Elements of a Health Care Strategy

Take plan design off pause. Employers can't wait for reform to settle or costs to stabilize before advancing a health care strategy to achieve better results.

Activities that are part of employers' health care strategies



Source: Aon Hewitt's 2012 Health Care Survey

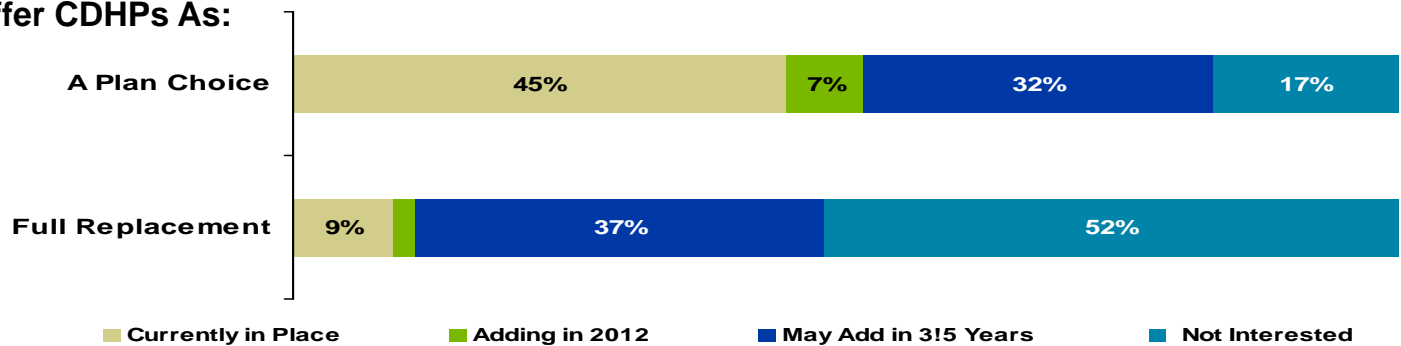
CDHP Trends: Choice and Savings Account

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with Intent

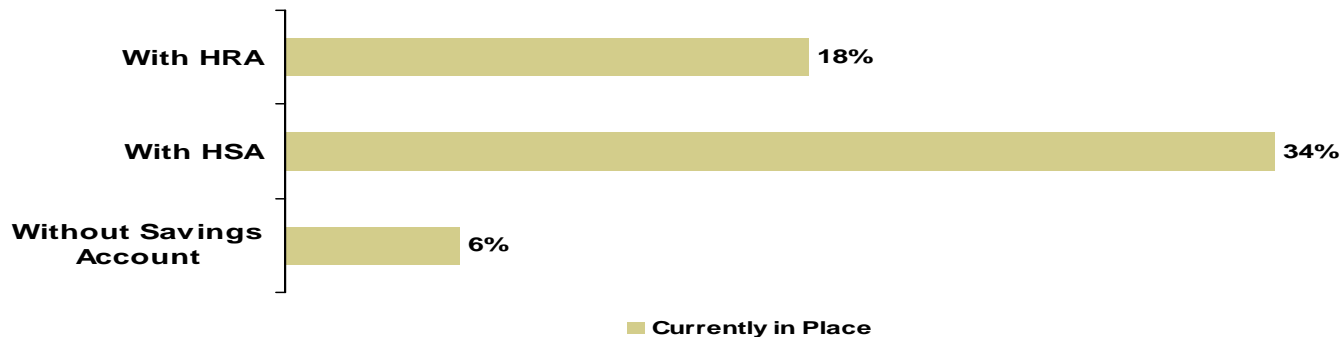
More employers use CDHPs, 2nd only to PPOs.

- Prefer these plans as a **choice** rather than a full replacement strategy.
- Use plans with health savings accounts (HSAs), out-pacing health reimbursement accounts (HRAs) by nearly 2 to 1.

Offer CDHPs As:



Type of CDHP Offered in 2012:

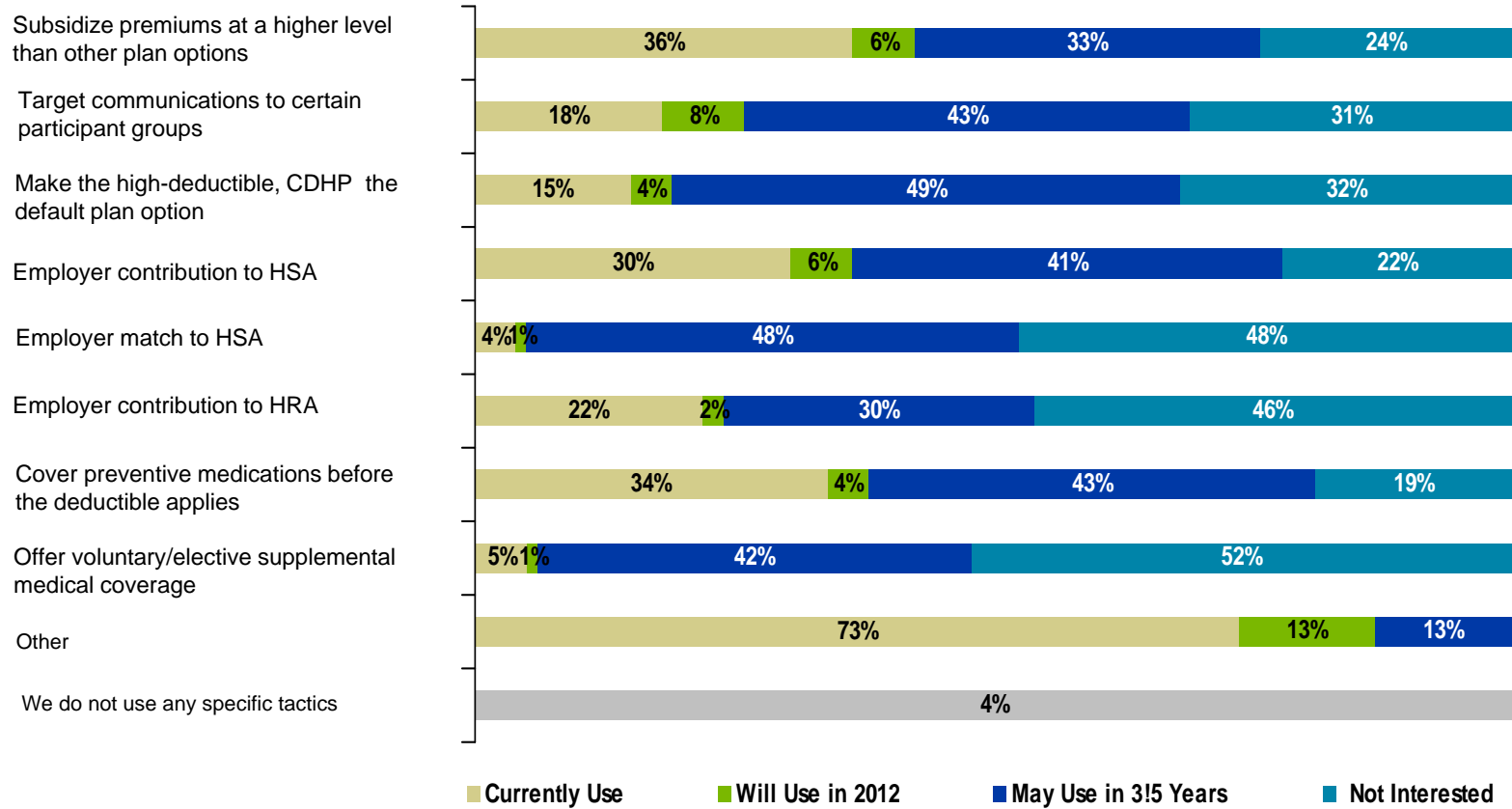


Source: Aon Hewitt's 2012 Health Care Survey

Employer Tactics Promote Participation in CDHPs

Design with Intent

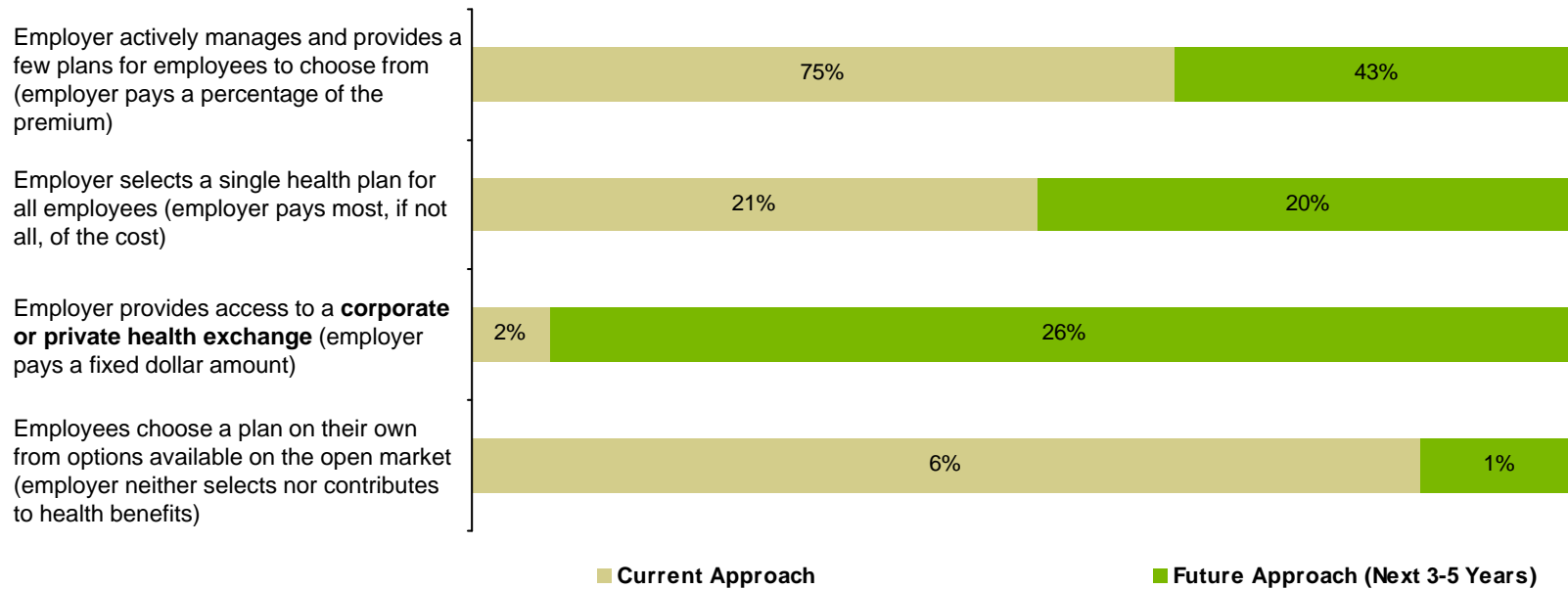
The most common tactic is to subsidize premiums at a higher level.



Source: Aon Hewitt's 2012 Health Care Survey

Interest Accelerates in Corporate Exchange

Taking the shift to more consumer driven models to the next level—“a new playing field,” more than a quarter of employers expect to provide access to a corporate exchange in the next 3 to 5 years.



Source: Aon Hewitt's 2012 Health Care Survey

Reduce Unnecessary Expense

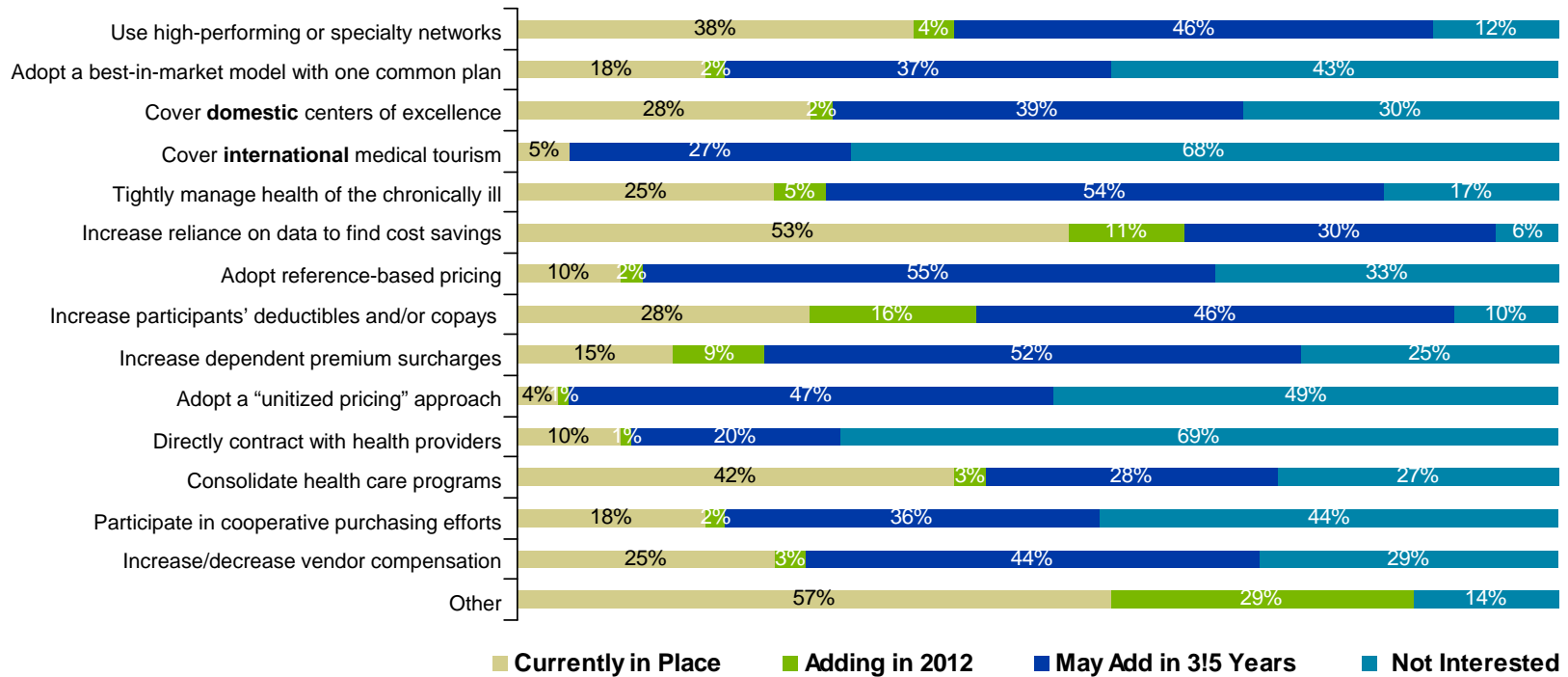


“Make it Personal”

Employers Evaluating Many Options to Improve Cost, Quality, and Access to Care

Reduce Unnecessary Expense

Top tactics of the future focus on design strategies such as increasing dependent surcharges, unitized pricing and increased deductibles and copays which focuses in the prior design with intent section.

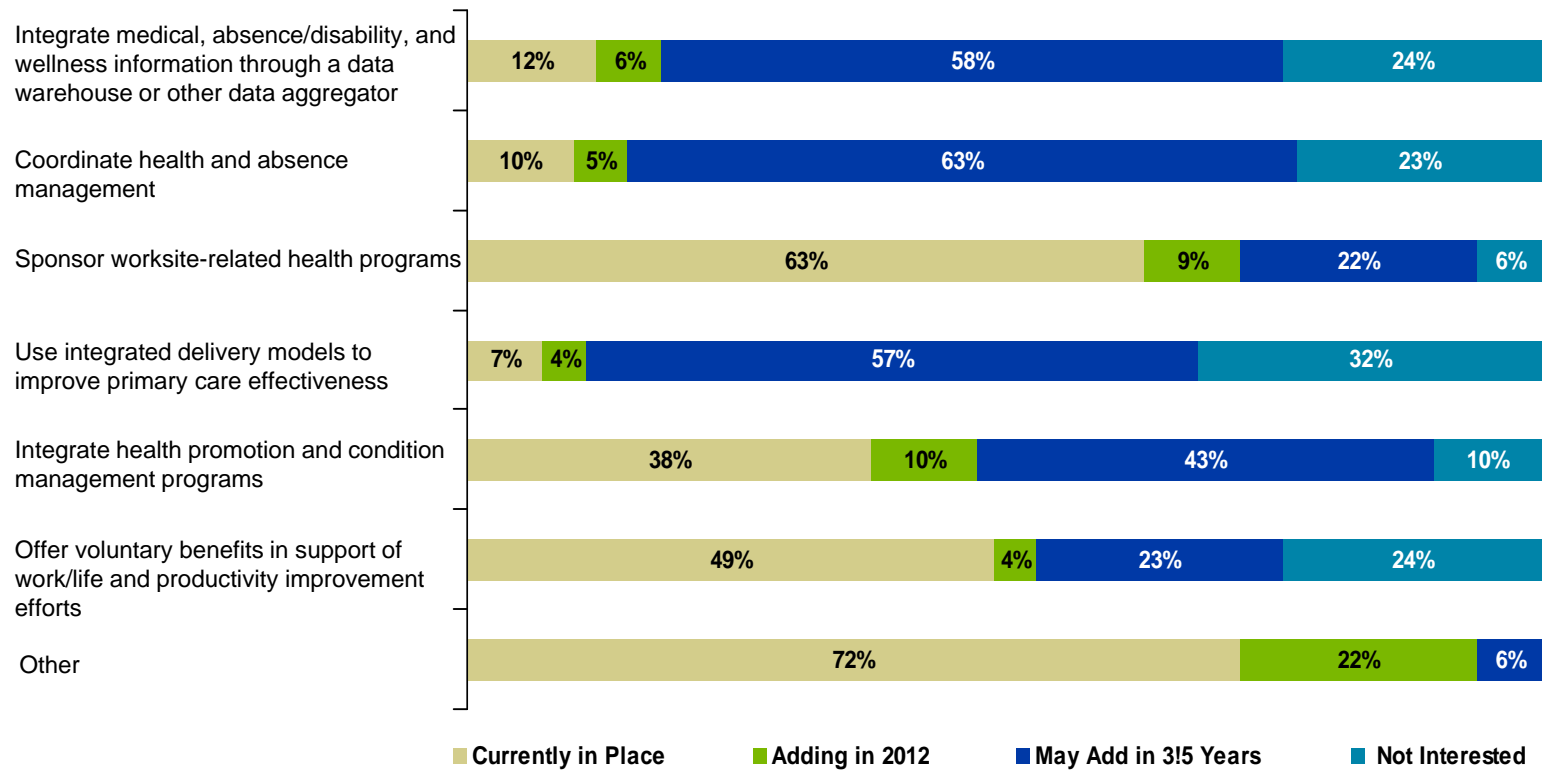


Source: Aon Hewitt's 2012 Health Care Survey

Improve Cost, Quality, and Access to Care

Reduce Unnecessary Expense

An integrated data warehouse and coordinating health and absence management are the two top future strategies employers plan to use for addressing cost.



Source: Aon Hewitt's 2012 Health Care Survey

Call to Action

Section	Key Themes	Action Item
Engage Participants	<ul style="list-style-type: none"> Focus shifts from participation to health results Participants want health messages that are personal and meaningful Sustained, positive health behavior change is the goal (vs. awareness) 	<ul style="list-style-type: none"> Understand employees' health mindset (attitudes, behaviors, motivations) Use health and attitudinal data to more precisely target messages Use incentives/consequences to motivate behavior change
Improve Health and Performance	<ul style="list-style-type: none"> Better health outcomes can improve business results 8 health risks and behaviors drive 15 chronic conditions and 80% cost Employers with more focused programs can achieve greater impact 	<ul style="list-style-type: none"> Focus solutions to improve major cost, health, absence and performance drivers Target and change the most costly health behaviors and risks Create a workplace culture of health to sustain positive behaviors
Design with Intent	<ul style="list-style-type: none"> More employers are rewarding achievement of health outcomes Employers continue to shift toward more consumer driven models Employers want improved delivery and innovative approaches 	<ul style="list-style-type: none"> Take plan design off pause; advance a health strategy to achieve results now Focus on access to care, quality of care and cost of coverage Explore additional solutions (elective benefits) and new strategies (exchanges) to improve results
Reduce Unnecessary Expense	<ul style="list-style-type: none"> Employers are evaluating many options to improve cost, quality and access Employers increasingly rely on data, especially integrating health and absence data, to identify cost savings 	<ul style="list-style-type: none"> Personalize health and cost information Make this information available at point of need Guide consumers to smart choices—High quality, cost-effective care