

# Support for Active Consumer Engagement in Health and Well-being - What's Missing?

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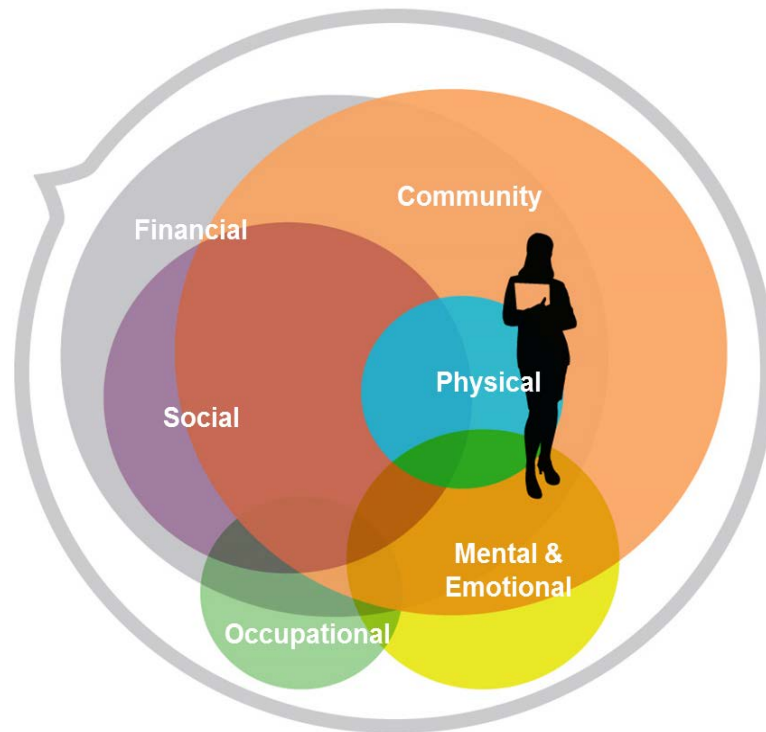
Thinking differently...

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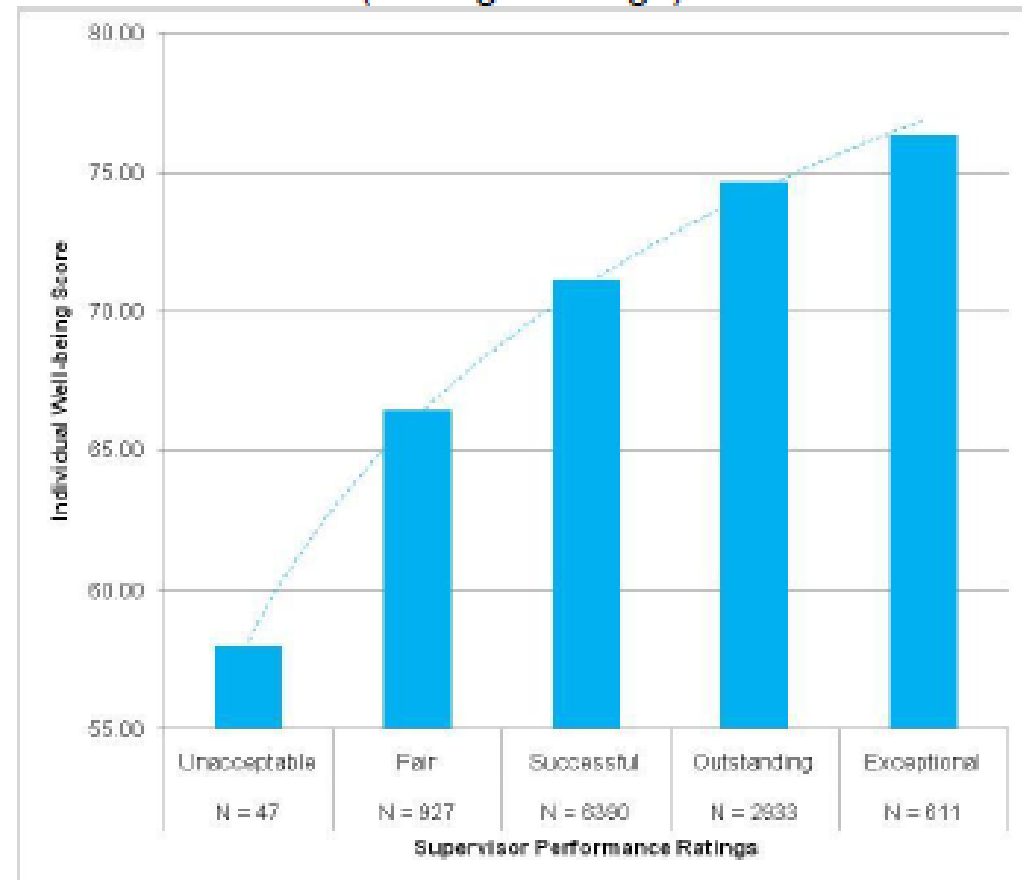


# Higher well-being is associated with improved workplace performance

## Well-being Is More Than Physical Health



## Well-being and Job Performance (Manager ratings)



# Well-being is central to employee engagement

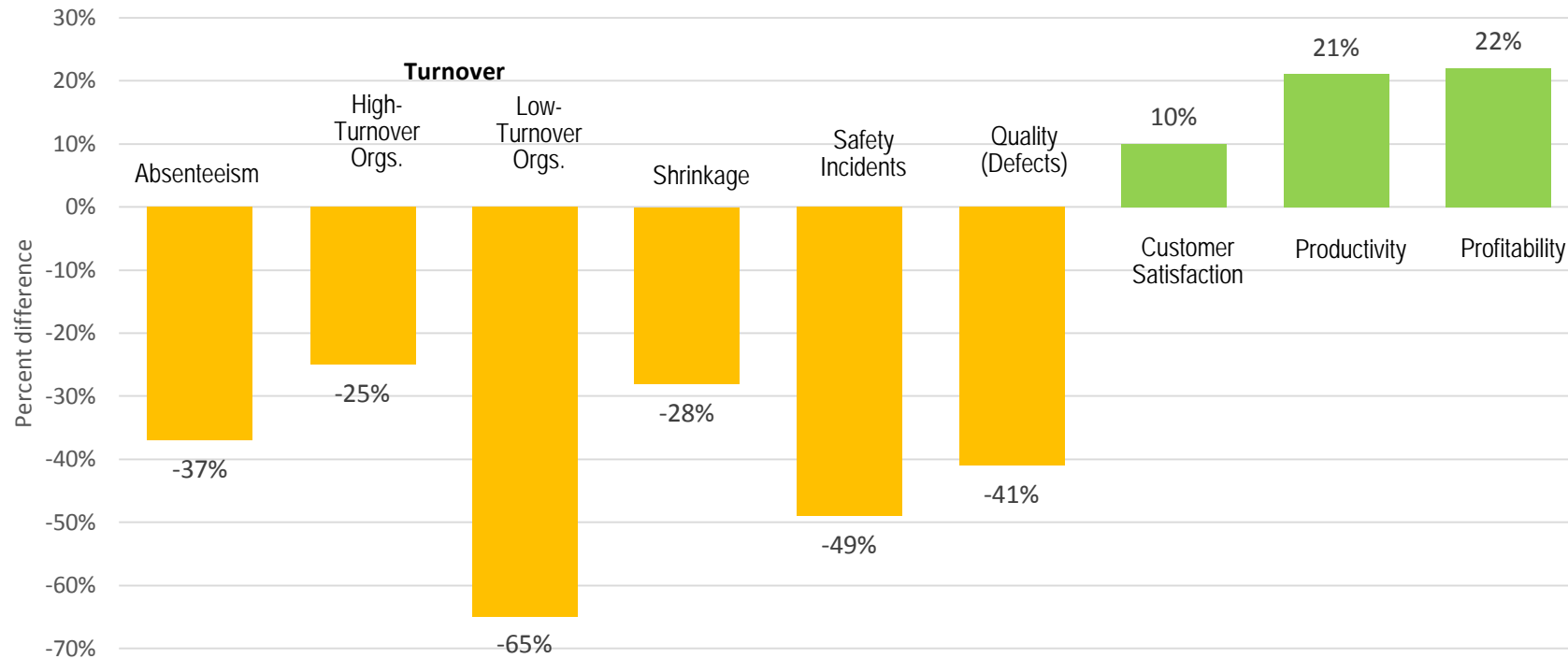
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## Top 10 Drivers of Employee Engagement Globally

1. **Senior management sincerely interested in employee well-being**
2. Improved my skills and capabilities over the last year
3. **Organization's reputation for social responsibility**
4. Input into decision making in my department
5. **Organization quickly resolves customer concerns**
6. Set high personal standards
7. **Have excellent career advancement opportunities**
8. Enjoy challenging work assignments that broaden skills
9. Good relationship with supervisor
10. **Organization encourages innovative thinking**

# Employee engagement affects key business outcomes

## Work unit outcomes comparing top quartile engagement to bottom quartile



<http://businessjournal.gallup.com/content/163130/employee-engagement-drives-growth.aspx>

# What hasn't been clearly appreciated...

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- The importance of socioeconomic status on healthcare and wellness/well-being program utilization patterns
- Healthcare consumer priorities and confidence
- The need to redefine the role of incentives in creating employer value in health and well-being

Whenever you find yourself  
on the side of the majority, it  
is time to pause and reflect.

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MARK TWAIN

# Issue #1:

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THE IMPORTANCE OF SOCIOECONOMIC STATUS



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

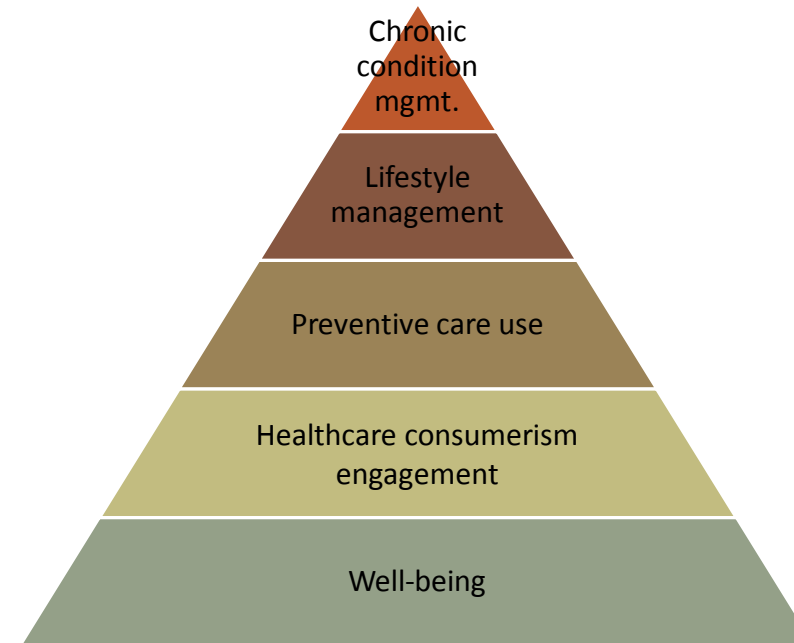
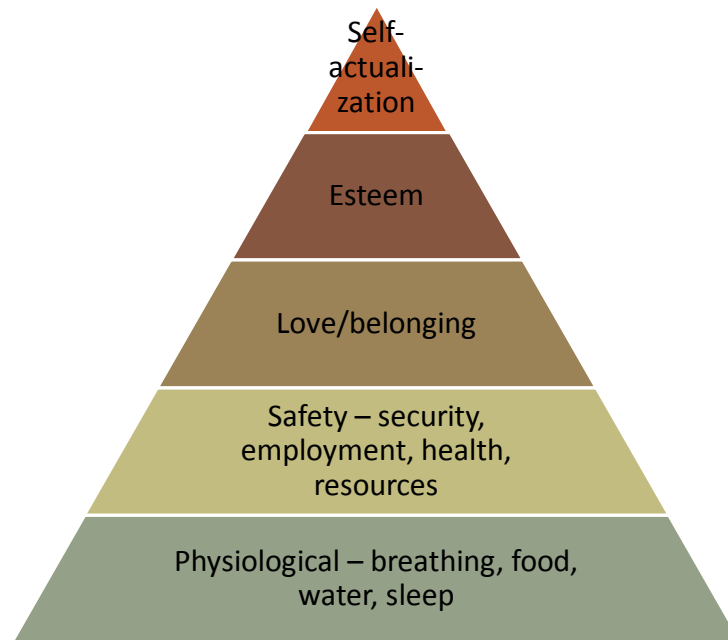
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- A. Less than 10%
- B. Between 10-20%
- C. Between 20-30%
- D. Between 30-40%
- E. Between 40-50%
- F. More than 50%

# Rethinking priorities

Maslow's hierarchy of needs...

...applied to healthcare consumerism



# Socioeconomic status impacts health – and consumerism behaviors

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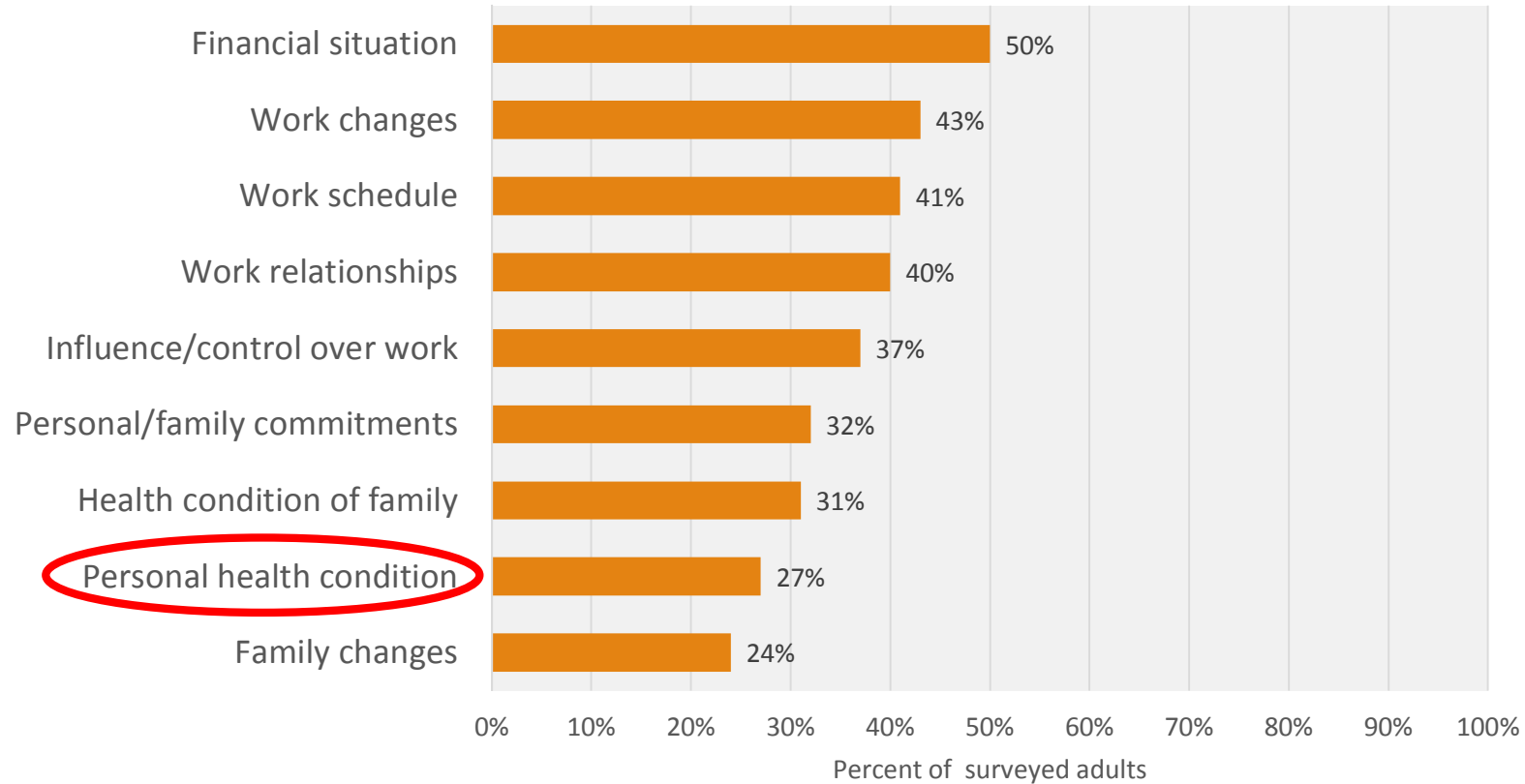
## Low-wage workers:

- High prevalence of unhealthy behaviors and chronic conditions
- High proportion of healthcare costs as a percentage of wages
- Low health literacy and healthcare consumerism engagement

## Differences in:

- Prioritization of personal health concerns relative to other life priorities
- Health benefits selection (influenced more by premium cost)
- Utilization of healthcare services (out-of-pocket cost and financial stress)

# Factors that stress people most intensely



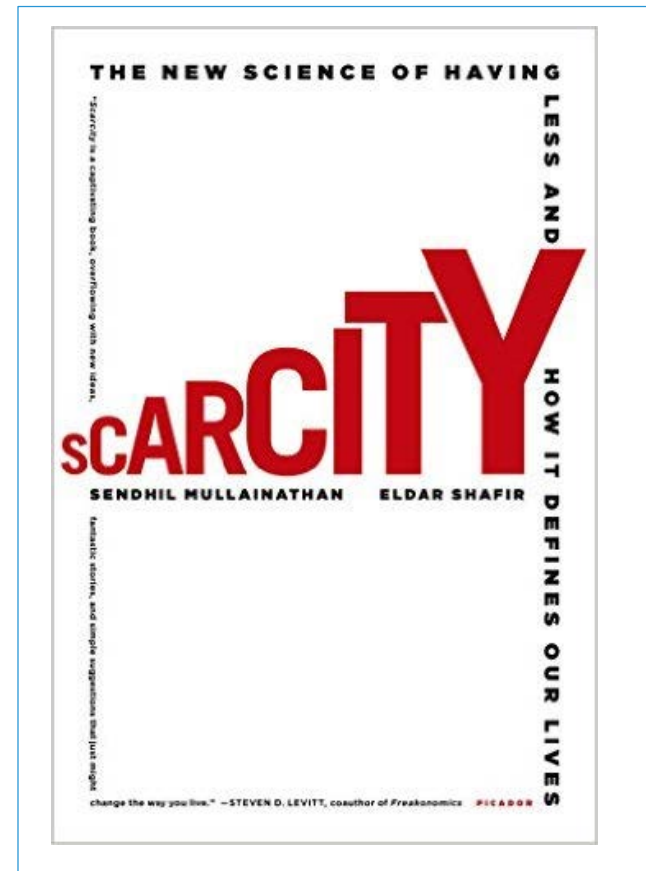
**What does this mean for prioritization of personal health issues?**

# 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

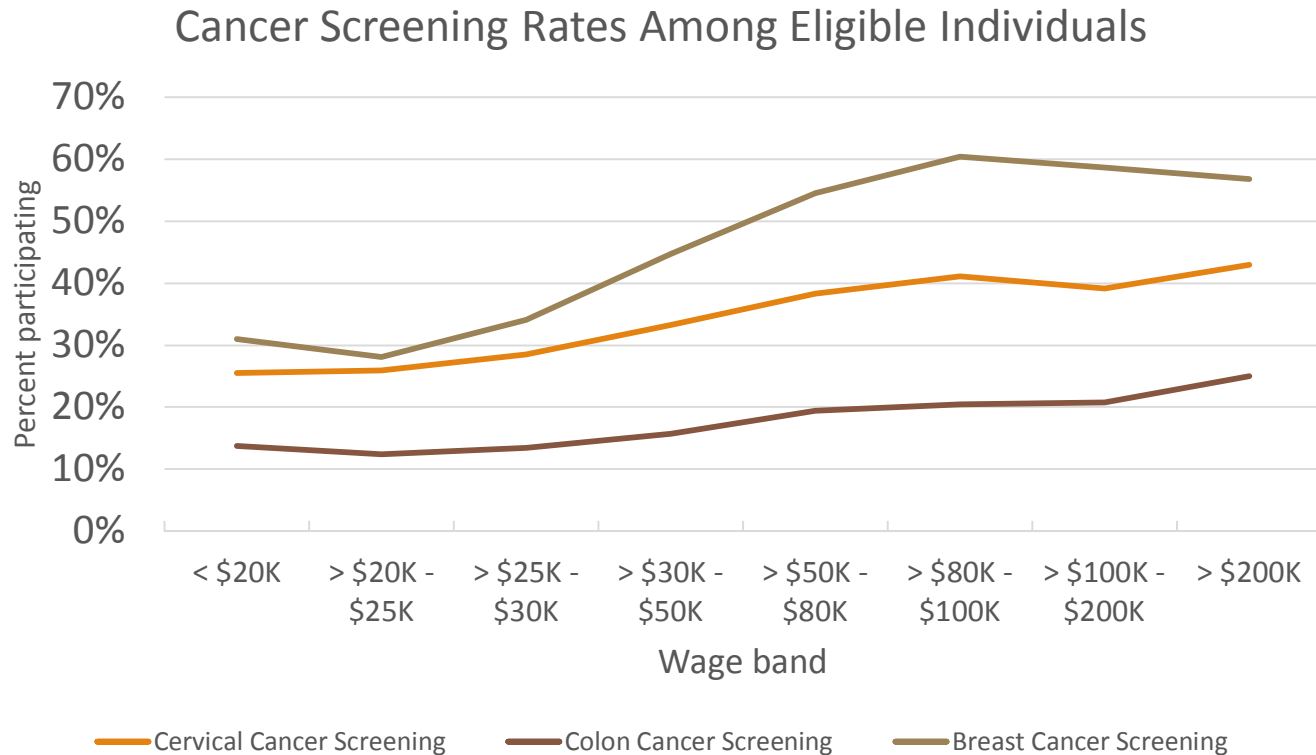
<http://scholar.harvard.edu/sendhil/scarcity>



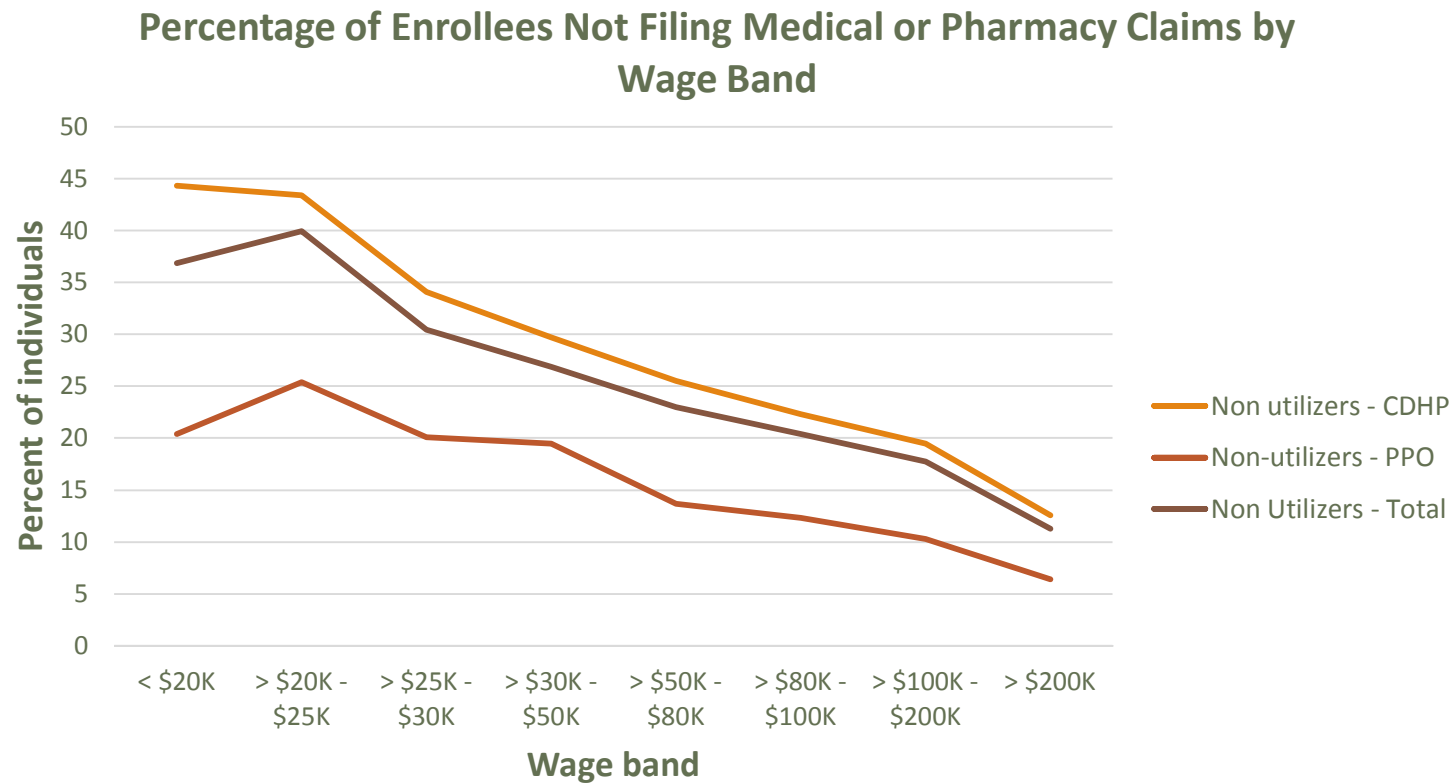
# Low-wage workers are more reactive users of healthcare



# Low-wage workers have lower compliance with cancer screening

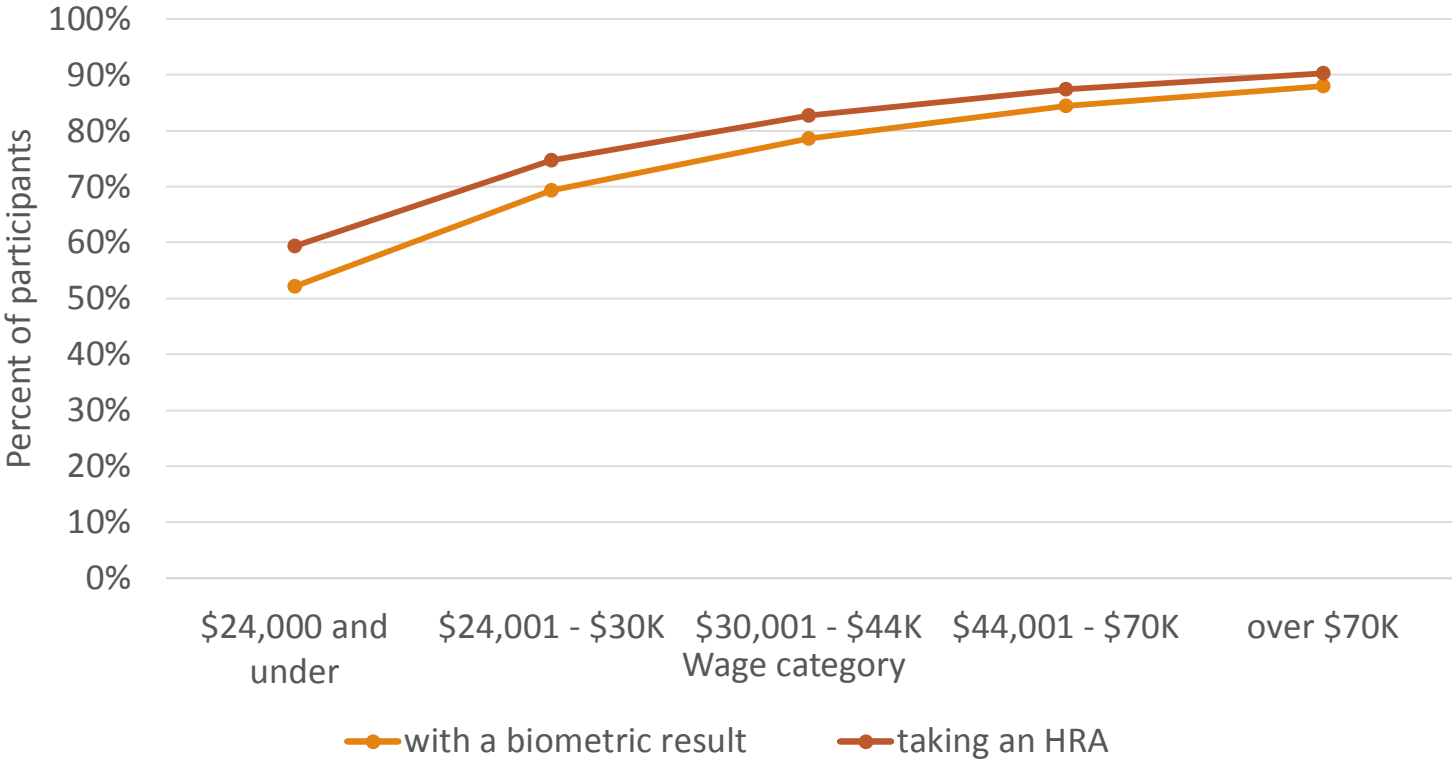


# Low-wage workers use less healthcare – despite higher risk scores





# HRA and biometric screening participation rates are lower among low-wage earners



# HEALTHCARE COSTS

# Issue #2:

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HEALTHCARE CONSUMER PRIORITIES  
AND CONFIDENCE

# Consumerism: Key observations

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- For many, healthcare consumerism is about cost and quality of available healthcare services.
- Individuals can become informed consumers of healthcare services – but they need support to do so.
- Few, if any, employers have a comprehensive consumerism engagement platform in place.
- In private exchanges, consumerism seems to be [unfortunately] focused on buying the right health plan.

# Patient Activation Measure (PAM)



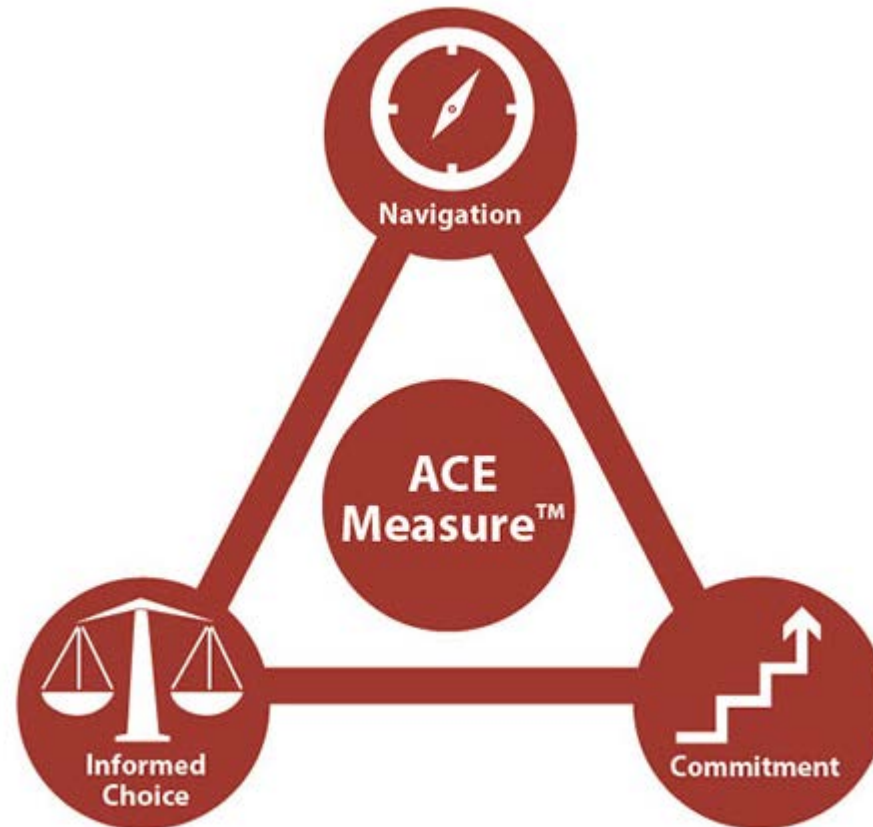
- More than 200 peer-reviewed studies addressing a broad range of topics
- Increased engagement associated with better consumerism behaviors as well as better health outcomes

# Altarum Consumer Engagement (ACE) survey

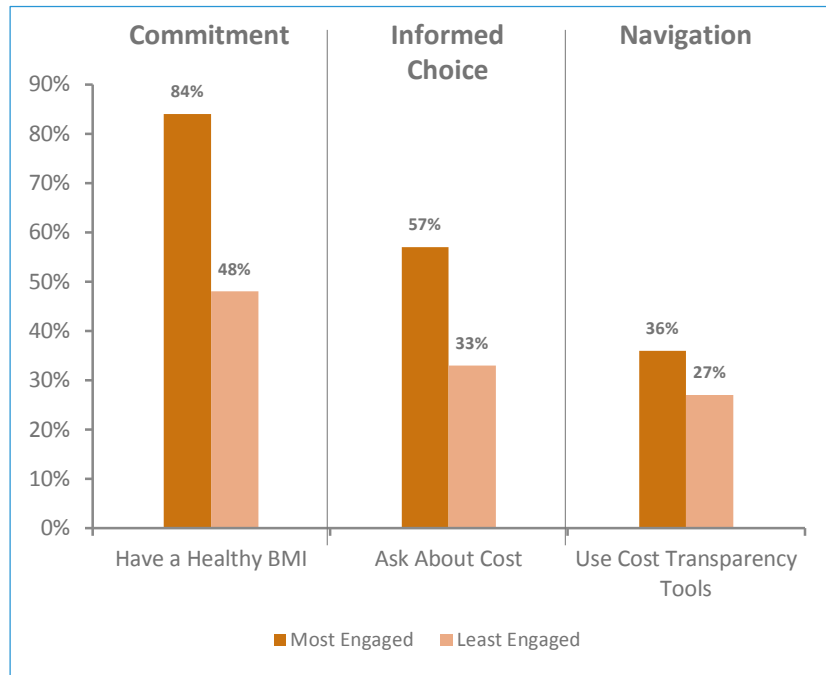
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Three engagement domains:

- Commitment
- Informed Choice
- Navigation



# Does consumerism engagement matter? Absolutely.



[www.Altarum.org/our-work/ace-measure](http://www.Altarum.org/our-work/ace-measure)

## PATIENT ENGAGEMENT

By Jessica Greene, Judith H. Hibbard, Rebecca Sacks, Valerie Overton, and Carmen D. Parrotta

### When Patient Activation Levels Change, Health Outcomes And Costs Change, Too

**ABSTRACT** Patient engagement has become a major focus of health reform. However, there is limited evidence showing that increases in patient engagement are associated with improved health outcomes or lower costs. We examined the extent to which a single assessment of engagement, the Patient Activation Measure, was associated with health outcomes and costs over time, and whether changes in assessed activation were related to expected changes in outcomes and costs. We used data on adult primary care patients from a single large health care system where the Patient Activation Measure is routinely used. We found that results indicating higher activation in 2010 were associated with nine out of thirteen better health outcomes—including better clinical indicators, more healthy behaviors, and greater use of women's preventive screening tests—as well as with lower costs two years later. Changes in activation

Health Affairs, 2015

# Issue #3:

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RETHINKING INCENTIVES



# Who are the least healthy in the workforce?

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## Lowest paid workers

- Highest prevalence of chronic conditions
- Highest prevalence of health risks/unhealthy behaviors
- Greatest proportion of healthcare costs as a percentage of wages

How are we approaching incentives for them?



How can incentives be restructured to more effectively address low-wage earner healthcare needs?

# Employers aren't particularly helping with health benefits subsidies...

	Lower-Wage Workers Contribute a Lower Percentage of the Premium than Higher-Wage Workers
<b>FIRM SIZE</b>	
3-24 Workers	<1%*
25-199 Workers	4*
200-999 Workers	8*
1,000-4,999 Workers	18*
5,000 or More Workers	21*
<b>All Small Firms (3-199 Workers)</b>	<b>1%*</b>
<b>All Large Firms (200 or More Workers)</b>	<b>10%*</b>
<b>ALL FIRMS</b>	<b>1%</b>

\* Estimate is statistically different from estimate for all other firms not in the indicated size category (p<.05).

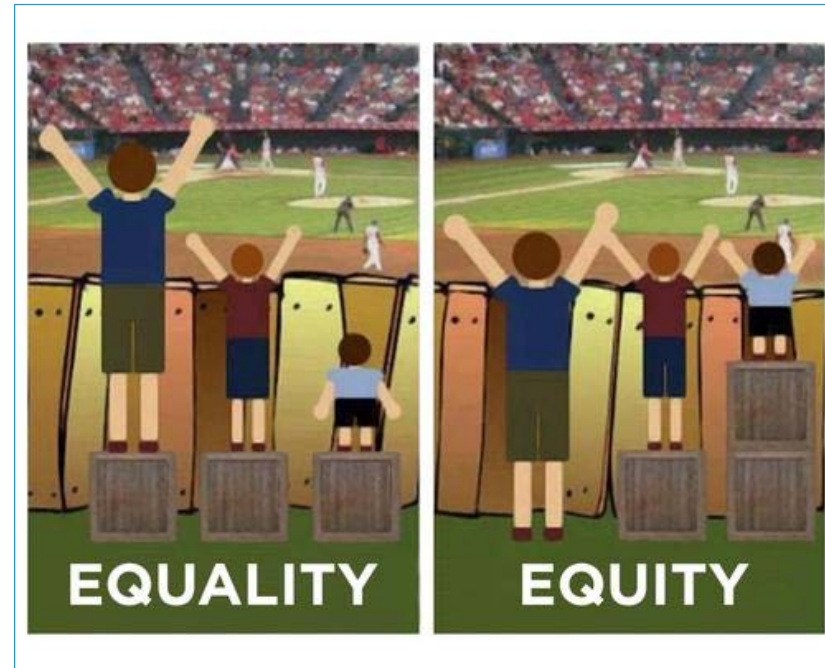
Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.

# Incentives implications for employers

## Benefits design considerations:

- Wellbeing and consumerism engagement as priorities
- Equality – or equity?
- Wage-based benefits
- Wage-based incentives
- Value-based benefits – especially for chronic care

[www.portlandoregon.gov](http://www.portlandoregon.gov)



# Putting it all together

Health/Wellbeing Concern	Current Incentive	Suggested Change
Wellbeing assessment/biometrics	Outcomes-based incentive	Participation-only incentive as threshold for other incentives
Personalized messaging – healthcare consumerism engagement	None	Threshold eligibility for other incentives
Wellbeing stressors (financial, caregiving, etc.)	None (generally)	Promote and reward use of wellbeing resources
Preventive care	First dollar coverage (ACA)	Time off for preventive care visits
Telehealth	None	First dollar coverage for initial use
Chronic care	None (preventive medications list)	Reward compliance with high-value chronic care management services
Low wage workers	Wage-based premiums	Wage-based deductibles; target chronic conditions

# The High Cost of Low Wages

by Wayne F. Cascio

FROM THE DECEMBER 2006 ISSUE

**W**al-Mart's legendary obsession with cost containment shows up in countless ways, including aggressive control of employee benefits and wages. Managing labor costs isn't a crazy idea, of course. But stingy pay and benefits don't necessarily translate into lower costs in the long run.

# Summary

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- Embrace a broader perspective when thinking about healthcare consumerism
- Learn more about your own population's priorities
- Evaluation of health status/healthcare use by population subsets based on demographic attributes may provide valuable insights
- Assess organizational alignment with population health management goals when it comes to incentives and benefit design

# Questions?

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