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Vol. 4, No. 1

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At A Glance

Mayo Clinic Health Management Resources is an acknowledged market leader in providing reliable and useful information about health and disease to employers and their employees, and a winner of IHPM's President's Award for bringing health and productivity solutions to employers. Mayo has been demonstrating its leadership in special issues of this magazine – two years ago, with respect to obesity and, last year, concerning health risks in general. This year, the focus is on consumer empowerment, and how to engage individuals in better managing their own health and, with their physicians, their chronic medical conditions, as well.

For Mayo, the goal is not cost-reduction for the employer through shifting costs to employees – unlike most early "consumer-directed" benefit designs. Rather, it's rationalization of resource use through informed consumer involvement and – ultimately – accountability. There's an insightful discussion of the psychology of consumer empowerment, and of the mental "paradigm shift" required to reach that goal – one key being educating the physicians as well as the patients about self-management of health and disease, and how this translates into health and productivity management (HPM).

There follows a thorough description of "self-service tools" that enable healthy consumer empowerment. These include: (1) decision support around treatment, provider evaluation, and cost calculation; (2) health advocacy – i.e., navigation aids for the health care system; (3) self care, encompassing education on prevention as well as demand management; and (4) risk assessment, or identifying and then reducing personal risks with the greatest potential for becoming costly diseases.

Consumer skills training comes next – with the "top ten" things needed by workers to become better health care consumers, and – for employers – how they affect the "bottom" line. It's then natural to present case studies of innovative employer strategies – and execution of those strategies – to advance consumer empowerment that supports HPM. This sets up the final "vision" chapter on consumer empowerment, and a discussion of the role health "consumerism" can play in HPM.

IHPM is advancing the health and productivity management model as the only one that will deliver enough value to employers to keep them engaged in improving the health of their employees. Consumer empowerment can enhance that value through engagement of the actual worker who must be healthy and productive to make this model work. HPM

Sean Sullivan
President & CEO
Institute for Health and Productivity Management

"When companies invest in the health of their workforce, they have the opportunity to reduce healthcare costs and increase productivity. No company should pass up that kind of leverage."

– Sean Sullivan, President and CEO of the Institute for Health and Productivity Management, Fortune Magazine, December 19, 2005

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Health & Productivity MANAGEMENT

SPECIAL EDITION

UPFRONT

FEATURES

Building a Culture of Health, One Employee at a Time

As health care costs continue to rise, employers and health plans are being squeezed between a need to keep costs under control and a growing dissatisfaction among their populations, who often feel they are being asked to bear the brunt of cost increases.

Employers' ability to pass additional health care costs on to employees is not without limits. Broader, related issues include their ability to attract and retain top talent in the impending U.S. labor shortage, and to create a positive work environment and employment relationship.

And the problems don't end there. Despite the increase in lifestyle-related health problems such as obesity and high blood pressure, and in age-related diseases as the population gets older, people are reluctant to change their health behaviors.

In fact, most don't see the need for change: nearly three-quarters of 1,400 employees in a 2005 Towers Perrin study on health care consumerism saidthey already are effective health care consumers. This contrasts with the views of employers in the study: only about one-third said they believe their employees behave in a way that is consistent with good health care consumerism.

Clearly, the health care dilemma, which in many organizations pits rising costs against the need to manage a sensitive employee-relations issue, is highly complex. Many companies have responded by offering some type of consumer-driven health plan (CDHP), which shifts more of the financial and health benefit management responsibilities to the employee. But while CDHPs have been in existence since the late 1990s, research suggests that insured populations are not using them in great numbers.

A closer look at consumer-driven plans

Consumer-driven plans grew out of disaffection with the managed care programs of the 1980s. Managed care had controlled health costs for a time, but as costs began to rise again other solutions were sought.

One thing became clear – individuals would have to shoulder more responsibility for both the management and the cost of their health care. This philosophy, however, was counter to the managed care approach that many employees were comfortable with: limitations on provider choice in exchange for low co-pays.

Unfortunately, managed care kept participants in the dark about the true costs of their health care, and may have encouraged unnecessary doctor and hospital visits and medical tests.

As the effectiveness of managed care waned, some employers began to pursue consumerism as a health-benefit strategy. By 2003, according to a study published in 2004 in Health Affairs, CDHPs – at least in concept – were already well-known among benefit managers at large com-

Jeff Dobro, MD, Senior Care Management Consultant, Towers Perrin

panies. And while enrollment in these programs was virtually zero in 2002, just a year later 10 percent of employees worked for firms that offered some form of CDHP. (Ref: "Employers' Contradictory Views About Consumer-Driven Health Care: Results From a National Survey," by Jon R. Gabel, Heidi Whitmore, Thomas Rice and Anthony T. Lo Sasso.)

Consumerist approaches vary somewhat. They may include high-deductible benefit plan designs that are coupled with some type of medical savings or reimbursement account. Specific tools to help employers implement a consumerist strategy include:

- **Health Savings Accounts** (HSAs) created by the 2003 Medicare Modernization Act can help employees save, tax-free, for future qualified medical and retiree health expenses. HSAs are portable from job to job and may be funded by the employer or the employee, but the employer must deposit actual funds into the account.
- **Flexible Spending Accounts** (FSAs) allow employees to make pretax deductions from their wages to pay for a wide variety of medical costs, including doctor visits, prescription drugs and some over-the-counter drugs and remedies. As of 2004, only about 20 percent of eligible employees were using this option, possibly because of the "use it or lose it" provision, which requires that employees forfeit any money they've set aside but haven't used by the end of the plan year.
- **Health Reimbursement Arrangements** (HRAs) are another type of personal account to which employers contribute and from which employees can directly pay for their medical care. A June 2002 Internal Revenue Service ruling established that HRA funds can roll over and are tax-free. What's more, companies of any size – with or without a health plan – can establish an HRA program. As with qualified HSAs or FSAs, accounts are not taxable, and employers' contributions are tax deductible. Employers are not required to actually fund the account until employee withdrawals are made. In addition, employers may elect to allow employees to permanently vest these accounts for use in retirement (RHRA).

Program Management (low-cost companies vs. high-cost companies)
Managing Vendors (have implemented/will implement)

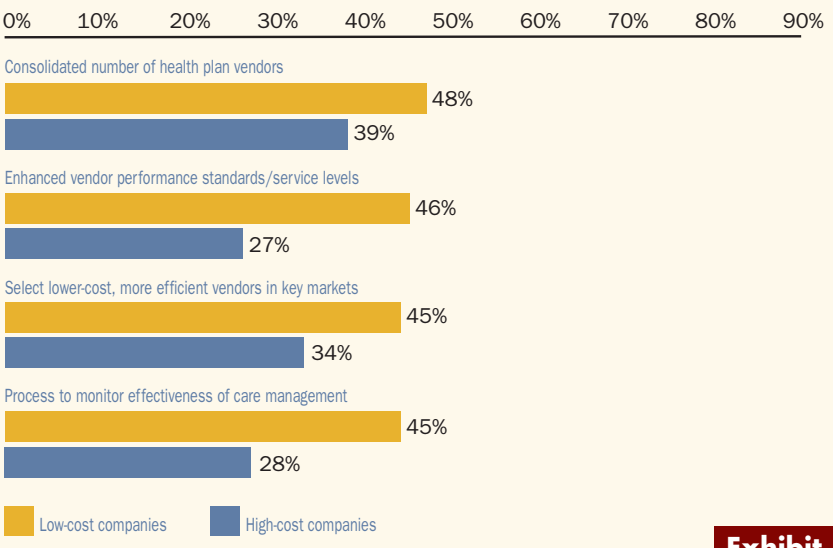

Exhibit 1

Employee Accountability (low-cost companies vs. high-cost companies)
Increasing Responsibility/Accountablility (have implemented/will implement)

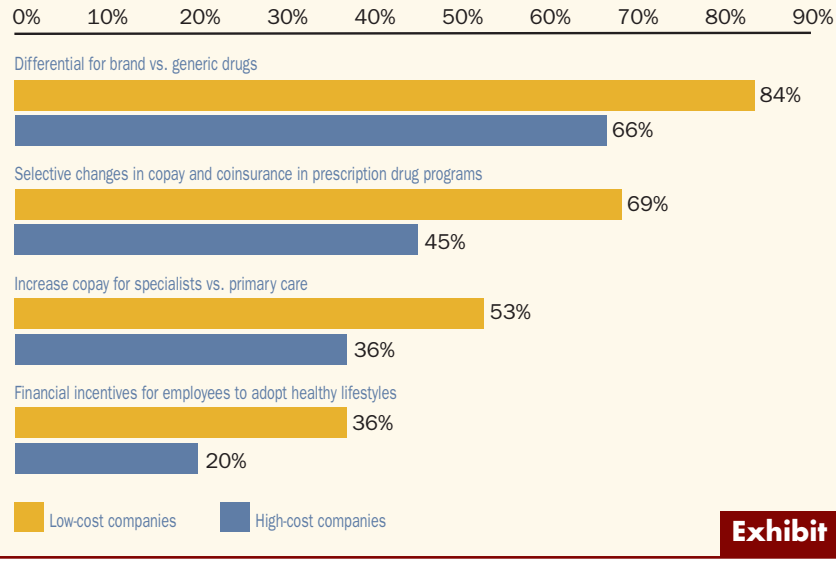

Exhibit 2

According to the Towers Perrin 2005 and 2006 Health Cost Surveys, 10 percent of respondents offered some type of consumer-driven health plan as an option in 2004/2005, and another 27 percent intended to offer such a plan in 2006. In addition, two percent of employer respondents introduced a CDHP as a total replacement offering, supplanting all previous health plans, and eight percent said they planned to do so in 2006.

While these statistics indicate that employers see the

value of these plans and are implementing them at increasingly rapid rates, employees themselves seem less sure. In our 2006 Towers Perrin Health Care Cost Survey, employer respondents indicated that only about five percent of employees are choosing these plans over traditional indemnity plans, PPOs and HMOs.

Going Beyond the Toolbox: Establishing a Culture of Health

Under a consumerism model, people are asked to make informed decisions about the 1) type of coverage they choose; 2) how they'll use health care services (and how often); 3) how they will pay for those services; and 4) how they manage their own health, including lifestyle issues (for example, diet, exercise, smoking), health risks and any chronic conditions they might have. Clearly, knowledge and behavior change are critical components of such a strategy. And organizations that match increased participant financial responsibility with robust clinical information and decision support resources maximize their chances of success.

Consumer Engagement (low-cost companies vs. high-cost companies)
Increasing Responsibility/Accountablility (have implemented/will implement)

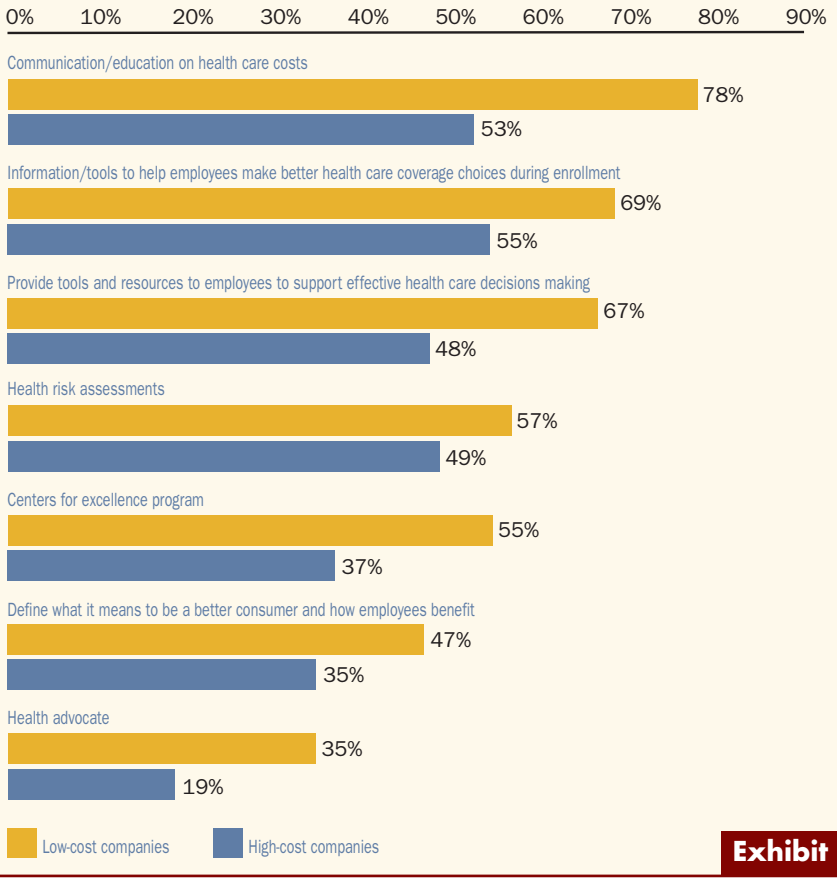

Exhibit 3

In short, a simple plan-design fix won't solve the health care dilemma. And plans that do not address needs and manage demand across every segment of the population (from healthy young people to people with chronic illnesses to those who experience catastrophic health events) will not produce improvements.

Instead, a culture of health must be built participant by participant, using every technique available, from coordinated communication to diligent provider and vendor coordination and management.

A culture of health is one that promotes significant changes in the culture of the organization, the behaviors of individual employees and the vendor/provider communities that support the health of the work force.

It focuses on the underlying causes of health care cost increases and encompasses consumer engagement strategies and an understanding of health status and risks across the employee population. It takes a systematic, comprehensive approach to identifying problems and addressing them. By combining a culture-of-health approach with a consumerist purchasing and management option such as a CDHP, organizations provide the context and support needed for employees to make the right decisions. Health benefit design – including a focus on CDHPs – is certainly an important factor, but it is only a part of a larger framework that includes five levers that can be managed to achieve desired cost and clinical outcomes:

- **Strategy and Governance:** Overarching corporate goals (for example, stabilization of costs, improved health of employee population) and approaches for achieving them, establishment of clear links between health benefits and the overall rewards portfolio, establishing a clear process for revisiting goals and plans based on results;
- **Design:** Features that provide cost transparency (so participants understand, for example, the real cost of health services, compared with the amount they pay) and encourage individual responsibility, accountability, and appropriate health choices and behavior;
- **Financial Management:** Optimal funding and pricing, disciplined budget setting and review, periodic and consistent benchmarking;
- **Delivery:** Best-in-class vendors by location, right number of

vendors, efficient carve-outs, effective care management through integrated delivery, superior customer service, ongoing vendor- and program-performance reviews;
- **Change Management:** Leadership support, ongoing communication, decision support, system navigation tools, healthy work environment and culture.

While the concept of a culture of health is universal, how it plays out in a specific organization depends in large measure on the organization's goals. Every organization wants to control health care costs, but what does that really mean? Each organization must understand its current costs relative to its locations, industry, overall employee population and types of health plans offered. A construction company based in the southern states with a relatively young employee population will have a different baseline cost structure to measure against than a services company in the Northeast with an older, sedentary employee population.

In addition, health providers, especially primary care physicians and hospitals, have added responsibilities with a culture-of-health approach. Increased and more intensive patient education, and changes in accounting and billing practices as patients use various forms of payment, are just two examples. And these are not small considerations; consider the number of hospital and provider staff members currently required to handle billing or the amount of patient education needed to manage chronic diseases such as diabetes.

As more and more patients seek information so they can make better health care decisions, and as the elderly population grows, the demand for patient education could skyrocket. On the plus side, this increase in demand could make providers more willing to work closely with care management programs to provide that education as well as health system advocacy, so that patients can more easily navigate the system.

A Look at Successful Companies

Initiatives that make up a culture-of-health approach to cost containment and improved health for employees appear to be working. Recent Towers Perrin research examined the differences among companies with relatively low health premium costs (those in the lowest third), those in the midrange, and those with the highest costs (in the upper third).

Cost variations were significant; companies in the upper third will pay an average of $9,972 per employee in 2006 and face an average eight percent cost increase from 2005, while companies in the lower third will pay an average of $6,888 per employee, and face a five percent average increase. While some of this variation is due to difference in geography and employee demographics, the magnitude points to other forces at work, as well.

When we examined specific steps respondents said they have taken or will take, for example, we saw that in every instance significantly more low-cost companies reported taking steps in the areas of vendor management (see Exhibit 1), employee accountability (see Exhibit 2) and consumer engagement (see Exhibit 3).

Specifically, low-cost companies are more likely to monitor vendors and make employees more responsible and accountable for the financing of their health care. What's more, low-cost companies are also more likely to help employees understand what it takes to be a good health care consumer and to provide the tools they need to make good decisions. These companies also focus on prevention and management by providing health advocates, monitoring vendor care management programs and instituting wellness programs.

Ensuring Success

As organizations move to shift more responsibility for health care expenditures to employees, those interested in establishing a culture of health and reaping the benefits should:
- **Focus on health** – not cost control – as the top priority. Reduced costs will result from a concerted focus on improving the population's health. Our research shows that significantly more low-cost companies focus their health care communication on the benefits of improved personal health.
- **Base program features on illness prevention and management.** Building on the health focus, low-cost companies in our studies were much more likely than high-cost companies to have implemented disease management programs, wellness programs, health advocates, health risk assessments and even on-site health services as ways to address population health issues.
- **Equip health care consumers to do the right things.** Provide resources aimed at building capabilities, such as information and tools to help people make better coverage choices and resources to support effective health care decision making. Communication should focus on defining what it means to be a better consumer and how consumers can benefit. As shown in our consumerism research, employees who have access to tools – and work for employers who they believe work to keep health care costs down and quality up – are much more likely to exhibit good consumer behaviors.
- **Hold health care consumers accountable.** Our 2006 cost survey shows that low-cost companies are more focused on shared responsibility and employee accountability than are other employers. Program-design features in low-cost companies, for example, emphasize co-insurance over co-pays. They also provide greater contributions for primary care physicians as opposed to specialists and for generic over brand drugs.

- **Manage vendors aggressively.** Vendor management may seem like old news as a program management priority, but the fact is that companies with better results manage their vendors more thoroughly and more aggressively than their high-cost counterparts by, for example, tightly managing the selection process and monitoring performance frequently and consistently.

Learn more in this issue of *Health & Productivity Management*

Consumer empowerment represents a paradigm shift in health care. The remainder of this special issue of *Health & Productivity Management* explores the subject in additional depth, with articles on innovations such as consumer skills training and proven self-service education and evaluation tools – plus many more.

Case study: Changing employees' perspective on health

A large grocery chain with more than 20,000 employees was faced with soaring health care costs for its self-insured program. Eager to control costs, the company decided to eliminate its existing program and institute a consumer-driven plan.

The new plan was implemented quickly, but in a way that was out of sync with the company's culture and that had too little focus on the elements that make such a program successful: deliberate management of the change, clear, ongoing employee communication, a focus on health management and disease prevention, and adequate tools for employee decision making. What's more, there was little employee communication or attempt to get employee buy-in to the program.

As a result, the plan met with strong resistance. Not only were employees confused, many faced higher out-of-pocket costs than under the prior program. Employee relations issues were further complicated by problems with the debit cards provided to access money under the plan's health care cost reimbursement arrangement.

Management reacted quickly. Towers Perrin worked with the company to first evaluate its consumer-driven plan and explore alternatives from a plan design and funding perspective. A second step was to audit the consumer-driven plan to validate employee perceptions and identify process-improvement opportunities.

The team then used a conjoint analysis survey to gauge employee interest in other benefit trade-offs (such as a reduced 401(k) match or fewer vacation days) and to foster buy-in to the revamped consumer-driven health plan. The company also corrected pricing and debit card issues, replaced several vendors and implemented financial and performance monitoring of all vendors.

In early fall of 2003, employees were asked to vote on whether the company should implement the revised consumer-driven plan in 2004, or select two other more traditional plans. Almost 80 percent of the work force voted, and the consumer-driven plan captured 83 percent of the vote. Recent employee survey results indicate that the plan continues to have a very high employee satisfaction rate. The program is also expected to continue to deliver significant cost savings to the company. HPM

Jeff Dobro, MD, is a senior care management consultant at Towers Perrin and a member of the firm's Care Management practice, working out of the Parsippany, N.J., office. He has extensive experience in a wide range of health care sectors having spent five years on Wall Street as a financial analyst covering the health care industry and 12 years building integrated health care systems covering comprehensive care management, disease management, wellness programs and on-site health services for managed care and provider-based companies.

Dr. Dobro works with senior management to address a variety of strategic, operational and financial issues to help them maximize the value of the full range of their health and wellness programs. His extensive experience with health plan medical management systems and provider care delivery issues allows him to bring a broad range of solutions to his clients including:

- *Strategy development*
- *Vendor process and outcomes effectiveness evaluations*
- *Care management and wellness program development, implementation and integration*
- *Effective use of on-site medical facilities*
- *Specialty pharmaceutical management*
- *Measurement and improvement metrics*
- *Program ROI*

Prior to his consulting work, Dr. Dobro was the health care analyst for a Wall Street hedge fund, the principal of a health care consulting firm, the chief medical officer of a national provider management group and a regional chief medical officer at a national managed care organization.

Dr. Dobro received his MD from the Medical College of Pennsylvania, where he received the Merck Award for Academic Excellence, and finished his specialty training at New York University, where he continues to teach as a board-certified rheumatologist.

Strategies for Implementing Successful Work-Site Health Behavior Change Programs

It has been well established that health care costs are greatly impacted by the health behaviors of the insured. A large percentage of annual health care costs can be attributed either to unhealthy behaviors (cigarette smoking, for example) or to noncompliance with medical recommendations (such as not taking medications as prescribed or not following dietary recommendations). At present, according to the Centers for Disease Control and Prevention, about half of the adults in our country are overweight or obese, one-fifth use tobacco and two-thirds have a sedentary lifestyle.

While education about health risks and wellness programs is part of the process of helping people change their unhealthy behaviors, it's not the whole answer. Most adults are well aware of the health risks associated with unhealthy lifestyles. Yet, in looking at how to help individuals change a behavior, it has been well demonstrated that education alone is not always effective in promoting healthy lifestyle changes. And while a growing number of organizations offer wellness programs, their populations continue to find it difficult to adopt healthier lifestyles.

So the question remains: What prevents people from making their health enough of a priority to make long-lasting, healthy lifestyle changes? The answer, for many people, is that psychosocial barriers prevent them from making effective and lasting health behavior changes.

This article identifies potential barriers to change and possible ways for work-site programs to overcome these barriers. Drawing from 20 years of clinical and research experience as a health psychologist in a medical center, I have formulated this list:

Top 10 Barriers to Health Behavior Change.

Barrier No. 1: Psychological difficulties. For some individuals, the presence of psychological issues will disrupt their ability to change. Those with a substance use disorder, for example, probably will find quitting smoking or starting an exercise program very challenging.

Matthew M. Clark, PhD, Mayo Clinic

The appropriate intervention then can be provided, increasing the chances of the individual's success and improving the cost-effectiveness of behavior change programs.

In examining outcomes of clinical programs, we often have found that the presence of depression is predictive of dropping out. Major depressive disorder is the leading cause of disability in the United States for ages 15 to 44. Depression results in an estimated workplace cost of $52 billion per year (Source: http://www.cdc.gov/nchs/fastats/mental.htm).

With a low-grade depression, called a dysthymic disorder, an individual may still function at work, but may cope by turning to alcohol for comfort, leading to substance abuse problems. Depression also can trigger binge-eating episodes and diminish one's motivation for exercising.

In one study of patients with coronary heart disease, researchers found that those who were not depressed were able to take their recommended aspirin twice a day about 70 percent of the time (Carney, et al., 1995). In contrast, patients with depression took their aspirin only 45 percent of the time. Taking aspirin is a simple step compared with quitting smoking or managing one's diabetes, so psychological difficulties can clearly interfere with adherence to medical recommendations.

Solutions: Screen for difficulties or provide mental health services. Organizations can help individuals overcome this barrier by providing a mental health component to their care model. This might include screening tests for depression – either on paper or online, through a telephonic service or within an Employee Assistance Program – with a continuum of care that can help individuals assess and address mental health problems. In addition, any behavior change initiative – be it for weight loss, smoking cessation or exercise – could include a component that assesses the individual's mental health and, when appropriate, provides a referral either to the primary health care provider or to a licensed mental health professional.

Barrier No. 2: Stress overload. When perceived life or job demands exceed perceived capabilities, it can be difficult to have a healthy lifestyle. When stress levels are high, one person will turn to food for comfort, while another might light a cigarette to relax. Others will find that during times of high stress, they lose focus on their goals or they fail to plan (e.g., "I didn't bring my fitness clothes, so I can't go to the gym after work," or "I didn't have time to shop for groceries, so I'll stop for fast food").

Solution: Stress management education. You can educate your population about the causes and symptoms of stress, as well as offer them access to appropriate interventions, stress management tools and information through your human resources department, Employee Assistance Programs or other work-life offerings in your community.

Barrier No. 3: Lack of individualized information about the behavior. Current research suggests that receiving personal health care information can be very motivating. "John" may have known for years that smoking can cause lung cancer, but providing John with information about his current pulmonary functioning and how his cigarette smoking has damaged his lungs may provide a teachable moment for healthy behavior change.

Solution: Personal health information. Work-site wellness programs can provide personal risk information as an informational and motivational strategy. This could be as simple as providing individuals with their weight classification, cholesterol profile or blood pressure reading, or giving them a tool to create a personal health record to share with their physician.

Barrier No. 4: One-size-fits-all treatment programs. It's logical that people with more advanced health difficulties will require more intensive interventions. For example, a counseling-based stop-smoking program that does not include medications may prove effective for a 19-year-old college student who smokes 15 cigarettes per week – but this same program may not help a 45-year-old, two-pack-a-day cigarette smoker. Applying the same concept to weight management, it's clear that a healthy 27-year-old who is 30 pounds overweight should not be offered the same wellness program as a 400-pound 45-year-old who has type 2 diabetes.

Solution: Individualized treatment matching. It's important for organizations to have a system in place to assess each person's individual health risks and barriers to change.

This might be provided through self-assessment tools, a behavior change nurse line or an on-site wellness specialist. The appropriate intervention then can be provided, increasing the chances of the individual's success and improving the cost-effectiveness of behavior change programs.

Barrier No. 5: Identification of triggers. In order to successfully change a behavior, it's important to identify one's high-risk situations: "When am I likely to smoke cigarettes or to overeat?" There are five categories of common triggers:

- Negative mood, when I am sad, stressed or frustrated;
- Social situations, when I am with friends, at parties or out to dinner;
- Discouraging thoughts, such as, "It's a graduation party and everyone else is eating as much as he or she wants, so why shouldn't I?";
- Physical problems, such as when I'm fatigued, in pain, hungry or experiencing withdrawal from nicotine;
- Habit, such as eating while I am driving, watching TV or completing paperwork.

Everyone's life is different, so it is important to identify a person's specific triggers in order to plan strategies for handling high-risk situations.

Solution: Management of high-risk situations. As the sponsor of work-site wellness programs, you may be well advised to make sure that health behavior change programs include techniques that help individuals identify and manage high-risk situations. For example, you might provide a tool that helps individuals track their eating habits to help them identify triggers for overeating.

Barrier No. 6: Overzealous goal-setting strategies. When deciding to change a behavior, many people set unrealistic and unachievable goals. For example, "I plan to exercise every day this week for at least two hours," or "I will lose at least five pounds a week for the next two months." When we fail to achieve a goal, we become frustrated and tend to give up on our behavior-change attempt.

Solution: Training on proper goal-setting. In contrast, setting specific, task-oriented goals that are attainable and realistic can lead to success. For example, "I'll start to have a serving of fruit at least three days this week," or "I'll walk for 15 minutes most days this week." When we achieve a goal, we then can set a new, higher-level goal. Successful small steps lead to long-term success. As the employer, if you are involved in helping people set wellness goals, be sure they're encouraged to focus on task-oriented, reasonable goals for health behavior change.

Barrier No. 7: Lack of confidence in the ability to change. Individuals who have failed in the past ("I've tried a hundred times to lose weight") probably will lack confidence in their ability to change. In contrast, having high confidence ("Yes, I am relocating, but I'm confident that I can keep exercising") has proven to be predictive of maintaining healthy behaviors. Wellness programs, therefore, should seek to enhance self-confidence for lifestyle changes.

Solution: Again, you can inquire about the wellness program's approach to enhancing the participant's confidence for health behavior change. Does the program provide tools that help your population record their successes and set future goals? Can you create workplace health initiatives that allow people to team up and encourage one another? In addition, change in confidence level can be used as a metric to assess the program's effectiveness.

Barrier No. 8: Changing motivational levels. In the past, a person's motivational level was considered a given trait: "Either I am motivated to stop smoking or I'm not motivated to stop smoking." Recent research has shown that an individual's motivational level for health behavior change can vary greatly over time. How we perceive the benefits and costs of a behavior appears to impact motivational level. Thinking about how quitting smoking will improve health, save money and have a positive effect on loved ones can increase a person's motivational level for quitting. In contrast, dwelling on how tough it will be to go through nico-

Changing a health behavior is very difficult – not impossible, but very challenging.

tine withdrawal, thinking that friends who smoke will give grief, and worrying about gaining weight will all reduce a person's motivation to quit.

Solution: Ongoing motivational programs. Wellness programs should not be designed only for those ready to change (a stop-smoking program or a new employee gym) but also should consistently, over time, seek to enhance the entire population's perceived benefits of implementing a health behavior change. Programs also need to provide ongoing support for change: for example, "After you complete our 10-week weight management program, you will receive monthly materials that will encourage you to continue perceiving personal benefits from maintaining your healthy behavior changes."

Barrier No. 9: Lack of social support. Changing a health behavior is very difficult – not impossible, but very challenging. Social support appears to foster success. Different kinds of people can provide us with different kinds of support, and combining support from different sources will prove most beneficial. We can seek and receive support from friends and co-workers, loved ones and health care providers, and from professionally led groups.

Solution: Enhance options for building social support. People interested in losing weight, for example, could receive counseling from their physicians, join a professionally led weight-loss program, walk with a co-worker on breaks, and seek family support for lifestyle changes at home. Work-site wellness programs can enhance that sense of community by offering services such as counselors (either on-site or telephonic) to assist people through the behavior change process; they also can offer companywide programs that encourage groups to take up an exercise challenge together, or on-site programs such as weight-loss support groups.

Barrier No. 10: Relapse. Perfection can be an impossible dream. Anticipating mistakes has been shown to quicken recovery. Success in maintaining long-term weight-loss, for example, probably does not mean having a "perfect diet" every day, every week, all year long. Suppose someone goes to a dinner party and, despite health-minded intentions, overeats. By anticipating this misstep, instead of this person saying, "See, I knew I would fail. I knew I was a weak person. I'll never succeed long term, so I might as well go back to my old habits," this person can say, "OK, I made a mistake, but this mistake is manageable. What's important is that I don't give up and I get back to my healthy eating and exercise plan right now. I will have a healthy breakfast in the morning and then go for a walk during my work break."

Solution: Relapse recovery program. A program that includes the concept of relapse recovery can help those who "slip" after a hard-won change to refocus their energies and get back on track. A wellness program could offer "booster sessions" for those who have stopped exercise, returned to smoking two cigarettes per day or are again skipping breakfast before work.

A positive bottom line

By including components to address these 10 possible barriers to health behavior change, wellness programs can increase their effectiveness – improving the population's health and quality of life, and reducing the associated health care costs of unhealthy lifestyles. In the process, companies can encourage individuals to become more active health care consumers – and enhance their chances of succeeding in making positive changes. HPM

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Since his fellowship in behavioral medicine at Brown University School of Medicine in 1987, he has been providing behavior therapy for weight management. He has been a leader of work-site weight management and smoking cessation groups. His research has focused on the identification of psychological factors that present barriers for successful long-term lifestyle change.

Health Empowerment Tools: Powering a Consumer-Driven Health Care System

"Our age of anxiety is, in great part, the result of trying to do today's jobs with yesterday's tools."
– Marshall McLuhan

"Consumerism" is a term coined to describe the intended response to changes in health insurance coverage allowing purchasers more power over how their health care dollars are spent. Consumer-driven health care products are hoped to create incentives to focus on prevention and early intervention, as well as establish a connection between health services and value.[1]

Preliminary data from a variety of sources have been encouraging. In a report by McKinsey & Co.[2] on survey results from more than 2,500 Americans regarding their

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health insurance arrangements, the early evidence regarding consumer-driven health care products was promising. Consumers were 25 percent more likely to engage in healthy behaviors, 30 percent more likely to get an annual physical, 20 percent more likely to comply with treatment for chronic disease, and likelier to research treatment options.

But not all of the news was positive. Many consumers were dissatisfied with the information available to them to make health decisions. Americans spend more per capita on health care than people from any other industrialized nation, yet our health outcomes on important measures frequently place us far back in the pack[3]. Pundits and policy makers may still be debating whether cost sharing is the appropriate solution to rising health care expenditures[4 5], but it is clear that in order for consumers to benefit from increased control over their health care dollars, they need effective health empowerment tools.

There is a long-held belief in our culture that we should not blame the quality of our work on the quality of our tools. It is possible to do quality work even with rudimentary tools, but the same work can be done more efficiently with better tools. Playing on a Steinway doesn't make one a virtuoso, but a virtuoso on a Steinway makes more beautiful music, and a competent pianist sounds better as well – and that success provides motivation to continue to practice and improve.

Empowering patients to take the reins of their own health is similar. There are "virtuosos" in health who would continue to eat a healthy diet and exercise regularly even in the midst of chaos. They never have smoked, and they can't imagine not wearing their seat belts. They are up-to-date on their screening exams and immunizations. They always know how to access the care they need.

Most of us are not virtuosos in health, however – though we are often quite good at managing some of our health needs. But what if we had better tools?

To determine how health empowerment tools can aid health consumers and improve outcomes, it helps to have a framework for understanding where improvements can be made. Preventionists think about opportunities to improve outcomes at three points: (1) before an illness or injury occurs (primary prevention); (2) when an illness or injury has occurred but before it has caused harm (secondary prevention): and (3) after harm has been caused, where the goal is to mitigate harm (tertiary prevention).

At each of these points, interventions can occur across one of four domains – the individual at risk, the agent or risk inducer, the physical environment, and the social environment. This structure – first described in the context of injury prevention by Dr. William Haddon Jr. – is referred to as the Haddon Matrix. The value of the matrix is that each cell illustrates a different area in which interventions can be undertaken to decrease risk and reduce morbidity and mortality, and that these different interventions are complementary in effect.

Haddon's matrix has been adapted to illustrate tobacco control interventions. In this example, the model has been used to display potential interventions. The process would begin by identifying specific factors in each cell that contribute to risk. This information is then used to generate possible intervention strategies.

When we think about empowering people to be more effective consumers of health care and supporting them so they can make better lifestyle choices, we often focus on health promotion interventions in the individual domain. It's apparent, however, that these interventions are complementary to others in each of the domains. In the smoking cessation example here, interventions in the workplace or on the public health level, along with changes in labeling of cigarettes, all contribute to decreasing morbidity and mortality.

Many tools have effects in more than one domain. A health risk assessment is a tool that helps individuals determine their health risks and potential strategies to reduce those risks; this intervention falls in the individual domain. But the fact that the tool is being offered in the workplace or as a benefit of employment begins to establish that the organization values health – starting a process of culture change within the organization.

Self-care resources such as self-care books and nurse

In order for consumers to benefit from increased control over their health care dollars, they need effective health empowerment tools.

Haddon Matrix

	Individual	Agent: Nicotine delivery device	Physical Environment: Work/home	Environment: Social/organizational/political
Before Addiction	Addiction education Disease education Counteradvertising Youth mentoring	Warning labels Labeling regulations	Smoke-free workplace ordinances/policies	Youth sales restrictions Taxation Black market policing Smoke-free workplace ordinances/policies
During Use	Disease education Cessation advertising Drugs to aid in quitting (e.g., bupropion) Case management/lifestyle coaching Cessation counseling	Filters Nicotine replacement	Smoke-free workplace ordinances/policies Work-site incentives for smoking cessation Change organizational/community culture Insurance coverage for smoking cessation	Taxation Smoke-free workplace ordinances/policies Change organizational/community culture
After Injury/ Disease Identified	Disease awareness Case management/lifestyle coaching Cessation advice Decision support	Nicotine replacement	Disease screening Disease treatment Work-site incentives for smoking cessation Change organizational/community culture	Maintain high-quality health care services in community Change organizational/community culture

triage lines can have similar benefits. They can educate people on how to use health resources wisely, when to seek medical help and when to handle situations with self-care. But the implementation of these resources also can be part of a wellness strategy that motivates people to begin accepting that personal action can change outcomes.

Once we recognize that interventions can be made across the various domains and with different risk groups, we then can focus on the quality of those interventions and empowerment tools. What do we know about effective behavior change strategies and how is this knowledge applied to self-care, lifestyle coaching, risk assessment and communication, disease management, and decision support? How do we maximize the benefit each tool creates?

First, we approach the design of these tools recognizing that each individual has a personal subset of risks. Everyone has a perception of the threat from those risks, based not only on health risks but on other kinds of risks such as financial, relationships, safety, and so on. We understand that individuals learn differently and have preferences for

the source of their health information. We note that at any time in a given population, some individuals are pre-event and need primary prevention, some individuals are post-event and need tertiary prevention, and some individuals are in the middle of the event and need secondary prevention.

The task, therefore, is to create a combination of tools that can be customized for each individual or organization to account for their risks, their preferred learning style and the level of prevention required. The tools must be culturally sensitive, meet individuals where they are in their readiness to change, and begin to support and guide them along the path of change. We need tools firmly grounded in science and supported by evidence – credibility is essential. Someone being asked to change a long-held belief needs confidence that the change being advocated is based on a reliable source of health information.

Each health empowerment tool needs to function both as a stand-alone and as part of a larger whole. Ideally, in a comprehensive program the risk appraisal should connect people with more in-depth information or health behavior interventions. And because consumers get a multitude of health messages every day, empowerment tools need to provide a unified, consistent message. For example, does your nurse line vendor know your population also has a self-care book and is helping people use it when they call in? One of their key functions is helping individuals sort through the myriad of competing health messages.

Most of us are not virtuosos in health, however – though we are often quite good at managing some of our health needs. But what if we had better tools?

Health empowerment tools also need to function in a way that helps consumers determine value. Health decision

What's in your consumer health empowerment toolbox?

By Robin Molella, MD, MPH, Mayo Clinic

Recently, I was working on pruning some shrubs that had gotten a bit out of control. I had reached some particularly large branches that were too hard to get with my pruning shears and was "expressing my frustration" when my son suggested I try the "loppers." He returned from the garage with a long-handled contraption that was "just what the doctor ordered," and the pruning was done quickly.

Likewise, by giving your population the right health empowerment tools, you can enhance their ability to manage their health care. But what, exactly, should you provide? The Mayo Clinic approach to population health management divides people into three categories: 1) the healthy; (2) those at risk; and (3) those with a chronic medical condition. By dividing your population into these categories, you can devise an appropriate health consumer empowerment tool kit.

Healthy population. There are three major objectives for reaching a healthy population: (1) educate them on preventive health and wellness; (2) provide them with self-care and demand management information; and (3) guide them toward the appropriate health resources.

Effective preventive health tools include those designed to deliver healthy lifestyle messages to a broad audience. Print materials such as newsletters, books and calendars can fill this role, as can a corporate health web site.

Self-care and demand management resources can help your people build confidence in their ability to care for their own needs, prompting appropriate use of the health care system. Self-care and demand management tools might include easily accessible self-care information as well as a phone-based health advocacy service. For example, after speaking with the Ask Mayo Clinic nurse line about a health concern, callers chose primary or self-care over urgent or emergency care by a margin of three to one. Sixty percent of callers whose initial intent was to go to the emergency room are redirected to a lower level of care. Equally important, two percent followed the nurse line call with an emergency procedure, because delivering the right care quickly can help control long-term costs.

At-risk population. It's well understood that more risk factors are correlated with higher health care costs. Research shows that the health care costs for a person with five or more risk factors is more than twice that of a person with zero-to-two risk factors.

To impact this population, provide a tool such as a health risk assessment to help them gauge their actual risk of health problems. A heaslth risk assessment also can identify how motivated someone is to make a change, helping you determine what sort of intervention to offer For those ready to change, a one-on-one high-touch intervention such as lifestyle coaching can put them on a path of long-term change by identifying personal barriers and equipping them with tools to overcome those barriers. For those motivated and ready to make a change, online behavior change tools can help them succeed. And a broad-based messaging tool such as a health newsletter can help motivate people who may be at an earlier stage of readiness.

You also can offer tools to assist in navigating the increasingly complex system of medical care. Cost calculators and provider evaluation tools can impact decision making and help move the responsibility for heath care choices into the individual's domain.

Providing help for making treatment decisions also has proven efficacious. For example, 85 percent of those using a treatment decision guide offered in Mayo Clinic's e-health package said that it increased their confidence in the ability to make an informed treatment decision, and 88 percent said it answered their treatment decision questions.

Population with chronic medical conditions. Interventions that assist those with chronic conditions can impact both direct health care costs and on-the-job productivity. For this high-risk group, a high-touch intervention with one-on-one counseling may be appropriate. The goal is to empower those with chronic conditions such as asthma, high blood pressure and diabetes to achieve better self-management, fewer hospital visits and increased functionality and productivity. A good program also will help participants better understand their doctors' instructions and answer questions between doctor visits.

Use of health risk assessment or claims data will point you to your most prevalent conditions, indicating which programs to offer. An HRA implementation also enables you to obtain consents from participants to target those willing to participate in an intervention

By taking a look at what's available in their consumer health empowerment toolbox, organizations can begin to identify and fill the gaps. It's an approach that any organization serious about empowerment can build on. •

guides and disease management tools need to be evidence-based so that consumers have bench marks.

Finally, in a perfect world these tools are part of a dynamic system of creation, implementation and evaluation. This means there is a closed-loop process for improving the tools. User feedback and usability data are critical. Look for tools that provide data on measurements ranging from participation and satisfaction to changes in both "stage movement" and health risk status.

Americans want better health, and our health expenditures demonstrate that we have been willing to pay a high price for it. Unfortunately, our health statistics suggest that you don't always get what you pay for. In large part, that is because normal market forces have not been effective in health care. If we hope to create market forces in health care that increase competition and decrease cost, we must give consumers the right tools to reach that goal. HPM

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Consumer Skills Training: What Your Population Needs to Know to Become Better Health Care Consumers

Employer-provided health care is a relatively new concept. Yet it's one that has become rapidly entrenched in our country. It wasn't until World War II and government-mandated salary caps that the concept of employers providing health care came into common usage. Since companies couldn't raise wages, they used health benefits to attract workers in a scarce labor market. From this practice grew the current perception that employers "owe" health care to their employees.

Prior to this time, most common problems weren't taken to a doctor – simple self-care measures were used and generally successfully. As with any "product," once the consumer isn't responsible for the cost, demand increases dramatically. Spending in the health care sector has grown from under 6 percent of the gross domestic product in 1965 to 16 percent of the GDP in 2004. Family health insurance premiums (including both employer and employee share) have risen from $6,694 in 1999 to $10,800 in 2005. (Source: Improving Incentives in Health Care Spending, Economic Report of the President.) Unfortunately, these trends have thrown our health care system out of balance, leading to growing concerns about its future.

To regain equilibrium within our health care system, we need to find a new balance in the employer/employee responsibility for health care. To effectively manage health care costs, employers must create an alliance with employees. Employees must understand that they have a personal responsibility to manage their health care costs and concerns.

The employer's responsibility is to provide information that educates and empowers employees to manage their health decisions. Yet many executives realize that they're not getting the job done.

In a study by PricewaterhouseCoopers, only 24 percent of top executives at 135 U.S.-based companies thought the health care quality information they provided was easy

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As an employer, you can provide information and resources that help your employees understand the importance of having screening tests that are appropriate for their age, gender and personal risk factors.

to access, understand and implement. The study also showed that two-thirds of the executives thought that an employer's health plan is linked with employees' health status. In addition, 76 percent reported that they saw a connection between employees' health status and their productivity. But only 19 percent of executives thought their health-related programs were strong or above average.

If you see a similar disconnect within your company, what can you do about it? If you're serious about creating a company with smart health care consumers, here are some messages to stress with your work force.

Message No. 1: Prevention is the best medicine.

The message for employers: provide health plan coverage that puts the proper emphasis on appropriate preventive and diagnostic tests, and it can pay off in the long run.

At the same time, companies can embrace a strategy that regularly reminds employees of the importance of preventive care. Think about what sorts of messages might be most influential with your work force. If you have a highly analytical or financially minded work force, you might approach the delivery of this message as an investment analogy with your employees. For example, if an employee takes the preventive step of getting a flu shot (invests $10 for the cost of the shot) and thereby avoids the flu (at the cost of several hundred dollars for sick time, plus personal misery), he or she will have a good return on investment. If your employees are very family-oriented, you might point out that flu shots for them and their family members may keep everyone healthier and functioning.

In strategizing what to stress regarding preventive care, consider these three tiers of messaging.

- **The basics.** Part of the preventive message is very fundamental: eat healthy foods; make time for physical activity; get a flu shot. We all know these things, but regular reminders and encouragement can prompt better adherence to healthy lifestyle choices.
- **The background.** Messages on population health risks are regularly delivered by the general media. For example, one statistic that gets a lot of play is that one in eight women will get breast cancer. However, that statistic indicates a woman's lifetime risk, and it may not be the right message for a 40-year-old woman who has no family history of breast cancer or other risk factors. Another woman may carry the BRCA1 or BRCA2 gene and have a much higher risk.

The point is, each member of your work force needs to understand his or her health risks as an individual. Employees need to know the background on their family histories and their own risk factors. As an employer, you can provide tools and information that help them assess their risks, and encourage discussion of these risk factors with their personal physicians.

- **The boundaries.** While the need for a personal understanding of health risks is important, it's equally important that people understand how best to assess their risks. In this country, people see ads from companies offering genetic testing, vanity ultrasounds during pregnancy and full-body CT scans.

Unquestionably, medical testing is an important part of our health care system, and when it's used appropriately it can save lives. The key words are "when it's used appropriately." As an employer, you can provide information and resources that help your employees understand the importance of having screening tests that are appropriate for their age, gender and personal risk factors.

Without understanding this standard of care, some employees may make inappropriate – and expensive – choices. In our search for quick-and-easy solutions, we can sometimes try to cut corners where it's not a good idea. For example, the number of facilities offering full-body CT scans has grown in recent years. The CT test is marketed as a way to screen for virtually all diseases, but in truth, results don't bear out the cost efficiency of such testing.

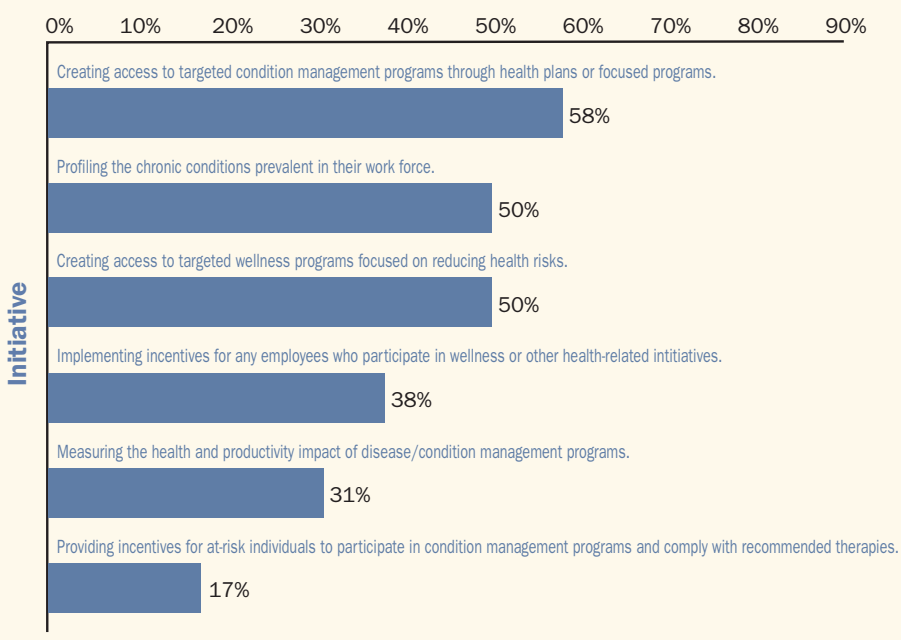
For example, in one study of 50-year-old men who had full-body CTs, 91 percent had at least one positive finding. Yet only 2 percent had an actual disease. False-positive tests can lead to unnecessary and potentially harmful surgery. Data suggest that about half of pulmonary nodules found through CT imaging and removed by surgery are benign. With such a surgery comes added risk, which may lead to other health complications – even death.

Most diseases are relatively uncommon, and it can take a lot of tests to find one disease. Using the investment analogy again, a cost-effectiveness analysis concluded that one-time screening of 50-year-old men with full-body CT scans would increase life expectancy by an average of six days with a cost of $151,000 per year of life gained. An upper limit of $50,000 per life-year gained is usually where the cost-effectiveness cutoff is set.

With that in mind, employers can work toward consistently and responsibly educating employees on the importance of appropriate preventive screenings, as well as providing health plan coverage that encourages proper preventive care.

Employers' Condition Management and Wellness Initiatives

What are employers currently doing or planning to do to help control costs? Here's one summary from research by Hewitt Associates.



Source: Health Care Expectations — Future Strategy and Direction, 2006, Hewitt Associates.

Message No. 2: Use the health care system appropriately.

Sixty years ago, most people handled common complaints with self-care therapies. People generally lived by the concept of listening to one's body. If you were tired or ill, you cut back on your schedule. With more flexibility in daily life, people didn't look for the quick fix for everyday health problems. With today's faster-paced lifestyles, we are often unwilling to take the time for self-care of common illnesses. Instead, we often turn to the doctor for a quick fix. We've in essence "trained" our population to seek medical care for almost every health problem.

Now, for better utilization of the health care system, our population needs retraining. They need tools to help determine the appropriate level of medical care for different problems. By providing tools that help your employees determine when and how to use self-care and when a physician is needed, you can have an impact on day-to-day medical costs.

Message No. 3: Understand the company health plan.

To make good health care decisions, your work force needs a thorough understanding of the company health plan. It's the employer's job to make sure employees have easy access to information such as:

- How to find answers to questions about health plan coverage. Do your employees know where to go if they have a question? Ask a few of them. You may be surprised to find that they don't know where to go with questions. If that's the case, how can you improve the situation? Where are the appropriate places to make available the contact information regarding the health plan? Recognize that delivering this information only one time, such as when their annual benefits package goes out, likely isn't enough.
- How to access health programs and services that the company offers. Do you have a wellness program? An employee assistance program? A nurse line? Fitness center benefits? How well do your employees understand these opportunities? How often are you promoting the tools and information you provide?
- Knowledge of formulary benefits. For many companies, prescription medications are a significant health care cost. Employees can play a big role in reducing those costs – if they understand what is and isn't covered on their formulary, the difference between generic and brand drugs, and the importance of complying with medication use as prescribed.

Depending on the complexity of your health plan offerings, this may be only the tip of the information iceberg

As with any "product," once the consumer isn't responsible for the cost, demand increases dramatically.

regarding what employees need to effectively use the plan. Take some time to assess those needs and inform your work force accordingly.

- How to judge the reliability of health care information. Sorting through the daily bombardment of health messages is complicated for doctors, let alone for people who don't spend their days immersed in medical information.

Organizations can help by providing their populations with reliable sources of health information, be it a newsletter, a Web site, a nurse line, an on-staff nurse or physician, or access to other reliable reference sources.

Message No. 4: Take time to make the right decisions regarding treatment options.

Effective planning and decision-making become even more critical when a person is diagnosed with an illness or condition. Presented with an array of treatment options, the individual may be overwhelmed and unprepared to make the right decisions. Their decisions may require:

- Knowing what treatment options are available;
- Understanding what questions to ask the doctor regarding treatment choices;
- Choosing a specialist;
- Finding the right facility for surgery or other specific treatments;
- Making decisions on the most appropriate treatment option for their situation and needs;
- Finding out what preparations to make to give the treatment the best chance of success.

Employers can provide their employees with tools to help them through this decision-making process. For example, you can provide information on a wide variety of diseases, as well as tools and programs that can guide them toward the right decision for their needs.

Message No. 5: It's critical to manage a chronic health problem.

When people develop chronic conditions, the cost of their medical care can skyrocket. Research shows that more than 80 percent of health care spending is attributed to the 48 percent of the noninstitutionalized population that has one or more chronic conditions.

Employers can take steps to control these costs. First, take a careful look at your health plan to determine what elements of self-management are covered. Is it adequate for your population? Does the plan cover the most prevalent conditions? Do you offer incentives for employees who manage their chronic conditions well?

Next, consider what tools you are offering to help those with chronic problems manage their health. Do you provide information on how to monitor for potential problems? Are there tools available to help them make day-to-day decisions about their care? And finally, are you giving consistent messages about the importance of lifestyle changes in managing chronic conditions?

While many companies report creating access to targeted condition management programs and profiling the chronic conditions in their workplace, far fewer provide incentives for at-risk individuals to participate in a condition management program or for health plans to accept and manage high-risk individuals (see chart). Clearly, there's room for improvement at many organizations.

Summary

All of the above approaches can help employees make better use of the health care system. But throughout the process of educating and assisting employees regarding health care decisions, smart employers will continue to stress and strengthen the idea of the employee-employer partnership. After all, it's a win-win situation. Why not make the most of it? HPM

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What's Working: Strategies and Actions for Consumer Empowerment

Employee health care costs continue to plague U.S. employers with increased expenses, longer disability durations and a substantial drain on productivity. It's clear that simply shifting health care costs to employees does not answer the questions of how to reduce health care costs, increase a workplace standard of health, or improve work force productivity.

Innovative employers are taking a new approach to get at the drivers of health care spending, which include inefficient use of the health care system and modifiable health risk factors associated with costly and common health conditions. By implementing the right consumer-driven health strategies, employers can help employees understand the true cost of health care, teach appropriate and efficient use of the health care system and, most important, provide employees with tools to identify health risks along with resources to reduce or manage them.

Consumerism strategies focus on managing demand by educating employees about health care and costs, as well as ensuring that employees pay a meaningful portion of the cost of care. This blended approach encourages employees to make informed decisions about a broad range of health issues – from lifestyle choices such as diet, exercise and smoking, to determining which health plan to select, how often to use health care services, and whom to see for care.

Some recent articles and analysis suggest that consumerism strategies are effective only when employers address the fundamental disconnects between employee and employer opinions on health care. Clearly, from the employer side, the health care cost burden is a business issue because

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For those needing to help educate people on health care decision-making, a self-care book is a proven consumer empowerment tool.

it erodes bottom-line profits and causes absenteeism and productivity loss. On the other hand, employees focus only on their share of health care costs, in the form of higher contributions or low reimbursements at the point of care. Relatively few employees believe that health care costs can dramatically affect business costs.

One challenge for employers, then, is to convince the employee population that business threats posed by rising health care costs are real and will affect each employee on a personal and financial level. A recent poll done in 2005 prepared by Towers Perrin's Martha Terry and presented in Benefits Quarterly indicates that many employees believe they are already effective health care consumers and don't need to change any behaviors.

From 2003 to 2004, there was a 10 percent increase (from 72 percent to 82 percent) in the number of employees who thought that they were good health consumers. The disparate definition of a good health consumer may be the central issue determining whether consumer strategies will work for employers. The good news is that research suggests employees are open to their employers playing a role in helping them act as informed consumers of health care.

Four Key Factors to Building a Successful Health Consumerism Strategy

There are four key factors to building a consumer-driven health strategy, according to industry experts. To be successful, employers need to communicate, motivate, equip and measure outcomes.

Communicate. A critical ingredient for a successful consumer-driven health strategy is making a connection with employees and their covered family members by appealing to their hearts and minds as well as to their pocketbooks. Successful consumerism strategies require a commitment from leadership, sustained outreach efforts, and a range of educational tools and information that respond directly to employees' health information needs, concerns and preferences.

A successful consumerism strategy requires building communication messages that facilitate understanding between employees and employers. When polled, employees find plans most attractive when three key things are included: choice, quality and price. For example, Aetna found that employers who made their consumer-driven health care offerings as attractive as traditional plans experienced the greatest participation and the most savings. Further, Aetna found that communications, education and the engagement of leadership were crucial to the plan's successes, according to Galen Institute, August 2005.

Many employers have taken a multimodal approach to appeal to their population, and use a combination of Web, print and telephonic communication to connect with as many in their population as possible and address multiple health management needs. For example, newsletters sent to the homes of your population have a 100 percent reach in an environment where most health decisions are made. The newsletter also can cross-promote other company events that focus on getting people to participate in health initiatives and fulfill the goal of delivering ongoing communications.

For those needing to help educate people on health care decision-making, a self-care book is a proven consumer empowerment tool. One manufacturing company implemented a self-care campaign that had a significant impact on teaching its employees when to use the emergency room and doctor services and when to handle a health issue at home. A follow-up survey of those who used the self-care book revealed that 49 percent of respondents avoided an emergency room visit as a result of using the book, with nine percent reporting they avoided more than one ER visit during that year.

Exxon Mobil's multimodal approach to communicating with its population on consumer-empowering resources helps them effectively reinforce that strategy. Its communication plan includes:

- **Electronic media.** Health messages are embedded in existing internal media, and targeted monthly e-mail messages are delivered.
- **Visual media.** Messages are marketed in a range of visual media, from large banners in high-traffic areas to home-delivered DVDs.
- **Print media.** Easy-to-access and simple-to-understand print communications are distributed regularly.
- **Face-to-face communication.** Key health messages are

reinforced through face-to-face on-site events, such as health and wellness fairs.

Motivate. The second important ingredient to a successful consumerism strategy is the ability to move employees toward healthy behavior changes and good health care decisions. This win-win approach aligns the interest of employers and employees in the use of health care.

Incentives are becoming an increasingly important tool to motivate employees to take charge of their health. In one survey by the Wall Street Journal, employees indicate they are in favor of benefit-linked incentives to encourage them to make health changes (see chart).

Many employers are starting to understand the role incentives play, but one progressive aerospace company has taken the model one step further. It offers an incentive for taking a health risk assessment, but it also has positioned its telephonic lifestyle coaching intervention programs as an incentive, as well. This client has surpassed the average book of business in terms of HRA participation and coaching enrollment due to this creative model, and it has engaged more of its people in behavior modification programs, which is where the sustainable cost savings come from.

Another robust motivation tactic of a tiered incentive approach has been implemented by a leading commerce company. This company has offered a benefits-linked incentive to motivate its population to take the health risk assessment. For sustained lower health care premiums, the following year participants must enroll and complete a behavior modification program. This company has taken the approach to engage the entire continuum of health so that even the low-risk population is required to participate in some type of program. In this company's model, low-risk and moderate-risk respondents are sent to online behavior modification programs, while high-risk individuals are referred to telephonic lifestyle coaching intervention programs and those with chronic conditions are sent to disease management programs.

Yet another approach is being implemented by Honeywell. It is taking the motivational concept to heart with a program that offers a $500 incentive for employees and their families who participate in medical decision support for one of eight procedures. Honeywell is adding this incentive because these eight procedures have several effective treatment options that patients typically are not made aware of.

Honeywell wants to do what it can to make sure its population knows all the treatment options, thinks through their personal values and considers their personal preference. Options that don't require surgery may be the right decision for some people, which can reduce the cost of treatment. If an individual qualifies for the program and follows the required steps, Honeywell will provide $500 in a tax-free health reimbursement account that can be used to pay for future health care expenses that are not covered through the health insurance plan.

Equip. The third ingredient of a successful consumerism strategy is to provide employees with reliable information tools, consumer-friendly delivery options and information on prices and quality of health care, health outcomes and physicians. These consumerism tools are essential to help the employee to the next level of being a truly informed health consumer.

As part of this solution, employers need to consider systematic ways of managing health benefit programs. Other processes within organizations are often well-defined and well-understood, but when navigating the health care system as an employee, it can be confusing and frustrating. Employees need the right information and tools to help them navigate the corporate medical maze.

Exxon Mobil's answer to the "equip" challenge is an integrated, multimodal offering of consumerism tools aimed at educating people on their health status and leading them to programs that can help them take charge of their health.

Exxon Mobil provides health reference information, decision support and behavior change programs, and a health risk assessment via a branded health site from Mayo Clinic as part of its health portal. The Mayo Clinic Health Risk Assessment is the cornerstone of its consumerism strategy by serving as the tool that helps its employees better understand their health risks, as well as enhances their understanding of disease states and lifestyle choices that affect them.

Employees are also offered a health advocacy service that helps people navigate the health and benefit system more effectively, a 24-hour nurse line for symptom triage, a disease management program, access to pharmacy benefit information to learn what is on their formulary and what is not.

A large financial company has also understood the "call" to equip its population with the right tools so they can

Incentives are becoming an increasingly important tool to motivate employees to take charge of their health.

Employees Favor Benefit-Linked Incentives for Healthy Change

Lifestyle Issue	Men	Women
Stop-smoking programs	68%	74%
Join a gym	58%	62%
Join a weight reduction or management program	63%	66%

Source: Wall Street Journal Online Harris Interactive Health-Care Poll. Dec. 2005 N= 2,007

become more informed health consumers. This organization has branded the population health management program with an identifiable name and created one phone number that employees have to remember, their health advocate number.

Employees and their family members can call into this Health Advisor program and be referred to the most appropriate service, whether it is a health care plan, disability management, disease management, treatment and decision support, symptom triage to the nurse line or someone that can provide more information about the HRA and/or telephonic coaching. It's one way to ensure that people are sent to the most appropriate resource for their situation.

Measure. Successful organizations will have a plan in place to gather data and determine where their programs are and aren't working. The leaders within this industry are utilizing programs that use data and hard evidence to manage health care program costs and work force health. These include data cooperatives, data warehouses, claims analysis and HRA data as opposed to just health plan estimates and "hard-dollar" ROI calculations. This allows the company to create a predictive model approach and look into the crystal ball, while also utilizing the claims data as a rearview mirror.

One large pharmaceutical company has partnered with a data warehouse vendor for HRAs, medical and pharmacy claims, and disability as well as productivity loss analysis. Through this initiative, it has unearthed that its non-HRA participants (about 40 percent of the population) are the most unhealthy and costly group in terms of medical and pharmacy claims. It also has identified the top four priority conditions and risk areas based on claims and HRA data that, with the right interventions, can make a positive impact on the bottom line.

Making the transition

Consumerism historically has been weak in health care, and there is a need for increased health care consumerism in all populations. There are three things you should remember as you make the transition: prioritize, plan and partner.

First, prioritize and understand that consumerism will not increase until the consumer has sufficient economic incentive. You have to spend to save. Second, planning and preparing your work force for health consumerism requires several strategies and they must be used consistently over time. Third and most important, partner with good vendors so that an assortment of tools and approaches can be used by the right population to navigate the medical maze, and ensure that they utilize the right programs and resources at the right time. HPM

Colleen Perkins is a health management strategy consultant for Mayo Clinic Health Management Resources. In her role with Mayo, Colleen consults with clients on overarching health and productivity goals and objectives, including HRA strategies. Working collaboratively with clients, Colleen helps organizations formulate effective integration, incentive and promotion strategies. In addition, she facilitates vendor integration and HRA data interpretation and analysis to ensure that client needs are met at a strategic level. Prior to her joining the Mayo team, Colleen was manager of health and productivity at Coors Brewing Company in Golden, Colo. While at Coors, she led an integrated health and productivity department comprising Absence & Disability, Wellness, Employee Assistance, Primary and Occupational Health Clinic and an e-health platform. Colleen's team implemented a strategic health initiative projected to save Coors more than $16 million over five years. Colleen was instrumental in earning Coors the 2002 Gold Well Workplace award recognizing Coors as one of the healthiest workplaces in the United States.

Colleen holds a Bachelor of Science in combined science from Santa Clara University and both a Master of Business Administration and a Master of Science Management with an emphasis in sports and wellness management from the University of Denver. Colleen currently serves on the board of the Colorado Governor's Council for Physical Fitness. She is also adjunct faculty at the University of Denver teaching the Philosophy of Wellness.

Consumer Directed Health Care: Cost Shift or Frame Shift?

Philip Hagen, MD, Mayo Clinic

As health care costs have risen at double-digit rates and total health care costs in the country approach $1.8 trillion dollars, employers, insurers and consumers have searched for a new model of care that can provide an equal or improved quality of care at lower costs. Consumer directed health care (CDHC) has emerged as the model of choice.

In its simplest form, CDHC attempts to advance the role of the consumer in making choices about how to spend the health dollar by increasing his or her financial stake through cost shifting. Cost shifting alone will almost certainly lower near-term spending on health care – an apparent success. However, if cost shifting results in poorer health, the savings may be short term, and the ripple effect of poor health may lower the productivity of American workers.

To make the CDHC model work, consumers of health care will need a sophisticated suite of tools that enables them to use health services cost effectively. Tools to think and act preventively will need to be coupled with incentives to do so. Tools to manage health conditions will need to couple best practices, lower intensity services, better coordination among medical resources, and help for the consumer to navigate the complex health care system.

Seeking new solutions

In order to optimize this new model, we must sort out what is driving the old model to dysfunction. Some of the major factors dri-

Tools to think and act preventively will need to be coupled with incentives to do so.

ving cost increases include:

- new technology – scanners, tests, devices, intensive hospital care and pharmaceuticals;
- aging, less healthy population – people with multiple chronic diseases, trend toward less healthy lifestyles as evidenced by obesity;
- insurance - shielding the consumer from costs and adding administrative cost;
- complexity – expanding medical knowledge with more specialized medical services, no one willing or able to "quarterback" the process;
- In response to these problems, an increasingly sophisticated model of CDHC is evolving.

Problem #1: New treatments, technologies, and services.

CDHC Solution: Give the physician, and eventually the consumer, a sophisticated tool which compares the cost and benefit of new technologies. Does the new technology, service or drug provide substantial additional value? Doing this requires a standardized measure of value – cost per positive outcome unit. This is typically measured in dollars per year of life saved.

Problem #2: Aging, less healthy population.

CDHC Solution: Create incentives and multiple pathways for people to stay healthier longer. Pay for proven screening and preventive measures (mammograms, colonoscopies, immunizations). Pay for preventive behavior change programs and give incentives for people to participate. Increase the personal cost of disease care, but create more cost-effective pathways for disease management (nurse lines, disease management programs).

Problem #3: Insurance costs and consumer cost shielding.

CDHC Solution: Cost shifting. Offer consumers information on providers – quality and cost data in an easy-to-access online search format. Provide increased transparency of the billing and payment process to allow consumers to assess the value of medical and insurance services. Shift dollars and control of those dollars to the consumer (Health Savings Accounts and Health Reimbursement Accounts), allowing higher deductible polices. Require direct payment by consumers for low-cost services to avoid billing overhead.

Problem #4: Complexity of the health care system.

CDHC Solution: Standardization and cooperation. Despite our best efforts, modern health care is more complex than most consumers, and even highly trained health care providers, can manage. A coordinated team effort among providers and patients will be necessary. It calls for standardization among systems – such as electronic medical records, a portable patient record to which the consumer has ready access, and a uniformly high standard of quality of medical testing. It requires much improved coordination among health care providers; a new position may be evolving – a health coordinator.

Stimulating the frame shift

The evolving model is far from complete. It may take another five or more years to achieve it nationally. But a number of tools now exist to create a spectrum of care. The breadth and depth of offerings continue to grow – everything from health risk assessments, online and phone-based health coaching and self-care tools to decision support tools for choosing treatments and care coordination for complex health issues.

An integrated suite of these tools will be key to a successful CDHC model. Innovative employers, organizations, and providers are starting to put the pieces together and integrate them.

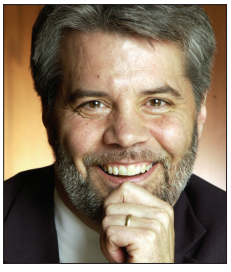
The new model is more than a cost shift—It is a "frame" shift. Recognition of the consumer rather than the physician, insurer or employer as the central figure in health care is appropriate and inevitable. The shift, however, will prove difficult. Consumers will feel abandoned in an exceptionally complex market. The reality of true medical costs will be jarring for most consumers. The need to spend more time, energy, thought and money on day-to-day choices and intermittent serious health issues will prove unsettling. The lack of clear science and outcome-driven answers to many health care questions will shake faith in traditional medicine.

Given all these barriers to change, consumers will need some encouragement to make the shift. Incentives are one way to encourage consumers to participate in programs that will help make them better health care consumers. Benefits-linked incentives appear to outperform non-related incentives. Research suggests that health plan premium discounts have a greater influence on use of preventive medicine than does cash, while cash incentives can increase participation rates in programs such as health risk assessments. For either cash or discount incentives, $200 annually seems to be a trigger point for influencing participation.

Looking at health risk assessment participation, for example, research by Watson Wyatt Worldwide shows a participation rate of less than 25 percent when no financial incentive is offered. That rate rises to nearly 75 percent when an incentive of slightly under $100 is offered, and it exceeds 90 percent when the incentive is $500. The message is clear: consumers can be motivated to act, and as we shift to the new CDHC model, it is essential to do so.

While the CDHC model is still in its youth, the foundations of an effective plan have been laid. To move this model along quickly and avoid crisis will require "all hands on deck" working together. The providers, payers, consumers and employers all will have to accept an uneasy alliance in order to move forward quickly and achieve a shift to the more effective, less expensive, coordinated system of CDHC. It's a big mission, indeed. What part will you and your organization play in accomplishing it?

Innovative employers, organizations, and providers are starting to put the pieces together and integrate them.



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Dr. Hagen also is an assistant professor in Internal Medicine, Mayo Clinic College of Medicine, and is board certified in internal medicine preventive medicine. Dr. Hagen attended Mayo School of Graduate Medical Education, where he received his MD degree in 1983. He completed his residency and fellowship training at Mayo Graduate School of Medicine in internal and preventive medicine in 1986 and 1988 respectively, and was appointed to the Mayo Clinic staff in 1988.

Dr. Hagen is a nationally recognized expert in the utilization of computers in health care. For more than a decade, Dr. Hagen has been leading the development of population health management resources addressing risk reduction, lifestyle behavior change, prevention, self-care, and disease management. Dr. Hagen was also involved in the development of Mayo Clinic's electronic medical record software and the Mayo Clinic Health Risk Assessment. He became the medical director for Mayo Clinic Health Management Resources because of his interest in helping people make lifestyle changes through health education.

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