

The *Benefit*

Plan Watch

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Six-Year Study of Consumer-Directed Health Plans Gauges Savings

Aetna recently announced the results of a six-year study of health care claims and utilization for members in its Aetna HealthFund consumer-directed health (CDH) plans. The

study of 2.6 million Aetna members (410,000 in an Aetna HealthFund plan) demonstrates that their CDH fund members sustained savings for employers over a five-year period, with members getting the care they need. The results also show that the CDH fund members are seeking increased levels of chronic and preventive care, using generic drugs more often and accessing online tools and information at higher rates than PPO members, while experiencing lower annualized medical cost increases. Importantly, this year's results also show that their consumer direct plan members had lower emergency room use than PPO members, suggesting that members are becoming better informed about where to access health care.

The study included 200 plan sponsors who offered an Aetna HealthFund Health Reimbursement Arrangement (HRA) and/or an Aetna HealthFund Health Savings

Account (HSA). The study looked at 2.6 million members across the spectrum of Aetna medical products, including 410,000 Aetna HealthFund members. Key findings include:

- For full replacement HRA and HSA plans, employers saved \$21 million per 10,000 members over the five year period.
- For employers who offer Aetna CDH plans as an option, they experienced savings of \$7 million per 10,000 members over the five year period.
- For employers who offer Aetna CDH plans as an option and implemented the strategies that Aetna identified as best-in-class, they achieved savings of \$23 million per 10,000 members over the five year period.

“In these difficult economic times, employers are looking for tried and true strategies that will allow them

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“...this year’s results show that employers who implement these strategies can achieve significant cost savings and that more employers are adopting these strategies and seeing positive results.”

to continue to offer their employees a comprehensive and affordable benefits package,” said Aetna President Mark Bertolini.

Last year, Aetna identified several strategies that have proven successful for employers, including fostering a culture where employees and senior executives are engaged health care consumers, implementing a focused and ongoing employee education campaign, offering wellness programs and incentives for healthy behavior, providing 100 percent coverage for preventive care and carefully constructing a plan with the right mix of member responsibility. While these strategies continue to be successful, Aetna found another approach that can help employers achieve success - encouraging their employees to enroll in the consumer-directed plan option. This can be done by offering the consumer-directed plan option as the lowest cost, lowering the required contribution or increasing the fund amount. Furthermore, this year’s results show that employers who implement these strategies can achieve significant cost savings and that more employers are adopting these strategies and seeing positive results.

“Consumerism in health care is about much more than a product - it is the idea that with the right mix of education, member responsibility and benefits design, you can engage members and help them make more informed health care decisions for themselves and their families,” Bertolini added. In fact, this year’s results show that consumers in the CDH plans sought online health information twice as often as the

control population and were twice as likely to take a health risk assessment.

The results also show that CDH plan members:

- Seek preventive care more often than the control matched PPO population. Furthermore, Aetna CDH plan members had 10 percent lower primary care physician utilization for non-routine services and 15 percent lower utilization of specialist care.
- Access the same or higher levels of screenings for diabetes and breast and cervical cancer, compared to members in traditional PPO products.
- Utilize the prescription drugs necessary to treat chronic conditions such as diabetes, congestive heart failure, coronary artery disease and high cholesterol at similar or higher rates than PPO members.
- Use consumer tools and information - including searching for health information, using the cost of care tools available on the insurer’s web site - at twice the rate compared to PPO members.

Commented Alexander Domaszewicz, a health care consultant with Mercer, “The study reinforces the evidence we’ve seen emerge throughout the decade - that strategies such as encouraging employee financial responsibility, offering robust coverage for preventive care and providing a full suite of online tools and information, is helping employers

achieve cost savings, promote a healthier workforce and still meet plan sponsor attraction, retention and employee satisfaction goals. We need to recognize, however, that many employees need high touch outreach and face-to-face support when they face complex illnesses. The ideal strategy when implementing consumer-directed health plans combines all of these approaches in the right way.”

Workplace Wellness Programs Fare Well During Economic Downturn

Many employers are increasing their employee wellness communications and most expect wellness budget cuts will be no greater than other cutbacks, because these programs help employees cope with issues brought about by the economic downturn. These are among the survey findings released recently by Buck Consultants, a benefits consulting firm.

“Despite pressure to reduce costs in many other areas of operations, 45 percent of respondents report increasing their wellness communications to highlight available services that can assist employees with issues brought on by the economic downturn,” said Ruth Hunt, a principal with Buck who, along with fellow Buck principal Barry Hall, co-directed the survey. Areas of support include Employee Assistance Plan counseling for stress or depression, and the need

for financial planning resources.

“Our findings suggest that wellness has ‘come of age’ as a vital benefit offering, especially during financially difficult times,” said Barry Hall. “Since the onset of the financial crisis, workers’ use of wellness services has increased for 53 percent of respondents, and only five percent have seen a decrease.”

In terms of wellness budgets, 19 percent are likely to increase spending on wellness. Another 59 percent have experienced no budget changes, but many are nervous about the possible need to make cuts in the future. However, among those expecting cuts, 78 percent expect them to be no larger than other corporate cutbacks.

“This study confirms our experience in consulting with clients that wellness programs have not been an early target for budget cuts,” said Hall.

Buck conducted a separate survey of employer delegates to examine the “culture of health” in today’s workplace. The study defined culture of health as an environment that promotes healthy lifestyle choices.

Findings include:

- Only one-third of respondents have a culture of health today, but 87 percent intend to pursue this philosophy for the future.
- The top priority for enhancing wellness programs is measuring outcomes (56 percent) – in terms of cost effectiveness, employee behavior, and health status.

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- The biggest barrier to achieving a culture of health is leadership commitment (47 percent).

Promoting the adoption of generic drugs through partnerships with employers and creative outreach programs is one way that companies are helping members stay healthy and save money.

Many companies are partnering with employers and using webinars, newsletters, telephone calls, e-mail messages, paycheck stuffers, employer toolkits, media campaigns, and other creative strategies to get the message out to consumers about the advantages of high-quality and high-value generic drugs.

“Through our ‘Generics are Real’ community campaign we’ve made tremendous progress in our goal to help consumers, employers and taxpayers save money,” said Joel Owerbach, vice president and chief pharmacy officer for Excellus BCBS. “Consumers are paying smaller copayments at the pharmacy and employers, workers and taxpayers are realizing savings through a slow down in the growth of prescription drug expense.”

“Our studies show that consumers are putting their health in jeopardy by skipping doses, delaying or not taking their prescriptions because of the costs and the difficult economy,” said Gail Shearer, director of health policy analysis at Consumers Union. “Generic drugs offer a safe and smart alternative that provide the benefits of name-brand drugs at a fraction of the cost.”

Generic Drugs Can Be Good For Your Health And Your Wallet

According to results of a new survey by the Blue Cross and Blue Shield Association (BCBSA), community-based programs led by employers are helping to expand consumer use of safe, effective, and lower-cost generic prescription drugs.

The survey found that generic drug use among Blue Cross and Blue Shield Plan members increased from 60 percent to 65 percent between 2007 to 2008 – an increase of more than 8 percent. The analysis of prescription use by 51 million subscribers found that expanded use of generic drugs generated at least \$2.5 billion in savings. The marked increase in generic drug use among plan members is thought to stem from a variety of factors including increased education and promotion, benefit design and provider incentives.

“Generic alternatives to high-priced branded drugs help increase adherence to prescribed drug therapies and improve healthcare, while providing value to increasingly cost-conscious consumers and businesses,” said John Frick, R.Ph., director of pharmacy initiatives for BCBSA.

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