



The Employee Mindset: Views, Behaviors, and Solutions 2010



About Hewitt Associates

Hewitt Associates (NYSE: HEW) provides leading organizations around the world with expert human resources consulting and outsourcing solutions to help them anticipate and solve their most complex benefits, talent, and related financial challenges. Hewitt works with companies to design, implement, communicate, and administer a wide range of human resources, retirement, investment management, health care, compensation, and talent management strategies. With a history of exceptional client service since 1940, Hewitt has offices in more than 30 countries and employs approximately 23,000 associates who are helping make the world a better place to work. For more information, please visit www.hewitt.com.

About National Business Group on Health

The Business Group is the only non-profit organization devoted exclusively to representing large employers' perspectives on national health issues and providing solutions to its members' most important health care and health benefits challenges. The Business Group fosters the development of a safe health care delivery system and treatments based on scientific evidence. Members share strategies for controlling costs, improving patient safety and quality of care, increasing productivity and supporting healthy lifestyles. For more information, please visit www.businessgrouphealth.org.

About This Survey

Hewitt Associates partnered with the National Business Group on Health to conduct a study on the perspectives, attitudes, and behaviors employees and dependents hold toward the current and changing health care landscape. In particular, the study tested behavior change concepts that can be compared with employer efforts to promote health and productivity within their workforces. The study also investigated employees' and dependents' attitudes and reactions to the new health care reform legislation.

This survey was conducted online within the United States by Harris Interactive® on behalf of Hewitt Associates and the National Business Group on Health between February and March 2010 among 3,026 consumers (both employees and dependents, union and nonunion) ages 23 and older who receive health care benefits from an employer with at least 2,000 employees. Percentages for some questions are based on a subset of consumers, based on their responses to certain questions. With a sample of 3,026, one could say—with 95 percent probability—that the overall results have a sampling error of +/- 1.78 percentage points. Sampling error for data from sub-samples is higher and varies. Demographic figures (e.g., age, race, gender) were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was also applied to adjust for respondents' propensity to be online.

This report summarizes the views, behaviors, and experiences of employees and dependents as they interact with their employer-sponsored health care benefit plans. Throughout this report we refer to these consumers as

respondents, employees, employees and dependents, and plan participants, interchangeably. Collectively, these consumers provide important and timely perspectives to employers on health care consumerism and how they can shape their efforts to improve the health and productivity of their workforces.

Consumer Survey Sample	
Gender	
Male	46%
Female	54%
Age	
23–34	26%
35–44	22%
45–54	26%
55–64	22%
65 or older	4%
Region	
East	22%
Midwest	23%
South	33%
West	22%
Race	
White	76%
Hispanic	9%
African-American	11%
Other	4%
Job Status of Covered Employee	
Full-time	94%
Part-time	6%
Employee/Dependent Status	
Employee	76%
Dependent	24%
Employer Size by Number of Employees	
2,000–3,999	17%
4,000–5,999	15%
6,000–7,999	7%
8,000–9,999	5%
10,000 or more	57%

Contents

Executive Summary	1
Survey Results:	
Overall Views and Involvement in Health Care	3
Improving Health Through Behavior Change	8
The Economy and Health Care Reform	15
Turning Knowledge Into Action	20
Conclusion	22
Acknowledgements	23

Executive Summary

In many respects, companies are at a critical crossroad. The pressure to reduce costs and keep employees healthy and productive often results in conflicting priorities for organizations. Yet, both of these areas continue to be top priorities for companies. As a result, many companies have implemented health improvement programs as a way to keep their workforces healthy and productive with hopes these programs will “bend the trend” and hold down health care costs.

To achieve these cost savings, most employer approaches focus on increasing employees’ awareness, involvement, and accountability in managing their own health. However, these efforts are based on faulty assumptions.

Health Is a Business Issue

The health of a business and the health of its employees are inextricably linked.

Results of this study debunk many of these assumptions and provide valuable insights from real health care consumers—employees and dependents. As they apply these insights, organizations can drive toward better results in their workforce health and productivity initiatives and overall health care strategies, which can lead to a significant financial, competitive, and human capital advantage.

Key Survey Findings

Behaviors

Employees know how to get healthy, but many aren’t taking action. Employees and dependents are engaged in the concept of being more involved in their personal health and health care. They realize they’re in the driver’s seat when it comes to controlling their health. Most (84%) believe that making smart choices (e.g., eating right, exercising, not smoking) in their daily lives has the most influence toward attaining good health. However, these good intentions don’t always translate to healthy behaviors (e.g., getting preventive care, screenings, maintaining a healthy diet). Other factors are getting in the way, and employees need help carrying out their good intentions.

Obstacles

Skepticism, confusion, and cost issues get in the way of health actions. Employees and dependents confirmed they face a myriad of obstacles to making choices to get and stay healthy. In particular, they don’t know what information to trust, are confused about what’s covered by the plan, lack understanding of what various health care services really cost, and feel they can’t afford getting the care they need now. As a result, they put things off.

Involvement

Program participation is generally low, but satisfaction is high. Employee participation in health improvement programs is relatively low and varies significantly from program to program—ranging from 9 % to 61%. However, once employees get into the programs, satisfaction with them is generally high.

Motivators

Internal motivators can be just as effective as financial ones. Results of the study indicate that intrinsic motivation (motivation that comes from a sense of personal satisfaction for an accomplishment) can be just as effective as extrinsic motivators (money). Employees and dependents generally accept the concept of rewarding healthy behaviors and penalizing unhealthy behaviors—and in many cases are willing to participate in programs and activities without incentives for the pure intrinsic value they bring. Beyond the intrinsic value, when asked about incentives versus penalties, respondents were generally supportive of both.

Personal

Workers want targeted and personalized communication. When asked what would help employees become better health care consumers, it's clear that personalization is key. Participants want targeted communications that are relevant to them, personalized preventive care reminders, customized program recommendations, and personal health records they can share with their doctors.

Future

It's all about affordability when it comes to evaluating future coverage. Overall, participants were dissatisfied with the health care reform process and are skeptical about how the new legislation will affect them personally, their employers, and the nation. Health care cost is a major concern, with 70% of employees and dependents very/somewhat worried about the affordability of health care coverage. Employees prefer to purchase health care coverage from their employers, but they're open to other future options. Over the next three to five years, 65% of employees plan to continue using employer coverage for their medical needs with more than one-third (35%) indicating they would consider other options, if available.

Putting It All Together

The pathway to a healthy, productive, and high-performing workforce lies in an organization's ability to engage people in healthy behaviors 365 days a year. This requires organizations to invest in health programs that span the entire health continuum—with a laser focus on the programs that generate the greatest returns and sustain the desired behavior changes.

This report is designed to provide employers and health care industry leaders with perspectives and views directly from the consumers who engage in employer-sponsored health plans—employees and dependents. It provides a summary of views on health, behaviors related to health, and what employers can do to improve the health and productivity of their workforces. In addition, the report highlights demographic differences between groups on these specific topics, as well as employee and dependent attitudes and reactions to the new health care reform legislation and effects of the current economic environment on health behaviors. The report concludes with suggested actions employers can incorporate in their health care strategies that lead to measurable improvements in health and productivity.

Survey Results: Overall Views and Involvement in Health Care

While the passage of health care reform legislation will likely lead some employers to rethink their health care strategy, the survey results show that employees prefer to receive health care coverage through their employers.

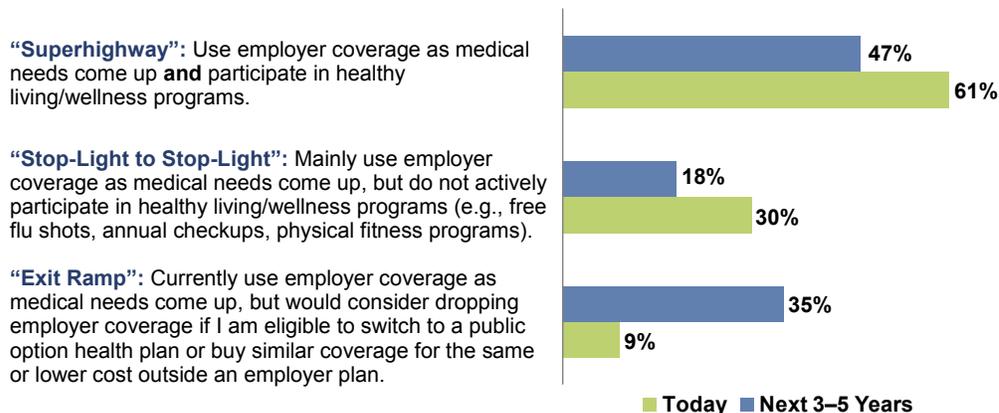
Employer-Sponsored Health Coverage

Over the next three to five years, 65% of employees plan to continue using employer coverage for their medical needs and nearly one-half (47%) also plan to participate in employer-sponsored healthy living/wellness programs. This indicates more than one-half of plan participants (53%) have no future intention of taking advantage of the healthy living and wellness programs made available to them.

We identified various “roads” available to employees and dependents and asked respondents to select the road they believed most accurately described their current and future approach to managing health through their employer-provided health insurance coverage. Six out of ten participants identified themselves as on the “Superhighway,” defined as using their employer coverage as medical needs come up **and** participating in sponsored healthy living/wellness programs. This dropped slightly to nearly five out of ten when they responded to how they plan to manage their health in the future. Today, approximately one-third of plan participants consider themselves driving “Stop-Light to Stop-Light,” described as primarily using employer coverage as medical needs come up but **not** actively participating in healthy living/wellness programs. This approach drops to 18% over the next three to five years as plan participants consider taking the “Exit Ramp.”

While today only 9% of plan participants would consider dropping their employer coverage if they were eligible to buy similar coverage through a public option, this interest jumps to 35% over the next three to five years. These results suggest employees and dependents are open to exploring new available coverage choices and will likely be monitoring the market as more options become available.

Q: Which of the following statements best describes your current and future (next few years) approach to managing your health through your employer-sponsored health insurance coverage?



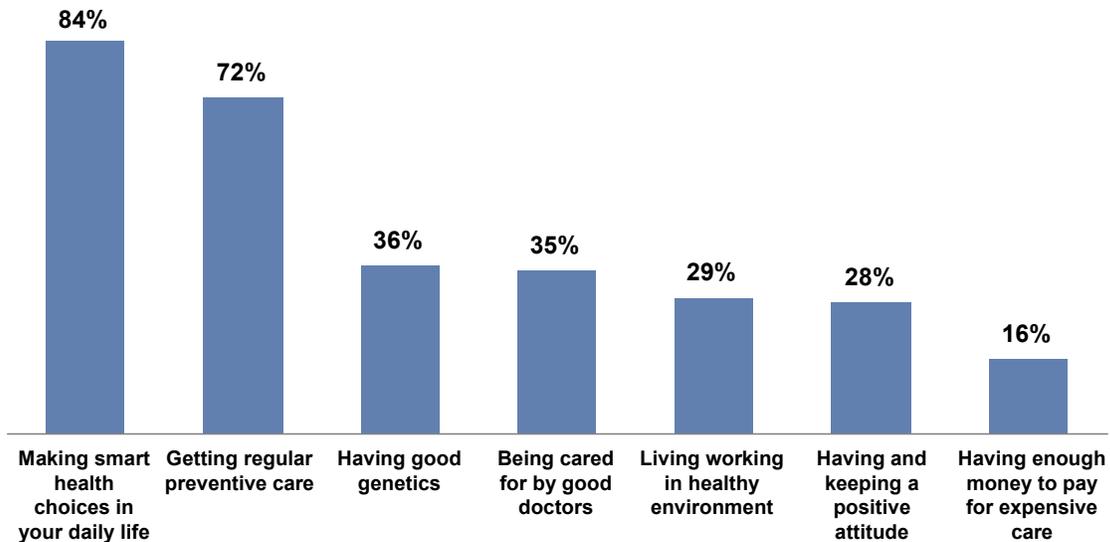
Demographic Differences

Age—Younger employees (ages 23 to 34) are less committed to employer-sponsored health care models and more willing to explore other options compared to older employees. Today, 14% of those ages 23 to 34 indicated they would be willing to consider other options compared to just 7% of those between ages 45 and 64. In terms of the future, 36% of younger employees (ages 23 to 34) would consider other options, as compared to 23% of those age 65 or older.

Employee Perceptions on Health

Plan participants realize they're in the driver's seat when it comes to controlling their health. They cite making smart choices (e.g., eating right, exercising, not smoking) in their daily lives as the top factor in influencing good health, ranked ahead of getting regular preventive care (e.g., regular checkups and tests) and having good genetics. It's clear that employees know what to do to stay healthy, but this doesn't exactly translate to healthy behaviors.

Q: Good health is mainly a result of:



Answers reflect rank 1, 2, or 3.

Demographic Differences

Gender—Women believe more strongly in preventive care, with 75% ranking this among their top three health influencers compared to 67% of men. Men, on the other hand, are more likely to rank “having good genetics” as a top health influencer (16% versus 11% of women).

Age—Older employees (ages 55 to 64) tend to place more importance on getting regular preventive care than those ages 23 to 34 (80% versus 64%, respectively) and being cared for by good doctors (48% versus 26% for those age 23 to 34).

Race—Whites and African-Americans believe more strongly that good health results from getting regular preventive care compared to Hispanics (more than 7 in 10 versus nearly 6 in 10, respectively).

Income—Participants with a household income of less than \$50,000 are less likely to indicate “making smart choices” as a top health influencer than those with higher income levels. This influence tends to get stronger as income levels rise. For example, only 65% of respondents with household incomes less than \$25,000 ranked “making smart choices” among their top three health influencers versus 91% of those with income levels of \$125,000 to \$150,000. However, lower-income employees (making less than \$50,000) do rate “having enough money to pay for health care” as more important than those with income levels of \$50,000 or more (25% versus 14%, respectively).

Health Status—People who believe they’re in excellent to good health are significantly more likely to think personal health is tied to making smart choices, having good genetics, and keeping a positive attitude. Whereas those in fair to poor health are more likely to attribute good health to being cared for by good doctors and having enough money to pay for care.

Interestingly, the top two rated health factors—making smart health choices in daily life and getting regular preventive care—are both actions and behaviors under the individual’s control. Yet, we know that employees are not consistently acting on these beliefs. What can employers do to drive these healthy behaviors and help employees make the necessary changes to stay healthy? Let’s begin by looking at the available health improvement programs and plan participants’ involvement and satisfaction with each.

Participation in Health Improvement Programs

While plan participants believe they know what it takes to get and stay healthy, use of the many programs and services available through employers is relatively low and varies significantly from program to program—ranging from 9% to 61%.

The program most often participated in over the last 12 months was blood testing (61%). Following closely in popularity were using online health information tools and the health risk questionnaire (HRQ) (53% and 41%, respectively). Of the remaining health

Employees Satisfied With Programs

When employees do take advantage of health tools and programs, they’re generally very satisfied.

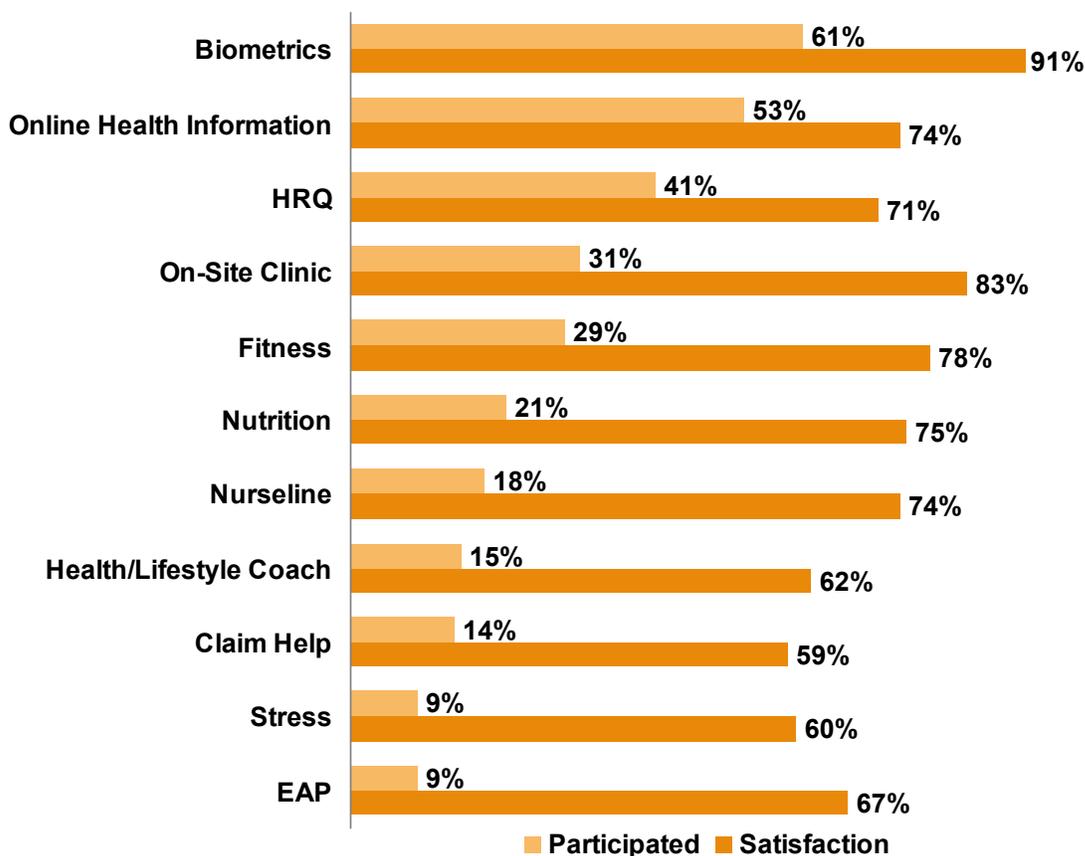
programs offered by employers, fewer than one-third of plan participants take advantage of them—with employee assistance programs (EAPs) and stress reduction/management programs being used the least (9% each).

Interestingly, those who do take advantage of the programs, tools, and services available are generally satisfied with them. Of the 61% of plan participants who took a blood test, 91% were satisfied with this service. More than three-quarters of those who used an on-site health center or physical fitness program

were satisfied (83% and 78%, respectively). Claim help and stress reduction/management were among the programs with the lowest levels of satisfaction.

As employers begin requiring employees and dependents to take more responsibility for living healthier lifestyles, it's critical employees be aware of the array of health care program options available to them. Maximizing the use of these programs can have a significant, positive effect on the "health engagement" of employees and their families throughout the year. Marketing programs throughout the year increases the likelihood that employees will remember and use the available programs when they personally need them.

Q: Which of the following health care programs and/or services did you participate in during the last 12 months through your employer or health insurance? And, for each program participated in, indicate your level of satisfaction.



Satisfaction level reflects Highly Satisfied and Satisfied ratings.

Demographic Differences

Gender—Women are more likely than men to seek information online (56% versus 49%) and pursue advice from nurse lines (21% versus 15%).

Age—Close to one-quarter (22%) of respondents younger than age 35 reported not participating in any employer-provided health programs or services. Of those who do, younger employees (under age 34) are more likely to participate in employee assistance programs (12% compared to 7% for those ages 35 and older).

Work Location—People who work from home and/or office are more actively involved in health programs—with higher percentages reporting they took a blood test, gathered health information online, or filled out an HRQ—than those who work in the field or factory. One-quarter of factory workers reported not participating in any type of health program over the past 12 months, compared to 9% of those who work from home and 14% of those who work in an office setting.

Health Status—Participants who report poor or fair health status are more likely to reach out to a health coach for assistance in creating and sticking to a personal health plan (20% compared to 12% of those with self-reported excellent or very good health).



Survey Results: Improving Health Through Behavior Change

Getting employees engaged in their health is critical to population health improvement, but making it happen is a real challenge for all employers. Building a healthy workforce has to be a team effort with both employers and plan participants actively involved and reciprocating feedback frequently. Tailoring programs and incentive designs to individual stages of readiness can also increase employee engagement in making healthy behavior changes. However, this requires employers to understand plan participants' views, barriers, and perceptions of what's working, what's not working, and where to focus valuable efforts and resources to ensure desired results are being achieved. This section provides insights from plan participants that can assist employers with their strategies to increase health engagement among their workforces.

Employers and Employees Call to Action

Data from health risk questionnaires (HRQs) can provide a foundation for developing an organization's health management strategy. HRQs provide useful data for both employees and employers. HRQs allow employers to measure and track individual behaviors that are key drivers of health care cost (e.g., measuring health risks within a population, identifying potential high-cost claimants, targeting individuals for participation in lifestyle behavior change or wellness programs). For plan participants, HRQs provide an easy-to-understand overview of their current health risks and recommendations for health improvement and behavior change. They promote goal-setting and sustained employee involvement.

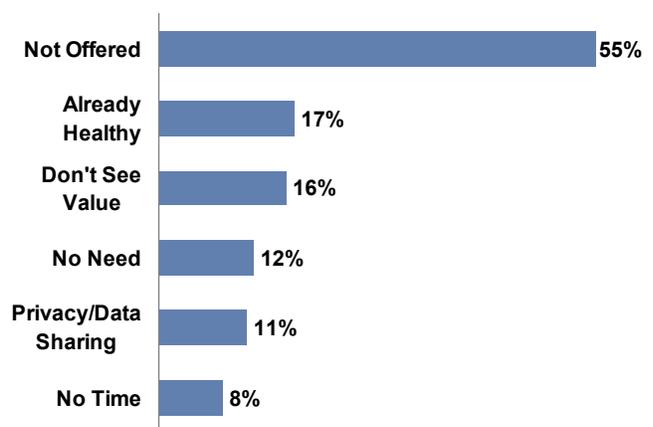
While the advantages of this tool are many, the number of respondents who took an HRQ in the last 12 months is about the same as the number who took an HRQ in the last 24 months (41% versus 43%). This demonstrates that more than one-half (57%) of respondents did **not** take an HRQ within the last two years, indicating there is significant opportunity to promote this tool as a means to supply people with important health data. But why are people not taking an HRQ?

HRQ Participation Is Flat

Nearly six out of ten reported not taking an HRQ. Many said it was because they believed their employer didn't offer one.

Interestingly, more than one-half of respondents who didn't take an HRQ believed their employer didn't offer one. Other reasons for not taking an HRQ included believing they were already healthy and not thinking they needed to take one. In other questions related to HRQs, the results also showed confusion among respondents—13% of employees said they weren't sure what to do with the summary they received after taking the HRQ.

Reasons for Not Participating in HRQ



The good news is when respondents who did not complete an HRQ were asked if they would participate in one if offered at no cost, 80% said they would probably or definitely take one. In addition, nearly two-thirds (63%) of those who completed an HRQ said they took action to improve their health after receiving their HRQ results. The most prevalent action was improving eating habits (79%), followed by working out more frequently and taking medications or other treatments as directed by a doctor (40% and 30%, respectively). Another good outcome is more than one out of four participants shared their HRQ data with their doctor.

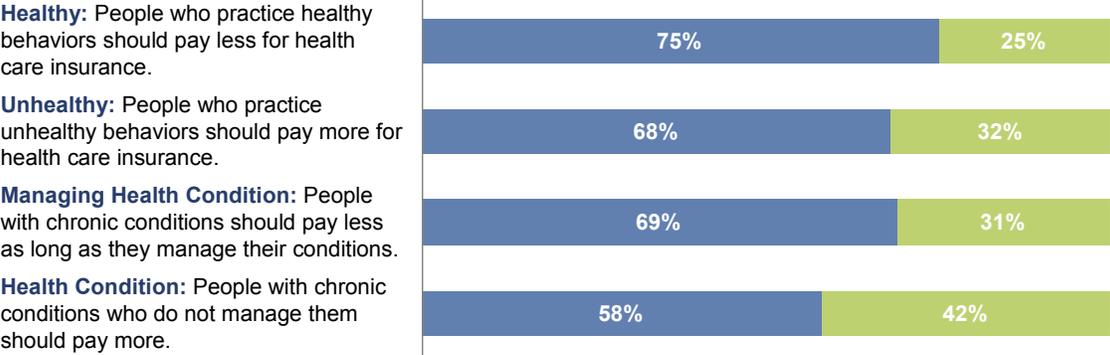
Views on Incentives/Penalties

Overall, respondents believe healthy behaviors should be rewarded and unhealthy behaviors should be penalized. The majority of participants (75%) agree that people who practice healthy behaviors (e.g., don't smoke, exercise regularly, eat healthy food) should pay less for health care insurance than those who practice unhealthy behaviors. Participants are comfortable penalizing peers who engage in unhealthy habits (e.g., smoking and excessive drinking).

Most also support the idea that people diagnosed with chronic conditions (e.g., diabetes, asthma) should pay less if they follow suggested treatment plans. However, people were less comfortable penalizing peers with chronic conditions who do not participate in disease management or wellness programs. Only 58% of respondents supported this concept.

The impact of individual behavior on the cost of health care is attracting a great deal of attention among employers. While rewards for healthy behavior assume financial incentives will help improve health and hold down cost, penalties are also becoming more acceptable to most employees. Bottom line, employees want fairness when it comes to financial consequences associated with healthy or unhealthy behaviors.

Q: Please indicate how strongly you agree with the following statements.



*Agree reflects Somewhat or Strongly Agree ratings.
Disagree reflects Somewhat or Strongly Disagree ratings.*

Demographic Differences

Gender—Men are more willing to penalize those who practice unhealthy behaviors or don't manage their health conditions, whereas women are less accepting of penalties. Only 65% of women believe people who practice unhealthy behaviors (e.g., smoke, drink excessively) should pay more for coverage, versus 71% of men. Men are also more accepting than women of penalizing those who don't participate in condition or disease management to manage health conditions (63% versus 54%).

Race—Asians believe more strongly than any other race that people who practice unhealthy behaviors should pay more for health care insurance (89% compared to 61% of Hispanics, 66% of African-Americans, and 69% of Caucasians).

Work Location—Office workers are more willing than factory workers to penalize people who practice unhealthy behaviors (72% versus 45%, respectively) or who do not manage a chronic condition (61% compared to 42%, respectively).

Program Participation Motivators

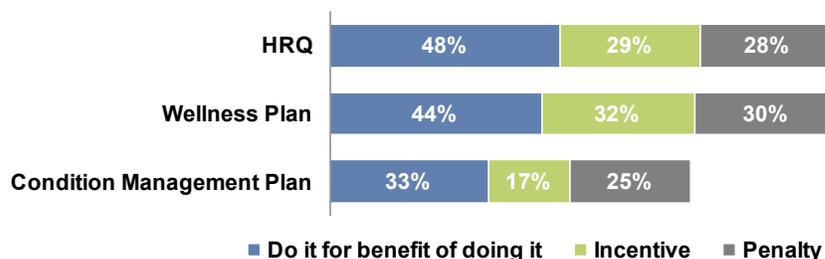
When participants were asked what would motivate them to participate in specific health care programs offered through their employers, nearly one-half (48%) indicated they would participate in an HRQ without an incentive or penalty—simply for the benefit of doing it. This willingness drops as the level of commitment to take action increases. Without an incentive or penalty, willingness to participate in wellness programs dropped to 44%, and drops further to one out of three in condition management programs. When it comes to the carrot (incentive) or the stick (penalty), it appears that carrots and sticks would work equally for HRQ and wellness program participation, with the stick being more effective for driving participation in condition management programs.

Intrinsic Motivation Matters

Nearly one-half would participate in an HRQ or wellness program without an incentive—just for the benefit of doing it.

The percentage of people who would participate in various health care programs without an incentive or penalty suggests that employers have an opportunity to harness this intrinsic motivation and redirect incentive pools to areas where there is greater reluctance to naturally participate (e.g., mammogram, colonoscopy) and/or reward employees for sustained behavior change (e.g., maintain/reduce cholesterol levels, reach weight loss milestones, increase physical activities).

Q: What would motivate you to participate in the following health care programs?



Multiple response

Demographic Differences

Age—Younger employees are more likely to be motivated by incentives or penalties. The power of both incentives and penalties seems to decline with age.

Health Status—People who believe they're in excellent or very good health are more likely to complete an HRQ without an incentive or penalty because "it's right to do" compared to those in fair to poor health (52% versus 44%, respectively). However, those who believe they're already in excellent or very good health also cited this as a reason for not taking an HRQ. Those in fair to poor health are more likely than those in excellent/very good health to participate in condition management programs if they're offered an incentive (23% versus 14%) or must pay more for health insurance if they don't participate (30% versus 22%).

Employee Barriers

Interestingly, 58% of all respondents believe they do not have any obstacles to making choices that help them get and stay healthy. This mindset is a big challenge facing employers today. If employees believe they're already engaging in healthy behaviors and don't have anything getting in their way, they're probably not seeing the need for change.

Of those who did identify obstacles, not knowing what information to trust and confusion about what's covered under the plan ranked highest. These were followed by cost understanding—lack of understanding about how much things cost (e.g., doctor visits, tests), ability to quickly see a doctor when needed, and affordability.

Q: What are your top five biggest obstacles to making choices that help you get and stay healthy?

Top 5 Employee-Ranked Obstacles

Trust: I'm not always sure what information I can trust.



Confusing: Health care information is confusing and/or I don't understand my insurance plan or what it covers.



Cost Understanding: I don't know how much things cost so it's hard to decide whether to set up an office visit, get tested, or take medicine to address a health problem.



Speed: I can't see a doctor as quickly as I want to.



Cost: I can't afford to get the care I need now so I put it off.



Ranking reflects responses of those who indicated at least one obstacle.

Demographic Differences

Age—Employees and dependents ages 23 to 34 ranked “cost understanding” more often as an obstacle to getting and staying healthy (28% versus 18% of those ages 35 to 64). Younger employees (ages 23 to 34) also were more likely than those older than age 35 to rank time, awareness, and treatment options as key obstacles to health.

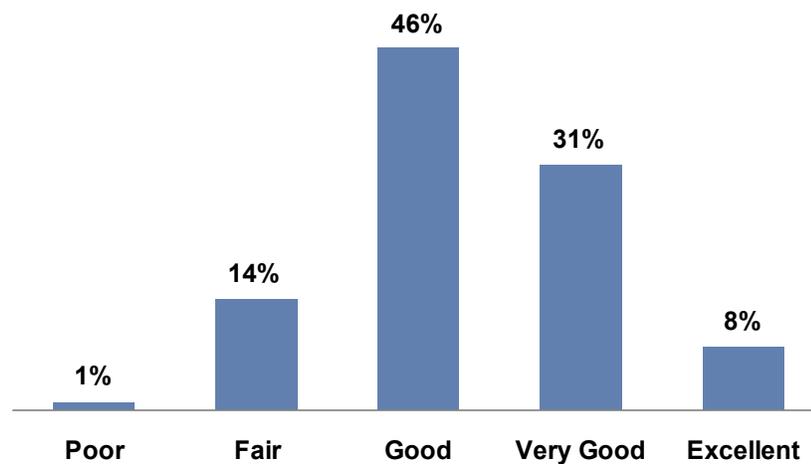
Race—A higher percentage of Hispanics (22%) and African-Americans (19%) ranked treatment options as a key obstacle to getting and staying healthy, compared to 12% of Whites. Hispanics also identified health awareness (not knowing what they’re supposed to do to manage their health) as a stronger barrier to health (16% versus 9% of Whites).

Health Status—Those in poor to fair health were more likely to believe affordability (29%), time (22%), and financial sacrifices (20%) get in the way of staying healthy, compared to those in excellent to very good health (11%, 12%, and 10%, respectively).

Health Status

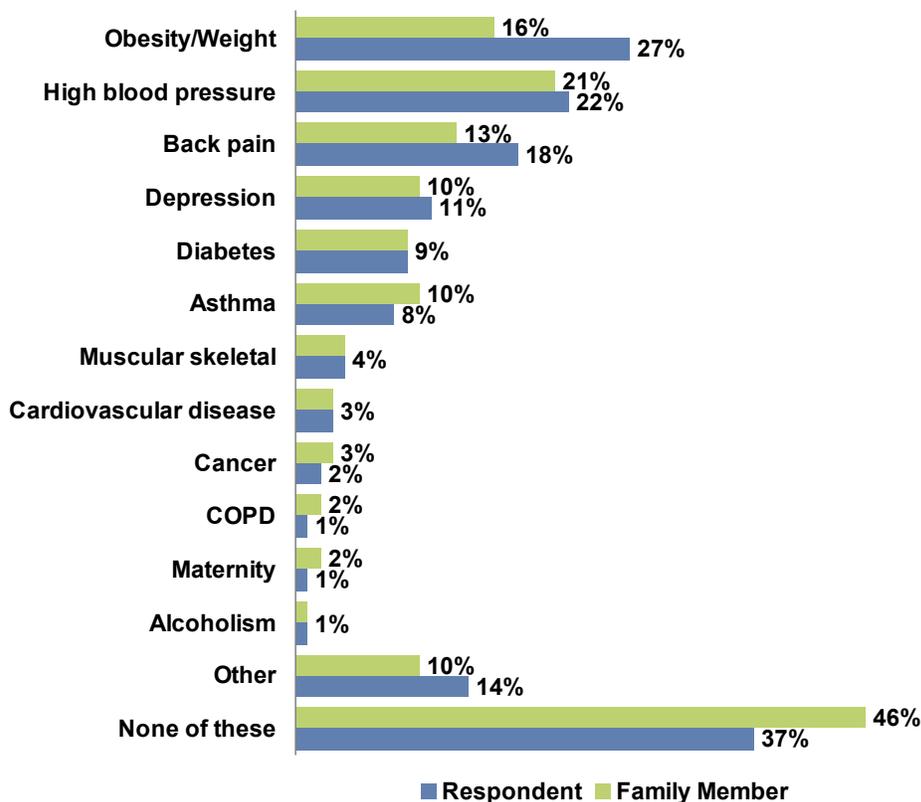
Overall, most employees and dependents rated their overall health as good to very good, with very few reporting their health status as either excellent or poor/fair. Although self-reported health status is subjective and not always accurate, people’s perceptions of their own health can be a good proxy for mental and physical health. These perceptions represent how people feel about their own health status and well-being.

Self-Reported Health Status



Nearly two-thirds (63%) of plan participants reported having at least one health condition, with 54% reporting someone in their family having at least one health condition. Participants reported obesity/weight, high blood pressure, and back pain as the most common conditions they have.

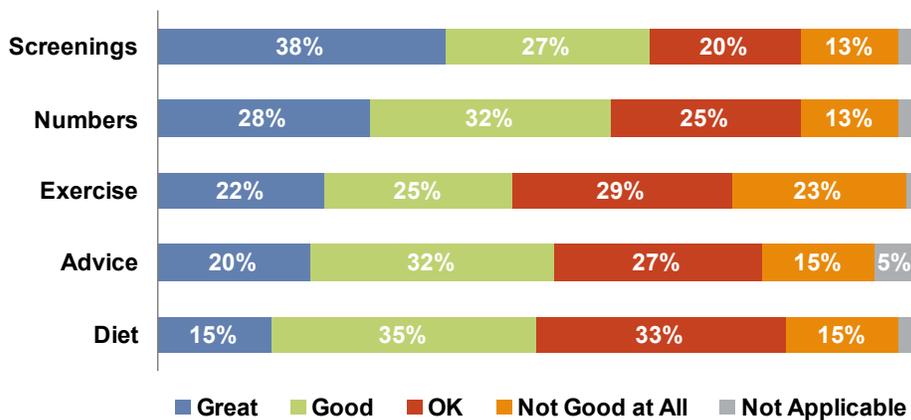
Q: Please indicate which of the following health conditions you or someone in your family has:



Health Activities

When asked how good a job plan participants do with healthy activities, many employees said they engage in healthy behaviors—like getting preventive screenings (65%) and knowing their essential health numbers (60%). Since many employers cover preventive care at 100%, these results demonstrate the connection between no cost and health behaviors of consumers. Exercise, diet, and asking a doctor for advice were areas most employees and family members reported not doing as good a job, with exercise as the biggest challenge overall.

Q: How good a job do you do with the following healthy activities?



Employers should look for ways to make it easy for employees to access healthy food and physical exercise in the workplace. Also, because employees report they're not good at asking their doctors for advice, there may be opportunities for organizations to use coaches or other resources to break down this barrier.

Getting Personal to Drive Health Engagement

When employees and dependents were asked what tools their employers could provide that would help them better manage their health, personalized reminders (44%) ranked top of the list followed by personalized lifestyle plans based on health risk, biometric data, and genetic information (41%).

Additionally, employees said they wanted an online personal health record they could share with their doctors (40%) and personalized tips and online tools to help assess cost (37% and 34%, respectively).

Make It Real, Make It Relevant
Employees want personalized content, plans, and reminders to better manage their health.

Q: If your employer were to provide the following tools to better manage your health, which of them would help you the most?

Reminders: Personalized reminders about screenings that are appropriate for *me* based on age or gender



Plan: Personalized healthy lifestyle plan based on *my* health risk/assessment questionnaire, screening, genetic testing, etc.



Health Record: An online Personal Health Record I could share with my doctors



Tips: Personalized tips how to save on prescription drugs, out-of-pocket medical expenses (preventive doctor visits, etc.)



Cost/Health Tools: Online tools to help assess cost, out-of-pocket expenses, and monitor/manage my health



Answers reflect rank 1, 2, or 3.

Demographic Differences

Age—Younger employees were less interested in personalized health reminders than older employees. Four out of ten respondents ages 23 to 34 indicated personalized health reminder tools would help them better manage their health, versus seven out of ten who are age 65 or older. However, those who are age 65 or older had less preference for online tools to help manage their health than those under age 65.

Survey Results: The Economy and Health Care Reform

The economy and new health care reform legislation have taken a financial and emotional toll on workers and their families. The current economic environment has contributed to organizational changes that affect employees and their families. There's also greater uncertainty about job security, expectations, potential benefit reductions, and increased costs.

Economic Impact on Behaviors

The majority of employees and dependents (70%) reported they are somewhat/very concerned about being able to afford health care coverage during the next few years and about the impact health care reform will have on themselves, their families, employers, and the nation. The economic downturn has had mixed results on their efforts to lead a healthy lifestyle, although positive health-related activities appear to be gaining momentum. Over the past year, 52% of employees claimed to be eating healthier, 50% said they've cut back on eating fast foods, 37% have increased their exercise level, and 18% are drinking less alcohol as a result of the economic downturn or other situations.

On the negative side, 20% reported they're sleeping less, 15% are exercising less, and 7% are getting less preventive care. Also important to note is how many employee behaviors "stayed the same," which highlights that remaining sedentary is what employees resort to during times of uncertainty.

Q: Please indicate how your participation level has changed over the past year, due to the economic downturn, for each of the following activities.

	Increase	Decrease	Stayed the Same	Not Applicable
Exercising	37%	15%	46%	3%
Eating at fast-food restaurants	6%	50%	35%	9%
Smoking/using tobacco products	2%	8%	17%	73%
Eating healthier (e.g., more fruits/vegetables, cutting down on fatty/high-caloric foods)	52%	6%	39%	3%
Drinking alcohol	6%	18%	45%	31%
Participating in reflective activities (e.g., yoga, meditation)	11%	5%	30%	54%
Sleeping	17%	20%	61%	3%
Preventive care (e.g., annual physical, mammogram, colonoscopy)	12%	7%	73%	8%
Participation in health programs (e.g., disease management, weight program, smoker cessation program)	12%	5%	34%	49%
Health care coverage (e.g., increase benefit coverage to make sure I/my family is well covered, or dropped/reduced coverage—for example, dental or vision—to save monthly premiums or out-of-pocket costs)	11%	10%	67%	12%

Economic Impact on Health Care Decisions

In terms of health care decisions, it appears the economic downturn has negatively impacted consumer health behaviors. Nearly one-quarter (23%) of respondents reported delaying doctor visits because of the cost, 17% filled fewer prescriptions, and 8% have foregone specialty care. Just over one-third (37%) of plan participants completed their full prescriptions to avoid getting sick (63% did not!), and 15% report stockpiling medication in case their coverage changes in the near future. When employees stockpile medications, they may not be following prescribed dosages, which is concerning, and they may be filling prescriptions they don't really need, which can easily drive up costs.

Health care consumers are also showing a growing interest in evaluating cost before receiving care. About one-third of respondents reported evaluating or comparing coverage more closely before making health care decisions in an attempt to make the most cost-effective choice. However, as indicated earlier, price transparency is a key obstacle for employees and family members to appropriately evaluating health care options. Plan participants lack a general understanding of how much things cost (e.g., doctor visits, tests), making it difficult for employees and their families to know if they're making the most cost-effective choices.

Q: Please indicate how your participation level has changed over the past year, due to the economic downturn, for each of the following activities.

	Yes	No
General Health Care		
Delayed Doctor Visits: Delayed getting care or making appointments for follow-up doctor visits because they cost too much	23%	77%
Foregone Specialty Care: Unable to get specialty care (e.g., knee surgery) due to cost or fear of losing my job	8%	92%
Evaluated Cost Prior to Receiving Care: Evaluated employer coverage and cost more closely to see how individual policies and/or my spouse's coverage compare to my coverage before making health care benefit choices, to make sure I was making the most cost-effective choice	32%	68%
Prescription Drugs		
Filled Fewer Prescriptions: Did not fill (or refill) prescriptions because they cost too much	17%	83%
Completed Prescriptions: Took full prescriptions to avoid getting sick again and having more costs	37%	63%
Stockpiled Medications: Saved medications in case my prescription drug coverage changes in the near future	15%	85%

Multiple response

Demographic Differences

Gender—A smaller percentage of men indicated they delayed doctor visits due to cost compared to women (19% versus 27% of women).

Age—People under age 55 are more likely to delay doctor visits than those age 55 or older (26% versus 15%, respectively). The under-age 55 employee group is also less likely to complete full prescriptions (32%) versus 51% of those age 55 or older.

Income—Employees with household income levels below \$25,000 are more likely to delay doctor visits (32% compared to 13% of those with incomes between \$100,000 and \$125,000), forego specialty care (17% compared to 3% of those with incomes between \$100,000 and \$125,000), and fill fewer prescriptions (28% versus 10%).

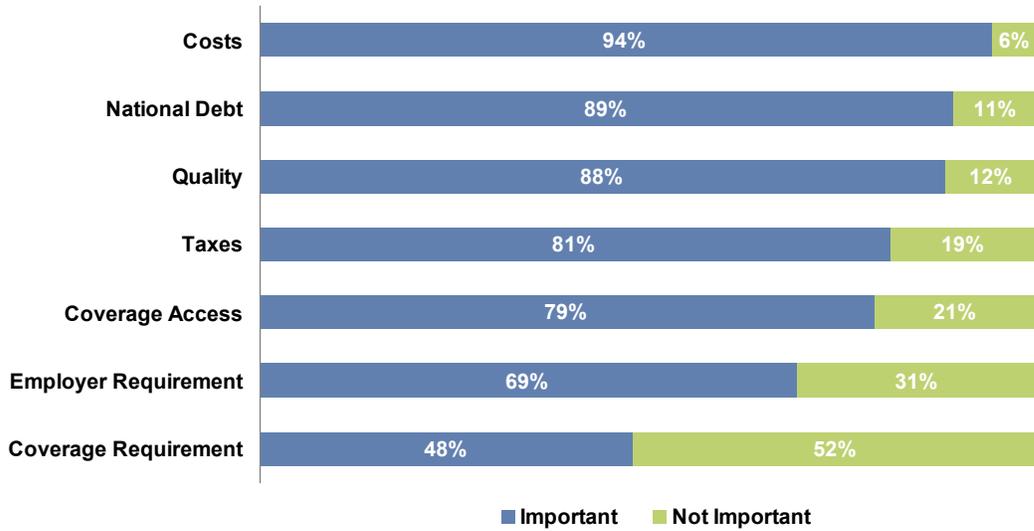
Views on Health Care Reform

New health care legislation will mean sweeping changes for our nation's health care system and will have a significant impact on employers, employees, and benefit plans. Many provisions—such as annual and lifetime limits on coverage and extending coverage to dependents until they're age 26—take effect in 2011, with other changes being phased in gradually over the next few years. As a result, many employers are taking action to comply with the new law, but most employees don't understand how it really affects them and their families.

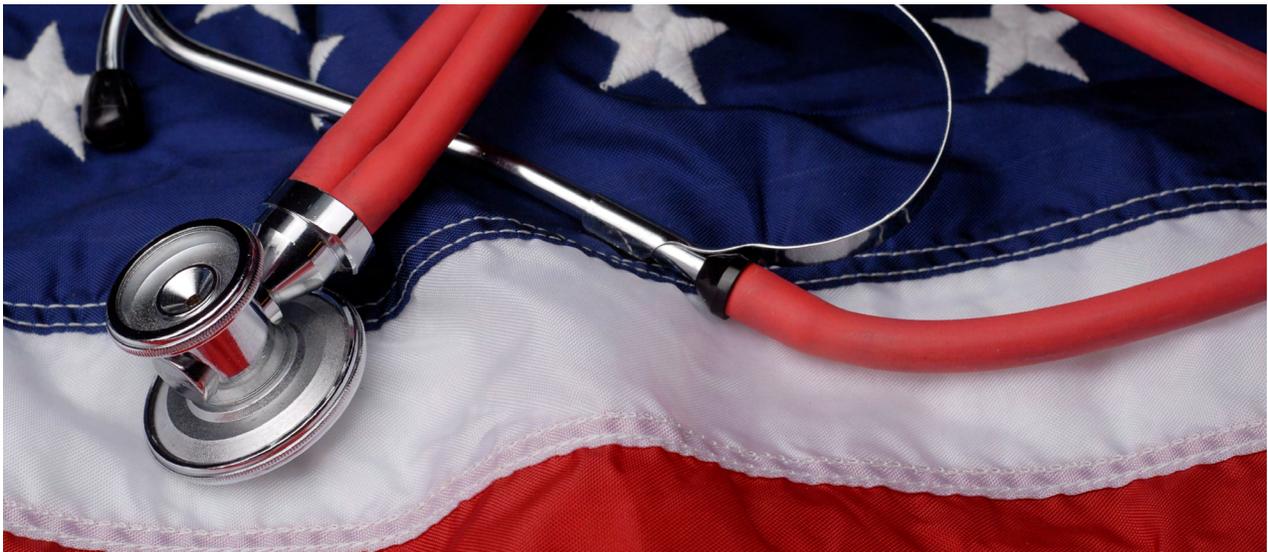
During the health care reform debate, we asked employees and dependents how important various aspects of the bill were to them. Similar to employers, cost is on employees' minds when it comes to affordability of health care coverage. Most employees and dependents believed that it was very or somewhat important for Congress to focus on controlling health care costs, not adding to the country's debt, and improving the quality of health care. Requiring everyone to buy health insurance and an employer coverage requirement were not as important as other factors.

The great concern about being able to afford health care in the future presents a basis for Americans to assess the success/failure of reform efforts. If they see affordability improving, it might be a key measure of the effectiveness of reform.

Q: How important would it be for the following factors to be included in health care reform?



*Level of importance reflects Somewhat or Very Important ratings.
Level of unimportance reflects Not Too Important or Not Important at All ratings.*

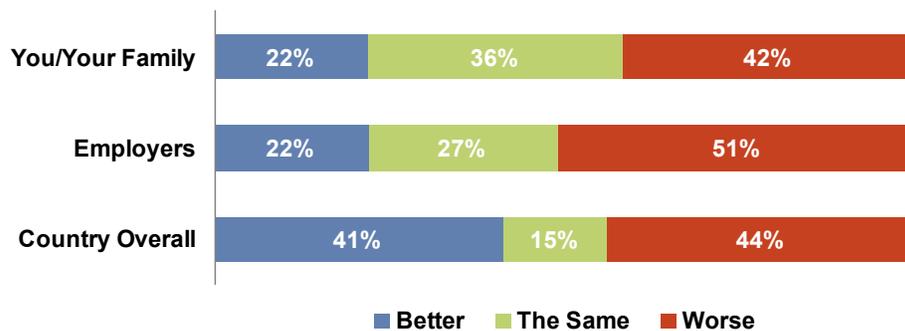


Impact of Health Care Reform

While health care reform addresses a number of general public health concerns, it doesn't address many of the immediate concerns facing employers and their employees—like reducing health care spending, bending the cost trend over the long term, and promoting a healthier, more productive workforce. Employers and those covered under employer-sponsored health plans will have to work together to address them.

When employees and dependents were asked how they felt about the impact health care reform would have on them, their family, employers, and the nation overall, most were skeptical about who would actually benefit from the new legislation. While four out of ten respondents said they believe the country will be better off with health care reform, only two out of ten believe they or their employers will be better off. Just over one-half of respondents believe employers will be worse off, and 44% believe the country as a whole will be worse off as a result of health care reform.

Q: To what degree do you think you, your family, employers, and the country will be better off as a result of health care reform?

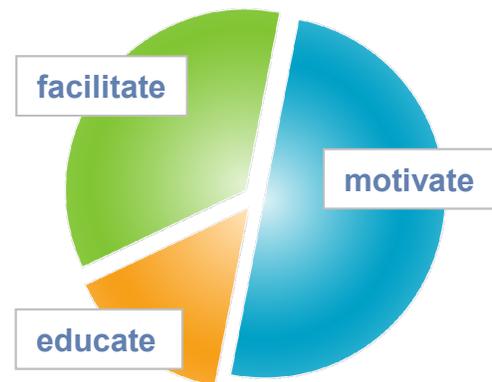


The survey also found that two-thirds of respondents believe all employers should be required to offer some form of health coverage or pay a tax penalty; one of the provisions that was included in the new law. However, individuals showed far less support for government taxation of high-cost health plans (“Cadillac tax”). Six out of ten (61%) opposed the provision in the law to tax plans whose benefits are valued above a specific dollar amount.

Turning Knowledge Into Action

Employees know what to do when it comes to health. Knowledge is not the problem. The crux of the problem is that they are not consistently acting on that knowledge. How do employers get people in their health plans—employees and their dependents—to engage in more healthy actions more often?

Here's a simple framework that can be a powerful guide in creating a health engagement strategy.



Educate

In the past, strategy has been all about educating. Obviously, it hasn't been effective enough. So what works? First, education needs to be a relatively small part of the solution. And second, education must be made more effective by using:

High Tech. Provide employees and their families easy access to a centralized health Web site so they can get the right level of detail—a sound-bite, paragraph, or full details—exactly when they need it.

High Impact. Make education much more compelling—more along the lines of the entertainment employees have all come to expect—and make it personalized so it's more relevant and time-efficient. In addition, provide employees access to as much cost information as possible so they have the data to make smart economical choices.

High Touch. Don't overlook the need for employees to connect with real, live humans now and then. It might involve equipping managers and leaders with key wellness points to share in their monthly meetings, setting up a live chat function to augment your call center, or creating wellness champion networks within your locations to promote health in the workplace.

Motivate

The next component of health engagement is motivating employees to make smart health choices. The reality is that people often need to be motivated or “nudged” to do the right things when it comes to health. Effective types of nudges include:

A Variety of Motivators. Offer a blend of extrinsic and intrinsic motivators that work in your culture to drive and achieve desired outcomes. And don't forget to vary their relative impact and frequency so they don't become an entitlement and stop working. Save your financial incentives to nudge people to take the actions that are the most difficult.

Targeted Messages. Use all the data available—demographic, behavioral, attitudinal, etc.—to learn as much as you can about your population and what moves them. Then tailor your overall approach to the

unique characteristics of your people, and target messages to high-risk populations who can benefit the most from taking more healthy actions.

Healthy Experiences. Capitalize on the social networking trend in our society by using health experiences inside and outside your company—both in person and virtually. And invite employees and family members who have made wise health choices to share their stories to inspire their fellow employees to do the same.

Facilitate

Finally, remove as many barriers as possible so you can facilitate people taking more of the right health actions more of the time. Consider these ideas:

Easy-to-Navigate Plan Designs. Review your current plan, program, and incentive designs to make sure they are easy to follow, encourage the right behaviors, and don't inadvertently encourage the wrong behaviors such as skipping doses of medication or delaying doctors' visits.

Clear Path to Smart Choices. Identify and remove barriers—whether those are administrative, financial, geographic, environmental, or time—to provide employees with the clearest path possible to the right actions. In addition, send the right messages to people at the times they are most likely to need the information by using a multichannel communication approach. Along with traditional media, try newer methods such as short videos, social networks (e.g., Facebook), blogs, mobile applications, games, and texting.

Healthy Environment. Create a workplace that's conducive to the right behaviors. Employees are strapped for time and highly value convenience of programs and services available at their worksite. Consider starting or expanding your current worksite offerings. For example, offer periodic biometric screening and flu shots on-site. Rearrange the cafeteria layout so employees see healthy food options first and need to walk to the back to hunt down less healthy options. In addition, promote physical activity by encouraging employees to use the stairs and area walking paths.

Finally, with all three areas, measure the effectiveness of health improvement programs by tracking health outcomes of your workforce. Based on your results, stay the course on tactics that are working and try new approaches to continue improving the health of your employees and their families.

Conclusion

What have we learned about the employee health mindset? It's skeptical, confused, and worried about costs. And it has a lot of head knowledge, but isn't acting on that knowledge nearly often enough.

The good news is that the employee health mindset is also looking for help. One of the first places it looks is to employers. From employers, it seeks access to affordable health care coverage, communication that's personal and relevant, an easier path to making good choices, and nudges along the way in the form of various motivators that matter.

As you engage your employees and their families in healthy actions more often—whether they are healthy, have significant health risks or are chronically ill, you not only improve their lives, you have a significant opportunity to reduce your organization's health care costs and improve the health of your bottom line.

Acknowledgements

Sponsoring Executives

Beth Boden

Leader, North America Communication Practice, Hewitt Associates
beth.boden@hewitt.com

Jim Winkler

Leader, North America Health Management Practice, Hewitt Associates
jim.winkler@hewitt.com

Helen Darling

President, National Business Group on Health
darling@businessgrouphealth.org

Research Team

Mary Ann Armatys

Senior Research Consultant, North America Consulting Solutions, Hewitt Associates
mary.ann.armatys@hewitt.com

Joann Hall Swenson

Health Engagement Leader, North America Communication Practice, Hewitt Associates
joann.hall.swenson@hewitt.com

Karen Marlo

Director, Benchmarking and Analysis, National Business Group on Health
marlo@businessgrouphealth.org

Cathy Tripp

West Business Group Leader, North America Health Management Practice, Hewitt Associates
cathy.tripp@hewitt.com

Other Contributors

Ray Baumruk

Principal and Lead Consultant, North America Communication Practice, Hewitt Associates
ray.baumruk@hewitt.com

Rick McGill

Client Solutions and Services Leader, North America Health Management Practice, Hewitt Associates
rick.mcgill@hewitt.com

Steve Wojcik

Vice President, Public Policy, National Business Group on Health
wojcik@businessgrouphealth.org

For more information about this study, please contact:

Mary Ann Armatys
Hewitt Associates LLC
100 Half Day Road
Lincolnshire, IL 60069
(847) 295-5000 General
(847) 442-4056 Direct
maarmaty@hewitt.com

About Harris Interactive

Harris Interactive is one of the world's leading custom market research firms, leveraging research, technology, and business acumen to transform relevant insight into actionable foresight. Known widely for the Harris Poll and for pioneering innovative research methodologies, Harris offers expertise in a wide range of industries including health care, technology, public affairs, energy, telecommunications, financial services, insurance, media, retail, restaurant, and consumer package goods. Serving clients in over 215 countries and territories through our North American, European, and Asian offices and a network of independent market research firms, Harris specializes in delivering research solutions that help us—and our clients—stay ahead of what's next. For more information, please visit www.harrisinteractive.com.

Hewitt Associates
www.hewitt.com

National Business Group on Health
www.businessgrouphealth.org

Harris Interactive
www.harrisinteractive.com