



MERITAINSM
HEALTH

Employee Education

The Key to Health Plan Success

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The Importance of Employee Education

“Change does not necessarily assure progress, but progress implacably requires change. Education is essential to change, for education creates both new wants and the ability to satisfy them.”

—Henry Steele Commager (American Historian)

In recent years, it has become clear that the most prevalent drivers of employers’ rising healthcare costs are employees’ chronic diseases. It follows, therefore, that employers’ most effective method of creating long-term cost savings is by promoting employee wellness and behavior change. This can only be achieved through effective employee education programs that foster employee awareness of their health conditions. It is also important to teach employees how to manage their health conditions before they accelerate to the level of chronic disease—at which point treatment costs escalate substantially.

Additionally, education helps to promote consumerism among employees. Through educational programs, online research and learning tools, employees come to understand their treatment options and base healthcare decision-making on both quality and cost.

Employee education is important from a number of other perspectives as well. Specifically—

- Through education, beginning at orientation, employees gain the understanding of their plan benefit options necessary to choose the option most closely aligned with their personal needs.
- Education provides employees with the tools and resources necessary to ensure their success in managing Consumer-Directed Health Plans (CDHPs).
- By educating employees about the cost advantages and other benefits of using physicians that participate in provider networks, employers can motivate employees to choose in-network care providers and save money in the long run.
- Through education, employees can be encouraged to use the least costly preferred and generic drugs.
- Education helps patients understand the standard of care for their conditions and helps minimize the effects of disparity of care.

Education is Essential to the Growth and Success of Consumer-Directed Health Plans

With the shift in healthcare toward consumerism and the growth of CDHPs, employee education becomes more substantial than ever. Education serves both as a catalyst stimulating employee interest in CDHPs and as the support employees’ require to effectively manage their healthcare in a consumerist environment.

According to Mercer Health and Benefits’ annual survey, employers offering CDHPs tripled from 2 percent in 2005 to 6 percent in 2006. In part, this growing trend can be attributed to small employers (500 employees or less) that began migrating to the new plan type for the first time.

Growth of CDHPs was also strong among large employers (500 to 19,999 employees). Those offering CDHPs more than doubled from 5 percent to 11 percent.

Even more striking, CDHPs offered by extra-large employers (20,000 employees and more) rose from 22 percent to 37 percent.

The use of CDHPs and the consumerism trend is expected to accelerate over the next year. Among large and extra-large employers, 61 percent report that they expect to offer one or more CDHPs in the future.¹

All stakeholders on board

The success of CDHPs and consumerism requires significant effort, energy and involvement among all stakeholders, including:

- Healthcare providers
- Employees
- Employers
- Health benefits providers

For the consumerism model to function at its highest level, all stakeholders—including employees themselves—must participate in employee education. The below model illustrates each stakeholder’s role and responsibilities.²

The Elements of an Effective Employee Education Program

To achieve maximum effectiveness, an employee education program should include the following elements.

Employee orientation and enrollment

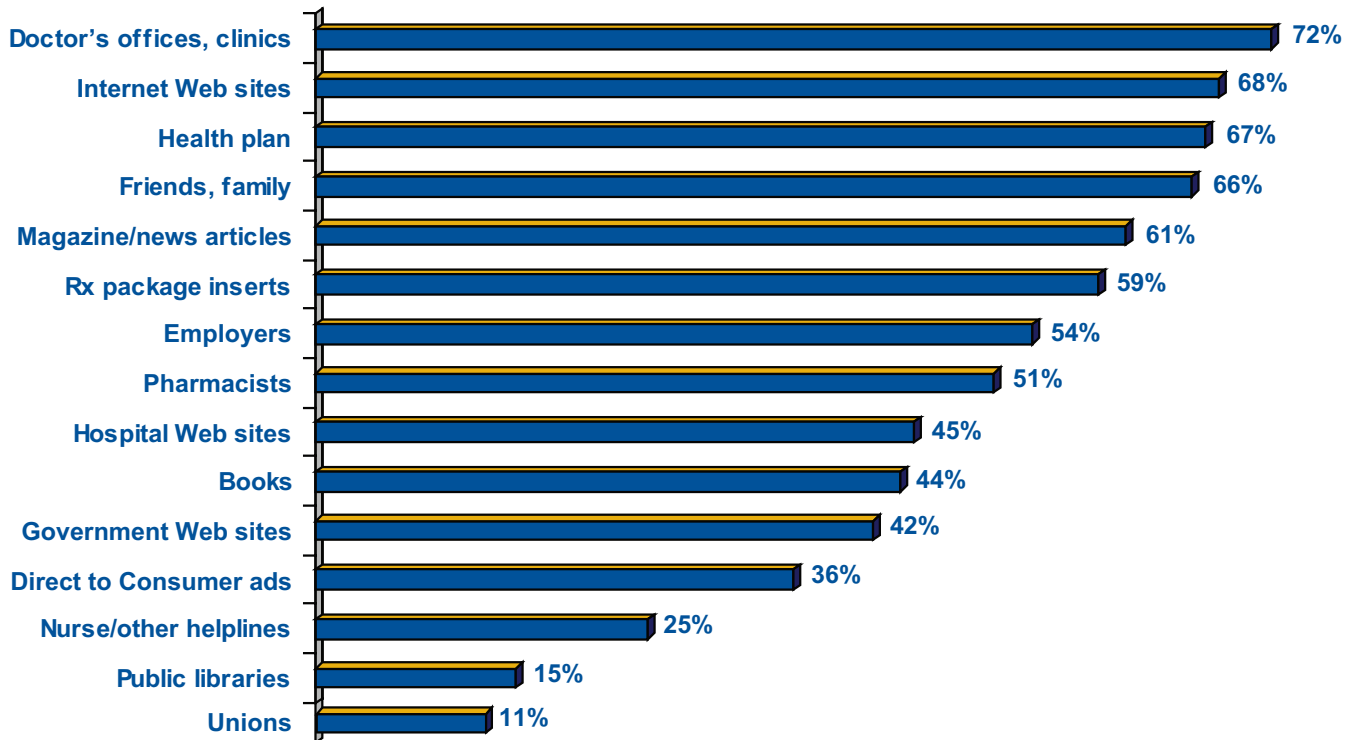
Employee education begins at orientation, when employees are informed about their health benefit options and related costs. Because one benefit design no longer fits the needs of every individual, multiple plan options are necessary to ensure that employees’ health benefits match their situations and lifestyles. For example, the employee who is married with children will have entirely different needs than the single employee with no dependents. It is up to the employer to make sure employees understand their options and assist them in making the best personal decisions.

Stakeholders Role and Responsibility Model



Sources of Health Information³

According to the National Business Group on Health Survey of Employees in September 2007, the following chart depicts where employees have looked for health or medical information in the past two years:



This graph shows that healthcare providers, health benefits providers and employers are among the top seven sources of information used by employees. This further advances the meaning of shared responsibilities in Consumer-Directed Healthcare. Information must be easily and readily available for employees to absorb at all times.

This is particularly important when employers are offering CDHPs for the first time. Employers stand to achieve significant cost savings through employee participation; however, many employees are unfamiliar with these plans. For this reason, employers are wise to clearly communicate the advantages and functionality of CDHPs to encourage employees to choose this cost-effective option.

Consumerism coaching

In the current healthcare environment, promoting employee consumerism is a vital cost-saving strategy. Consumerism seeks to create behavior change on the part of healthcare users so they become accountable, knowledgeable and actively engaged in managing their health. A consumerist mind-set can only be fostered through continual

employee education that encourages and enables employees to:

- Take charge of their personal healthcare.
- Make informed decisions about the care they require and the resources through which they can obtain that care.
- Use their healthcare dollars effectively by choosing appropriate healthcare services, treatments and providers and save healthcare dollars for future needs.
- Gain confidence in their ability to be active, rather than passive, partners with their physicians in healthcare decision-making.

Health awareness

Employers that help employees develop an awareness of their health conditions, risk factors and appropriate preventive measures take a huge step in motivating employees to become and stay healthy. The importance of this strategy becomes apparent when considering the fact that for every \$1 invested in preventive services, employers may expect a return of \$3 to \$6.⁴ A portion of this return can be attributed to educated, healthier employees with increased productivity.

Employers can make this happen by offering health screenings that evaluate employees' medical histories and measure blood pressure, cholesterol, body mass index and coronary risk. To encourage employee participation, health screenings can be provided on-site and/or online and with incentives attached.

Following the screenings, employees should be provided with personal, confidential health assessments and counseled regarding treatment of their conditions and prevention of chronic disease.

Preventing Presenteeism

Presenteeism, the term used when employees show up for work despite illness, can have negative repercussions on business performance and can present hidden long-term costs.

- Employees who attend work when they are sick will likely function at a fraction of normal capacity.
- They may cause other employees to get sick, causing a large decrease in work efficiency.

Employers can avoid presenteeism through employee education. Educated employees are healthier and work at higher levels of productivity.

Educational tools and resources

Effective education demands that employers, in conjunction with their health benefits providers, invest in learning tools and provide access to broad informational resources. Employees will use these tools and resources to perform the following tasks.

Evaluate plan options

Orientation materials play an important role in helping employees understand and make smart decisions regarding their plan options. Working with their health benefits providers, employers can develop multi-media materials such as booklets, kits, podcasts and CDs. Including FAQs and a glossary among other orientation materials will help employees understand the information presented.

Research health conditions

Employees need access to reliable information about specific medical conditions affecting them and their families. Online and telephone health libraries and links to reputable healthcare organizations are excellent sources of this information.

Research medications

Information regarding both prescription and over-the-counter medications helps employees choose the most efficacious, affordable medications for their specific conditions. For this reason, it is important that employers choose prescription benefits managers that emphasize education. In general, prescription benefits managers should offer information regarding drug indications, drug interactions, generic drugs, and formulary and cost information.

Determine the quality and charges of healthcare providers

Once tightly guarded, this information is becoming more readily available. For instance, quantifiable data with which to measure hospital quality—such as a hospital's experience treating specific health conditions—is now available through online tools provided by many health plans.

Obtain medical advice on demand

Immediate medical information can be made available through 24-hour nurse lines. Employers can help employees determine whether they or their family members require medical care and, if so, how and where to obtain care. For this purpose, 24-hour nurses can help employees minimize expensive emergency room visits and physician consultations, while ensuring that employees and their families receive appropriate care in appropriate settings.

Manage their health benefits

Through online benefit portals, employees can obtain information to manage their health benefits. Online capabilities include reviewing plan features, checking the status of claims, determining copays and deductibles, and monitoring HSA and FSA balances. Online lists of network providers will help steer employees to the most conveniently located and cost-effective providers.

The easiest way for employers to share this information is through member Web sites provided by health benefits providers. Member Web sites include a wealth of resources available to employees 24 hours a day, 7 days a week.

Developing an Education Program

Just as every organization is unique, so are the education requirements of its employees. Therefore, no two employee education programs will—or should—be the same. With this in mind, the following is a general approach to developing and implementing an effective education program.

Step 1:

Get buy in from managers and key employees

Developing a successful education program depends on the support and input of managers and key employees who are in tune with other employees' lifestyles, situations, attitudes and other factors. It is important that these managers and employees participate in every step of the process. Their involvement will help ensure that the program truly addresses employees' needs.

Step 2:

Determine needs

With the input of participating managers and employees, the employer can identify the specific educational requirements of employees. Among the factors to be considered are:

- Whether the employer is offering a CDHP
- Whether conducting on-site health screenings is a feasible solution
- The demographics of the employee population
- The receptiveness of the employee population to change
- The interest of employees in education

Step 3:

Develop program components and strategies

Developing program components and strategies to ensure success is the next step in the process. The program elements described in this paper may be used as a starting point; however, it is essential to keep in mind what is important to both the employer and the employees. Input from managers and key employees will be particularly helpful at this stage.

Step 4:

Develop tools, resources and programs

Educational tools, resources and programs can be developed over time, depending on the employer's budgetary constraints. It should be remembered, however, that over the long term, an employer may expect a significant return on investment in educational opportunities offered to employees. With this long-term perspective, the employer will be more willing to fund the tools and resources employees require to manage their healthcare and health benefits.

Step 5:

Launch program

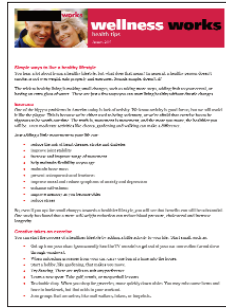
Timing is an important consideration when it comes to launching an educational program. For instance, if the employer is offering a CDHP option, materials explaining the option must be available at the time of orientation. Selecting communication vehicles is also crucial. These may include:

- Conducting a company-wide meeting
- Sending out informational e-mails
- Featuring the program in the company newsletter
- Posting signs around the workplace
- Involving managers in explaining the program to employees
- Holding Q&A sessions
- Providing FAQs and glossaries

Featuring education in company newsletters

Employers can send health awareness and wellness related articles to their employees via e-mail or company newsletters. Topics include:

- Healthy habits
- Managing stress
- Obesity awareness
- Depression
- Food for thought
- Migraines
- Insomnia



In addition, health benefits providers can help employers by supplying a communications tool kit in which these materials are prepared for the employer and ready to use.

Step 6: Monitor progress and modify accordingly

On a periodic basis, educational objectives and strategies should be revisited to ensure continued success. Are communication vehicles effective? Are program objectives being met? Are employees utilizing tools and resources? These are among the considerations that should be evaluated in monitoring program success.

If the program's effectiveness does not measure up to expectations, the program should be modified accordingly. Keep in mind that it is important to communicate any program changes to employees.

Education is Critical

In today's healthcare environment, employee education plays an increasingly critical role in controlling an employer's health benefit and healthcare costs. With effective education programs in place, employers can help employees better understand their health benefits, know their health conditions and risk factors, make informed decisions about their treatment alternatives,

wisely allocate their healthcare dollars and, most importantly, adopt lifestyles that promise a happier, healthier future. Employee education equals plan success.

About Meritain Health

Meritain Health is the country's largest independent manager of health benefit plans. As health benefit costs continue to increase at uncontrolled rates, employers place a high value on a health benefits manager who can help control these costs. At the same time, employees need an affordable, user-friendly, high-touch healthcare experience. With integrated plan design and management, employee wellness and education, and cost management services, Meritain Health is uniquely capable of meeting the needs of both employers and employees.

A total solution to employers' health benefit requirements

Meritain Health services are fully integrated and customized to each client's unique needs. They include:

- Consultation and innovative plan design
- Healthy MeritsSM wellness and incentive programs
- Long-term cost management solutions
- URAC-accredited medical management programs
- Multi-media employee education
- High-touch member services
- Efficient plan administration
- Pharmacy benefits management
- PPO administration

Employee wellness, education and communication

Meritain Health is an industry leader in promoting healthy lifestyles for employees. Healthcare industry experience and research has shown that health and wellness programs are critical drivers in creating health-conscious members. The Meritain Health Healthy MeritsSM wellness and incentive programs provide employee health screenings and assessments, smoking cessation programs, weight loss programs, and online health education and decision-support tools.

Advanced Medical Management

Meritain Health also delivers triple-URAC-accredited in-house medical management programs. These programs improve employees' ability to select effective, appropriately priced healthcare services. This, in turn, leads employees to become more

independent, knowledgeable healthcare consumers, while delivering significant cost savings to employers.

Customized, flexible plan design

Meritain Health consultants are knowledgeable, experienced industry professionals. Working closely with clients and their producers, Meritain Health consultants design customized benefits plans that include innovative cost-management strategies and support the client's short and long-term goals. As the pioneer, and now the leading independent provider of Consumer-Directed Health Plans (CDHPs), Meritain Health offers both CDHPs and traditional PPO plans.

Throughout the plan year, Meritain Health consultants monitor plan activity and results, and routinely meet with clients to review plan reports and analyses. By developing lasting client relationships, they are able to identify opportunities and formulate recommendations to strengthen plan performance.

Meritain Health history and operations

Meritain Health has been exceeding the expectations of clients for more than 30 years. As the country's largest independent provider of services for self-funded health plans, Meritain Health has more than 1,400 clients and over a million plan members in all 50 states. To serve these clients, the company has offices in 28 cities and more than 1,350 employees.

For more information, visit www.meritain.com.

SOURCES

- ¹ "Consumerism in Health Care: A Reality Check." Workforce Management, August 2007.
- ² Reynolds, Dr. James. "Foundations of Health Care Consumerism." Kiplinger Business Resource Center, March 2007.
- ³ www.businessgrouphealth.org
- ⁴ *ibid*

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