



PREVENTIVE SERVICES: HELPING EMPLOYERS EXPAND COVERAGE

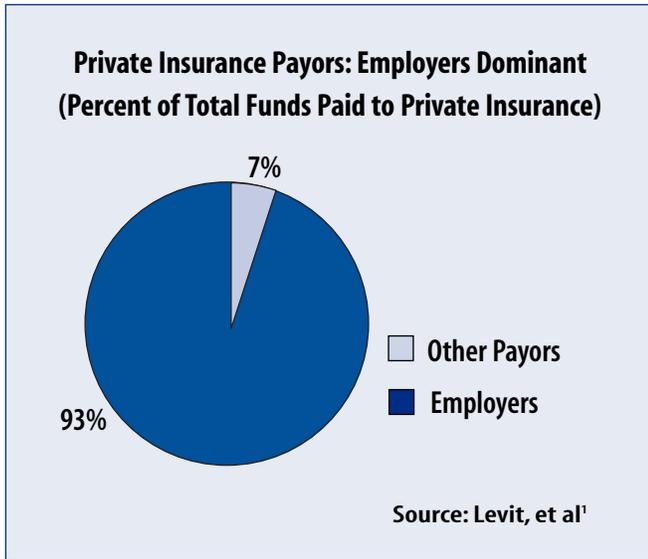


At a Glance

Employers provide health insurance coverage for many Americans; in doing so, they influence employee access to preventive care. From the employers' perspective, coverage of evidence-based clinical preventive services and lifestyle modification services can help maintain – even improve – workforce health and productivity. But service costs, information gaps, and poor utilization must be overcome for employers to sponsor a broad range of preventive services. With return-on-investment data and assistance from health researchers and health plans, employers may be more likely to cover the most beneficial package of clinical preventive services.



By purchasing health insurance for their employees, employers influence access to health care for more than 168 million insured Americans. In 1996, employers paid more than 93% of the \$337.3 billion paid for private health insurance.¹ Two out of every three Americans were covered by private health insurance sponsored by employers in 2001.²



As the primary purchasers of health insurance for the American workforce, employers determine which plans and services are available for employees and their dependents.³ One reason employers provide comprehensive benefits is to create and maintain a healthy workforce. Healthy employees perform better on the job, use less sick time, and need less medical care than do workers with health problems. These results keep employers' costs down and productivity up.

Comprehensive benefits consist not only of medical care when illness does strike, but also services to prevent disease in the first place. Preventive services

“Employees are more likely to be on the job and performing well when they are in optimal physical and psychological health. They are also more likely to be attracted to, remain with, and value a company that obviously values them.”⁴

include those that many people consider “basic,” such as regular physical examinations. They also include, among others:

- Screenings (e.g., to screen for breast cancer and high blood pressure);
- Adult immunizations (e.g., to prevent influenza); and
- Lifestyle modification services (e.g., to quit smoking or lose weight).

All of these types of preventive services can help individuals become – and stay – healthy.



Key Definitions

Clinical Preventive Services include screening tests to detect diseases early, immunizations to prevent infections, and counseling to reduce health risks. They are provided to individuals in a clinical setting by a health care professional.

Lifestyle Modification Services include one-on-one counseling, in person or by telephone, or group programs such as classes. They are provided in either clinical or worksite settings. Such services are aimed at individual health behaviors, such as tobacco and alcohol use, diet, and physical activity.

Recommended Preventive Services are established by the US Preventive Services Task Force (USPSTF), a non-Federal expert panel convened by the US Public Health Service. Using evidence and research, the USPSTF endorses a set of evidence-based clinical preventive services and lifestyle modification services.

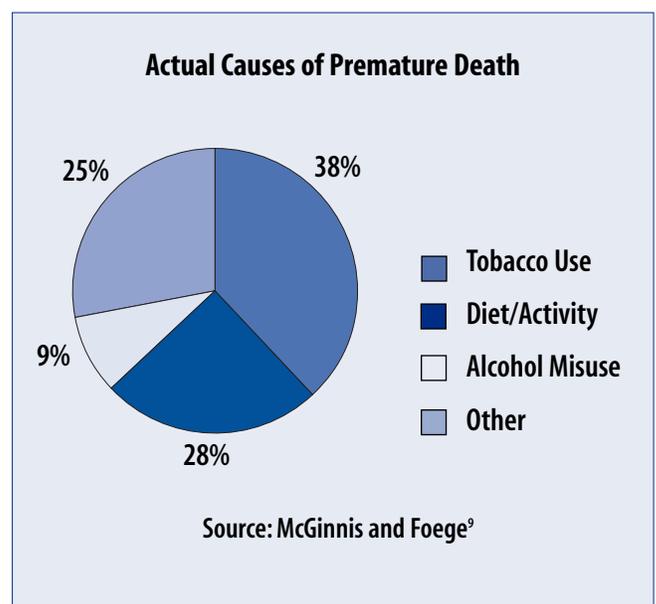
Both clinical preventive services and lifestyle modification services are included in the phrases “preventive services” and “clinical preventive services” and are used throughout this report.

A 1997 Partnership for Prevention study found that half of the employers surveyed still ranked prevention as important in their health benefits, yet many employers do not cover preventive services to the fullest extent.⁵

- Just over 70% of employers offered screening for colorectal cancer, the second leading cause of cancer deaths in the US.⁶

- Only 57% covered the flu vaccine, leaving many workers susceptible to often-serious strains of the flu.
- Less than a quarter of employers offered any kind of smoking cessation service, even though it is one of the most effective and cost-effective preventive services available.⁷
- Fewer than 30% of employers offered counseling for nutrition or physical activity, two services that could help counter the growing rates of obesity and overweight in the US.⁸

Why should employers put their health care dollars into prevention? Employers have an opportunity to reduce absenteeism, increase productivity, and potentially moderate future health care cost increases because many illnesses and injuries are preventable.⁹ Research has demonstrated that the coverage of recommended preventive services can yield such results for employers.⁴ Thus, employers who cover a range of preventive services make a worthwhile investment in their employees’ health and productivity as well as their company’s future.



Methods

To determine how to expand employer coverage of recommended clinical preventive services and lifestyle modification services, Partnership for Prevention (Partnership), with funding from The Robert Wood Johnson Foundation, conducted four focus groups with employers.

Three groups consisted of benefit managers or individuals who know the most about their respective companies' health plan choices. The fourth group was composed of benefit consultants and employers that are part of purchasing coalitions. (See **Focus Group Composition**.) To invite a diverse set of employers, several sources were used for recruitment, including chamber of commerce lists, business journals' books of lists, and national conference attendee lists. Sally Johns Design, a social marketing research firm, recruited and screened focus group participants and moderated the discussion sessions.

Partnership, in consultation with prevention experts and employer and health plan representatives, created a discussion guide to lead the focus groups. The guide promoted consistency in the discussion across the four groups. Topic areas addressed the factors affecting employers' decisions concerning:

- Health insurance coverage;
- Clinical preventive services and lifestyle modification services; and
- Worksite health promotion programs.

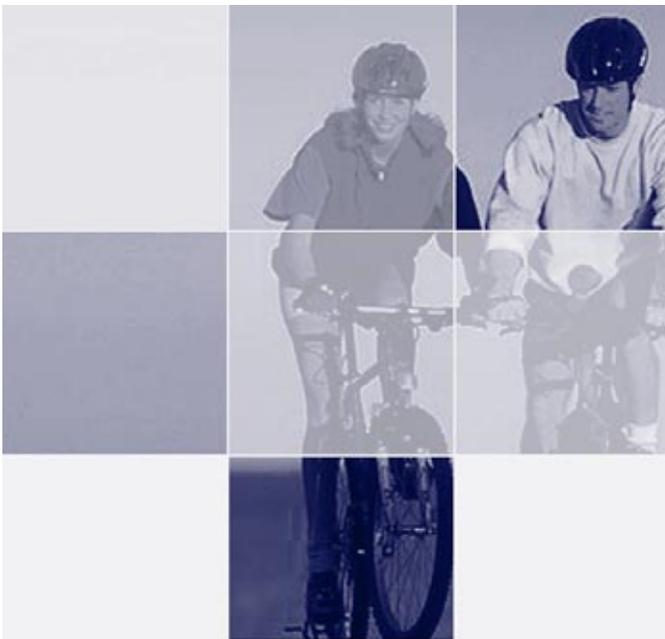
Focus Group Composition

- The **Large employer group** consisted of eleven representatives from large employers with more than 1,000 employees. This group was held in Atlanta, Georgia in October 2001 in conjunction with a national conference of human resource and benefit managers.
- The **Medium employer group** consisted of nine representatives from medium employers with between 200 to 1,000 employees. This group was also held at the national conference of human resource and benefit managers in Atlanta, Georgia in October 2001.
- The **Small employer group** consisted of ten representatives from employers with fewer than 200 employees. This group was conducted in the Research Triangle area of North Carolina in November 2001.
- The **Coalition employer group** consisted of eight representatives, including employer representatives who purchase health care through a coalition, and benefit consultants. The group was held in the metropolitan Washington, DC area in December 2001.



Focus groups are a qualitative data source; the information is not generalizable to the whole population of US employers. However, these focus groups provide insight into how employers make decisions regarding coverage of preventive services and potential ways to expand coverage of recommended clinical preventive services and lifestyle modification services.

To provide a complete picture of current preventive service coverage and ways to expand that coverage, Partnership for Prevention will combine the focus group results with data from a national survey of employers as well as an analysis of state mandates. A report, with these inclusive results and a full discussion of the issues affecting employer coverage of preventive services, will be released in early 2003. (See **Insurance Coverage of Clinical Preventive Services in Employer-sponsored Health Plans.**)



Insurance Coverage of Clinical Preventive Services in Employer-sponsored Health Plans

Partnership for Prevention, funded by The Robert Wood Johnson Foundation, began a project in 2001 to study employer coverage of clinical preventive services. Study goals are: to document the extent to which employer-sponsored health plans provide coverage for clinical preventive services, to identify factors that influence employers' coverage, and to determine practical solutions to improve coverage levels. Three phases of the study include:

- 1) A national survey of employers to document current coverage of clinical preventive services and lifestyle modification services;
- 2) Focus groups with employers to understand how employers make decisions regarding coverage of these services and how to expand that coverage (the topic of this brief); and
- 3) Analysis of state laws mandating coverage of clinical preventive services and lifestyle modification services by health plans.

This project updates Partnership's 1997 study and report on clinical preventive service coverage by employers, "Why Invest in Disease Prevention?" The report can be found at <http://www.prevent.org/clinicalpreventativescvs.htm>.

Employers' Views on Health Insurance Coverage

To help understand employers' views and decisions on health insurance, one section of the group discussions focused on general health insurance coverage. This provides the overall context for insurance coverage decisions of which preventive services are one component.

Factors Considered in Choosing a Health Plan

Many factors influence employers' choices of health plans. Most focus group participants stated that health plan costs, quality and breadth of benefits, reputation, and level of customer service influence plan selection. Employers also care about flexibility in the plans' services, reputation of the providers within the plan, and accessibility for their employees.

The availability of an employee assistance plan (EAP) within a health plan influences which health plan medium and small employers choose to provide. These companies often lack the financial or personnel resources to offer worksite and other health services themselves. Plans with EAPs are preferred because they provide a means for offering counseling, referrals for services including preventive care, and other assistance.

Information Used to Choose a Health Plan

Most participants rely on several information sources to help them choose health plans: benefits consultants, research, and peer opinions are the most common. Large and medium employers often have benefits committees composed of company employees who participate in health benefit decision-making.

Employee Assistance Plans (EAPs)

These programs provide services that address health, marital, family, financial, alcohol and drug use, and other personal or behavioral factors that affect employee health and productivity.¹⁰

Benefits and Barriers in Providing Health Coverage

Employers of all sizes generally view providing health insurance coverage for their employees as the "right thing to do." Health insurance helps employers recruit and retain employees and promote employee morale. Most focus group participants understand that providing health insurance keeps their employees healthy and productive, as well. Offering coverage has become commonplace; employers believe that employees expect full health coverage.

There are some limiting factors in employers' inclination to sponsor health insurance for their employees. Almost every focus group participant cited cost as the leading barrier to providing comprehensive health insurance coverage.



Employers with shallow financial resources, such as small employers, encounter especially significant cost barriers.

Employee Influence

To obtain employee input, some employers use surveys, assessments, and informal employee feedback. Surveys and assessments raise confidentiality and privacy issues; therefore, they are often voluntary. In addition, they can be costly and time consuming. Due to available resources, large employers are the most likely to conduct them.

More common methods of obtaining employee feedback are through informal means. This could include tracking employee praise or complaints that come directly to human resources. Providing a way for workers to comment on the health insurance plan and services allows employers to sense how health plan decisions affect those who are covered. Larger employers with benefits committees include employees as a means of getting their opinions.

Prevention in Health Plans

Businesses of all sizes in the focus groups consider some clinical preventive services – including breast cancer screenings and physicals – to be standard and beneficial to employees. Employers reported their workers highly value such services. However, focus group participants stated that other clinical preventive services, such as prostate cancer screening and nutrition counseling, are supplementary. Employers are not always able to include them in the benefit package due to various constraints (discussed below).



Employers' Views of Clinical Preventive and Lifestyle Modification Services in Plans and at the Worksite

To gain a more in-depth understanding of employers' actions and decisions regarding clinical preventive services and lifestyle modification services, two sections of the discussion focused on these areas. Services offered through sponsored health plans as well as at the worksite were considered to get the broadest picture of current activities.

Information Used to Choose Preventive Services

Employers of all sizes want to cover the right preventive services to protect employees' health and assist them in becoming and staying healthy. To identify the optimal preventive services, they turn to benefit and wellness consultants, health plan companies, peers, voluntary health associations (e.g., American Heart Association), research journals, and local medical centers and universities. Some participants reported, however, that credible prevention information for employer use is limited.

Focus group participants said that cost-benefit data that indicates financial benefits helps to justify service coverage to company decision-makers. However, employers of all sizes find cost-benefit data very difficult to obtain.

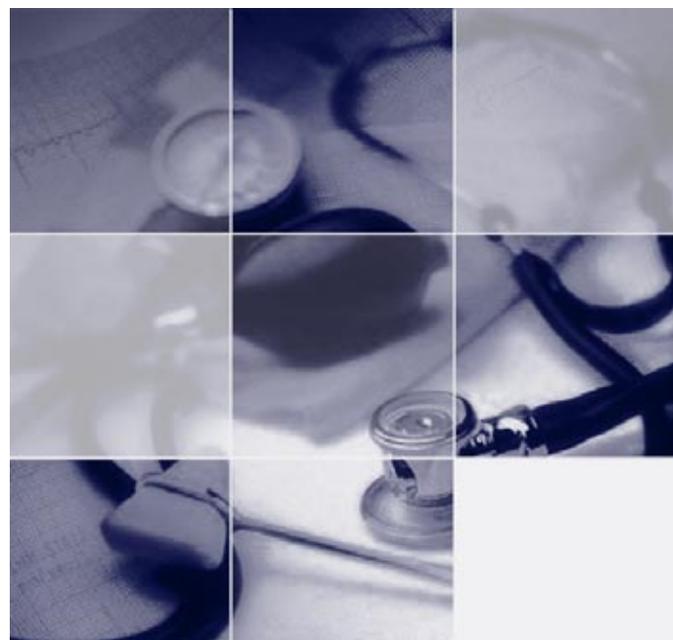
Surveys and voluntary screenings help some employers determine the numbers of workers who

use tobacco or are overweight, for example (often used for general health insurance decision-making, as well). Employers use this data to identify needed services, particularly for those offered at the worksite. Employee requests also guide the choice of worksite programs and preventive services.

Focus group participants rely on some organizations to provide free informational and worksite services. For example, the American Cancer Society conducts a "brown-bag lunch talk" to educate individuals about cancer. Health plan companies may offer preventive services at worksites with no additional charge. These are ways employers of all sizes provide useful preventive services to their workforce without additional expenses.

Benefits and Barriers to Providing Preventive Care

Competitive advantage, higher productivity, and improved employee health are among the reasons why employers provide clinical preventive services



and lifestyle modification services. All employer participants felt that offering these services improves their public image and helps to build employee morale.

Employers offer preventive services to their employees for many reasons, including better employee health and productivity, as well as employee retention and recruitment.

Focus group participants highlighted three primary reasons why employers do not cover all preventive services in the health plans they sponsor or within their worksite programs. First, the cost of offering additional services can be high, especially for small employers with few financial resources. A related reason is the perceived lack of return-on-investment information (if the information is available, employers are often unaware of it). Expanding clinical preventive service coverage requires strong support from senior management; this is difficult to obtain without data that documents the value (i.e., return-on-investment) of preventive services.

Reasons why employers do not cover all preventive services are the high cost of offering additional services, workforce turnover, and low utilization of preventive services.

Second, workforce turnover inhibits companies from capturing the returns on preventive services.

Participants have more difficulty justifying coverage for services in which the financial or health benefit occurs far in the future than services with a short-term payoff. For example, the benefits of a recommended preventive service, such as colorectal cancer screening, may not be realized for many years. However, flu shots immediately protect workers from infection.

Third, most focus group participants emphasized utilization of preventive services by their workers as a factor in deciding whether or not to cover such services. For services often used by employees, coverage is justified. If services are rarely used, employers, particularly medium and small employers, question the need to provide coverage. They are especially likely to drop those services that are costly and rarely used (for example, cervical cancer screening is more costly than a flu shot and less likely to be used). Despite efforts to increase service use, such as providing incentives and flexible scheduling, focus group participants estimated only 30% utilization of clinical preventive and lifestyle modification services.



Offering More Preventive Services

Many employers want more information to justify covering clinical preventive services and lifestyle modification services for their employees.

- The foremost information need is cost, including return-on-investment information and cost-benefit analyses.
- Education and information on preventive services, especially which ones are proven effective,¹¹ will help employers make educated decisions regarding coverage and implementation.
- Features that increase employee utilization, such as more convenient hours, faster scheduling, and patient reminders, will help to encourage coverage.
- Small and medium employers need assistance in developing and planning preventive services, due to lack of financial and personnel resources.

Prevention and Employer Size

Organizing focus groups by employer size helped to identify potential differences between large, medium, and small employers, as well as employers that purchase health care through a coalition. Aside from some variations noted above, all four groups struck similar themes.

In general, employers of all sizes struggle with similar issues when considering coverage of clinical

preventive services and lifestyle modification services. Some have more limited financial and personnel resources, while others have the means to cover a rich set of services. Regardless, almost all participants reported lack of cost-benefit data as a major barrier to persuading company executives to cover preventive services. Statistics to make the case include the number of employees that need, utilize, and benefit from the services specific to each organization.

High-Value Preventive Services

The top ten high-value preventive services for adults, based on evidence that they protect health and are cost-effective, include:¹¹

1. Tobacco cessation counseling
2. Vision screening for those 65 and older
3. Cervical cancer screening
4. Colorectal cancer screening
5. Hypertension (high blood pressure) screening
6. Influenza vaccination
7. Chlamydia screening
8. Cholesterol screening
9. Problem drinking screening and counseling
10. Pneumococcal vaccination for those 65 and older

To guide employers in preventive service decision-making, Partnership for Prevention developed a report about high-value services and steps to boost delivery rates. The report can be found online at <http://www.prevent.org/clinicalpreventativescv.s.htm>.

Corresponding Findings

Research has been conducted on health benefits and decision-making among employers, although it has primarily been done on general health insurance issues. Regardless, many published findings support and correspond to those uncovered with the focus groups.

- The 1999 National Worksite Health Promotion Survey found employers focus not only on cost of benefits, but a list of other factors, when making decisions about health benefits: employee performance (89%); employee recruitment (85%); employee retention (85%); and employee morale (81%).¹²
- The Kaiser Family Foundation's Annual Employer Health Benefits Survey found that larger firms generally provide more comprehensive benefit packages than smaller firms, but the vast majority, regardless of size, do provide basic preventive services, including prenatal care and physical exams.¹³
- RAND found that employers of all sizes use outside help, including brokers and consultants, to assist in health purchasing. Large employers use this assistance most often.¹⁴
- In another study, RAND found that small employers who employ low-wage workers are the least likely to offer health insurance benefits of any kind. They reported lack of demand for services as an important factor when employers decide which services to include in the health benefit package.¹⁵
- *Managed Care* quoted a health plan medical executive saying that as much as employers talk about prevention, "most do not want to pay for preventive services."¹⁶

- Partnership for Prevention found that the research on preventive services, health care costs and savings, and productivity is available, but finding and assimilating it was time intensive. Even with dedicated resources, many information gaps for specific services could not be filled.¹⁷

A key need is to aggregate, collate, and translate the scientific information into terms easily understood and applied by the corporate community. . .

- Ron Z. Goetzel, PhD, The MEDSTAT Group¹⁸

Useful Links and Resources

- **Partnerships for a Healthy Workforce (PHW)**, a Partnership for Prevention program funded through The Robert Wood Johnson Foundation, brings employers together to create and maintain a healthy workforce. PHW provides tools for employers and offers a forum for discussion between employers.
(http://www.prevent.org/phw_home.htm)
- **US Preventive Services Task Force**: Identifies which preventive services are known to work and grades them according to evidence. This information will help employers determine which services they should cover if their choices are limited.
(<http://www.ahcpr.gov/clinic/uspstfix.htm>)
- **Washington Business Group on Health**: Provides several reports for employers on developing and implementing clinical preventive services and worksite health services and programs.
(<http://www.wbgh.org/html/publications.html>)

Expanding Preventive Service Coverage

The analysis of the focus group discussion leads to several recommendations for both employers and health researchers (including health plans and benefits consultants) that may broaden prevention in the general workforce.

Employers

Most employers cover some preventive services. However, coverage is often limited and may not follow established, proven guidelines, including those from the US Preventive Services Task Force (see **Useful Links and Resources** on page 10). Although there are barriers to covering more preventive services, especially with rising health costs, employers can take action by:

- 1) Working with their health plans to ensure that they are covering the most beneficial package of preventive services (see **High-Value Preventive Services** on page 9);
- 2) Asking for and using information about preventive services from benefit consultants, health plans, public health researchers, and other resources (see **Useful Links and Resources** on page 10);
- 3) Using employee assistance programs (EAPs), health plans, voluntary health associations, and schools of public health for assistance in implementing worksite prevention programs; and
- 4) Soliciting or participating in research on the economics of prevention, particularly studies that involve employers with similar workforce demographics, and consenting to publication of corporate data.

Health Researchers, Health Plans, and Benefit Consultants

Employers need support in broadening their coverage of clinical preventive services and lifestyle modification services. The focus group discussions made it apparent that employers want assistance in these tasks, and health researchers, health plans, and benefit consultants can play an important role by:

- 1) Ensuring that existing return-on-investment information on preventive services reaches employers in a useful format;
- 2) Updating studies to determine the most effective preventive services from employers' perspectives;
- 3) Providing assistance in implementing and evaluating programs, both through health plans and at worksites; and
- 4) Working with employers to establish justification for clinical preventive service and lifestyle modification service coverage.



Resources and Notes

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