Want Your Employees to be Better Health Care Consumers? Think Like a Retailer!

Achieve Enrollment Goals, Help Employees Make Informed Decisions and Change the Election Experience through Online Decision Support Tools
Table of Contents

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shift the Focus</td>
<td>3</td>
</tr>
<tr>
<td>Best Practices for Thinking Like a Retailer</td>
<td>3</td>
</tr>
<tr>
<td>Prescription for Success</td>
<td>5</td>
</tr>
</tbody>
</table>
When consumers are in the market for a new dishwasher, refrigerator or other pricey appliance, the first step is often getting educated. Prior to making a purchase, many consumers invest time in understanding their options and researching price and feature comparisons. However, when it comes to choosing a medical plan — a purchase that is significantly more expensive and important — many consumers simply do not conduct the same due diligence to make informed health care decisions.

More employers are offering Consumer Driven Health Care plans (CDHPs), which require employees to manage their health care spending and make consumer-like decisions. For many individuals, the process of choosing preferred health care providers and estimating medical expenditures can seem daunting, especially given how much is required to understand the specifics and features of available medical plans.

With employees shouldering greater out-of-pocket costs and higher co-pays, cost-conscious consumers need more information to understand the nuances of plan options so they can make the most appropriate decisions. This requires a mindset shift among employers and employees, alike. To encourage employees to think like health care consumers, employers need to think like health care retailers.

When Amazon burst on the e-commerce scene in 1995, it forever changed the retail shopping experience for consumers. Between offering personalized recommendations, delivering one-click shopping cart functionality and providing an online catalog of a full range of products, Amazon greeted consumers with an experience that made it easier than ever to make a purchase. When it comes to choosing workplace benefits, the experience can be confusing for employees and researching the facts about benefits via traditional means can be daunting.

Although many insurance providers have online tools and self-service functionality to help subscribers review plan details or find a physician or specialist, they require the employee to have knowledge about items such as their deductible requirements, how much money to contribute to a flexible spending account, and the cost of health care services. Without a level of background and easy-to-understand resources to gain insight into health plan specifics, the experience can be overwhelming.

Some employees, particularly those with limited access to computers, may find navigating online resources confusing. Even for savvy computer users, the information may not be delivered in a user-friendly format, requiring employees to peruse multiple pages or be routed to a third-party site. To use CDHPs effectively, employees and their families need to understand the nuances of their health plan.

Offering employees the types of tools found in a retail experience when purchasing health care can provide a better experience, facilitate more informed decisions and reduce the cost of health care for both employees and the company.
Shift the Focus

To encourage employees to act like better health care consumers and reduce costs, employers need to change the experience of making benefits selections. That’s because the CDHP model requires employees to be more informed about making decisions regarding the quality and cost of care. Research has shown that total health spending is reduced when consumers bear more responsibility for their health care expenses.1 To ensure they make the most cost-effective decisions, online decision support tools, easy to understand information and communication support are critical.

To drive enrollment in CDHPs, employers need to emphasize information and empowerment. Consumerism demands that employees learn more and strengthen their ability to make informed decisions regarding their health care. Rather than simply working as an administrator whose mission is to secure the highest percentage of enrollments, employers need to shift their focus by encouraging consumer behavior and guiding more informed decisions. One way to do that is by improving the user experience and providing information and tools that enable employees to make decisions with confidence.

Employees today are experienced consumers operating in an online world. They are savvy when it comes to shopping online, downloading music and using self-service tools to order everything from movies and books to planning vacations. When retailers offer incentives such as discounts or free shipping, they encourage behaviors such as accelerating sales of a particular item or building customer loyalty. Creating the same experience when it comes to health plan options can help employees confidently consider their choices, make informed purchasing decisions and improve health plan performance at the point of purchase. For example, wellness programs, presented at the point of purchase with incentives to participate, strengthen the relationship between the cost of care and an individual’s own health and encourage employees to engage in behaviors that reduce preventable risks.

By thinking like a retailer and providing technology tools and marketing communication, employers can enable employees to become better health care consumers, make more appropriate decisions and drive enrollment into health care plans that are more affordable and cost efficient. Employees that take a more active role in their health care are more likely to be healthier and more satisfied health care consumers.

Best Practices for Thinking Like a Retailer

Decision support tools and marketing strategies can make the difference between a CDHP that succeeds or falters. To achieve enrollment goals and help employees be more savvy and satisfied health care consumers, organizations need to drive decisions at the point of purchase. To do that, it’s important to focus on the following:

Deliver a consumer shopping experience.

Want employees to make informed decisions? Then arm them with easy-to-understand information that allows them to evaluate plan options and make informed purchasing decisions. Choices are made at multiple stages during the

1 Consumer-Directed Health Plans and the RAND Health Insurance Experiment, Health Affairs, Vol. 26, No. 6 (November/December 2004).
Want Your Employees to be Better Health Care Consumers?  
Think Like a Retailer!

health care continuum—when an employee is deciding whether or not they need medical care, what type of care to seek and when, as well as what type of health care provider to see. Empowering employees with information enables them to make better decisions and be more thoughtful in their choices as consumers of health care.

Online tools typically engage the consumer with a questionnaire that helps ascertain the personal needs of the individual and then ranks those medical plans that best meet these needs. This online ‘shopping list’ allows users to create a simple, fast list of their health care options that can be viewed and shared with a spouse or family member to aid decision-making. Decision support tools such as step-based navigation, benefit option comparison tools, and cost calculators further help employees understand their options, make educated decisions and determine the right plan to meet their needs and budget.

Give it a familiar look.

Many employers are offering more choices, which can be confusing for employees who make benefits decisions infrequently. Web-based applications that offer condition research, treatment cost estimation, and provider look-up and rankings can deliver relevant content to employees, increasing their engagement in health care decisions. By providing dynamic decision support tools with a familiar look and feel, employers can increase the level of engagement employees have in making their own health care decisions. Logical menus and sequential navigation should guide the process to create a more positive user experience. Shopping links that create an active decision to proceed or bypass help users quickly find what they are looking for and help them select the right option to meet their needs.

Use incentives to encourage behavior at point of purchase.

Interactive modeling tools can help employees find the health plan, medical treatment and coverage options that fit their medical needs and personal preferences. Since the onus is on the employee to make smart decisions, employers can provide incentives and teachable moments at the point of purchase to foster the use of support tools. For example, Amazon encourages consumers to make decisions or increase purchase volume based on eligibility for Amazon Prime, a discounted shipping program. An employer may want to offer an incentive such as a discount on the health care premium for employees who complete a health assessment survey. By using incentives at the point of purchase, and rewarding employees for healthy behaviors, they can correlate how their state of health translates to the cost of health care, and be motivated to participate in improving and instituting healthy behaviors.

Drive employees to checkout.

Providing decision support tools is half the battle; getting employees to derive value from them is the other part. That’s why it’s imperative for decision support tools to be integrated into the enrollment experience. Having integrated connectivity to content and services will drive an employee to action by delivering timely access to tools that enable better decision making. Nothing is more frustrating for a user than going through the process of calculating eligibility, only to be rerouted to another site or to find they are unable to access information they spent time gathering.
For decision support tools to be beneficial, they should be easy to find and easy to use. Employees who understand what’s in it for them are more likely to be motivated to participate in their use. Shopping carts, familiar navigation and incentives that encourage a particular type of behavior — similar to successful ecommerce sites — can create a positive enrollment experience and better decision-making.

**Use data to plan more effectively.**

Through technology and tools, employers can understand consumer buying behavior at the point of purchase and then use that data to drive strategy, manage products and control costs. In addition to improving the experience for employees, decision support tools can provide insight to employers as they plan their next enrollment cycle. This allows them to harness the information they have and understand how many participants in a particular program, the percentage of employees using decision support tools, which tools are used most often and how long they spent on each tool or section. With this data, organizations can make incremental improvements and take a more proactive role in driving employee behaviors.

**Prescription for Success**

When employers provide integrated decision support tools, they can instigate change, drive results and reach enrollment goals. For instance, a global document management company facing escalating costs wanted to simplify its health plans and provide employees with self-service functionality to create a smooth enrollment process. They added a consumer driven health plan, a wellness assessment program with incentives and a new benefits administration system with interactive online modeling tools and a 24-hour customer support center.

The online tools were branded with the company insignia and had step-based navigation tools that fostered a user-friendly experience for effective decision-making. System prompts such as ‘would you like help picking the plan that is right for you?’ guided the process, giving users confidence that they were making the most appropriate decision. This disruptive technology improves the decision-making process and supports behavior change. Personalized information regarding eligibility and cost were integrated within the enrollment application, enabling employees to use decision tools with relevant information and act on it at the point of purchase.

From an employer perspective, decision support users were two times more likely to enroll in a CDHP; participation in the plan grew by 50 percent compared to the year prior. The number of participants using the flexible spending account tool also increased along with a rise in contribution amounts and employee tax savings. In addition to helping employees make decisions about the appropriate medical plan, decision support users saved 2-3 times more for themselves and the company, reducing FICA expenses.

When employees are empowered to understand the options available, they’re able to make better decisions and can take an active role in controlling health care costs. By thinking like a retailer and providing technology and tools at the point of purchase, employers can influence consumer behavior and reach their enrollment goals.
About ADP

Automatic Data Processing, Inc. (Nasdaq: ADP), with nearly $9 billion in revenues and about 550,000 clients, is one of the world’s largest providers of business outsourcing solutions. Leveraging over 60 years of experience, ADP offers a wide range of HR, payroll, tax and benefits administration solutions from a single source. ADP’s easy-to-use solutions for employers provide superior value to companies of all types and sizes. ADP is also a leading provider of integrated computing solutions to auto, truck, motorcycle, marine and recreational vehicle dealers throughout the world. For more information about ADP or to contact a local ADP sales office, reach us at 1.800.225.5237 or visit the company’s website at www.ADP.com.