

Employers make deliberate moves to keep pace with market forces

Results from the Optum® 9th annual Wellness in the Workplace study



Improving the health care experience for employees requires a deliberate plan to keep up with market forces and industry trends. Results from the 9th annual Optum Wellness in the Workplace study demonstrate that while overall investment in employee health and well-being has remained strong, the trends impacting health care are driving meaningful change to age-old approaches.

This white paper:

- Identifies several market forces that are shaping employee health and well-being strategies
- Explores how employers are addressing these forces through the lens of the Wellness in the Workplace study results
- Provides proof points from secondary sources to build an outside-in perspective

Market forces inspire bold new moves

Financial concerns, shifting workplace demographics, technological advances and other market trends have all forced employers to think differently when it comes to their health and well-being strategies. These market trends include:

	A persisting health care financial burden		The super-empowered consumer
	Investing in women at work		Engaging the modern workforce
	Tech-enabled consumers		Widespread, unaddressed and costly behavioral health needs
		The potential of big data and advanced analytics	

Study background:

Respondents included 535 business professionals from U.S.-based companies who are involved in health benefits decision-making and the institution of employee wellness programs.

Surveyed company sizes included:
Medium (100–2,999 employees)

19%

Large (3,000–9,999 employees)

25%

Jumbo (10,000+ employees)

56%

In response, employers are making purposeful moves to make sure employee benefits keep pace with — and positively affect — these key trends impacting health care by:

- Investing in strategies that create **health care value** for both the employee and employer
- Modifying their program mix to reflect the rise of **consumerism**
- Leaning in to **women’s health**
- **Rethinking the purpose** of health and well-being programs to better address the needs of the modern workforce

Although employers are evolving their strategies, our study identified additional opportunities for responding more actively to other trends impacting health care, including:

- **Technology.** Despite the growing use of technology in the consumer marketplace (such as mobile phones, apps and health tracking devices), employers have yet to fully embrace technology as a key engagement-enabler for their health and well-being programs.
- **Behavioral health.** There is a significant opportunity to address a complex continuum of employee behavioral health needs, from excessive stress to opioid use disorder.
- **Data and advanced analytics.** Powerful new technology has created exciting opportunities for the health care industry to leverage vast quantities of data in more useful ways than ever before. While excited about this new promise, employers have yet to find partners who can help them use data to drive incremental health care value for their populations.

Let’s explore these findings further, in relation to how employers are responding to market forces.

The new reality of today's health care landscape

The health care financial burden persists

Employees and employers alike are sharing the heavy financial burden associated with growing health care costs. Although average family premiums increased only **3 percent** in 2017, premiums for family coverage have climbed **19 percent** since 2012 — and 55 percent since 2007.¹ During that same time period, worker pay increased only **12 percent**.² On average, total health benefit costs are now **14 percent** of employers' total payroll.³

In some ways, these trends have created a more engaged health care consumer:

75% seek a partnership with their providers to determine effective treatment options, with nearly three out of five wanting providers to supply cost information.⁴

But at the same time, there are unintended consequences as well:

1 in 5 consumers say that high costs have led them to decline other coverage, stop taking medications or avoid care altogether.⁵

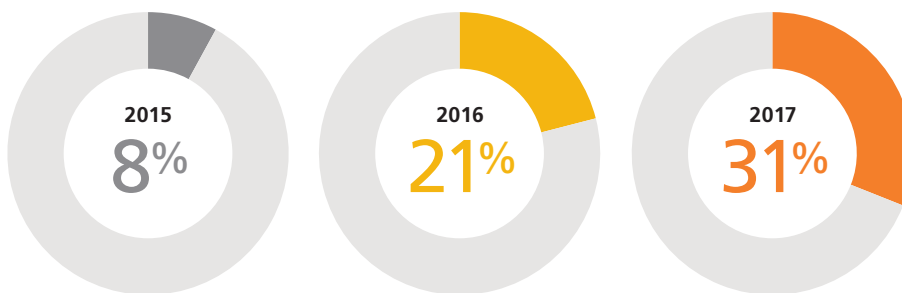


Here's how employers are responding — Wellness in the Workplace study insights

Beyond implementing plan design changes, employers are also attempting to prevent costly medical claims that impact the organization's bottom line and employees' wallets. Specifically, they are pursuing clinical strategies that proactively address complex and costly health conditions. These conditions often have a range of treatment options across multiple sites of care, with wide outcome variations.

As one of the top medical cost drivers, back and joint pain is becoming a high priority for many employers. The number of employers that offered musculoskeletal (MSK) programs increased significantly from **8 percent** in 2015 to **31 percent** in 2017.

Percentage of employers offering musculoskeletal programs



Guiding employees to high-quality, cost-effective care is another growing priority. Compared to just **19 percent** of employers in 2015, **64 percent** in 2017 have implemented a Centers of Excellence (COE) strategy — a major increase of **237 percent**.



Optum can help

Optum offers MSK solutions that guide individuals with musculoskeletal conditions to appropriate care decisions and help them experience consistent, quality care and overall improved condition management. And our clinically superior COE networks drive consistent outcomes and reduce overall spend.

The super-empowered consumer

According to Think with Google, we’re seeing a new “super-empowered consumer.”⁶ These are people who are “more curious, demanding and impatient than ever before.”⁶ And for better or worse, they’re holding health care to the same stringent, consumer-centric standards.



Describing online consumer behavior in the past two years⁶

- **Consumers are more curious:** Mobile searches for “best” have grown over **80 percent**.
- **Consumers are more demanding:** Smartphone users are **50 percent** more likely to expect real-time purchasing ability.
- **Consumers are more impatient:** Search interest for “open now” has tripled, and **53 percent** of searches are abandoned if a mobile site takes longer than three seconds to load.

Online consumer behavior is driving consumer expectations for health care

Consumers indicate they need help navigating the complex — and sometimes outright confusing — health care system, with **32 percent** saying they find the system and benefits so difficult to understand that they just give up and “hope for the best.”⁵

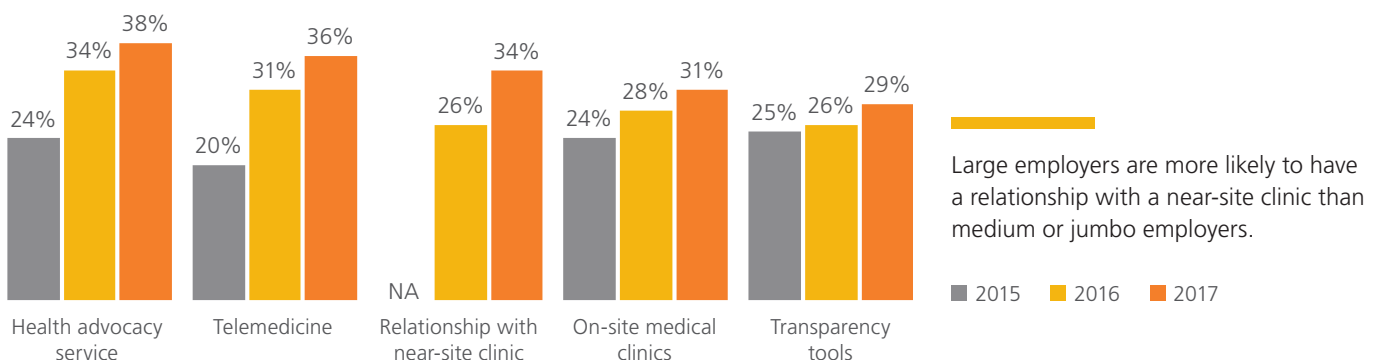
They also want care immediately, no matter where they are. In fact, **75 percent** say they consider on-site health centers as a way to get the best health outcomes.⁵ And they’re practicing what they preach: one in four has used a retail clinic and **42 percent** have used an urgent care clinic.⁴

Finally, in a world full of texting and online chat options, consumers expect instant communication to be available in the health care realm as well. **More than half** would like to use their smartphone to engage with their health care providers.⁷

Here’s how employers are responding — Wellness in the Workplace study insights

Employers have focused on services that simplify the health care experience for consumers — specifically, improving navigation and accessibility. This includes services such as health advocacy, which saw a notable increase of **58 percent** from 2015 to 2017. Other services showing increases include transparency tools (such as cost estimators), which increased **16 percent**, telemedicine (**80 percent**), and relationships with near-site and on-site medical clinics (increases of **31 percent** and **29 percent**, respectively).

Percentage of employers offering these programs and services



Optum can help

Optum is focused on programs and services that help employees navigate the health care system and utilize their full suite of health care benefits. By combining curated data, leading analytics and health care intelligence, we can personalize timely employee touch points and match health improvement opportunities with available support to meet employees where they are.

Investing in women at work is a business imperative

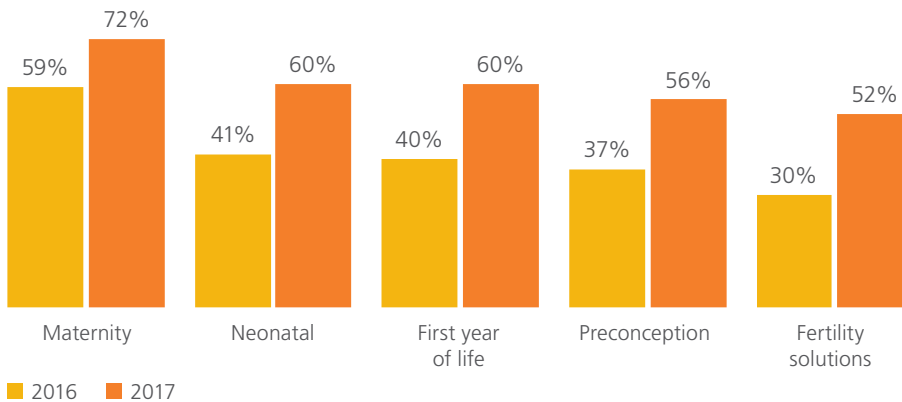
Attracting, retaining and developing female talent in the workplace has emerged as a business imperative. **Ninety percent** of companies in one survey say that advancing women is very important to their chief executives.⁸ And, workplace investment in women’s health programs is just one way to show organizational support.

Fostering inclusive work environments, flexible work schedules and family-friendly policies are strategies that benefit everyone. Employers are specifically evolving their health and well-being strategies to better meet the health needs of their female employees while also improving recruitment and retention efforts.

Here’s how employers are responding — Wellness in the Workplace study insights

The types of women’s health programs and services offered by employers saw an increase across the board from 2016 to 2017. Maternity programs grew from **59 percent to 72 percent**, neonatal increased from **41 percent to 60 percent**, first-year-of-life programs grew from **40 percent to 60 percent**, preconception rose from **37 percent to 56 percent** and fertility solutions increased from **30 percent to 52 percent**.

Percentage of employers providing the following types of women’s health programs



Women in the workplace:
47%
of the workforce is female
(compared to **33.9 percent** in 1950).⁹



Large employers are most likely to offer fertility programs.



Optum can help

Optum offers women’s health solutions that are focused on a flexible continuum of care, from fertility and preconception through the first year of life. These integrated solutions create a streamlined and positive consumer experience by identifying risk factors, educating mothers and families, prolonging pregnancies, improving birth weights and reducing hospitalizations.

Engaging the modern workforce

During the past several decades, work has evolved to become more team-based, technology-dependent and mobile.¹⁰ However, the persisting challenges of employee engagement remain, and may contribute to an increasingly transient workforce.

- In the U.S., only **33 percent** of employees are engaged at work.¹¹
- The cost of lost productivity from disengaged employees is an estimated **\$483 billion to \$605 billion** each year.¹¹
- **Fifty-one percent** of employees are actively searching for a new job or watching for opportunities.¹¹

Although there are many ways to address this lack of engagement and employer loyalty, culture-enabling health and well-being strategies can be a key influencer.

Here's how employers are responding — Wellness in the Workplace study insights

For decades, employers mainly offered health and well-being programs to reduce health care costs and manage health risks. Although these reasons are still top priorities, they do not fully address the needs of today's workforce, which expects a strong corporate culture and engaging work experience.

As a result, employers are starting to rethink the value proposition for employee health and well-being programs. Leveraging these programs to more specifically address the demands of the modern workforce may not only drive improved program outcomes but also inspire program innovation.

Survey results show significant increases over the past two years in new program markers — employee morale, recruitment, retention and productivity.

Key growth areas — reasons employers offer health and well-being programs:

- Promoting productivity (up from **64 percent** in 2015 to **74 percent** in 2017)
- Improving morale (up from **57 percent** in 2015 to **74 percent** in 2017)
- Recruiting/retaining employees (up from **64 percent** in 2015 to **72 percent** in 2017)

Survey results also demonstrated that employers are investing in culture-enabling programs.*

- **Eighty-four percent** offer organized, work-sponsored activities
- **Eighty percent** offer team-based programs

Employers also know that the physical work environment can have an influence on our well-being.

As a result:

- **Fifty-six percent** have made changes to the physical work environment
- Top changes: healthier food in vending machines and cafeterias, on-site fitness centers, ergonomic programs and standing desks

*Of those who address social health.



Why is culture so important?

One common misconception is that pay is the most important influencer of job satisfaction. However, one study found that across all income levels, the top predictor of workplace satisfaction is *not* pay: It's the culture and values of the organization.¹²



Optum can help

Create a culture of health with the Optum suite of on-site services. Consider on-site fitness, ergonomics, on-site clinics, on-site Employee Assistance Programs (EAPs) and coaching products.

A local presence helps build relationships that enable meaningful, lasting engagement by helping employees take ownership of their health.

Tech-enabled consumers

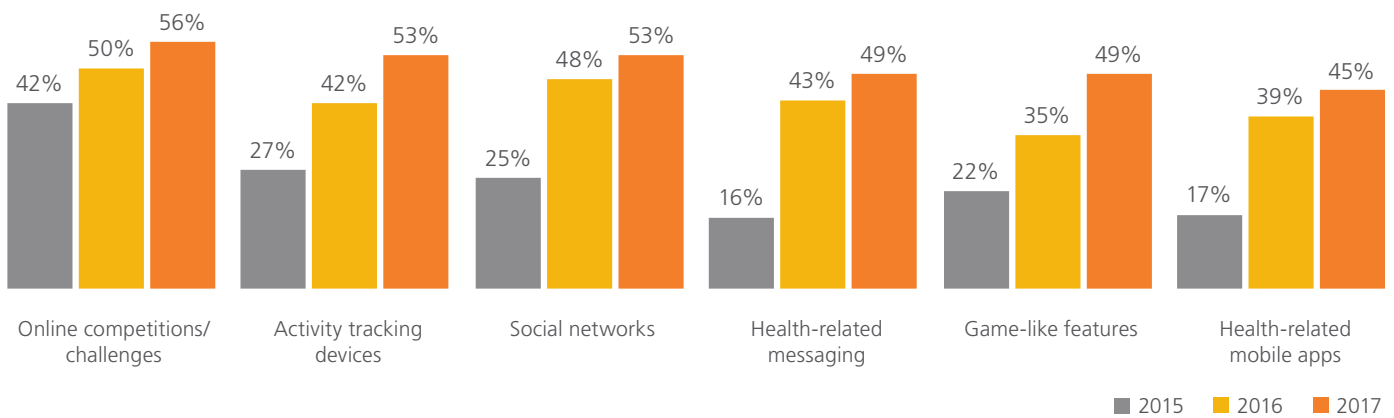
Technology is not only changing the way consumers shop, workout, learn and engage with each other, but it is also changing the way consumers interact (and want to interact) with the health care system. **Ninety-five percent** of consumers own a cellphone,¹³ wearable tech adoption has more than doubled since 2015¹⁴ and time spent on apps has grown by **69 percent** since 2016.¹⁵



Here’s how employers are responding — Wellness in the Workplace study insights

Over the last three years, employers have made note-worthy gains in the adoption of engagement technology. In fact, **86 percent** of employers are now subsidizing or planning to subsidize activity tracking devices. However, they have yet to fully embrace technology as a key engagement enabler. More could be done to integrate mobile apps, game-like features and health-related messaging into their health and wellness programs.

Percentage of employers leveraging engagement technology as part of their health and well-being programs



Optum can help

Our digital health platform, Rally®, leverages the latest technology to simplify the health care experience for consumers. Rally’s focus on driving engagement that delivers lasting behavior change translates to healthier consumers that are more productive, resilient and able to save themselves and their employers money by taking active ownership of their health and well-being.

Behavioral health needs are unaddressed, widespread and costly

Overall, there is a heightened focus on behavioral health, with new challenges such as the opioid crisis pushing to the forefront. **One in five** American adults is affected each year by mental health and substance use disorders.¹⁶ And every **16 minutes**, someone dies due to an opioid overdose.¹⁷ Because these issues are widespread and largely unaddressed, the impact to health care spending and the American workplace is significant.



60% of adults with any mental illness didn't receive mental health services in the previous year.¹⁸



20% The impact of behavioral health issues on America's total health care spending is estimated at more than 20 percent.¹⁹



4.5M Americans are estimated to have a substance use disorder with opioid prescription painkillers.²⁰



\$504B is the estimated annual cost of the U.S. opioid epidemic.²¹

Employers are absolutely focused on behavioral health, but there is a significant opportunity for employers to partner with vendors that have strong behavioral networks and specialized experience treating persistent and emerging mental health challenges.

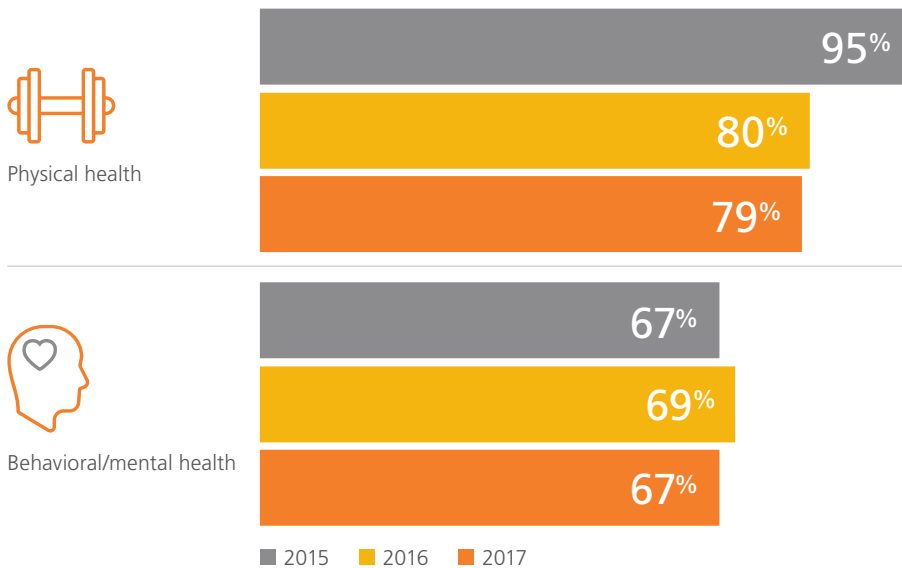


Here’s how employers are responding — Wellness in the Workplace study insights

Sixty-seven percent of employers report that their health and wellness strategy addresses behavioral health, compared to **79 percent** of employers who report their strategy addresses physical health. Clearly, a significant gap remains between these two important dimensions of well-being.

And, unfortunately, the focus on behavioral health has remained largely unchanged over the past three years, despite the increased awareness around key issues like opioid use disorder. In fact, nearly **70 percent** of survey respondents reported they were concerned about opioid use disorder and its impact on their population.

Percentage of employers who say their health and well-being strategy addresses physical health and behavioral health



Jumbo employers are more focused on behavioral health than large- and medium-sized employers (**70 percent** versus **60 percent** for large and **65 percent** for medium).



Optum can help

Optum is breaking new ground in behavioral health, driving better overall health outcomes while bringing down the total cost of care. We connect people to the nation’s largest performance-tiered behavioral health network and resources that inspire them to be more engaged in their own wellness. Pioneering proprietary analytics generate insights that help guide people to high-impact, integrated care tailored to their individual needs.

The potential of big data and advanced analytics

Ever-evolving collection methods have created mountains of available data. And while such advances have allowed payers, providers and employers to gather information they previously wouldn't have dreamed of, making sense of it all — amid billions of data points — is another story.

Luckily, all of this information (including those famously hard-to-read physicians' notes) is not only becoming manageable, it's starting to yield its proverbial treasure: insight.

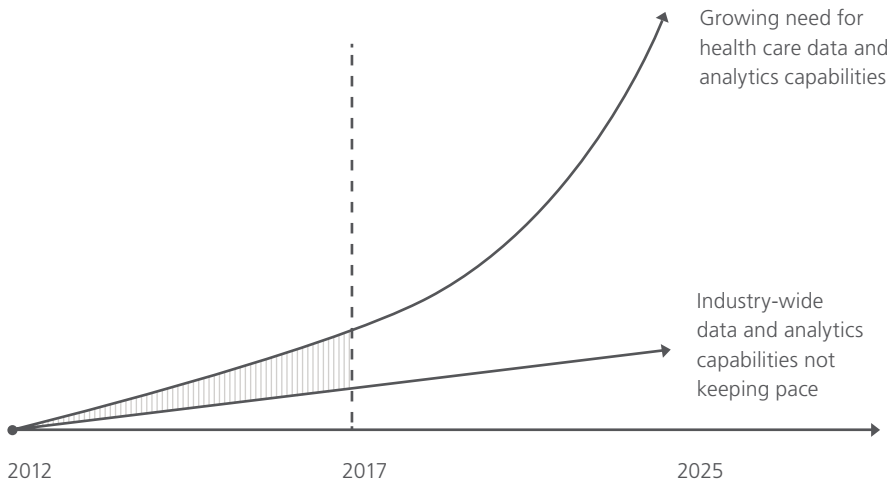
As much as

30% 

of the world's stored data is health care-generated, and many organizations lack the experience and tools to realize the full potential of that information; **80 percent** of data is unstructured.²²

30–40% 

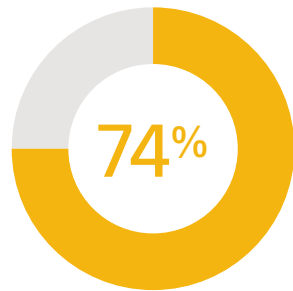
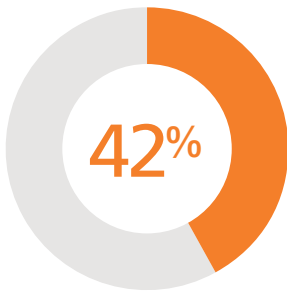
Artificial intelligence has the potential to analyze this data and help improve outcomes by **30 to 40 percent**, while cutting treatment costs as much as **50 percent**.²³



Here's how employers are responding — Wellness in the Workplace study insights

More than half of employers are working with vendors who only leverage traditional data such as medical claims (**54 percent**) to impact health outcomes. There is a significant opportunity to do more — mining and aggregating data such as pharmacy claims, electronic health records, and social-demographic and lab data in addition to medical claims.

Only **42 percent** of employers said they were highly effective at leveraging data and analytics to make decisions about their population health management strategy. And **three-fourths (74 percent)** would like a partner to help them do so.



Optum can help

Our health care intelligence — OptumIQ™ — transforms data into insights that guide action for success. It's more than the data and analytics foundation that's embedded into our products and services. It's our ethos — our philosophy toward solving health care's biggest challenges. Data and analytics, guided by the right expertise, can spark the changes that our health care system so clearly needs

OPTUM IQ™

Conclusion

By harnessing the power of data, leveraging consumer-friendly technology and offering specialized programs (such as behavioral health and women's health) that address additional health care value, employers can proactively keep pace with market forces impacting organizational and employee well-being.

Contributors

Seth Serxner, PhD, Senior Vice President Population Health

Rohit Kichlu, VP Employer Segment Marketing

Erin Ratelis, Director of Thought Leadership Research and Content

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For more information about the Wellness in the Workplace study, contact us:

1-866-386-3408
resourcecenter@optum.com
optum.com/resourcecenter



11000 Optum Circle, Eden Prairie, MN 55344

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