

Employees open to sharing rising costs of benefits: Poll

BY UYEN VU

RECOGNIZING THAT health-care costs continue to rise, a majority of surveyed health benefit plan members say they have an obligation to help shoulder plan costs.

More than half also believe their part of the cost burden should be linked to whether they have unhealthy habits, such as a nicotine addiction. That's according to an annual survey of 1,500 group plan members commissioned for drug company Sanofi-Aventis, conducted by Ipsos-Reid early this year.

The results indicate most employees understand that they have an ownership stake in their plans, and that they accept the idea of penalties and incentives based on health habits, said Chris Bonnett, president of health-care consultancy H3 and a member of the advisory board for the *Sanofi-Aventis Healthcare Survey*.

He said it's relatively easy to introduce higher rates for smokers, because legal declarations are already common in optional life plans. Members were polled on other lifestyle criteria — level of activity, excess body weight — but these would be difficult to implement, he noted. Still, Bonnett believes there's a willingness of plan members to consider new approaches.

"In some ways the thinking of plan members is a bit ahead of where the plan sponsors are. There's a willingness for (plan members) to take responsibility and yet there's often a reluctance of employers to ask that of them," he said.

"I think reasonable trade-offs can be negotiated, as long as core coverage is protected."

The survey released last month was eighth in a series of Sanofi-Aventis health-care surveys since 1998. Bonnett said one of the aims of the survey is to track plan member attitudes and to offer itself as a "leading edge conversation piece for plan sponsors trying to figure out how to work with employees to accomplish both the goals of lower costs and healthier employees."

A majority of respondents said they would welcome government incentives for healthy practices, such as a tax credit for gym membership (39 per cent strongly agreed and 24 per cent somewhat agreed).

A solid majority also said they would prefer to retain their benefit plans over extra cash. When asked if they would rather have an extra \$5,000 a year, 72 per cent said they preferred the plan; when asked if they would rather have \$11,000 a year, six in 10 still said they would opt for the plan.

Half of the respondents cited peace of mind as a reason for turning down the cash; the other half said it's because the benefit plan could amount to more than the money offered.

Asked what portion of the plan costs members are willing to assume, the choice that came out on top (with 24 per cent of answers) was 11 per cent to 20 per cent. The second choice (with 21 per cent of responses) was one per cent to 10 per cent.

The option of higher fees for unhealthy people garnered strong views on both sides, with 29 per cent strongly agreed that plan costs should increase for employees who smoke, don't exercise or carry excess weight, and 27 per

cent strongly opposed. These responses indicate to Bonnett that any employer contemplating such a feature would have to consult with employees and unions and make sure that the move is part of a comprehensive strategy to manage plan costs and encourage better health among plan members.

Eric Cousineau, managing director of the Toronto-based consultancy Organizational Capability Group, said while employers are increasingly introducing cost-sharing features to benefit plans, he thinks it unlikely that features targeting smokers will take hold.

"That's primarily because most large organizations aren't going to go in and canvas employees for who smokes and who doesn't smoke. If you're CIBC and you've got 30,000 employees, are you going to go desk by desk to figure that out? You might be able to get that when people first sign on for benefits, but that's a major endeavour," said Cousineau, who chairs the sub-committee on benefits and employee practices on the Toronto Board of Trade Compensation Survey.

Apart from the unwieldy administrative task of collecting information, there's the issue of privacy that gets in the way.

"You'd have to have one heck of a communication program to go along with this, because people would say, 'It's not your business whether I smoke,'" said Cousineau. And although life insurance companies can demand truthful disclosures about someone's cigarette habits, employers don't have the same leverage needed to get factual declarations, he added.

"And what do you do with an

employee that has one cigarette when they go drinking with their friends on Friday night and they don't smoke the other six days a week? All these things will have to be thought out."

Sylvia Kowal, director of marketing and communication at Green Shield Canada, said she hasn't seen an interest in such disincentives among the benefit provider's employer clients. Rather, they're more interested in ways to encourage healthy habits, such as offering to pay for nicotine patches.

"Disincentives don't often work. They don't change behaviour for a long time, and what you're looking for is changes in behaviour that take a long time," said Kowal.

She added that to handle rising costs, some employers have increased deductibles across the board. Some have also taken to analyzing the illnesses prevalent at their workplace in order to come up with solutions that "get to the heart of the matter."

The survey also canvassed plan members' attitudes on the public health system. One of the more noteworthy findings, said Bonnett, is a willingness among plan members to pay a user fee of \$5 for visits to the doctor, the emergency room or the hospital if that money would be invested in services like home care, community care, costly drugs, mental health counselling or palliative care.

"Despite what academics and politicians believe, plan members are saying they're willing to accept user fees because they see them in their private health plans and why wouldn't they experience them in the public health plan as well," said Bonnett.

The respondents who strongly agreed accounted for 42 per cent and those who somewhat agreed were 29 per cent; somewhat disagreed were 10 per cent and strongly disagreed were 19 per cent of respondents.