



Most Employers See Benefits of Preventive Services in Health Plans for Workers According to Partnership for Prevention Survey

Examining insurance coverage for clinical preventive services in employer-sponsored health plans

SUMMARY

Investigators with the [Partnership for Prevention](#) conducted a series of surveys and focus groups with employers to determine to what extent employer-sponsored health insurance plans offer coverage for clinical preventive services—including immunizations, screening tests and health behavior change counseling—or promote their use.

Investigators conducted an initial survey of 3,156 employers to establish baseline statistics and several follow-up surveys and focus groups to better understand the factors that employers weigh in making their benefits decisions.

Key Findings

- More than 90 percent of surveyed employers cited increased productivity and decreased health care costs among their most important reasons for covering clinical preventive services.
- Within employer-sponsored health insurance, more than 50 percent of plans covered physical examinations, immunizations and screenings.
- Some 20 percent of plans covered tobacco cessation [interventions](#) (e.g., counseling and/or medication), and 18 percent covered screening, counseling and medical therapy for alcohol problem prevention.
- HMOs were only moderately more likely than other types of health plans to provide coverage for clinical preventive services.

Key Recommendations

- Employers should work with their health plans to ensure that they are covering the most beneficial package of preventive services.

- Health researchers, health plans and benefit consultants should ensure that existing return-on-investment information on preventive services reaches employers in a useful format.
- State legislators and governors can refine mandates by working with health plans, major employers and state regulators to guarantee that preventive services recommended by the U.S. Preventive Services Task Force are offered and provided to all covered individuals in all health plan types.

Funding

The Robert Wood Johnson Foundation (RWJF) funded these projects with two *unsolicited* grants totaling \$473,605.

THE PROBLEM

Employers are the primary source of health insurance coverage for working-age Americans and their families. Of the \$337.3 billion spent on private health insurance premiums in 1996, \$316.4 billion was paid into employer-sponsored plans, according to researchers with the federal Health Care Financing Administration (now the [Centers for Medicare & Medicaid Services](#)) (Levit, Lanzeby and Branden, "National Health Spending Trends in 1996," *Health Affairs*, 17: 35–51, 1998).

Insurance coverage is perhaps the single biggest factor in determining whether individuals have access to clinical preventive services. Despite employers' critical role in providing insurance coverage for Americans, there is little published research to document the extent to which they cover these services.

CONTEXT

Since 1972, one of RWJF's major goals has been to assure that all Americans have access to quality health care at reasonable cost. To further that goal, RWJF over the years has pursued various strategies to expand insurance coverage. Research on and work with employers has been a key feature of RWJF's efforts to decrease the number of uninsured Americans.

THE PROJECT

Investigators with the Partnership for Prevention conducted surveys and focus groups with employers to determine to what extent employer-sponsored health insurance plans offer coverage for clinical preventive services-such as immunizations, screening tests and health behavior change counseling-or promote their use.

The partnership is a Washington-based membership organization of businesses, nonprofit organizations and government agencies advancing policies and practices to prevent disease.

Project staff appointed an advisory committee-the Clinical Preventive Services Project Working Group-to oversee the project. (See [Appendix 1](#) for a roster of members.)

Grant ID# 029975

Activities included:

- Project staff conducted a mail survey of health benefits managers at 3,156 companies to collect baseline information about their coverage of clinical preventive services.

Staff contracted with [Mercer Human Resource Consulting](#) (formerly A. Foster Higgins & Company), an international business consulting firm, to conduct the survey. Mercer piggybacked the questions onto its 1997 "National Survey of Employer-Sponsored Health Plans."

- Mercer investigators then conducted in-depth follow-up telephone interviews with 94 health benefits managers to better understand the factors that affect their benefits decisions. Interviewees consisted of:
 - Seventy-six employers who had rated preventive services as very important and offered them to employees.
 - Eighteen employers who rated preventive services as somewhat or not very important and tended not to offer them to employees.
- Project staff convened a policy roundtable in February 1999, attended by health benefits managers from small and large companies, HMO medical directors, public health officials and researchers. Attendees:
 - Discussed survey findings.
 - Determined opportunities to disseminate the survey report.
 - Identified research needs.

Grant ID# 039745

In 2001, RWJF awarded a follow-up grant to the partnership. Project staff:

- Contracted with Mercer Human Resource Consulting to include questions on their 2001 "National Survey of Employee-Sponsored Health Plans." Mercer staff collected information from 2,180 large, medium and small companies about their coverage of preventive services.

- Compiled state requirements for clinical preventive services through the [National Conference of State Legislatures'](#) Health Policy Tracking Service.
 - Contracted with [Sally Johns Design](#), a social marketing research firm based in Raleigh, N.C., to conduct four focus groups with employers in 2001. Focus groups members included representatives of large, medium and small employers.

Participants explored issues relating to:

- Health insurance coverage.
- Clinical preventive services and lifestyle modification services.
- Worksite health promotion programs.
- Published a report on the 2001 Mercer Human Resources survey and distributed 100 copies, mainly to media contacts.
- Presented findings from the 2001 Mercer Human Resources survey to the [U.S. Preventive Services Task Force](#). (The task force is a non-federal expert panel convened by the United States Public Health Service. In 1988 and 1995, the panel reviewed evidence supporting preventive services and issued recommendations for or against over 300 clinical preventive services.)
- Published two issue briefs:
 - *Preventive Services: Helping Employers Expand Coverage*. (Available [online](#).)
 - *Preventive Services: Helping States Improve Mandates*. (Available [online](#).)
- See [Key Recommendations](#) for key recommendations contained in each brief. The recommendations for employers were derived from an analysis of the employer focus group discussions. The recommendations for states were derived from an analysis of the information compiled by The National Conference of State Legislatures' Health Policy Tracking Service.
- Published two articles in peer-reviewed journals, including one in the *American Journal of Health Promotion*.

FINDINGS

1997 Baseline Survey (Grant ID# 029975)

- Overall, 54 percent of employers rated a "prevention/wellness focus" a "very important" criterion for selecting a managed care plan, with smaller employers choosing this rating somewhat more frequently than their larger peers.
- A number of clinically proven and highly cost-effective services were excluded from a significant portion of employer-purchased health plans, including

counseling for behavioral risks, such as poor diet and lack of physical activity, smoking cessation aids and contraceptives.

- **Although 40 percent of employers' most popular health plans covered smoking cessation counseling and/or devices or drugs to facilitate the quitting process, just 5 percent covered both.**
- **HMOs tended to offer the most comprehensive coverage.** Traditional indemnity plans offered the least comprehensive coverage of preventive health services. Health plan type was a more important predictor of coverage for preventive services than was employer size.
- **The primary reason employers failed to provide coverage for specific preventive services was that the services were not included in the standard benefits package provided by a chosen health plan.**
- **Very few employers were aware of, or used, the recommendations of the U.S. Preventive Services Task Force in its Guide for Clinical Preventive Services, 1996, when making coverage decisions about preventive services.**

2001 Survey (Grant ID# 039745)

- **More than 90 percent of employers cited increased productivity and decreased health care costs among their most important reasons for coverage of clinical preventive services.**
- **Within employer-sponsored health insurance, more than 50 percent of plans covered physical examinations, immunizations and screenings.**
- **However, just 20 percent of plans covered tobacco cessation programs and 18 percent covered screening, counseling and medical therapy for alcohol problem prevention.**
- **Tobacco cessation was covered by 40 percent of plans in the 1997 survey.**
- **Large employers were more likely to offer plans that included clinical preventive services than were medium-sized and small employers.**
- **HMOs were only moderately more likely than other types of health plans to provide coverage for clinical preventive services.** For example, 73 percent of HMOs provided coverage for colorectal cancer screening, whereas 66 percent of point-of-service¹ plans offered similar coverage.

¹ A **point-of-service** plan is a managed-care plan that combines features of both prepaid and fee-for-service insurance. Health plan enrollees decide whether to use network or non-network providers at the time care is needed and usually are charged sizable co-payments for selecting the latter.

- **HMOs were generally less likely to offer coverage for clinical preventive services in 2002 than in 1997.** The principal investigator attributes this decrease to lack of demand for these services from employers.

Limitations

- The survey response rate was low, although comparable to that for other mail questionnaires.
- Rather than using verifiable sources, the survey relied on responses from employer representatives, who could have over- or underreported coverage.
- Because employers could only respond about one of each health plan type that they offered, the survey did not capture all information about the services covered in all plans offered. However, 80 percent of employers offered only one plan.
- The survey only polled employers who offer health insurance benefits. The exclusion of employers not offering any coverage probably leads to overestimation of coverage in the employed population.

KEY RECOMMENDATIONS

Helping Employers Expand Coverage

The investigators developed recommendations for employers to expand coverage, based on an analysis of the focus group discussions with employers. (See [Appendix 2](#) for a complete list.)

Employers can take action to increase coverage of clinical preventive services in employee-sponsored health insurance by:

- **Working with their health plans to ensure that they are covering the most beneficial package of preventive services.**
- **Asking for and using information about preventive services from benefit consultants, health plans, public health researchers and other resources.**

Health researchers, health plans and benefit consultants can play an important role in increasing coverage of clinical preventive services in employee-sponsored health insurance by:

- **Ensuring that existing return-on-investment information on preventive services reaches employers in a useful format.**
- **Updating studies to determine the most effective preventive services from employers' perspectives.**
- **Stimulating consumer or employee demand for proven preventive services.**

Helping States Improve Mandates

The investigators developed recommendations for states to improve coverage mandates, based on an analysis of information compiled by the National Conference of State Legislatures' Health Policy Tracking Service. (See [Appendix 2](#) for a complete list.)

State legislators and governors can refine existing mandates relating to coverage of clinical preventive services in employee-sponsored health insurance, and develop new mandates, by:

- **Working with health plans and state regulators to guarantee that preventive services recommended by the U.S. Preventive Services Task Force are offered and provided and promoted to all covered individuals in all health plan types.**
- **Collaborating with health plans, purchasers, consumers and others to increase utilization of services already required, especially for those that are highly cost-effective (e.g., chlamydia screening).**

Health researchers, health plans and voluntary health associations (such as American Heart Association) can play an important role in increasing coverage of clinical preventive services in employee-sponsored health insurance by:

- **Ensuring that existing information on preventive services, particularly U.S. Preventive Services Task Force recommendations and analyses, is available for and reaches state legislators, governors and their staff.**
- **Bringing health plans, state health groups and state legislators together to develop mandates that satisfy all groups involved, including providers, plans, purchasers, consumers and legislators.**

See [Appendix 2](#) for a complete list of Recommendations.

LESSONS LEARNED

1. **The active participation of federal officials familiar with survey design and public health data needs was essential to ensure that planning was on target.** (Project Director/Clymer)
2. **The participation of health benefits managers from small and large companies, health plan representatives and public health officials was essential to finding specific policy recommendations to improve coverage of clinical preventive services.** (Project Director/Clymer)
3. **Plan for the possibility of spending a lot of time designing surveys and publishing manuscripts.** This work took longer than expected. (Project Director/Clymer)

4. **It is critical to include employees in efforts to widen the use of proven preventive services.** Consumer demand, or the lack of it, emerged as a vital determinant of employer and health plan coverage decisions and benefit packages. Program Officer/Orleans)

AFTERWARD

According to the principal investigator, findings from the surveys have informed the ongoing work of the Partnerships for a Healthy Workforce, a project of the Partnership for Prevention. Partnerships for a Healthy Workforce is an alliance of more than 600 employers that works to improve employee and community health.

Addressing these findings, Partnership for Prevention staff launched a new effort to stimulate broader use and coverage of proven preventive services, with a special focus on cancer screening, tobacco, diet, physical activity and obesity. The result was expected to be a workplace program guide distributed to employers, employees, purchasers and benefit managers, planned for 2008.

Staff at the Partnership for Prevention created the partnerships with a grant from RWJF (Grant ID# 038156) awarded in 2000. After RWJF funding ended in 2006, the partnerships continued with funding from the Centers for Disease Control and Prevention and Pfizer.

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Program areas: Coverage, Public Health, Quality/Equality

APPENDIX 1

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APPENDIX 2

Recommendations

(Current as of the end date of the program; provided by the program's management; not verified by RWJF.)

Helping Employers Expand Coverage

Employers can take action to increase coverage of clinical preventive services in employee-sponsored health insurance by:

- **Working with their health plans to ensure that they are covering the most beneficial package of preventive services.**
- **Asking for and using information about preventive services from benefit consultants, health plans, public health researchers and other resources.**
- **Using employee assistance programs, health plans, voluntary health associations and schools of public health for assistance in implementing worksite prevention programs.**
- **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 can play an important role in increasing coverage of clinical preventive services in employee-sponsored health insurance by:

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

Recommendations are included in the issue brief *Preventive Services: Helping Employers Expand Coverage* (see the [Bibliography](#) for details).

Helping States Improve Mandates

State legislators and governors can refine existing mandates relating to coverage of clinical preventive services in employee-sponsored health insurance and develop new mandates, by:

- **Asking state health staff to report on the U.S. Preventive Services Task Force recommendations when providing information to state legislators or committees.**
- **Soliciting research and assistance on preventive services from health plans, voluntary health organizations, health professional associations and schools of public health when developing state mandates.**
- **Providing flexibility in mandates for services that are not proven effective but are costly to health plans and purchasers.**
- **Ensuring that mandates only compel coverage of cost-effective preventive services.**
- **Working with health plans and state regulators to guarantee that preventive services recommended by the U.S. Preventive Services Task Force are offered and provided to all covered individuals in all health plan types.**
- **Collaborating with health plans, purchasers, consumers and others to increase utilization of services already required, especially for those that are highly cost-effective (e.g., chlamydia screening).**

Health researchers, health plans and voluntary health associations (such as American Heart Association) can play an important role in increasing coverage of clinical preventive services in employee-sponsored health insurance by:

- **Ensuring that existing information on preventive services, particularly U.S. Preventive Services Task Force recommendations and analyses, is available for and reaches state legislators, governors and their staff.**
- **Updating studies on prevention to provide relevant, timely information to state legislators and governors.**
- **Bringing health plans, state health groups and state legislators together to develop mandates that satisfy all groups involved, including providers, plans, purchasers, consumers and legislators.**
- **Providing state-specific information on chronic disease rates and preventive service use (from general surveillance data and through health plans) to assist state legislators in prioritizing their state-specific health issues.**
- **Working with state legislators, governors and state health staff to provide the information needed to create and implement the most useful preventive service mandates.**

- **Collaborating with state legislators, governors, purchasers, consumers and others to increase utilization of services already required, especially for those that are highly cost-effective (e.g., chlamydia screening).**

Recommendations are included in the issue brief *Preventive Services: Helping States Improve Mandates*. (See the [Bibliography](#).)

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