

More Firms Pressure Workers To Adopt Healthier Lifestyles

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Fiscally Fit

By Terri Cullen

‘Last month, Stephanie Sobel joined thousands of her colleagues at drug giant AstraZeneca PLC in taking a free online health-risk assessment test.

Ms. Sobel says that she’d long planned to use the tool but never got around to it. This year, however, she had an additional incentive: In September, AstraZeneca began penalizing workers who fail to fill out the online assessment tool by boosting their health-insurance premiums by \$50 a month until they complete the questionnaire.

The assessment tool asked questions about the 32-year-old sales and safety manager’s lifestyle, querying her on everything from nutrition to her past medical history. After plugging in all her information, Ms. Sobel received an evaluation of her health and detailed recommendations on ways to adjust her lifestyle to improve her well-being. The result: Her health isn’t too shabby but she could stand to take a daily dose of vitamins.

“I like how it divided up into two sections what my health issues are, but also highlighted what my strengths are,” she says, “It made me feel good and encouraged me to keep at it.”

Frustrated with efforts to contain health-care costs, companies are stepping up the pressure on workers to use diagnostic tools and take better care of themselves – or be penalized when they don’t.

“We didn’t want to go down the path of cost shifting for all our employees so we decided to head in the other direction, encouraging workers to use the tools available to help them contain health-care costs by making healthier choices,” says Penny Stoker, vice president, human resources at AstraZeneca in Wilmington, Del. The incentive appears to be working: roughly 10,000 of the company’s work force of 12,000 have signed up to use the tool.

Companies have long offered free access to risk-assessment tools, which evaluate workers’ lifestyles and medical histories and then offer targeted advice for how to improve their health.

Many have combined these online diagnostic tests with other free or reduced-cost resources, such as online calorie-counting tools and nutrition information, on-site fitness classes and disease- or addiction-management counseling.

Trouble is, few workers used them.

Indeed, when health-assessment and maintenance programs are combined with financial incentives, participation rates soar, says Jennifer Murphy, health-care communications leader at Hewitt Associates, a Lincolnshire, Ill., human-resources services firm. “When no incentive is offered, our clients have a participation rate of 20% or lower,” she says. “If they do offer some kind of incentive, or penalty, they see far more participation, sometimes as high as 90% or more.”

A 2004 survey of corporate clients by Hewitt Associates found that 75% of respondents said that workers who don’t make a reasonable effort to manage their health should pay more for health insurance.

This strong-arm approach has raised privacy concerns – as more workers share information about their lifestyle choices and medical histories, it raises the issue of who has access to the sensitive information and how it’s being protected.

Assessing Penalties

Dow Chemical doesn’t penalize its workers for not living healthy lifestyles, it holds its health staff responsible. As this article explains, this year performance bonuses to its medical staff will be based in part on whether the Midland, Mich., chemical and plastics maker’s employees meet targeted goals aimed at improving their health, including reduced smoking, an increase in regular exercise and participation in weight-loss programs.

By far, the stick of choice companies wield is a health-insurance surcharge on workers who smoke. This month, Northwest Airlines in Eagan, Minn., joined the small but growing number of companies and organizations that make

smokers pay more for coverage. As of Jan. 1, a health-insurance premium surcharge will be assessed “on those employees, spouses [and] domestic partners who use tobacco products,” according to spokeswoman Tracy Carlson.

Georgia’s state employee health-insurance plan also recently began boosting workers’ premiums by \$40 a month if they indicate on their open-enrollment forms that they or a covered family member uses any type of tobacco. Of the state’s 241,000 active employees, 50,000 are paying the insurance surcharge for an out-of-pocket cost of an estimated \$23.9 million, according to Julie Kerlin, spokeswoman for the Georgia Department of Community Health, the agency that administers the state’s plan.

“We obviously had those individuals who were not happy with this surcharge, but on the flip side we had many individuals who are in favor of it,” she says. “As a self-funded plan, we collectively cover the cost of the entire population, and obviously tobacco use has proven to increase our health-care costs, so we’ve seen both sides of the coin.”

Ms. Kerlin says smokers who lie on the form to dodge the surcharge may lose health-care coverage for one year.

Worker Privacy an Issue

As companies delve more deeply into how workers live their lives, some privacy advocates are raising questions about privacy. More workers are being required to disclose sensitive information about their health and medical histories, or even dangerous behaviors, such as reckless driving, alcoholism or drug use. Some worry these records may be used to discriminate against the worker, or may be accidentally leaked or stolen from the companies that administer the health assessment tools.

While the federal Health Insurance Portability and Accountability Act provides privacy protections for medical records, the law only applies to records maintained by health-care providers, health insurers and so-called health clearinghouses that keep data in electronic form, says Emily Stewart, policy analyst for the nonprofit Health Privacy Project in Washington, D.C.

“In general, there’s not a whole lot of protections on how employers use medical information on their employees,” she says.

Ms. Stoker of AstraZeneca says her company’s health risk-assessment tools, which are provided by the Mayo Clinic, are confidential.

“AstraZeneca employees are well informed that Mayo Clinic is required by contract to protect the confidentiality and security of the health-related information Mayo Clinic receives from employees,” she says. “AstraZeneca will not receive any personal health-related information about employees from Mayo Clinic.”

Bottom line: If you’re concerned about your company’s privacy protection policies, or that of the third-party provider offering information or assistance, discuss your concerns with your employer. You may want to consider opting out of providing sensitive information about yourself or your family if the response to your privacy concerns isn’t adequately addressed.’