

What's New?

Trends and Innovations in Employee Benefits

Benefits Communication Plays Retention Role, Study Says

Effectively communicating the value of health benefits to employees can be more important in retaining top-performing employees than the actual richness of health benefits themselves, according to a Watson Wyatt study.

The survey found that the turnover rate is 17% for top-performing employees among employers that offer rich benefits but have poor communication strategies. The average turnover rate is 12% for top performers among employers that offer less costly benefits but have strong communication strategies. Combining effective communication practices and rich benefit programs results in a turnover rate of just 8% for top performers.

Disease Management Leads to Population Health Management

As the next step after using disease management, a new approach—population health management—is gaining ground. Rather than manage costs for the 20% of employees generating 80% of health care costs, as disease management does, the new goal is to avoid chronic problems in the first place.

Population health management is generally defined as the process of improving the overall health of a defined population through needs assessment, delivery of preventive services, condition management and outcomes measurement.

The needs appraisal can be in the form of a questionnaire, with employees getting incentives to participate. Using the responses, employers can take a variety of avenues to intervene. Employees with existing health conditions can receive education on specific topics via brochures or lunch meetings. Those at high risk for chronic conditions may be invited to join counseling sessions with health coaches. Other approaches could include online programs, group classes or telephone outreach.

Population health management is picking up support among employers that have already shifted costs onto employees, and made their existing health plans as efficient as possible. The next step is a more comprehensive approach that includes early intervention and disease management, then results in keeping costs down and also reducing indirect costs linked to absenteeism and presenteeism.



"Population management is a logical next step," says Camille Haltom, national practice leader for health and productivity management at Hewitt Associates Inc. in Lincolnshire, Illinois. She believes the positive experience employers have had in the disease management area has led them to ask, "What's next?"

Survey Finds Time Off Valued More Than Money

If given the choice, a growing number of U.S. workers would give up pay to spend more time with their families, according to a survey by Salary.com. The online survey asked the question, "Which would you prefer: a \$5,000 increase in your base pay or the equivalent in time off?" The survey got responses from 4,600 employees representing a variety of company sizes, locations and industries.

More time off was chosen over a \$5,000 raise by 39% of respondents. This is up from 33% in 2001. Influencing this choice was the impact from the September 11, 2001 terrorist attacks, general job burnout and the extra financial buffer provided by dual-income couples. Several respondents said they reexamined their priorities after the terrorist attacks, with attention to their families increasing in importance. Others say that working long hours during the 1990s boom and the layoffs that followed has made them question sacrificing personal time for money.

Tim Driver, senior vice president of Consumer Products at Salary.com, points to a generational shift where priorities are changing. "The results show that younger workers are much more likely to be family-centric than older workers," he said.

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