

Benefit Insights

EAPs Can Be a Welcome Resource for Financially Stressed Employees

Nearly three-quarters of workers today feel stressed due to financial concerns, according to a national survey of working adults from Workplace Options. Take a look at current economic conditions and this figure should come as no surprise—

- The number of bankruptcy filings in the United States during the first half of 2008 rose by 29.2% over the first half of 2007.
- Foreclosure activity was up 14% in the second quarter of 2008 over the first quarter, and up 121% from the second quarter of 2007.
- Driven by rising gas and food prices, inflation stood at about 5.6% mid-2008. Wages aren't keeping up, having risen on average about 3.3% in 2007.

It's clearly in an employer's best interests to try to help employees cope with and manage their financial problems.

Whether in extreme financial crisis or just feeling stretched and pinched, U.S. workers are suffering financially, and as a result their employers are, too. According to the Workplace Options survey, 45% of the respondents said their financial stress made it harder for them to do their jobs. Employees' financial stress can manifest itself at work in many ways: overall lower productivity, more frequent mistakes, irritability with co-workers and customers, disruptions caused by absences and phone calls made to handle specific money issues, and health problems related to stress (ulcers, hypertension, headaches, mental health/substance abuse

issues). In extreme cases, an employee in severe financial crisis might turn to stealing from his or her employer.

It's clearly in an employer's best interests to try to help employees cope with and manage their financial problems. The first step in doing this is to recognize whether any of your employees are feeling undue financial stress. Today's newspaper headlines would certainly suggest that it's a good bet that at least some of your employees are in this situation, but specific red flags you can look for include requests for salary advances; calls from banks and other lenders seeking employment and income verification for an employee who is taking out a loan; and hardship withdrawals and loans taken from a 401(k) plan.

Beyond being alert to whether your employees are under financial stress, you can offer resources to those who are, and a useful yet frequently untapped resource for these employees is an employee assistance program (EAP). Sometimes offered as a part of the medical plan but also available on a stand-alone basis, EAPs commonly are thought of as a source for childcare or eldercare referrals, help with mental health and substance abuse problems, and crisis counseling. But most EAPs also can be a great resource for employees' financial concerns, either through the EAP staff or through referrals. Among the financial-related services EAPs can provide are—

- general financial counseling;
- help with budgeting;
- help with debt consolidation;
- referrals to attorneys for representation in debt collection and foreclosure lawsuits;
- counseling on options when an individual can't make mortgage or rent payments; and

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Thanks to all of you - our Clients - 2008 was a very successful year for Borislow Insurance. We appreciate your business and trust and we look forward to a healthy, happy and prosperous 2009. On behalf on the entire team at Borislow Insurance - Happy New Year!

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Motivate Employees to Make Health and Lifestyle Changes

We live in a culture of immediate gratification. “On-demand” cable television services, pre-prepared foods from the grocery store, fast-food carryout, and diet programs that claim you will shed pounds “without trying” all are signs that Americans have lost sight of the fact that not everything can be obtained without waiting. And when it comes to changing behaviors to eliminate unhealthy habits and adopt healthy ones—such as giving up cigarettes, losing weight, exercising more and effectively managing stress—hard work and sustained personal effort also are required. In order to succeed, workplace wellness programs need to recognize this and include elements that engage employees over time.

Suppose you host a brown-bag lunch in your company cafeteria with a presentation on the health benefits of eating right and leading an active lifestyle. You may find that this seminar is well-attended, but observe that few employees actually seem to make the recommended changes, and that even fewer are doing so after a few months. This experience is all too common, and reflects the reality that more individuals are well-intentioned than are self-motivated. Your wellness initiatives, therefore, need to provide the motivation. Here are a few ways to do this—

- Personalize the experience by offering health risk assessments that show each employee, on an individual basis, their current health risks and the steps they should take to address them.
- Tie any offered health risk assessment incentives—such as reduced health plan premiums—not only to taking the assessment, but also to completing any recommended follow-up actions.
- Focus on helping employees want to make the sought-after lifestyle changes, because behavior change is more likely when an individual is ready to make it. This can involve offering incentives as discussed above, but also thinking

of ways that would help employees see the risks of not changing (such as posting clear statistics on differences in lifespan for smokers versus non-smokers, individuals with normal blood pressure versus those with hypertension, individuals who maintain a healthy weight versus those who are overweight or obese, etc).

- Provide motivation in the form of support systems. This could involve initiatives such as Weight Watchers at Work, lunchtime walking clubs, articles in company newsletters on employee success stories, providing lists of local gyms and a small company subsidy for joining, sponsoring a “biggest loser” competition, and the like.

Most of us find any change difficult, and lifestyle changes can be daunting. Remember this facet of human nature when implementing wellness programs, and you may find employees more engaged in them, over the long run.



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- workplace seminars on debt and credit issues, money management, and financial resources.

According to the Workplace Options survey, employee calls to that company’s financial assistance resources increased 41 % from the first quarter 2007 to the first quarter 2008.

EAPs tend to be an overlooked resource in general, and since they usually aren’t thought of in connection with financial concerns chances are this oversight is even more pronounced for employees under financial stress. If you

do offer an EAP, check whether it provides services that could be a resource to your employees in today’s difficult economy, and if it does highlight these services in your workplace communications, both print and electronic, and by lunchroom postings, paycheck stuffers, and announcements. Taking advantage of any onsite services the EAP offers—such as lunchtime seminars—also will make the EAP more visible to employees, who may be more likely to call for individual help once they have become more familiar with the EAP in a group setting.

Consumer Involvement Critical for Health Care Cost, Quality Control

Fewer than half of U.S. adults have the confidence, knowledge and skills to proactively manage their health care, according to a report from the Center for Studying Health System Change (HSC). This type of consumer engagement is critical to efforts to control the cost and quality of health care.

Data for the report came from the HSC 2007 Health Tracking Household Survey, which sampled more than 15,500 adults. Individuals contacted were asked 13 questions to determine their Patient Activation Measure (PAM), an assessment of an individual's knowledge, skills and confidence in managing their health. Based on answers to these questions, the surveyed individuals were assigned to one of four levels of patient activation: 1-passive/not confident

lack some confidence/skills; and 4-have many of the behaviors necessary to manage their health, but may not be able to maintain these behaviors in times of stress.

Only 41 % of the surveyed adults were at the highest level of patient activation, according to the report. At this level, "people still struggle to maintain healthy behaviors but tend to have the skills and confidence to manage their health in a more proactive way."

Individuals who were younger, more educated and at higher income levels tended to have higher levels of patient activation, as did those with private health insurance. Individuals with chronic health conditions also had higher patient activation levels. However, the report notes that much demographic variation was found within each of the four patient activation levels, meaning that characteristics like less education should not be seen as a barrier to an individual being able to attain the knowledge, skills and confidence of a higher activation level.

What's the benefit in trying to move individuals to attain higher levels of patient activation? According to the report, research shows that higher levels of patient activation are associated with healthy behaviors, preventive care and increased self-management of health conditions, and with seeking and using relevant health information. For example, 94 % of individuals rated at the highest level of patient activation read about possible side effects when getting a new prescription, compared to 74 % of individuals rated at the lowest level of patient activation.

The bottom line is this: Having involved and engaged consumers is key to controlling health care utilization, costs and outcomes. As the report states: "Payment reform and structural changes to care delivery only address one side of the equation. The other side is consumers and patients becoming more informed decision-makers and managers of their health."

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enough to play an active role in their own health; 2-lack basic knowledge and confidence in the ability to manage their own health; 3-taking some action to manage their health, but still

delivery only address one side of the equation. The other side is consumers and patients becoming more informed decision-makers and managers of their health."

HSAs Appeal to Variety of Workers, But More So When the Employer Contributes

Just as employers that match employees' 401(k) plan contributions see higher employee participation in the plan, employers that contribute to employees' health savings accounts (HSAs) are more likely to see eligible employees open an HSA.

An examination by UnitedHealthcare of HSA-eligible participants found that when an employer made an HSA contribution on its employees' behalf, 86% of eligible employees chose to open an account, compared with 27% who opened an account when the employer did not provide "seed money." Account adoption was highest among employees who earned less than \$25,000 annually, with 64% of employees at this income level having an account. The percentage of employees who opened an account then steadily dropped as income level rose: 56% of those in the \$25,000-\$49,999 earnings range, 52% of those in the \$50,000-\$99,999 earnings range and 50% of those earning \$100,000 or more. However, as might be expected, the average employee HSA contribution rose as income level rose: \$1,166 for employees earning less than \$25,000 annually, \$1,422 for those earning \$25,000-\$49,999, \$1,823 for those earning \$50,000-\$99,999 and \$2,290 for those earning \$100,000 or more.

Neither age nor marital status drove or deterred an employee's likelihood to open an account, according to the

survey. More than half of young singles (62%), singles over age 40 (52%), young couples (58%), young families (59%) and mature families (55%) opened an HSA. However, the highest contribution rate was seen among families, both young and mature. Also, employees of small companies were more likely to open an HSA if eligible, with 74% of small company employees taking this step, compared with 67% of employees at mid-size companies and 45% of employees at large companies.

The vast majority of HSA-participating employees had account balances at the end of the year, a testament to the usefulness of HSAs as a savings tool for future health care expenses, including retiree health care expenses.

As this survey suggests, HSAs have application across all income groups, life stages and employer environments, making it an appropriate health plan offering for just about any company to consider.



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