Comparative Effectiveness Research in the Employer Market

Survey Findings

March 2011
Objective to Gauge Employer Perspectives on CER:

- Familiarity with CER
- Potential for CER to Improve Benefit Decision-Making
- How Use Information/How Use CER
- How Plan to Remain Informed about CER
- Interest in Productivity Outcomes as part of CER Information
- Interest in Helping Promote Productivity Outcomes
CER Project Background

► Survey: The Benfield Group fielded a survey in December 2010 and received 50 completed surveys, and then went out again in January to reach 25 additional large employer participants.
  ▶ 75 total large employers (>5,000 employees) participated.

► Interviews: The Benfield Group initially conducted 14 follow up interviews in January and February 2011 and is in the process of conducting 7 more employer interviews to enhance the qualitative results. After completion of the interviews, Benfield will issue a final report including interview findings and conclusions and implications.
  ▶ Total Large Employers: 21
  ▶ Employee Benefit Consultants: 2
  ▶ Employer Health Coalitions: 2
Participating Organizations in Survey

7-Eleven, inc.
ACS, Inc.
American Electric Power
AirTran Airways
American Airlines
American Express
Averitt Express
BNSF Railway
BNY Mellon
Bristol Myers Squibb
Caterpillar Inc.
Chevron
Compass Group
Con Edison
Con-way Inc
Cypress Fairbanks School District
Delaize America/Hannafor
Delta Air Lines
Disney
Duke University
DuPont
Eastman Chemical Company
EMC
Energy Future Holdings
Federal Signal
FJ Management
General Nutrition Centers
Georgia Power Co
Georgia-Pacific
GM
Golden Living
Grainger
Honeywell
Jacobs Engineering Group Inc.
JELD-WEN
Kinder Morgan
Kraft Foods
Lennox International
Lifebridge Health
Lockheed Martin
Marsh Supermarkets, LLC
Milwaukee Public Schools
MMC
Mutual of Omaha Insurance Co
Navistar
NextEra Energy Inc.
Nordstrom
OSRAM Sylvania
PARSONS
Pitney Bowes
PNC Financial Services Group Inc
Praxair, Inc.
PSEG
QuadMed/QuadGraphics
Quest Diagnostics
School District of Philadelphia
Smithfield Foods, Inc.
Smurfit-Stone Container Corporation
Stanley Black & Decker
State of Maine
The Hershey Company
The Nielsen Company
Tyson Foods
United Airlines
United Stationers Supply Co.
University of Arkansas
University of Iowa
University of Michigan
Visant Corporation
Volvo Group North America
Waste Management
Weyerhaeuser
Wm. Wrigley Jr. Company
Wynn Resorts

Note – one anonymous participating organization
Participating Employers Have More than 5,000 Employees and are Self Insured

Number of U.S. employees

- 5,000 - 9,999: 19%
- 10,000 - 19,999: 23%
- 20,000 - 49,999: 28%
- 50,000+: 30%

n = 74

Mean = 39,290
Median = 17,000

Percentage of Employees in Self-insured Plans

- 50 - 74%: 40%
- 75 - 99%: 48%
- 100%: 12%

n = 75

Note – Employers with <50% employees in self-insured plans screened out.

Mean = 90%
Median = 99%
Participants’ Organizational Roles

Advisor
Assistant Vice President, HR
Associate Director, Benefits
Associate Director, Bens, Rx Plan
Associate Director, Health Services
Benefit Plan Analyst
Benefits Administrator
Chief Medical Officer
Consulting Corporate Medical Director
Coordinator, Health & Wellness
Corporate Benefits Director
Director Corporate Services
Director Wellness
Director Benefits Strategy
Director of Benefits, HRIS and HR
Director of HR
Director, Benefits (9)
Director, Benefits & Compensation
Director, Benefits & Insurance Svcs

Director, Enterprise Benefits
Director, Global Benefits (2)
Director, Health & Productivity
Director, Health & Wellness (2)
Director, Health Benefits
Director, Occupational Health Services
Executive Director, Global Benefit Planning
Executive Director, Employee Health & Benefits
Executive Director, Benefits
Global Chief Medical Officer
Global Health Services Manager
Manager
Manager, Benefits (6)
Manager, Benefits Strategy
Manager, Group Insurance
Manager, Health & Productivity
Manager, Health & Welfare (4)

Manager, Health Care Strategy
Manager, Health Plans (2)
Managing Director – Health Strategy & Resources
Managing Director, Employee Benefits
Medical Director (3)
Risk Manager
Senior Medical Director
Sr. VP Comp & Benefits
Sr. Benefit Analyst
Sr. Benefits Specialist (2)
Vice President
Vice President, Benefits (4)
Vice President, Comp/Bens/HRIS
Vice President, Comp & Benefits
Eight in Ten Participants Are Influencers or Decision-Makers of Health Benefit Decisions

- 48% Significantly influence decisions
- 33% Decision maker
- 19% Provide some input to decision-making

n = 75
Comparative Effectiveness Research Defined

The term “Comparative Effectiveness Research” (“CER”) is used throughout this report to encompass the following broad definition which was included at the beginning of the survey.

“Comparative Effectiveness Research includes studies and/or synthesis of existing research that compare the effectiveness of medical treatments and services in real world settings. The purpose of CER is to develop and disseminate evidence-based information about which interventions are most effective for which patients under various specific circumstances. A key provision of the Patient Protection and Affordable Care Act establishes the Patient-Centered Outcomes Research Institute (PCORI), a private, non-profit corporation empowered to develop and fund CER, and to provide evidence-based information to policy makers (government, health care plans, and employers), clinicians and patients.”
Three-Fourths of Employers are at Least Somewhat Familiar with Comparative Effectiveness Research

5 - Very familiar (understand it reasonably well, and have considered implications for my organization)
4 - Somewhat familiar (general idea, but don't know details)
2 - Not at all familiar (not heard of it)

1 - Not at all familiar (not heard of it)

n = 75

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85% of Employers Believe CER Research Has at Least Moderate Potential to Improve Health Benefit Decisions

- 5 - Very strong potential to improve health benefit decisions (23%)
- 4 - Moderate potential to improve health benefit decisions (29%)
- 3 - Moderate potential to improve health benefit decisions (33%)
- 2 - No potential to improve health benefit decisions (5%)
- 1 - No potential to improve health benefit decisions (0%)
- Don’t know (9%)

n = 75
Data (e.g., health status, benefits utilization and costs, health outcomes, productivity) is Used Regularly in Making Benefit Decisions

- Medical benefit plan design: 95% (4-5 Always), 4% (Don't know)
- Overall strategy to manage health and costs: 92% (4-5 Always), 9% (1 Never - 2), 3% (Don't know)
- Pharmacy benefit plan design: 91% (4-5 Always), 5% (1 Never - 2), 4% (Don't know)
- Decisions regarding coverage/reimbursement of specific prescription drugs: 72% (4-5 Always), 9% (1 Never - 2), 16% (3 About half the time), 3% (Don't know)
- Wellness and disease management program offerings: 69% (4-5 Always), 21% (3 About half the time), 8% (1 Never - 2), 3% (Don't know)
- Decisions regarding coverage/reimbursement of specific diagnostics: 52% (4-5 Always), 23% (3 About half the time), 23% (1 Never - 2), 3% (Don't know)
- Decisions regarding coverage/reimbursement of specific biologic therapies: 49% (4-5 Always), 24% (3 About half the time), 23% (1 Never - 2), 4% (Don't know)
- Decisions regarding coverage/reimbursement of specific surgical procedures: 47% (4-5 Always), 18% (3 About half the time), 32% (1 Never - 2), 4% (Don't know)

n = 75
Clinical Outcomes, Utilization/Cost Comparisons and Safety Data are Used Most in Making Health Benefit and Program Decisions

- Clinical outcomes of alternative treatments (e.g., heart attacks avoided, episodes of worsening asthma)
  - Our vendors have used this information: 68%
  - My organization has used this information: 29%

- Information comparing utilization and cost of treatments (medical and pharmacy)
  - Our vendors have used this information: 65%
  - My organization has used this information: 49%

- Comparative safety of alternative treatments (e.g., radiation therapy vs. surgery for prostate cancer)
  - Our vendors have used this information: 50%
  - My organization has used this information: 15%

- Information about which treatments work best for specific populations (e.g., gender, age, ethnic groups)
  - Our vendors have used this information: 43%
  - My organization has used this information: 10%

- Information comparing impact of treatments on quality of life
  - Our vendors have used this information: 25%
  - My organization has used this information: 11%

- Impact of alternative treatments on employee absence, disability and ability to return to work
  - Our vendors have used this information: 14%
  - My organization has used this information: 17%

- Impact of alternative treatments on productivity at work
  - Our vendors have used this information: 10%
  - My organization has used this information: 13%

n = 72
Nine in Ten Employers Believe all Types of CER Information Will be at Least Moderately Important in Comparing Alternative Treatments

<table>
<thead>
<tr>
<th>Category</th>
<th>4 - 5 (Very important)</th>
<th>3 (Moderately important)</th>
<th>1 (Not at all important) - 2</th>
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</thead>
<tbody>
<tr>
<td>Clinical outcomes of alternative treatments (e.g., heart attacks avoided, episodes of worsening asthma)</td>
<td>95%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Information comparing utilization and cost of treatments (medical and pharmacy)</td>
<td>86%</td>
<td>12%</td>
<td>2%</td>
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<tr>
<td>Information about which treatments work best for specific populations (e.g., gender, age, ethnic groups)</td>
<td>81%</td>
<td>19%</td>
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<tr>
<td>Comparative safety of alternative treatments (e.g., radiation therapy vs. surgery for prostate cancer)</td>
<td>80%</td>
<td>20%</td>
<td></td>
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<tr>
<td>Impact of alternative treatments on employee absence, disability and ability to return to work</td>
<td>70%</td>
<td>24%</td>
<td>6%</td>
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<tr>
<td>Information comparing impact of treatments on quality of life</td>
<td>70%</td>
<td>21%</td>
<td>9%</td>
</tr>
<tr>
<td>Impact of alternative treatments on productivity at work</td>
<td>62%</td>
<td>29%</td>
<td>9%</td>
</tr>
</tbody>
</table>

n = 75
Over Half of Employers Believe Outcomes Such as Absence, Disability and Work Performance are Important to Include in CER Findings

- Very important: 28%
- Somewhat important: 35%
- Important: 25%
- Not at all important: 11%

n = 75
Employers will Encourage Vendors and Employer Health Organizations to Communicate Support for Inclusion of Employer-Relevant CER Outcomes

- Encourage vendor partners (Health Plans, PBMs) to communicate support for the inclusion of employer-relevant outcomes
  - 93% support

- Encourage employer health organizations (e.g., National Business Group on Health, National Business Coalition on Health) to communicate support for the inclusion of employer-relevant outcomes
  - 85% support

- Encourage industry groups (e.g., National Association of Manufacturers, National Chamber of Commerce) to communicate support for the inclusion of employer-relevant outcomes
  - 53% support

- Communicate directly with individuals/organizations (e.g., PCORI) charged with determining the CER research methodology
  - 38% support

n = 40
Six in Ten Employers will Expect Vendors to Use CER Findings and One-Third will Play an Active Role to Monitor and Apply CER Findings

- 60% Expect our vendors (health plans, PBM, EBCs) to use CER findings, but we will want to stay informed.
- 33% Play an active role to monitor, interpret and apply CER findings as needed to get the greatest value from our benefit policies and programs.
- 3% Rely completely on our vendors (health plans, PBM, EBCs) to monitor, interpret and apply CER findings.
- 4% Don’t know.

n = 75
Scenario 1: Treatment of Chronic Low Back Pain

Imagine that CER has been completed, comparing alternative approaches to the treatment of chronic low back pain. Approaches evaluated include different surgical approaches and non-surgical options featuring the use of medications and physical therapy. The evidence concludes that certain treatment approaches are safer and more effective at reducing back pain and returning people to work more quickly than others.

If results like these (including the details, of course) were published by a trusted source (e.g., the new Patient-Centered Outcomes Research Institute), how likely is it that your organization would take the actions identified below based on the CER results?
Chronic Low Back Pain: Employers Most Likely to Use Case/Care Management to Educate and Steer Patients to Effective Treatment Options

- Use case management/care management programs to educate and proactively steer patients toward more effective treatment options (n = 74)
  - 73% (4 - 5 Very likely)
  - 20% (3 Somewhat likely)
  - 7% (1 Not at all likely - 2)

- Ask our health plan(s) to change coverage of back surgeries as indicated by CER evidence (n = 75)
  - 55% (4 - 5 Very likely)
  - 29% (3 Somewhat likely)
  - 16% (1 Not at all likely - 2)

- Implement a “Value-Based” approach, using patient copayments to encourage use of more effective approaches (n = 75)
  - 53% (4 - 5 Very likely)
  - 31% (3 Somewhat likely)
  - 16% (1 Not at all likely - 2)

- Ask our PBM to make changes to our formulary as indicated by CER evidence (n = 75)
  - 44% (4 - 5 Very likely)
  - 41% (3 Somewhat likely)
  - 15% (1 Not at all likely - 2)
Scenario 2: Management of Type II Diabetes

Imagine that CER has been completed, comparing alternative approaches to the management of Type-II diabetes. Approaches evaluated include different prescription drug protocols, and approaches to lifestyle (diet and exercise) modification. The evidence concludes that certain treatment approaches are safer and more effective at lowering AbA1C levels and improving overall patient health outcomes than others.

*If results like these (including the details, of course) were published by a trusted source (e.g., the new Patient-Centered Outcomes Research Institute), how likely is it that your organization would take the actions identified below based on the CER results?*
Type II Diabetes: Employers are Most Likely to Use Case/Care Management to Steer Patients to Effective Treatment Options, Ask PBM to Make Changes or Implement a Value-Based Approach

- Use case management/care management programs to educate and proactively steer patients toward more effective treatment options (n = 75)
  - 80% Very likely
  - 16% Somewhat likely
  - 4% Not at all likely

- Ask our PBM to make changes to our formulary as indicated by CER evidence (n = 75)
  - 73% Very likely
  - 17% Somewhat likely
  - 9% Not at all likely

- Implement a “Value-Based” approach, using patient copayments to encourage use of more effective approaches (n = 75)
  - 72% Very likely
  - 15% Somewhat likely
  - 13% Not at all likely

- Ask our health plan(s) to change coverage of lifestyle-focused programs as indicated by CER evidence (n = 73)
  - 66% Very likely
  - 23% Somewhat likely
  - 11% Not at all likely
PCORI is Most Reliable/Trusted Source of CER Information in the Future, Followed by Health Plans

- Information directly from the Patient-Centered Outcomes Research Institute (PCORI): 76%
- Health plan partners: 56%
- Employee benefit consultants: 48%
- Health care coalition meetings/presentations: 39%
- PBM partners: 28%
- Health and benefits-oriented journals and magazines: 25%
- Health and benefits-oriented e-news sources: 8%

n = 74
Of Employers That Will Play an Active Role to Monitor, Interpret and Apply Findings, PCORI is the Most Reliable/Trusted Source of CER Information in the Future

- Information directly from the Patient-Centered Outcomes Research Institute (PCORI) [76%]
- Health plan partners [48%]
- Employee benefit consultants [44%]
- Health care coalition meetings/presentations [36%]
- Health and benefits-oriented journals and magazines [36%]
- PBM partners [16%]
- Health and benefits-oriented e-news sources [4%]
Employers Want Examples of How to Use CER Findings in Pharmacy and Medical Benefit Decisions

- **Examples of how employers are using CER findings to make pharmacy benefit decisions**: 87% (Very interested), 12% (Moderately interested), 1% (Not at all interested)

- **Examples of how employers are using CER findings to make medical benefit decisions**: 87% (Very interested), 11% (Moderately interested), 3% (Not at all interested)

- **Progress updates on Comparative Effectiveness Research activities, including priorities, research agenda and anticipated timing of results**: 64% (Very interested), 28% (Moderately interested), 8% (Not at all interested)

- **Information about ways for employers to get involved in CER research, including impacting the research agenda or communicating CER findings**: 59% (Very interested), 27% (Moderately interested), 15% (Not at all interested)

*n = 75*
Conclusions

► Employers are generally familiar with CER and expect it to be helpful in making better health benefit decisions.

► Employers have a clear sense of how they would use CER information to:
  » Educate and equip employees to make better decisions
  » Change benefits coverage
  » Align incentives toward more effective treatment options

► Employers want employer-relevant outcomes included in CER as appropriate, and many are willing to advocate for the inclusion of such outcomes.

► Employers will turn to PCORI as a reliable and trusted resource for CER information, and want convenient delivery of/access to actionable information.

► Employers want information that will help them put CER to work through education, interventions and benefit design.
Implications

► Employers are a key CER stakeholder. They are interested in CER and have the ability to activate CER recommendations via education, coverage and cost-sharing decisions.
► CER should include—where appropriate—employer relevant outcomes.
► Efforts to communicate CER data to employers should include efforts to engage and educate human resource and benefits professionals (as well as corporate executives) about the importance of evidence-based health benefits decision-making.
► PCORI should consider the value/opportunity of employer-relevant data available through collaboration with employers and integrated data warehouse companies that have well-established databases including years of historical records linking medical and pharmacy claims to employer-relevant outcomes at the person-centric level.