

# BENEFIT

## *Plan Developments*



A report covering plan design and legislative changes

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## Presidential Cancer Panel Calls For Employer Commitment

Employers, medical insurers, and health care providers can help reduce the rates of cancer and other serious illnesses among workers by offering preventive care and wellness programs designed to promote good health behaviors, the newly released annual report by the President's Cancer Panel concluded. The report warned that cancer treatment costs and productivity losses will continue to escalate unless organizations, institutions, and individuals do more to address factors known to affect cancer risk, especially obesity, poor diet, lack of physical activity, and smoking.

The President's Cancer Panel was established to appraise the National Cancer Program operated by the National Cancer Institute of the U.S. Department of Health and Human Services. Currently, the three panel members are Dr. LaSalle D. Leffall, Jr.,

M.D.; Margaret L. Kripke, Ph.D.; and cyclist Lance Armstrong.

While acknowledging the important role of laboratory-based cancer detection and treatment research in

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combating and preventing the disease, the panel noted that relatively few resources flow into behavioral, policy, and environmental interventions that address the principal causes of lung and other types of cancers.

The panel observed that health care providers and insurers, as well as employers, are strongly oriented to the provision of acute care, not to helping people remain well. The report cited the "short-term profit mentality of publicly-held private insurers and many corporations" as a major barrier to coverage for behavioral and other cancer risk-reducing interventions, noting that employee turnover has made both insurers and employers hesitant to invest in preventive interventions.

On the other hand, the panel praised the employee wellness programs that growing numbers of employers are implementing in an effort to cut health

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*With a growing body of evidence linking physical inactivity to an increased risk of certain types of cancer, heart disease, and a host of other serious illnesses, many employers are encouraging their employees to exercise more, the report said.*

care costs and limit productivity losses due to illness. In particular, the panel lauded the CEO Cancer Gold Standard program developed by the CEO Roundtable on Cancer. The program accredits employers that maintain a culture that encourages healthy lifestyles and provides services related to tobacco use, diet and nutrition, physical activity, screening and early detection, and access to quality treatment. However, the panel said, many millions of workers continue to lack access to wellness services, particularly those in part-time or low-paying jobs.

With a growing body of evidence linking physical inactivity to an increased risk of certain types of cancer, heart disease, and a host of other serious illnesses, many employers are encouraging their employees to exercise more, the report said. In addition to providing on-site workout facilities or subsidized gym memberships, the panel found that a small number of employers are experimenting with altering work environments to promote physical activity. At some of these companies, the report said, conventional desks are replaced with standing desks, or even with treadmills or stationary bicycles with workstations attached.

The panel noted, however, that most health insurers do not reimburse primary care providers for counseling patients about the importance of physical activity, and relatively few health plans include coverage for gym memberships or premium reductions for participants who exercise.

According to the report, research has demonstrated a strong link between obesity and cancer, while a number of studies have suggested that cancer risk can be lowered by consuming a diet low in animal fat and high in fruits and vegetables. But for the most part, the panel observed, the links between cancer, diet, and obesity have not yet been sufficiently accepted by the insurance industry to motivate widespread coverage for services such as nutrition counseling or obesity-related treatment services. And, they said, while larger employers with self-funded health plans are starting to provide coverage for diet- and weight control-related wellness programs, many smaller

employers have fewer options for including wellness programs in their benefit packages.

Despite the current lack of incentives, the panel recommended that employers consider taking a few simple and relatively affordable steps to encourage better health behaviors among employees. These include replacing unhealthy cafeteria and vending machine foods with more nutritious alternatives, giving employees time to exercise, and expanding smoke-free policies in the workplace.

“Research has shown that adopting a healthy lifestyle is an effective defense against cancer,” the panel members asserted in a letter to the president that accompanies the report. “While public and private organizations must coordinate efforts to educate the American public about the relationship between healthy behaviors and disease prevention, individuals can only adopt healthy lifestyles if they have the resources and opportunities to do so.”

## Benefit Cost Increases Outpaced Wage Inflation In Second Quarter

Total compensation costs for U.S. civilian workers rose 0.9% between March and June 2007, with benefit costs climbing 1.3% and wages and salaries increasing 0.8%, according to the most recent Employment Cost Index report released by the U.S. Department of Labor (DOL).

Researchers noted that this rise in labor costs is only slightly higher than the growth that occurred during the December 2006 to March 2007 period, when overall compensation costs rose 0.8%. The analysis showed, however, that benefit costs increased just 0.1% during the previous quarter, while wages and salaries grew 1.1%.

For private industry, total compensation costs rose 0.9%, benefit costs climbed 1.1%, and wages and salaries increased 0.8% between March and June 2007. Among state

and local government employees, overall compensation costs rose 1.1%, benefit costs grew 1.7%, and wages and salaries increased 0.8% during the quarter.

DOL researchers also reported that, for the year ended June 2007, annual compensation costs for civilian workers increased 3.3%, with benefit costs in the state and local government sectors advancing at a much faster pace (+6.6%) than among private employers (+2.6%). Broken down by sector, the figures for the year ended June 2007 showed that compensation costs rose 2.8% for financial activities, 2.6% for goods-producing industries, and 1.9% among manufacturing industries. Stronger gains for the year ended June 2007 were seen among the service-providing industries (+3.3%) and the leisure and hospitality industries (+4.6%).

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## Women More Positive About Employers' Work/Life Balance Programs

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The perception among women of employers' efforts to help workers balance their personal and professional lives tends to be more positive than that of men, with the gender gap being especially large among employees of smaller and moderately large companies, according to a study published by human resources consultancy Kenexa Corporation.

The study is based on the results of a survey of around 10,000 nationally representative workers conducted by the Kenexa Research Institute. When asked if they work for a company that supports employees' efforts to balance work and family or personal responsibilities, 58.5% of all the female workers surveyed replied that they did, compared with 55.2% of the male respondents. Results also showed that employees of both genders who indicated their company supports work/life balance were far less likely than other respondents

to say they are seriously considering leaving their employer within the next 12 months.

Broken down by company size, the survey found that the gender differences in perceptions about employers' willingness to support work/life balance were especially noticeable among workers at small (100–249 employees) and moderately large (5,000–9,999 employees) companies: The gap between male and female employees of small companies was 7.2 percentage points, while the gender gap among moderately large company workers was 9 percentage points. By contrast, researchers noted, very little difference in the responses of men and women on the subject of their employers' commitment to work/life balance was observed among employees of the largest companies (10,000+ workers).

The survey also found that women working in the accounting and legal sectors, light manufacturing, transportation services, and education tend to be more satisfied than their male colleagues with their employers' support of work/life balance. On the other hand, little difference was found between the perceptions of men and women working in retail, health care, financial services, electronics and computer manufacturing, restaurants, and hotels. Among all the employees surveyed, the sectors that earned the highest marks for supporting work/life balance were construction and engineering, business services, and pharmaceuticals; the industries ranked the lowest for work/life balance were heavy and light manufacturing, food industries, and personal services.

Jack Wiley, executive director, Kenexa Research Institute, said the survey results suggest that there has been a shift in women's perceptions about work/life balance. "In the past, women often found it more difficult to maintain balance due to the competing pressures at work and demands at home," Wiley observed. "For many employees today, both male and female, their lives are becoming more consumed with a host of family and other personal responsibilities and interests.




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Therefore, in an effort to retain employees, it is increasingly important for organizations—especially those in knowledge industries—to recognize this need for balance.”

The survey further revealed that both women and men who are relatively new to their companies are, on average, much more likely to report that their company supports work/life balance than workers with longer tenures: Whereas 67.4% of workers in their first year of employment and 60.7% of employees in their second year on the job said they have a favorable view of their employers’ efforts to encourage work/life balance, barely half (50.7%) of all respondents who had worked for the same company for 11 years or more gave their employers positive marks for promoting work/life balance.

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## Health Care Among Top Issues For Independent Voters

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As the 2008 presidential election approaches, Americans who are not aligned with either the Democrats or the Republicans are increasingly citing health care as one of the leading issues likely to influence their voting decisions, according to a report published by the Kaiser Family Foundation.

The report was based on an analysis of the results of a survey conducted by the Washington Post, the Kaiser Family Foundation, and the Harvard University Survey Project of 2,140 randomly selected U.S. adults, including an oversample of randomly selected self-identified political independents.

The views of independents, who make up around 29% of the electorate, tend to

fall somewhere between those of Democrats and Republicans, the study’s authors observed. When asked to name the issues or problems they believe the president and Congress should address, 66% of all the independents surveyed said Iraq, 19% said immigration, and 18% cited health care. By comparison, the study found, health care was cited as a pressing issue by 20% of the Democrats surveyed and by 12% of the Republicans.

When asked which issues are extremely important to them personally, health care was cited by 48% of the Democrats surveyed, 31% of the Republicans, and 41% of the independents. Results further showed that independents are more than twice as likely to say their views on health care are better reflected by the Democrats than by the Republicans: When asked which party does a better job representing their views on health care, the independents surveyed favored the Democrats over the Republicans by 28 percentage points.

Respondents of all parties were also asked whether, when it comes to health care, political candidates should focus more on lowering the cost of health care and insurance or on expanding health insurance coverage to people who are uninsured. The survey showed that 53% of Republicans and 41% of Democrats favor lowering costs, while 30% of Republicans and 48% of Democrats support expanding health insurance coverage. Among all the independents surveyed, 47% said they want candidates to focus on lowering costs, while 41% want politicians to cover the uninsured.

When asked if they would be willing to pay more in health insurance premiums or higher taxes to cover the uninsured, 26% of Republicans, 49% of Democrats, and 41% of all the independents surveyed said they would.




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