

MULTNOMAH COUNTY BENEFITS SURVEY

JANUARY 2002

A REPORT FOR THE
EMPLOYEE BENEFITS BOARD

REPORT PREPARED BY:
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EXECUTIVE SUMMARY

In December 2001, the Employee Benefits Board (EBB) created and conducted an anonymous employee survey to develop recommendation for benefit plan changes to address increased costs. The EBB considered three approaches: reduce benefits; pass on the costs without plan changes; or a combination the two approaches. The EBB will be reviewing the plan design and will make a recommendation by March 1st, 2002 to the County for implementation July 1st, 2002. The Multnomah County Evaluation/ Research Unit was asked by the EBB to analyze their survey response data and produce a report.

Surveys were available on the MINT and in paper form to the nearly 5,000 county employees. A total of 1,927 surveys were returned. Thirty-six (2%) were identified as duplicates and removed from the analysis, for a total of 1,891 (a 38% response rate)¹. Respondent demographics, including current benefit coverage, were not captured. Therefore generalization to employees as a whole should be made with caution.

The majority of respondents indicated that medical and dental benefits were extremely important to their total package of compensation and in several cases the reason they took positions with Multnomah County. Core benefits (i.e., medical, dental, prescription, and emergency care) appeared to be somewhat more important than other benefits regardless of recent use. However, benefits important to each respondent varied greatly—in some cases as a result of use in the past 6 months.

Some respondents (92 comments) stated confusion with the survey questions and terminology. With that said, it appears that a combination of small payroll deduction with an increase in co-pays was one strategy that had the most support by respondents.

For those with PPO and Major Medical Plans, a combination of paying an increased prescription percentage, greater out-of-pocket maximum, and increased co-pays were better than any single option. In addition, a reduction to 70% coverage for out-of-network providers had greatest support among survey options provided.

When asked about educational opportunities, respondents indicated greatest interest in general life-style areas such as exercise, preventive care, nutrition, weight control, and stress management. Respondents preferred a social format for the opportunities such as a support group or brownbag lunch series. Several comments (48 comments) suggested a reduction or elimination in redundant county health promotional activities before making any changes to their current benefit levels.

Comments in general highlighted employee's desire for greater benefit choice (e.g., cafeteria-style choices), equalizing current costs (e.g., charging extra for dependents), a concern for prescription coverage costs, and the need for more information.

¹ It is estimated that 6% of the surveys may be duplicates due to web-interface problems. As unique identifiers were not captured, only duplicates identified by comment sections could be found and removed. Therefore, results of this analysis should be viewed with caution.



RESULTS OF THE MULTNOMAH COUNTY BENEFITS SURVEY: JANUARY 2002

The survey was arranged by 4 general areas: benefit importance and utilization, preferred benefit coverage/cost adjustment, educational opportunities, and general comments (see Appendix). Results from the survey are arranged in that order, with pertinent comments included throughout each section.

Section I. Benefit Importance and Utilization

Question 1 asked, *how important are medical and dental benefits to you as part of your total compensation?* Figure 1 displays the responses to Question 1, with 95% of respondents rating medical and dental benefits as Extremely or Very Important as part of their total compensation package². In addition, there were 39 comments stating that respondents choose working for the county based on the benefits that were provided.

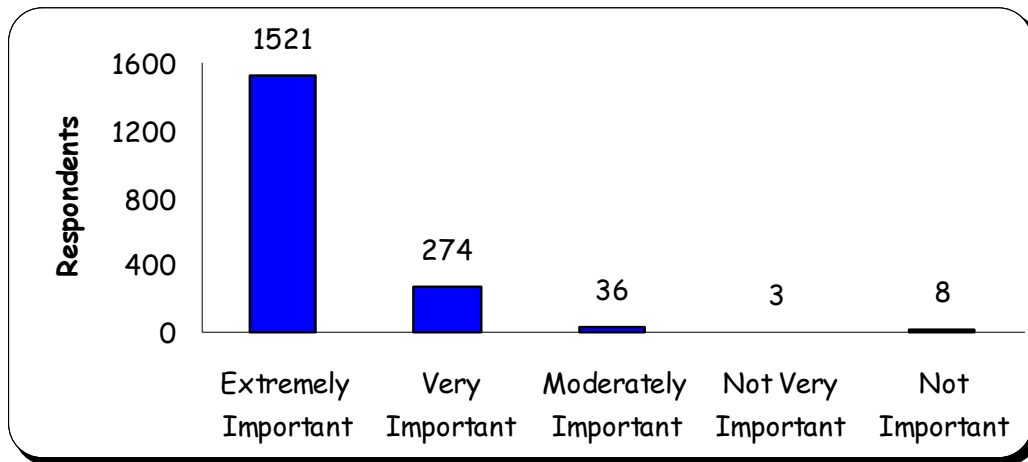


Figure 1. Importance of Medical and Dental Benefits as Total Compensation

Question 2 asked respondents to rate the importance of each specific benefit. While most benefits were rated Extremely or Very Important the responses varied widely depending on the specific benefit reviewed. Medical, dental, prescription and emergency care benefits were rated of greatest importance, while EAP and MERP/DCAP were rated least important, comparatively (see Figure 2). It should be noted that many respondents stated confusion with terms like EAP, MERP/DCAP, and durable medical equipment. Their confusion may affect the prioritization of such benefits. No individual benefit had an overall rating of “Not Important.”

² Nearly 3% (49) did not respond to this question.

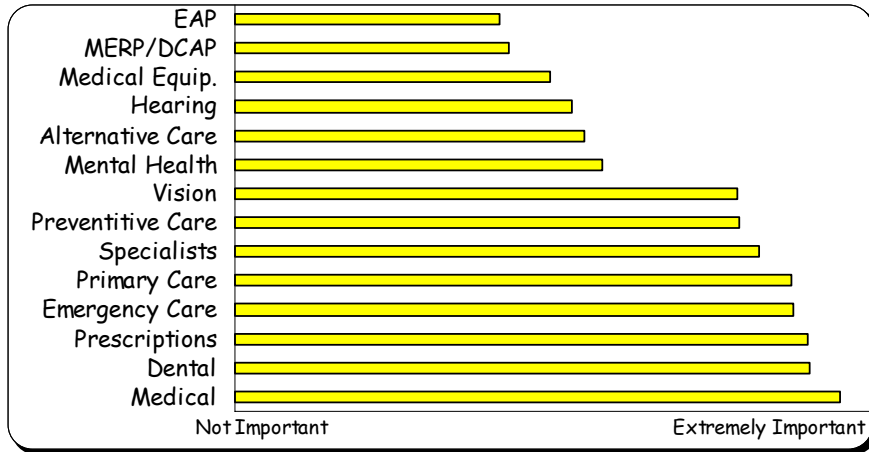


Figure 2. Specific Services Rank-Ordered Least to Most Important

In addition, each respondent was asked to identify whether the specific benefit was used in the past 6 months. As with benefit importance, benefit utilization in the last 6 months varied widely by specific benefit (see Figure 3). Again, medical, dental, and prescription benefits were utilized by more respondents within the last 6 months than other benefits, with nearly 60% of respondents indicating recent medical or dental use³. Only 3% of respondents identified hearing benefit use within the last 6 months.

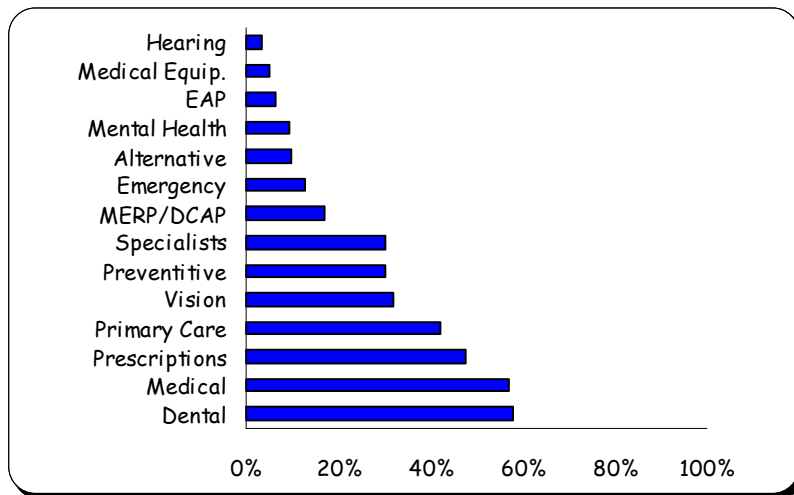


Figure 3. Specific Services Rank-Ordered from Least to Most Used in the Past 6 Months

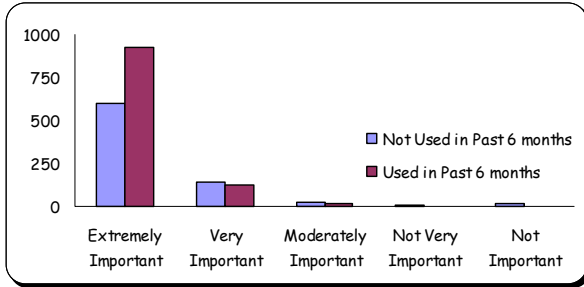
As would be expected, significant positive correlations were found between the importance of a given benefit and whether it was used recently. Increased benefit importance was associated with its recent use. Table 1 graphically depicts the importance rating for each of the specific services by recent utilization.

³ It should be noted that benefit utilization was likely underreported due to the web-based survey design.

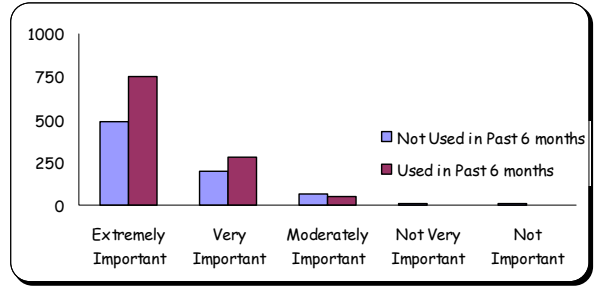


Table 1. Importance of Specific Services by Use in the Past 6 Months⁴

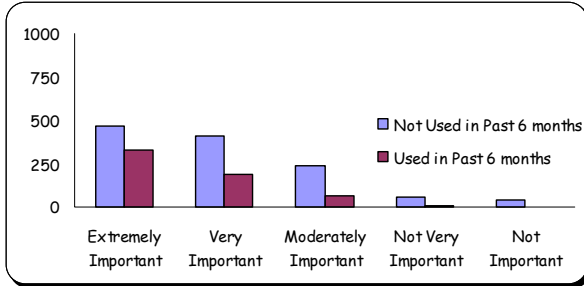
2a. The importance of medical care benefits by use



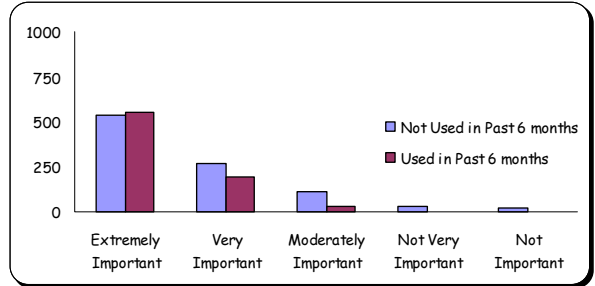
2b. The importance of dental care benefits by use



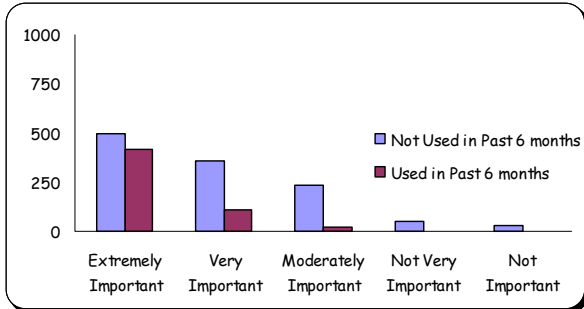
2c. The importance of vision care benefits by use



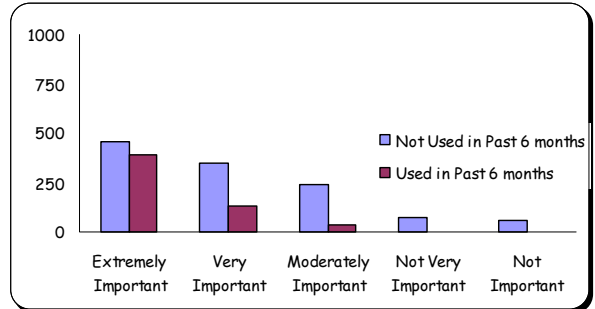
2d. The importance of primary care benefits by use



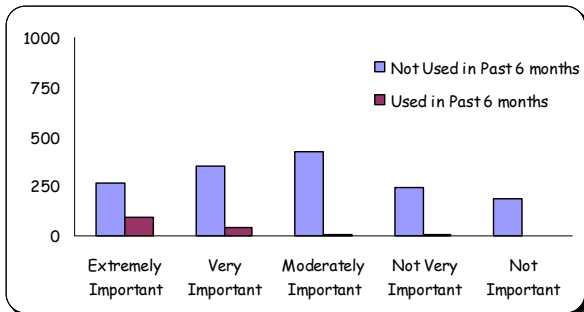
2e. The importance of specialist care benefits by use



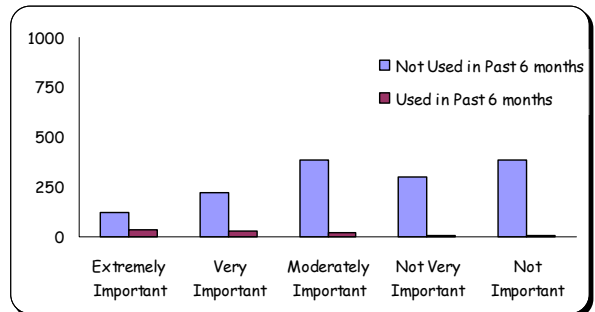
2f. The importance of preventative care benefits by use



2g. The importance of mental health benefits by use



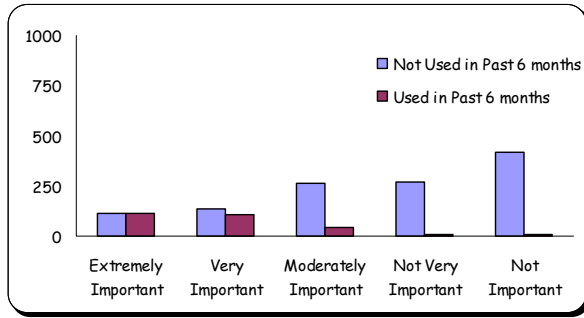
2h. The importance of EAP benefits by use



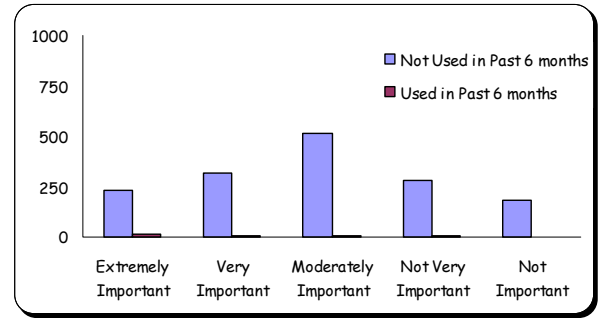
⁴ The Y-axis is the number of respondents.



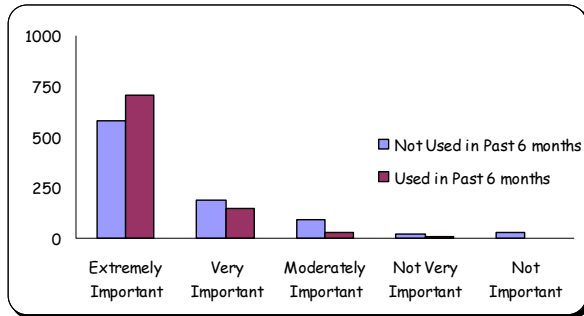
2i. The importance of MERP/DCAP benefits by use



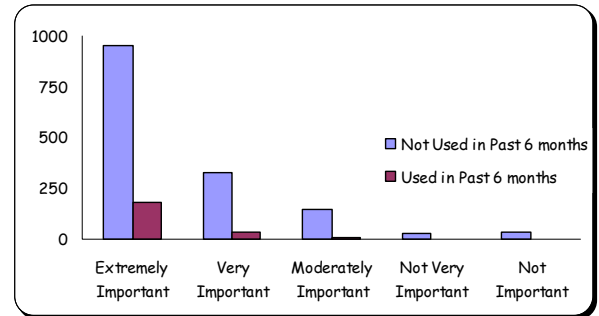
2j. The importance of hearing benefits by use



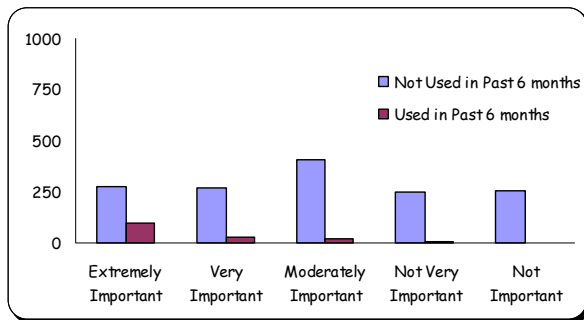
2k. The importance of prescription benefits by use



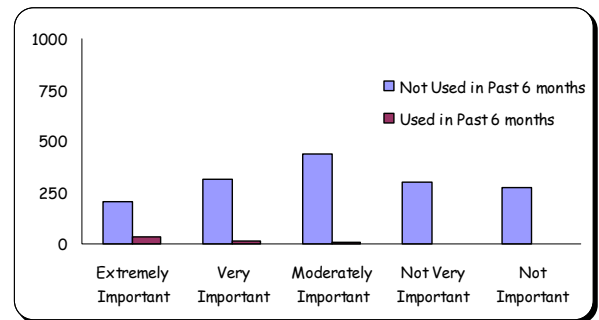
2l. The importance of emergency care benefits by use



2m. The importance of alternative care benefits by use



2n. The importance of durable medical equipment benefits by use



Regardless of recent use, medical, dental, prescriptions, and emergency care had the greatest rating of importance by respondents. Interesting, but not unusual, emergency care had one of the highest number of Extremely Important responses, in addition to also having one of the lowest utilizations in the past 6 months (c.f., Table 1, cell 2l.).

Section II. Preferred Benefit Coverage and Cost Adjustment

Survey Question 3 asked, *given the approximate 20% increase in the costs of benefits, would you prefer to maintain your current level of service at some cost to you or would you prefer a reduced benefits package with no additional cost to you?*⁵ Eight-four percent of respondents identified interest in **some** form of payroll deduction, with the majority (53%) suggesting a small deduction for most benefits (Figure 4). Only 9% indicated that they would not be interested in a payroll deduction, preferring to reduce benefits instead.

⁵ While this was a yes/no question (dichotomous), it had 3 possible answers, making interpretation difficult.

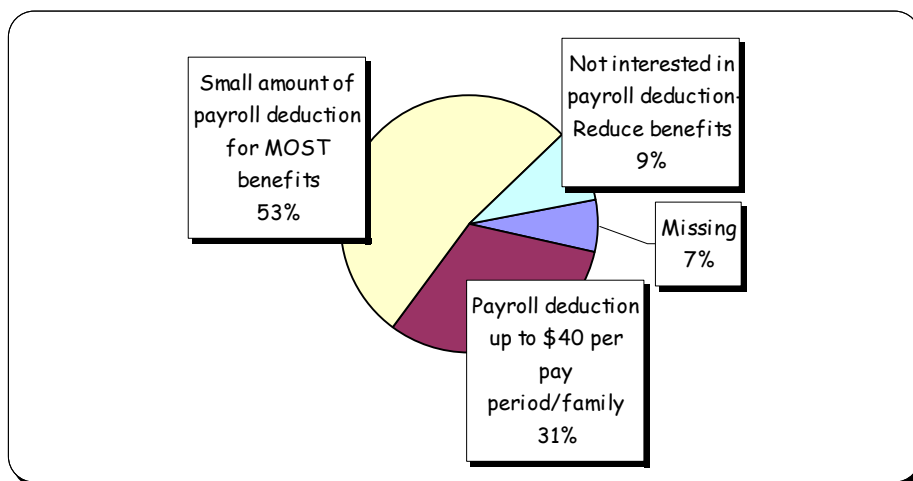


Figure 4. Respondents Interested in Payroll Deductions

Question 4 stated, *as an alternative to payroll deductions, would you rather increase co-pays or out-of-pocket maximums?* More than three-quarters the respondents identified interest in **some** form of increase in co-pay or out-of-pocket maximum, with the majority (57%) suggesting a co-pay increase (Figure 5).

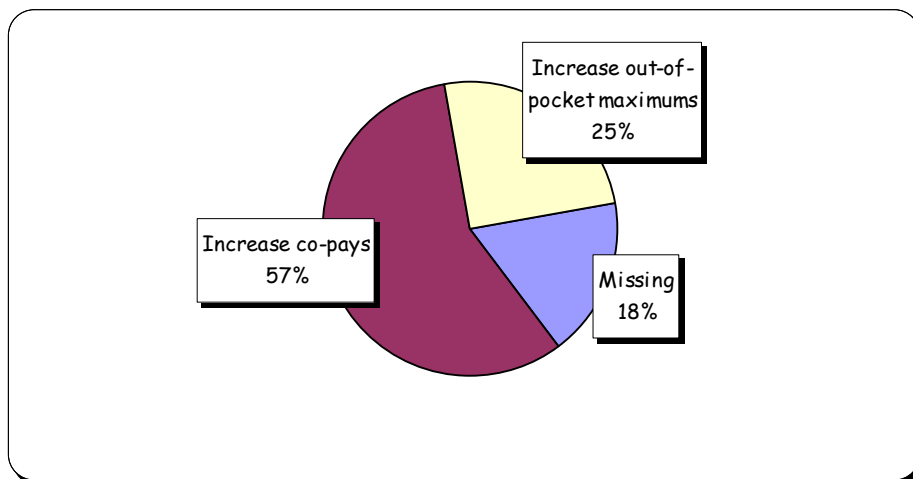


Figure 5. Alternatives to Payroll Deductions

It should be noted that confusion regarding Questions 3 and 4 was identified by some respondents. Some respondents stated they were forced to make some form of decision and that the response options were unclear. Indeed, Questions 3 and 4 appear to be parts of the same question which may explain why no clear answer was identified from the choices.

Respondents were then asked to prioritize which benefits they would be willing to decrease (Figure 6). Somewhat consistent with use in the last 6 months (c.f., Question 2),

EAP, durable medical equipment, MERP/DCAP, and alternative care, were prioritized as benefits most suitable for decrease by respondents. Again, many respondents stated in their comments confusion with terms like EAP, MERP/DCAP, and durable medical equipment. The lack of understanding may affect the prioritization of such benefits, and caution should be used when interpreting the results.

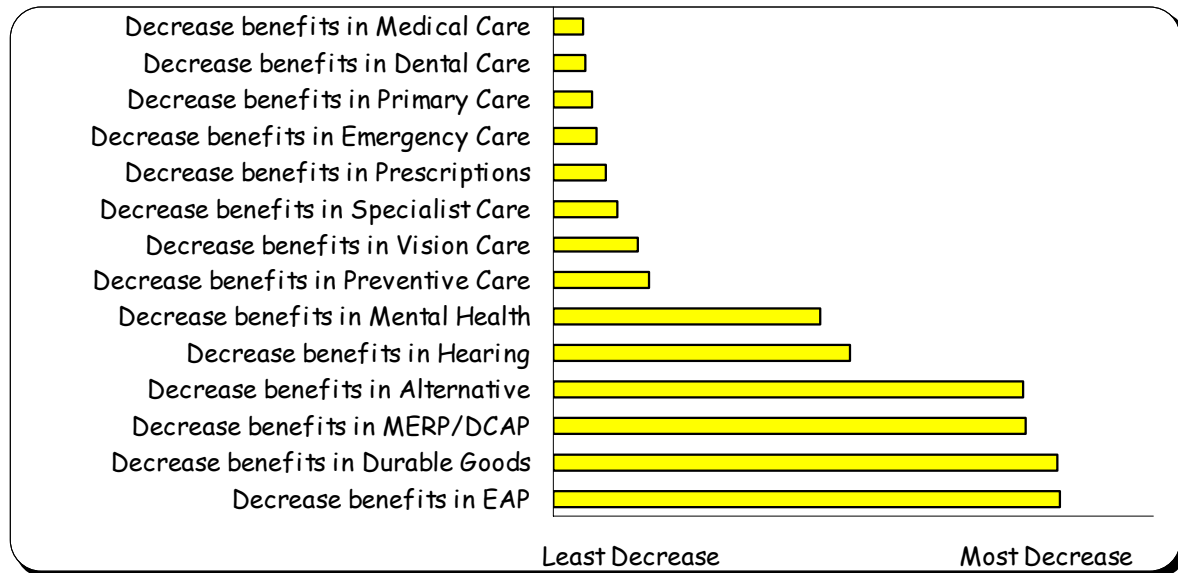


Figure 6. Benefits Decrease Prioritized from Least Decrease to Most Decrease

Question 5 read, *Plus PPO and Major Medical Plans (ODS) have a \$400 out of pocket maximum, and a 20% co-pay for prescriptions. Would you prefer to raise co-pays, raise out-of-pocket maximums, pay a percentage of each prescription, or a combination?* Respondents (34%) indicated that they would prefer to have some combination of raised prescription expense, co-pay, and out-of-pocket maximum (Figure 7)⁶.

⁶ More than 20% of respondents failed to answer this question, possibly due to having Kaiser coverage.



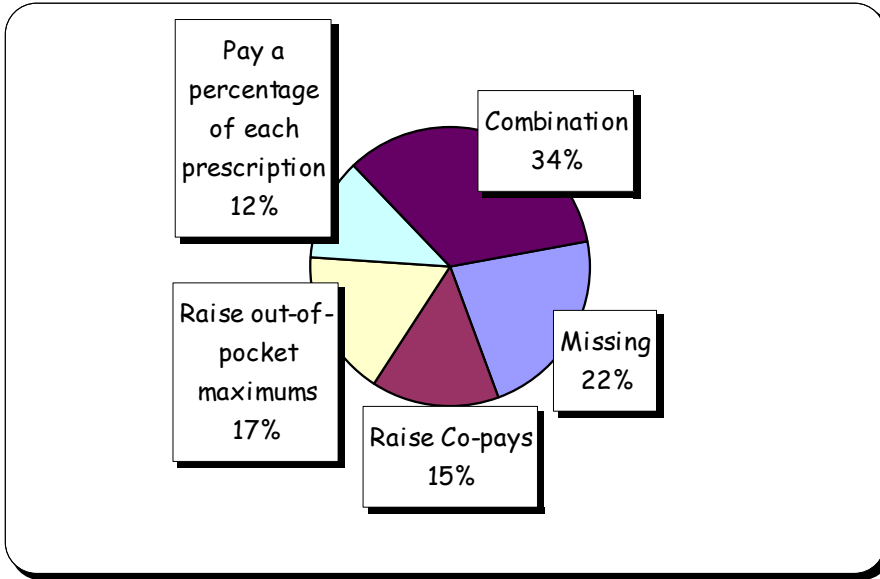


Figure 7. Preference to Changes in PPO and Major Medical Plans

Question 6 stated, *The County pays 90% for PPO providers and 80% for non-PPO providers (ODS). Should out-of-network (those providers not listed in ODS service area), fees increase for members using those higher cost services?* The majority of respondents indicated that they would prefer a reduction to 70% coverage versus 60% or 50%, respectively.

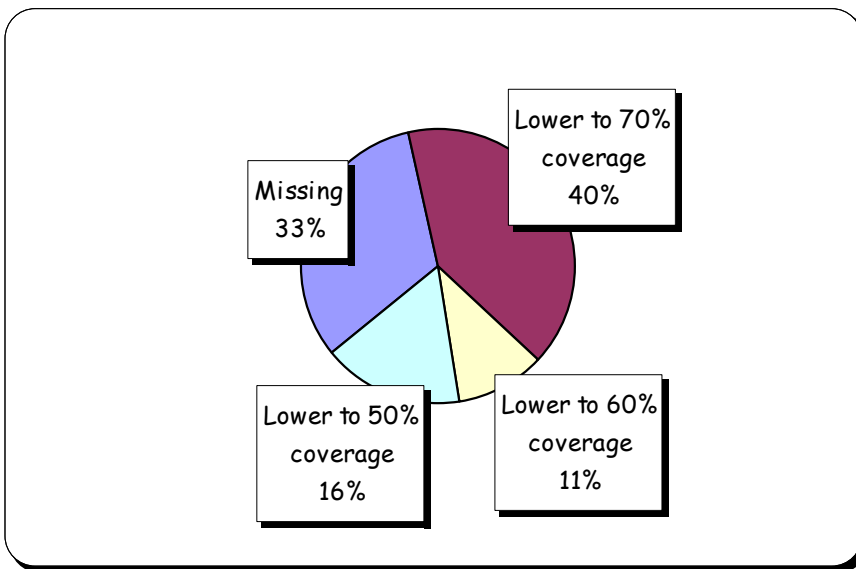


Figure 8. Preference to Changes in Out-of-Network Providers

As with previous questions, Question 5 and 6 were somewhat confusing. It appears likely from the comments that respondents that were enrolled in Kaiser were asked to make decisions about non-Kaiser coverage⁷. Since demographic and benefit coverage variables were not captured, it is impossible to associate a respondent's coverage with their answers to these questions. Thus, in many cases employees were asked to make benefit decisions about coverage other than their own.

Section III. Educational Opportunities

The next section asked respondents about education and behavioral change opportunities. Question 7 list a variety of educational health topics where respondents indicated interest. Respondents indicated greatest interest in general life-style areas such as exercise, preventive care, nutrition, weight control, and stress management (see Figure 9).

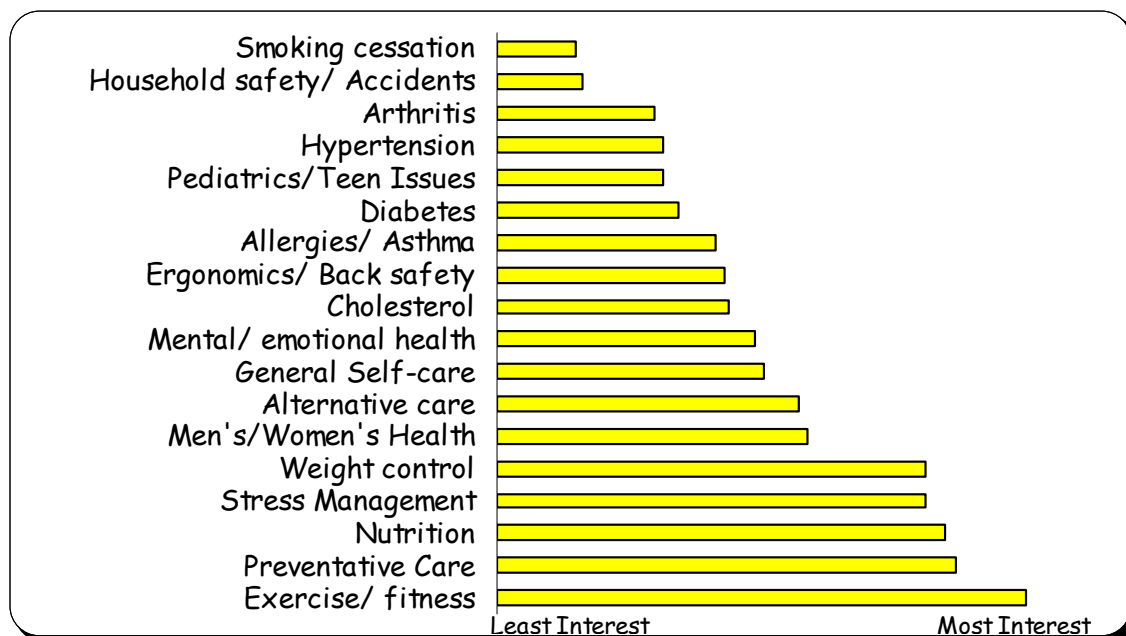


Figure 9. Educational Topics Rank-Ordered from Least to Most Interest

Of the variety of educational formats offered (e.g., support groups, classes, etc.), those that interacted with other persons were most preferred. Formats that were non-social, such as information on the MINT, worksite challenges or incentives, newsletter and the library were the least preferred. Figure 10 lists educational formats ordered from least to most preferred.

⁷ According to the EBB monthly count for December 2001, 52% of employees had Kaiser Medical Plan coverage. One might therefore expect a similar percentage of respondents to skip the non-Kaiser questions (i.e., Questions 5 and 6). That was not found, suggesting possible confusion with the questions.



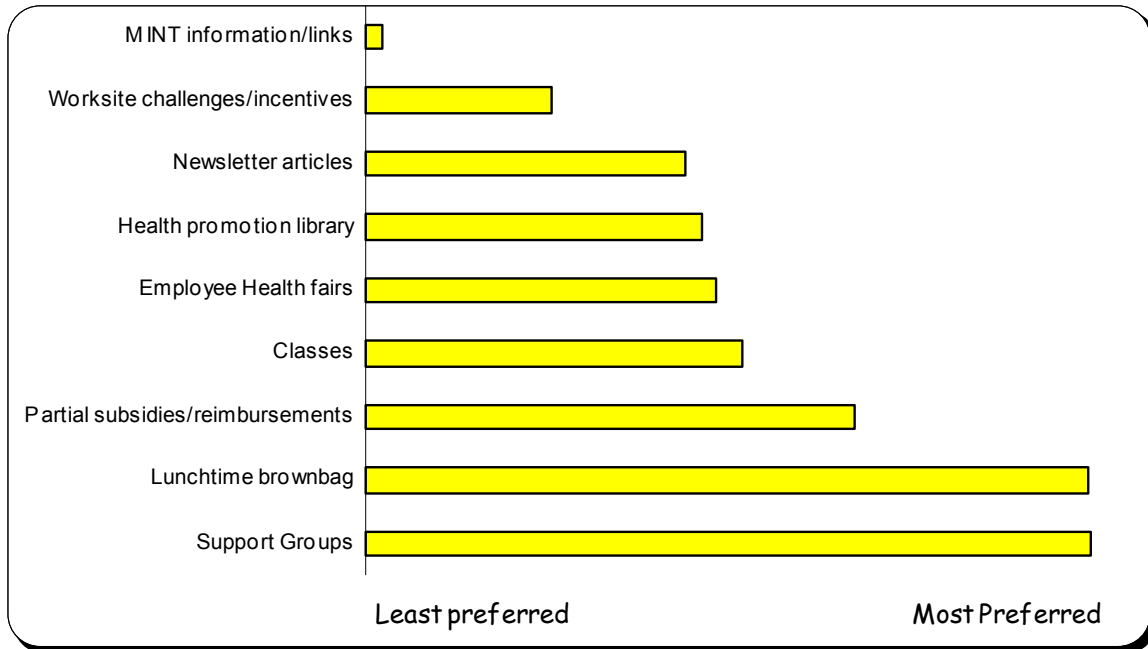


Figure 10. Educational Formats Rank-Ordered from Least to Most Preferred

Some respondents commented that the educational formats were not useful because they often were held in downtown Portland making it difficult for those outside of the area to attend. In addition, several comments (48 comments) suggested the reduction or elimination of county health promotions instead of increased costs in coverage. Some respondents stated that they were capable of finding their own information or that such information was already provided by their health care provider and county health promotions services were redundant (see Table 2).

Section IV. Comments

Of the 1,891 respondents, 31% (587) left comments which were coded and analyzed (721 comments for 1.2 comments per respondent). Fifteen percent (107) could not be categorized; 13% (92) were comments regarding problems with the survey instrument its questions and/or terminology, and 5% (40) said “thanks” for the opportunity to respond. The remaining 67% (482) comments fell into several categories arranged in Table 2.

Analysis of the comments suggests that employees are passionate about the subject matter. Respondents prefer methods to offset costs first such as charging for multiple dependents, and allowing greater service choice over sharing costs or reducing benefit levels, especially for core services. It was also apparent from the comments that what is important to respondents differs from person to person—some choose to opt-out while others needed specialized benefits for themselves and their family. This supports the concept of a cafeteria-style benefits program, where each employee would be given a set amount of resources to choose the coverage that best suits them.



In addition, several strategies were also suggested such as leveraging multiple jurisdictions health care resources, finding another provider, and increasing prevention and health incentive programs.

Table 2. Categorization and Rank-Order of Employee Comments

Broad Category (total)	Suggestion	Number
Strategies to offset costs (238)	Charge extra for employees with dependents	55
	Cut county health promotions before our benefits	48
	Reduce extra services/ keep core services	36
	Offer cafeteria-style benefit choices	33
	Offer more prevention services	14
	Find another provider/bid out healthcare contract	14
	I use/would use “opt-out” instead of coverage	13
	Offer health incentives for employees	11
	Have only Kaiser coverage	9
Join & leverage w/ others government organizations	5	
Employee Statements (161)	I don’t want a service cut	49
	I/we work at the county for the benefits	39
	I don’t want a cost increase	22
	More cost equity (Kaiser v. non-, line v. mngt)	13
	Cost increases offset our COLA and raises	8
	Anger and confusion over union contract	9
	Concern over mail-order Rx/Certifax increased costs	8
	Prescriptions are important to my coverage	7
	I need more information on this subject (e.g., costs)	6
Benefit Suggestions (54)	Increase/improve ‘alternative care’ coverage	18
	Our educational formats/locations are inconvenient	18
	Invest in county fitness programs	8
	Increase employee health education	7
	Vision coverage should be improved	3
Strategies to share costs (29)	Increase my co-pays	13
	Employees pay a percentage of prescriptions	12
	Payroll deduction	4

I wish to conclude by saying that several limitations of the data were readily apparent during the analysis, some of which were mentioned in the report. Recommendations that come from this report must be considered in light of those limitations. For example, less than half of all county employees responded, several responded multiple times, and questions and term were sometimes confusing. With that said, I would recommend combining a cost-benefit analysis for each benefit with the survey data to find which choices offer the greatest savings with the least impact to employees and their families.



MULTNOMAH COUNTY BENEFITS SURVEY
December 2001

Multnomah County is experiencing significant cost increases for next year's medical plans. Based upon this year's data, we are anticipating a cost increase of approximately 20% for the Plus PPO Plan and Major Medical with approximately 18% for Kaiser coverage. The majority of the cost increase is being driven by prescription drugs. The County currently pays over \$106,000 every two weeks for drugs. This is not a bad thing, it's just expensive.

Per our collective bargaining agreements, the total cost increase of the plans will be shared by employees and the County alike. The County will pay an initial 2-3% (Consumer Price Index increase), with the remainder of the increase, approximately 17%, split with the employees resulting in a payroll deduction or an equivalent benefit reduction. If there are benefit changes, the payroll deduction by employees will be less.

The Employee Benefits Board (EBB) is responsible for recommending plan changes to address costs. The EBB is considering three approaches: reduce benefits; pass on the costs without changes; or a combination the two approaches. The EBB is interested in your opinion to determine how to balance the costs with the plan benefits. The EBB will be reviewing the plan design and will make a recommendation by March 1, 2002 to the County for implementation next July 1st. In order to do this, the EBB needs your opinion...

PLEASE TELL US WHAT YOU THINK

1. How important are medical and dental benefits to you as part of your total compensation?

Extremely Very Moderately Not Very Not
 Important ___ Important ___ Important ___ Important ___ Important ___

2. Please rate the importance of the following services and identify those you've used in the past six months?

	Extremely Important	Very Important	Moderately Important	Not Very Important	Not Important	Used in the past 6 Mos.
Medical Care	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dental Care	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vision Care	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Primary Care	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Specialist Care	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Preventive Care	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mental Health	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
EAP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MERP/DCAP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hearing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Prescriptions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Emergency Care	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alternative Care	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Durable Medical Equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



3. Given the approximate 20% increase in the costs of benefits, would you prefer to maintain your current level of service at some cost to you or would you prefer a reduced benefits package with no additional cost to you?

_____ Yes, I would contribute to a **payroll deduction of up to \$40 per pay period for family coverage** to keep the current level of medical and dental benefits.

_____ Yes, I would contribute a **SMALL amount of payroll deduction** to keep MOST of the benefits, however, I am interested in reducing the cost through minor plan changes.

_____ No, I am **NOT interested in a payroll deduction**. I prefer to reduce benefits.

4. As an alternative to payroll deductions, would you rather increase:

_____ Co-pays **OR**
_____ Out-of-Pocket Maximums

As an alternative to payroll deductions, would you rather decrease benefits in the following areas? Please prioritize your selection by indicating a 1 as the first item to be changed. Rate up to 5 items.

_____ Medical Care
_____ Dental Care
_____ Vision Care
_____ Primary Care
_____ Specialist Care
_____ Preventive Care
_____ Mental Health
_____ EAP
_____ MERP/DCAP
_____ Hearing
_____ Prescriptions
_____ Emergency Care
_____ Alternative Care
_____ Durable Goods

5. Plus PPO and Major Medical Plans (ODS) have a \$400 out of pocket maximum, and a 20% copay for prescriptions. Would you prefer to:

_____ Raise the copays.
_____ Raise the out-of-pocket maximum.
_____ Pay a percentage of each prescription.
_____ Combination.

6. The County pays 90% for PPO providers and 80% for non-PPO providers (ODS). Should out-of-network (those providers not listed in ODS service area), fees increase for members using those higher cost services?

- 70% coverage amount
- 60% coverage amount
- 50% coverage amount

Education/Behavior Change Opportunities:

7. I am interested in the following educational topics:

- | | |
|--|---|
| <input type="checkbox"/> Preventative care (health screenings) | <input type="checkbox"/> Pediatrics/Teen Issues |
| <input type="checkbox"/> General self-care education | <input type="checkbox"/> Diabetes |
| <input type="checkbox"/> Nutrition | <input type="checkbox"/> Hypertension |
| <input type="checkbox"/> Exercise/fitness | <input type="checkbox"/> Cholesterol |
| <input type="checkbox"/> Weight control | <input type="checkbox"/> Allergies/Asthma |
| <input type="checkbox"/> Stress management | <input type="checkbox"/> Ergonomics/Back Safety |
| <input type="checkbox"/> Mental/emotional health issues | <input type="checkbox"/> Household Safety/Accident Prevention |
| <input type="checkbox"/> Arthritis | <input type="checkbox"/> Men's/Women's Health Issues |
| <input type="checkbox"/> Smoking cessation | <input type="checkbox"/> Alternative Care |
| <input type="checkbox"/> Other _____ | |

8. I prefer the following format/opportunities:

- Lunchtime "brown bag" presentations
- Classes (fitness, stress management, etc.)
- Employee health fairs
- Worksite challenges/incentive programs
- Support Groups
- Newsletter articles
- Health promotion library resources – books/videos, brochures
- Partial subsidies/reimbursement/incentive programs (smoking cessation, weight control)
- MINT site information/links
- Other _____

9. Comments:

Send survey back by **January 2, 2002** to #503/4/Employee Benefits
or Multnomah County EBO, PO Box 14700, Portland, OR 97293

Thank you!

