

than on the actual service experience. The perceived reasons for high healthcare costs vary among employers and employees. Employers view fees charged by doctors and hospitals as the top reason for high healthcare costs, while employees most frequently view health insurance companies' marketing or administrative costs as the primary reason for high costs.

The 2012 Employer Health Plan Study is based on responses from 6,579 employers, with quotas to assure an adequate distribution of small, medium and large companies. The study was fielded between April and May 2012.

For more information, visit www.JDPower.com.

The Total Cost of Poor Employee Health

Employers, brokers and consultants should carefully consider the total cost of poor employee health, not just the more identifiable medical and pharmaceutical costs, according to a new productivity insight paper titled Productivity Insight #1 - Health-Related Lost Productivity: Causes and Solutions from Standard Insurance Company. The Productivity Insight focuses on the causes of and potential solutions for health-related lost productivity, which represents the decline in employee productivity due to absenteeism and presenteeism (the productivity loss caused by employees at work with medical conditions, either physical or mental).

"Employers, brokers and consultants should picture the total cost of poor employee health as an iceberg," said Michael Klachefsky, national practice leader, Workplace Possibilities for The Standard and author of the Productivity Insight series. "Medical and pharmaceutical costs lie above the water and currently demand much of an organization's attention, yet represent only 30% of the total cost of poor employee health. Health-related lost productivity costs lie beneath the surface and are not as easily identifiable. Yet these costs make up 70% of the total cost of poor employee health and can have a substantial impact on an organization's profitability."

The Standard's study examines the various aspects of health-related lost productivity and serves as an overview of the themes to be explored in future installments. Major takeaways include:

- The total cost of incidental and extended employee absences, including both direct and indirect costs, amount to an estimated 8.7% of an employer's base payroll.
- Presenteeism is a major contributor to health-related lost productivity and can be caused by a number of different employee medical conditions, including mental health conditions, musculoskeletal conditions, arthritis, obesity and allergies.
- Behavioral health conditions, including depression, are a major cause of presenteeism and can directly affect an employee's productivity.
- Short-term disability can provide the "teachable moment" to connect disabled or struggling employees with an employer's health management programs in order to reduce health-related lost productivity.

To download the Productivity Insight, visit www.workplacepossibilities.com/resources-white-papers.

Over Three-Fourths of New LTCI Policies Were Purchased Last Year by Individuals 45-64

According to the American Association for Long-Term Care Insurance, over half (56.5%) of all new purchasers of individual policies in 2011 were between ages 55 and 64, and 22% were between ages 45 and 54.

"The sweet spot for considering and buying long-term care insurance is between 52 and 64," explains Jesse Slome, executive director of the association. "That is the age when costs are more affordable and the individual is still more likely to health qualify for insurance protection."

The age of new buyers has been slowly dropping, according to Slome. "A decade or so ago, the age of the average buyer was 66 or 67. Today, it is much younger, as more people understand of protecting against the likely and cost risk of needing long-term care."

Less than five percent of individual buyers were under the age of 45, Slome notes. "Those who buy protection offered in the worksite tend to be younger, but the age gap is narrowing."

The complete findings of the Association's research will be published in the Association's 2012-2013 Long Term Care Insurance Sourcebook.

Physicians Give Health Law a "D" Grade

A June survey by Jackson Healthcare finds that a "D" is the mean grade physicians give the health law, despite its primary intention to reduce the cost of healthcare and provide coverage for the uninsured. Physicians who said they were very knowledgeable about the law were even more negative.

In addition, 68% of American physicians disagree that the Affordable Care Act will have a positive impact on physician/patient relationship.

Only 12% of physicians said the law provides needed healthcare reform. A majority of physicians said the ACA would not improve healthcare's quality, rising costs or patients' control over their own health care. They also said it would worsen the amount of control physicians have over their practice decisions.

The only positive rating physicians gave the ACA was related to access. Fifty-four percent of respondents said the new law will increase patients' access to care. The health law is estimated to drive 13 million new Medicaid enrollees beginning in 2014.

"Physician opinions are important since they are a primary driver of healthcare decisions and costs," said Richard L. Jackson, chairman and CEO of Jackson Healthcare, a national healthcare staffing company. "Overall, they believe the law does not meet its intended objectives, negatively impacts the patient-physician relationship and hinders their ability to control the treatment of their patients."

Continued on page 44