

**Building health care**

# CONFIDENCE

Fidelity's Health Care Engagement Framework can help employers focus their efforts where it really counts



HEALTH SOLUTIONS THOUGHT LEADERSHIP

# Health care consumers need to build confidence—and employers can help



A confident consumer shopping for a car or an appliance puts a lot of effort into finding the right features at the right price.

The same idea applies to health care consumerism, which puts the economic purchasing power and decision-making into the hands of individuals.

But people who are confident about other kinds of shopping aren't always ready, willing, and able to take on the same responsibility when it comes to their health care, in spite of the high cost.

This lack of confidence doesn't just impact their health; it also has the potential to undermine their financial security, both now and into the future.

The good news is people can learn how to make better health decisions with confidence, and employers are in a uniquely powerful position to help them through the benefits they offer.

To help you improve employees' confidence in this area, we have developed Fidelity's Health Care Engagement Framework, which demonstrates where you can intervene most effectively.

The model is grounded in leading academic theories and validated by a survey of more than 5,000 respondents with representative samples across age, gender, race/ethnicity, income, and education.

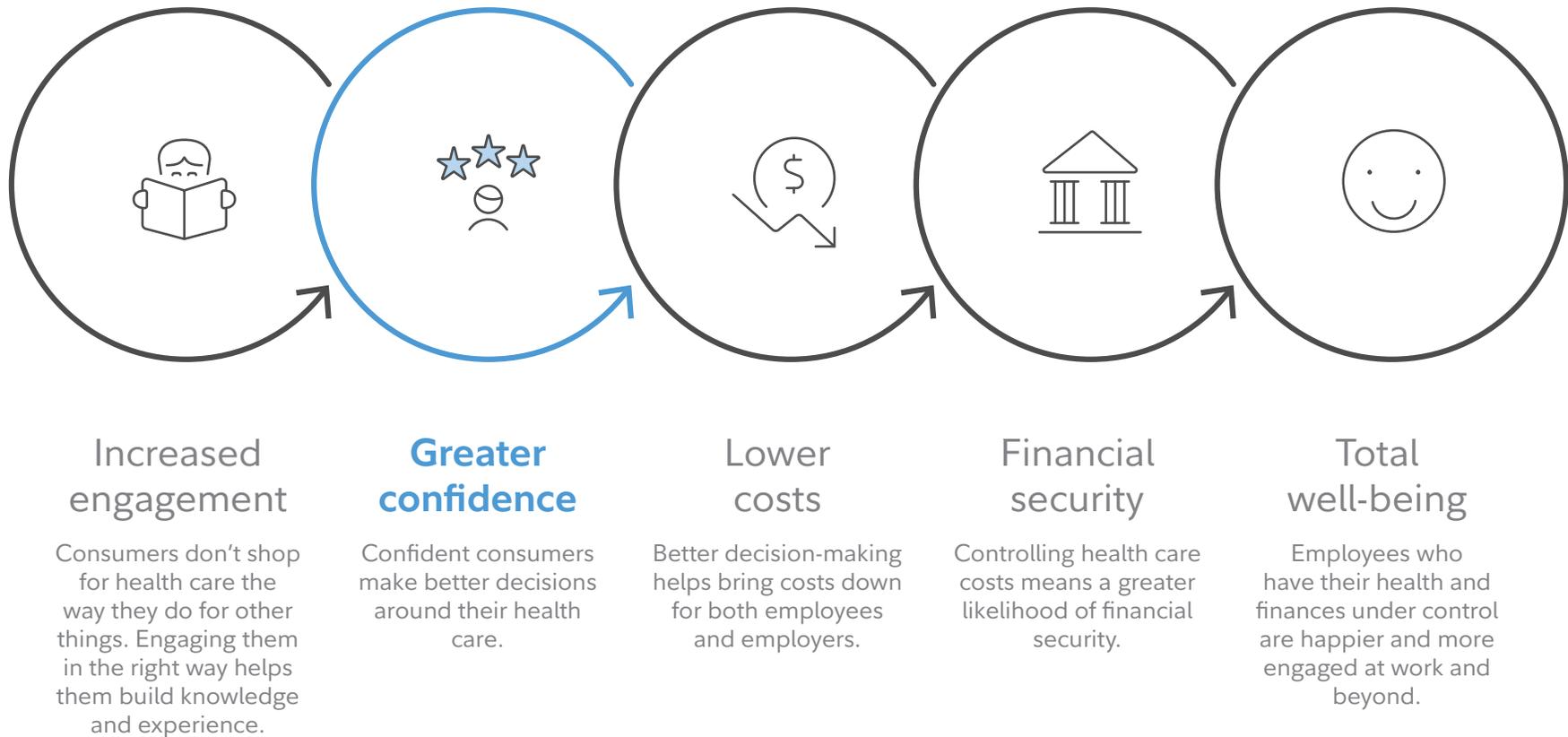
Our findings indicate:

- Four dimensions of health care impact confidence: Healthy Behaviors, Preventive Care & Treatment, Cost & Quality of Care, and Planning for the Future. The last two matter most for building confidence.
- There is substantial variation in how different demographic groups perform in each dimension.
- Consumers fall into five categories based on how they engage with their health care, ranging from people who struggle across all dimensions to those who do well across the board.
- Many workplace benefits are associated with these four dimensions of health care, and some are more closely associated with building confidence.



## Why confidence is a critical link

Greater confidence is a key step in the path to better overall well-being. Our research shows people who are confident in their health care decisions tend to be better off in a host of ways — financially, at work, and in their personal lives. Their mental health is better, and so is their cognitive health, with higher levels of focus, concentration, memory, and attention.



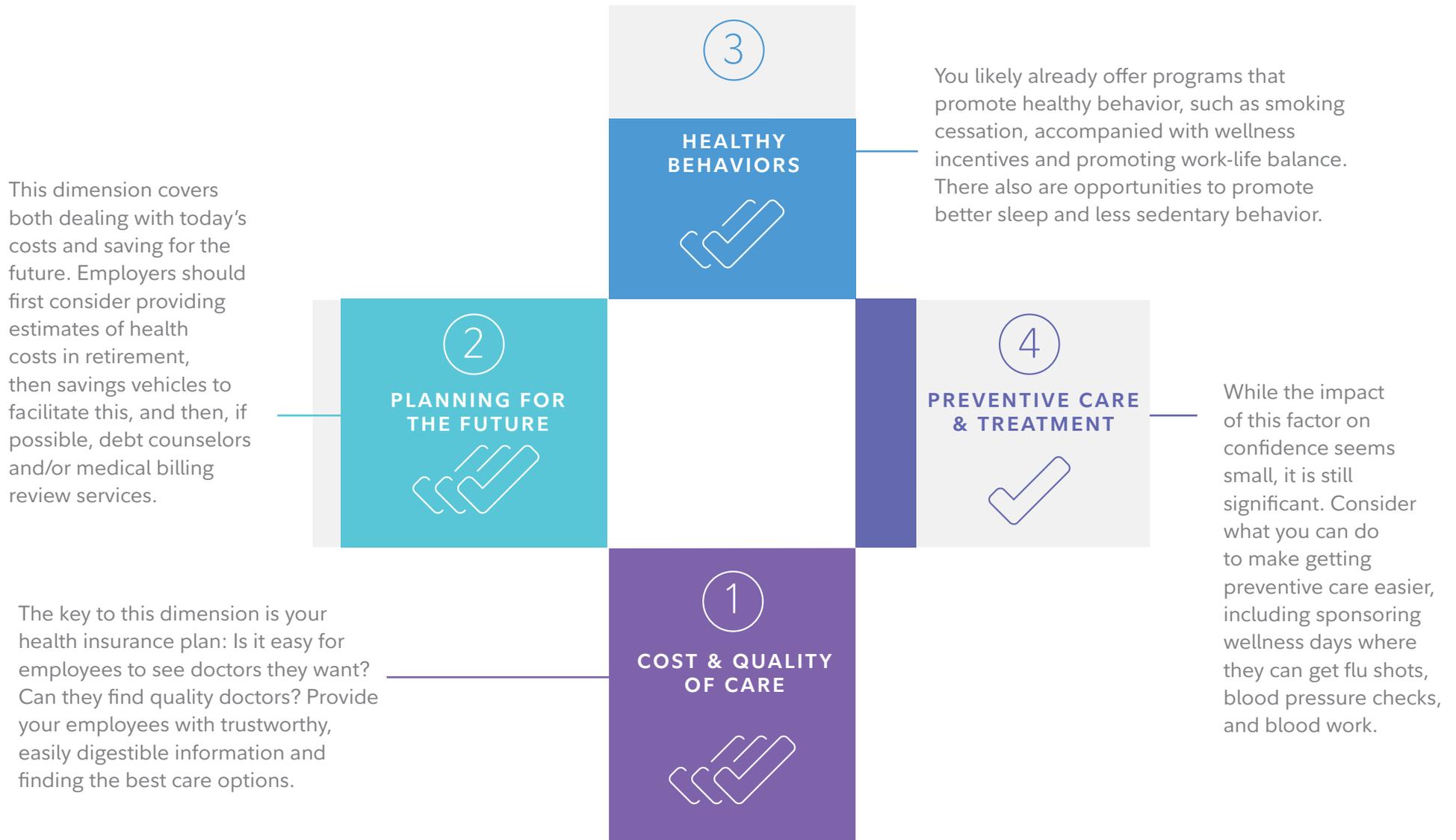
# The 4 dimensions of health care

Four aspects of health care engagement are both core to well-being are key drivers of confidence among health care consumers across all demographic groups. These dimensions are highly interrelated, so improvements in one dimension may create improvements in others. Our research showed these dimensions are made up of 16 key behaviors or actions.



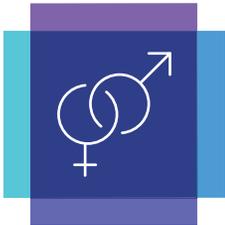
## Building confidence

All four dimensions have a significant impact on confidence, but the biggest influencers are Cost & Quality of Care and Planning for the Future. Those dimensions also are strongly related to Healthy Behaviors, making them a good place to start building confidence. Here the four dimensions of health care are ranked in order of their relative impact on confidence:



## Different groups have different strengths

For employers that want to take a more targeted approach, you can start by looking at our key findings on demographic differences:



**GENDER:** Men need encouragement to get checkups and screenings. For women, employers can focus on making it easier to maintain healthy behaviors, find and utilize good quality care, and think more about saving for the unexpected.



**GENERATION:** There are few large differences across generations, so focus on boosting engagement and confidence through generation-specific communications. For instance, you can address preparing for family needs for younger employees vs. health care costs in retirement for older workers.



**RACE/ETHNICITY:** Black and Latinx employees score better across the board, especially in Cost & Quality of Care. Across all employee groups with access to employer-based health plans, Black employees scored the highest. For other employees, it would be important to offer tools and services that enable easy quality and cost comparisons.



**CHRONIC CONDITION:** Focusing on Healthy Behaviors is important for these employees. Not only can symptoms be managed, but providers may make more effort for “good” patients who exercise and eat right. In addition, saving for the future may seem more attainable for those who engage in behaviors that may prevent or control disease.



**INCOME:** Employer-based health coverage helps provide equitable access to Preventive Care & Treatment, but falls short in the other dimensions. For lower-income employees, there should be a focus on tackling debt. For higher-income employees, a greater emphasis could be placed on managing health care expenses now and into retirement.

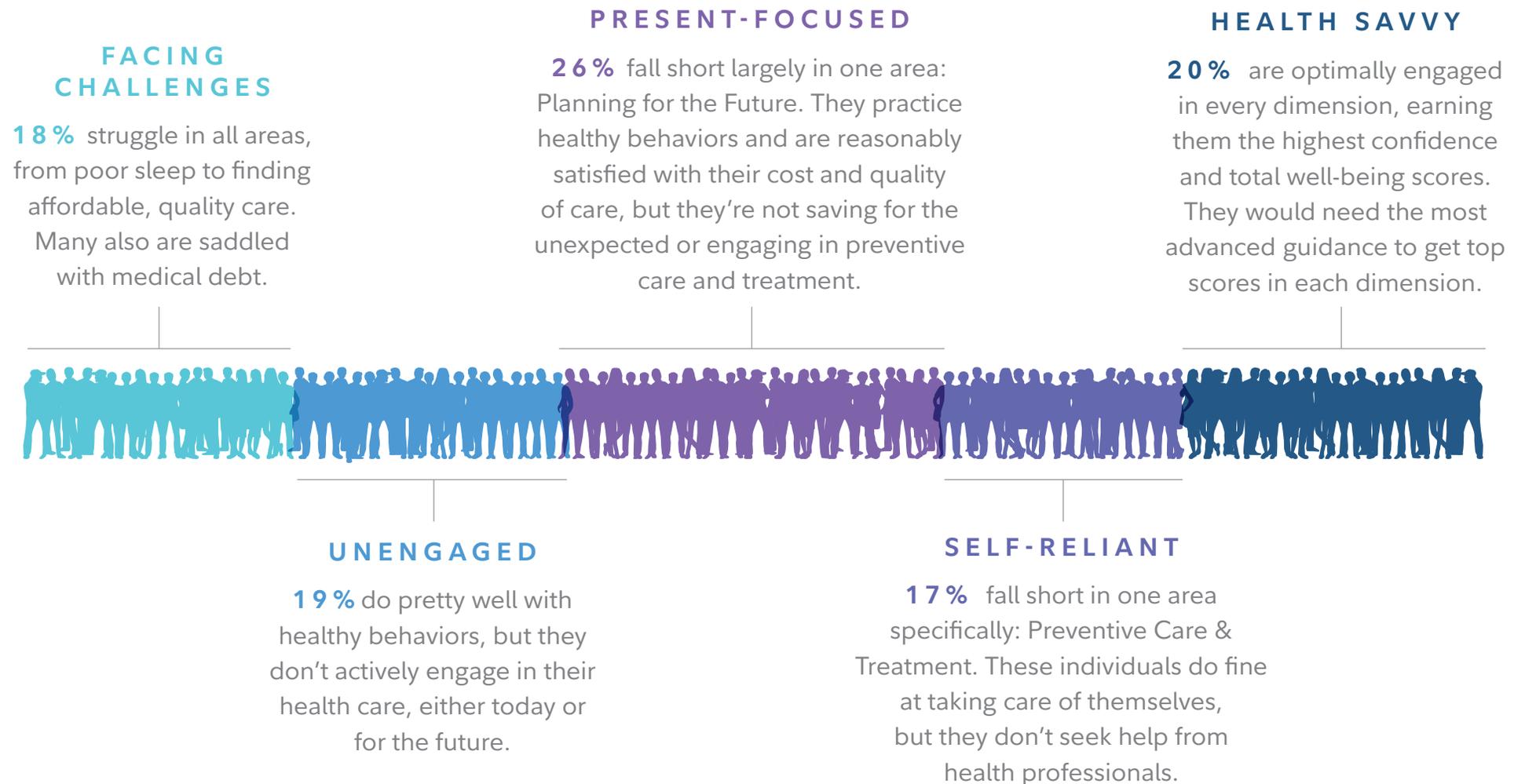


**EDUCATION:** Regardless of income, those without a college education are less engaged with health care, except for Preventive Care & Treatment, highlighting the need for effective education. For those lacking confidence, a good place to start is with education that’s relatively straightforward, such as the importance of quality sleep and drinking enough water.

# Beyond demographics, levels of engagement differ

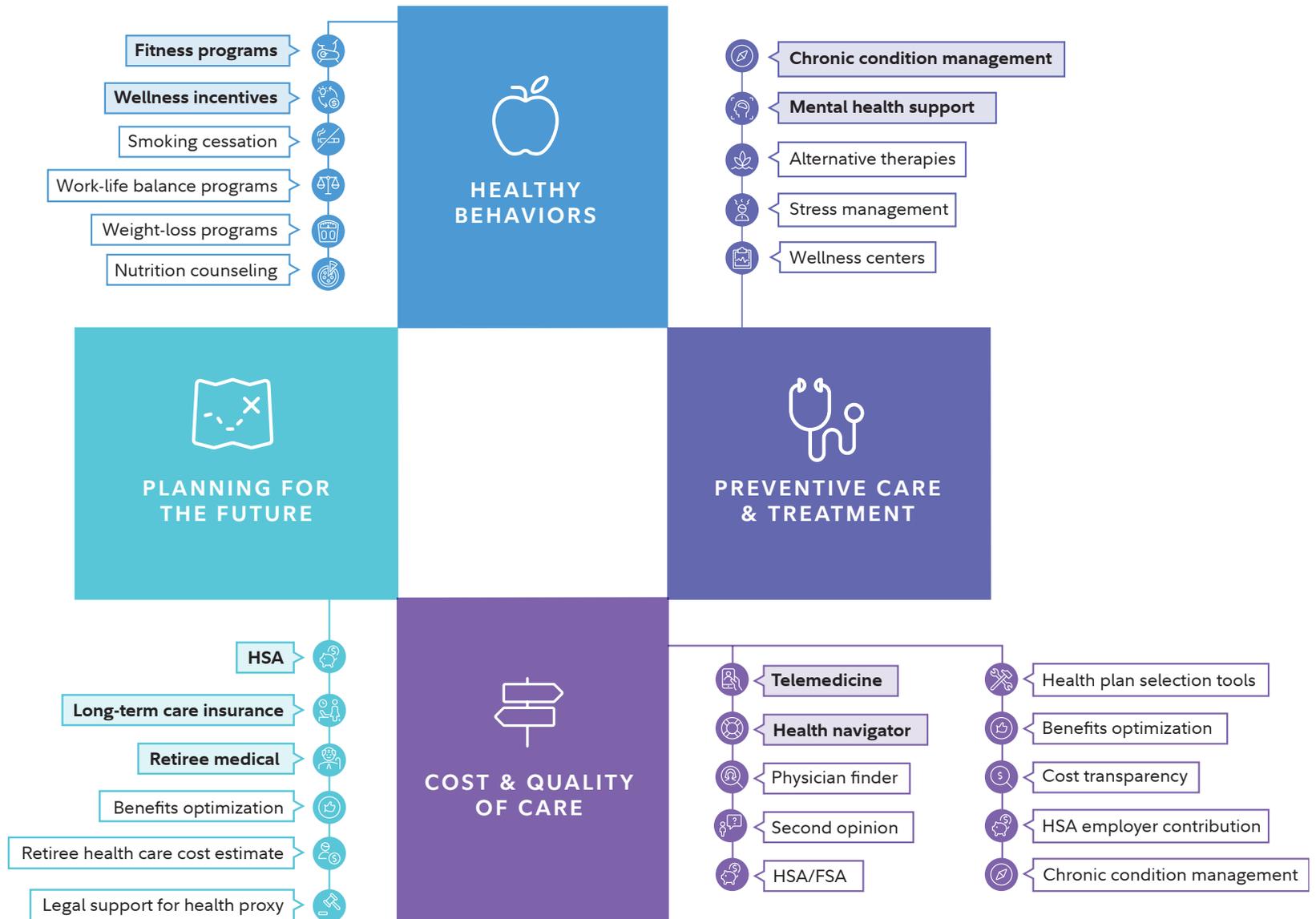
In addition to demographics, we looked at commonalities and distinctions among the four health care engagement dimensions. People generally fell into five categories, ranging from those who are struggling across the board to those who have their health care well-managed. In between, each category revealed specific weaknesses.

< Lowest confidence ..... Highest confidence >  
< Lowest overall well-being ..... Highest overall well-being >



# How the benefits you offer bolster confidence

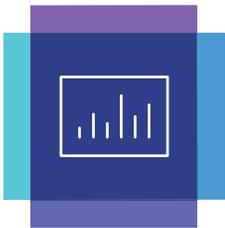
Employers are uniquely positioned to help their employees become better health care consumers, because many of the benefits they offer bolster one (or more) aspect of health care confidence. Here you can see where the benefits you offer fit in. Benefits that are most impactful for confidence are highlighted.



# Applying Fidelity's Health Care Engagement Framework



**Expand your Health Risk Assessment** to include the 16 key behaviors that drive confidence. An understanding across all four health dimensions can help guide your health and wellness strategy, resource allocation, policy and program development, and allow you to track workforce health over time as people start or stop using old and new benefits.



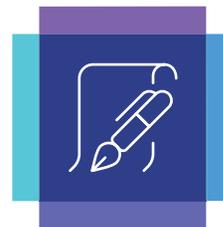
**Mine the data you do have**—including benefits usage, claims data, and HSA balances—to get a better understanding of your population and where they might be struggling. For instance, if your average HSA balance is low, you may want to consider focusing on the Planning for the Future dimension.



**Emphasize the benefits you have currently** that are known to increase engagement within each of the four dimensions and build health care consumer confidence from there. If you are not offering one of those key benefits, consider adding it your benefits line-up.



**Review your benefits strategy** to ensure the benefits you offer are driving the outcomes you want and then develop a segmented communication plan. For instance, improved mental health is closely associated with Healthy Behaviors; lower absenteeism is associated with Planning for the Future; and increased trust in employer health care recommendations is associated with Healthy Behaviors and Cost & Quality of Care.



**Rethink annual enrollment.** Instead of overwhelming employees with all their benefits during annual enrollment, space out benefit communications by prioritizing dimensions based on needs of your workforce, demographic groups, or the four categories of health care engagement.

## Read more

For details on the methodology and findings that inform Fidelity's Health Care Engagement Framework, read [our whitepaper](#).

## Evaluating the benefits you offer

[The impact of benefits on retention and recruitment](#): Offering more benefits consistently points to better success recruiting talent but has limited impact on how well companies retain employees.

[Uncovering the real value benefits](#): What benefits have the biggest impact on employees' overall well-being beyond work?

[Raising the grade on your benefits](#): Explore how 35 benefits score across four important measures of value from your employees' perspectives.



## HELP FOR EMPLOYEES

Our suite of educational content offers support where employees need it most:

- [5 ways to be a better health care consumer](#)
- [Understanding your HSA](#)
- [Comparing HSAs and FSAs](#)
- [How to balance saving in an HSA with saving in a retirement account](#)
- [The value of voluntary benefits](#)

## Focus on employees' mental health

[Supporting employees now and in the future](#): The coronavirus pandemic offers employers a chance to support employees' mental health now and in the long-term.

To discuss our research in more depth, contact your Fidelity representative.

## ABOUT FIDELITY'S HEALTH FRAMEWORK RESEARCH

Unless otherwise noted, data represents the Fidelity Investments Health Framework Research online survey of 5,014 employees. The survey was conducted by Greenwald and Associates, an independent third-party research firm on behalf of Fidelity from February 20–March 5, 2020.

<sup>1</sup> Kaiser Family Foundation analysis of Organisation for Economic Co-operation and Development and National Health Expenditure data. Health consumption does not include investments in structures, equipment, or research.

<sup>2</sup> Fidelity Benefits Consulting estimate; 2020. Estimate based on a hypothetical couple retiring in 2020, 65 years old, with life expectancies that align with Society of Actuaries' RP-2014 Healthy Annuitant rates with Mortality Improvements Scale MP-2016. Actual expenses may be more or less depending on actual health status, area of residence, and longevity. Estimate is net of taxes. The Fidelity Retiree Health Care Costs Estimate assumes individuals do not have employer-provided retiree health care coverage, but do qualify for the federal government's insurance program, Original Medicare. The calculation takes into account cost-sharing provisions (such as deductibles and coinsurance) associated with Medicare Part A and Part B (inpatient and outpatient medical insurance). It also considers Medicare Part D (prescription drug coverage) premiums and out-of-pocket costs, as well as certain services excluded by Original Medicare. The estimate does not include other health-related expenses, such as over-the-counter medications, most dental services and long-term care.

<sup>3</sup> Kaiser Family Foundation 2019 Employer Health Benefits Survey, published Sept. 25, 2019.

For plan sponsor use only.

Fidelity Investments Institutional Operations Company, Inc., 245 Summer St., Boston, MA 02210

© 2020 FMR LLC. All rights reserved.

944413.1.0

