



Methodology

EDS and NAM conducted an online survey of C-level leaders and executives and professionals in operations and human resources in more than 207 companies. Follow-up telephone interviews were conducted with a subset of the online participants.

The research, conducted in April and May 2008, addressed five areas of concern: technology and healthcare; existing benefits and consumer-directed care; wellness and prevention; benefit and administrative costs; and healthcare reform.

MANUFACTURERS AND HEALTHCARE: AN EDS AND NAM SURVEY

Disruptive forces are reshaping the U.S. healthcare landscape - from soaring costs, to technology breakthroughs, to an aging population. To find out how companies are addressing the challenges, EDS and the National Association of Manufacturers (NAM) surveyed executives of companies in the vital manufacturing sector.

Results

Technology and healthcare

- Nearly three-quarters (72 percent) of survey respondents believe the healthcare industry lags other industries in adopting information technology (IT).
- About 85 percent of survey respondents agree or strongly agree with the premise that IT can improve healthcare.
- Nearly 47 percent "would be willing to make investments on a per-employee, per-benefit-year basis for use of information technologies such as electronic personal health records by employees to better communicate with employee primary caregivers."
- Companies are making healthcare technology investments for services such as 24-hour nurse hotlines, online services and systems to enhance benefits communications and wellness education, electronic health record (EHR) systems, wireless communications and home monitoring systems, and third-party systems.

Existing benefits - consumer-directed care

- The consumer-directed health plan (CDHP) is penetrating the manufacturing sector. Sixty percent of survey respondents indicated their company is providing CDHP benefits.
- CDHP is still in its early stages; nearly half of the survey respondents reported that less than 25 percent of employees in their organization currently participate in such a plan.
- Sixty percent of survey participants whose companies have a CDHP believe it is currently meeting expectations.
- Less than half of participants (46 percent) anticipate their organization will achieve future benefits from offering a CDHP to their employees, and 20 percent are neutral regarding future benefits of a CDHP to their organization.
- Both employers and employees lack information needed to make healthcare decisions. More than 65 percent of employees do not have access to healthcare price and quality information on provider networks. Nearly 90 percent of employers do not have access to caregiver quality metrics, including pay for performance.



Existing benefits - retirees

- Only 14 percent of companies offering retiree benefits anticipate changes to their current plan, because necessary changes have already been implemented, or changes cannot be made due to contract requirements. Slightly more, 26 percent, anticipate changes for future retirees such as reducing health benefits offered, changing age and length of employment requirements to receive continued benefits, and increasing employee contributions.

Wellness and prevention

- The majority of companies sponsor some form of wellness program for employees, which is considered the activity that would drive the greatest returns.
- Weight-loss programs, fitness center discounts and company-owned or subsidized fitness facilities, and smoking cessation programs accounted for 55 percent of wellness programs mentioned, followed by health screenings and risk assessments and health fairs, which were mentioned by 25 percent of respondents.
- Sixty-four percent of respondents instituted wellness programs that have fallen short of expectations. Weight-management programs have had the most participation and success.
- Forty-three percent of respondents currently offer health Web portals for wellness and prevention, and 28 percent plan to offer these portals in the future.

Benefit and administrative costs

- Some 58 percent of survey respondents said they have made or are considering reductions in health benefits as part of a cost-cutting or global competitiveness plan.
- Respondents' perception of the impact of reducing employee health benefits on retaining and attracting employees were mixed. Fifty percent did not think reductions in health benefits have affected their organization's ability to compete for scarce talent or were neutral about this assessment. Approximately 20 percent agreed that health benefit reductions did have an impact on their ability to attract and keep the best employees and were eager to discuss this in the telephone survey.
- Sixty-four percent of respondents indicated they do not believe reductions in health benefits will provide measurable improvement to their financial performance.

Healthcare reform

- Two-thirds of survey respondents expect the next U.S. presidential administration will attempt to establish broad-based healthcare reform but questioned whether government will take the lead.
- Respondents support the need for healthcare reform and favor market-based reform for the healthcare system over an employer-led, government-sponsored or government-mandated approach.

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