Over the past decade, Taft-Hartley funds and employers have implemented a number of strategies to reduce member/employee costs. These have included increased copays and deductibles, pharmacy benefit management, plan design modifications, disease management programs, member assistance programs and wellness programs. This article will present two research studies that have recently been conducted by Taft-Hartley funds after their distribution of a medical self-care guide to members.

Studies Document the Savings From Medical Self-Care Guides

by Don R. Powell

In 2003, health care benefits accounted for 35% of all employee benefit costs with plan sponsors spending an average of $6,277 per employee. This represented a 13.9% increase over the previous year and was far and away the greatest benefit cost. Justifiably so, 99% of employers are “significantly” or “critically” concerned about health care costs. An increasingly popular cost-containment strategy has been to provide a medical self-care guide to plan members. Medical self-care guides teach consumers to make better health care decisions. Using an easy-to-follow format, they enable a member/employee to answer three basic questions when they or a family member are ill:

- Is this a medical emergency?
- Should I see or call my doctor?
- Can I treat myself at home and how?

Making wiser health care decisions is important because approximately 25% of all physician visits and 55% of all emergency room visits are deemed to be unnecessary. Since the average doctor visit costs
$605 and the average emergency room visit costs $3,836, not including the cost of exams, tests and medications, a great deal of time and money can be saved by providing medical self-care guides.

The benefits include:
- Reduced physician and emergency room visits
- Reduced health care costs
- Reduced absenteeism
- Increased productivity
- Increased patient satisfaction
- Increased patient empowerment and sense of control.

The author has written two previous articles on related topics for the Foundation.67

This article will discuss two studies that have recently been conducted by Taft-Hartley funds after they distributed a medical self-care guide to their members.

Research Studies

The first study on the efficacy of a self-care guide was conducted by Teamsters Local 436 in Valley View, Ohio. It involved 900 active members with an average age of 47 and 240 retired members who had an average age of 75. The majority of members are male and all are in the construction trucking industry. An evaluation form (see the exhibit on the following page) was sent to the members 12 months after they received the Health at Home® self-care guide. The guide is 384 pages in length, addresses over 200 health conditions and is written at a sixth grade reading level. The evaluation form contained 17 questions, including how often members used the guide and whether it helped them avoid one or more physician or emergency room visits. Ninety-one active members (10.1%) and 47 retirees (19.6%) returned the form. The results showed the active employees avoided 47 doctor visits and 23 emergency room visits. This produced a total savings of $10,865 or $119.40 per member. When comparing this savings to the cost of the $6 guide, the return on investment (ROI) was 20:1. The active employees also reported reducing absenteeism by 14 days, which produced additional savings.

The retirees showed similar success. They avoided 15 doctor and eight emergency room visits. The total savings was $3,705 or $78.82 per retiree. This amounted to an ROI of 13:1.

Other results were as follows:
- 67% used the guide one or more times within the first six months.
- 75% plan to use the guide in the next six months.
- 68% think the guide improves the quality of care they give themselves at home.
- 59% state the guide helps them decide when to see a doctor.
- 53% state the guide is used by other family members.
- 85% think the guide is a source of good health care advice.
- 79% say the guide is a valuable employee benefit.
- 90% find the guide to be easy to understand.

The second study was conducted by the United Teachers of New Orleans (UTNO) Health and Welfare Fund in Louisiana. One hundred thirty members, which include both teachers and staff, filled out the evaluation form 12 months after they received the same self-care guide used in the Teamsters Local 436 study. The members avoided 41 doctor visits and 26 emergency room visits. This came out to a total savings of $11,615 or $89.35 per member. Factoring in the cost of the self-care guide, the ROI was 16:1. In addition, the members decreased absenteeism by 32 days.

Other results from this study were as follows:
- 33% used the guide one or more times within the first six months.
- 53% plan to use the guide in the next six months.
- 55% think the guide improves the quality of care they give themselves at home.
- 43% state the guide helps them decide when to see a doctor.
- 29% state the guide is used by other family members.
- 70% think the guide is a source of good health care advice.
- 71% see the guide as being a valuable employee benefit.
- 65% find the guide to be easy to understand.

The findings in these two studies are consistent with 13 other studies conducted on self-care guides.6,8,10,11

Conclusion

Since Taft-Hartley funds are self-funded, Continued on next page
they benefit directly from any decreased use of the health care system. Even if only one-half of a fund’s members use a self-care guide, their health care cost savings more than make up for the half that may not, thus producing the positive ROI demonstrated in the studies above. Teamsters Local 436 and UTNO were initially skeptical whether their members would use the self-care guides; the proof is in the results.

Medical self-care guides should be a key part of any consumer-driven health care plan. These plans strive to educate consumers to make wise health care decisions, which is what a self-care guide does. Also, since members of these plans have a greater personal financial risk, they are very motivated to reduce unnecessary medical expenses, which is what a self-care guide can do. Medical self-care guides are inexpensive to provide for members and are able to demonstrate a significant ROI within as little as three months.

These factors, along with the fact that members cite a self-care guide as being a valuable employee benefit, have convinced over 100 Taft-Hartley funds to implement a medical self-care program. It should be a component of any health and welfare fund’s strategy to reduce health care costs and absenteeism.

Endnotes


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