

RESEARCH BRIEF

SICKER AND COSTLIER: HEALTHCARE UTILIZATION OF U.S. HOSPITAL EMPLOYEES

AUGUST 2011



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EXECUTIVE SUMMARY

U.S. hospital workers are less healthy, consume more medical services, and accrue higher healthcare costs than the U.S. workforce at large, according to a study conducted by the Healthcare business of Thomson Reuters.

Researchers analyzed the health risk and healthcare utilization of 1.1 million hospital workers and their dependents and compared them with 17.8 million health plan members in all industries for the year ending with the third quarter of 2010. They used the *Thomson Reuters MarketScan*[®] databases, a repository of healthcare claims representing the real-world healthcare experience of millions of Americans. This study looked exclusively at workers with employer-sponsored health insurance.

The study found:

- Healthcare costs (medical care and prescription drugs) were 10 percent higher for hospital workers than the general employee population and 13 percent higher when employees' dependents were included.
- Health risk for hospital employees and their dependents was 8.6 percent higher (based on a research methodology that assesses patient demographics, inpatient and outpatient diagnoses, and prescription drug use).
- Hospital employees and their dependents were more likely to be diagnosed and hospitalized for chronic medical conditions, including asthma, diabetes, congestive heart failure, HIV, hypertension, and mental illness.
- Hospital workers and their dependents were 22 percent more likely to visit the emergency room and spent 18 percent more time hospitalized.
- Hospital employees and their dependents had fewer physician office visits and received less ambulatory care than the employee population at large.
- A hospital or health system with 16,000 employees would save an estimated \$1.5 million annually in medical and pharmacy costs for each 1 percent reduction in health risk.



DISCUSSION

These findings raise significant issues for hospitals and health systems in their role as employers:

- The need to control above-average healthcare costs to bolster their bottom lines in a challenging business environment
- How the design of employee benefits — and easy, on-the-job access to medical care — influence the way hospital workers utilize healthcare services
- How to ensure workplace wellness programs deliver results and a meaningful return on investment
- The impact of indirect costs stemming from an unhealthy workforce, such as disability and lost productivity
- How to position an organization with unhealthy caregivers as a credible Accountable Care Organization responsible for the overall health needs of large populations

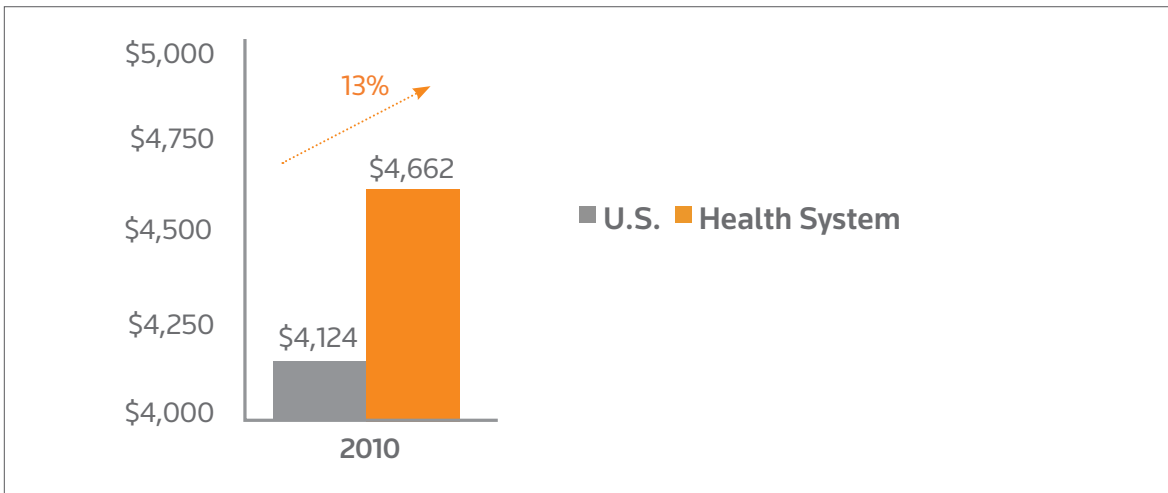
This topic is attracting attention. In January 2011, the American Hospital Association published *A Call to Action: Creating a Culture of Health*, a report that identifies and promotes the expanded use of successful practices in hospital employee health and wellness. “The importance of this topic,” it stated, “is evident in the critical role hospitals play in their communities, the financial case for creating a culture of health, the national set of public health goals found in Healthy People 2020, and the incentives to become accountable for overall population health found in the Affordable Care Act of 2010.”

“Ideally, the healthcare workforce would be a model for healthy behaviors and the appropriate use of medical resources,” said Raymond Fabius, MD, chief medical officer for the Healthcare business of Thomson Reuters. “Unfortunately, our data suggest that the opposite is true today. Healthcare workers have higher-than-average health risks and carry a greater burden of chronic illness. Hospitals that tackle this issue can strengthen their business performance and community service.”



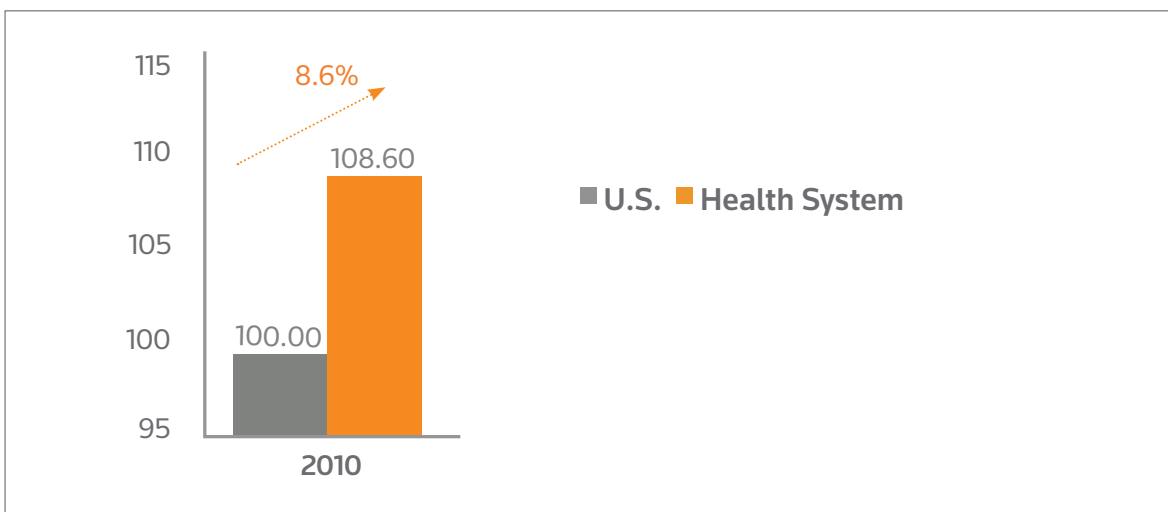
FINDINGS

FIGURE 1: AVERAGE 2010 HEALTHCARE COSTS FOR HOSPITAL EMPLOYEES AND THEIR DEPENDENTS



The average annual cost of healthcare for hospital employees and their dependents in 2010 was \$4,662 – 13 percent greater than the average cost for U.S. workers. Costs for employees only were 10 percent higher than average.

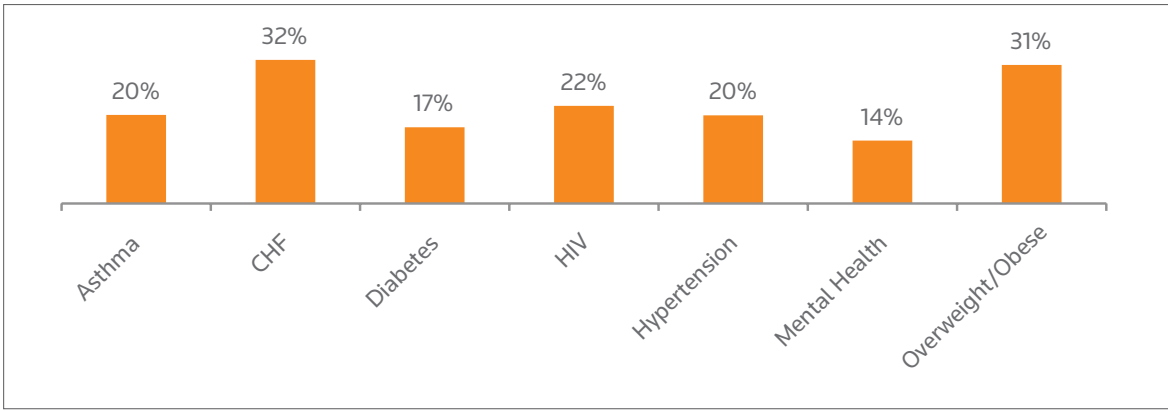
FIGURE 2: HEALTH RISK: HOSPITAL EMPLOYEES AND THEIR DEPENDENTS



Thomson Reuters researchers gauged health risk using the DxCG Diagnostic Cost Groups (DCG) and DxCG RxGroups® models from Verisk Health, a methodology that assesses demographics, medical diagnoses, and drug prescriptions. They found that hospital employees and their dependents had an 8.6 percent greater illness burden than the U.S. workforce at large. The health risk for employees only was 10 percent higher than average.

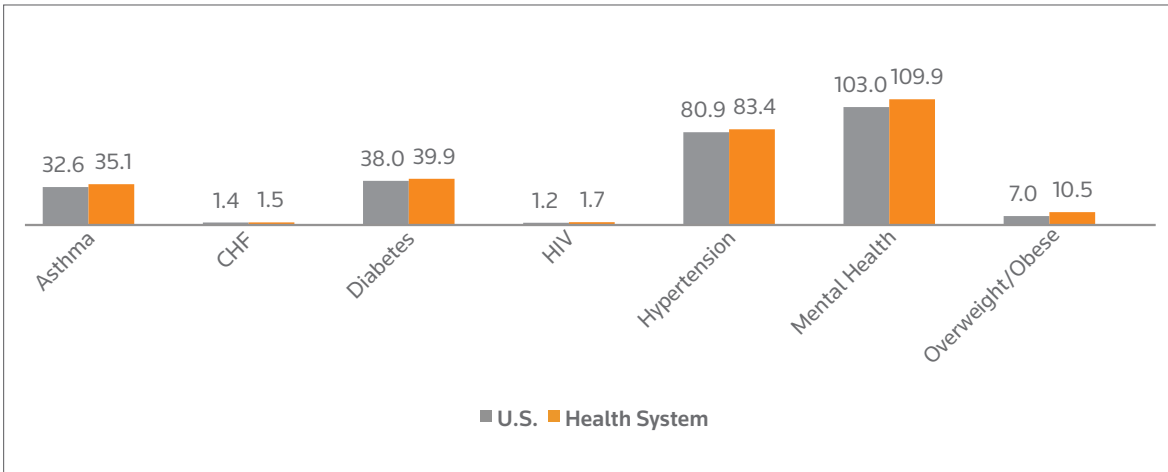


FIGURE 3: ADMISSIONS FOR CHRONIC ILLNESS: HOSPITAL EMPLOYEES AND THEIR DEPENDENTS COMPARED TO THE U.S. WORKFORCE (BASELINE)



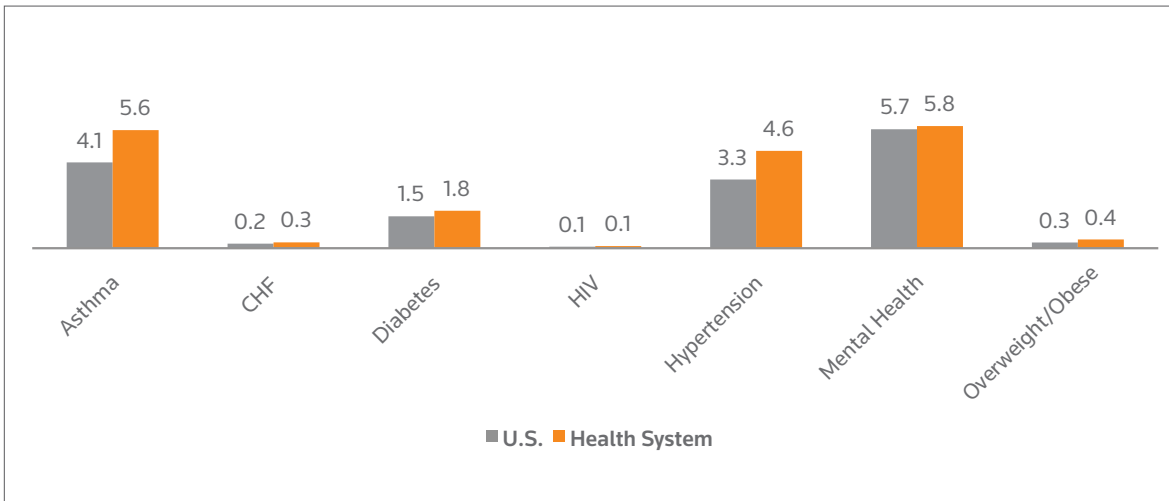
People who work for hospitals and their dependents spend 18 percent more time as hospital inpatients than the average U.S. worker. This chart shows how much more likely they are to be admitted for a variety of chronic medical conditions.

FIGURE 4: CHRONIC CONDITION EPISODES PER 1,000 MEMBERS



Hospital employees and their dependents experience more chronic health problems than U.S. workers overall.

FIGURE 5: CHRONIC CONDITION EMERGENCY ROOM VISITS PER 1,000 MEMBERS



Hospital employees and their dependents use the emergency room 22 percent more than average and have 4 percent fewer outpatient office visits with physicians.

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Thomson Reuters
777 E. Eisenhower Parkway
Ann Arbor, MI 48108 USA
Phone +1 734 913 3000

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