

Benefits Report

Customizing Care

EAPs are finding new ways to reach out to increasingly diverse workforces with very different cultural and health-related needs.

BY CAROL PATTON

In addition to dealing with the mounting economic and organizational pressures of today's business climate, employers are playing catch-up with a growing base of diverse workers.

Last year, foreign-born workers composed roughly 15 percent of the U.S. civilian workforce, according to the Bureau of Labor Statistics. Of the 141.7 million people employed in 2005, Hispanics represented 13.1 percent; Asians, 4.4 percent; African-Americans, 10.8 percent; and Caucasians, 82.5 percent.

In addition to bringing language and cultural challenges to the workplace, each demographic group also faces its own physical and mental-health challenges, according to the Centers for Disease Control in Atlanta. In 2003, for instance, the diabetes death rate for Hispanics/Latinos was 1.6 times higher than for non-Hispanic whites. Likewise, Asian Americans with mental-health issues are only 25 percent as likely as whites and 50 percent as likely as African Americans and Hispanic Americans to seek outpatient care. Black women are also more likely to die of breast cancer than women of any other racial or ethnic group.

Accommodating and being sensitive to workers' genders, religions, ages and sexual preferences are also important considerations for businesses today, especially considering the



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class-action climate. With so many differences and nuances to keep track of, many employers are taking action, relying on HR to find effective ways to not only unify their workforces, but to make all employees feel valued and respected.

Many HR departments, in turn, have developed a full range of employee assistance programs and services for workers of all different backgrounds. Some are even turning inward, asking employees what they need or forming affinity groups composed of employees with similar diversity characteristics.

Others are reaching out to community leaders for support or checking out the marketplace, elaborating on existing programs being offered by competitors. Ultimately, their goal is to create a culturally sensitive EAP that helps recruit and retain talent from anywhere on the planet.

With 65,000 employees, Convergys uses a variety of tactics to assess its own cultural environment. Its HR department, for instance, has created single points of contact—called SPOCs. People filling these roles each gather concerns and ideas from

The State of PBMs



BY LEN STRAZEWSKI
Benefits Columnist

Prescription-drug benefits continue to be one of the largest components of rising health-care costs and one of the most important targets for cost control.

According to research released recently by the Pharmacy Benefit Management Institute in Scottsdale, Ariz., employers and pharmacy benefit managers are continuing to use a wide range of cost-management techniques, including tiered drug formularies, per-prescription co-pays and generic drug incentives.

Though the number of employers using the techniques has stayed about the same in the past three years, the research indicates that the approaches are having a significant effect on cost control.

Drug costs in general increased only 7.5 percent in 2005, compared to double-digit increases in overall health-

care costs. Pharmacy and mail-order reimbursement—the average cost of delivering prescription drugs to workers and their families—went from \$1.95 to \$1.88 due to an increase in employer discounts.

Dana Felthouse, PBMI president, says employers are generally satisfied with the work of their PBMs. According to the organization's recent survey of 546 employers, PBMs scored an average of 7.8 in a 10-point scale of overall satisfaction. About 70 percent of employers rated the companies 8 or higher.

"The survey also indicated that the longer an employer works with a PBM, the higher its level of satisfaction," she says.

PBMs also scored well in financial transparency, a shift from 10 or more years ago when the management companies were sometimes accused of absorbing cost differentials negotiated directly with pharmaceutical manufacturers.

Meanwhile, employers and their PBMs may soon have new competition in their attempts to manage drug prices—and

regulations that could interfere with their direct negotiations. In January, the House of Representatives passed The Medicare Prescription Drug Price Negotiation Act of 2007, which repealed sections of Medicare Part D that prevented government medical plans from negotiating directly with pharmaceutical companies for drug discounts. If the bill passes the Senate and avoids a feared presidential veto, it will allow Medicare and Medicaid—representing about 40 percent of the country's health-care purchasing power—to establish special rates for their health plans.

Though Felthouse says it's still too soon to tell whether the bill would help or hinder employers and their PBMs, the Washington-based Pharmaceutical Care Management Association, which represents PBMs, says it could upset an already successful system of private negotiation between PBMs, insurers and drug companies.

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different business executives within Convergys, then feed that information to HR, says Anthony Jones, director of global diversity at Cincinnati-based Convergys, a global provider of EAP and other services such as customer care, HR and billing.

Convergys' four diversity councils also operate in a similar manner. Each diversity council is aligned with a different business unit in the corporation—global diversity, customer care, information management and HR outsourcing services. Between 20 and 25 of the company's employees from around the world, representing different ages, genders, races and backgrounds, sit on each council and educate the global diversity department about cultural nuances and employee concerns.

Affinity groups—in-house organizations mostly composed of employees who share a diversity characteristic—also help Convergys' HR grapple with different responses to company programs and changes in the organization's culture. So far, there are six groups: African American, Asian, Hispanic, gay/lesbian, women and disabled workers. Employees don't necessarily have to possess an affinity group's characteristic to join, however. For example, a male manager who directs a group of women can join the women's group to develop more insight about issues facing women.

Jones says any of these approaches allows employees to plug into a more personal experience with other workers by understanding problems from their perspective.

"Creating the kind of infrastructure where companies can tap into the preferences of their employee base and look at [that base] from a cultural perspective [provides] an excellent pipeline of information that ought to be in every organization," Jones says.

Still, he says, many companies believe they're just too busy to focus on diversity and consider it a back-burner project. As a result, they're prohibited from really understanding cultural nuances, he says. Nothing happens until unfortunate mistakes occur, such as a supervisor tolerating offensive jokes made by staff about a particular religion or culture. That's when employees start complaining or quitting.

Since these councils and groups were formed, Convergys has introduced a variety of new benefits that include parenting classes, after-school programs, emergency home-health services and same-partner

benefits. Some even address serious problems—especially legal ones—that can erupt from generational differences. Considering that the company now employs four generations of employees under one roof and that 70 percent of its entire workforce is under the age of 40, says Jones, the potential for sexual harassment—particularly older managers abusing their power over subordinates—has become more of a concern. So its EAP began offering counseling in the areas of building healthy relationships, solving relationship conflicts and preventing domestic abuse.

"We are moving as aggressively as we can to take advantage of our EAP offerings to ensure that they help us deliver the best business to our clients," says Jones.

Beyond Workshops

Over the past three years, VMC Behavioral Healthcare Services has experienced a 25-percent jump in client requests for culturally sensitive workshops, says Mary Vasquez, president and CEO at the global EAP provider. Among the most frequently requested programs are sexual harassment and cultural diversity.

Such seminars have become "fashionable," she says, adding that their bottom-line results—avoiding costly lawsuits—and the continued growth of minorities in the U.S. workforce will continue to drive their popularity.

But no matter how many EAP workshops or programs companies offer, none of those efforts matter unless top executives reinforce the value of cultural diversity in their workforces. For example, says Vasquez, if a president or CEO espouses equality within the workplace, then tells a few offensive ethnic jokes to a handful of peers, that executive not only loses credibility among top management but also begins to erode the authenticity of the company's diversity efforts.

Each of VMC's 50 employees receives mandatory training in cultural diversity. The workshops help participants develop mind-sets that appreciate cultural differences and learn how the actions of a few people don't reflect the values of an entire race or religion.

Meanwhile, according to Vasquez, some companies are doing more than offering workshops. Some are hosting special ethnic celebration days, which help set a tone of cultural tolerance and dignity within the company. Some are instituting much smaller gestures, such

as displaying artwork from around the world. Textiles, sculptures, pottery and pictures from foreign countries are showcased throughout VMC's corporate headquarters, for instance, to honor different cultures.

Still, some EAPs are not taking full advantage of their own power. They're more reactive than proactive, says Jack Bastable, national practice leader of health and productivity management at CBIZ Benefits & Insurance Services Inc., a company in Leawood, Kan., that designs employee benefit strategies.

"[Considering] the preferences of [an] employee base ... from a cultural perspective [provides] an excellent pipeline of information"

**— ANTHONY JONES,
CONVERGYS' DIRECTOR
OF GLOBAL DIVERSITY**

A good example is obesity, which, for some employers, has been more prevalent among Hispanic and African American employees.

"What we find in culturally diverse populations is the accessibility to fresh vegetables becomes an issue," he says. "You have to do more than just offer screenings and educational programs. You really have to work with those employees and address some of those things that happen in their personal environment."

Some EAPs researched where these employees live, he says, and discovered that healthy food in their communities was often limited. They also contacted local doctors, members of the clergy and other trusted or respected community leaders and asked for their help in communicating to employees the health risks of obesity and the benefits of employer programs designed to help them lose weight.

His company also helped one EAP design a cognitive therapy program involving behavior change. Bastable

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believes this is essential for teaching people how to think differently and accept full responsibility for their health.

“We have challenged EAPs to expand the kinds of services we’re talking about, to reach out more, to be much more integrative in their approach,” says Bastable, adding that this strategy was implemented a couple of years ago. “One method of communication is no longer going to get [your message] out there. Look at all the resources within the community and change your [delivery] model.”

These strategies, which are typically part of a comprehensive health initiative, helped some clients reduce the risks in these two populations that are linked to higher health-care and utilization costs, he says. Although the approach requires a more intense effort on behalf of EAPs or HR, the payback, he adds, can be huge.

After tracking the return-on-investment for some clients who used this approach, for every dollar they spent, he says, they received between \$3 and \$5 back due to lower health-care claims and other related costs.

Mixed Attitudes

As companies grow globally, they must also train their EAP staff in cultural differences. Just because employees are bilingual doesn’t always mean they’re

bicultural, says David Campbell, senior vice president of customers and quality at ComPsych, an employee assistance and wellness provider based in Chicago.

He tells the story of a U.S. company that established an office in India. Its HR manager soon learned that a female employee had been sexually harassed. But was this acceptable behavior in India? Should she offer the woman counseling? According to Campbell, this individual was managing HR functions in a country she had never visited or whose culture she knew nothing about. Not knowing which approach would be best, she called ComPsych, which had formed a relationship with an EAP-like organization in India. In the end, this organization and the HR manager developed a plan to reach out to this woman and jointly offered assistance since sexual harassment was, indeed, not an accepted behavior in India.

Even the way programs are marketed can determine their success. For instance, Hispanic women typically will not turn to an EAP for help in combating domestic abuse, says Campbell. The same holds true if they’re overly stressed or depressed. Since family is a top priority in the Hispanic culture, he says, EAPs would be better off introducing programs that focus on strengthening family relationships or dealing with situations

that can cause stress, such as child-care issues or drug use among teenagers.

“[This particular culture] is more apt to come to us for non-mental health issues,” Campbell says. “We establish a relationship, establish trust so we can work with them. So if they have another issue, they’re more apt to talk to us.”

In addition, he says, employees with either Asian or Latin American roots usually believe that mental-health problems are a sign of weakness, while those from the Middle East believe they are private concerns to be resolved by family. Likewise, gender can also complicate matters. Hispanic males tend to talk only to male therapists and, in Japan, trainers have to be men; otherwise, the turnout will be low.

Regardless of geography, he says, companies must set fairly consistent standards for employee behavior across all borders and require EAP staff to routinely update themselves on cultural issues.

“You’ve got to look at the cultural sensitivity of [your employees] and how they’re going to respond,” Campbell says. “It’s like fitting a round peg in a square hole. Every program is not going to be a perfect fit.”

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