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## Insurer experiment: Home is where the health test is

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Katrina Basic got a free blood test, and she didn't even have to leave home.

A self-screening kit came to her house courtesy of her employer, Renton pool and hot tub retailer Aqua Quip. After pricking a finger for a drop or two of blood and mailing the kit back to the lab, she'll get to see her results on a password-protected website: cholesterol levels, blood sugar levels and other measures of risk for disease.

Not only will Basic learn more about her health, but if enough of her 75 co-workers also take the tests, Aqua Quip will get a 4 percent discount on its health insurance.

Aqua Quip is one of about 150 small businesses participating in a UnitedHealthcare pilot program of preventive care, part of a growing trend for insurers and employers to hand to individuals tools to detect medical problems early and take other steps to stay healthier.

### Smaller firms

Elements of the pilot screening program have been around for several years. What's new is the combination.

UnitedHealthcare's innovation is to make screening kits available to small companies, at employees' homes, for no additional cost, and with the discount incentive. It began the pilot in 2009, and the insurer has pushed it heavily in the past eight months or so.



BUSINESS JOURNAL PHOTO | Dan Schlatter

**GETTING THE POINT:** Katrina Basic, the CFO of Aqua Quip, lets a drop of her blood fall into a BioIQ health screening kit. Her company receives a break on its premium from insurer UnitedHealthcare if enough employees take part in the pilot program on preventive care.

"It is nice, especially when you are dealing with a group of individuals that you know don't go to the doctor. Men are inherently bad about it," said Rosanna Rourke, office manager at Diamond Machine Works, in Seattle, another pilot participant company.

Some of the Diamond machinists did let her know, after the tests, that they have high cholesterol.

"I was able to sit down and talk to a few of them about trying to correct or reverse it," she said.

The insurer is working through brokerage Affiliated Associations of America, and uses test kits from BioIQ, a lab in Santa Barbara, Calif.

### Growing market

A 2008 report by research firm G2 Intelligence pegged direct-to-consumer testing — not include genetic testing — as a \$15 million to \$20 million segment of the overall \$51.7 billion U.S. laboratory testing market. The segment appeared to be growing, the report said, at 15 percent to 20 percent a year.

BioIQ has been making its self-screening kits available to individuals since 2006 and to employers since 2007.

Likewise, other insurers offer various types of screening. Regence, for example, will send a vendor to con-

duct on-site health tests at client companies.

"We offer it for whatever it costs for the nurses to come out for the day," said spokeswoman Rachelle Cunningham.

That cost is in addition to the health care benefits program.

Cigna, another major insurer, sends out home screening kits for colon cancer if records show that the person is over 50 and hasn't been tested lately, but the kits do not require employer participation. And for large enough employers, Cigna can set up an on-site clinic and staff it, said spokesman Mark Slitt.

But the UnitedHealthcare program's incentives are distinctive.

As for the 4 percent discount, it's more than just an incentive for Diamond Machine Works; the employees pay for their dependent coverage.

"So it gave them a discount as well," Rourke said.

Neither UnitedHealthcare nor the employers can see individual test results, or even the names of which employees have participated. United does get aggregate information.

So far about 10 of the test results show moderately elevated cholesterol levels, said David Hansen, CEO of United Healthcare's Pacific Region.

"I went through the program and was not pleased with my cholesterol levels personally," said Hansen, who admits to working long hours and not being careful about his dining habits. "It has really caused me to rethink what I eat."

The financial benefits of early detection are driving such testing programs.

Affiliated Associations of America, the brokerage, has incorporated other preventive care into its coverage, such as routine eye exams, which in some cases have allowed early detection of hypertension and diabetes, said Patrick Chestnut, CEO.

"What we have found is that employees do want to be healthy overall, but you've got to give them the tools for it," Chestnut said.

"Health care is not getting any cheaper. You've got to do something. You can't just say, 'Everybody needs to be healthy, now let's go get doughnuts for the meeting.'"

## 70 percent take part

BioIQ has been getting a 70 percent return rate or better from companies participating in the pilot, compared to an industry average 20 percent or 30 percent, said Justin Bellante, the lab's president and CEO.

"A lot of other corporate screening methods require people to get screened at a work site," he said, "which creates some issues around privacy."

Early on, some participants also expressed concerns about online privacy as well, but that has diminished with time.

"We are always tweaking the test kit, tweaking the communications," Bellante said.

That includes reminders to use and send back the kit, and making it easy to read the results online.

For employers, the 4 percent discount is a starting point. The aggregate information can prompt additional changes in the workplace.

"We have been trying to develop our own wellness program. It costs the company a lot of money to be out when they are sick," said Basic, who is Aqua Quip's CFO. Because some employees are diabetic, the company is watching how much sugary food is available on site, for instance.

So far only about 30 percent of eligible companies have signed up for UnitedHealthcare's pilot.

"That's a challenge for us," Hansen said. And the company is still studying the effectiveness of the program. Two years may sound like a long time, but turnover among customers and among their employees makes it harder to track trends, he said.

But UnitedHealthcare has enough confidence in the idea that it has begun extending the offer to larger companies as well.

## SWEET RETURNS

It's hard to peg the return on investment for preventive care.

"Honestly, in today's world, I think that is an unrealistic expectation," said Chuck Horne, chief financial officer of Theo Chocolate Inc.

The Seattle company is one of about 150 participating in UnitedHealthcare's pilot program with employee health screening kits.

"There are times when you can't specifically attribute a cost change to a specific action you did or didn't take. You need to step back and say, 'Does this logically make sense?'" Horne said. "I think if we had more programs like this, these things can play a really important role in solving what I think is a big problem in this country."

Access to good health care depends a lot on one's employer. Theo Chocolate covers 90 percent of the premiums for employees working at least 28 hours a week, about 45 people in all.

"Setting aside the moral imperative, it's smart business," Horne said. "If we can do things to ensure that our employees are healthy and stay healthy, it's smarter."

But it has been tough to maintain the standard, so last year Theo got more assertive, offering to give employees two-hours' pay to get a checkup and to pick up the co-payments.

"When we renewed our policy this year," Horne said, "we saw some favorable results from things we did a year ago."

He expects the screening tests to yield further improvements. He sees the kits as a smart move for UnitedHealthcare, as well.

"These guys aren't altruistic, necessarily," he said. "To the extent that they can get healthier people to get insurance, it will save them money and it can be a competitive advantage."

Some large employers already have been ordering the kits from BioIQ directly. They include Grange Insurance, a property-casualty insurer in Columbus, Ohio. Most of its employees work at the company headquarters and could get screenings there, but about 400 others are scattered in field offices and working from home. The kits were a lot cheaper than sending out nurses, said Steve Paxton, assistant vice president at Grange.

He called the kits "almost idiotproof." Grange tested the kits with a half-dozen employees who had just had standard lab work done, and got roughly the same results.

"This is an investment that pays off down the road," Paxton said.

And while there is no straight line from cost to return, his team expects to gain about 2.5 cents for every dollar spent.

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