



An Employer Challenge: Wage Status and Healthcare Utilization Patterns

Question: What percentage of the US workforce has net pay of less than \$30,000/year?

- A. Less than 10%
- B. Between 10-20%
- C. Between 20-30%
- D. Between 30-40%
- E. Between 40-50%
- F. More than 50%

Socioeconomic status impacts health – and consumerism behaviors

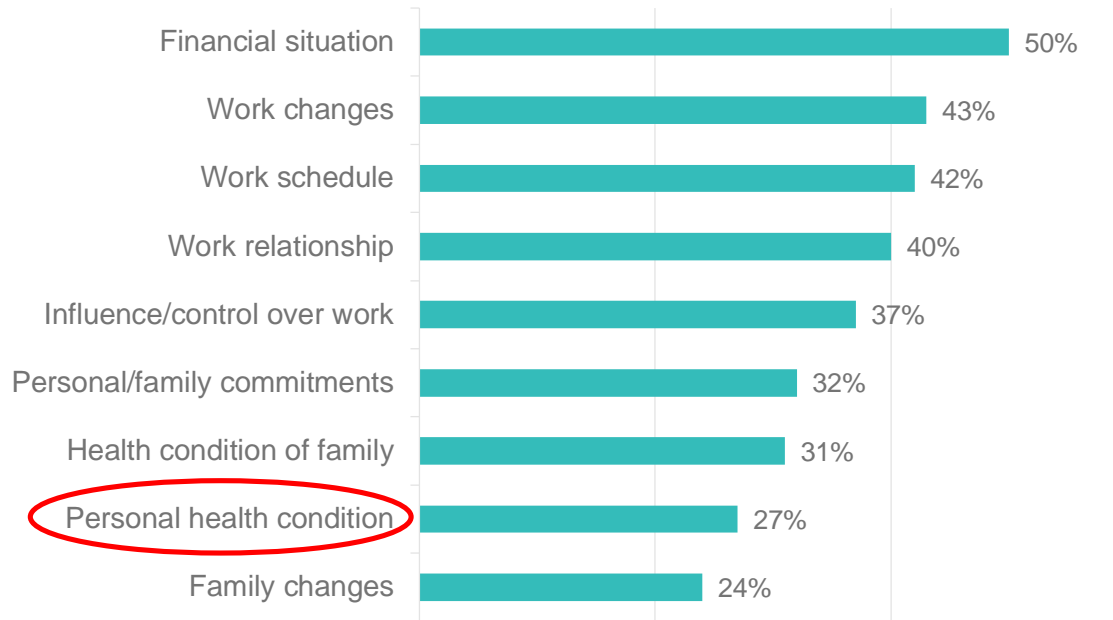
Low-wage workers:

- High prevalence of unhealthy behaviors and chronic conditions
- High proportion of healthcare costs as a percentage of wages
- Low health literacy and healthcare consumerism engagement

Differences in:

- Prioritization of personal health concerns relative to other life priorities
- Health benefits selection (influenced more by premium cost)
- Utilization of healthcare services (out-of-pocket cost and financial stress)

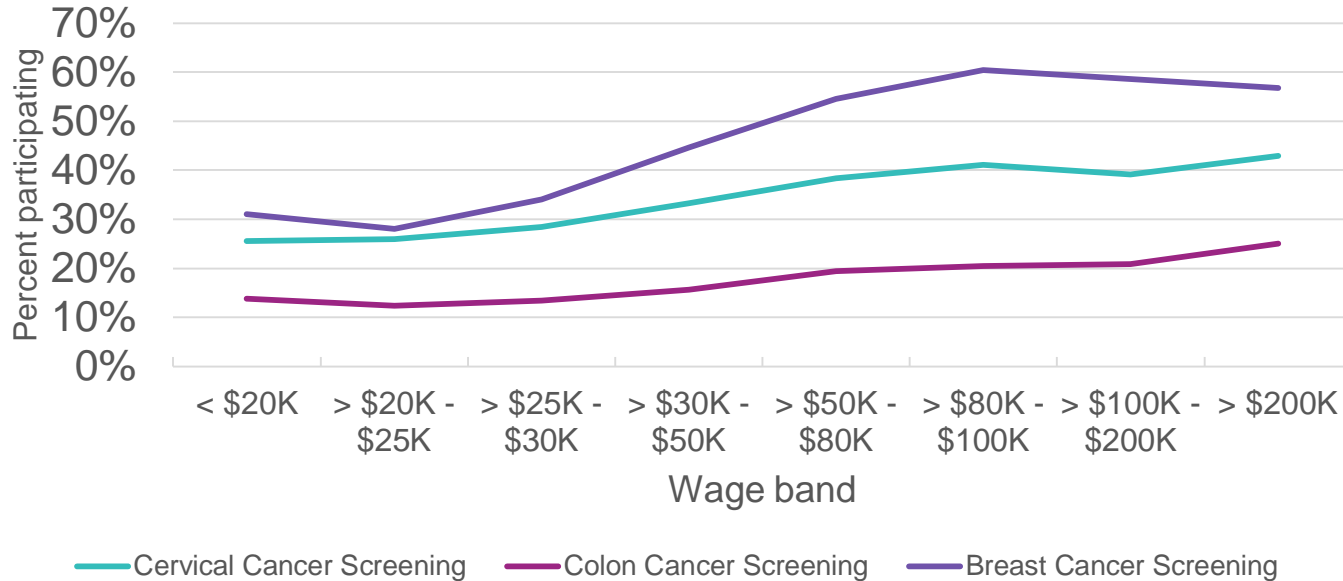
Factors that stress people most intensely



What does this mean for prioritization of personal health issues?

Low-wage workers have lower compliance with cancer screening

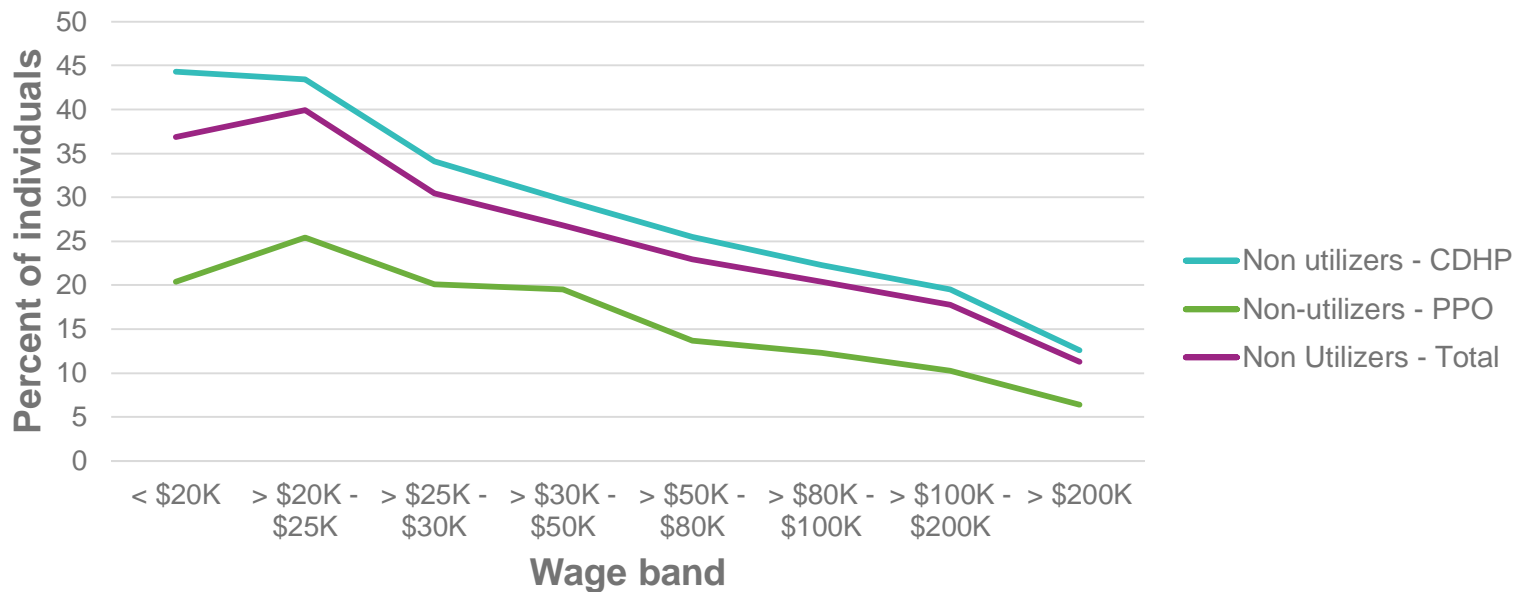
Cancer Screening Rates Among Eligible Individuals



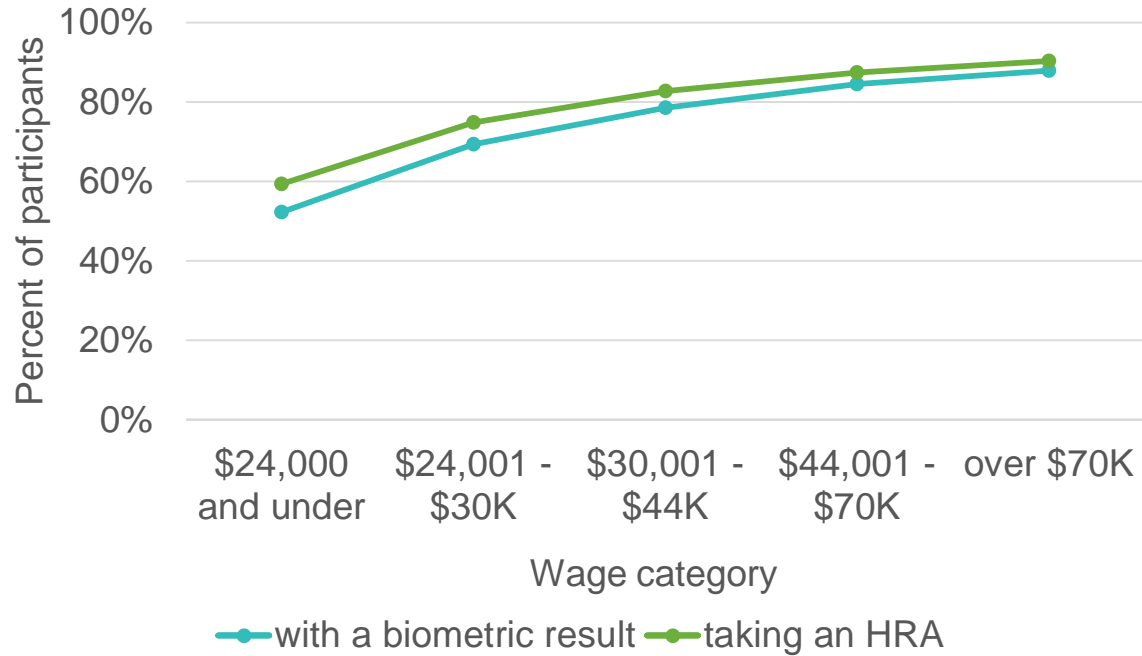
Low-wage workers use less healthcare – despite higher risk scores

– despite higher risk scores

Percentage of Enrollees Not Filing Medical or Pharmacy Claims by Wage Band



HRA and biometric screening participation rates are lower among low-wage earners



Implications for employers

Benefits design considerations for low-wage workers:

- Equality – or equity?
- Any impact of wage-based premiums?
- What role for incentives?
- How should well-being issues be addressed?

Opportunities exist to rethink benefit design for low-wage workers

