

Generational analysis: **Insights about your workforce to help advance your success.**

Consider your workforce. Which generations does it reflect? How might that change in the coming years? An analysis of your generational mix may yield valuable, even surprising, insights to your employees' health care needs and utilization patterns.

Analyzing generational insights may enable you to anticipate barriers to success and increase opportunities to help support employees in ways that may be meaningful at their specific time of life. The insights may also help you anticipate changes based on the generational differences between your workforce today and a decade from now.

As a refresher, here are the generations as defined by the U.S. Census and Pew Research Center. Also noted: The generational mix of Health Action Council members and subscribers.²

According to the Pew Research Center, an individual's age is one of the most common predictors of differences in attitudes and behaviors.¹



Baby boomer







Generation X



Millennial



Generation Z³

	 Baby boomer	 Generation X	 Millennial	 Generation Z ³
Birth year	1946–1964	1965–1980	1981–1996	1997–Present
Current age in 2019	55–73	39–54	23–38	0–22
Percentage of Health Action Council members in 2019	20%	26%	24%	30%
Percentage of Health Action Council subscribers in 2019	30%	39%	30%	<1%
Age in 2029	65–83	49–64	33–48	10–32
Predicted percentage of Health Action Council subscribers in 2029	0%	39%	30%	31%

How might employee generational differences in demographics, health outcomes, health care consumerism and financial matters shape your company’s future?



Demographics



Health outcomes



Health care consumerism



Financial matters

This white paper highlights key insights and considerations based on a generational analysis of UnitedHealthcare HAC health plan members.⁴ It excludes Medicare membership.



Demographics highlights.

There are more female members in the baby boomer, Generation X and millennial generations than male members. These variations reflect known life expectancy differences between females and males. In addition, over 67 percent of members are covered by a family health plan, 21 percent by an employee only policy and 12 percent covered by an employee +1 policy.

Baby boomers and Generation X tend to be employed by manufacturers; millennials and Generation Z tend to work in the government/public, insurers and professional services sectors.

Community health.

When reviewing where the generations live, the 4 most populated communities were shared by all the generations. There was a fairly significant split in communities at the 5th city. In the 5th spot, older generations have more members in Phoenix and younger generations have more members in Texas communities.

- Baby boomers and Generation X have a community health average in the 70th percentile. Phoenix raises their averages.
- Millennial and Generation Z have overall averages in the 60th percentile. Texas lowers their averages.

Generation	Top markets	Community spending	Social determinants	Health system attributes	Community health outcomes	Overall
All	1. Columbus, OH	30%	50%	80%	30%	48%
All	2. Cleveland, OH	50%	60%	100%	40%	63%
All	3. Des Moines, IA	100%	90%	90%	90%	93%
All	4. Cincinnati, OH	60%	60%	80%	50%	63%
BB and Gen X	5. Phoenix, AZ	70%	40%	60%	60%	58%
Millennial	5. San Antonio, TX	70%	20%	30%	50%	43%
Generation Z	5. Houston, TX	20%	30%	50%	60%	40%
BB and Gen X average		62%	60%	82%	54%	65%
Millennial average		62%	56%	76%	52%	62%
Generation Z average		52%	58%	80%	54%	61%

Optum® CommunityHealth Measures



Key insight: Population is increasing in markets with difficult social determinants and generational transition, such as shifting away from baby boomers.

Consideration: Employers in these markets should develop a plan to address social determinants within their population as well as participate in community discussions that will positively impact the health of the community and explore plan options that are customized for the unique needs of generational and regional differences.



Health care outcomes highlights.

At the time of this study, the oldest and youngest generations, baby boomers and Generation Z, use their benefits the most frequently. Millennials, on the other hand, have the lowest benefits utilization rate. In fact, 10 percent of the millennials did not have any claims in the year analyzed.

Comparison of allowed cost percentages.

- **Baby boomers**—This generation has the highest costs. Their spend is dominated by conditions associated with aging.
- **Generation X**—This generation has the same top cost drivers as baby boomers but at lower percentages. They also have the highest costs for other conditions, including wellness visits.
- **Millennial**—In their peak child-bearing years, this generation spends most on pregnancy and childbirth. Mental health disorders, often driven by depression, are highest for this generation.
- **Generation Z**—This generation has the highest cost for newborns. Injuries are also highest for this generation.

Top 5 common conditions.

Back disorders are in the top 5 common conditions for all generations. These are the top common conditions for each:

Baby boomer	Generation X	Millennial	Generation Z
Hypertension	Hypertension	Back disorders	Asthma
Hyperlipidemia	Back disorders	Pregnancy	Depression
Diabetes	Hyperlipidemia	Depression	Back disorders
Back disorders	Diabetes	Headache	Headache
Osteoarthritis	Depression	Hypertension	Pulmonary disease

Depression by generation.

Depression no longer holds its stigma across all generations and its diagnosis is on the rise.

Baby boomer	\$127 PMPM ; 4% (a 12% increase)
Generation X	\$102 PMPM ; 4% (a 17% increase)
Millennial	\$184 PMPM ; 5% (a 31% increase)
Generation Z	\$241 PMPM ; 3% (a 55% increase)

PMPM = per member per month.

Focus on cancer:

Cancer, particularly breast cancer, is a top Clinical Cost Driver for both baby boomers and Generation X.

Cancer claims overall are up:

- Ten percent for baby boomers.
- Eight percent for Generation X.

Focus on back disorders:

- Members with back disorders are responsible for 22 percent of the total spend.
- Those with back disorders visit the ER 2 to 3 times more than average.

Focus on hypertension:

- Baby boomers manage their high blood pressure better than other generations.
- Less than half of millennials who have hypertension manage it appropriately.

Focus on depression:

Generation Z Caucasian females are being diagnosed with and treated for depression most frequently.

- Average age is 16.4.
- Concentrated in Ohio.

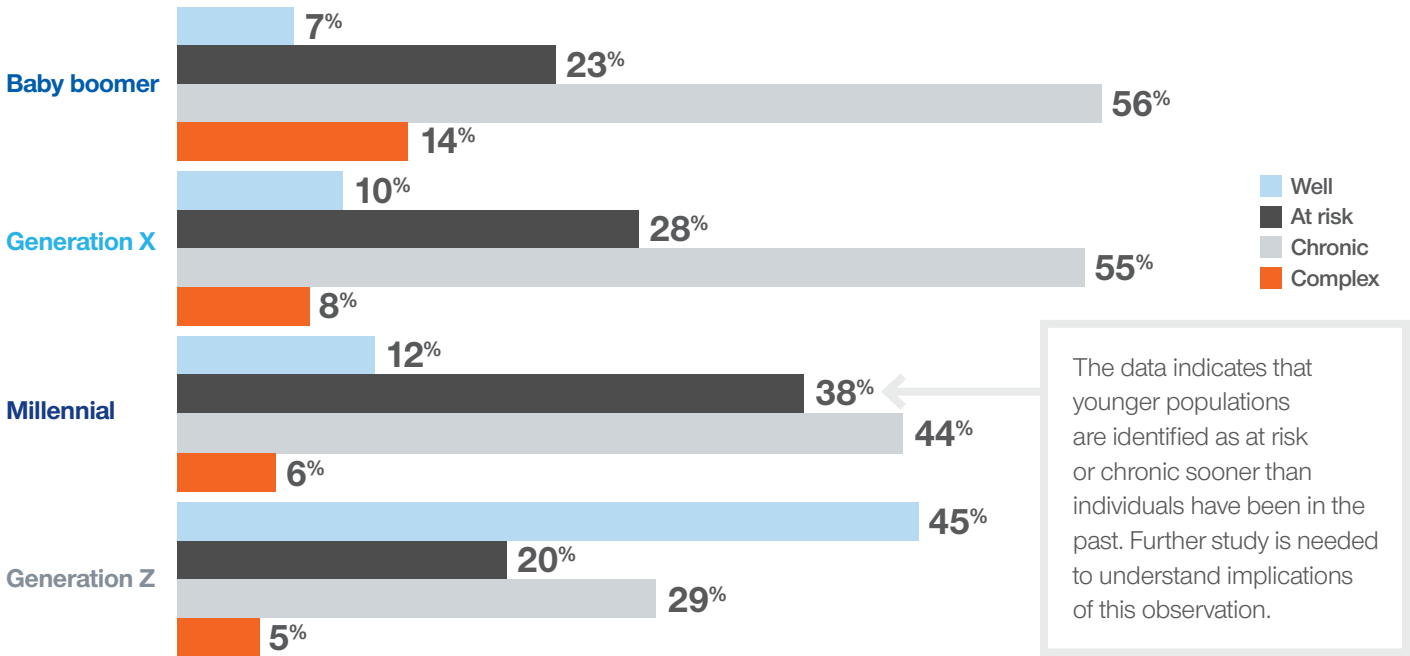


Key insight: Mental health is on a trajectory to become a key chronic condition, like cancer and heart disease.

Consideration: Health plans should include robust mental health/substance use disorder support programs.

Member health continuum comparison.

Baby boomers are most complex and chronic on the generational continuum. Millennials are the most at risk. The industry with the highest percentage at risk is insurers; this is true for employees and spouses.



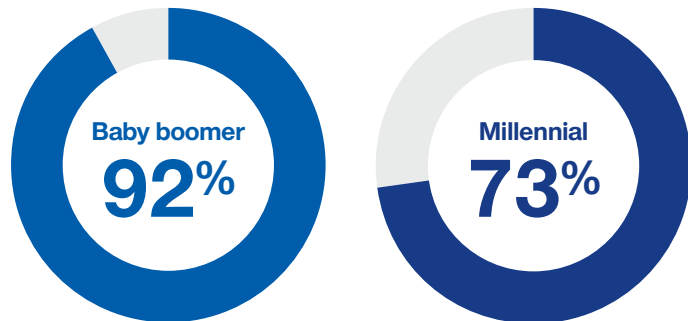
At-risk millennials by industry and relationship

	Government/ public sector	Insurers	Manufacturers	Professional services
Employees	34%	44%	31%	25%
Spouses	36%	42%	38%	33%

Pharmacy.

Baby boomers utilize pharmacy benefits more than millennials (92 percent vs. 73 percent). Baby boomers average 18.5 prescriptions annually, which is 3 times that of millennials.

The top drug spend for every generation is for an immunosuppressive drug that can relieve pain and reduce inflammation from autoimmune diseases.



Key insight: Excessive prescription drug use for baby boomers affects employees, employers and providers.

Consideration: Employers may want to consider educating employees to discuss appropriate prescription drug use and non-pharmaceutical interventions with their providers.



Health care consumerism highlights.

Outpatient setting and spend.

When faced with a choice of where and how to spend health care dollars, the generations respond differently. Baby boomers tend to get to the most appropriate place for care; millennials are more likely to go to inappropriate places for care but incur the lowest cost at those places.

Results of the generational analysis found that millennials use the ER and urgent care most but have lower paid amounts suggesting they were seen for less severe illnesses and injuries. Millennials also visit primary care providers (PCPs) less than any other generation. These results align with other millennial health care utilization pattern research that has been completed.

In addition, the analysis shows that millennials and Generation X have been the early adopters and best utilizers of Virtual Visits. Baby boomers are containing ER visits well.



Key insight: Millennials may value medical relationships less.

Consideration: PCP-centric health care needs to become just-in-time care.

Member activation in top markets.

Member engagement (activation) correlates directly to cost and provides insights to help optimize health plans and incentives.

Across most generations within the locations analyzed, Columbus has the highest activation; Cleveland has the lowest. Also, according to the data, baby boomers have the highest activation scores while millennials have the lowest scores for adult generations.

Top markets	Baby boomer	Generation X	Millennial	Generation Z
Columbus, OH	68.3%	65.8%	61.3%	48.7%
Cleveland, OH	53.1%	52.3%	50.6%	40.9%
Des Moines, IA	66.6%	64.5%	58.9%	53.3%
Cincinnati, OH	58.7%	57.3%	50.3%	46.6%
Phoenix, AZ (BB and Gen X top 5)	66.9%	63.2%	59.9%	55.8%
San Antonio, TX (millennial top 5)	66.0%	62.3%	58.3%	57.9%
Houston, TX (Gen Z top 5)	61.2%	57.0%	53.9%	5.6%
Generational average	61.9%	60.4%	57.1%	46.5%



Financial matters.

Today, 50 percent of baby boomers and Generation X earn more than \$100,000 annually while 67 percent of millennials and 80 percent of Generation Z earn less than \$100,000 annually.

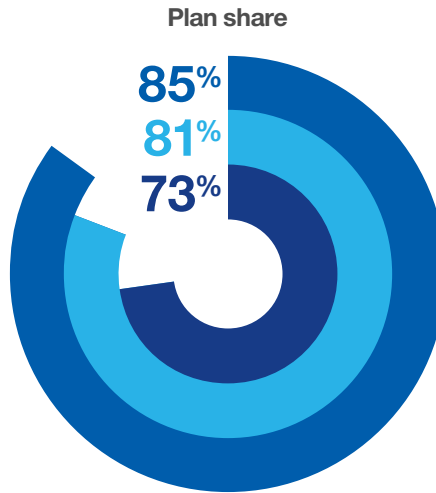
Adequacy of benefits.

In terms of plan cost share, millennials are paying more out of pocket than other generations.

Baby boomers are responsible for only 15 percent of their costs—by far the **lowest member cost** of all generations.

Generation X is responsible for 19 percent of their costs—this is **closest to the norm** of 18 percent member cost.

Millennials are responsible for 27 percent of their costs—this generation is shouldering **more cost burden than other generations**.



Health savings account total averages:

Baby boomers: **\$3,713**

Generation X: **\$2,433**

Millennials: **\$1,635**

Generation Z: **\$557**





Source: Optum Bank.

What do the findings indicate for the next 5 to 10 years?

<p>Demographics</p>	<p>Prediction: Health Action Council membership could shift geographically to include Texas and Iowa, along with Ohio.</p> <p>Fact: The largest populations of younger generations are in San Antonio and Houston, communities with challenging social determinants.</p>
<p>Health outcomes</p>	<p>Prediction: Mental health may replace a more historic cost driver.</p> <p>Fact: Mental health PMPM percentage is 6 to 7 points higher for younger generations.</p>
<p>Consumerism</p>	<p>Prediction: ER use might increase dramatically and PCP-centric models cease to exist as younger generations demand quick care.</p> <p>Fact: Millennial ER visits are 27 to 30 percent higher and PCP visits are 55 to 100 percent lower than other adults.</p>
<p>Financial matters</p>	<p>Prediction: Consumer-driven health plans will continue to expand as younger generations are more willing to accept more consumer responsibility.</p> <p>Fact: Adequacy of benefits is 7 to 12 percent lower for younger generations; however, they are already participating in health savings accounts.</p>

Conclusion.

Strategies to help support a multi-generational workforce.

			
Baby boomer	Generation X	Millennial	Generation Z ³
<p>Highly chronic population that values personal health care relationships.</p> <p>Strategy: Focus on medical home models and condition management.</p>	<p>Population on the cusp of becoming chronic.</p> <p>Strategy: Focus on prevention and programs to disrupt progression of chronic diseases.</p>	<p>Does not value traditional medical relationships.</p> <p>Strategy: Focus on just-in-time care and programs to disrupt progression of chronic diseases.</p>	<p>Mental health awareness and treatment are socially acceptable.</p> <p>Strategy: Focus on mental health/substance use disorder coverage to provide robust support programs.</p>

Actionable insights to help navigate headwinds.

In addition to generational differences, there may be social determinant headwinds that employers may continue to consider and take action on to help improve the health of their employees and organizations when making choices for employees. These may vary by community or region and include: Health Literacy, Individual and Community Engagement, Obesity, Addiction, Access to Care and Life Expectancy. For insights on these social determinants, refer to the 2018 white paper: *Community Health Data: Improving Employer Investment in Overall Employee Health*.

That work, together with these generational analysis insights, helps arm employers like you to face the headwinds forecasted for you and your employees.

Learn more.

i There is a wealth of data beyond what is shared here. If you want more details, contact Patty Starr of Health Action Council or Craig Kurtzweil of the UnitedHealthcare Center for Advanced Analytics™.



¹ <http://www.people-press.org/2015/09/03/the-whys-and-hows-of-generations-research>

² Assumes retirement at age 65.

³ Post-millennial generation name varies depending on source; this analysis will use Generation Z for the associated birth years and ages. <http://mentalfloss.com/article/533632/new-guidelines-define-birth-years-millennials-gen-x-and-post-millennials> (3/2018)

⁴ UnitedHealthcare internal data based on a comparison of medical plan data of UnitedHealthcare HAC members from July 2017 through June 2018.

This case study is true but identifying characteristics have been changed to preserve confidentiality. Savings calculated on book-of-business case rate savings for these programs. Savings for enrolled members are case specific. Results will vary based on client-specific demographics and plan design.

About the Health Action Council.

Health Action Council is a not-for-profit organization representing large employers that enhances human and economic health through thought leadership, innovative services and collaboration. We provide value to our members by facilitating projects that improve quality, lower costs and enhance individual experiences, and by collaborating with key stakeholders to build a culture of health.

About UnitedHealthcare.

UnitedHealthcare is dedicated to helping people nationwide live healthier lives by simplifying the health care experience, meeting consumer health and wellness needs, and sustaining trusted relationships with care providers. The company offers the full spectrum of health benefit programs for individuals, employers, military service members, retirees and their families, and Medicare and Medicaid beneficiaries, and contracts directly with more than 1 million physicians and care professionals and 6,000 hospitals and other care facilities nationwide. UnitedHealthcare is one of the businesses of UnitedHealth Group (NYSE: UNH), a diversified Fortune 50 health and well-being company.

About Optum.

Optum is a leading information and technology-enabled health services business dedicated to helping make the health system work better for everyone. With more than 100,000 people worldwide, Optum delivers intelligent, integrated solutions that help to modernize the health system and improve overall population health. Optum is part of UnitedHealth Group (NYSE: UNH). For more information, visit optum.com.

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