SECTION II: EXECUTIVE SUMMARY

Large Employer Changes for 2020

Employers’ survey responses clearly revealed the issues that are uppermost on their minds. Of the initiatives employers were asked about, implementing virtual solutions (51%) and developing a more focused strategy to address high-cost claims (39%) were at the top of the list, followed by expanding centers of excellence to include other conditions (26%) and implementing engagement platforms that aggregate top solutions (26%). The complete list is shown below (Figure 2.1).

Figure 2.1: Large Employers’ Top Health Care Initiatives, 2020

- Implement more virtual care solutions (e.g., behavioral health, physical therapy, digital coaching, condition management, medical decision support, sleep) (51%)
- More focused strategy on high-cost claims (39%)
- Expand centers of excellence to include additional conditions (e.g., cancer, infertility) (26%)
- Implement an engagement platform that aggregates point solutions and pushes personalized communications to employees (26%)
- Targeted specialty pharmacy management (e.g., site-of-care, independent specialty pharmacy) (25%)
- Implement high-touch concierge or navigation (21%)
- Implement high-performance networks or accountable care organizations in select markets (17%)
- Eliminate out-of-network coverage for select services (11%)
- Implement point-of-sale rebates in pharmacy benefit (7%)
- Implement direct primary care solutions in select markets (6%)
- Move to full replacement high-deductible plan (2%)
The following key findings emerged from the survey results. Each will be discussed in more detail in the appropriate sections of the report.

1. Compared to last year’s findings, more employers see their health care strategy as an integral part of their workforce strategy.

Figure 2.2: The Growing Importance of Large Employers’ Health Care Strategy in Their Workforce Strategy, 2019-2020

<table>
<thead>
<tr>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>27%</td>
<td>36%</td>
</tr>
<tr>
<td>53%</td>
<td>49%</td>
</tr>
<tr>
<td>20%</td>
<td>15%</td>
</tr>
</tbody>
</table>

**Our health care strategy is an integral part of our workforce strategy**  
Investments in health and well-being are considered key to deploying the most engaged, productive and competitive workforce possible to boost business and performance.

**Our health care strategy is a consideration of our workforce strategy**  
The impact on health care costs, employee engagement and productivity are key considerations for our health care and well-being initiatives.

**Our health care strategy is viewed separately from our workforce strategy**  
The impact on health care costs is the key consideration for our health care and well-being initiatives.

More companies view investment in health and well-being as an integral element of their workforce strategy.
Most employers have significant reservations about Medicare for All. They think that the public option will raise costs and reduce quality, though the number of uninsured people may decline. On the other hand, employers are split on whether Medicare should be expanded to people below age 65.

Figure 2.3: Large Employers’ Views on the Impact of Medicare for All, 2019

- The number of uninsured: 72% decrease, 13% increase, 13% no impact, 3% don’t know.
- U.S. health care costs: 11% decrease, 8% no impact, 57% increase, 24% don’t know.
- Health care costs experienced by your employees: 16% decrease, 8% no impact, 47% increase, 29% don’t know.
- Health care delivery innovation: 69% decrease, 9% no impact, 5% increase, 17% don’t know.
- Health care quality: 56% decrease, 18% no impact, 5% increase, 21% don’t know.
- Access to health care: 40% decrease, 10% no impact, 38% increase, 13% don’t know.
- Tax rates: 81% decrease, 17% no impact.

Note: Percentages may not total 100% due to rounding.

Figure 2.4: Large Employers’ Views of Medicare Expansion by Age, 2019

- 45% yes, but only for ages 60-64
- 23% yes, but only for ages 55-64
- 9% yes, for ages 50-64
- 23% no, Medicare should not be expanded below age 65
- 0% don’t know
3. Implementing advanced primary care strategies is an emerging trend among employers.

Figure 2.5: Large Employers’ Implementation of Advanced Primary Care Strategies, 2020-2022

- Steerage to physician-based ACOs/HPNs (via plan design and/or referrals): 24% implementing in 2020, 34% considering for 2021/2022.
- Primary care at on-site/near-site health centers: 34% implementing in 2020, 18% considering for 2021/2022.
- Virtual primary care services (beyond traditional telehealth): 20% implementing in 2020, 30% considering for 2021/2022.
- Patient-centered medical home (PCMH): 14% implementing in 2020, 18% considering for 2021/2022.
- Directly contracted primary care models in select markets: 9% implementing in 2020, 17% considering for 2021/2022.

4. Employers see virtual solutions as having a growing impact in the future.

Figure 2.6: Large Employers’ Views on the Impact of Virtual Care, 2020

- Very significant impact - will revolutionize how care is delivered in the future: 13%
- Significant impact: 30%
- Some impact: 13%
- Slight impact: 5%
- No significant impact: 5%
5. The median health care cost trend increase was 3.6% in 2018, primarily driven by unit cost price increases, not utilization.

Figure 2.7: Large Employers’ Median Health Care Cost Trend Increases, Actual and Projected, 2015-2020

6. Employers are adding choice back into their plan offerings.

Figure 2.8: Large Employers Adding Choice Back into Their Plan Offerings, 2019

Top reasons for adding choice back into their plan strategy include:
- Employees want more predictable health care costs
- To be sensitive to employees with chronic conditions and their health care expenses
- Divestitures
- Reflect a marketplace/exchange solution
- Concerns regarding the excise tax have dissipated
Employers would consider a role for the government in the financing of high-cost drug therapies.

Figure 2.9: Large Employers’ Views of Government Intervention with High-Cost Drug Therapies, 2019

- The government negotiates price for all payers for drugs above a certain dollar threshold (e.g., $1M) and paid for out of a national fund: 76%
- The government implements a stop-loss program where costs above a certain dollar threshold are covered by a national fund: 50%
- Shift patients with certain high-cost conditions to Medicare: 35%