



**National
Business
Group on
Health®**

2020

Large Employers'

**HEALTH CARE
STRATEGY AND
PLAN DESIGN
SURVEY**

A National Business Group on Health® Publication

PRESS BRIEFING

August 13, 2019

ABOUT THE SURVEY

Fielded in May/June 2019 to corporate members of the National Business Group on Health:

49% response rate **147** large employers **15.6** million covered lives

Insight into large employers' views on the rapidly changing health care environment and critical benchmarking information on health care cost, plan design trends and employer initiatives

ABOUT THE INTERVIEWS

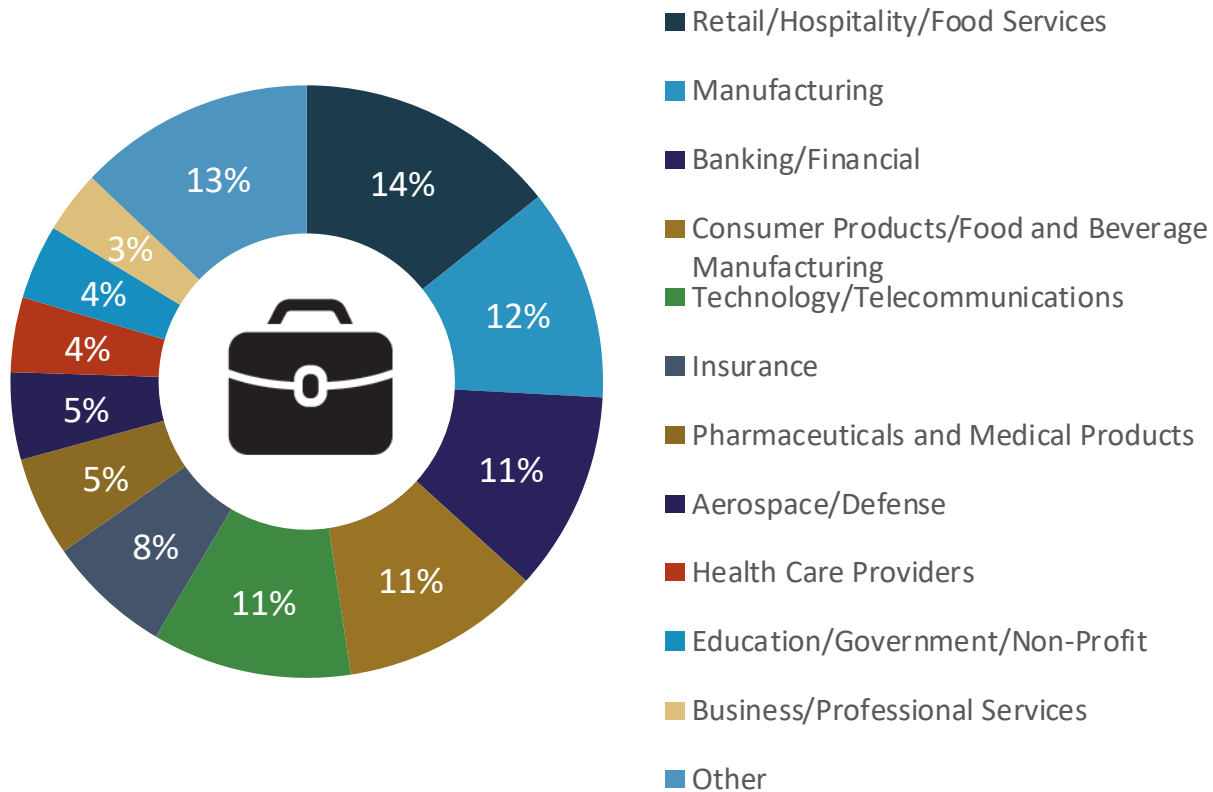
Conducted interviews
with seven employers
across different industries
in June 2019.

Discussion focused on:

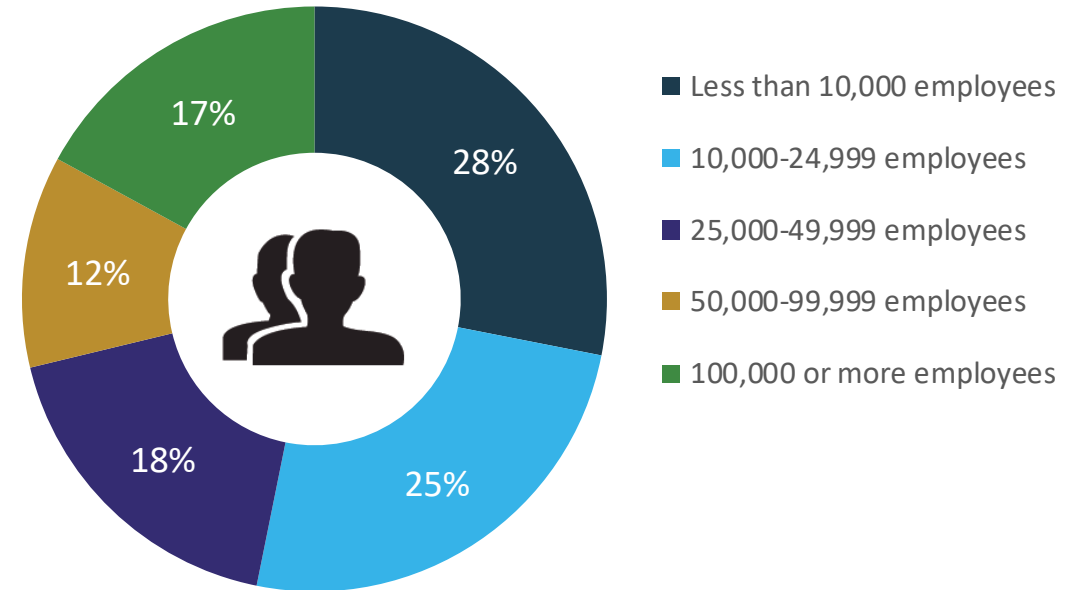
- Approaches to cost control
- Plans for 3-5 years in the future
- Alternative payment/delivery models
- Partner collaboration/sources of info
- Upcoming presidential election
- Mental health
- High-cost Rx and Infusions
- Onsite clinics

RESPONDENT DEMOGRAPHICS

Industry Breakdown



Employer Size



72% have more than 10,000 employees
84% are multinational companies

10 INSIGHTS FOR 2020

1. Health care strategy is becoming an integral part of workforce strategy.

2. Social determinants of health on the radar of employers.

3. Employers have significant reservations about Medicare for All and are split on Medicare expansion.

4. Virtual solutions will play a growing role in bringing health care to consumers.

5. Implementing advanced primary care strategies is an emerging trend.

6. Employers are simplifying the consumer experience for their employees.

7. Health care costs are expected to top \$15,000 per employee in 2020.

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

9. Employees can expect very little in the way of plan design changes.

10. High-cost therapies are employers' top concern in managing pharmacy benefits.



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SURVEY FINDINGS

2020

Large Employers'

HEALTH CARE STRATEGY AND PLAN DESIGN SURVEY

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More employers see their health care strategy as integral to their workforce strategy

2019

2020

27%



36%

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 performance.

53%



49%

Our health care strategy is a consideration in our workforce strategy

Impact on health care costs, employee engagement and productivity are key considerations for our health care and well-being initiatives.

20%



15%

Our health care strategy is viewed separately from our workforce strategy

The impact on health care cost is the key consideration for our health care and well-being initiatives.

Employers continue to play an activist role to drive delivery system change; more are relying on their partners

2019

2020

The largest change between 2019 and 2020 was the shift away from a “wait and see” approach towards implementing changes as partners roll out solutions

19%



12%

A. Wait and See Approach

Implement only once proven results can be seen and solutions are mature

32%



41%

B. Defer to Partners Approach

Make adjustments as the market changes and implement what my health plan(s) and PBM present as the latest developments

16%



16%

C. Drive Delivery System Change Approach

By pursuing the implementation of alternative payment and delivery models such as ACOs, performance networks and COEs directly or through my health plans

6%



5%

D. Won't Wait for Delivery System to Change Approach

Circumvent the delivery system to improve access, convenience, experience and efficiency by deploying virtual and digital care point solutions, navigation and concierge services

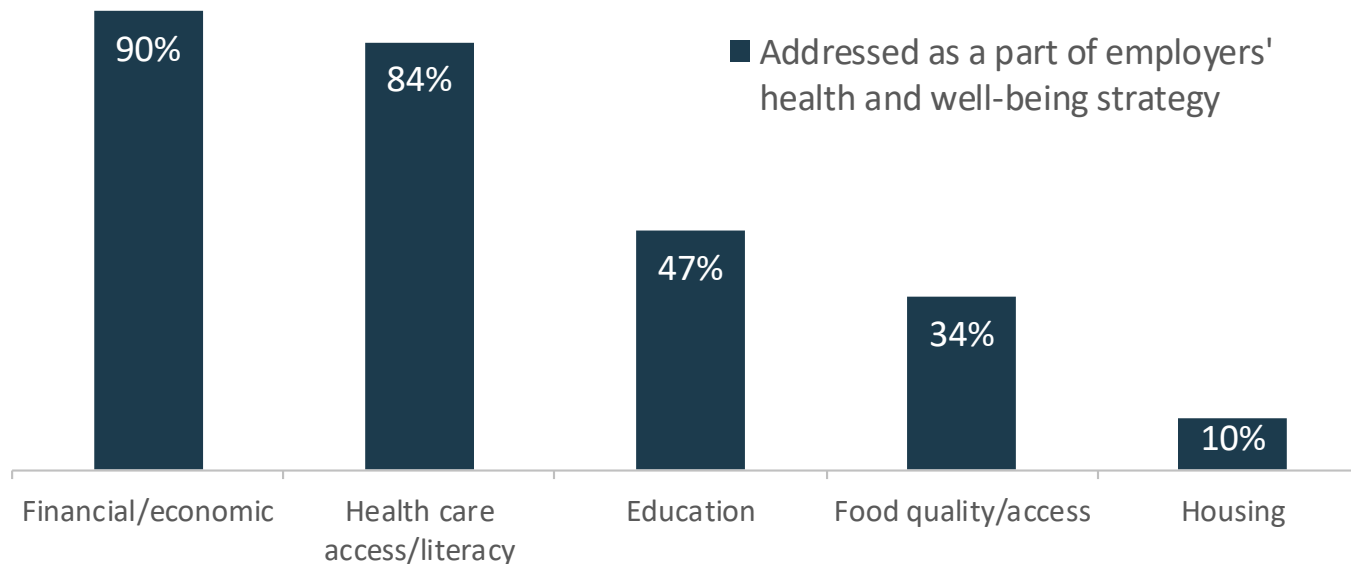
27%



26%


E. Both C&D

Employers are playing a role to address social determinants of health.



EMPLOYEE VOICES

Employees are particularly concerned about rising costs of health care, prescription drugs and housing, as well as transportation expenses and access to healthy foods.¹



¹National Business Group on Health/Optum [Workplace Well-being and the Employee Experience Survey](#), 2019.

Most employers have significant reservations about Medicare for All

72% believe it will decrease the number of uninsured in the country

47% believe it will increase the health care costs experienced by employees

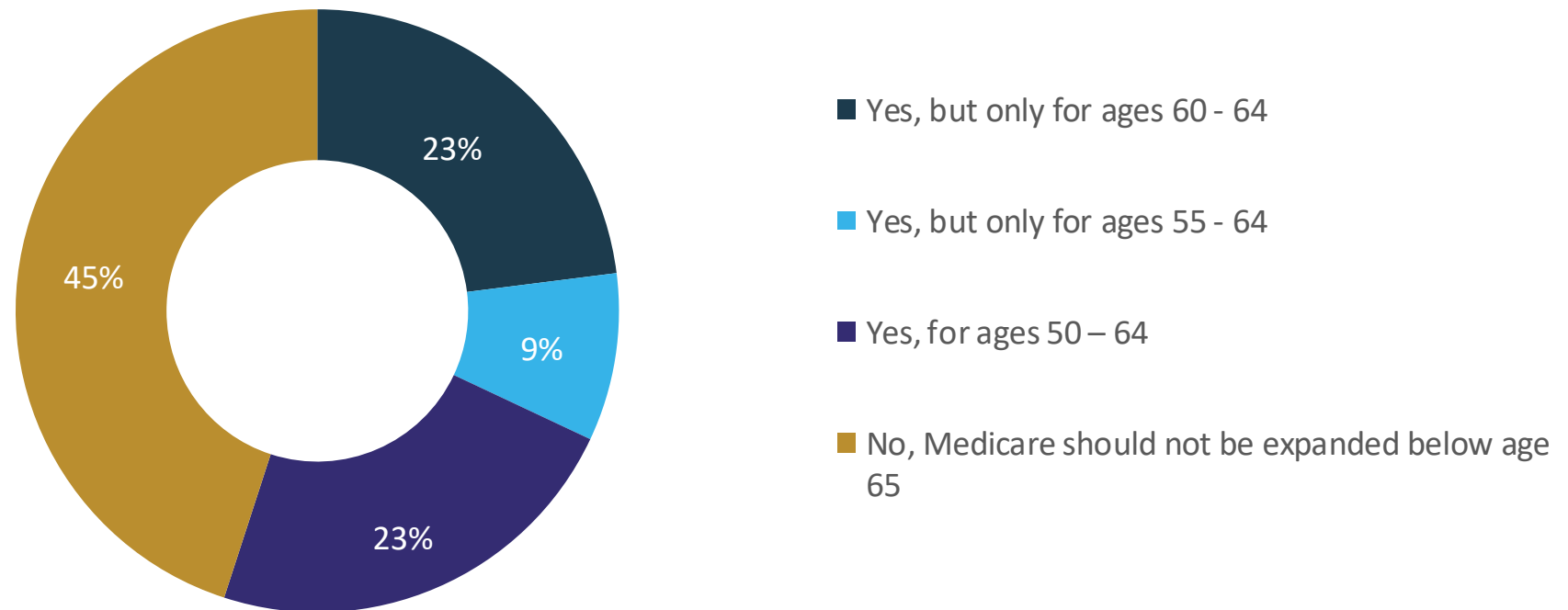
56% believe it will lead to a reduction in health care quality

57% believe it will lead to an overall increase in U.S. health care costs

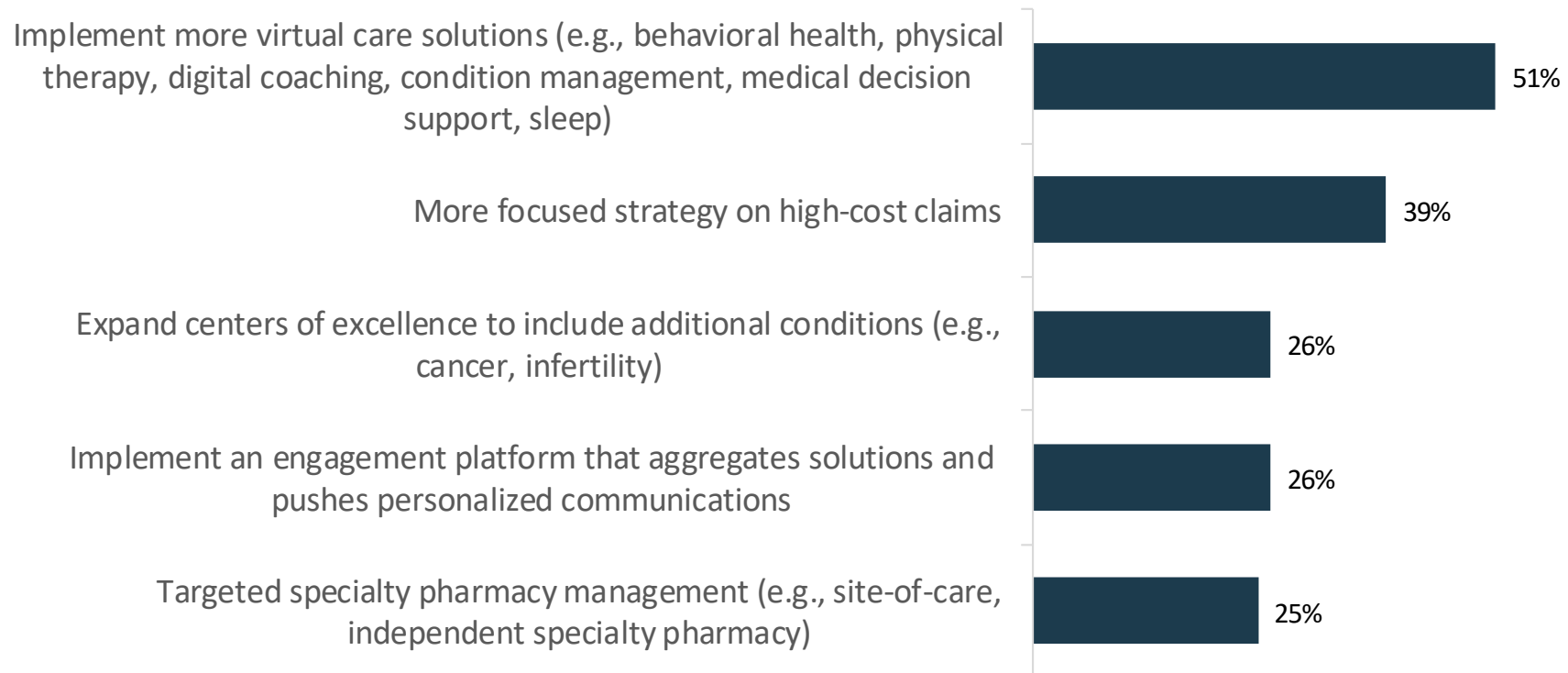
69% believe it will stifle health care delivery innovation

81% believe it will lead to increased taxes

Employers are mixed on expanding Medicare to people below age 65

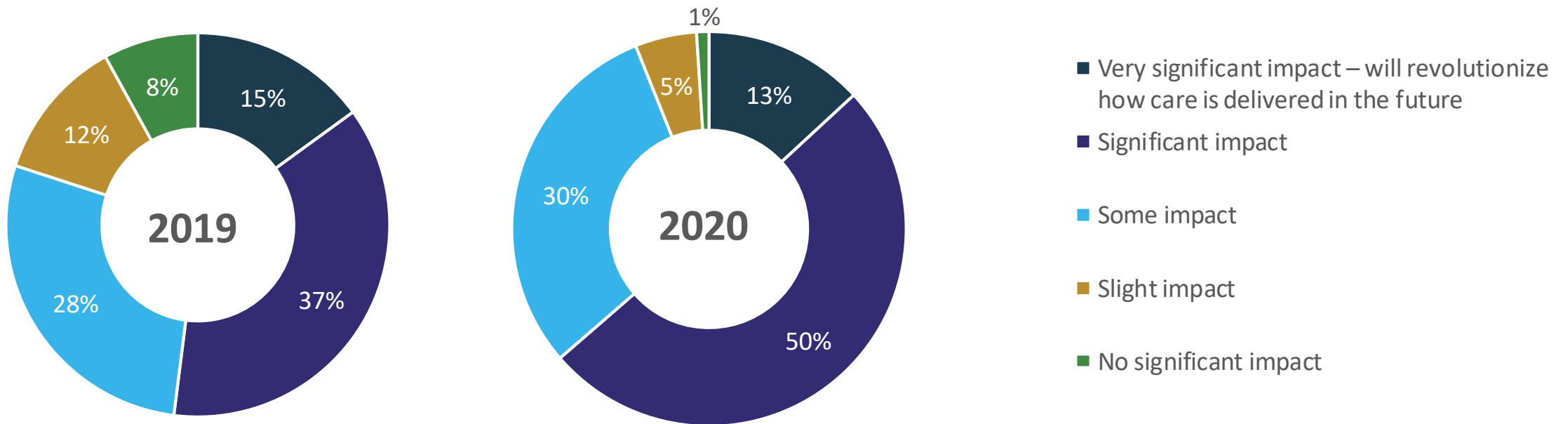


Top employer priorities for 2020 include virtual care solutions and a more focused strategy to address high-cost claims

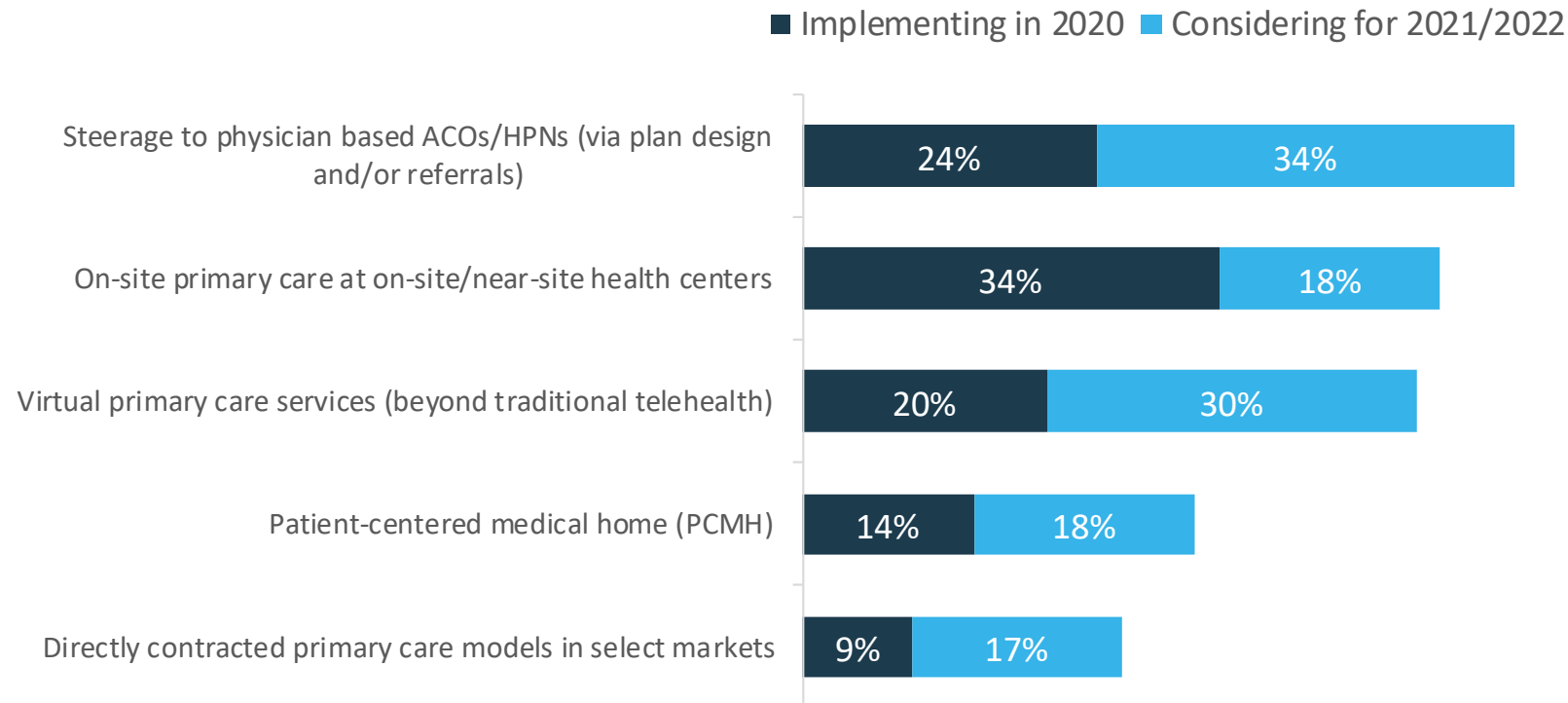


Employers see virtual solutions having a significant impact on health care delivery in the future

- 51% of employers will offer more virtual solutions in 2020, with musculoskeletal and mental health topping the list for 2021-2022.

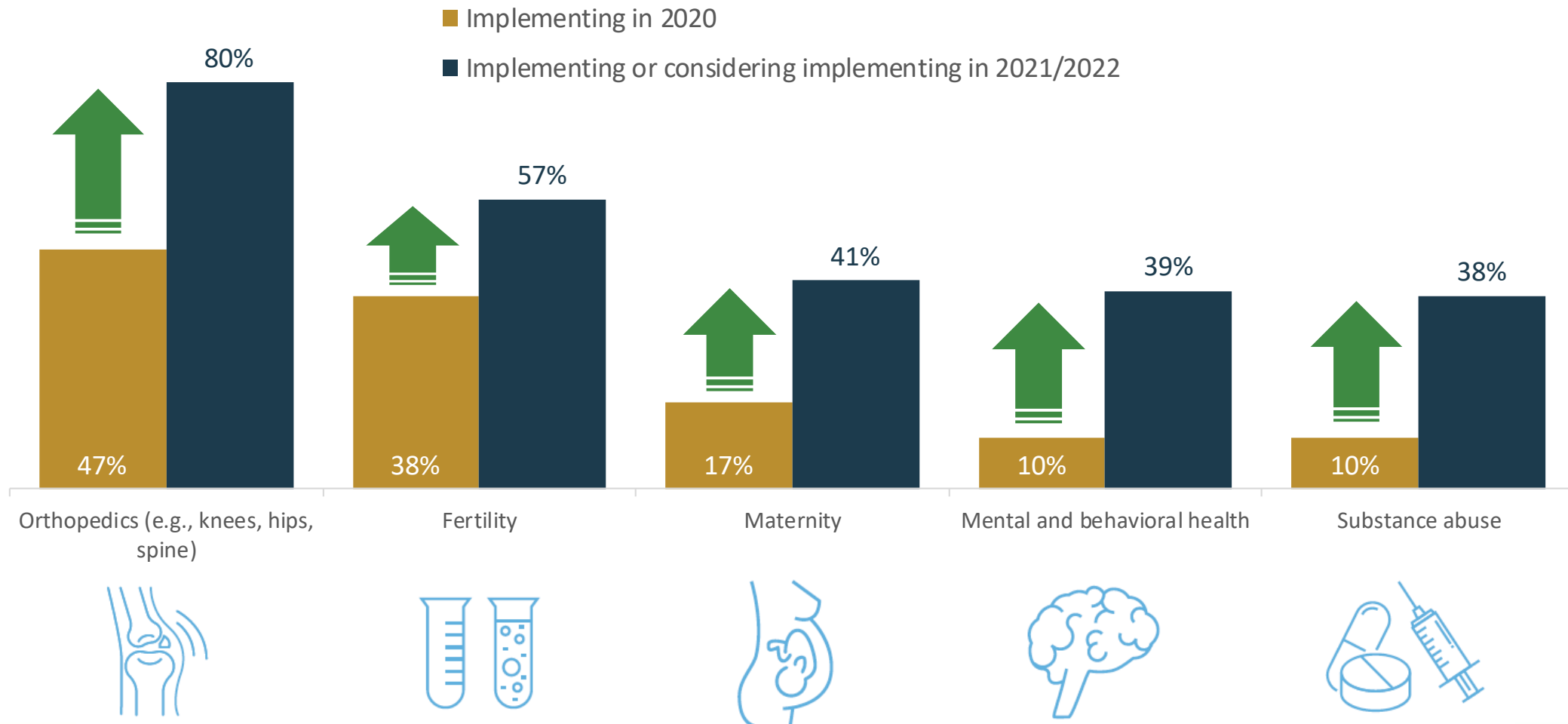


Implementing advanced primary care strategies is an emerging trend



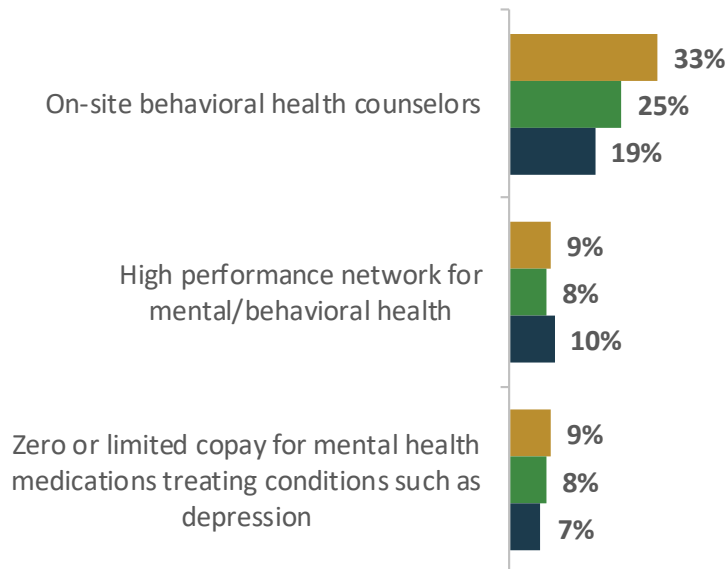
49%
will have at least one advanced primary care strategy in place for 2020

More employers are using COEs to address musculoskeletal conditions, fertility and maternity



Mental health remains a key area of focus. 2020 will bring double-digit increases in employers offering anti-stigma campaigns and manager trainings on mental health.

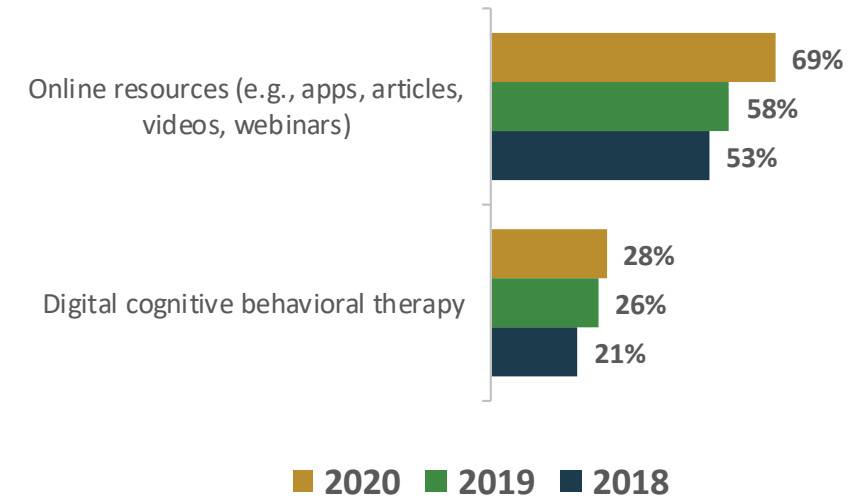
Access



Culture

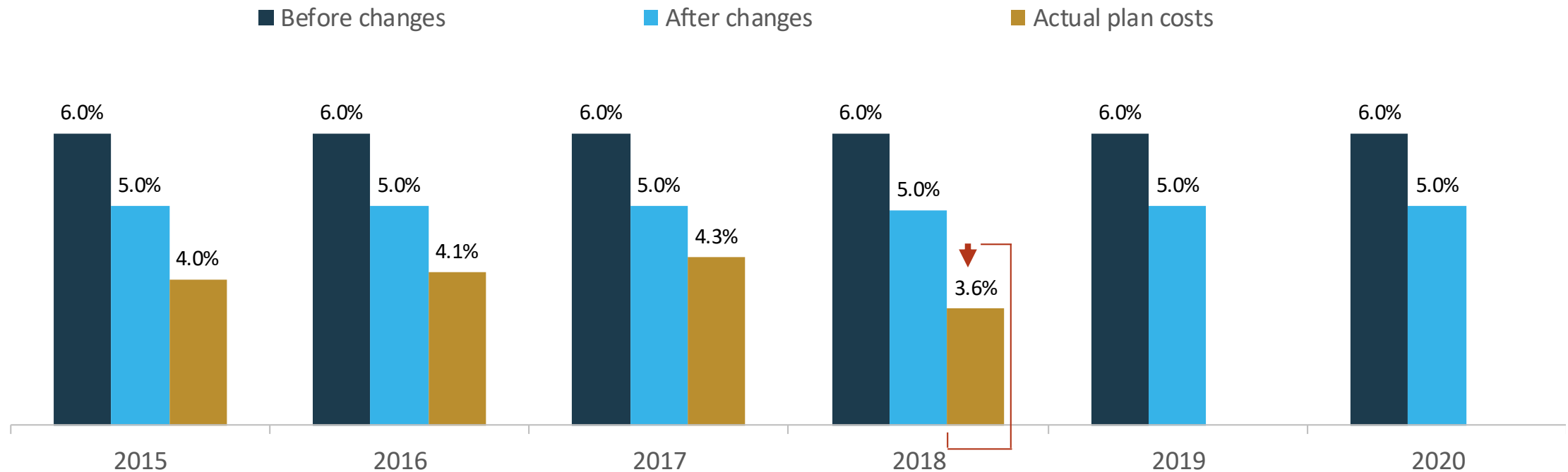


Virtual Resources



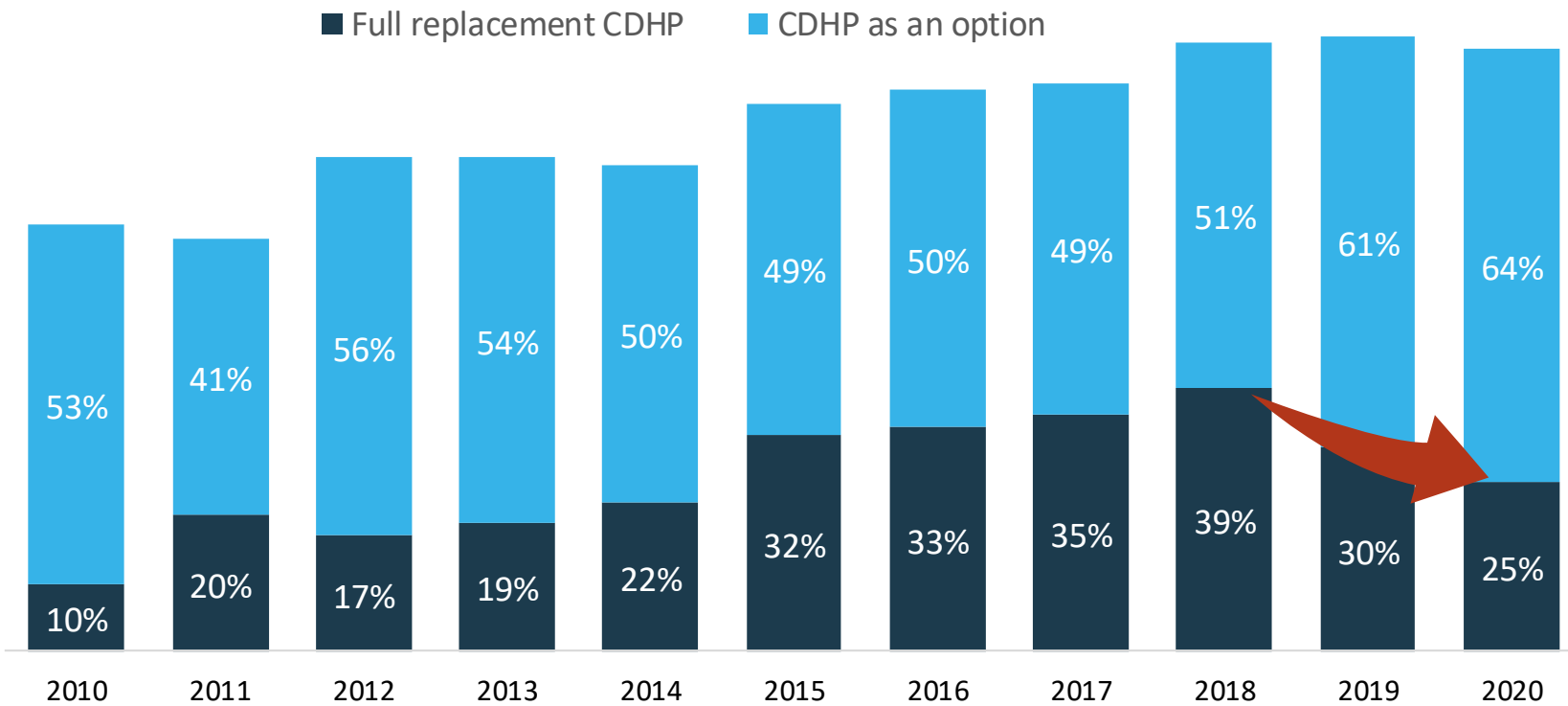
Projected 2020 cost trend remains consistent with prior years at 5%; cost per employee is expected to top \$15,000

* Employees will see minimal plan design changes in 2020



Note: Projections are based on employers who had estimates for each year. Not all respondents were able to provide estimates for cost projections. Changes may include contract negotiations, alternative network models, cost management initiatives and plan design.

Employers are adding choice back into their plan offerings even as more employees choose consumer-directed health plans.



Median participation rate in CDHPs offered as an option is **46%**, up from **35%** last year.

Simplifying consumerism remains a focus for employers

2019

2020

71%



78%

Will offer medical decision support and second opinion services

65%



73%

Will offer employee advocacy tools for claims assistance

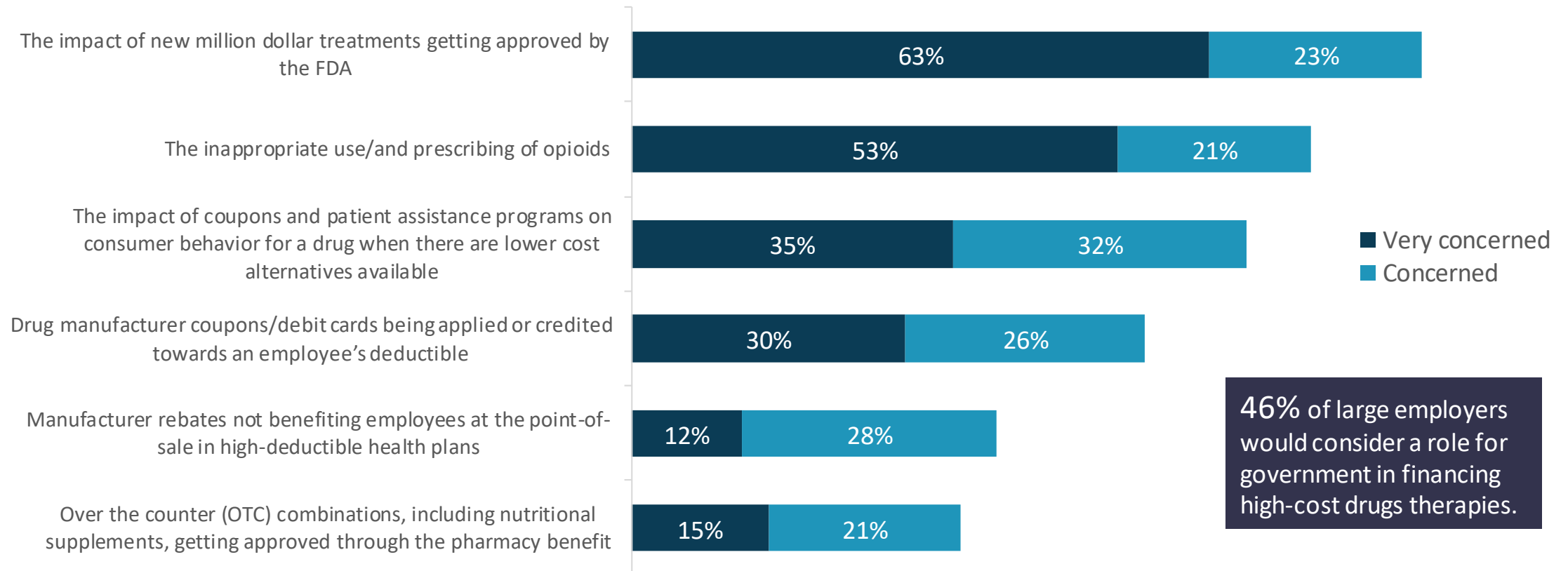
39%



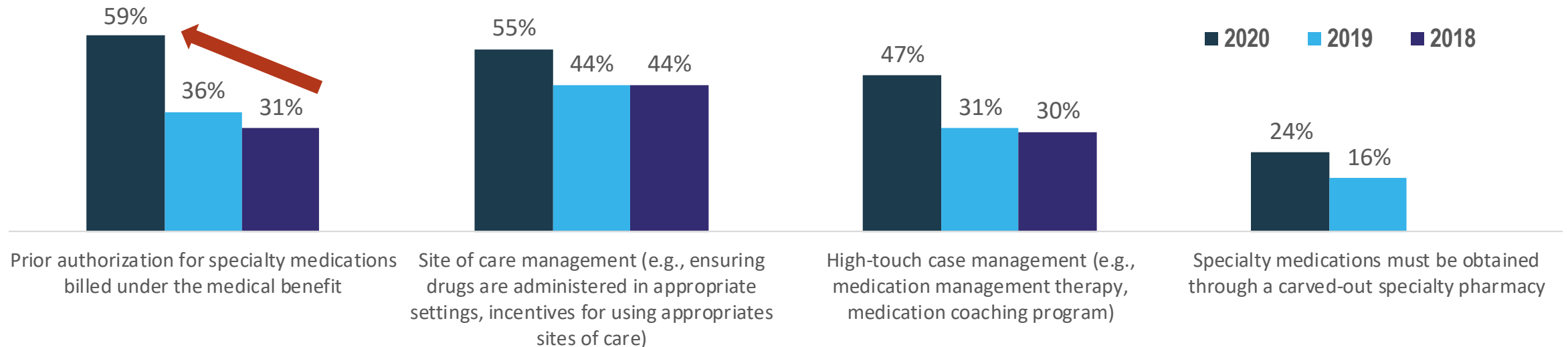
60%

Will offer high touch concierge services to help employees navigate the health care system

High-cost drug therapies are #1 concern in managing pharmacy benefit plans.



Employers have placed emphasis on specialty medications delivered and paid for under the medical benefit



Managing the pharmaceutical supply chain continues to be a challenge

Copay Card Accumulator Programs

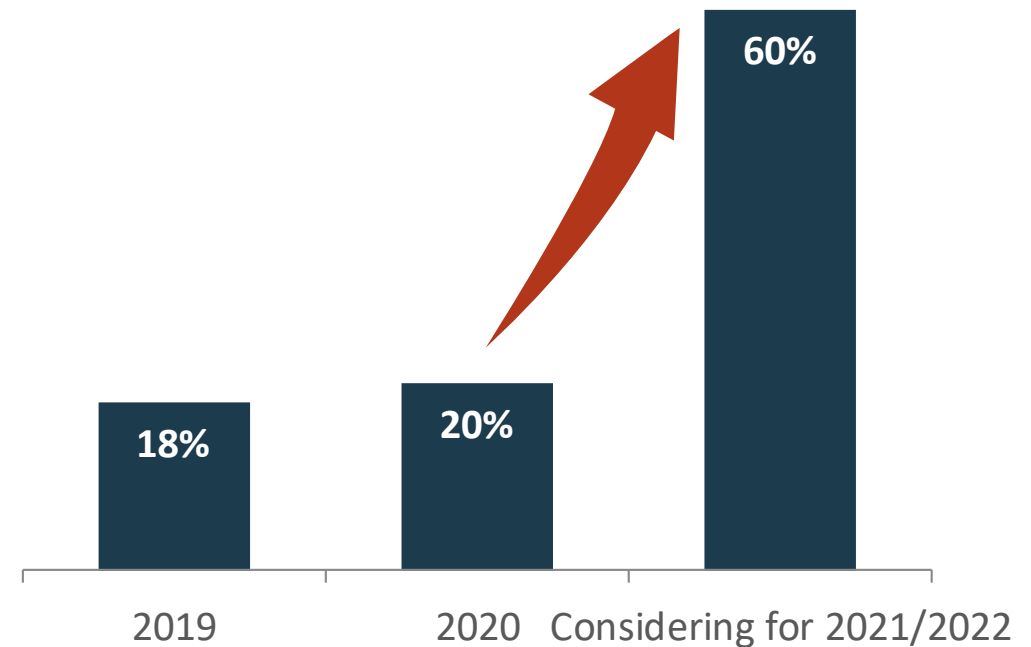
38%

will have copay card accumulator program that prevents manufacturer coupons from applying to the deductible (*in 2020*)

53%

will have them in place or are considering putting them in (*by 2021-2022*)

Large Employers' Point-of-Sale Rebate Programs Offerings



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BUSINESS GROUP MEMBERS – *SAVE THE DATE!*

National Business Group on Health members are invited to attend the following webinars featuring a panel of leading employers discussing the major findings of the survey:

September 4, 2019

12:00-1:00 p.m. ET

9:00-10:00 a.m. PT

September 5, 2019

3:00-4:00 p.m. ET

12:00-1:00 p.m. PT