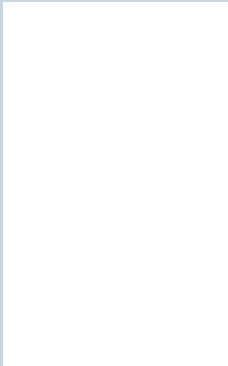
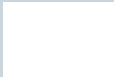
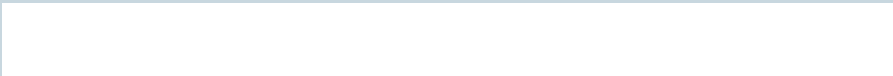


# 2015 High Performance Insights

## Best Practices in Health Care Survey



# Today's speakers



**Randall Abbott**

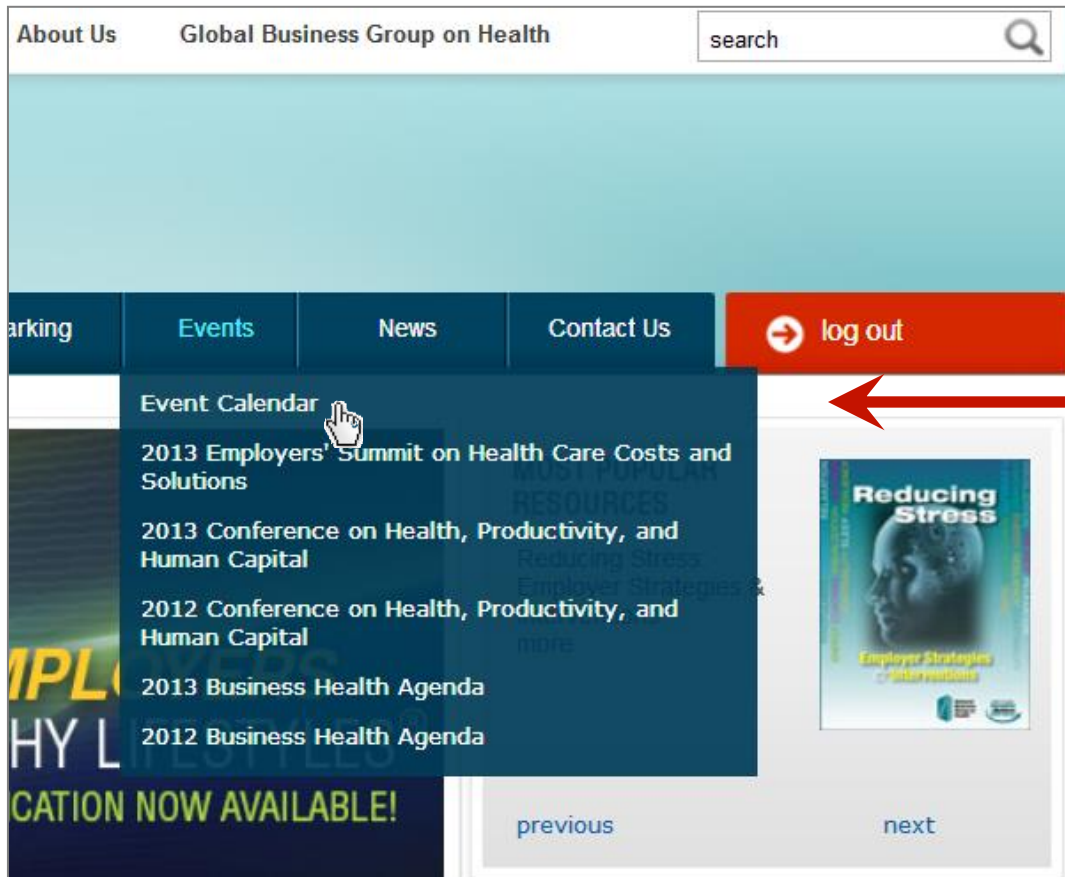
- Senior Consulting Leader, Health and Benefits
- Willis Towers Watson



**Steve Nyce, Ph.D.**

- Director, Research and Innovation Center
- Willis Towers Watson

# Downloading Slides and Asking Questions



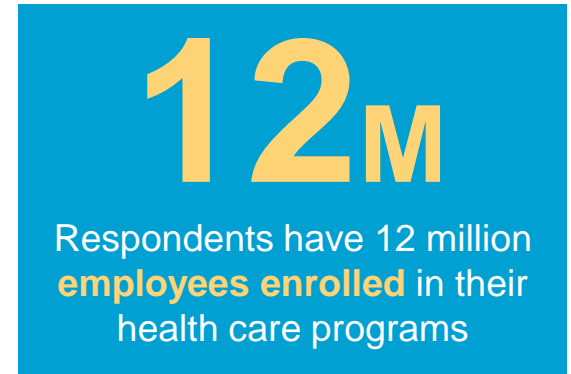
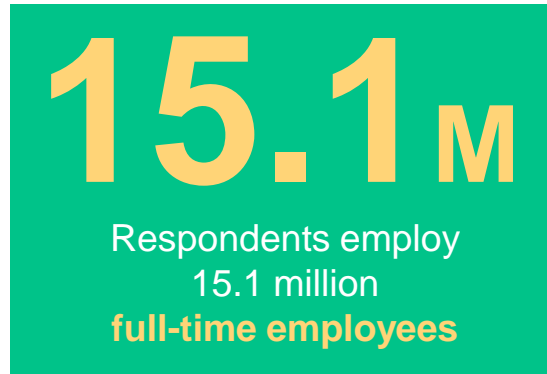
Slides available online at:

<http://www.businessgrouphealth.org/events/index.cfm>

To ask a question at any time during the presentation:

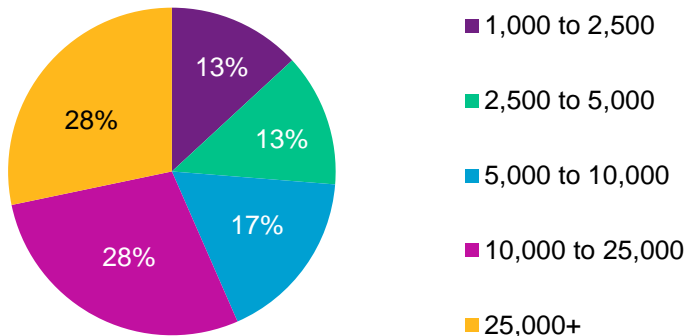
- (1) Click on the Q&A tab
- (2) Type your question
- (3) Click “Send to All Panelists”

# About the 20th Annual Survey

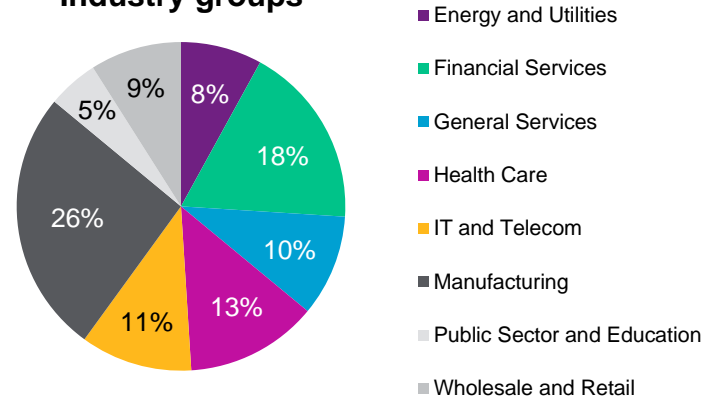


- Survey data collected between June and July 2015

Number of full-time workers employed by respondents



Industry groups



Source: 2015 Willis Towers Watson/NBGH Best Practices in Health Care Employer Survey.

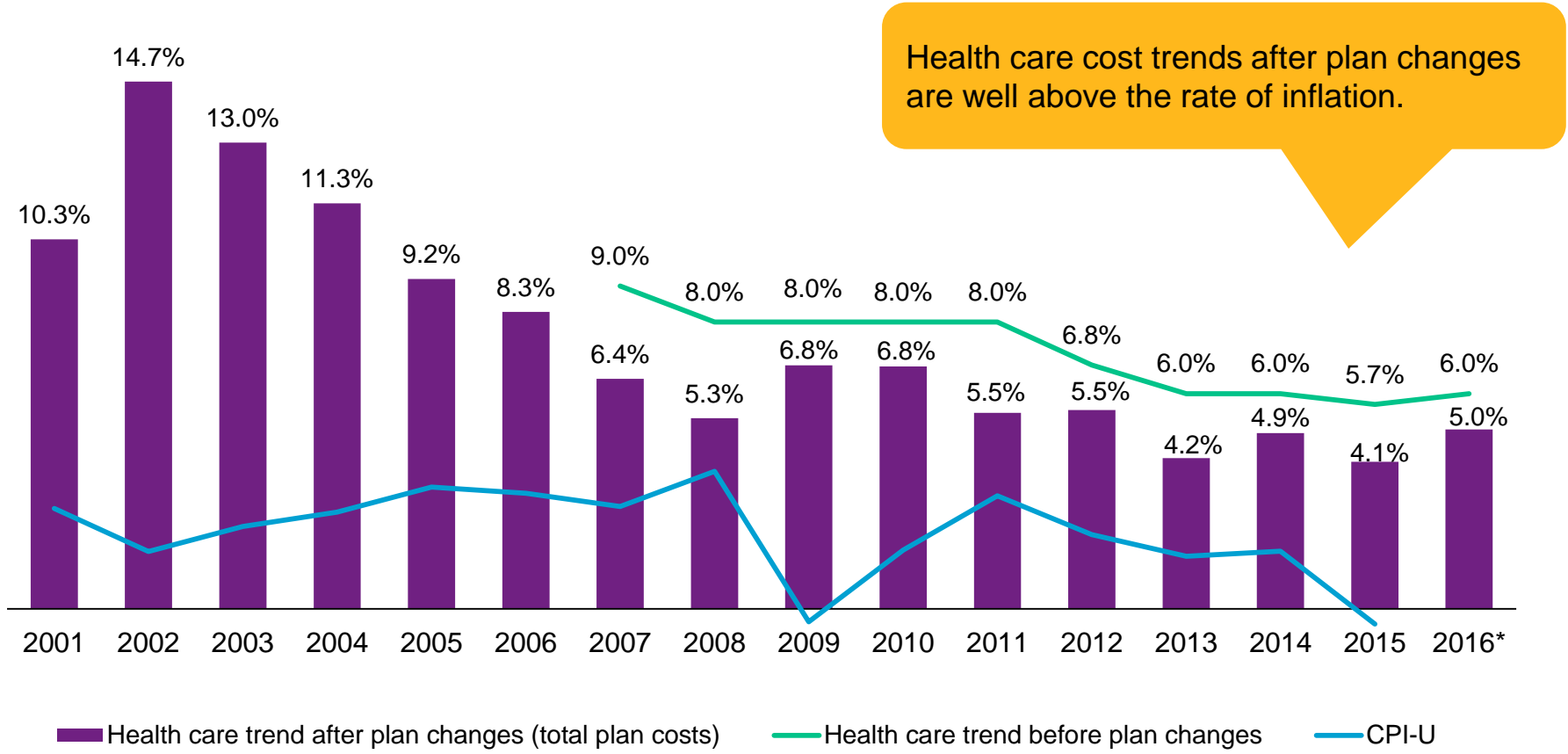


## Executive Summary

- 1 Cost trends remain at historically low levels**
- 2 Companies continue to aggressively manage costs**
- 3 Adoption of Account Based Health Plans nears saturation**
- 4 Employers need to rethink incentive strategy, address lifestyle risks and create healthy workplace**
- 5 Best performers create a financial advantage**

Source: 2015 Willis Towers Watson/NBGH Best Practices in Health Care Employer Survey.

# Health care cost trend remains lowest in 15 years

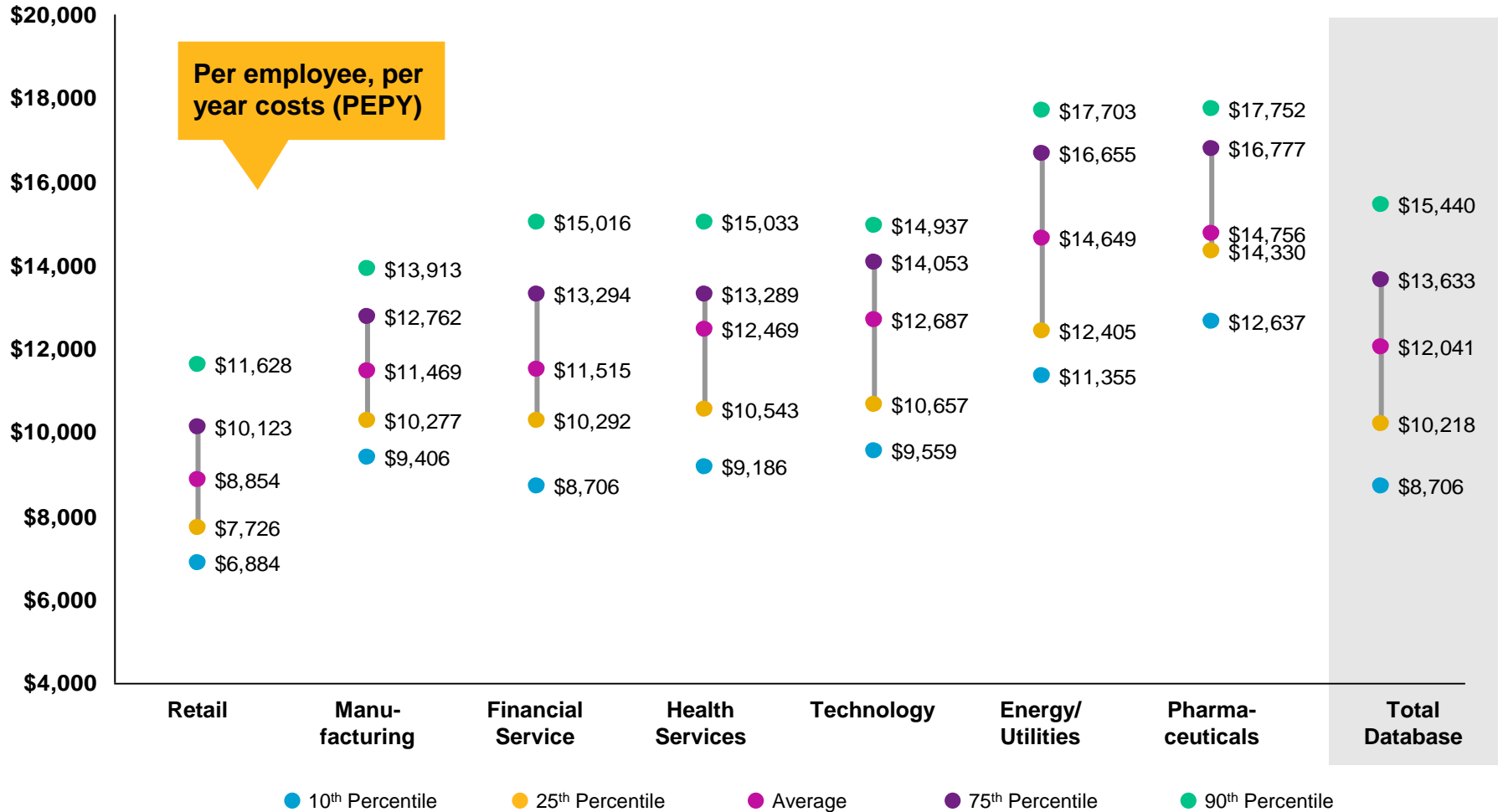


Health care cost trends after plan changes are well above the rate of inflation.

\*Projected.

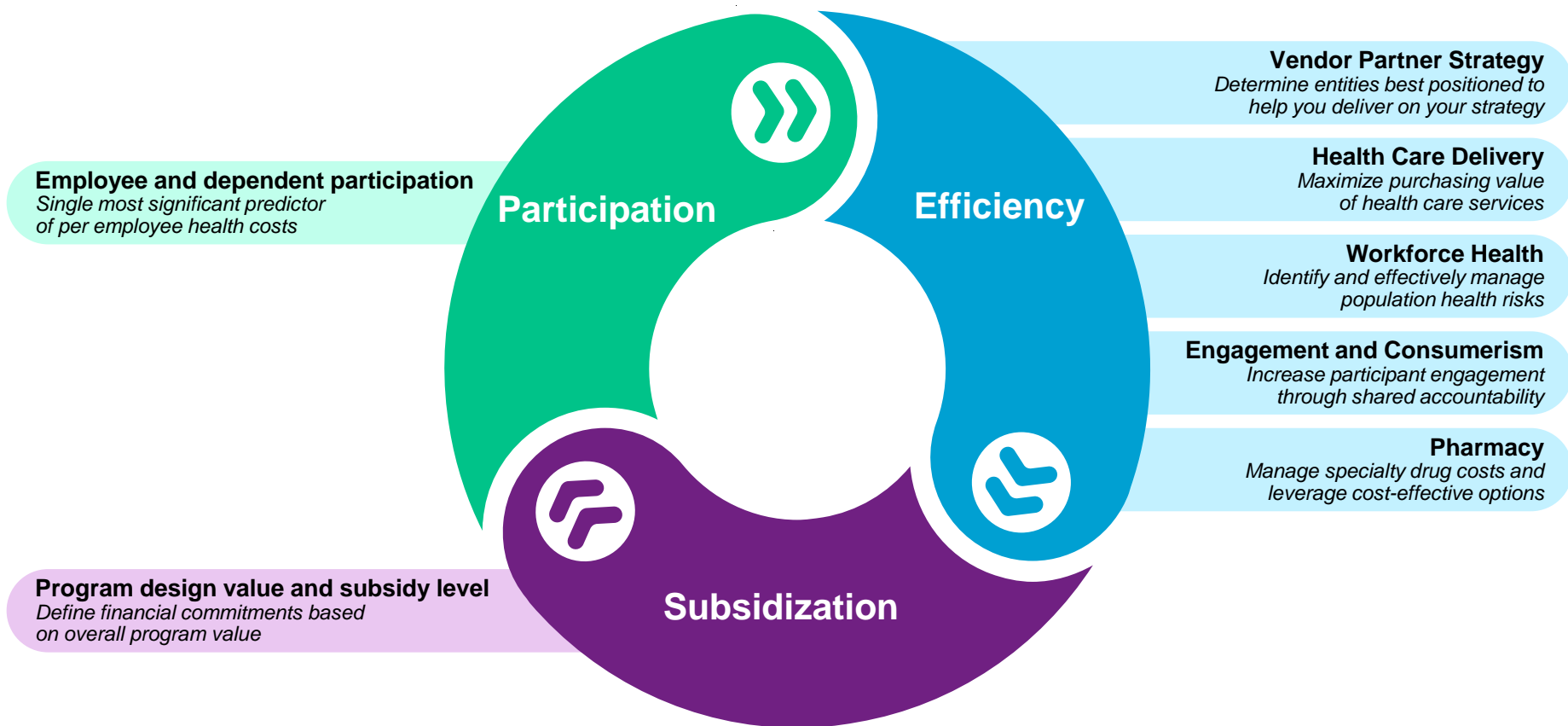
Source: 2015 Willis Towers Watson/NBGH Best Practices in Health Care Employer Survey.

# Wide variance of costs across industries



Source: 2015 Willis Towers Watson/NBGH Best Practices in Health Care Employer Survey.

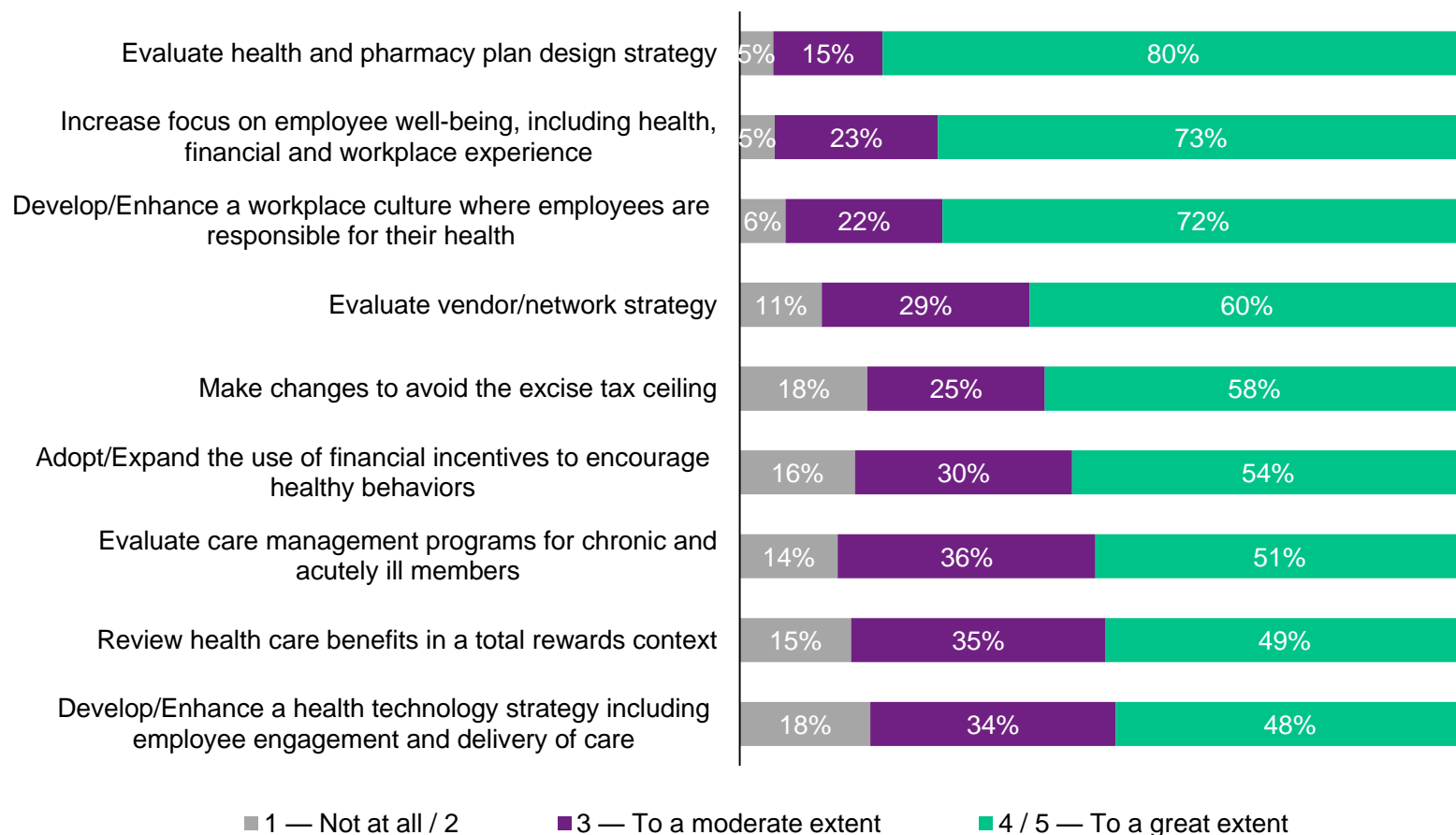
# What's driving variability in health care costs?



Source: 2015 Willis Towers Watson/NBGH Best Practices in Health Care Employer Survey.



# Top health care priorities over the next 3 years



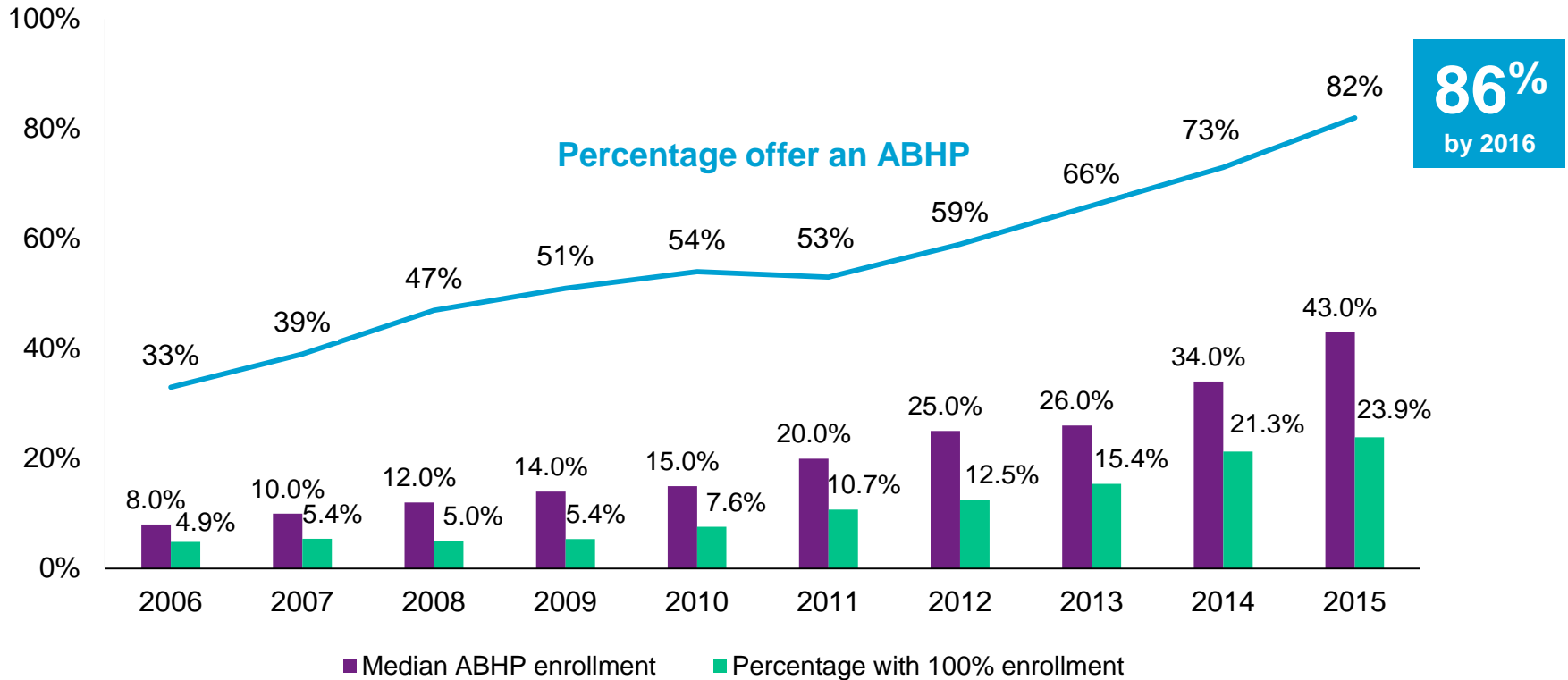
Survey data collected between June and July 2015.

Source: 2015 Willis Towers Watson/NBGH Best Practices in Health Care Employer Survey.

# Adoption of Account-based health plans nears universal use



## And full-replacement ABHP continues to grow



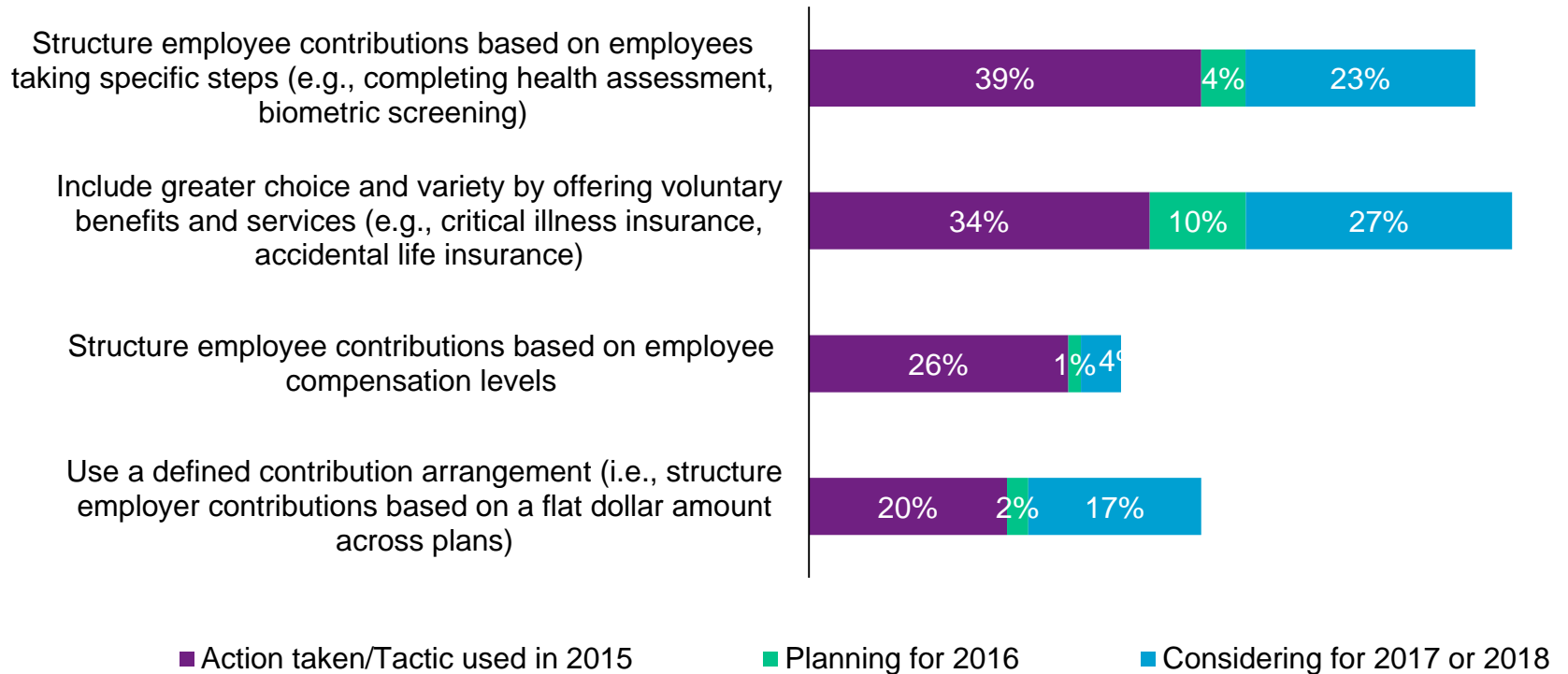
Note: Enrollment rates are based on **companies that offer an ABHP** in various years. 2006 is based on the 12th Annual Willis Towers Watson/National Business Group on Health survey; 2007 is based on the 13th annual survey, etc.

Source: 2015 Willis Towers Watson/NBGH Best Practices in Health Care Employer Survey.

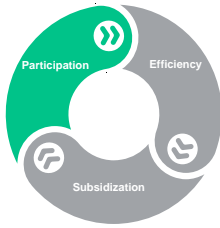
# Many employees see changes to their contribution structure



## Changes in contribution structure for active employees

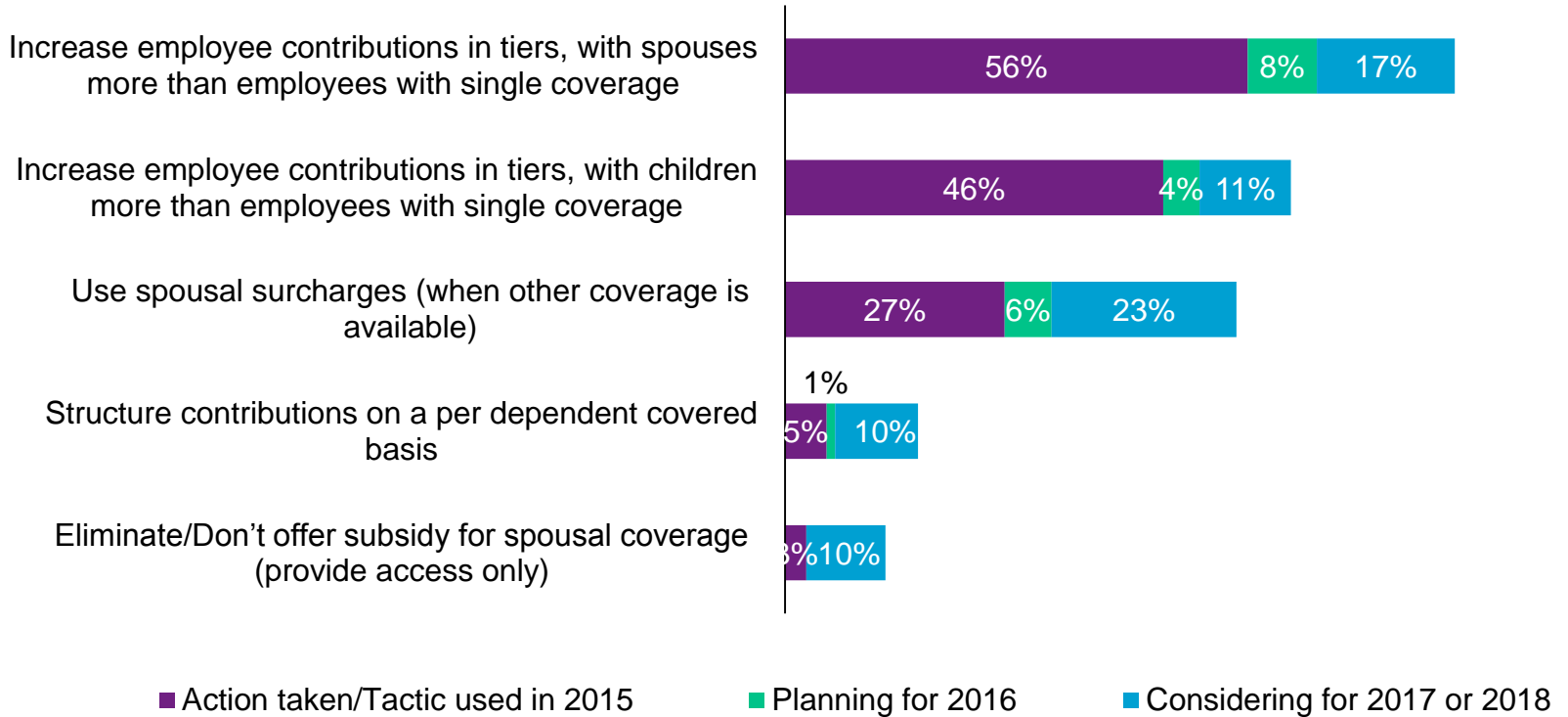


Source: 2015 Willis Towers Watson/NBGH Best Practices in Health Care Employer Survey.



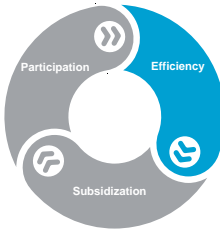
# Companies are taking steps to manage dependent participation

## Redefine financial commitment to spouses

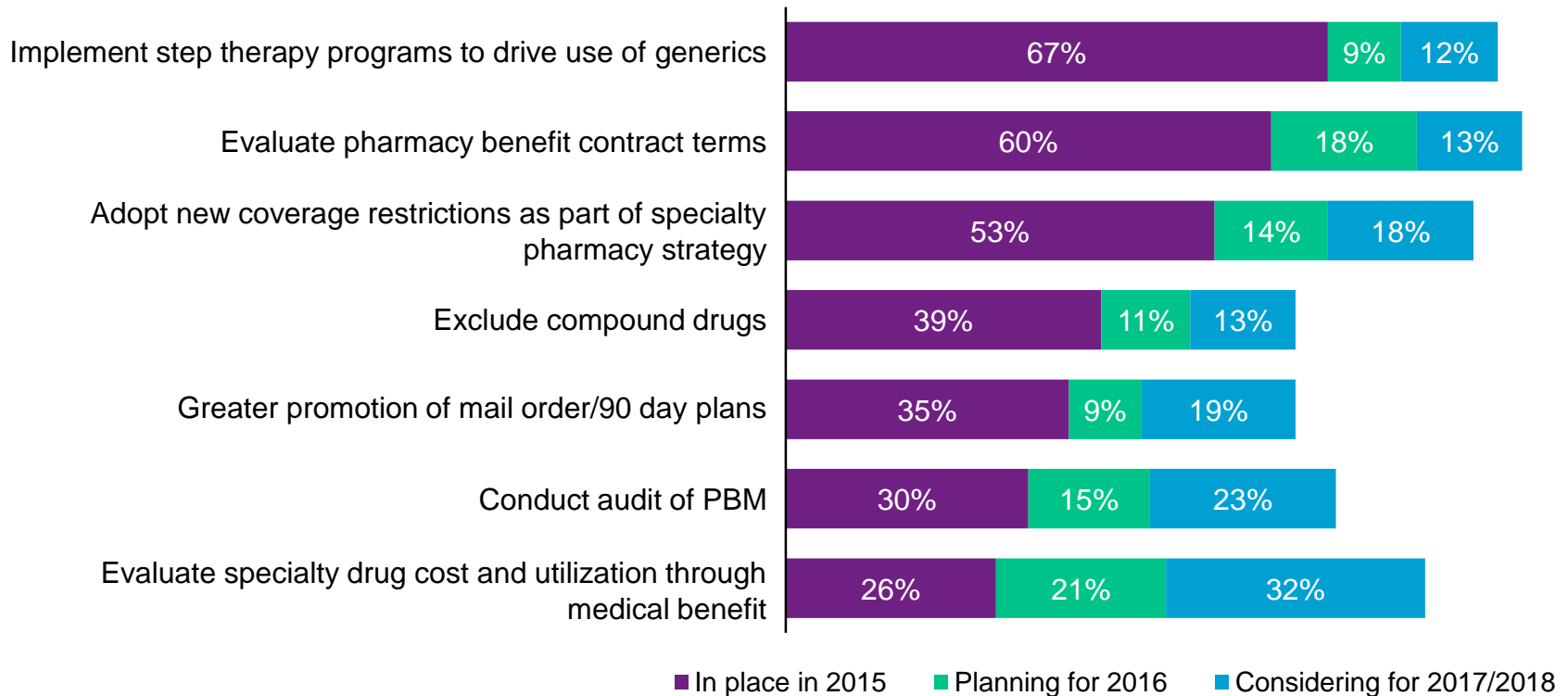


Source: 2015 Willis Towers Watson/NBGH Best Practices in Health Care Employer Survey.

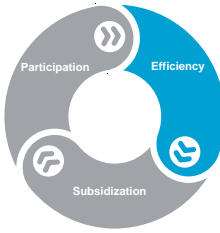
# Employers are proactively managing pharmacy benefit costs



## With particular emphasis on specialty pharmacy utilization



Source: 2015 Willis Towers Watson/NBGH Best Practices in Health Care Employer Survey.



# Employers embrace telemedicine

**Almost half offer telemedicine, yet utilization remains low despite an investment in employee communication and incentives**

**46%**

Currently offer telemedicine services to employees compared to 28% in 2014

**24%**

Plan to add in 2016 and another 20% are considering by 2018

**31%**

Of employers provide lower copayments or charges for telemedicine consultations with another 44% expected to by 2018

**7%**

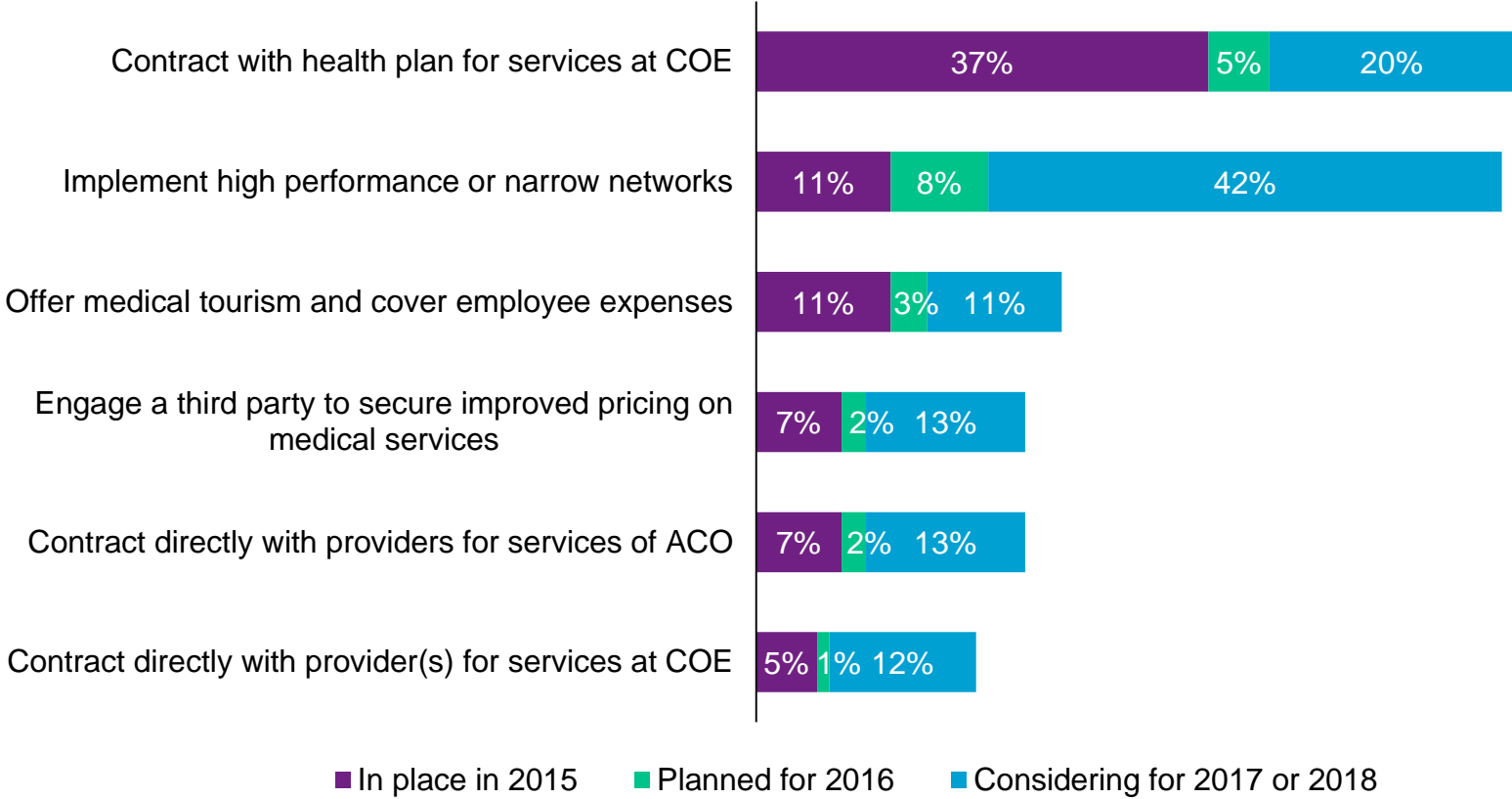
Less than 10% of employees use telemedicine

Source: 2015 Willis Towers Watson/NBGH Best Practices in Health Care Employer Survey.

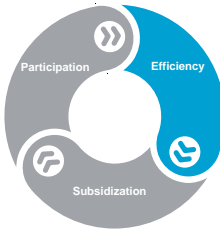


# The transition to value-based payment gains momentum

## Emerging trends in provider management

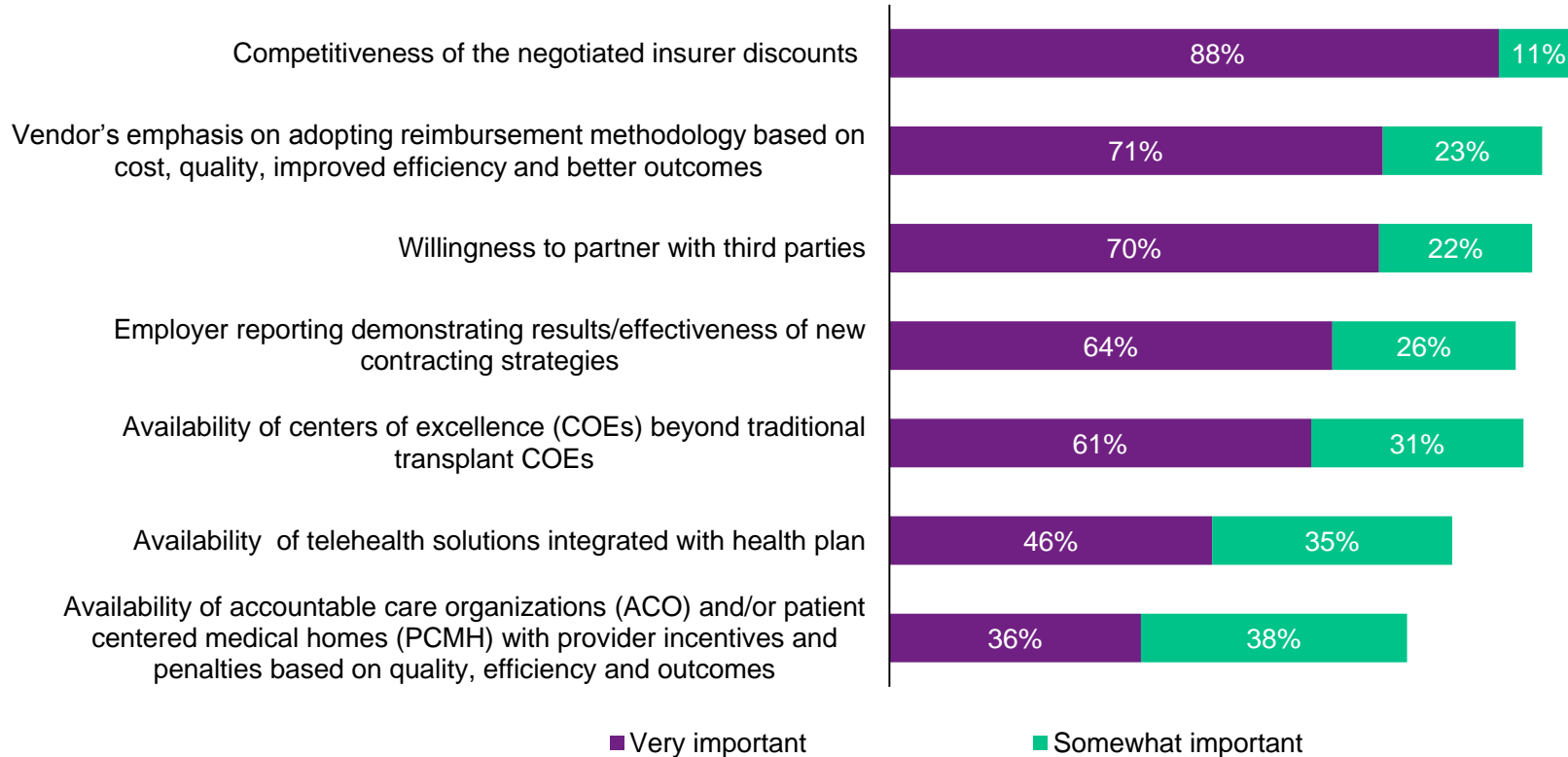


Source: 2015 Willis Towers Watson/NBGH Best Practices in Health Care Employer Survey.



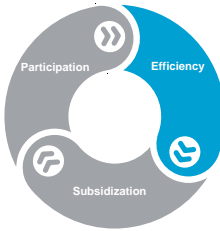
# Employers use many factors to select a health plan vendor

## Factors in selecting a health plan vendor



Source: 2015 Willis Towers Watson/NBGH Best Practices in Health Care Employer Survey.





## Low participation in incentives causes companies to revisit their incentive strategy

**86%**

Offer some type of wellness incentive to encourage participation

**40%**

Employees earn no incentives in a given year

**88%**

Plan to re-evaluate their incentive strategy over the next 3 years

**\$880**

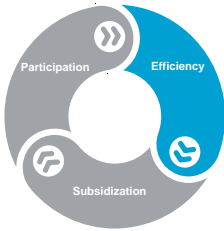
Average incentive dollar opportunity

**\$365**

Average actual dollar payout

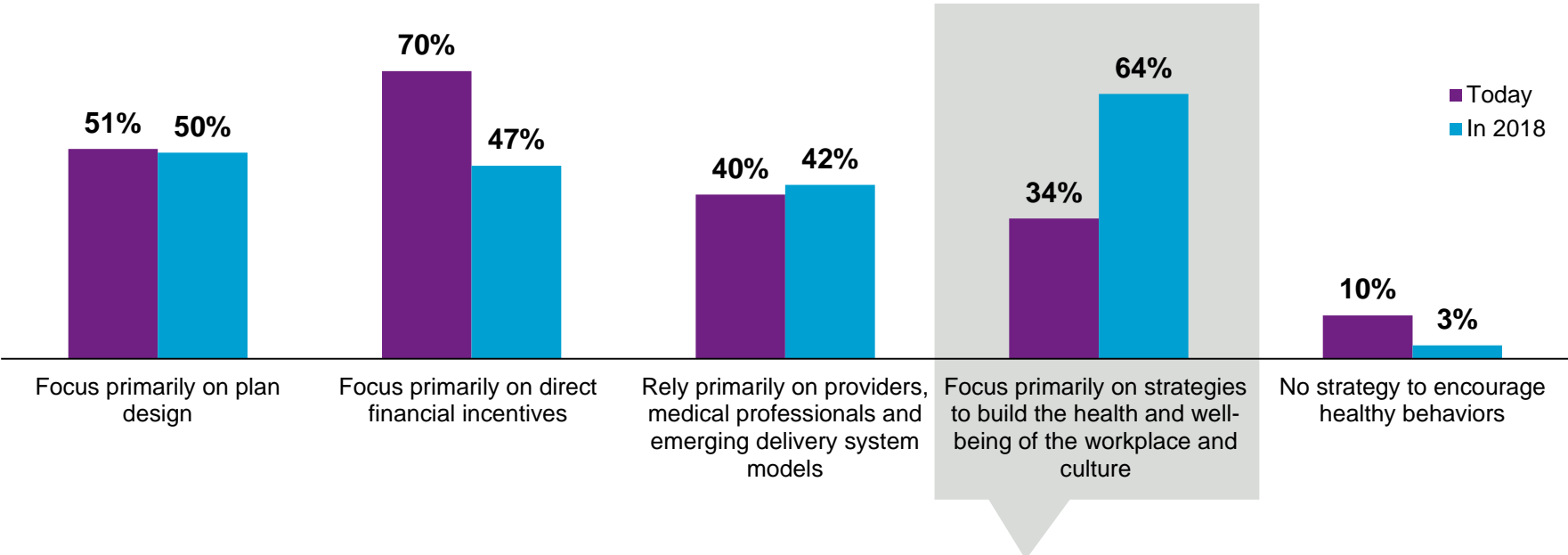
**Employees leave money (and a lot of it) on the table  
\$880 average incentive offered - \$365 average pay out**

Source: 2015 Willis Towers Watson/NBGH Best Practices in Health Care Employer Survey.



# Majority of organizations will increase their focus on building the health and well-being of the workplace

How would you characterize your organization's primary strategy to encourage healthy behaviors, and what do you expect it will be in 2018?



**Almost 2/3 of employers expect that building a culture of health will be the primary strategy to promote healthy behavior by 2018**

Source: 2015/2016 Global Staying@Work Survey, United States

# Best performers create a financial advantage

Best performing employers saved on average \$2,000 per employee per year and kept cost trends below benchmark

## Definition of Best Performers

### Health Plan Efficiency

Two-year average efficiency that is 5% or greater

Financial Benchmarks Survey

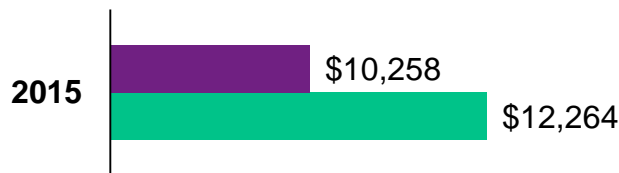
### Cost Trends *Before* Changes

Two-year average trend before plan changes at or below the national norm

Best Practices Survey



### Unadjusted Total Costs PEPY



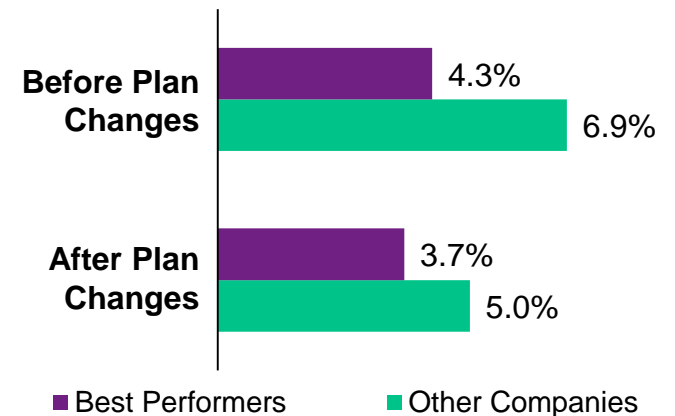
### Average Efficiency in 2015

17% vs. 0%

■ Best Performers    ■ Other Companies

What can we learn from the Best Performers?

### 2014/15 Cost Trends



Source: 2015 Willis Towers Watson/NBGH Best Practices in Health Care Employer Survey.

# Conclusions: What can we learn from best performers?

## ■ Participation

- Redefine financial commitment to families' health care

## ■ Subsidization

- Make ABHP the only plan option with on-going communication and evaluation of member behaviors
- Tie employee contributions to employees' taking specific actions

## ■ Vendor Partner Strategies

- Strengthen partnership by involving vendors in strategic planning and require data to be shared for outreach
- Choose partners whose reimbursement methodology is based on cost, quality and better outcomes

## ■ Health Care Delivery

- Use value-based designs like differentiating cost sharing for use of high-performance networks and COEs
- Embrace new technologies like telemedicine and offer services at lower copayments or charges

## ■ Pharmacy

- Adopt high-performance formulary with limited brand coverage
- Evaluate and take action to reduce the biggest cost drivers like speciality drugs and compound drugs

## ■ Workforce Health and Engagement

- Incentives alone don't drive sustainable behavior change – re-examine strategy and refresh approaches annually
- Leverage most important asset – the workplace – through changes to physical environment, links to broader company strategy and EVP and tapping into the social networks

Source: 2015 Willis Towers Watson/NBGH Best Practices in Health Care Employer Survey.

# 2015 High Performance Insights

## Best Practices in Health Care Survey

