



 **EMPLOYERS' FORUM OF INDIANA**
Addressing the challenges of the local healthcare marketplace

Employer Health Benefits Surveys: National Findings

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2022 Employer Health Benefits Survey Results



KFF: 2022 Employer Health Benefits

Published: October 27, 2022

KFF Mission

- Non-profit focusing on national health issues
- Nonpartisan source of facts and analysis

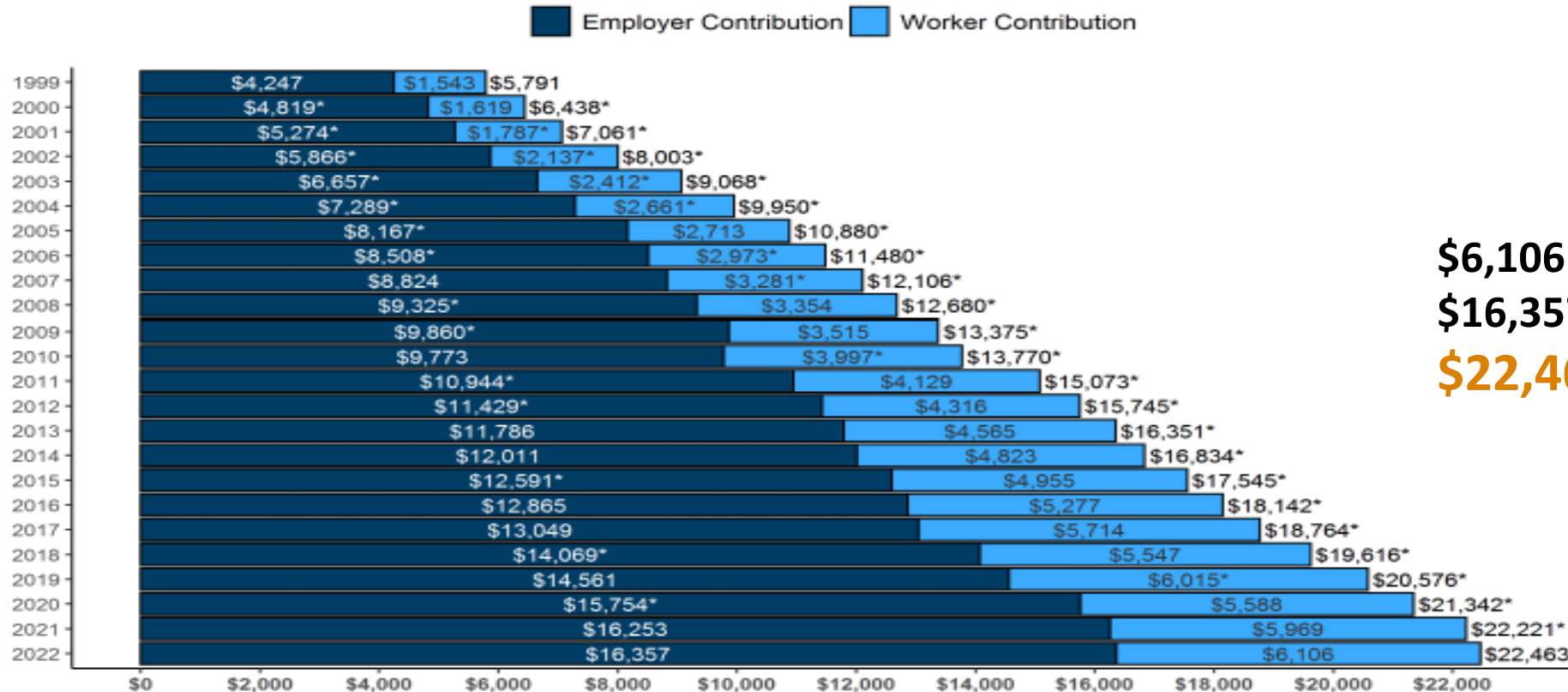
KFF Survey

- 24th annual survey of employers provides a detailed look at trends in employer-sponsored health coverage, including premiums, employee contributions, cost-sharing provisions, offer rates, wellness programs, and employer practices.
- Includes 2,188 interviews with non-federal public and private firms.
- Read the full study at <https://www.kff.org/health-costs/report/2022-employer-health-benefits-survey/>

U.S. EMPLOYEES & EMPLOYERS ARE PAYING MORE FOR HEALTH INSURANCE PREMIUMS: FAMILY COVERAGE, TREND 1999-2022

Figure 6.5

Average Annual Worker and Employer Contributions to Premiums and Total Premiums for Family Coverage, 1999-2022



2022
\$6,106 employee +
\$16,357 employer =
\$22,463 total

* Estimate is statistically different from estimate for the previous year shown ($p < .05$).

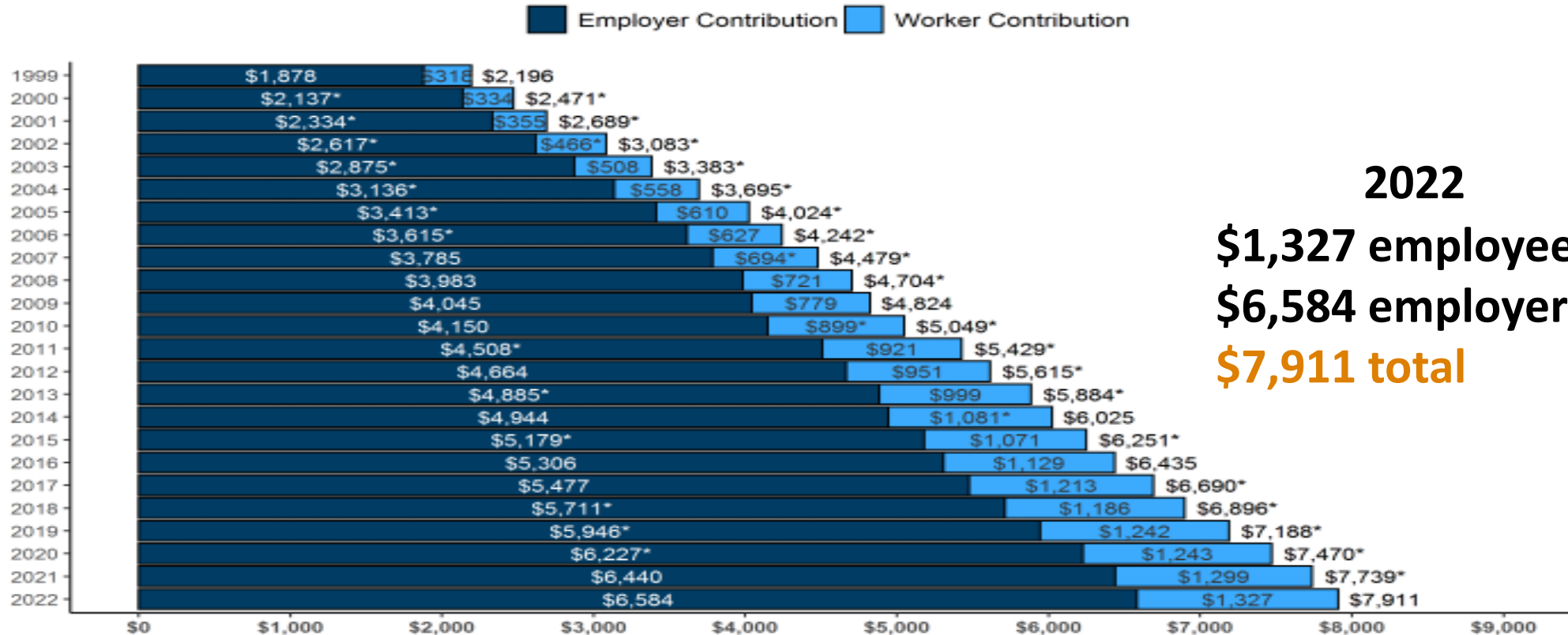
SOURCE: KFF Employer Health Benefits Survey, 2018-2022; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

<https://www.kff.org/report-section/ehbs-2022-section-6-worker-and-employer-contributions-for-premiums/>

U.S. EMPLOYEES & EMPLOYERS ARE PAYING MORE FOR HEALTH INSURANCE PREMIUMS: SINGLE COVERAGE, TREND 1999-2022

Figure 6.4

Average Annual Worker and Employer Contributions to Premiums and Total Premiums for Single Coverage, 1999-2022



2022
\$1,327 employee +
\$6,584 employer =
\$7,911 total

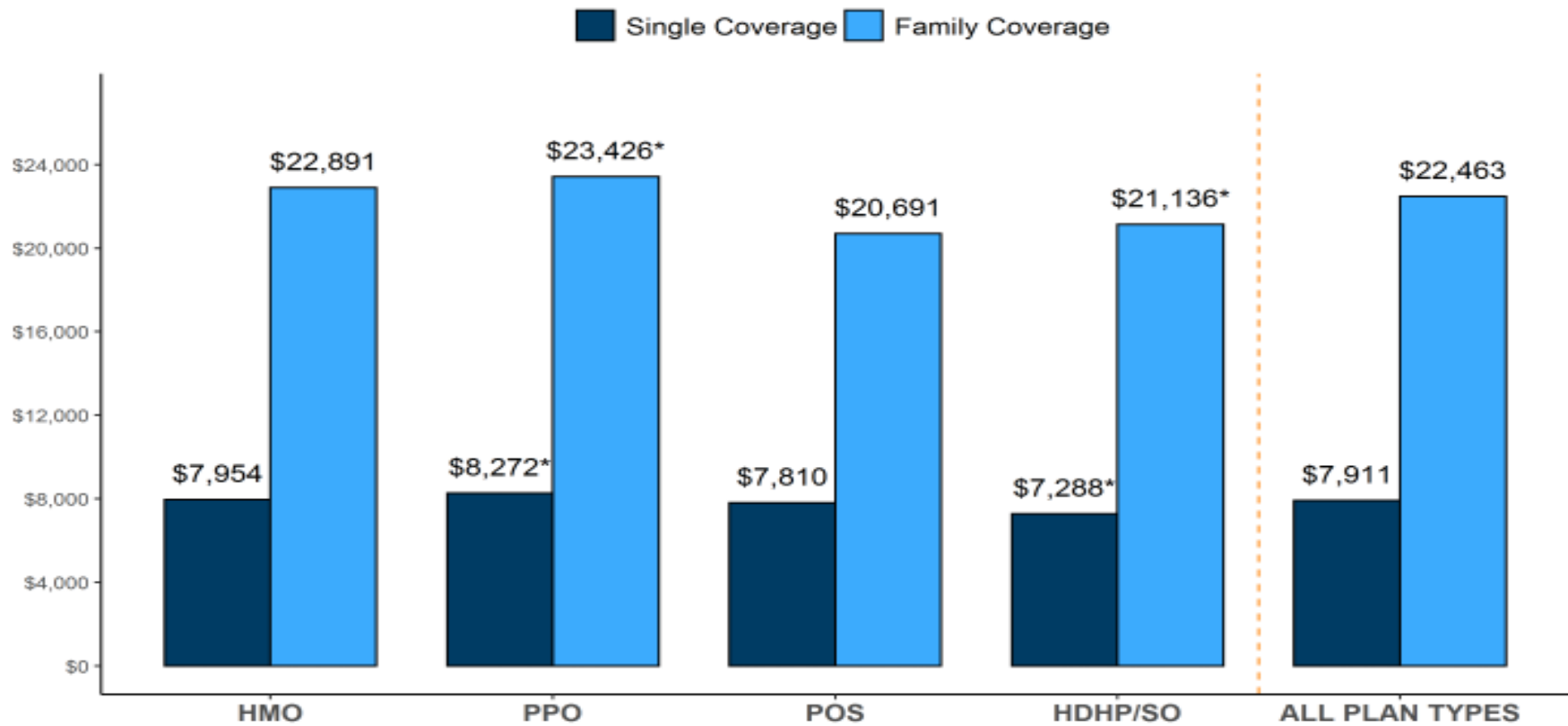
* Estimate is statistically different from estimate for the previous year shown (p < .05).

SOURCE: KFF Employer Health Benefits Survey, 2018-2022; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

<https://www.kff.org/report-section/ehbs-2022-section-6-worker-and-employer-contributions-for-premiums/>

U.S. AVERAGE ANNUAL PREMIUMS: ALL EMPLOYER SIZES ARE HIGH, 2022

Figure 1.1
Average Annual Premiums for Covered Workers, Single and Family Coverage, by Plan Type, 2022

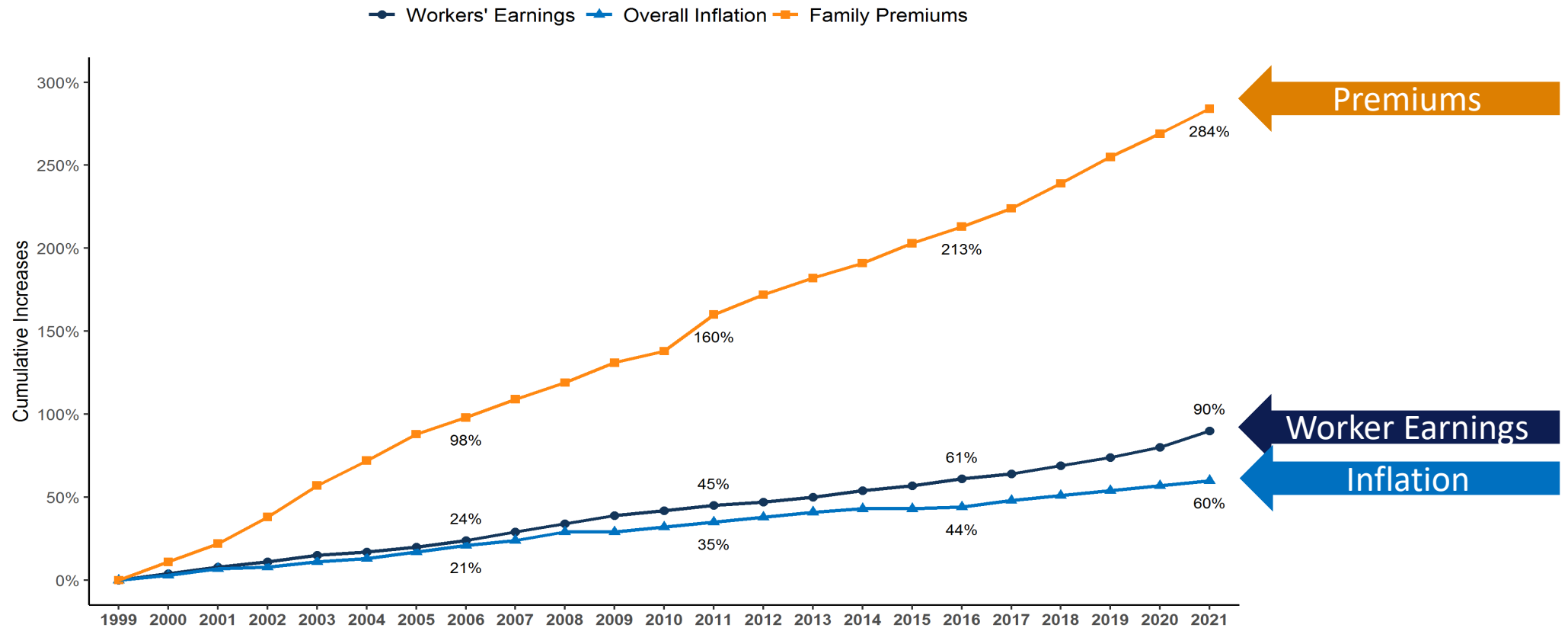


* Estimate is statistically different from All Plans estimate (p < .05).
SOURCE: KFF Employer Health Benefits Survey, 2022

<https://www.kff.org/report-section/ehbs-2022-section-1-cost-of-health-insurance/>

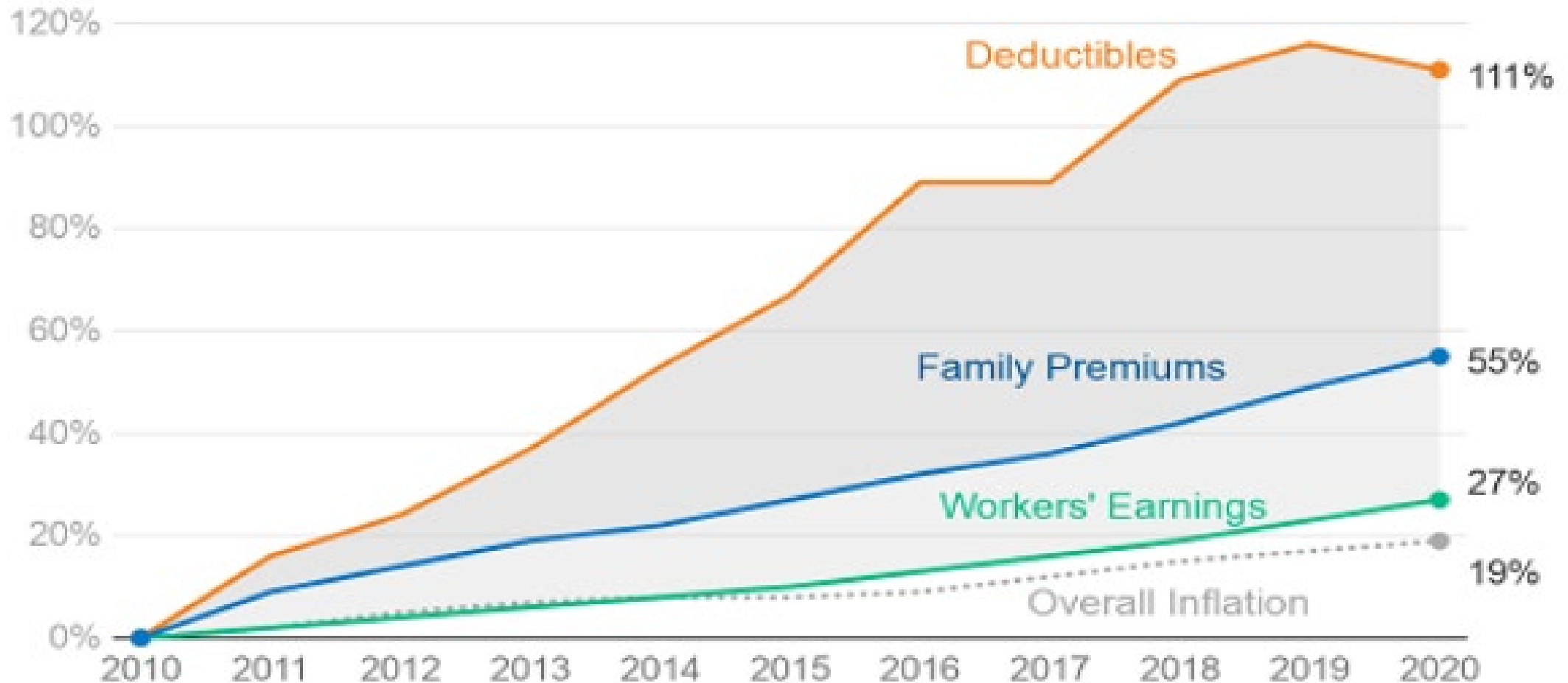
U.S. Family Health Insurance Premiums have Outpaced Inflation & Workers' Salaries

Cumulative Increases in Family Premiums, Inflation, and Workers' Earnings, 1999-2021



SOURCE: KFF Employer Health Benefits Survey, 2018-2021; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation, 1999-2021; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1999-2021.

PROBLEM: EMPLOYEE PREMIUMS AND DEDUCTIBLES HAVE RISEN MUCH FASTER THAN WAGES, 2010-2020



NOTE: Average general annual deductibles are for single coverage. Workers in plans without a general annual deductible for in-network services are assigned a value of zero. Source: KFF Employer Health Benefits Survey, 2020; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2010 and 2015: <https://www.kff.org/health-costs/report/2020-employer-health-benefits-survey/>

NATIONAL ALLIANCE OF HEALTHCARE PURCHASERS COALITIONS

Pulse of the Purchaser Survey Results



National Alliance: 2022 Health Purchaser Survey

Published: November 2022

National Alliance Mission

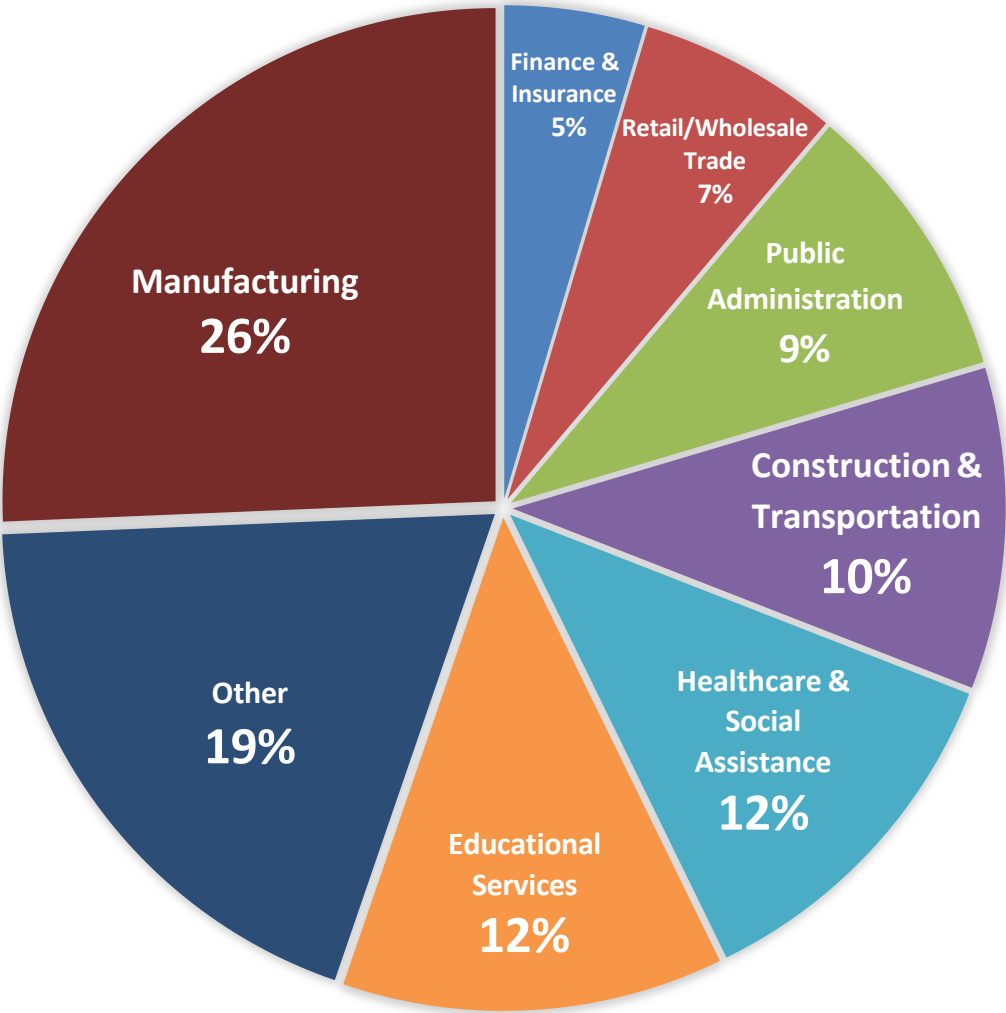
- Non-profit, purchaser-led organization with both a national and regional structure
- Focus on health equity and value for organizations and communities across the country

National Alliance Survey

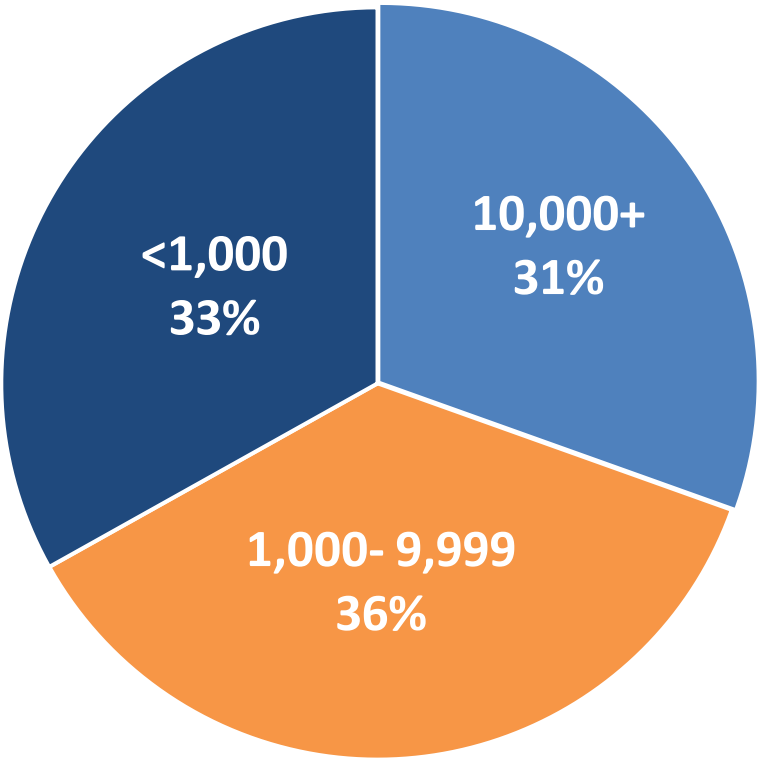
- Annual survey of gauged concerns and views of employers around Workforce environment
 - Hospital price and quality transparency
 - Health and wellbeing benefit strategies, including reproductive benefits
 - Health equity
 - Pharmacy drug strategies
 - High-cost claims
 - Impact of potential health reforms
- Includes 152 responses from public and private employers.
- Read the full study at <https://connect.nationalalliancehealth.org/viewdocument/pulse-of-the-purchaser>

152 Total Respondents

Industry Breakdown

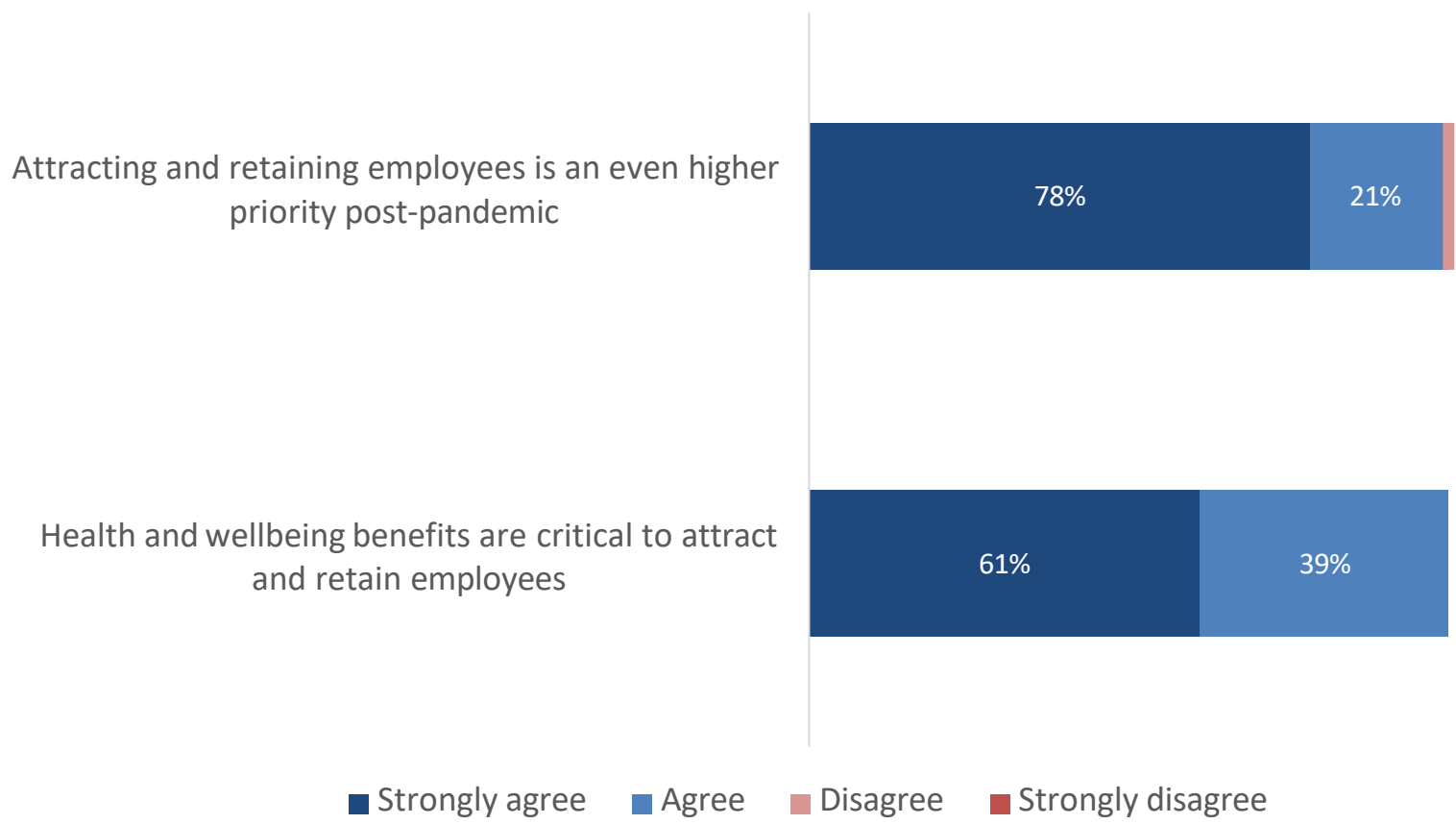


Organization Size Breakdown Number of Employees



Employers are highly focused on attracting and retaining employees

“Attracting and retaining employees has become a ‘street fight’”



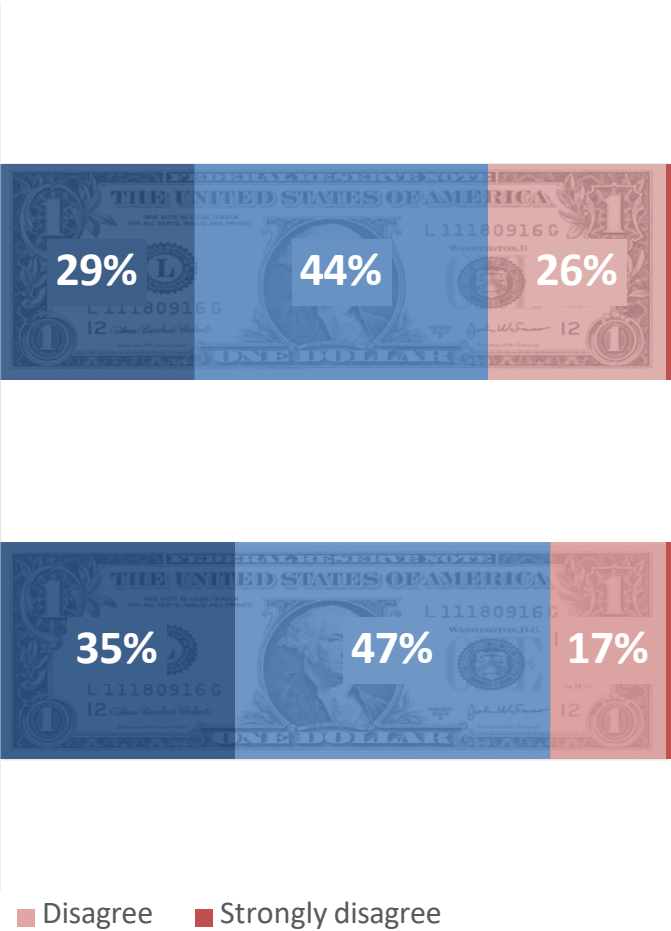
Employers most strongly agree that:

- Attracting and retaining employees is an even higher priority post-pandemic (**78%** strongly agree)
- Health and wellbeing benefits are critical to attracting and retaining employees (**61%** strongly agree)

Rising healthcare costs impact employers' ability to remain competitive and increase wages for retention

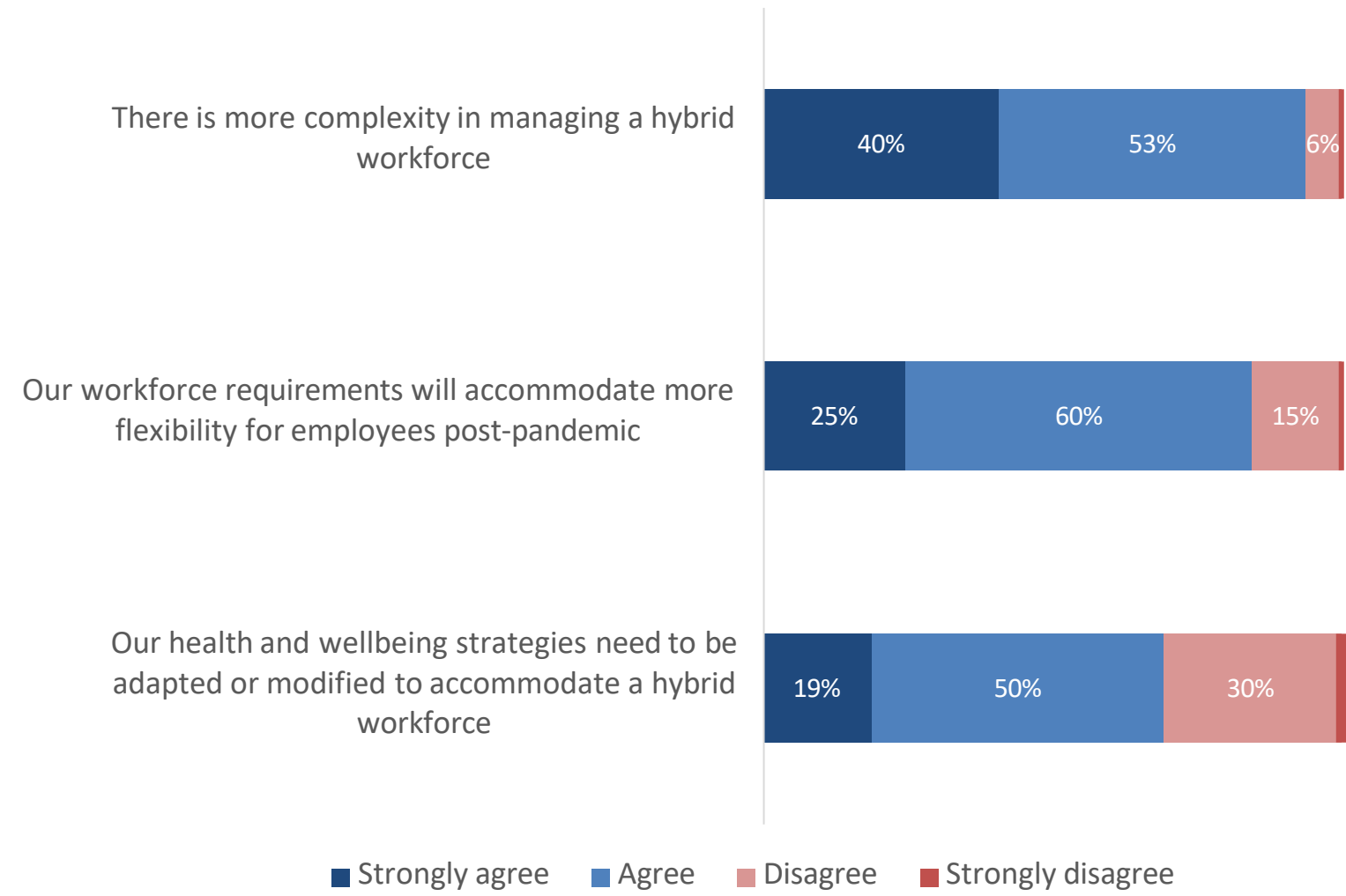
Rising healthcare costs directly or indirectly crowd out salary or wage increases

Rising healthcare costs impact our organization's ability to remain competitive



- 78%** of employers strongly agree that attracting and retaining talent is a top priority, but rising healthcare costs prove to be a significant challenge
- Costs directly or indirectly crowd out salary or wage increases **(73% agree)**
 - Costs impact our organization's ability to remain competitive **(82% agree)**

Nearly 7 out of 10 of employers recognize employee desire for hybrid work despite increased management challenges

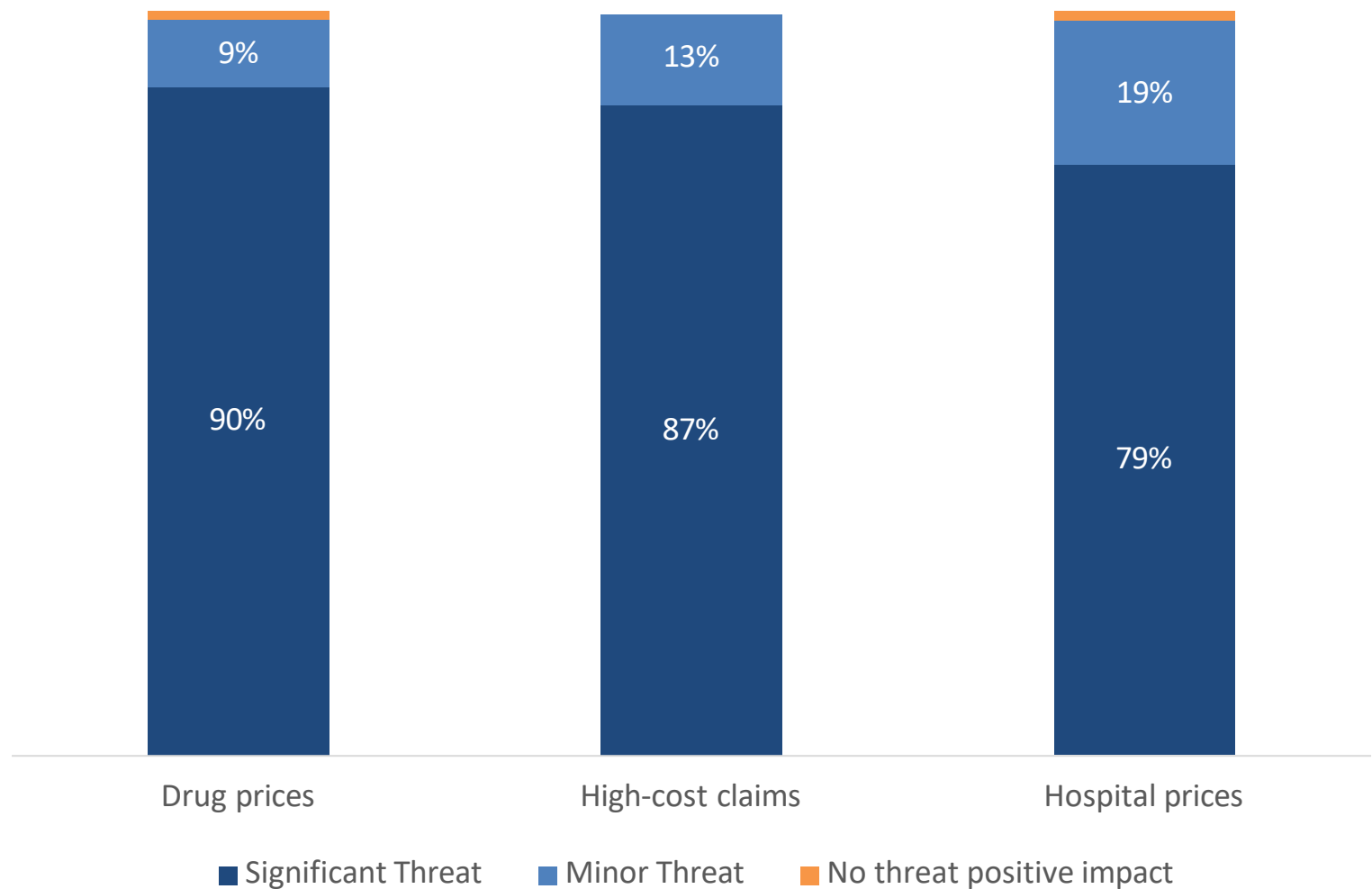


While 2 out of 3 employers permit some form of remote work, the complexity that comes with accommodating hybrid work creates challenges according to 93% of the respondents.

8 out of 10 employers agree on accommodating more flexibility for employee workforce requirements (85% agree)

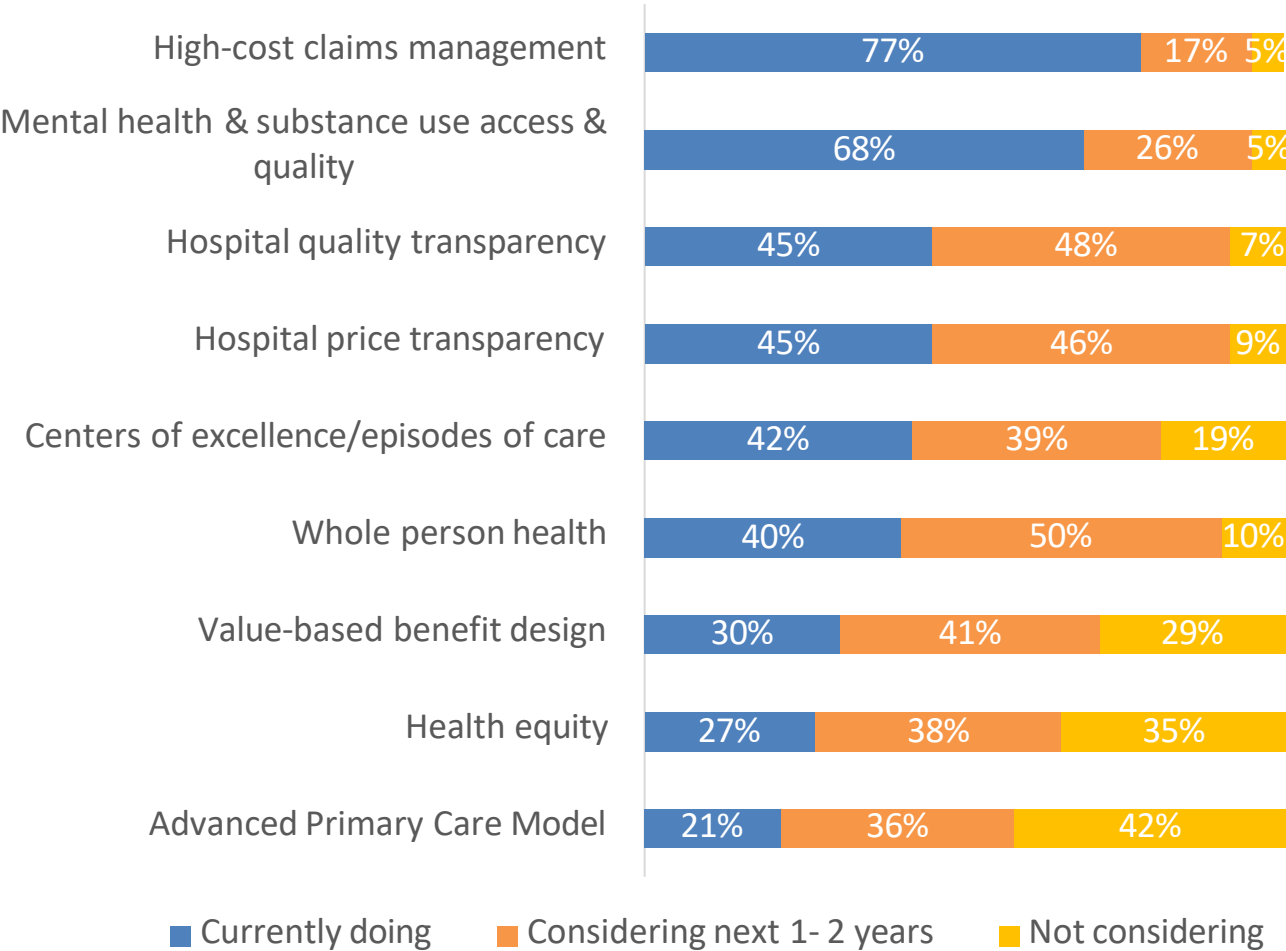
Yet, many employers are still grappling with the need to adapt or modify health and wellbeing strategies to accommodate more flexibility (31% disagree)

Three biggest threats to affordability are drug prices, high-cost claims, and hospital prices



Nearly 8 out of 10 employers consider drug prices, high-cost claims, and hospital prices a significant threat to affordability of employer-provided health coverage for employees and their families

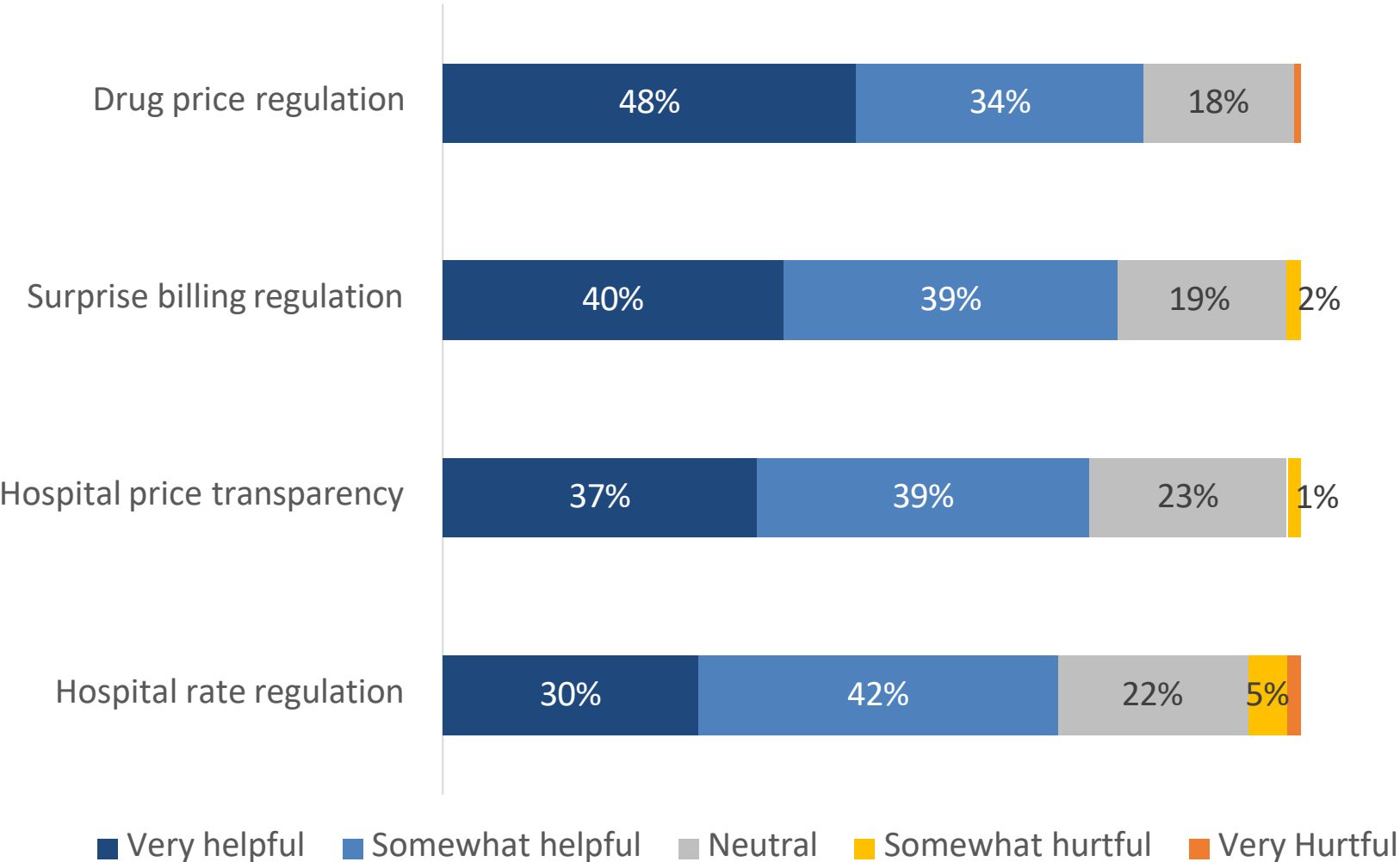
Leading health strategies



9 out of 10 employers are currently or considering integrating the following strategies into their healthcare approach:

- High-cost claims management (94%)
- Mental health and substance use access and quality (94%)
- Hospital quality transparency (93%)
- Hospital price transparency (91%)
- Whole person health (90%)

Employers are open to Policy Options



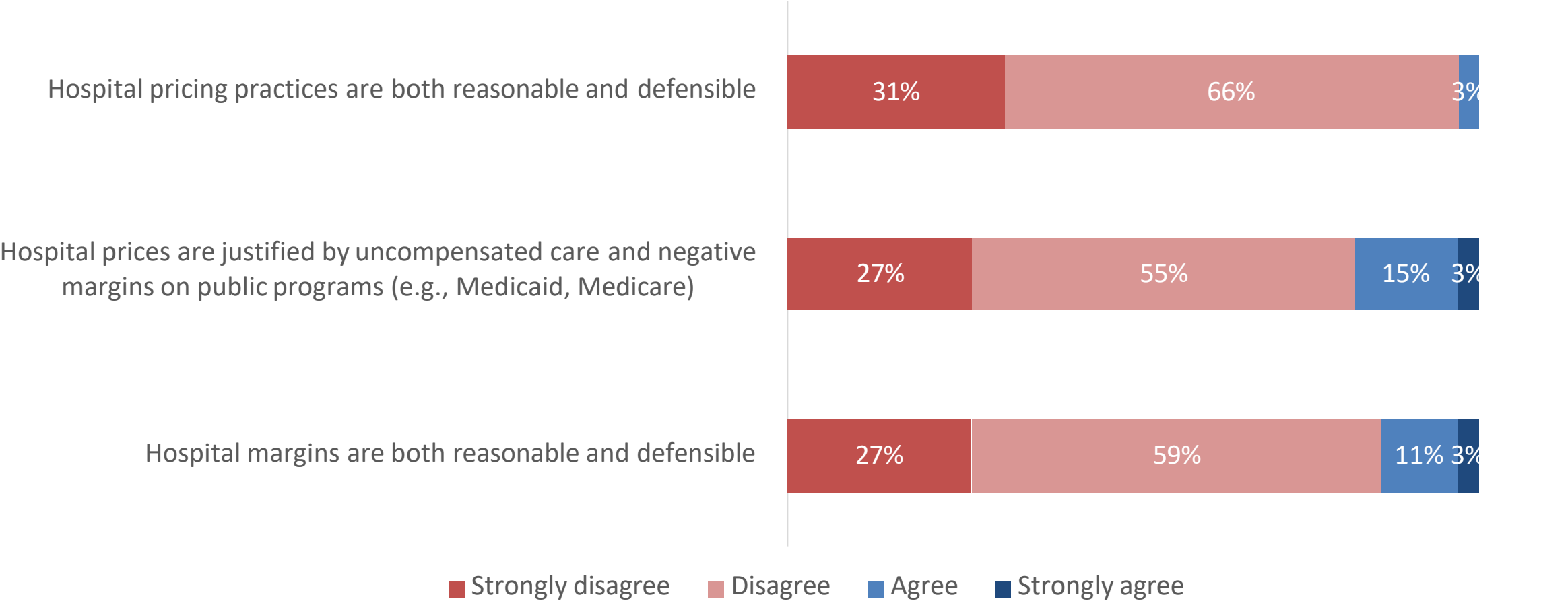
Nearly 8 out of 10 employers consider drug prices, high-cost claims, and hospital prices a significant threat to affordability

As a result, employers are more open to policy options

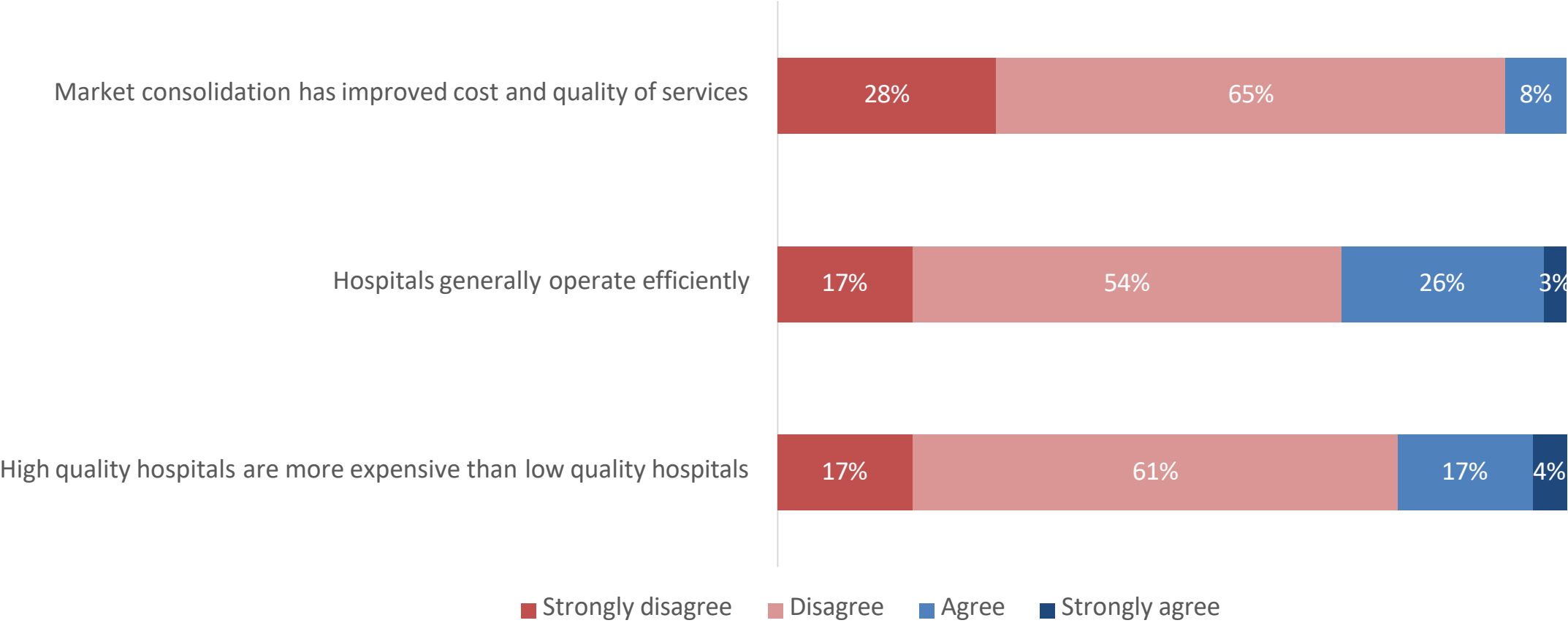
- Drug price regulation (82% helpful)
- Surprise billing regulation (79% helpful)
- Hospital price transparency (76% helpful)
- Hospital rate regulation (72% helpful)

97% of plan sponsors believe hospital prices are unreasonable/indefensible

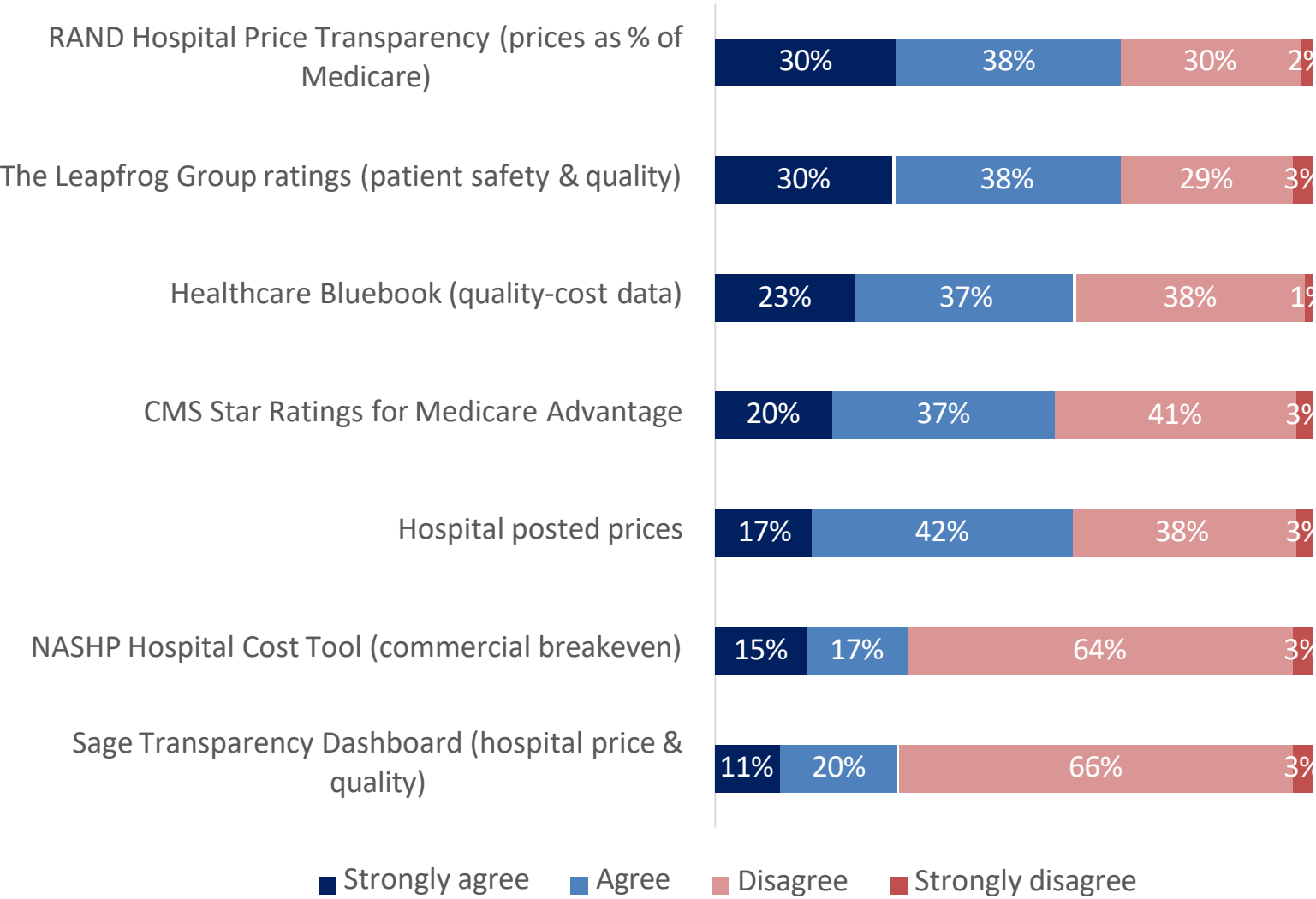
Margins not justified by uncompensated care or support of public programs



93% of plan sponsors believe that hospital consolidation has **not** improved cost or quality of services

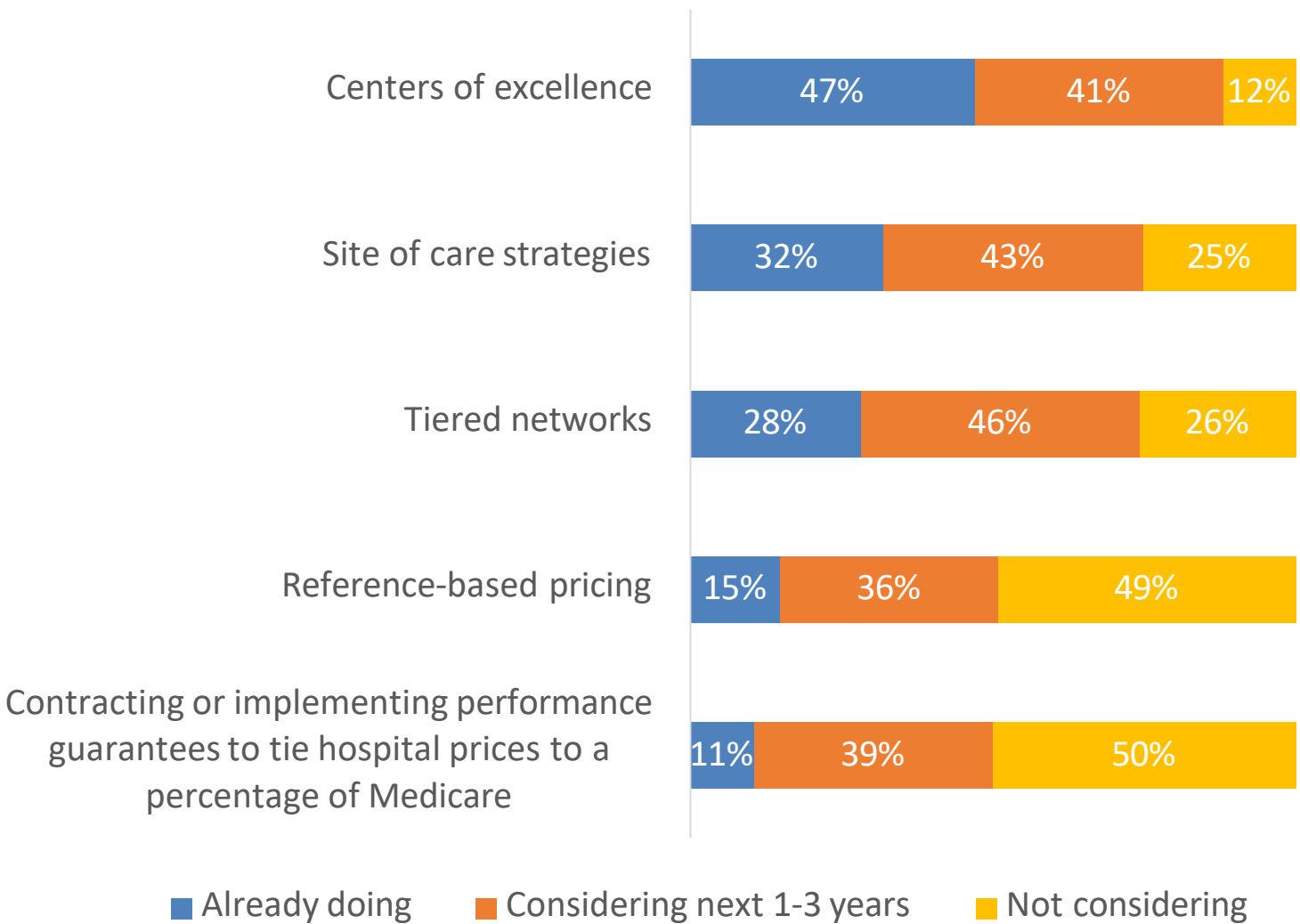


Employers are familiar with the following tools:



Over 2/3 of employers had familiarity with RAND and The Leapfrog Group while less than 1/3 had familiarity with NASHP Hospital Cost Tool and Sage Transparency

In light of hospital pricing practices, employers are considering the following:

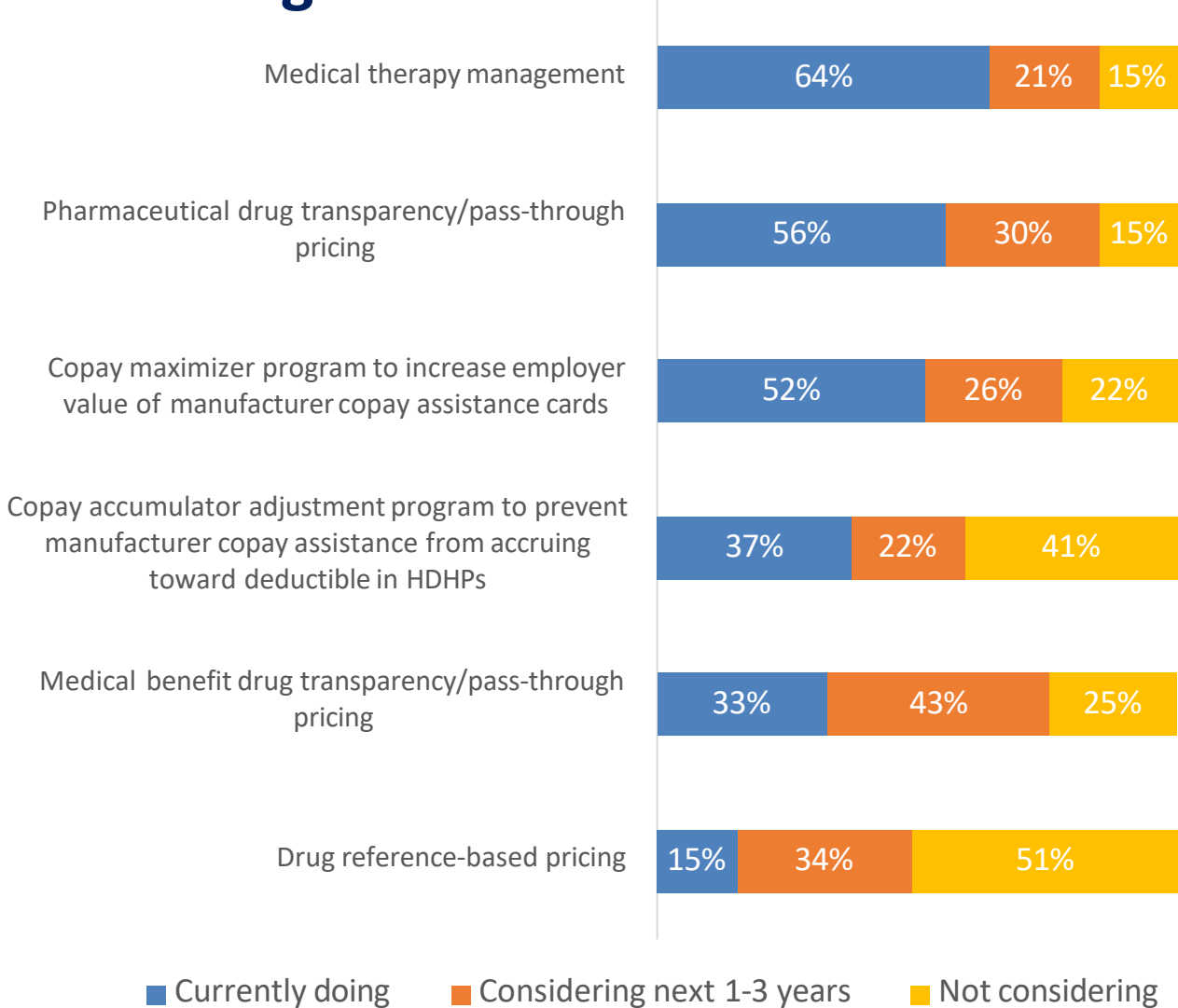


Almost half of the employers (47%) are already using centers of excellence

Within the next 1-3 years many employers are considering the following strategies:

- Tiered networks (46%)
- Site of care (43%)
- Centers of excellence (41%)
- Contracting or implementing performance guarantees to tie hospital prices to Medicare (39%)
- Reference-based pricing (36%)

Pharmacy drug strategies employers are considering:



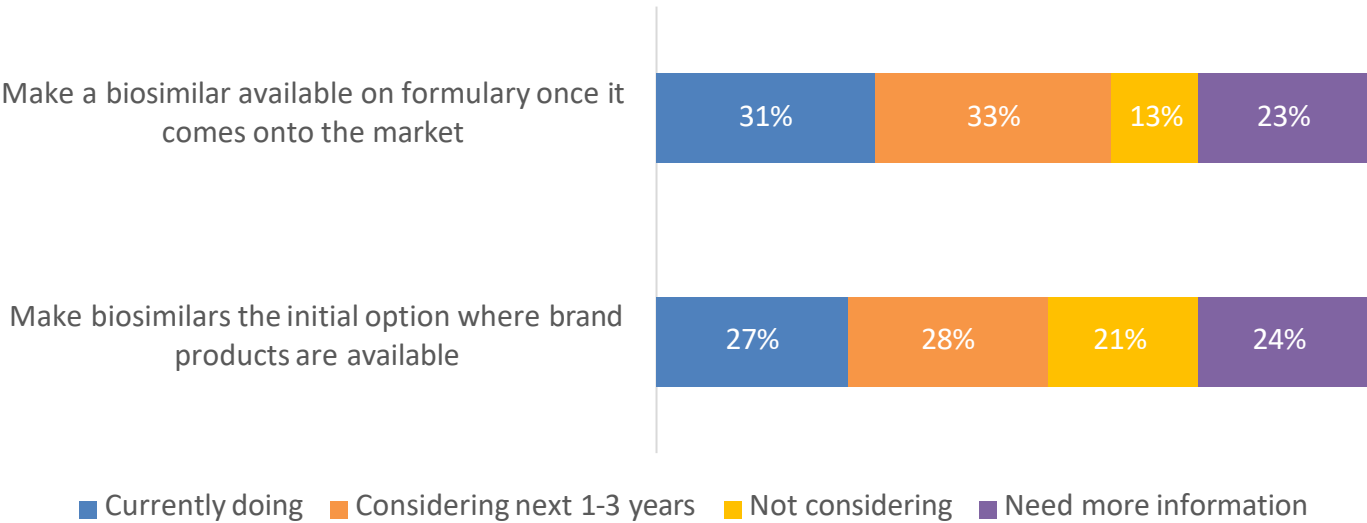
The most cited pharmacy drug strategies employers have continued to implement are:

- Medical therapy management (64%)
- Pharmaceutical drug transparency/pass-through pricing (56%)
- Copay maximizer program (52%)

Highest areas of new focus in the next couple of years include:

- Medical benefit drug transparency (43%)
- Drug reference-based pricing (34%)

Over 3/4 of employers have implemented or are considering biosimilar pharmacy drug strategies in the next 1-3 years



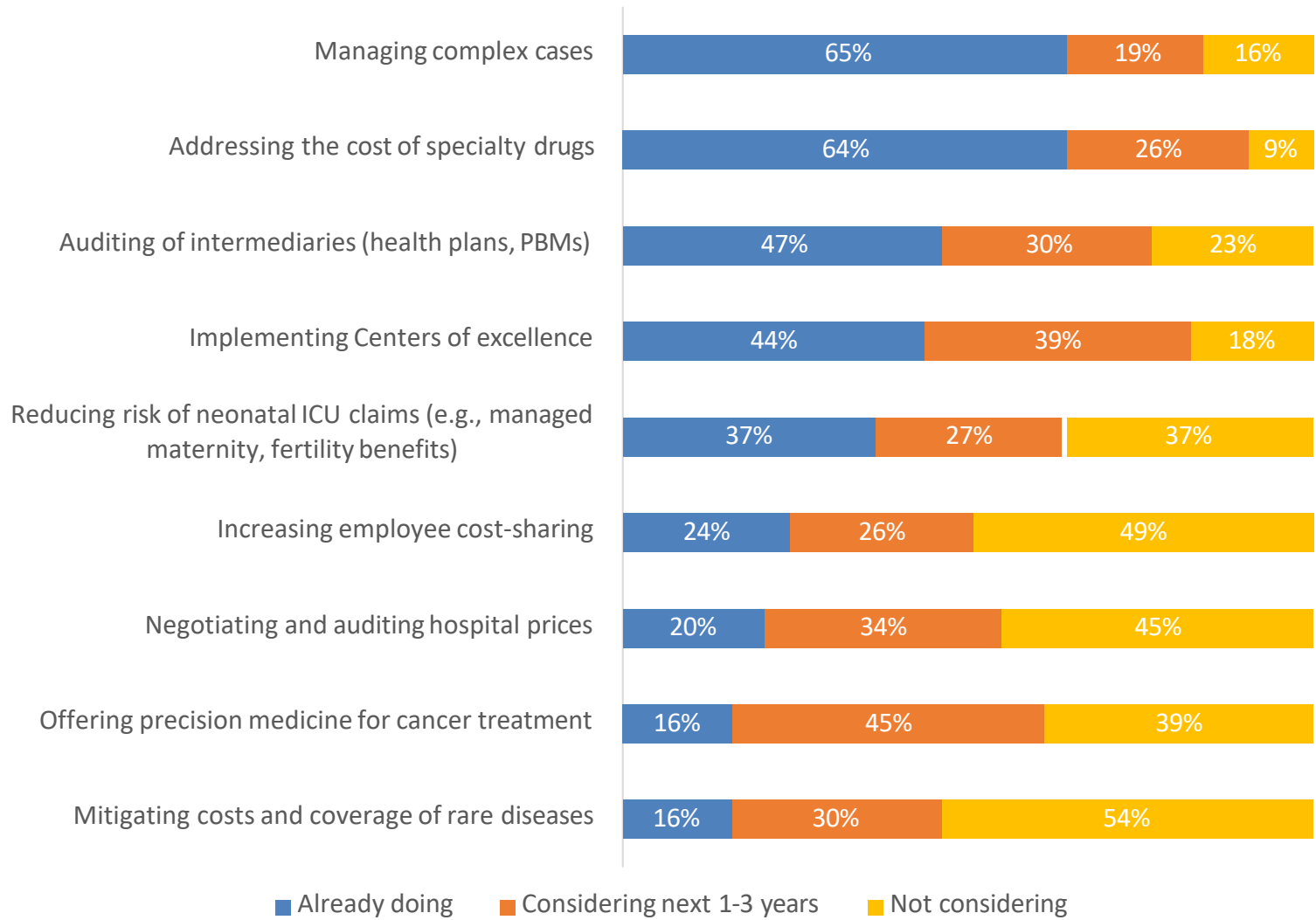
The uptake of biosimilars has greatly increased and is the highest emerging pharmacy drug strategy area for employers.

- Make biosimilars available on formulary once it comes to market (51%)
- Make biosimilars the initial option where brand products are available (45%)

There is still room for uptake with additional information:

- 23% requested need more information on making biosimilars available on formulary
- 24% requested need more information on making biosimilars the initial options where brand products are available

Strategies for mitigating high-cost claims that employers are considering:



How employers are focusing their high-cost claim mitigation strategies:

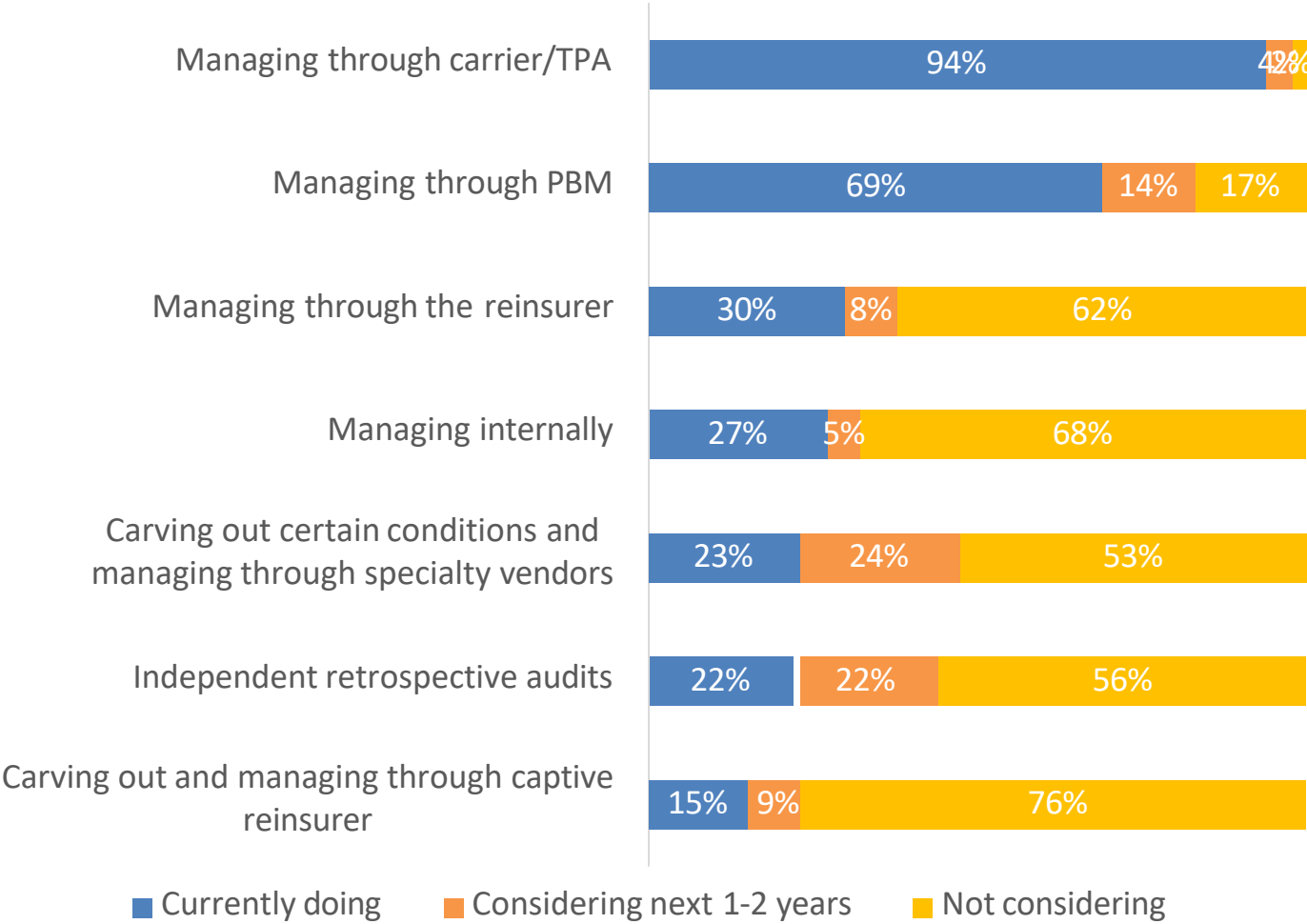
Most cited strategies employers have implementing:

- Managing complex cases (65%)
- Addressing the cost of specialty drugs (64%)

Highest areas of focus in the next couple of years include:

- Offering precision medicine for cancer treatment (45%)
- Implementing centers of excellence (39%)
- Negotiating and auditing hospital prices (34%)
- Auditing of intermediaries (30%)
- Mitigating costs and coverage of rare diseases (30%)

How are employers managing high-cost claims in benefit plans:



Most employers believe they are effectively managing high-cost claims through their intermediaries

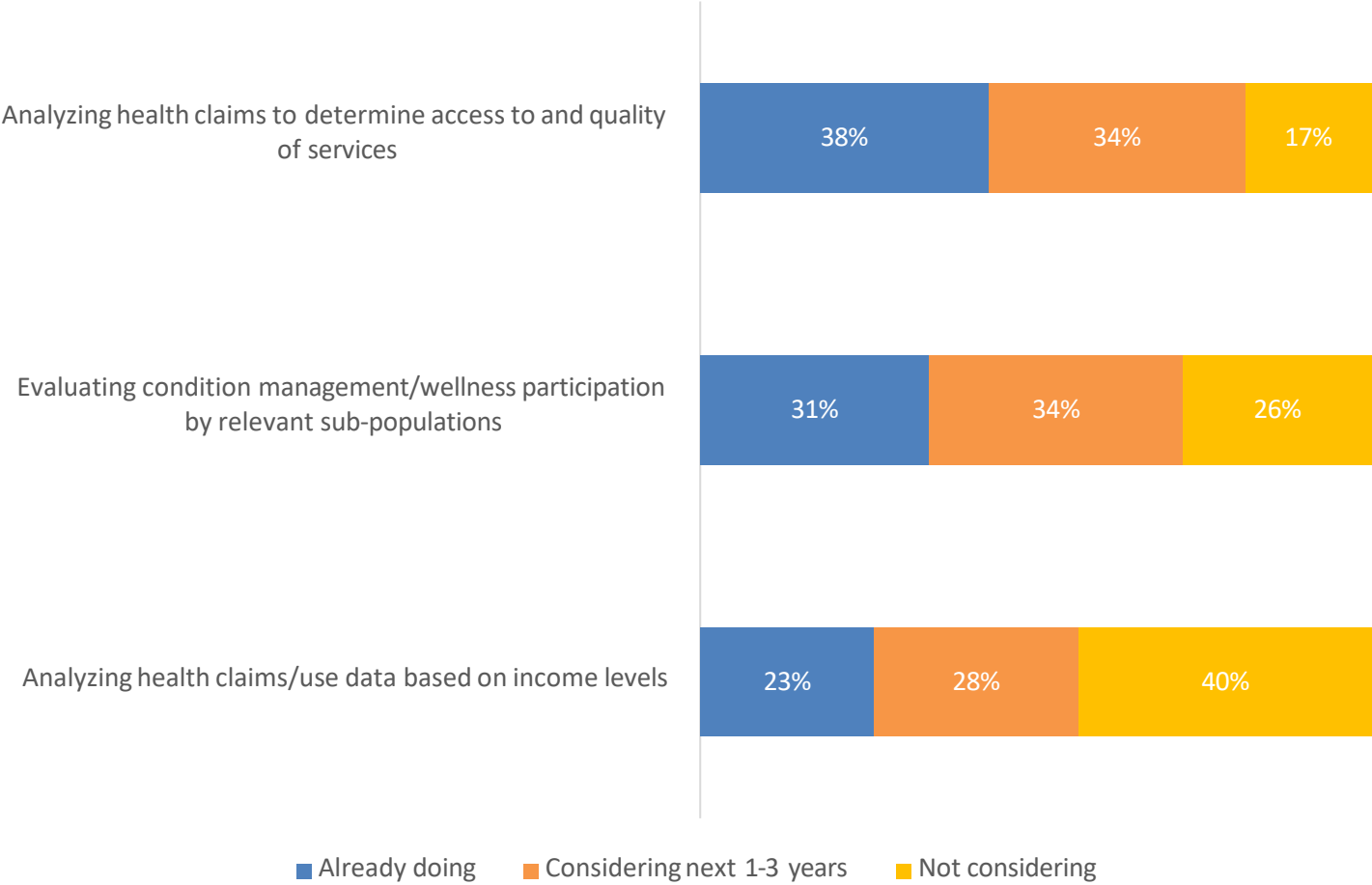
Those most often cited in currently doing so included:

- Carrier/TPA (94%)
- PBM (69%)

Currently less common but increasingly being considered are those considering managing high-cost claims through:

- Reinsurers (30%)
- Internal management (27%)
- Specialty vendors (23%)
- Retrospective audits (22%)
- Captives (15%)

Incorporating data analytics for health equity strategies

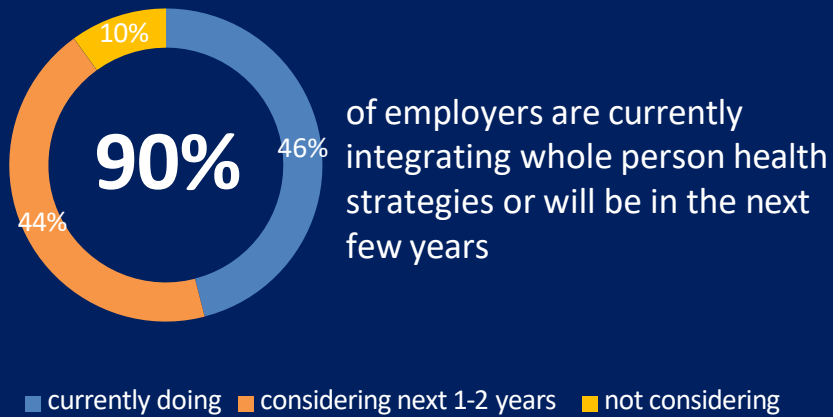


After getting organized on health equity company strategy and workplace policies, employers are moving towards building data analytics for health equity strategies

In the next 1-3 years nearly 1 in 3 employers are looking to:

- Analyze health claims (34%)
- Evaluate condition management/wellness participation by relevant sub-populations (34%)
- Analyze health claims and income level-based data (28%)

Employer/Purchaser Perspectives on Whole Person Health



Employers are focusing their whole person health strategies on:

High value care (54%) and individuals with multiple chronic conditions (60%)

Focus in the next couple of years include social determinants of health (49%) and integration of mental health and physical health (46%)

Whole person health focus areas

