

2022 Employers' Summit on Health Care Cost & Delivery

NAVIGATING CHANGE FASTER

JANUARY 25-26, 2022 VIRTUAL



KEY INSIGHTS

Over the last 2 years, fundamental changes in health care have occurred at an accelerated pace, largely because of the ongoing COVID-19 pandemic. With increasing cost pressures, along with the need to meet the demand for better access and more equitable health outcomes, employers have had to swiftly modify existing offerings or implement innovative programs.

The Employers' Summit on Health Care Cost & Delivery held in January 2022 allowed employers to collaborate on "Navigating Change Faster." During the 2-day event, employers explored the challenges of rapid change and the power of innovation in improving the health care experience and benefits for their employees.

Employers learned from expert speakers and peers, benchmarked with each-other, explored innovative benefit offerings and discussed the challenges most important to their organization and workforce during this time of extraordinary change.

Key topics included:



Future of
Navigation



Impacts of
COVID-19
on Cost



Innovation in
Oncology Care
and Management



Extracting True
Value from
Pharmacy Benefit
Managers (PBMs)



Using Data
to Innovate



Future of
Virtual Health



Value-based
Care



Engaging
Employees
through Effective
Communication



Mental
Health



Advanced
Primary Care

Keynote Address: Navigating Change Faster

The 2022 Employers' Summit keynote address explored why “everyone thinks that someone else is in charge,” challenging attendees to take an active part in the rapid transformation of both the workplace and the health care system.



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“If we have learned anything from the pandemic, it’s that it doesn’t take a decade to change health care and how we work.”

Mark Douglas Smith, MD, *Professor of Clinical Medicine* | **University of California at San Francisco**

The pandemic has had a profound impact in the following areas:



Revolutionized How and Where We Work

The greater prevalence of virtual work and the need for increased flexibility generated changes to workplace culture and an increase in burnout, as well as shifts in employer/employee dynamics. These changes have empowered employees to express their desires and preferences, amplifying their voice in benefit design considerations.



Heightened Awareness of Inequities

Systemic inequities have been brought to light, helping to heighten public awareness of large-scale equity issues, including ongoing disparities in health outcomes and access to health care.



Revolutionized Virtual Care

The pandemic sparked a “revolution” in the delivery of virtual health care, but the “establishment counterrevolution” is right around the corner. Key challenges will arise when the public health emergency ends (e.g., scope of practice, practicing over state lines, preexisting relationships) and the system will shift back to pre-pandemic norms. Where the pendulum ultimately lands will largely depend on the level of change employers/payers demand and are willing to pay for.

Summit attendees identified the following areas of focus in 2022 to drive greater diversity, equity and inclusion (DEI) in their health benefits and programs:

Affordability of benefits:



More collaboration with Employee Resource Groups (ERGs) to promote benefits and programs:



Family planning:



Fertility programs:



Social determinants of health:



Maternity and adoption benefits:



Leave and absence programs:



Diversity among network providers:



Financial help:



Transgender benefits:



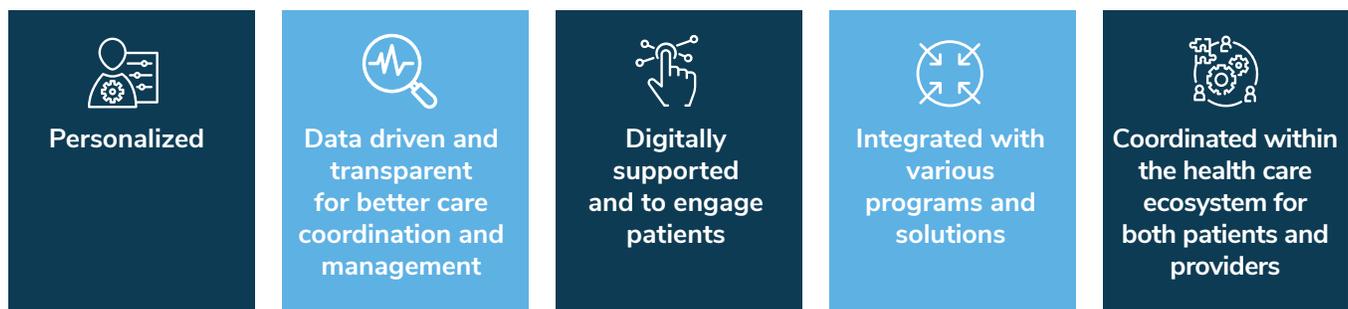
Key Insights for Employers

1. In a competitive job market, **contain costs** while still providing **quality health care resources** that employees need and expect.
2. Apply an **equity-based lens** to all dimensions of quality.
3. Hold vendors and industry partners accountable for improving **health equity** and measure their progress.
4. Support the transition to **virtual-first** delivery.
5. Bear in mind that there is still opportunity for better **integrating physical and mental health**.

Future of Navigation

According to the Business Group on Health [2022 Large Employers' Health Care Strategy and Plan Design Survey](#), navigation program and tool offerings will continue to play a role in employers' consumerism strategy, with the goal of simplifying the consumer experience and reducing health care costs. In 2022, 80% of employers will provide medical decision-support/second-opinion services, 78% will offer employee advocacy tools/services for claims assistance and 57% will offer high-touch health concierge services. Employers look to navigation platforms not only for navigating members to in-network affordable options, but also to help them adapt to the speed of innovation and guide them to better quality and lower cost care offered through the program or modality that fits their current needs.

Digital advancements enable the future of navigation, which will be:



Employers should look for navigation platforms that:

- **Create a personalized experience** by using data and artificial intelligence to guide and support decision-making and customize programs best suited for patient need(s);
- **Reduce fragmentation** in the health care system through data sharing among various programs and solutions offered to improve the patient experience;
- **Engage the entire population** through various modalities to meet members where they are;
- **Reduce disparities** in care by leveraging data to identify members who may face social determinants of health (SDOH) challenges; and
- **Deliver transparency** of data received/created in developing their platform and content for members.

Cost Impacts of COVID-19

The pandemic has required employers to address mounting challenges quickly, from work and workforce management during lockdowns to managing COVID-19 testing and vaccinations, while preparing to address the long-term impacts of COVID-19 on the health and well-being of their population.

Benefit leaders should focus on the following key areas that have been most impacted by the COVID-19 pandemic:

Musculoskeletal (MSK):

Elective MSK utilization is continuing to rebound after a **15% decline** in spend in 2020.¹

COVID-19 Impacts:

Employers spent over **\$1 billion** on COVID-19 related claims.¹ Direct and indirect COVID-19 related costs are likely to remain an area of significant spend in 2022.

Social Determinants of Health:

COVID-19 patients living in low-income zip codes may have waited longer to seek care, which has resulted in more hospitalizations, longer courses of care and higher than average treatment costs. In addition, vaccination rates are lower among lower-income populations.

Deferred Care:

While wellness visits are back to baseline, the missed visits created a backlog in vaccinations, mostly in children, and a backlog in screenings which may lead to late-stage cancer diagnoses.

Mental Health:

Outpatient mental health utilization **grew 17%** in 2020 and will continue to grow, especially with increases in utilization for teens and young adults.¹

Opportunities for Employers

- **Monitor key subpopulations** that represent the greatest risk and proactively manage them through various program offerings.
- **Match employees with appropriate care** across the acuity spectrum and connect them with the right resource for their needs.
- **Implement cost-mitigation** measures and programs to help manage long COVID-19 care expenses.
- **Simplify the experience** for patients by navigating them to use their benefits appropriately.
- **Promote wellness** visits and vaccination for both adults and children.

Innovation in Oncology Care and Management

Oncology continues to be one of the top health care cost drivers, and the consequences of delayed care will impact trend significantly, as the severity and cost of cancer cases increase with late-stage diagnoses. To encourage screenings and navigate and support diagnosed patients, it's important for employers to be aware of the latest innovations in oncology care and management.

Clinical innovations came with increased costs but also measurable improvement of outcomes. Today:

42% of all cancers are **preventable**

75% of cancers patients are **cancer survivors**

Modern and innovative cancer care is supported through technology and eliminates low value care through:



Personalized screening



Precise diagnosis that guides the treatment pathway



Evidence-based treatment performed by experts



Engaged survivors who can detect relapses

As the Food and Drug Administration (FDA) continues to approve on average one drug per month for treatment and new screenings for additional types of cancer are becoming available, cancer care and treatment will continue to have a significant cost impact.

Tactics in Engaging and Supporting Employees

- Targeted outreach for preventive screening
- Navigate oncology cases to expert medical opinions
- Drive members to Centers of Excellence (COEs), evaluating the selected COEs on their ability to lower prices, reduce readmissions and avoid unnecessary procedures
- Create a flexible work environment for cancer patients
- Celebrate cancer survivors

Key Elements of a Successful Cancer Care Program

- Personalized care and navigation
- Multidisciplinary support through expert care (in person, virtually or at home)
- Integration of data through a shared electronic medical record
- Delivery of clinical trials
- Consideration of patient-reported outcomes

Extracting True Value from PBMs

Amid fast-changing dynamics in the marketplace, employers are evaluating PBMs using metrics that go beyond traditional price-focused measures (e.g., discounts, rebates, fees) and are instead looking for ways to elevate the effectiveness of PBMs.

For PBMs to deliver value to their employer clients, there needs to be true alignment, shared accountability, partnership and trust.

To choose the right partner, employers and their consultants need to expand PBM evaluations beyond spreadsheeting and assess how well their partners may utilize some of the new strategies to drive value in drug purchasing. These strategies include:

- **Proven trend in specialty management outcomes**, delivering low net cost across key therapeutic categories;
- **Transparency and service excellence** through alignment of incentives with partners;
- **Ability to assist and engage members** to receive the right medication at the lowest cost by maximizing various tools and programs;
- **Utilizing innovative tools** to accelerate and navigate members to get to the right drug at the right price;
- **Coordination** with and among providers;
- **A focus on innovation** by investing in technology to create an enhanced and intuitive member experience;
- **Adherence to national guidelines** and quality standards; and
- **Value stream** provided through guarantees and integration with point solution programs to drive better outcomes.



Using Data to Innovate

With data coming from so many disparate sources, the challenge for employers is to distill the data into insights on value and use it to innovate and improve outcomes.

Summit attendees identified mental health, quality, value-based care, and the member experience as the top four areas of interest for measurement and deeper evaluation in 2022.

Before implementing new programs and solutions, employers should deploy analytics and predictive modeling to better understand what can be done for the targeted conditions in the areas of:



Prevention



Early-stage intervention



Ongoing support for those requiring highly specialized care

Key Employer Insights

- **Consider quantitative and qualitative data** by different population segments to better understand which programs are adding the most and least value.
- **Demand facility- and provider-specific data** to assist in evaluating cost drivers at the national or local market level and measure how utilization and quality are impacting cost and how care delivery can be improved.
- **Create new types of benchmarks** for point solutions to measure value and quality.
- **Match performance results** to key criteria or environmental factors to define conditions for success or failure.

Benchmarking Insights: Emerging Trends in Benefit Design



Through benchmarking with peers, employers reflected on their strategic approaches for the new plan year and noted the following trends:

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“Walmart is deploying a multiyear strategy to improve care and access to care by continuing to focus on digital engagement and creating the next generation of support for our associates.”

Lisa Woods, Vice President, Physical & Emotional Well-being | Walmart Inc.

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“Whether our employees have acute or chronic mental health needs, it is important to promote a variety of resources so that they are able to select the program that best meets their needs.”

Amy O’Neill, VP & Director, Health and Well-being Strategy | Liberty Mutual Insurance

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“To better navigate and support our associates in the moments that matter the most, we plan to use data and artificial intelligence to increase engagement and perceived value.”

Amanda Touati, Health & Welfare Benefits Manager | Danaher Corporation

Benchmarking Insights: Emerging Trends in Benefit Design



Reference

1. Bravata, D. 2019 - 2022 Castlight Health Book of Business Analysis. Castlight Health. Presentation at Employers' Summit on Health Care Cost & Delivery. Presented January 25, 2022.