

Business Community Update

Welcome to the Business Community Update, a monthly healthcare newsletter for business leaders. In this month's edition we look at how employers can manage soaring health care costs, the upcoming Presidents' Partnership forum, behavioral health solutions, and a roundup of interesting reads to finish out the month.

How to Manage Soaring Per-Employee Health Costs



It's no secret; health plan costs for employers are rising each year without any indication of improving outcomes for employees. This is seemingly a big announcement each year, but by now you must be used to seeing tidbits about rising costs when reports are released in Q1.

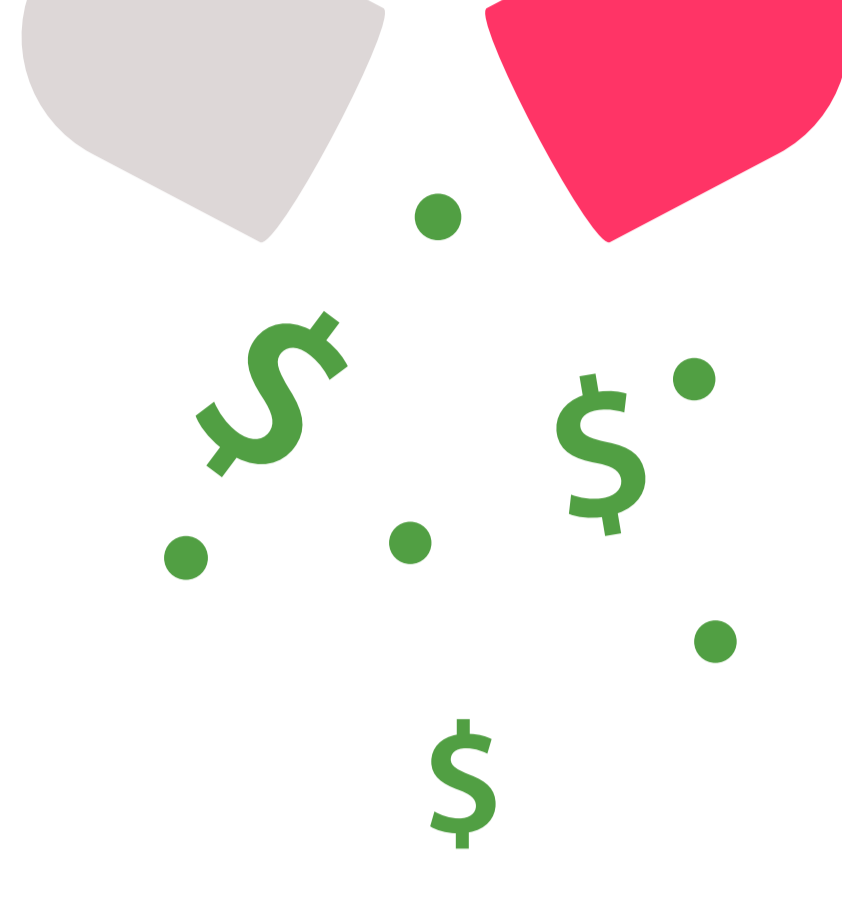
This past year was a bit different, though. Not only did your employees' health benefit costs go up, they **skyrocketed 6.3%** marking the **highest-annual increase since 2010**, outpacing inflation and worker compensation through Fall 2021, according to an annual report from Mercer.

Contrary to what you may have heard, things got worse for David while Goliath caught a break. Cost growth for small employers (between 50-499 employees) ballooned 9.6% in 2021, while companies with 500+ employees only experienced about half of that total with a 5% cost growth. This is most-likely due to smaller employers being fully-insured, unlike larger employers that tend to be self-insured, according to the report.

What's driving the sharp increases?

A resumption of care is deemed the primary culprit as we emerged from our COVID bunkers and started visiting our doctors again, or "catch-up care" as it's being referred to. "Employers seem optimistic that this year's sharp increase is simply a result of people getting back to care," said Mercer's chief actuary, Sunit Patel.

While the past year's spike *might* be an anomaly by this time next year, the gut punch to all this optimism is the ever-increasing cost of **specialty drugs – up 11.1% in 2021 – and prescription drugs, up 7.4%**, that continue to be an annual contributor to higher per-employee costs.



How can I better manage cost increases without shifting costs to my employees?

Typically, the solution to cost increases is known as "cost shifting" – a move that shifts a larger share of the cost of health services from employer to employee. In today's competitive labor market, this isn't a palatable option. So much so that some employers have unexpectedly reversed the previous trend of cost-sharing, going as far as reducing out-of-pocket spending for employee health services.

In our view, employers can avoid the annual budget shuffle and achieve savings (while increasing employee satisfaction (it *is* possible)) by implementing an accountable, value-based plan to their benefit mix and *incentivizing* employees to select it.

While maintaining the status quo may be easy – **60% of plan sponsors** say they will *not* make plan changes of any type to reduce their expected cost increase – it's not doing any favors for their employees' health outcomes or the health of their bottom line. It's time for employers to demand greater value and elevate expectations for their health care investment.

"The tough challenge of solving for both health care cost and health care affordability means maximizing value and accepting the disruption it may bring," says Tracy Watts, National Leader for U.S. Health Policy at Mercer. "Three key components of value are **quality, delivery, and personalization.**"

Why should I add an accountable care plan?

Accountable care address inadequacies by utilizing a high-performing network, or Accountable Care Organization (ACO), outcome-driven payment models (versus volume-driven) and personalized care throughout the network that improves health outcomes leading to reduced costs due to less waste, lack of coordination, and unnecessary prescriptions. The key components of ACOs are:

Quality: As a key component of value, high-quality, proactive care is the centerpiece of ACOs as physicians are incentivized for improving outcomes instead of the volume of visits or procedures, resulting in a win-win for both the patient and provider. High-quality care is essential for improving health and reducing waste.

Delivery: Who doesn't enjoy convenience? With an accountable care plan, convenience is paramount as it leads to improved health outcomes and reduced spend by directing care to the right location and ensuring it is comprehensive. This is a major advantage as care can be delivered virtually or in-person at a high-performing in-network facility, depending on the need. Some services can be shifted entirely to a virtual model, which will drive down costs if an in-person visit is not medically necessary or emergent. With MemorialCare, certain virtual care options, including video visits with a provider, are now available 24/7 – that's convenient.

Personalization: Another factor to consider is data sharing between provider and patient. ACOs are focused on acting upon data to personalize care for each patient. This approach is seamlessly aligned with the explosion of innovative virtual care tools, wearable tech and mobile apps focused on health care. Your physician works with you every step of the way to manage health conditions and prevent others from worsening.

With an accountable care plan, you and your employees become partners with your health providers instead of just another number in an uncollaborative plan.

There has never been a better time to embrace the future of health care by selecting an accountable care plan for your employees.

[Learn More →](#)

THE GREAT TRANSFORMATION

Will the pandemic expedite value in health care?

Friday, April 1, 2022 | 7:30 AM - Noon

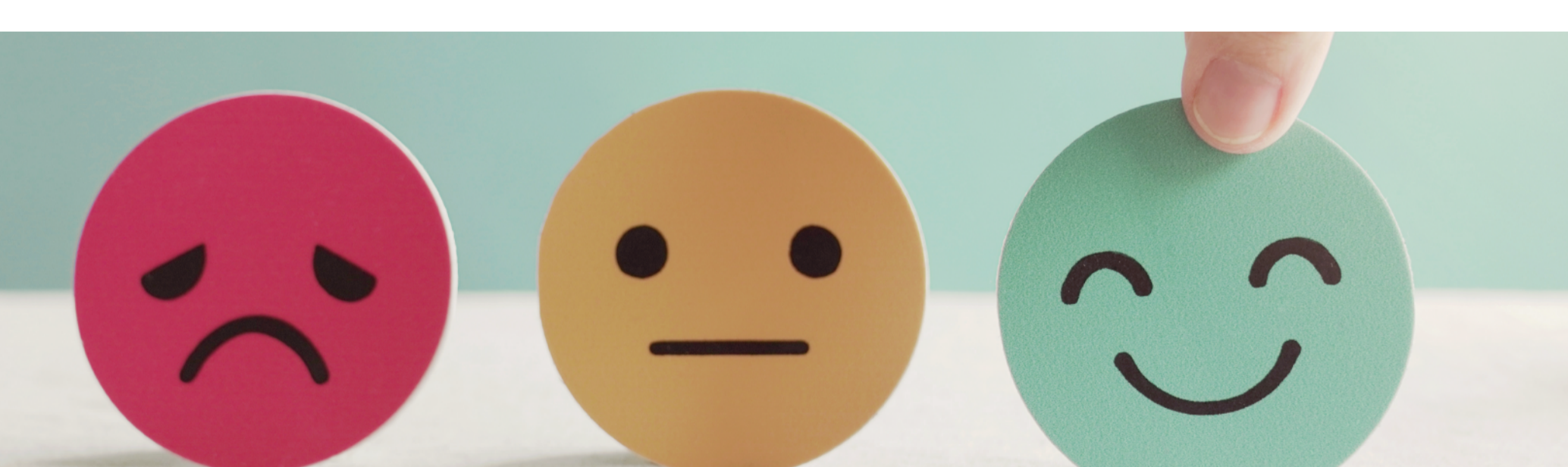
Join us at the **Waterfront Resort in Huntington Beach**, for *Presidents' Partnership* – our annual healthcare forum for business leaders.

We've invited top minds from the healthcare industry to provide their insights and predictions on the impact the pandemic is having on the explosion of virtual health options, changes to employee health benefits and what the future holds for our industry.

Joining us are keynote speakers **Dan Mendelson**, CEO, Morgan Health, and **Elizabeth Mitchell**, President and CEO, Purchaser Business Group on Health (PBGH) to be followed by a stimulating discussion with **Ashok Subramanian**, Founder and CEO of Centivo, **Peter Freska**, Partner at The LBL Group/Acrisure, **Elizabeth Soberg**, CEO of Commercial Markets for UnitedHealthcare, and **Matt Bittner**, Area Vice President, VEBA Management, Gallagher.

[Register Here →](#)

Behavioral Health Solutions: How You Can Support Your Employees



The COVID pandemic and recent world events have made one thing clear: providing behavioral health care to your employees, and seeking help when you need it, is equally as important as maintaining your bodily health.

Almost every employer in the U.S. now views behavioral health solutions as a necessity for supporting their employees. In fact, increasing access to behavioral health care has become a top-three initiative for all large employers and the **number one priority for employers with 20,000 or more employees**, according to a recent Mercer survey.

How can I provide solutions for my employees?

With MemorialCare, you have access to SilverCloud; an online educational and therapeutic program to help manage anxiety, depression, stress and trouble sleeping. Using a blend of online programs – complete with interactive tools and tactics – this digital platform can be personalized to your needs. It is free, self-paced, and can be used anytime on any device (smartphone, tablet, computer) with programs offered in English and Spanish.

Another available solution is **MemorialCare's Wellness Seminar** program featuring many topics on behavioral health like 'Mental Health Awareness', 'Stress Management', 'Color Therapy', and more - all led by a MemorialCare physician. Each session runs about one hour and can be held virtually via webinar or in-person at your office. At the end of each session, employees have the opportunity to enter a raffle for a wellness prize. Schedule a complimentary seminar for your team today!

Learn more about both options below.

[SilverCloud →](#)

[Wellness Seminars →](#)

More Than 100 Physicians from MemorialCare Long Beach Medical Center Recognized by Leading Doctor's Report

More than 100 **MemorialCare Long Beach Medical Center** physicians have been recognized by two lists that track the top physicians in the region: the **2022 Southern California Super Doctors report** and **Orange Coast Magazine's annual Top Doctors List**.

Ninety physicians at Long Beach Medical Center were honored in the Super Doctors report. The Super Doctors report recognizes the top five percent of active doctors in Los Angeles and Orange counties with two lists: Super Doctors 2022 and Rising Stars. The selection process relies on 10 indicators of peer recognition and professional achievement, surveying physicians in Southern California and ensuring the physicians named are the most respected and talented in their fields.

[Full Story →](#)

What We're Reading

Health Tech and Wellness Innovations Seen at SXSW 2022

Check out the latest innovations at SXSW's medtech and health tech conference in Austin, TX.

[Full Story: Fierce Healthcare →](#)

Google to integrate search, summary tools within Meditech EHR in next 9 months

Google is embedding its search and summarization tools within a health record maintained by EHR vendor Meditech, a major player in the hospital software space, in a move that should significantly expand the tech giant's healthcare reach.

[Full Story: Healthcare Dive →](#)

Novel Malaria Treatment for Children Receives First Approval

The single-dose medication, for treatment of a particular form of malaria, is a new weapon in the war against the deadly illness.

[Full Story: The New York Times →](#)