Faculty Senate Discussion

February 3, 2023
Overall Market Update
Health Trend vs. Key Measures

Higher Education 500+ employers projected a +7.2% change in health benefit cost for 2022 before plan design changes and +5.9% after plan design changes.

National 500+ projected +5.8% (before plan changes) and +4.5% (after plan changes).

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2021 Mercer National Survey of Employer-Sponsored Health Plans
Beginning in 2020, results are based on employers with 50 or more employees. *Projected.
Claim volatility will continue to impact costs
Implement risk mitigation strategies to ease the effects

Health care costs are one of the most unpredictable recurring costs for large organizations

2020
Deferred/cancelled care due to COVID resulted in net decrease of costs for many employers when increases were expected

2021
Deferred/cancelled care continues, providing tailwind for 2021 costs vs. budgets

2022
There are a number of factors leading to continued challenges in ‘23 and beyond

Continued Action:
- Monitor claims experience
- Vendor negotiations
- Financial forecasting
- Well-being and employee engagement
- Benchmarking analysis
- Evaluation of savings opportunities
Key market trends are shaping employers’ focus in 2024 and beyond

Attracting and inspiring talent
Leveraging benefits to build a responsible brand and strengthen the employer-employee connection.

Accelerating digital care delivery
Pursuing integrated, on-demand healthcare to improve quality of care and health outcomes.

Driving resilience amid inflation and business risks
Increasing focus on strategic benefits governance.
Employers focused on providing more support – and that trend seems set to continue

<table>
<thead>
<tr>
<th>Category</th>
<th>Employers with 500 or more employees</th>
<th>Employers with 5,000 or more employees</th>
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</thead>
<tbody>
<tr>
<td>Added or expanded virtual care, telemedicine, or digital health resources</td>
<td>28%</td>
<td>38%</td>
</tr>
<tr>
<td>Added programs/services to expand access to behavioral health services</td>
<td>19%</td>
<td>29%</td>
</tr>
<tr>
<td>Added voluntary benefits</td>
<td>23%</td>
<td>21%</td>
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<tr>
<td>Added targeted health solutions (&quot;point&quot; solutions)</td>
<td>11%</td>
<td>23%</td>
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</tbody>
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