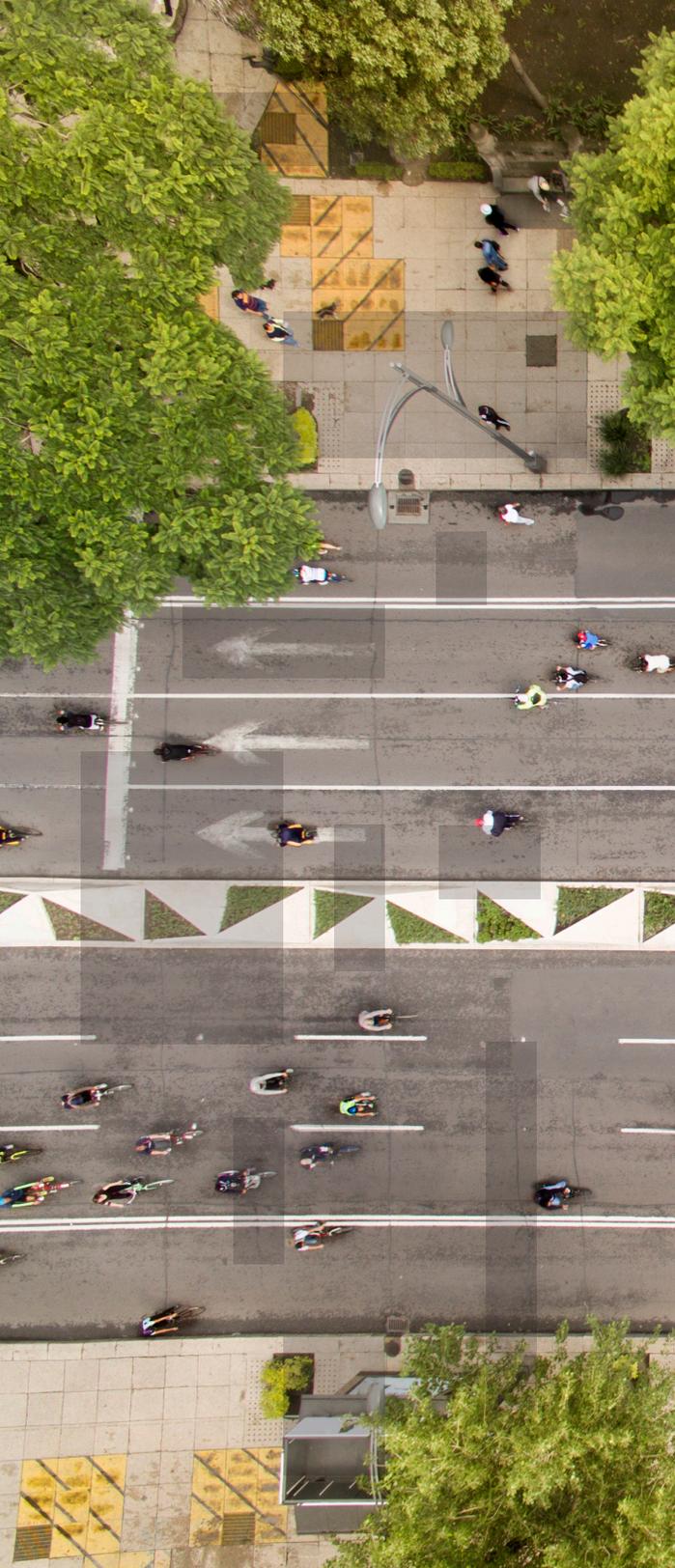


Willis Towers Watson 24th Annual
Best Practices in Health
Care Employer Survey

Highlights and results at a glance



Overview

U.S. employers' top priority for the next three years is controlling health care costs while making health care affordable for employees. Already high health care costs are projected to rise again nearly 5% next year, well above the rate of inflation.

Although two-thirds of employers say they've made progress containing health care costs and improving affordability over the past three years, work remains to be done.

Our survey reveals a number of levers — short- and longer-term strategies — that employers can pull across all areas to address this challenge.

At the same time, recognizing that employees value health benefits, 95%¹ of employers are very confident their organizations will continue to sponsor health care benefits in five years. Further, employers' longer-term commitment to sponsoring these benefits in 10 years grew to 74%* (up from 69% in 2018), reaching the highest level in the past decade.

Increasingly, employers are putting employees at the center of their health and wellbeing strategies. Consequently, there is a growing emphasis on understanding employee wants and needs. With better insight into what employees value, employers can build programs that prioritize affordability and focus on the following three objectives:

- Improving access to quality care
- Enhancing wellbeing
- Delivering an employee experience that blends high tech with high touch

This approach will help employers in today's tight labor market develop more holistic benefit programs that attract and engage talent, enabling employees to thrive and organizations to prosper.

¹ Sample: Companies with at least 1,000 employees
Source: 2019 Willis Towers Watson Best Practices in Health Care Employer Survey, companies with at least 100 employees.

At a glance

Confidence rising

74%
are confident



that the organization will continue to sponsor health care benefits in 10 years, **an increase of 5% over 2018**

Capture the potential of telebehavioral health

89%

are expected to offer coverage for telebehavioral health services by 2021, **up from 72% today**



Top clinical condition



66%
will emphasize **mental/behavioral health** over the next three years



65%
will enhance **navigation to services** to improve mental/behavioral health during this period



Focus on wellbeing

50%

have made progress on enhancing **employees' total wellbeing** over the past three years

83%

think it's important to **enhance employees' total wellbeing** in the next three years, but...

Only **41%**

agree that their wellbeing programs **meet employees' needs**

Only **30%**

say their programs **inspire employees to achieve** their personal goals

Tackling affordability and costs

Cost increases remain steady at 5% before plan changes



68%

have made progress over the past three years

93%

say affordability and costs for the business and members is a top priority over the next three years, but...

63%

indicate that continued progress will be their biggest difficulty over the next three years

Top wellbeing actions by 2021

Physical

85%

sponsor programs or pilots that **target specific conditions** or high-cost cases



Financial

44%

track metrics and objectives for use of programs at pivotal decision points and segments most at risk



Social

68%

use workforce data and analytics to **develop a strategy for improving diversity and inclusion**



Emotional

74%

redesign employee assistance program to **better address emotional and financial wellbeing**



Prioritize technology to support employee wellbeing

Actions by 2021



55%

have a formal technology strategy to support wellbeing programs and goals

70%

offer apps and connected devices for condition management or reducing health risks

78%

integrate wellbeing vendors and employee experience across physical, financial, social and emotional wellbeing

Highlights

Access, quality and affordability



Strong interest in plan design and value-based designs

Almost 90% of employers (87%) are making it a priority to align plan design with the organization's business and workforce strategies over the next three years.

Organizations are also focusing on value-based designs to reduce out-of-pocket costs for the use of high-value services and increase out-of-pocket costs for specific overused services.



Rethinking ABHPs but expanding HSAs

Account-based health plan (ABHP) sponsorship has leveled off, with the number of employers offering ABHPs expected to grow a mere 1%, from 84% today to 85% by 2020. About 20% of employers eliminated a total replacement strategy in recent years in favor of providing more options. Of those still offering ABHPs as a total replacement, 25% plan to eliminate this strategy by 2021.

Health savings account (HSA) offerings continue to expand significantly. Ninety-seven percent of ABHP sponsors are expected to offer HSA-based plans by 2021.



Focus on vendor and network strategies

Evaluating vendors best positioned to help deliver on their organization's strategy is a top priority for 79% of employers over the next three years. As part of this effort, organizations are looking to improve specific high-cost clinical conditions.

To encourage use of high-performance networks, employers are reducing employees' share of premiums or point-of-care costs for high-performance network plans.



Controlling pharmacy costs

Over the next three years, companies will prioritize pursuing cost-effective options to manage overall pharmacy spend and, specifically, specialty drug costs. But pharmacy costs rank among the most difficult areas to improve.

Among the top strategies planned or under consideration to address rising pharmacy spend are evaluating and addressing specialty drug costs and utilization performance, promoting use of lower-cost biosimilars and adopting point-of-sale rebates.





Integrated wellbeing



Strong commitment to wellbeing - with more work to do

Employer commitment to and prioritization of wellbeing is stronger than ever. As organizations continue to focus on total wellbeing, looking beyond the physical to include financial, social and emotional aspects, they also recognize that enhancing well-being across these dimensions requires an integrated approach.



Health culture becomes a top priority

Employers are placing a greater emphasis on health culture, creating a workplace environment supported by managers/leaders that encourages employees to live healthier lives and, therefore, to thrive at work.

While only 35% of employers reported making progress in health culture in the past few years, 73% say they will make health culture a top priority over the next three years. Yet companies rank health culture as among the most difficult areas to improve.



Incorporating inclusion and diversity

More employers are incorporating diversity and inclusion priorities into their wellbeing program design with an expected 62% planning to take action by 2021. And while more employers are highlighting or plan to highlight for employees the benefit changes addressing inclusion and diversity, over half (52%) have not done so.



Opportunity to improve data and metrics

While only 37% of employers say they've made progress over the past three years in using data and metrics to evaluate the performance of their health care and wellbeing programs, 78% are making it a priority over the next three years.

The resulting 41% gap indicates that much work remains to be done.

Employee experience



Understanding employees' wants and needs

Employers are increasingly using surveys, focus groups or town hall meetings to identify employees' wants and needs when designing programs or making changes. To develop a sharper focus on employees' desires and requirements, organizations are also applying human-centered design to wellbeing programs.

The number of employers using human-centered design as well as tools such as surveys and focus groups to understand employee wants and needs is anticipated to grow to 61% by 2021.



Building an employee experience strategy

While nearly half of employers don't have an employee experience strategy today, they expect to catch up quickly. Over the next three years, 73% will make it a priority to develop a differentiated employee experience customized for different workforce segments.

About the survey

Survey was completed by U.S. employers between June and July 2019, and reflects respondents' 2019 health program decisions and strategies. Respondents collectively employ 11.3 million employees and operate in all major industry sectors. Results provided are based on 610 employers with at least 100 employees.



Growing use of decision support tools

More employers plan to offer recommendation tools that support enrollment decisions. While 46% say they use these tools today, this percentage is expected to grow to 77% by 2021. In addition, 36% of organizations are offering treatment decision support tools, a number anticipated to increase to 65% by 2021.



Improving advocacy and navigation

Employers are enhancing the employee experience by improving health care advocacy and navigation services, with 69% expecting to do so by 2021.





About Willis Towers Watson

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