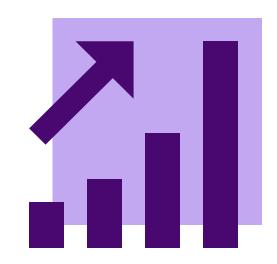
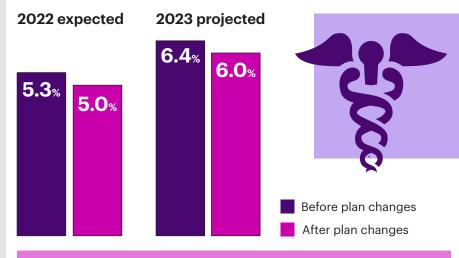
wtw

Employers move to stem rising healthcare costs and boost affordability



Healthcare costs projected to climb 6% in 2023



7 in 10 employers expect moderate to significant cost increases over the next 3 years

2 out of 3 employers will prioritize controlling healthcare costs over the next 3 years

54% expect costs will be over budget in 2022

only 15% expect costs to be at budget

To address a higher-cost environment:

52%will implement programs or switch vendors to reduce total costs

only 1 in 4 will shift costs to employees through higher premium contributions

Employers also focus on:

41%
Subsidization
Use a defined
contribution strategy
with a fixed dollar
amount provided
to all employees,
differing by plan tier

Value-based cost sharing Implement higher out-ofpocket costs for use of less efficient services or site of care



11%

Action taken 2022

Planning/Considering

Concerns about healthcare costs extend to employee affordability

Structure payroll contributions that reduce costs for targeted groups, such as low-wage employees

28% Action taken 2022 13% Planning/ Considering



Add/Enhance vendor solutions and voluntary benefits in case of a catastrophic event



35% Action taken 2022

27%
Planning/
Considering

Add more dollars to healthcare plan without reallocating from other benefits or pay

20% Action taken 2022 30% Planning/



Actions to take now!



Develop strategies that balance employee affordability goals with rising prices to help avoid budget overages



Identify potential new cost-saving initiatives and evaluate effectiveness of existing programs



Engage in employee listening to uncover needs and evaluate healthcare coverage as it pertains to diversity, equity and inclusion