

Executive Summary

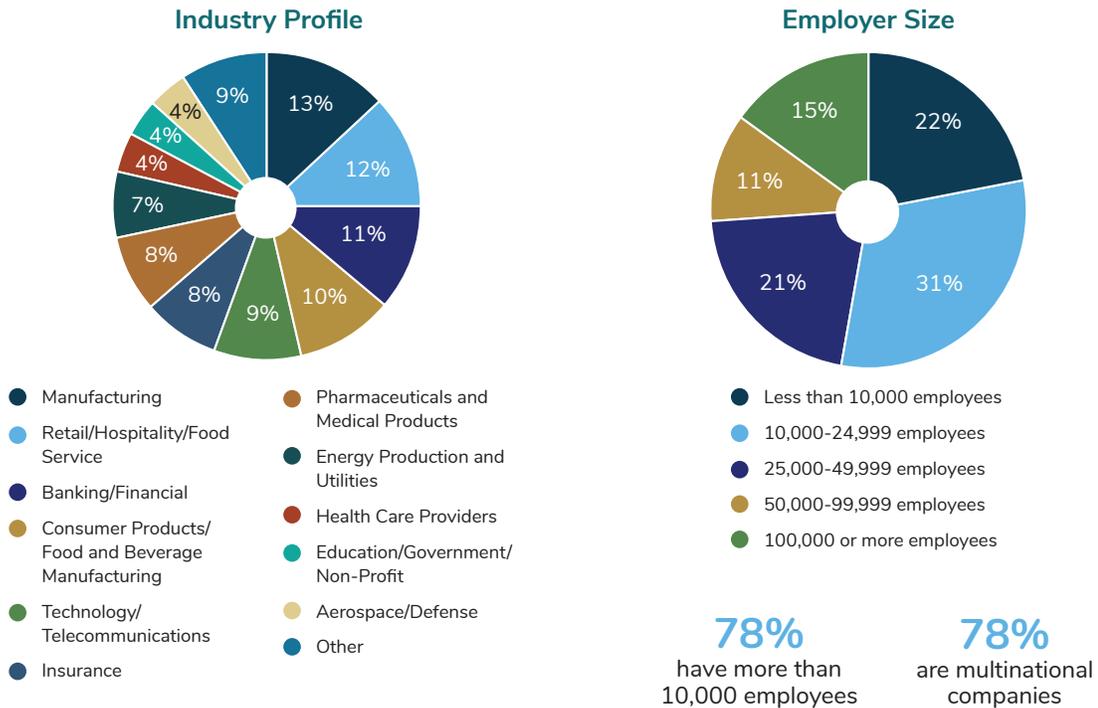
INTRODUCTION

The 2021 Large Employers' Health Care Strategy and Plan Design Survey solicited information about employer approaches to health care and benefits in the midst of the COVID-19 pandemic, providing a window into leading ways that employers are addressing COVID through their benefit plans, programs and overall workforce strategy outlook.

As in previous years, employers were also asked about virtual care offerings, the conditions that drive costs and are targets for delivery reform strategies, health care cost trends and benefit design changes. Additionally, employers from a variety of industries—including those companies facing serious financial difficulties due to the pandemic—took part in interviews to complement the findings of the survey. The discussions focused on the impact of COVID-19, the future of virtual care and the role of on-site services now and beyond.

These results reflect the perspectives and plan designs of 122 large employers that cover more than 9 million lives.

Figure 1: Demographics of Large Employers Completing Survey, 2020



Note: Percentages may not total 100% due to rounding.

The report is divided into the following parts:

1. Employer Perspectives on the Health Care Landscape
2. Health Care Strategy, Plan Design and Medical Costs
3. Health Care Delivery System
4. Pharmacy Strategy and Design

Ellen Kelsay, President and CEO of Business Group on Health, and the staff thank the members for their participation in this project. Your support provided us with rich data and thoughtful insights into the current state of health care.

CITATION

Suggested citation for this survey report:

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Key Insights

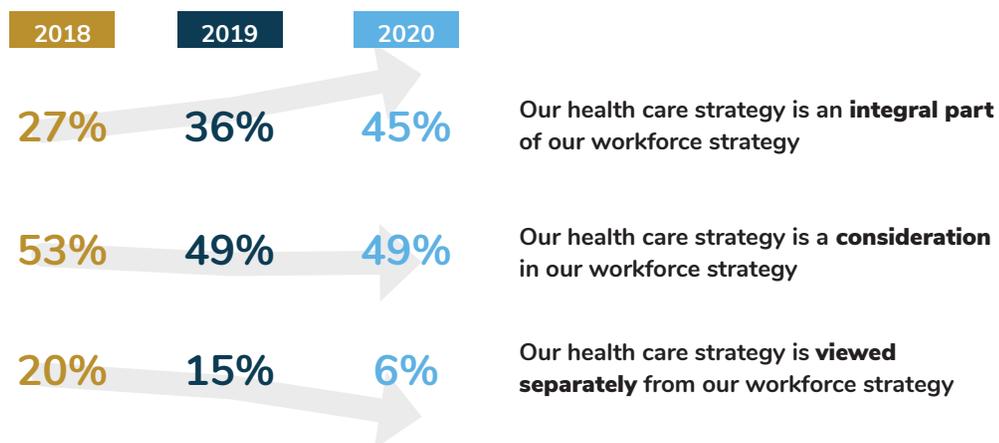
Based on the findings from the 2021 survey, the following messages surfaced as top trends and emerging concerns among employers.

1.

Health and well-being's role in workforce strategy

This year, more than ever before, employers see investments in health and well-being as an integral part of workforce strategy, increasing from 36% in 2019 to 45% in 2020. This is spurred in part by the COVID-19 pandemic, shining a light on the connection between employee health and well-being and overall business performance.

Figure 2: The Role of Health Care in Large Employers' Workforce Strategy, 2018-2020

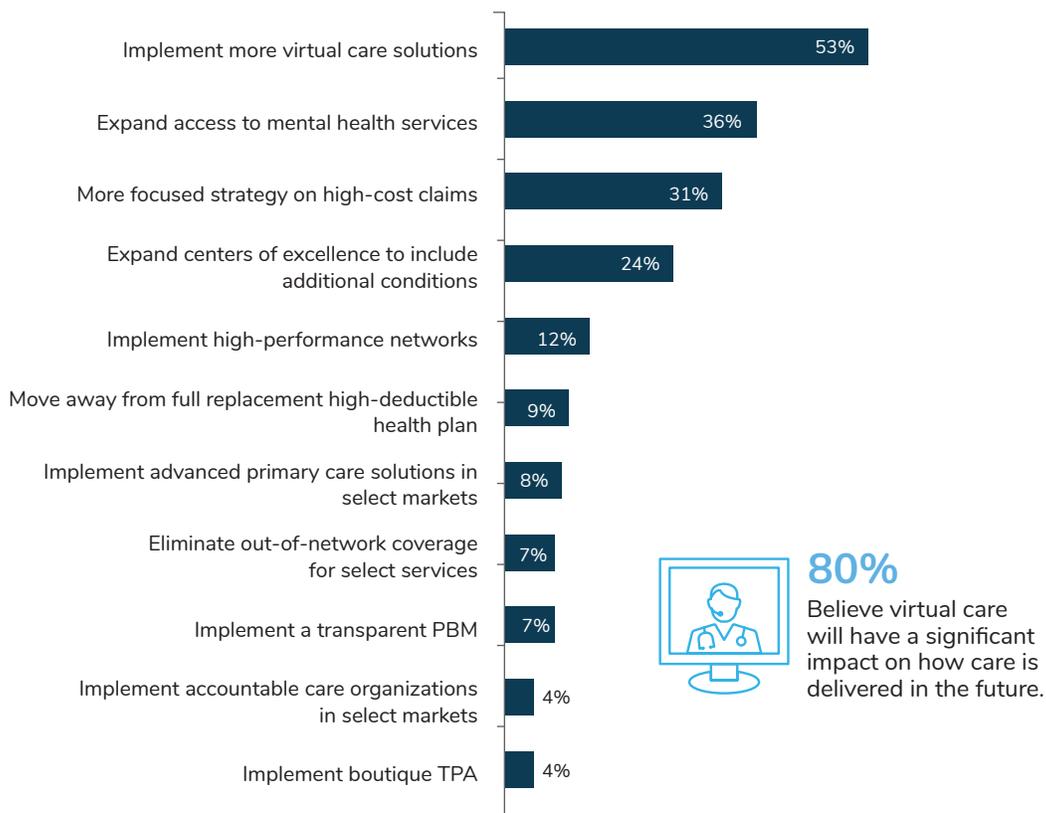


2.

Virtual care ubiquity

Virtual care is here to stay, spanning an array of services, from primary care to musculoskeletal to mental health and many others. While employers have been implementing more virtual solutions in recent years, the COVID-19 pandemic caused the pace to accelerate at an exponential rate. Telehealth offered through traditional telehealth providers, as well as brick-and-mortar practices forced to go virtual during pandemic lockdowns, has seen a surge in demand across a range of conditions.

Figure 3: Large Employers' New Initiatives for 2021

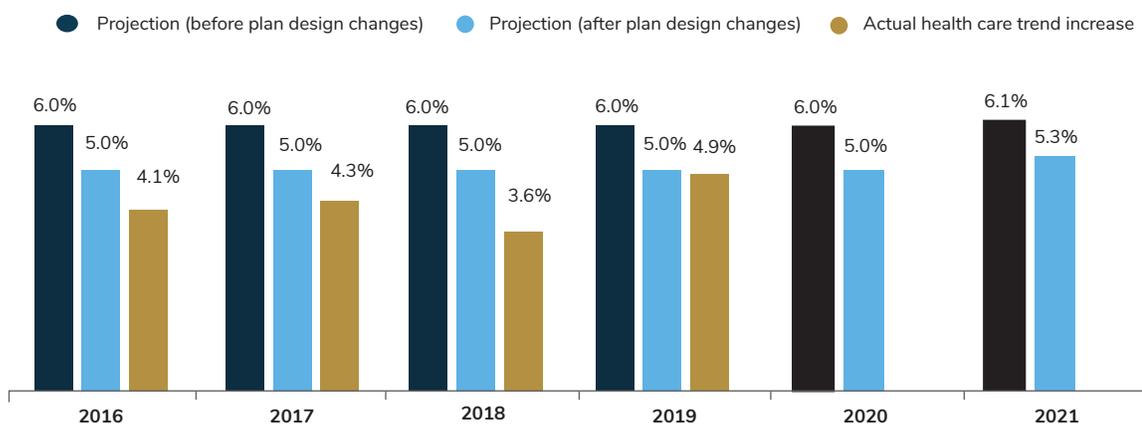


3.

Health care costs are a moving target

COVID-19 has triggered delays in care (preventive and elective), which could mean that projected health care trend for 2020 (5%) may turn out to be too high. Similarly, if care resumes in 2021, the projected trend (5.3%) may prove to be too low. It's difficult to know how these projections will play out.

Figure 4: Large Employers' Median Health Care Increase in Trend (Actual and Projected), 2016-2021

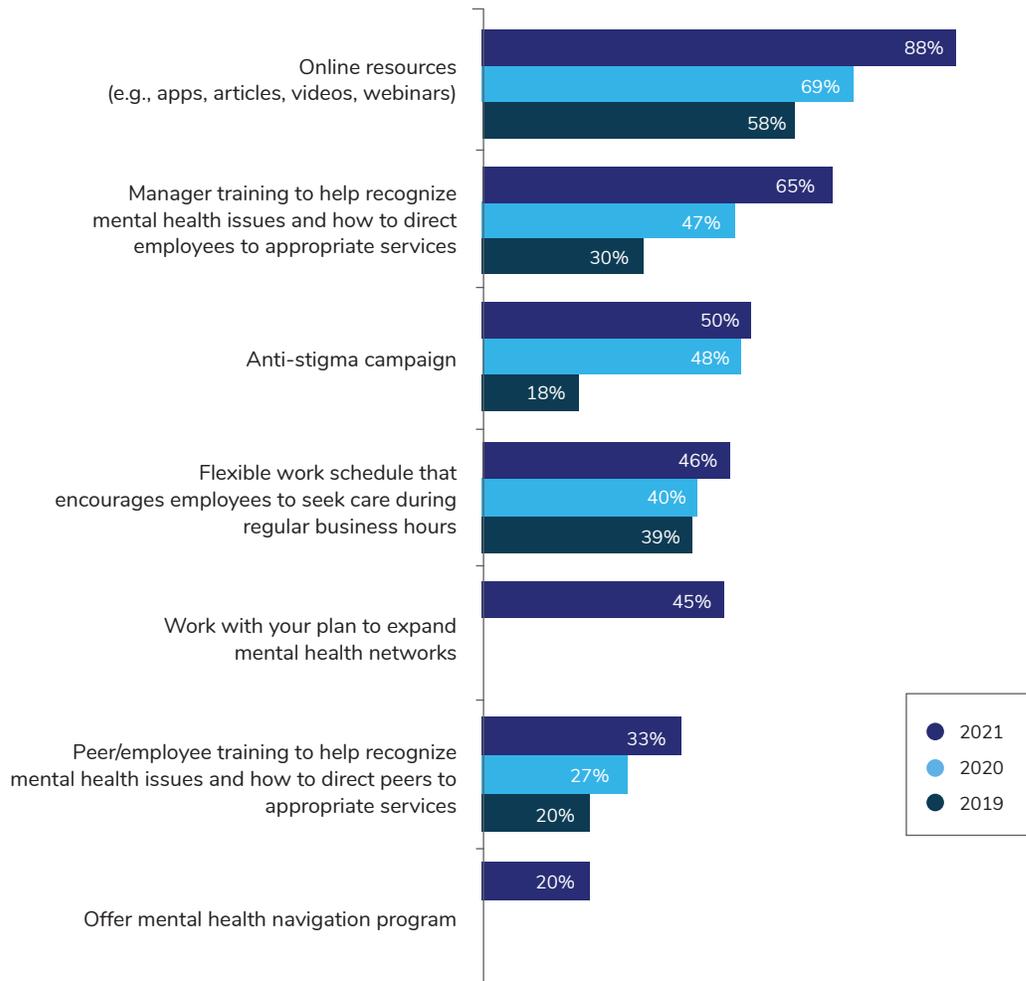


4.

Mental health stays in the spotlight

Already an area of acute focus, employers have doubled down on mental health and emotional well-being. A benefit of this development has been less stigma associated with, and more acceptance of, mental health issues.

Figure 5: Large Employers' Mental Health Offerings, 2019-2021

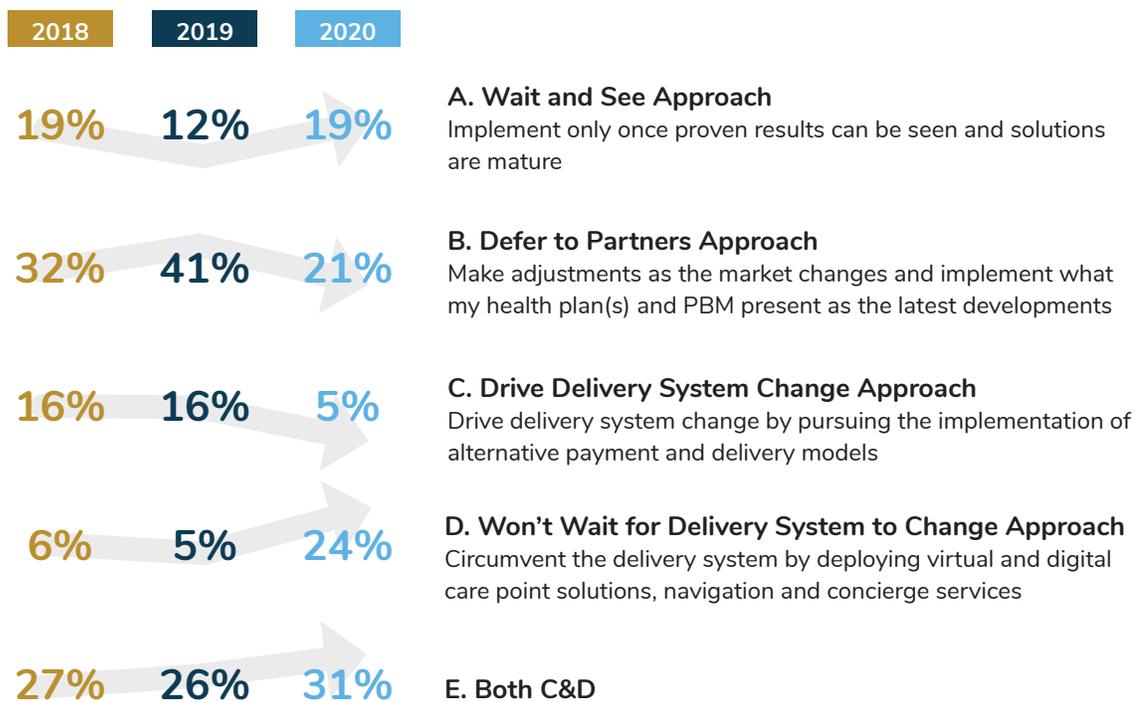


5.

Delivery reform efforts overshadowed yet underscored by COVID-19

Many employers continue to pursue efforts to improve outcomes, quality, cost and the overall health care experience via delivery system reforms, including ACOs, COEs, HPNs and advanced primary care arrangements. However, the rate of implementation has been impacted and overshadowed due to prioritization of critical emerging issues brought forth by the pandemic. That said, the pandemic has underscored and magnified foundational flaws with the status quo. Employers will likely resume reform efforts (perhaps at an accelerated pace) post-pandemic.

Figure 6: Large Employers' Approach to Delivery Reform, 2018-2020

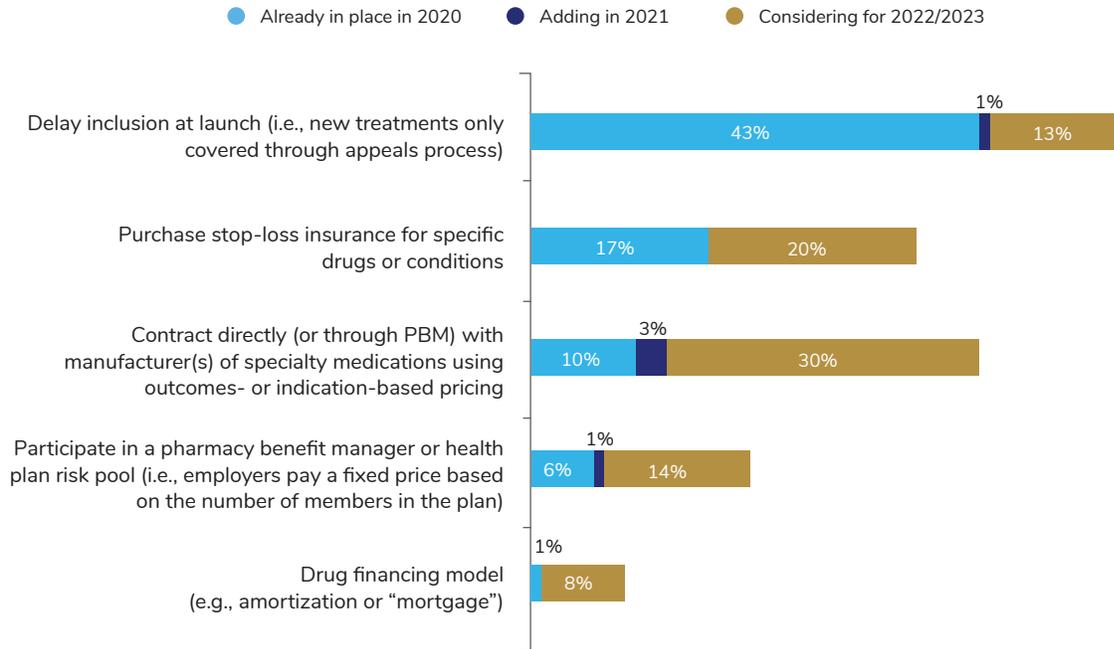


6.

High-cost drugs top pharmacy concerns

Employers remain focused on cost management strategies for specialty medicines but have been increasingly turning their attention to controlling trend for newer, especially high-cost therapies (e.g., \$1 million or more). For these therapies in particular, 80% of employers are concerned that strategies to finance high-priced therapies do little to control overall drug prices.

Figure 7: Large Employers' Options for Addressing High-cost Treatments, 2020-2023



7.

Despite the pandemic, on-site services will grow and play a critical role in 2021

On-site services, including clinics and mental health counselors, have proven to be flexible enough to adapt to the current landscape and provide COVID-19 testing and virtual counseling. For most employers, on-site services will continue to be a part of their approach to health care.

Figure 8: Large Employer On-site Health Offerings, 2016-2023

