TRUE, BUT…

Insights from the 2019 Annual Employer Benefits Survey

MCHRMA

May 3, 2019

Minnesota Health Action Group (The Action Group) Member and Non-Member Survey:
BY Employers, FOR Employers

- Survey Objective
  - To understand the Minnesota employee benefits marketplace trends and provide a tool for The Action Group's members and survey participants to benchmark plans.

- Report from survey responses comparing and summarizing participants' views on the following:
  - Goals and Priorities
  - Current Landscape and Solutions **NEW!**
  - Waste in the System **NEW!**
  - Medical Plan Costs & Contribution Rates
  - Local Health Plans
  - Prescription Drug Coverage & Costs
  - Mental Health **UPDATED!**
  - Wellness and Health Improvement **UPDATED!**
  - Value-Based Care and Innovations
  - Broker and Consultant Relationships
  - Other Topics (Eligibility, Retiree)

2019 SURVEY AT A GLANCE:
- *Broad participation*
- *"Tried and true"*
- *Plus, new and updated questions*
- *Relevant data cuts*
- *Valuable new benchmarks*

Minnesota Health Action Group™
Innovating, Leading, Engaging

Characteristics of Survey Participants
108 Total Participants

General Industry

55 Participants (45 in 2018)
25 Action Group Members

41 Corporate
14 Non-Profit

Cities, Counties & School Districts

53 Participants (50 in 2018)
10 Action Group Members

10 Cities | 20 Counties
13 School Districts | 10 Others

66 participants from 2018 took the survey again in 2019

Representing 218,142 employees in Minnesota (average 3,967). 827,338 nationally (average 15,043).

Average Age of Employees = 42.2

Representing 51,708 employees in Minnesota. Average size of 976 employees.

Average Age of Employees = 44.9

Minnesota Health Action Group™
Innovating, Leading, Engaging

Cities, Counties, School Districts, and Other Affiliated Organizations (CCS)

See appendix for full list of participants.

TRUE: *Costs continue to run high for MN employers…*
Total Health Care Trend
(total including employer and employee share)

All	2018	2017	2016
Trend	9.6%	9.1%	6.7%
Organizations with flat trend or better	15%	10%	16%
Organizations with trend greater than 10%	29%	30%	23%
National Average *(Mercer's National Survey of Employer-Sponsored Health Plans)*	3.6% (3.2% for large companies with more than 500 employees. 5.4% for under 500)		

General Industry	2018	2017	2016
Trend	9.7%	9.3%	6.4%
Organizations with flat trend or better	8%	13%	12%
Organizations with trend greater than 10%	25%	26%	15%

Cities, Counties & School Districts	2018	2017	2016
Trend	9.4%	8.7%	7.0%
Organizations with flat trend or better	23%	7%	21%
Organizations with trend greater than 10%	35%	34%	31%

Organizations, both GI and CCS, are experiencing trend far outpacing national averages, and trending up. Almost one out of every three employers experienced double-digit trend.

Minnesota Health Action Group™
Innovating, Leading, Engaging

5

TRUE: *Costs continue to run high for MN employers…*
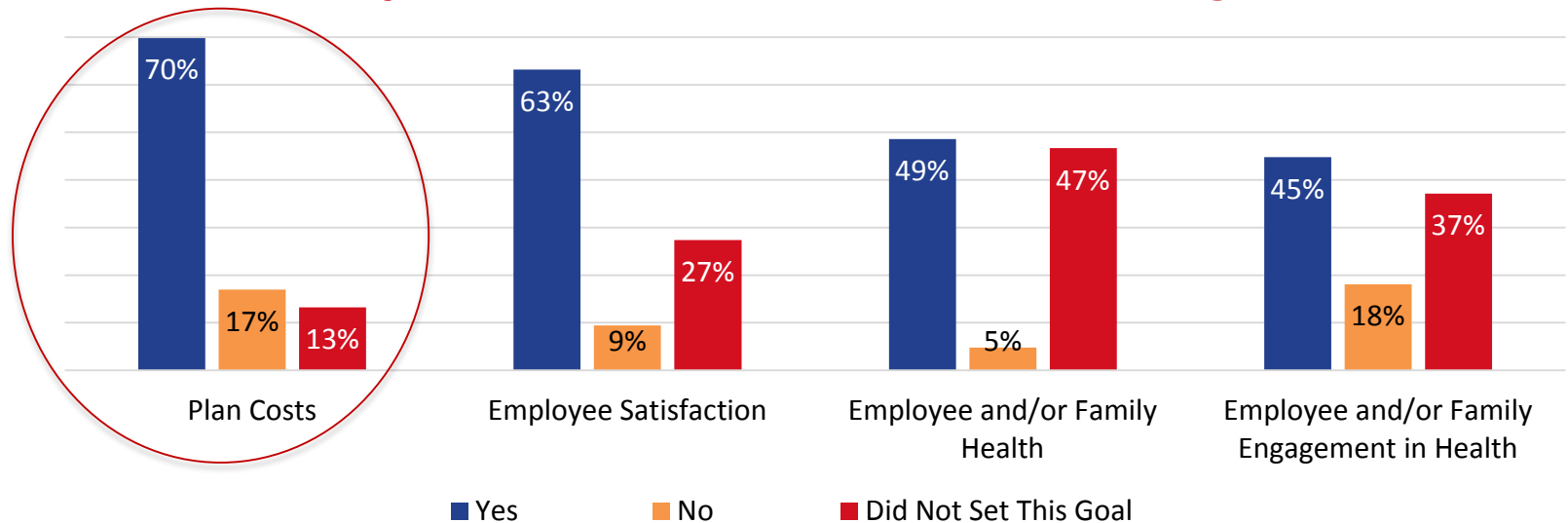## Total annual premium and your employee contribution for most popular plan

Total Annual Premium = Total annual premium cost for this plan, including the employer and employee share
Employee Contribution = Annual premium amount paid by the employee in paycheck contributions

Most Popular (or only) Plan	All 2019		2018 Kaiser National Average Premium*	
	Single	**Family**	**Single**	**Family**
Total Annual Premium Cost Per Employee	$7,879	$21,793	$6,896 ($6,818 Midwest only)	$19,616 ($19,673 Midwest only)
Annual Employee Contribution Paid by the Employee	$1,143	$5,714	$1,186	$5,547

Most Popular (or only) Plan	General Industry 2019		Cities, Counties & School Districts 2019	
	Single	**Family**	**Single**	**Family**
Total Annual Premium Cost Per Employee	$6,982	$20,437	$8,880	$23,242
Annual Employee Contribution Paid by the Employee	$1,424	$5,314	$805	$6,182

See appendix for additional plan design detail by single/family tier and in- and out-of-network for the most popular plans being offered by employer (de-identified).

Minnesota Health Action Group™
Innovating, Leading, Engaging

BUT: *Controlling overall health care spend is the top priority for employers, and most organizations report that they met their health benefit goals*


Chart legend: ■ Yes ■ No ■ Did Not Set This Goal

Plan Costs: Yes 70%, No 17%, Did Not Set This Goal 13%
Employee Satisfaction: Yes 63%, No 9%, Did Not Set This Goal 27%
Employee and/or Family Health: Yes 49%, No 5%, Did Not Set This Goal 47%
Employee and/or Family Engagement in Health: Yes 45%, No 18%, Did Not Set This Goal 37%

	General Industry				Cities, Counties & School Districts				Large Companies (top quartile total employees)			
	Costs	Satisfaction	Health	Engage	Costs	Satisfaction	Health	Engage	Costs	Satisfaction	Health	Engage
Yes	70%	70%	46%	46%	69%	56%	51%	43%	81%	65%	42%	62%
No	26%	9%	6%	20%	8%	10%	4%	16%	12%	4%	0.0%	15%
No Set Goal	4%	20%	48%	33%	23%	35%	45%	41%	8%	31%	58%	23%

Although on average costs are higher than national benchmarks, the majority of respondents met their plan cost goals.

See "Participating Organizations" in the appendix to see listing of top quartile of largest organizations by total employees.

Minnesota Health Action Group™
Innovating, Leading, Engaging

TRUE: *Many organizations embrace change, and the pace of change is increasing…*
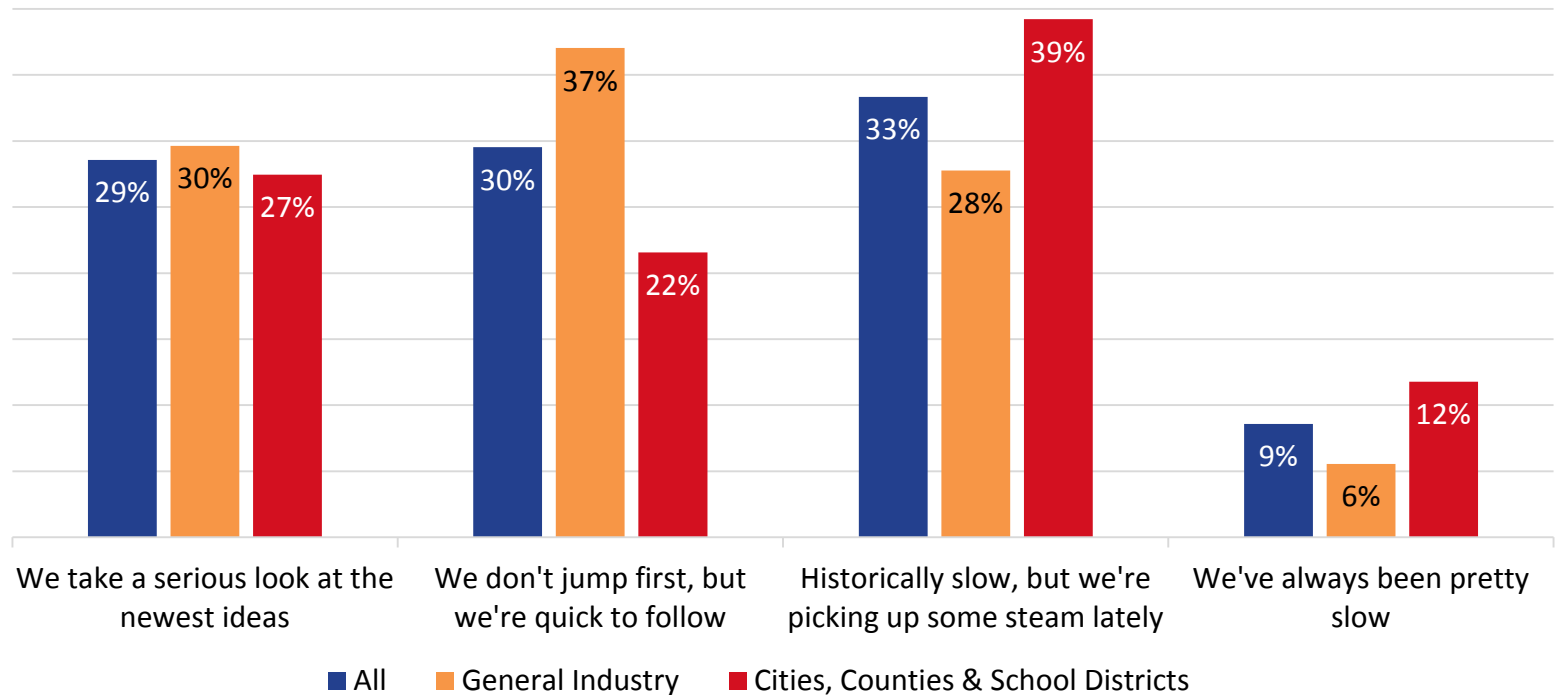
GI tends to move a bit quicker than CCS when looking at new ideas.

Minnesota Health Action Group™
Innovating, Leading, Engaging

BUT: *There is a significant gap in change readiness between top management, HR/Benefits, and employees*

	All					General Industries					Cities, Counties & School Districts				
	5 High	4	3	2	1 Low	5 High	4	3	2	1 Low	5 High	4	3	2	1 Low
The top management's readiness	22%	39%	24%	9%	7%	31%	33%	24%	9%	4%	12%	45%	24%	10%	10%
Your employees' readiness	6%	16%	41%	23%	14%	5%	22%	40%	22%	11%	6%	10%	42%	24%	18%
Your HR and benefits team's readiness	25%	46%	18%	4%	7%	33%	40%	18%	4%	5%	17%	52%	17%	4%	10%

■ = Denotes greater than a 10% difference in percentage usage between GI & CCS for the 5 (High) response.

While top management and HR and benefits teams are ready for change, organizations do not believe their employees are.

See "Participating Organizations" in the appendix to see listing of top quartile of largest organizations by total employees.

Minnesota Health Action Group™
Innovating, Leading, Engaging

TRUE: *30% of health care is wasted (IOM)…*
BUT: *Many organizations* are not yet managing health care waste*

	Currently managing (National Benchmark)	Plan to manage within two years	No plans to manage
Prescription medications	53% (58%)	13%	33%
Specialty drugs	52% (56%)	11%	37%
Disease screenings (e.g., Pap tests)	40% (22%)	5%	56%
Primary care services	37% (21%)	5%	59%
Medical imaging (e.g., MRIs, X-rays, etc.)	36% (29%)	5%	60%
Specialty physician referrals	33% (21%)	0%	67%
Inpatient monitoring	30% (18%)	0%	70%
Preoperative testing	28% (13%)	5%	67%
Clinical testing (e.g., blood work or chemistry testing)	26% (15%)	2%	71%

Prescription medications, including specialty drugs, are on the forefront of employers working to manage waste. The only major difference between GI and CCS was for prescription medications, with 71% GI and 53% CCS currently managing, and 71% GI and 52% CCS currently managing specialty drugs. Overall, MN survey respondents are more active than their national counterparts.

* Data shown is for Cities, Counties, and School Districts.

National Benchmark = National Alliance of Healthcare Purchasers Coalition.

Minnesota Health Action Group™
Innovating, Leading, Engaging

TRUE: *Many organizations are bidding their health care coverage…*
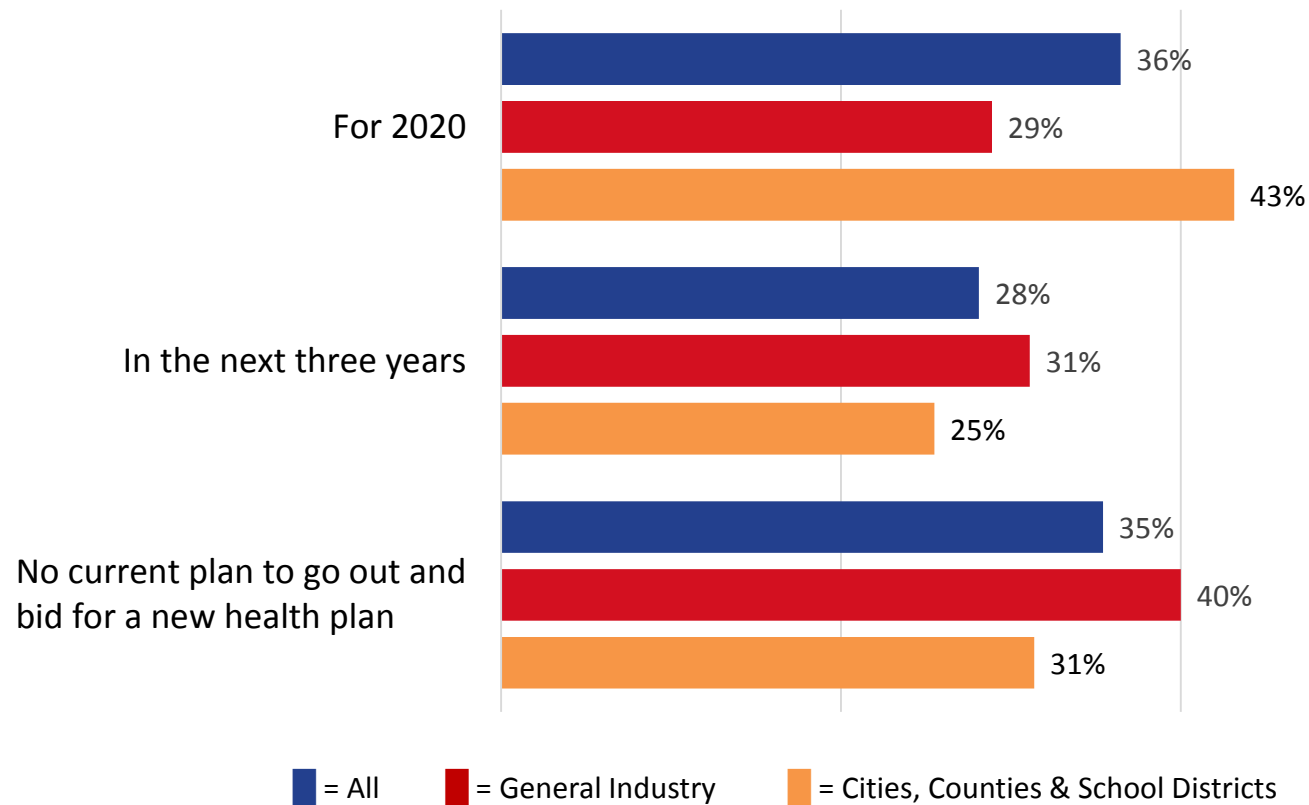
For 2020, there is a lot of RFP activity. Similar to last year's survey response, around 65% of employers plan to go out to bid in the next three years, but we have seen actually less than 30% switch plans.

BUT: Few actually change vendors (and the top 4 plans remain unchanged)
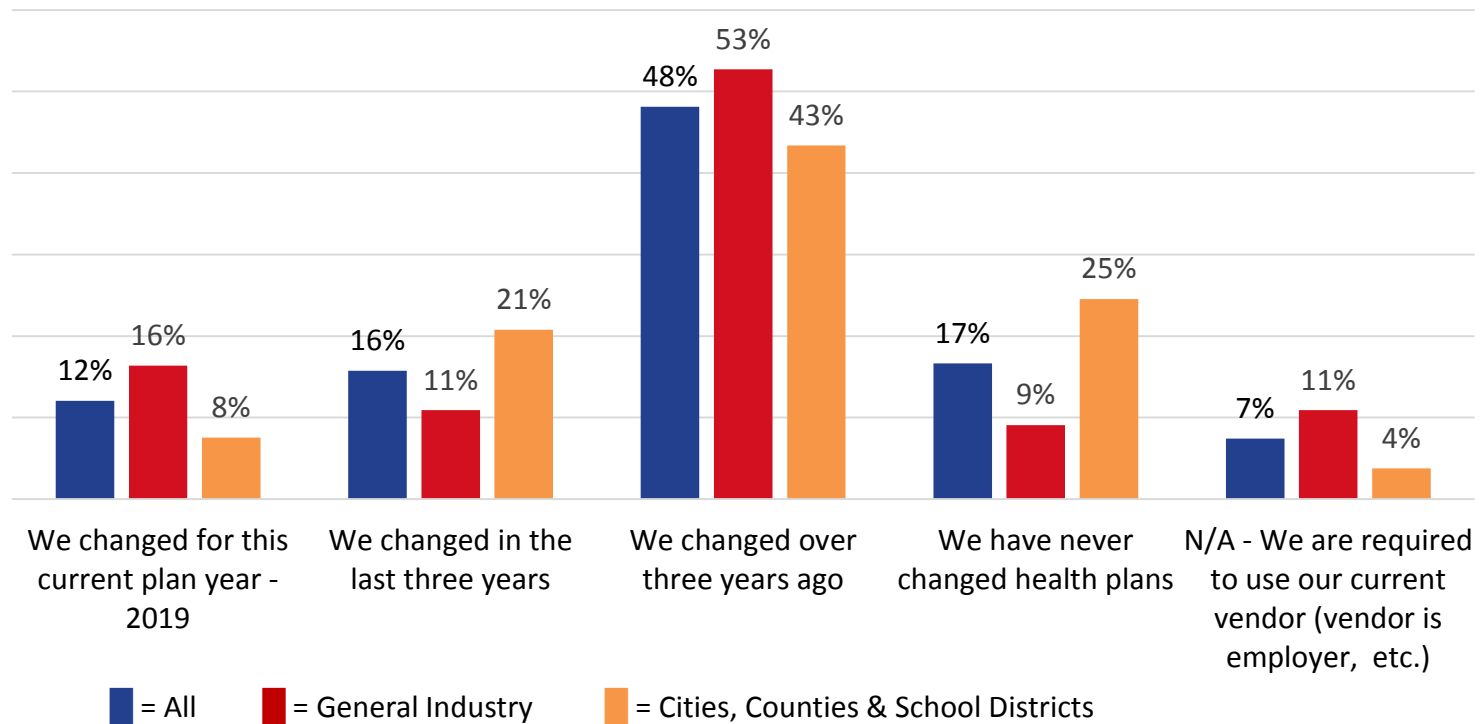
In last year's Action Group survey, 32% of employers said they were going out to bid for their health plan vendor for 2019. 12% changed vendors. Two-thirds of employers have not changed their health plan in over three years.

Minnesota Health Action Group™
Innovating, Leading, Engaging

TRUE: *There is wide agreement on importance and impact of mental health*…*

Mental health is an important part of the health management strategy over the next two years.
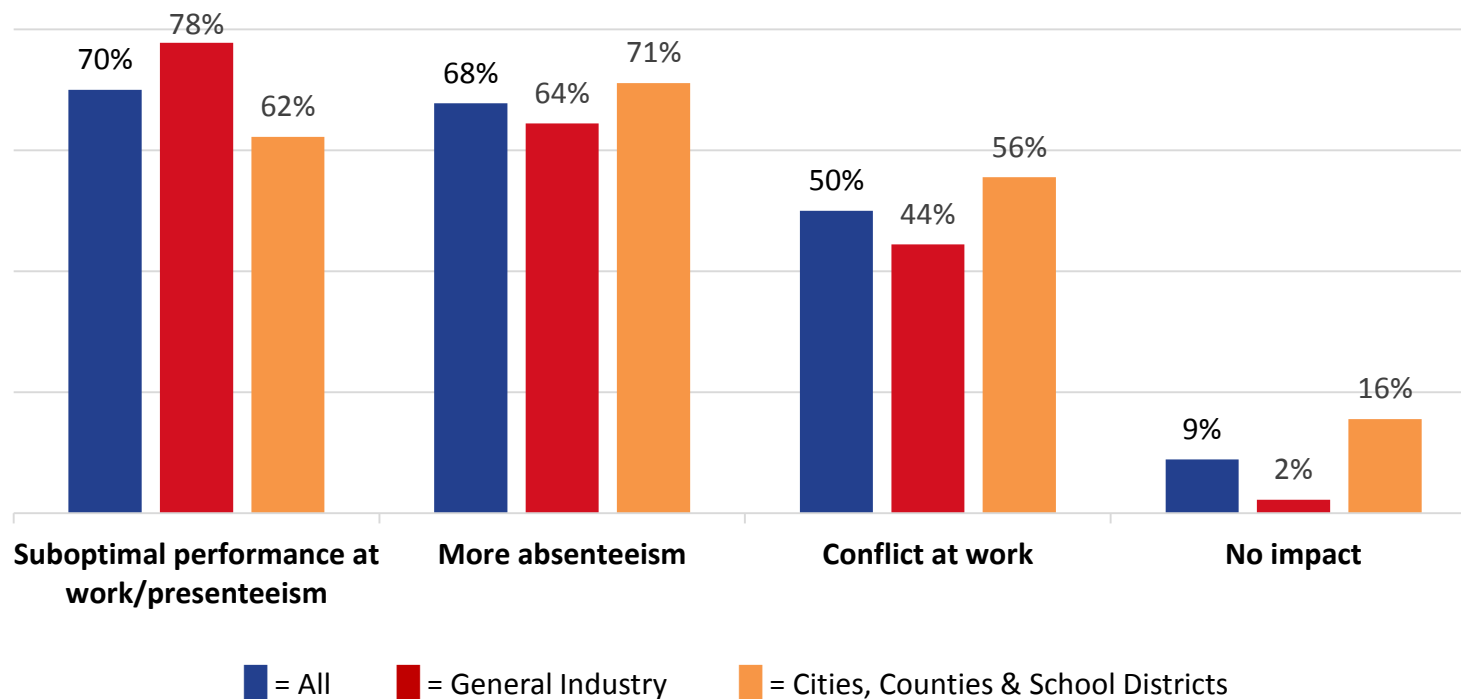
80%

The mental health of our employees is directly related to the overall performance of our organization.

98%

* Data shown is for Cities, Counties, and School Districts.

Minnesota Health Action Group™
Innovating, Leading, Engaging

TRUE: *And a consensus that low emotional wellbeing and stress are impacting the workforce…*

Chart data:

	Suboptimal performance at work/presenteeism	More absenteeism	Conflict at work	No impact
All	70%	68%	50%	9%
General Industry	78%	64%	44%	2%
Cities, Counties & School Districts	62%	71%	56%	16%

■ = All   ■ = General Industry   ■ = Cities, Counties & School Districts

As noted, almost all employers agree mental health is directly linked to an organization's productivity, through suboptimal performance, absenteeism, and conflicts at work. With that, respondents noted measuring the impact is a difficult task. Respondents aligned with the national benchmark.

National Benchmark = National Alliance of Healthcare Purchaser Coalitions.

Minnesota Health Action Group™
Innovating, Leading, Engaging

BUT: *Organizations have been slow to take substantive action related to mental health parity, access to care, and reimbursement*

While many organizations have taken action to address mental health in the past year, typically related to increasing awareness, decreasing stigma, and enhancing general wellbeing, most* haven't:

Conducted an independent compliance assessment with mental health parity. **4%**

Indemnification from vendor for identified risks associated with mental health non-compliance. **4%**

Equalized reimbursement rates for Mental Health/Substance Use Disorder (MH/SUD) specialists and medical surgical providers for similar services. **11%**

Turned on all four collaborative codes and promoted them with no employee copay. **2%**

Comprehensive coverage for medications for treating substance abuse. **26%**

* Data shown is for Cities, Counties, and School Districts.

Minnesota Health Action Group™
Innovating, Leading, Engaging

TRUE: *Most employers offer wellness programs…*
BUT: *Beyond participation and satisfaction, they find it challenging to measure success*
Measures of Success for Wellness Programs

	All	National Benchmark	General Industry	Cities, Counties & School Districts
Participation rates	80%	61%	83%	78%
Program satisfaction rates	53%	25%	49%	58%
Medical or pharmacy claims data	36%	45%	49%	23%
Biometric or clinical results	35%	53%	46%	23%
Employee health behaviors	32%	27%	27%	38%
Employee health knowledge	20%	12%	15%	25%
Employee absenteeism	10%	10%	5%	15%
Employee productivity	7%	9%	5%	10%
Return on investment (ROI)	6%	13%	12%	0%

The success of wellness programs continues to be mostly through participation and satisfaction rates, although many enter into wellness with the hopes of healthier populations driving cost reduction and ROI.

National Benchmark = Community Collaboration for Workplace Health.

Minnesota Health Action Group™
Innovating, Leading, Engaging

TRUE: *Diabetes is a top health condition, and the NDPP is widely available and proven effective…*
BUT: *Most public employers* have not adopted it*

| Use Rank	Program	Currently Using	Imple-menting	Contem-plating	Not Interested	Effective (1-5)	Avg. Partici-pation	% Pleased with Results
1	Flu shots	92%	0%	0%	6%	3.8	41%	96%
2	Competitions	65%	2%	4%	10%	3.0	39%	71%
3	Nurseline	61%	0%	2%	16%	3.2	7%	83%
4	Health risk assessments	55%	0%	14%	4%	3.2	49%	67%
5	Online wellness/fitness programs	49%	0%	14%	10%	3.0	30%	55%
6	Biometric testing	43%	0%	20%	16%	3.4	47%	83%
7	Onsite fitness center	33%	4%	0%	39%	3.7	16%	89%
8	Telephonic condition management programs	31%	0%	6%	29%	3.4	6%	63%
9	Weight management program	29%	2%	12%	24%	3.4	13%	86%
10	Online condition management programs	29%	2%	14%	22%	2.9	5%	50%
11	National Diabetes Prevention Program	29%	0%	18%	20%	3.8	8%	88%
12	Onsite fitness programs	27%	4%	2%	39%	3.6	30%	100%
13	Measuring health outcomes and improvement	18%	4%	20%	22%	3.3	51%	100%
14	Onsite wellness coach	14%	0%	10%	37%	3.8	14%	100%
15	Onsite/Near-site health clinic	12%	0%	6%	45%	3.4	22%	67%
16	Onsite nurse	12%	0%	6%	43%	4.7	12%	100%

☐ = "Currently Using" > 50% | "Contemplating" > 20% | "Effectiveness" > 3.5 | %Pleased > 85%

* Data shown is for Cities, Counties, and School Districts.

Minnesota Health Action Group™
Innovating, Leading, Engaging

Tools Available from The Action Group

- To help you take action on mental health

  - Employer Guide, *"Insights and Actions to Minnesota Employers to Advance Mental Health in the Workplace"*

  - Model "Hold Harmless" Language

  - Model Data Request Form

  - Collaborative Care Overview

- To help you manage specialty drug spend

  Available at: www.mnhealthactiongroup.org
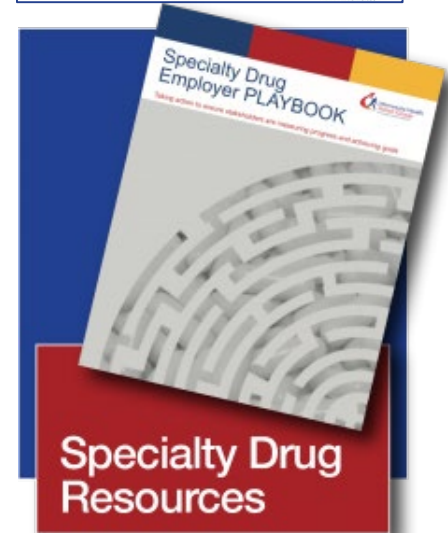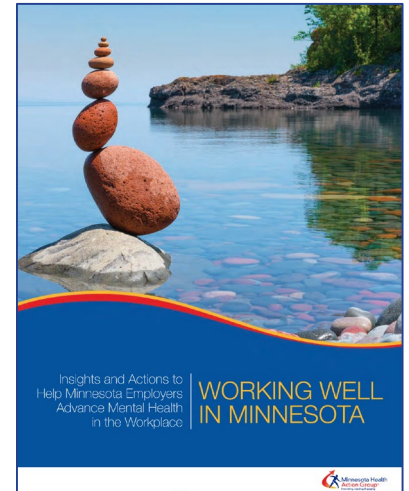
Final Thoughts

- **THANKS** to all who participated in the Survey this year!

  - Full results were sent electronically

  - Survey summaries will be posted to our website: www.mnhealthactiongroup.org

  - Feel free to reach out to me at dkrause@mnhealthactiongroup.com if you have questions

- Please consider participating in the Survey next year

  - The Survey is *BY Employers, FOR Employers,* and your input and suggestions are welcome

Minnesota Health Action Group™
Innovating, Leading, Engaging