



## U.S. employers target healthcare costs and mental healthcare as they look toward 2024

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### Employers are aligned on priorities over the next three years, even as they face complex needs, WTW survey finds

ARLINGTON, Va., Oct. 20, 2023 (GLOBE NEWSWIRE) -- More than six out of 10 U.S. employers are in agreement about plans to manage company healthcare costs and enhance mental health programs. With these matters top of mind for the foreseeable future, 62% of employers are implementing initiatives to address both, balancing cost and talent considerations as they set a "go-forward" health and wellbeing strategy, according to a new survey by WTW (NASDAQ: WTW), a leading global advisory, broking and solutions company.

The 2023 Best Practices in Healthcare Survey found more than two-thirds of U.S. employers (69%) are focused on managing healthcare plan costs. This follows a projected cost increase next year of 6.4%, compared with the average 6.0% increase employers are experiencing this year. Almost as many employers (63%) are focused on enhancing mental health and emotional wellbeing programs. Other priorities include employee experience (40%); communication (38%); diversity, equity and inclusion (37%); and employee affordability (34%).

"As companies face steep healthcare cost increases, they are not losing sight of the importance of addressing employees' needs," said Courtney Stubblefield, managing director, Health & Benefits, WTW. "However, it's not a simple challenge for employers to navigate. Each employer needs to find the unique portfolio of programs and solutions that will best control its costs while meeting the healthcare and specific needs of its organization."

According to the survey, employers are increasingly taking action to manage costs and enhance affordability through health plan and vendor efficiencies. While 37% of employers are currently implementing programs or using vendors that will reduce costs, 50% are planning or considering doing so in the next two years. And while less than one-third (32%) put vendor/health plans out to bid, 47% are planning or considering doing so.

For controlling costs at the point of care, nearly one-quarter of employers (24%) are planning or considering offering a narrow network of higher-quality and/or lower-cost providers in the next two years, while 19% are planning or considering using centers of excellence within health plans. Other actions include carving out specialty pharmacy services (16%) and offering plan options that restrict or eliminate out-of-network coverage for non-emergency services (13%).

Employers are focused on prescription drug costs. While just 16% of employers require employees to switch to biosimilars when available by 2025, 27% are planning or considering doing this in the next two years. Additionally, more employers are planning or considering evaluating and addressing specialty drug costs and utilization that are paid through the medical benefit (26%) and having plan coverage exclusions or higher cost sharing for high-cost/low-value medications (14%). Regarding anti-obesity medications, 38% of employers cover them today, while 6% plan to cover them in 2024 and more than double that (16%) are considering doing so in 2025.

Employers are also embracing navigation and virtual care strategies for managing costs that can improve the quality and access to care for employees and their families. While nearly half (43%) of employers currently offer plan advocacy or navigation solutions, 23% are planning to do so in the next few years. Additionally, more employers are planning or considering offering virtual primary care through a third party or carrier (18%).

In addition to virtual care visits, employers are taking other measures to address mental health issues. Nearly half of employers (48%) have engaged or plan to engage with their employee resource groups to address population-specific mental health issues. Other actions include evaluating mental health networks from a diversity lens to ensure diverse representation and providing mental health days off. Some are still evaluating cost sharing for mental healthcare. Notably, more than half of employers (53%) have conducted or plan to conduct a mental health parity audit. Not only do these audits ensure employers are following laws and recent regulations, but they also provide important mental health plan design and program recommendations.

"Aligning business priorities, from workforce transformation to healthcare costs to employee wellbeing, requires a constant evolution of benefit programs, culture and employee experience," said Regina Ihrke, senior director, Health & Benefits, WTW. "By doing so, companies can alleviate strains on attracting and retaining talent, enhance worker health and productivity, and gain competitive advantage."

### About the survey

A total of 457 employers participated in the 2023 Best Practices in Healthcare Survey, which was conducted in June and July 2023. Respondents employ 7.3 million employees.

### About WTW

At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help organizations sharpen their strategy, enhance organizational resilience, motivate their workforce and maximize performance.

Working shoulder to shoulder with our clients, we uncover opportunities for sustainable success—and provide perspective that moves you. Learn more at [wtwco.com](https://www.wtwco.com).

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