

# 3 Key Levers for Health Care Cost Control

Turn data into health care cost savings and benefits confidence.



## Health Care Costs: The Challenge of Our Lifetime



Employer vs Employee

**\$14k+**  
average per-employee cost for large employers<sup>1</sup>

**6.3%**  
increase in medical costs in 2021<sup>1</sup>

**7%+**  
projected per-employee health costs to increase in 2022<sup>2</sup>

**12%**  
of median income is spent on health care premiums plus in U.S.<sup>3</sup>

**35%**  
increase in prescription drug prices since 2014<sup>4</sup>

**50%**  
of U.S. adults report skipping or delaying health care due to cost concerns in 2021<sup>5</sup>

Typically less than 5% of plan members drive 50% of total health care spend.

<sup>1</sup> Mercer: 2021 National Survey of Employer-Sponsored Benefits Plans  
<sup>2</sup> Willis Towers Watson: 2022 Global Medical Trends Survey Report  
<sup>3</sup> Commonwealthfund.org  
<sup>4</sup> GoodRx  
<sup>5</sup> Kaiser Family Foundation



### 3 Simple Questions. Can You Answer?

What did you spend on health care?

What will you spend on health care?

How can you control costs?



### Navigating the Challenge

The directions are in your data, you just need to know how to read the signs:

- ✓ Top cost drivers
- ✓ Employee plan selection & utilization
- ✓ Vendor ROI
- ✓ Plan performance



### Harnessing Data Impact

Gain clarity into what works and combat rising costs by pulling the **three levers**:



#### Lever #1: Modify Plan Design & Strategy

**Challenge**

Higher rates of ER visits and outpatient procedures are costly for employers.

**Solution**

Conduct in-depth analysis of plan design, utilization and forecasting.

**Result**

Blend the cost trend and help employees.

#### Real-World Examples:

**Challenge**

An employer with 6,000 employees experienced higher rates of ER visits and outpatient procedures, which had small or no copay as part of current plan design.

**Solution**

Adapted plan design and increased co-pays based on analysis of utilization trends with plan modeling and forecasting.

**Results**

Over-utilization of outpatient procedures **reduced by 14%** the following year.

**Challenge**

A small employer saw significant increase in YoY ER costs.

**Solution**

Implemented telemedicine along with a communication campaign to encourage alternative care options.

**Results**

**\$50K savings** with the potential of **\$400K** over two years.

#### Lever #2: Manage Your Vendors

**Challenge**

Fraud, waste and abuse is a growing issue.

**Solution**

Actively audit claims to recoup money lost to errors and work with vendors to mitigate costs.

**Result**

Identify immediate opportunity for cost reduction and future savings.

#### Real-World Examples:

**Challenge**

A large employer experienced double digit pharmacy cost increases yearly.

**Solution**

Analyzed data to identify potential fraud, waste or abuse, and engaged PBM.

**Results**

Reduced YoY spend by **more than 10%**.

**Challenge**

An employer with 12,000 employees receives report of incorrect claim that flagged multiple billing errors.

**Solution**

Used analytics tools to discover \$30K in claims paid incorrectly.

**Results**

Corrected process through insurance carrier to prevent future occurrence.

#### Lever #3: Engage Employees

**Challenge**

Employers invest heavily in benefits with little insight into what works.

**Solution**

Increase transparency into claims for employers and employees to drive effective engagement.

**Result**

Provide the right solution at the right time for maximum impact.

#### Real-World Examples:

**Challenge**

A university introduced an HDHP with wellness incentives tied to premium credits and HSA/HRA funds after nearly two decades of offering one PPO.

**Solution**

Integrated personal claims data to help employees estimate out-of-pocket costs based on historical and expected usage.

**Results**

Achieved **54% HDHP adoption** and a **\$2 million reduction** in health care spending in year one.

**Challenge**

A mid-sized employer had a lot of non-compliant diabetics.

**Solution**

Created communication campaign to drive awareness; created member populations to track effectiveness over time.

**Results**

Realized a **24% increase** in medication compliance.

Take the guesswork out of benefits. Find out how Benefitfocus can help you lower health care costs and improve outcomes.

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