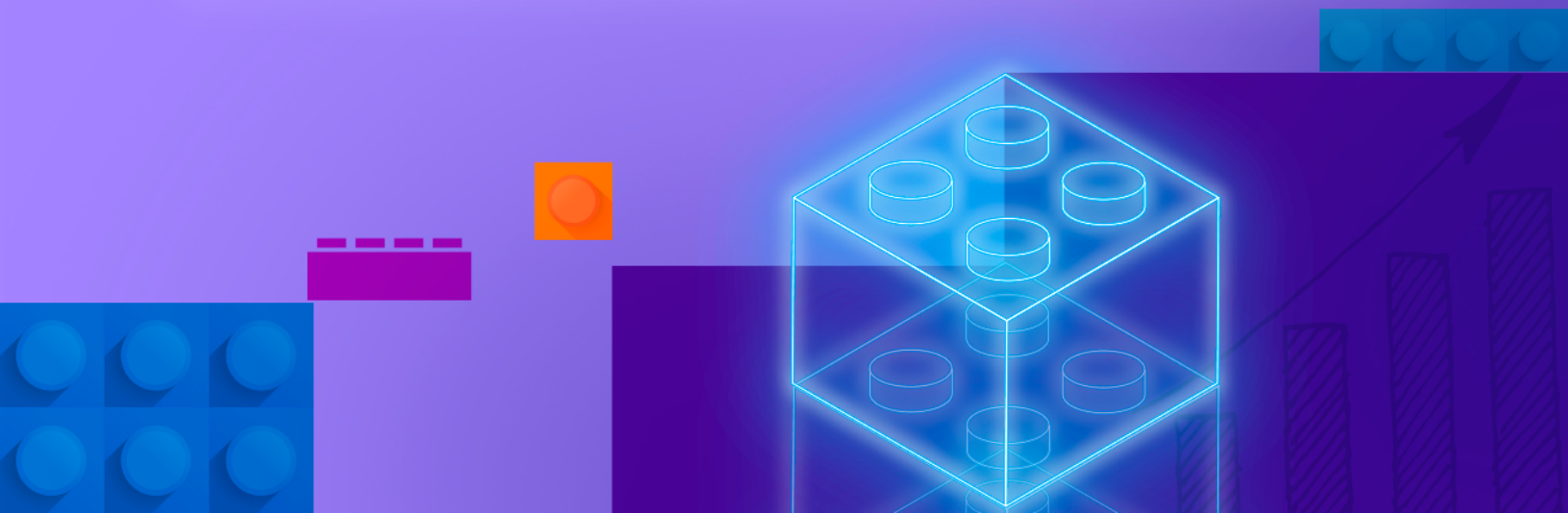




# HEALTHCARE TRENDS 2023 SURVEY

Welcome to the 2023 Healthcare Trends Survey- a deep dive into the **advisor & executive mindset** around employee benefit strategies, financing & outcomes.

**Inside:** Uncover the data from both audiences to reveal the **true alignment** between consultant & client.





## Enclosed are the **results** of our 3rd Annual Survey brought to you by WellNet Healthcare

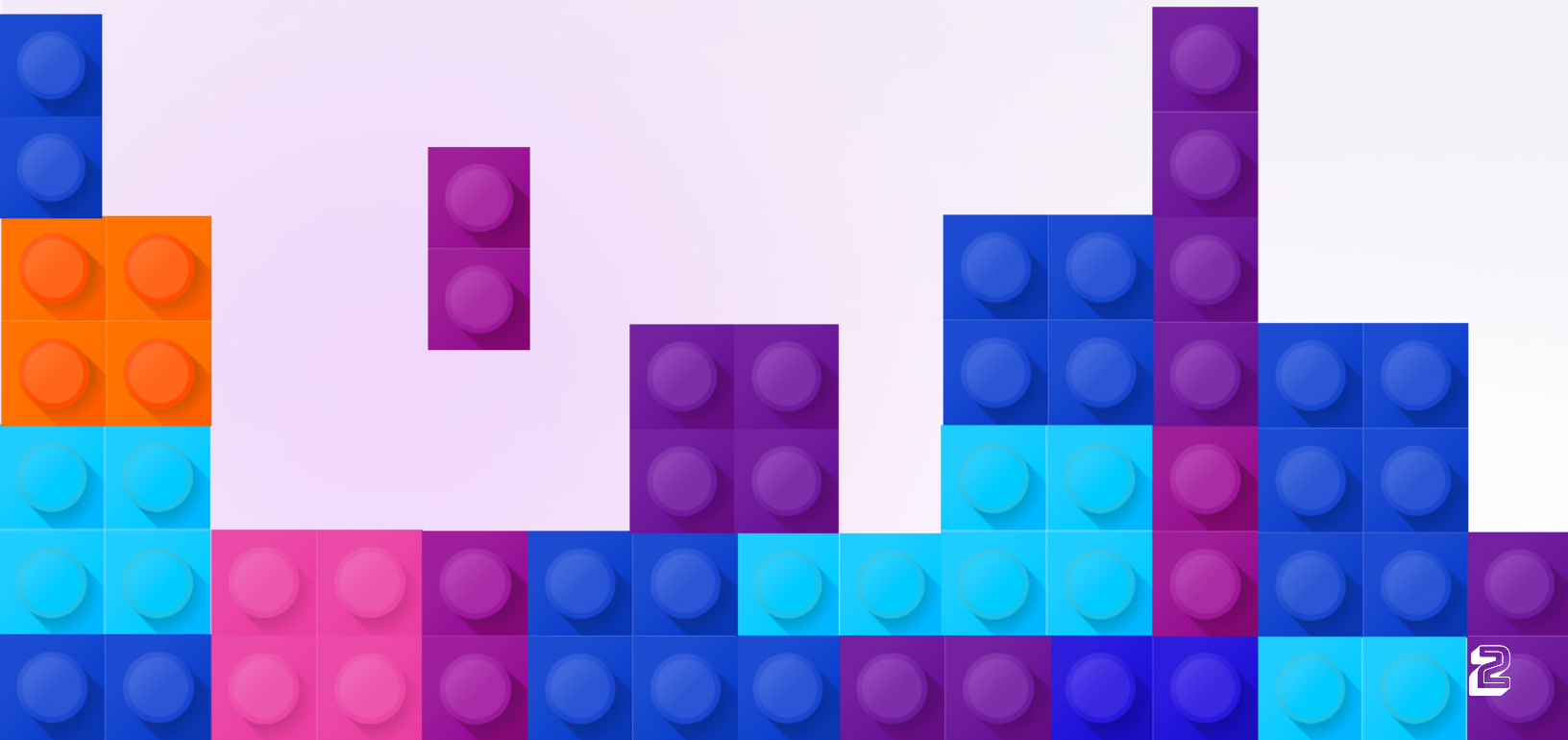
For two years, WellNet released the Self-Insured Survey to gain insights on how brokers design, sell & implement alternative solutions for their clients.

Today, we elevated this research to launch the ***all-encompassing* 2023 Healthcare Trends Survey** - uncovering top of mind insights from both advisors & company leaders.

***Are brokers as tuned into employer needs as they believe?***

***Do employers know as much about self-funding as we think?***

Join us to find out.



# Overview and Key Findings

The 2023 Healthcare Trends Survey **analyzed responses from hundreds of advisors & executives** (CEOs, CFOs & HR Managers): ranging from midsize to large organizations & independent, regional & large advisory firms.

**Key findings** uncovered this division: There is alignment between consultants & their audience's core values; however, there needs to be more consistency between **the relevance & priority level** of those needs.

- One **example** is the **employer mindset** facing inflation rates, labor shortages & recessionary challenges. Brokers noted that 20% of their clients still prefer a turn-key health plan from traditional health insurance companies.
- **In contrast**, 60% of surveyed employers favored a turn-key health plan in this choppy economy.
- This finding is **positive** for the **broker & employer relationship** - lending the opportunity to **educate & empower** executives on powerful alternatives. Nearly **all other employers** responded (40%) they're **open to the autonomy** of building a health plan that places them in control.

# Overview and Key Findings



## C-Suite & Advisor Alignment: Not As In Sync As We Think

The C-suite / broker disconnect is demonstrated in various responses - most notably the **relevance & importance** of data.

Our industry leads with the **need for substantial data**, yet **just 13%** of employers identified *'actionable data analytics as a minimum requirement for a plan administrator.'*

Advisors also need help understanding the increased value benefits have to employees in a post-COVID workplace.



## Broker Priorities: Close the Gap Between Self-Funding Success & Awareness

Employers understand they can negotiate their health plan, yet they **remain fully insured** because they believe it's *'too risky for their company to go self-funded.'*

With over half of the brokers surveyed saying just **25%** of their clients have an **engaged C-suite**, therein lies the challenge to get buy-in on alternative solutions.

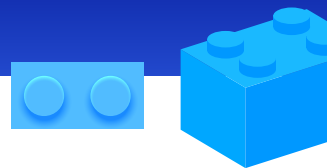


## Employer Needs: Fill the Voids to Improve Education & Outcomes

Executives are staying the course with minimal changes because they need better education & more ways to increase results.

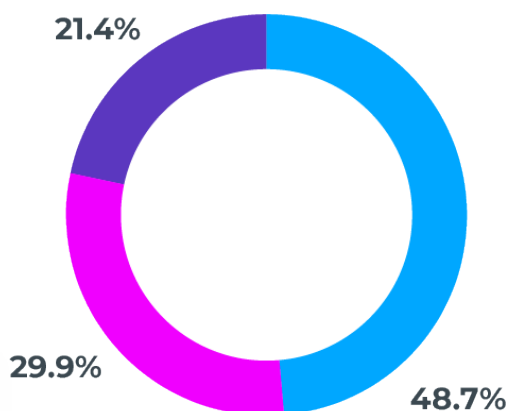
'Creating a Culture of Health' is the **highest rated of the top 3 priorities** & it's our responsibility to define a scalable roadmap to get there.

# BROKERS



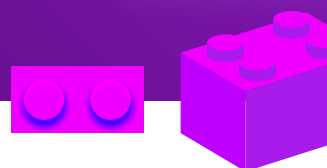
## QUESTION 1

With inflation rates, labor shortages and recessionary challenges, my clients:



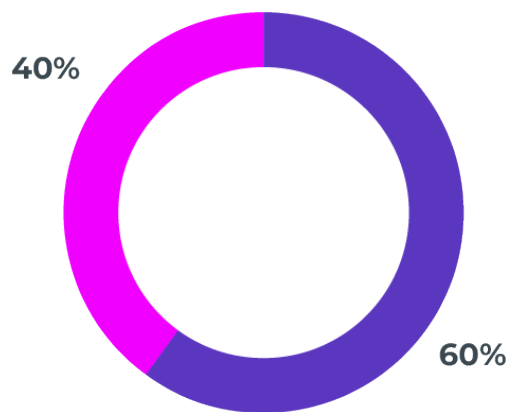
- Still prefer a turn-key health plan run by the traditional health insurance companies.
- Are open to the autonomy of building a health plan that places them in control.
- Prefer a combination of the two

# EMPLOYERS



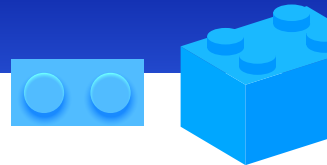
## QUESTION 1

With inflation rates, labor shortages and recessionary challenges, my company:



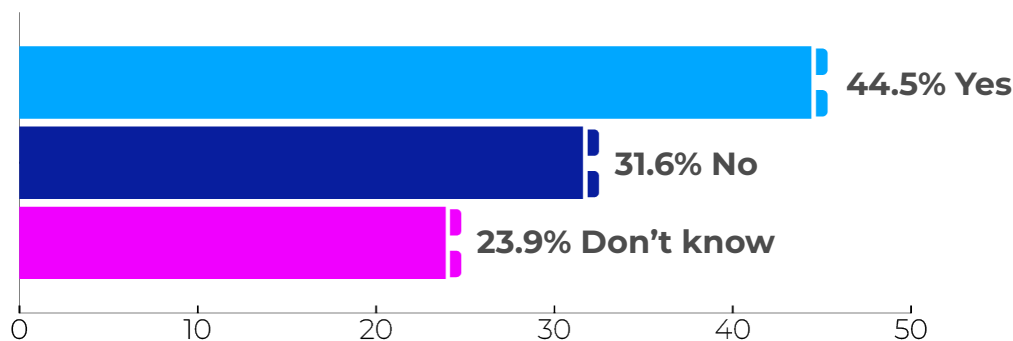
- Still prefer a turn-key health plan run by the traditional health insurance companies.
- Is open to the autonomy of building a health plan that places them in control.
- Prefer a combination of the two.

# BROKERS

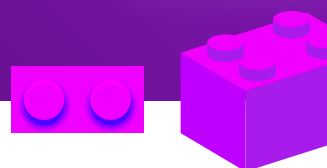


## QUESTION 2

Do your clients' employees consider an increase in benefits “must-haves” when accepting a new position (including health & wellness programs & overall flexibility) compared to previous years?

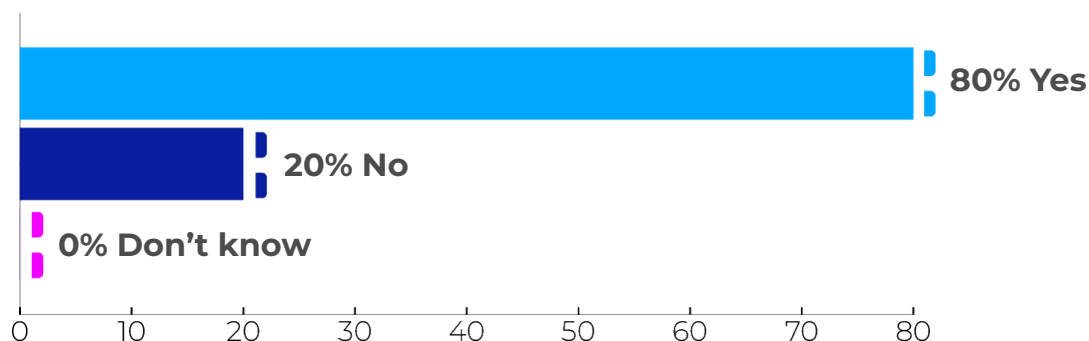


# EMPLOYERS

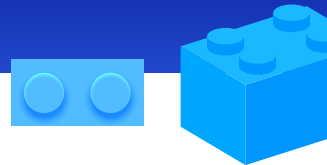


## QUESTION 2

Do your employees consider an increase in benefits “must-haves” when accepting a new position (including health & wellness programs & overall flexibility) compared to previous years?

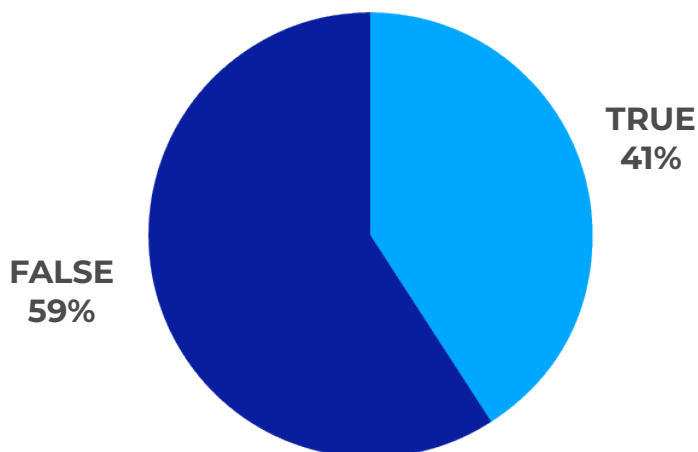


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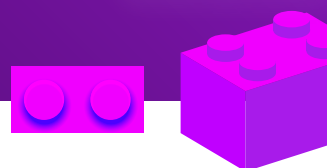


## QUESTION 3

The C-Suite understands their health insurance plan (when managed effectively) is their #1 negotiable operating expense.

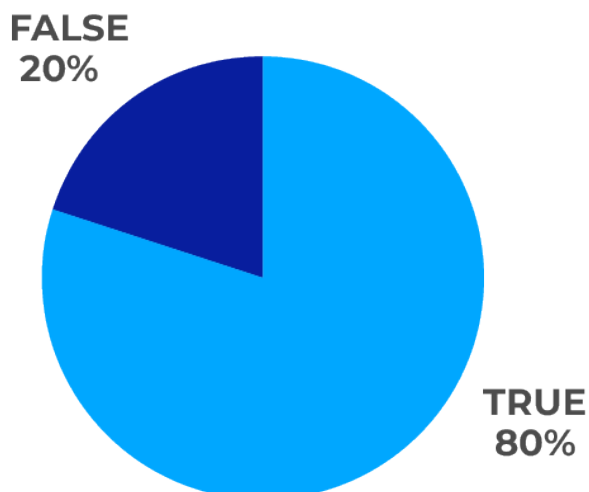


# EMPLOYERS

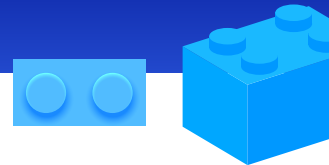


## QUESTION 3

My Executive Team understands that our health insurance plan (when managed effectively) is our #1 negotiable operating expense.

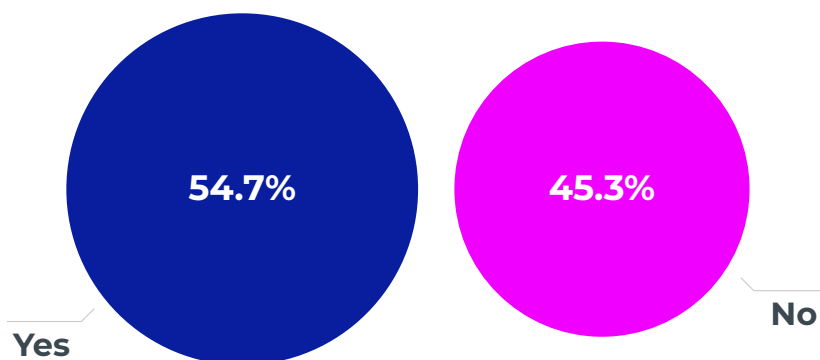


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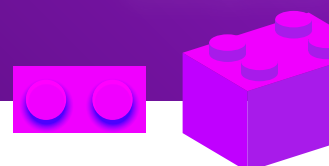


## QUESTION 4

In 2022, did your clients' employees postpone a medical treatment, procedure or surgery due to high-cost or inability to pay?

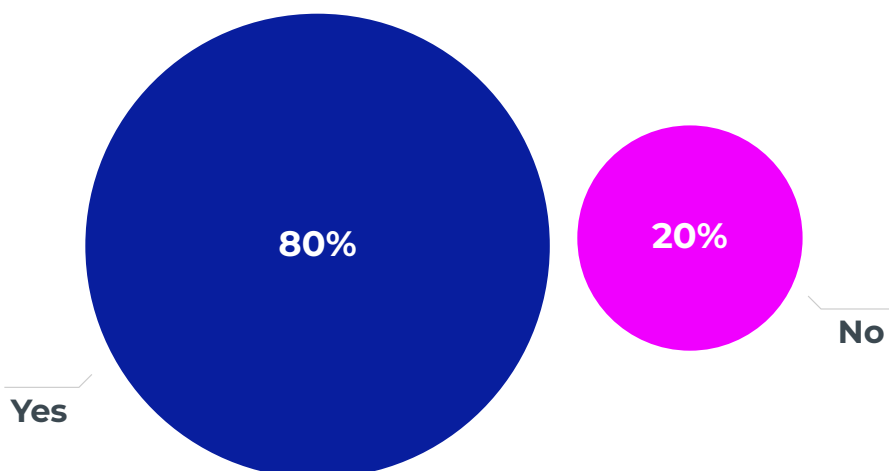


# EMPLOYERS



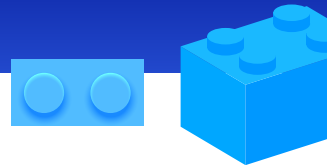
## QUESTION 4

In 2022, did your employees postpone a medical treatment, procedure or surgery due to high-cost or inability to pay?





# BROKERS



## QUESTION 5

Would you say specialty drugs will continue to drive high-cost dilemma for your clients in 2023?

**Yes**, because we have seen the data.

78.6%

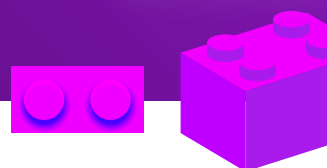
16.3%

5.1%

**No**, because we have seen the data.

**Unsure**, because we leverage data for this area of the health spend.

# EMPLOYERS



## QUESTION 5

Would you say specialty drugs will continue to drive high-cost dilemma for your clients in 2023?

**Yes**, because we have seen the data.

40%

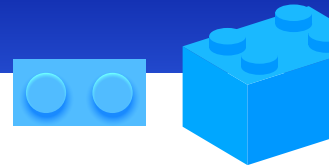
20%

40%

**Unsure**, because we leverage data for this area of the health spend.

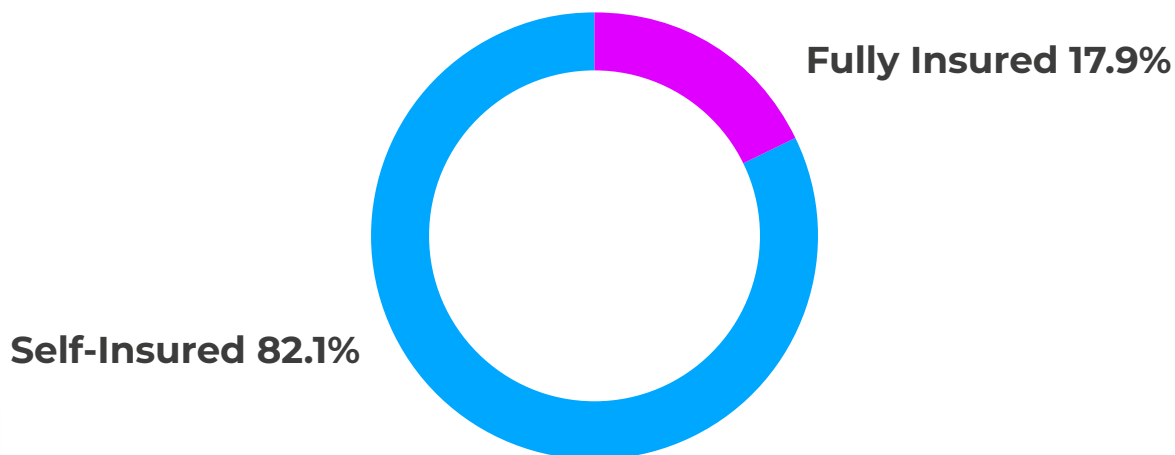
**No**, because we have seen the data.

# BROKERS

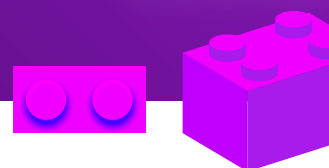


## QUESTION 6

What method of funding do you believe is in the best interest of your customers' long-term strategy?

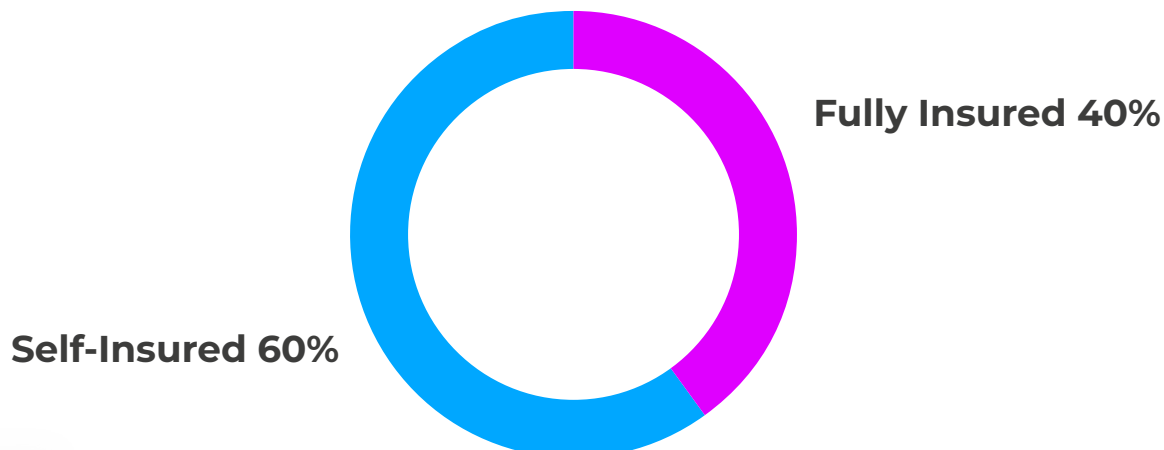


# EMPLOYERS

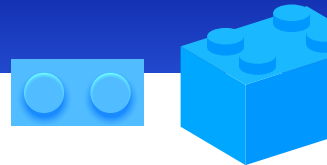


## QUESTION 6

What method of funding do you believe is in the best interest of your company's long-term strategy?

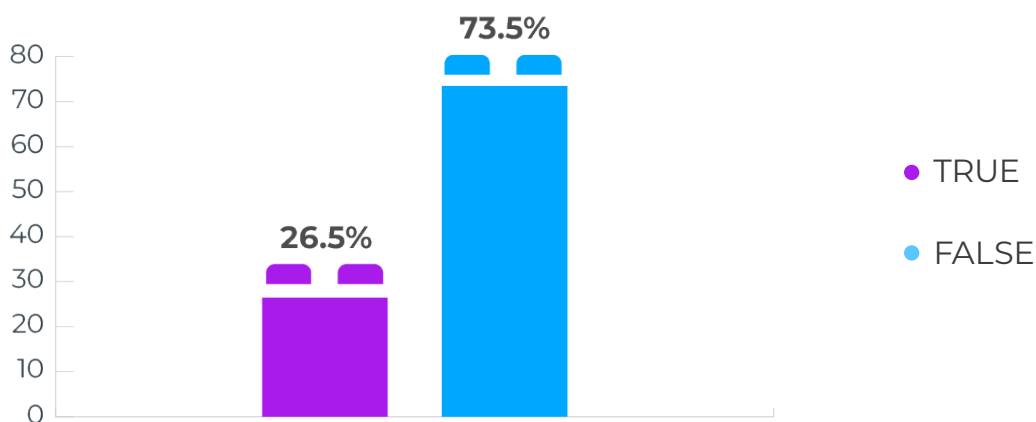


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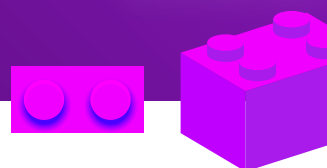


## QUESTION 7

I believe working with the BUCAH's (Blues, United, Cigna, Aetna, Humana, etc.) is best for my clients because of the name recognition and safety of working with a large national insurance carrier.

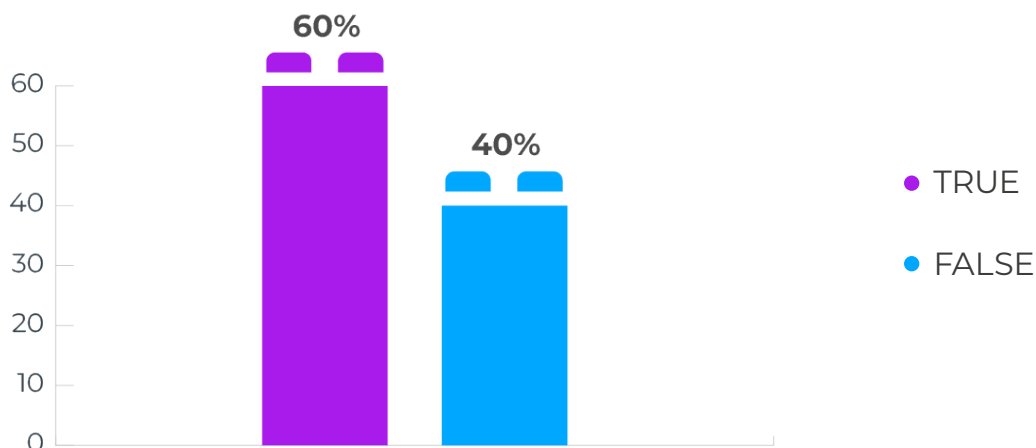


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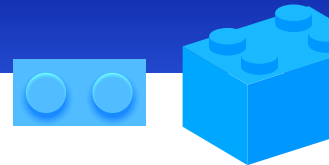


## QUESTION 7

I believe working with the BUCAH's (Blues, United, Cigna, Aetna, Humana, etc.) is best for my business & employees because of the name recognition and safety of working with a large national insurance carrier.

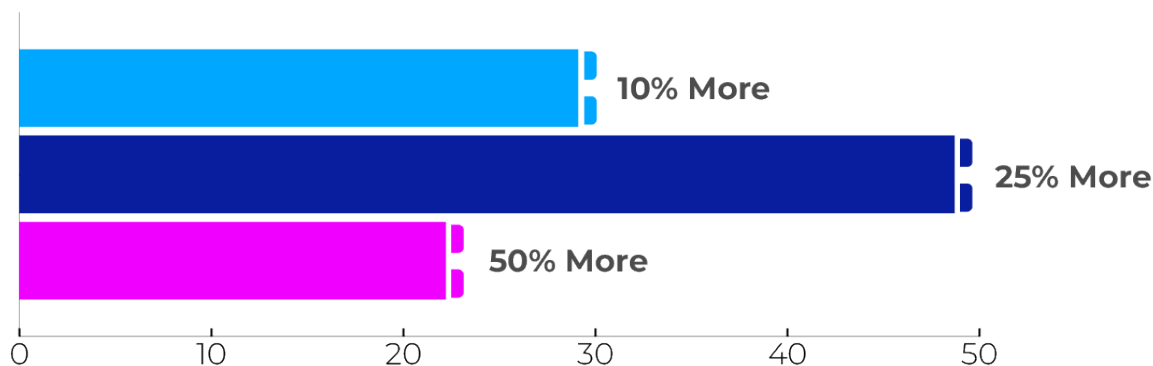


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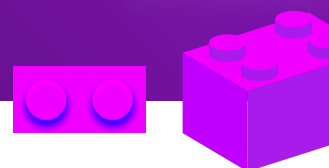


## QUESTION 8

What percent of your C-Suite executive clients are more engaged in the health plan decisions this year vs last year?

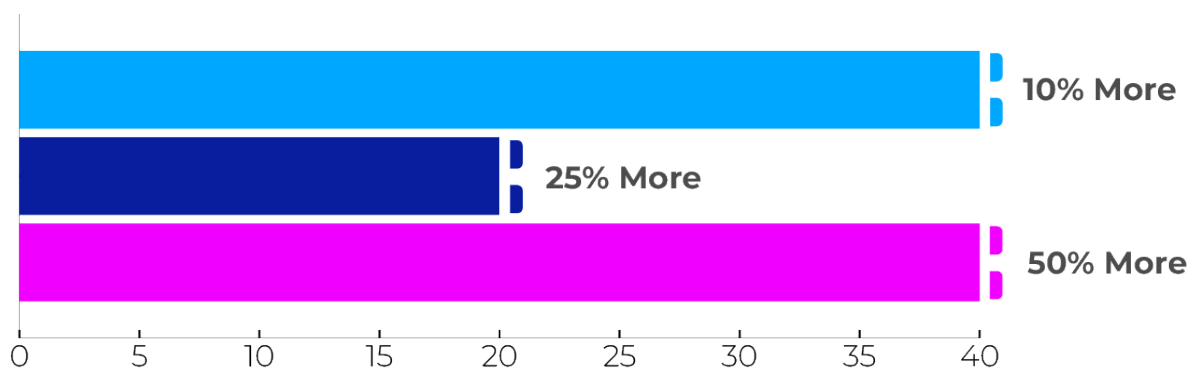


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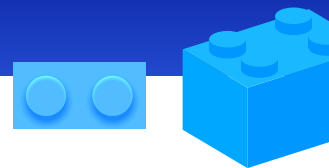


## QUESTION 8

How much more engaged are you & your C-Suite team in the health plan decisions this year vs last year?

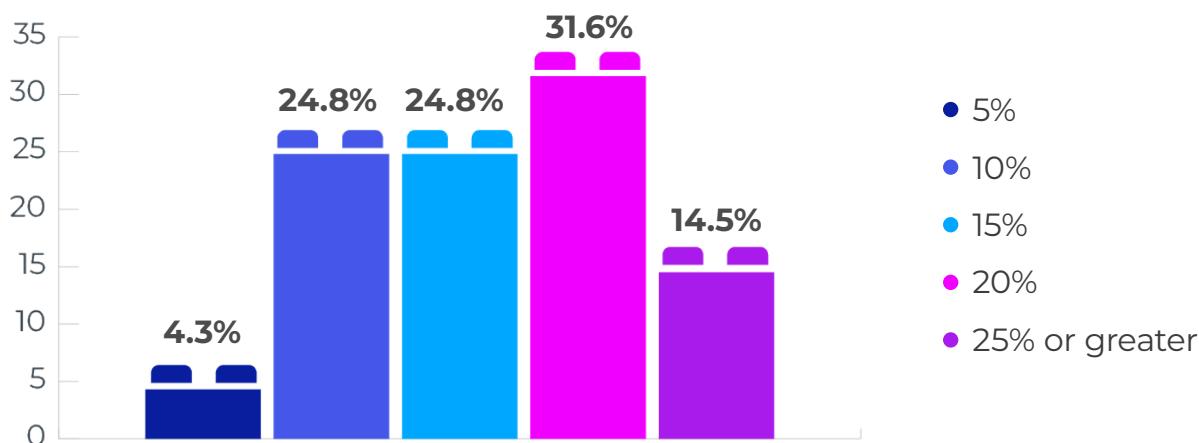


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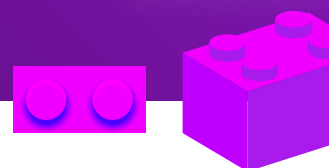


## QUESTION 9

How much potential savings do your clients typically need to see (versus their fully insured premiums) before they'll consider changing to self-funding?

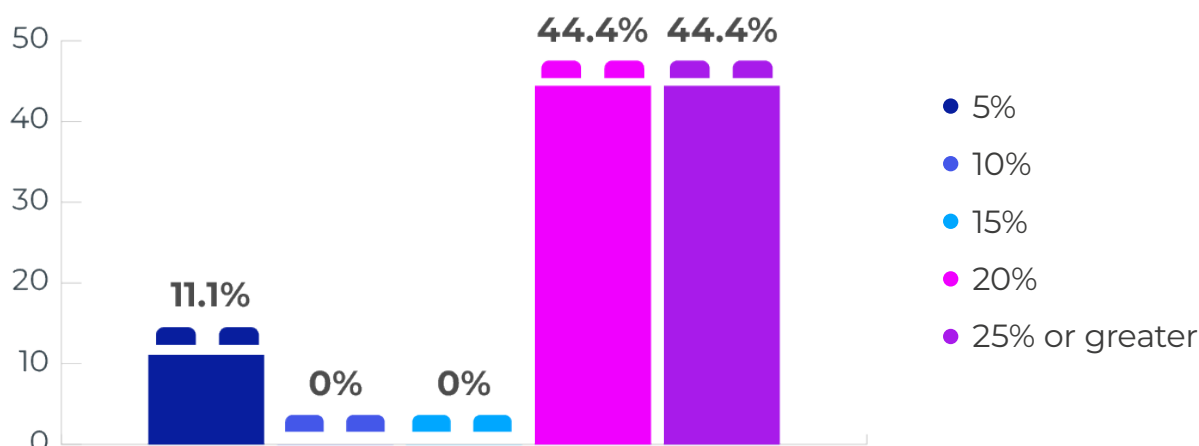


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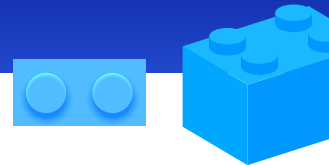


## QUESTION 9

What is the percentage of potential savings you would need to see (verses fully insured premiums) before you would consider changing to self-funding?

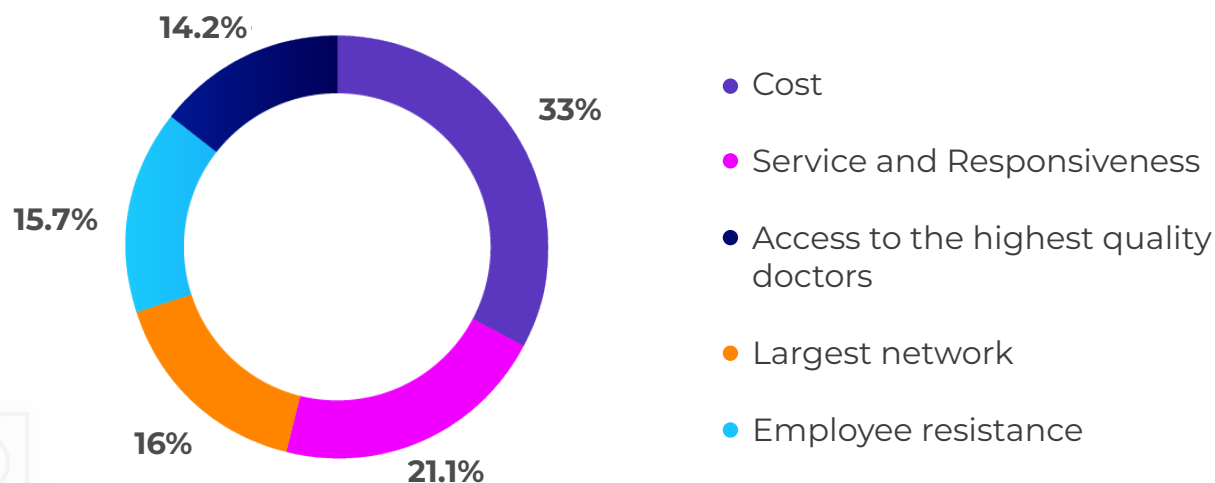


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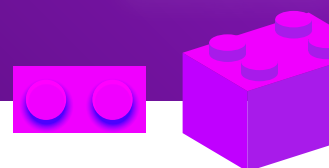


## QUESTION 10

What are the top concerns of your C-Suite customers or prospects when making decisions for their group health plan? Please choose 3.

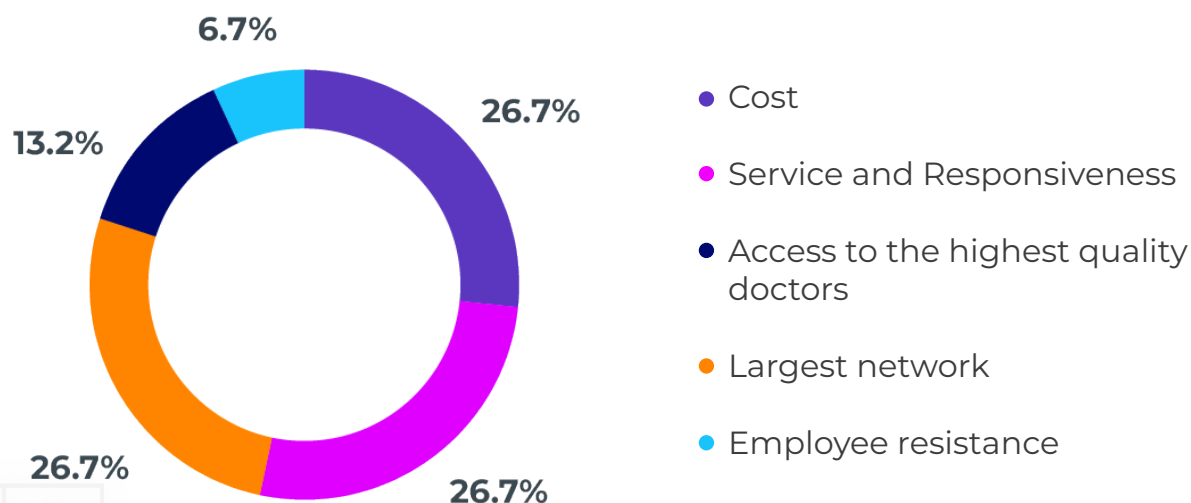


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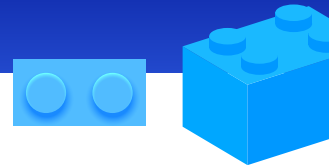


## QUESTION 10

What are your top concerns when making group health plan decisions? Please choose 3.

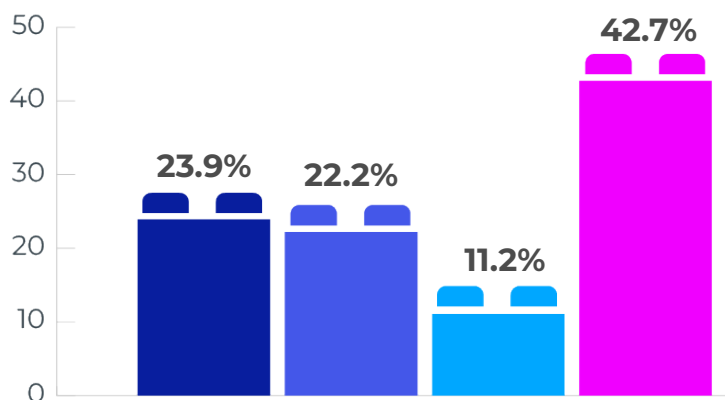


# BROKERS



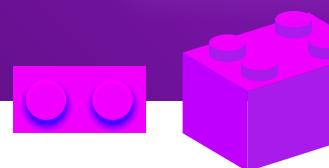
## QUESTION 11

If your clients are fully insured today, why do they choose to remain that way?



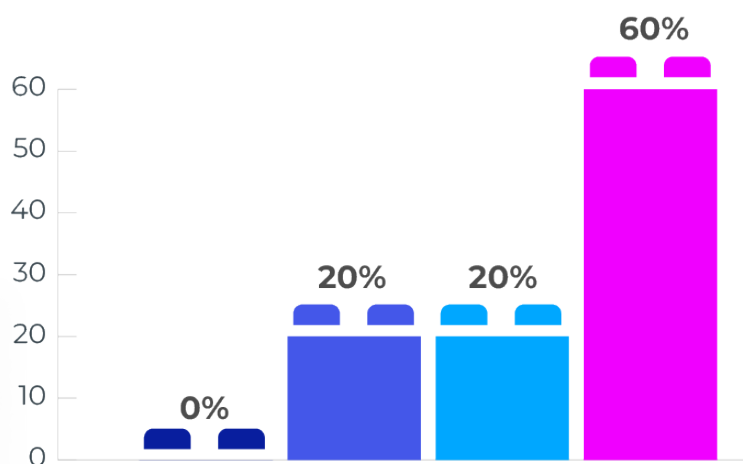
- The perception their company is too small to go self-funded.
- The perception that their company cannot tolerate the potential volatility of being self-funded.
- They like the comfort of writing one check and knowing they're covered.
- The perception that there is too much risk to their company if they are self-funded.

# EMPLOYERS



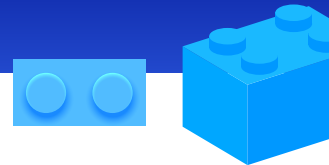
## QUESTION 11

If you are fully insured today, why did you make this choice for your business?



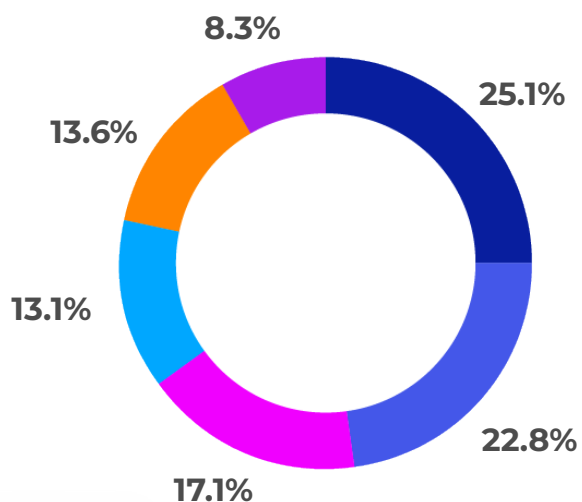
- I believe my company is too small to go self-funded.
- I believe my company cannot tolerate the potential volatility of being self-funded.
- I like the comfort of writing one check and knowing we're covered.
- I believe it is too risky for the company if we're self-funded.

# BROKERS



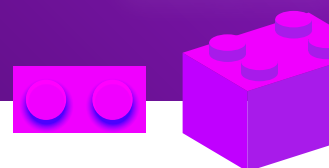
## QUESTION 12

What strategic health care priorities do your clients have over the next 3 years? Please choose 3.



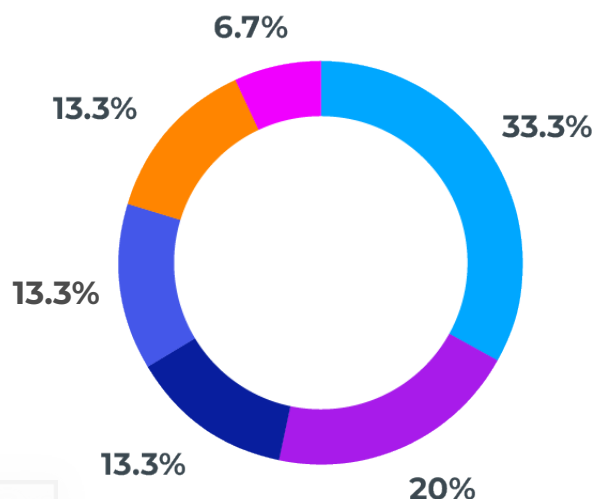
- Managing high-cost claimants
- Reducing Specialty Rx spend
- Improving patient engagement with advocacy services
- Creating a culture of health
- Enhanced behavioral health programs
- Increasing tele-medicine use

# EMPLOYERS



## QUESTION 12

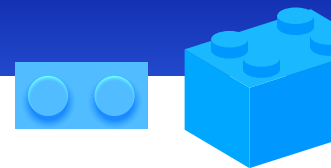
What are your strategic health care priorities over the next 3 years? Please choose 3.



- Managing high-cost claimants
- Reducing Specialty Rx spend
- Improving patient engagement with advocacy services
- Creating a culture of health
- Enhanced behavioral health programs
- Increasing tele-medicine use

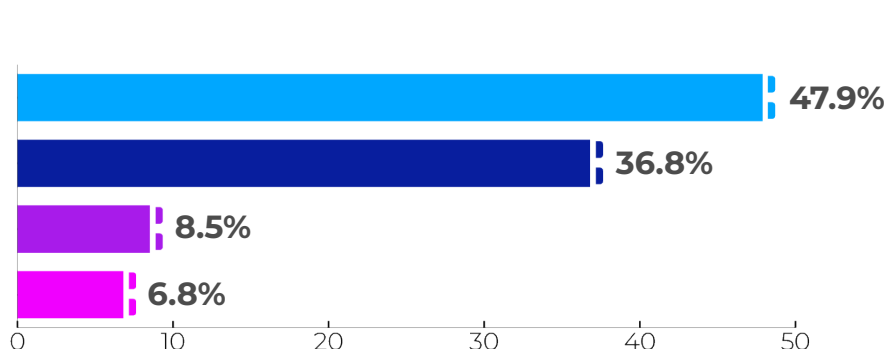


# BROKERS



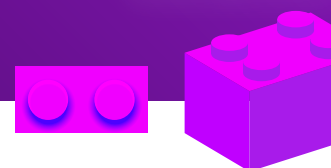
## QUESTION 13

If your clients have shifted to self-funding or adopted alternative strategies, how often are the desired outcomes implemented/achieved?



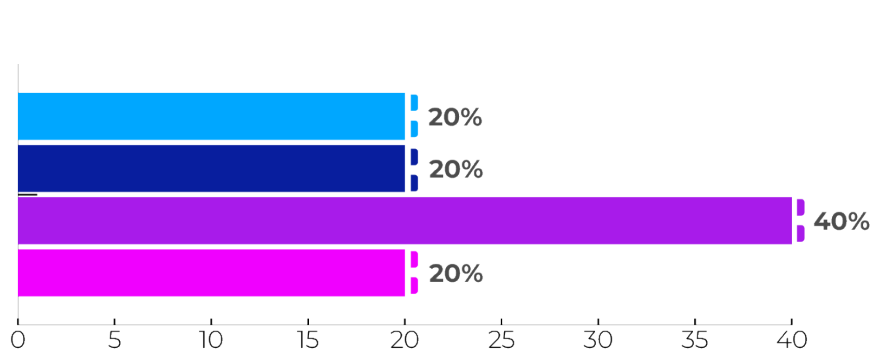
- We're seeing timely success with desired outcomes.
- We're seeing slow adoption with some success.
- We're seeing minimal improvements but staying the course.
- Most of the clients are choosing to go back to fully insured.

# EMPLOYERS



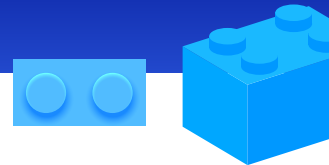
## QUESTION 13

If you have shifted to self-funding or adopted alternative strategies, how often are the desired outcomes implemented/achieved?



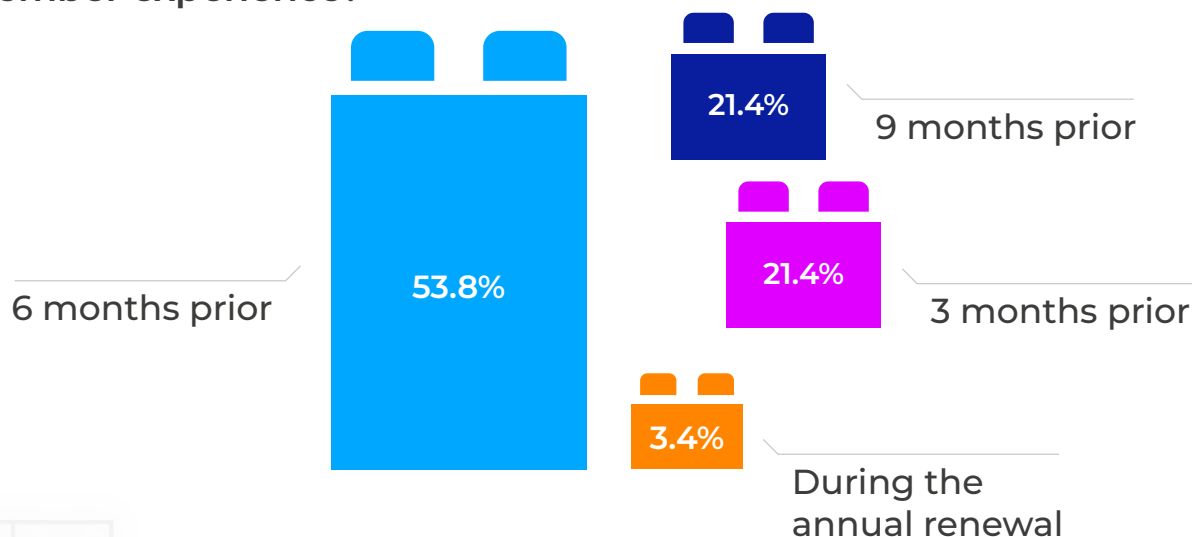
- We're seeing timely success with desired outcomes.
- We're seeing slow adoption with some success.
- We're seeing minimal improvements but staying the course.
- We're considering going back to fully insured.

# BROKERS

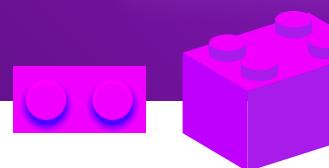


## QUESTION 14

How many months prior to renewal do you begin speaking with your clients about alternative options to improve the health plan and the member experience?

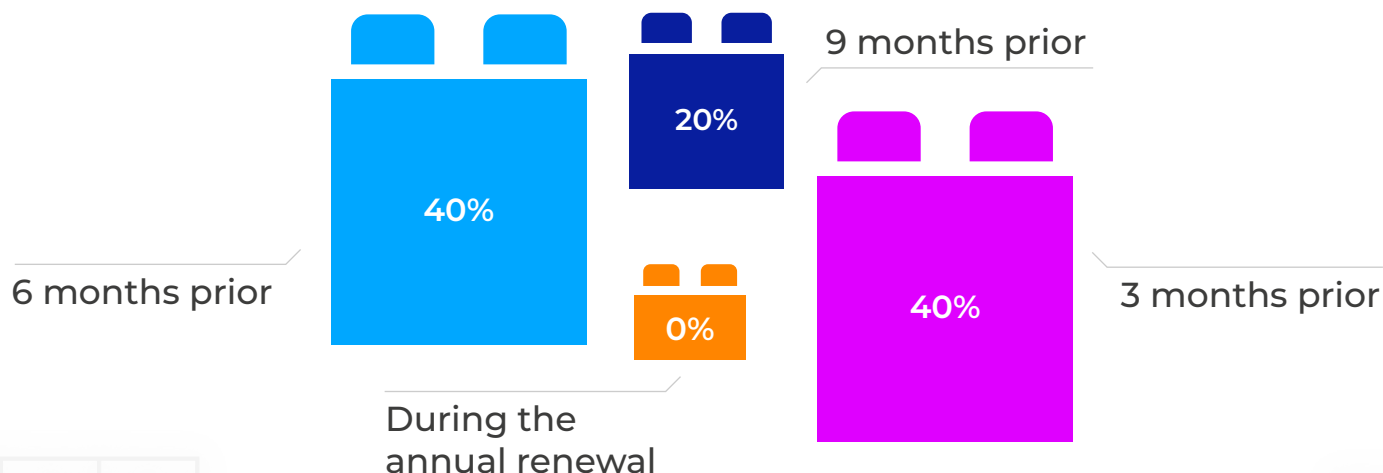


# EMPLOYERS

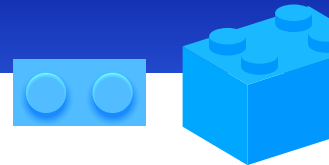


## QUESTION 14

How many months prior to renewal does your insurance broker/advisor discuss alternative options to improve the health plan and the member experience?

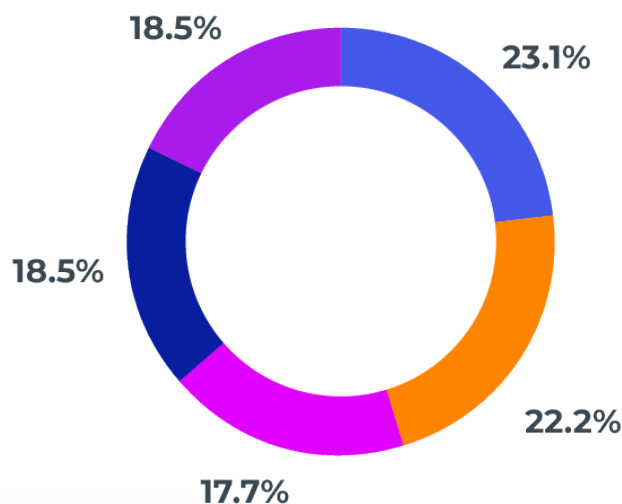


# BROKERS



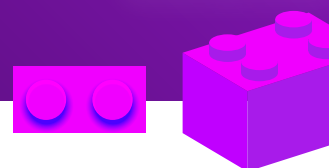
## QUESTION 15

What type of communication do you need to effectively educate on the benefits of self-funding to your clients? Rank in order, choose 3.



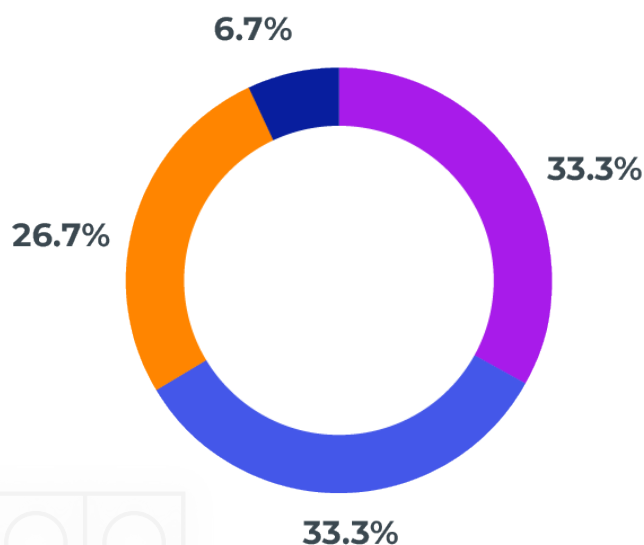
- I need information that helps me communicate the basics of why self-funding may make sense for my client.
- I get it and my client gets it, but we need something that speaks to the mechanics of how self-funding works and how it compares to their current fully insured arrangement.
- I need an easy to read and understand FAQ for companies and employees.
- I would love a video that I can share to my prospects and clients explaining the benefits of self-funding.
- I would love you to develop materials for me that I can put my logo on.

# EMPLOYERS

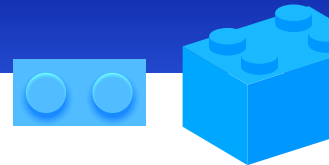


## QUESTION 15

What type of communication do you need to understand the benefits of self-funding for your company and people? Rank in order, choose 3.

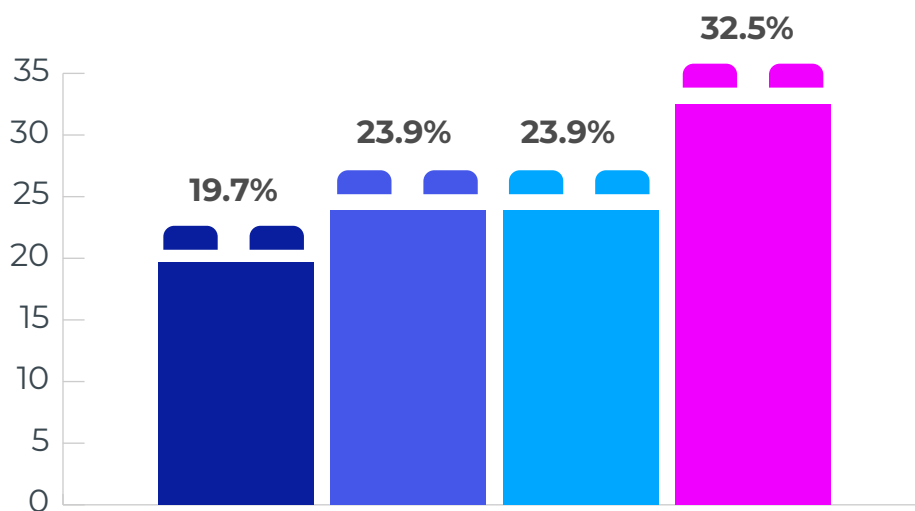


- Information that helps me communicate the basics of why self-funding and why it makes sense/how it will save us money.
- Something more in-depth/technical that speaks to the mechanics of how self-funding works and how it compares to our current fully insured arrangement.
- Easy to read and understand FAQ for us and our employees.
- Short videos that explain the benefits of self-funding and that can also educate our employees.

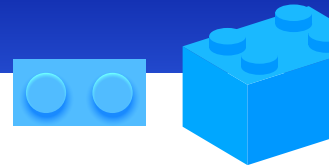


## QUESTION 16

What percentage of your business is fully insured (versus self-funded)?

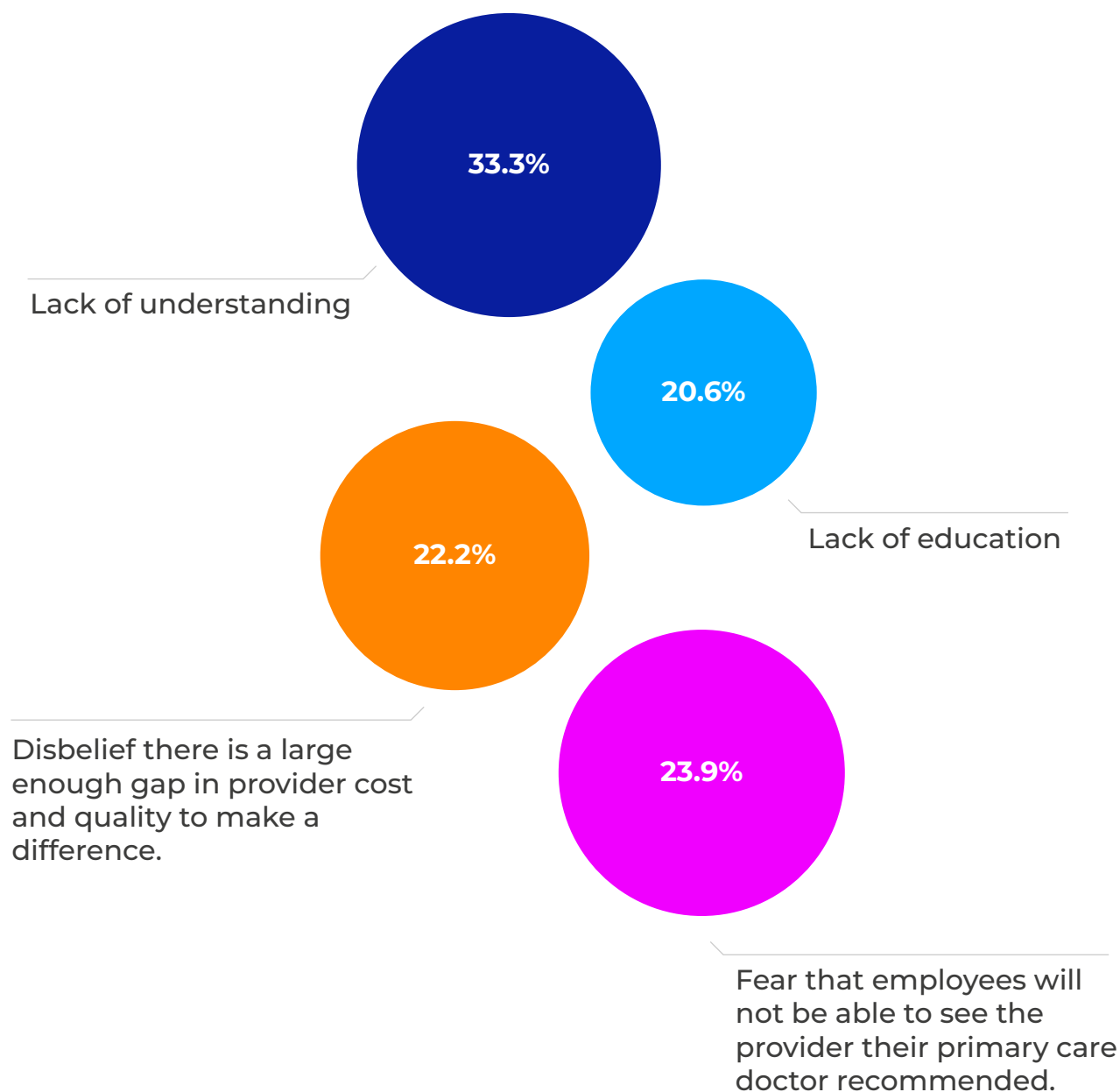


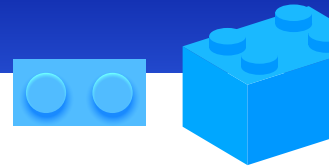
- 20% of business
- 40% of business
- 60% of business
- 80% of business



## QUESTION 17

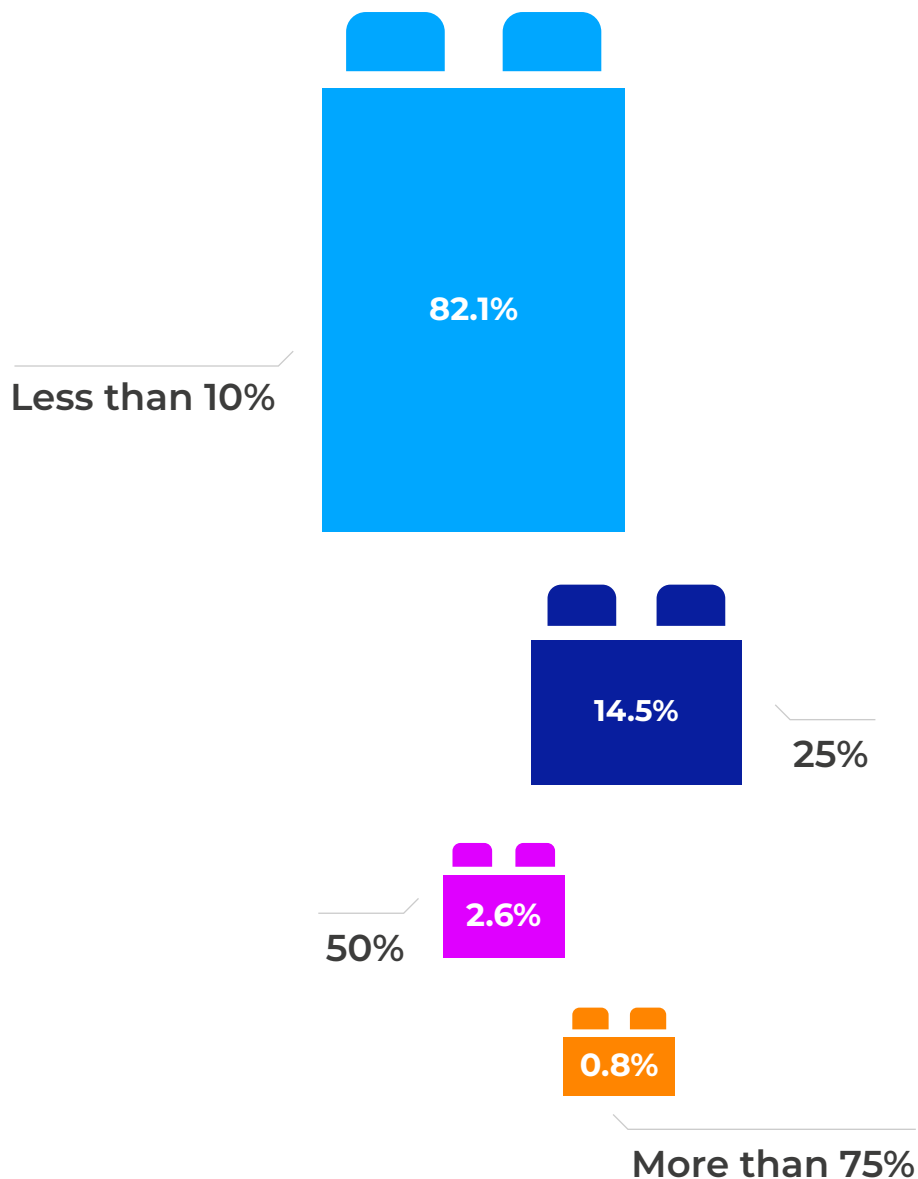
If guiding members to higher quality/lower cost providers positively impacts healthcare costs, why do you think it's slow for employers and employees to adopt these strategies?

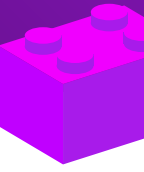




## QUESTION 18

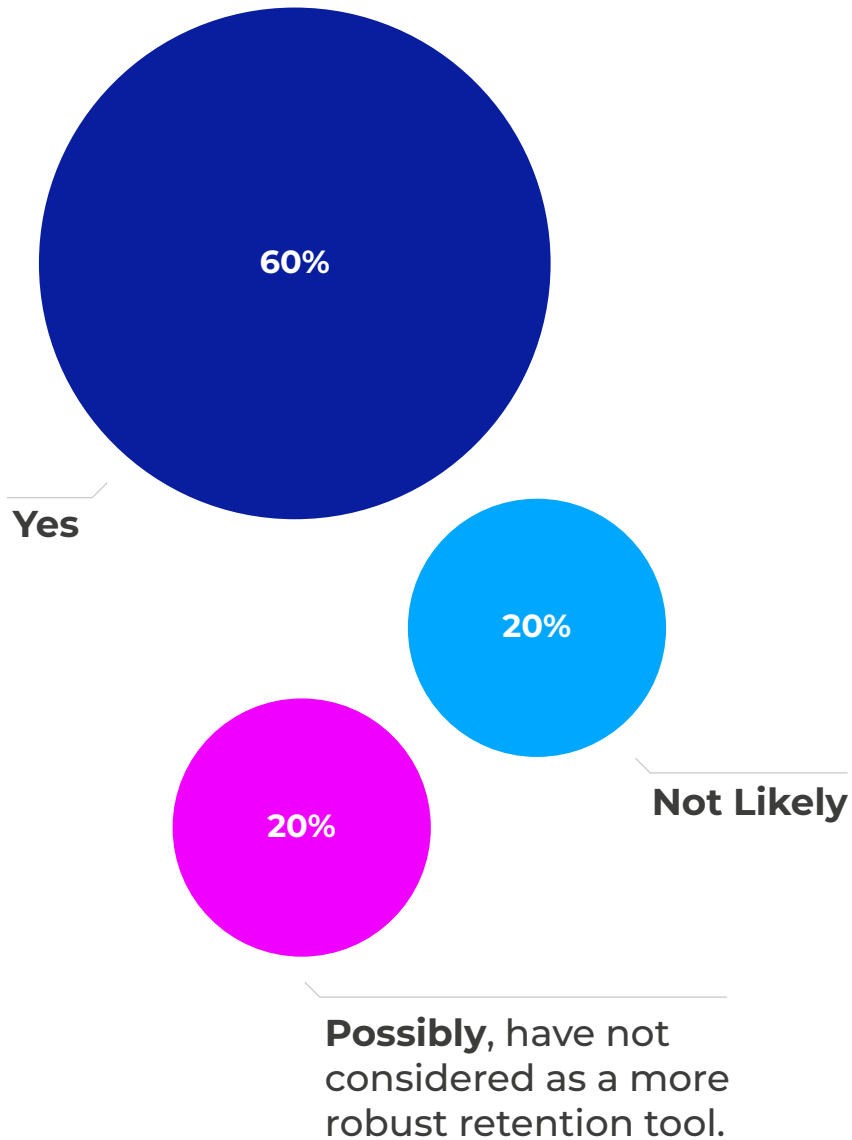
What percent of your book of business had you in a competitive situation this past year where the client was shopping for a new broker?

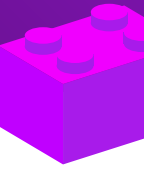




## QUESTION 19

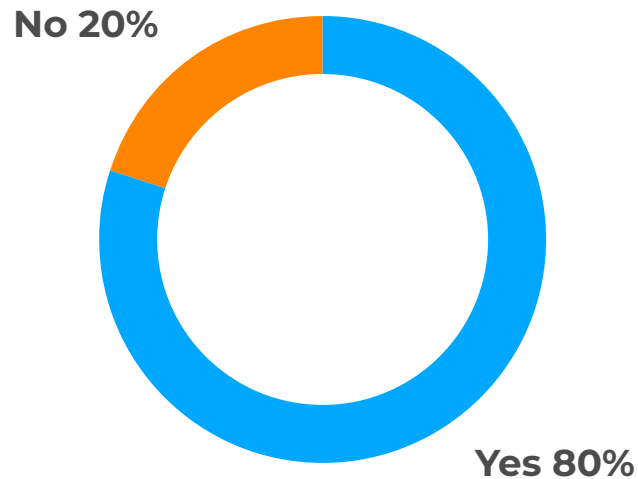
Would a wider range of benefit offerings, more choice & more affordable options make your employees stay at the company longer?





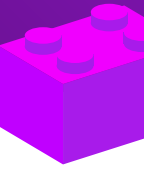
## QUESTION 20

Have you ever proactively asked your health insurance advisor about alternative or self-funded solutions?



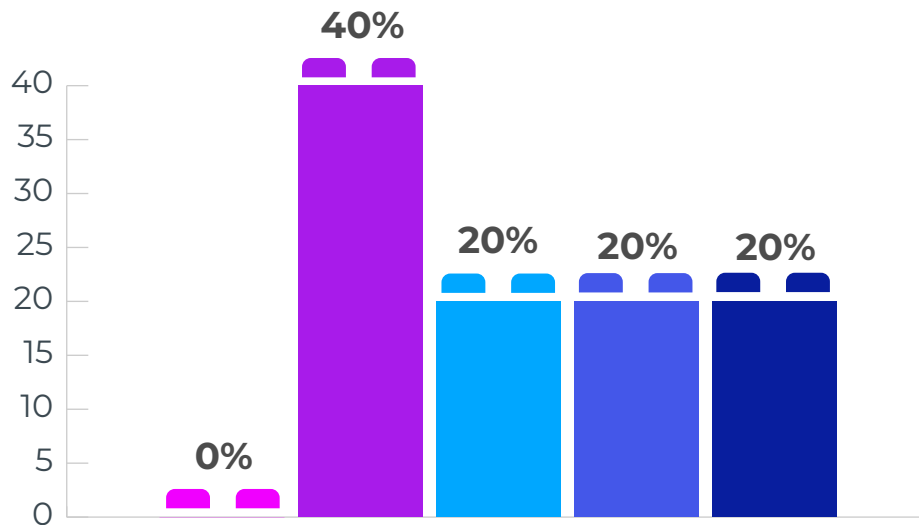
- Yes
- No, because we (or our advisor) passed up on alternative options in the past.
- No, because I'm unfamiliar with any alternative solution.



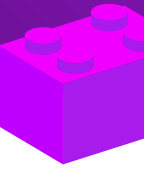


## QUESTION 21

What was the deciding factor in choosing a self-funded strategy in 2022?

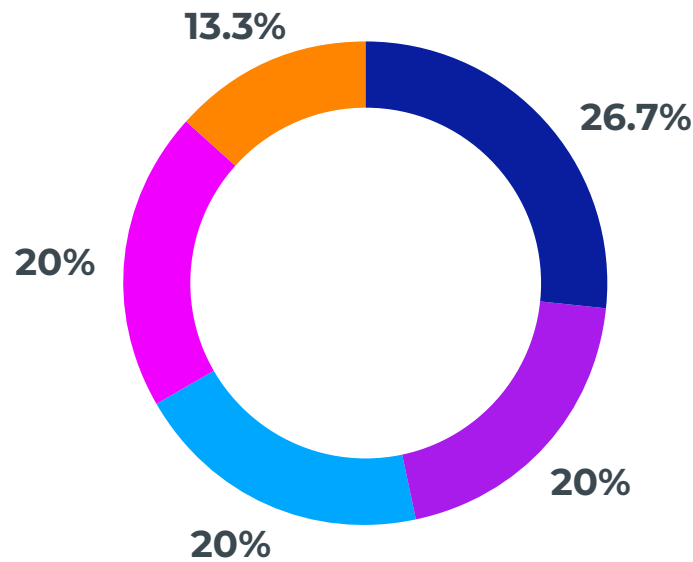


- Desire for transparency of what's driving our costs.
- Need for information to make informed decisions.
- Frustration over renewal rate increases every year.
- Desire to implement solutions based on the unique needs of our employees.
- I did not choose self-funding in 2022.

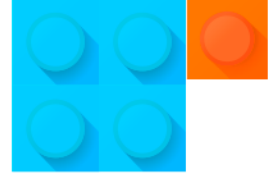


## QUESTION 22

What capabilities/option(s) are minimum requirements for your insurance broker/advisors and/or health plan administrator? Please choose 3.



- High-touch service
- Transparency
- Navigation to high quality/low-cost providers
- Actionable data analytics
- Flexibility to customize services to our needs



# About WellNet

**Americans don't love our healthcare system – they tolerate it.**

**That's because the system has been successful at two things:**

1. Making money
2. Getting you to pay more for less.

**WellNet believes healthcare has become *undeniably* unaffordable for companies, employees & their families.**

For almost 30 years, we built cost-saving solutions at every turn – until it hit us.

**This wasn't about fixing a broken healthcare system.**

**Why?**

1. It wasn't broken.
2. It was operating exactly as intended by those who designed it.

**The answer was simple: use the existing framework to rebuild *the most* highly efficient health plans.**

- A solution that empowers companies to tackle their #1 negotiable operating expense.
- A plan that enables insurance advisors to consistently support their clients.
- A partner to lower costs, improve quality & educate employees with high-touch advocacy.

All driven by customer obsession – knowing each company has their own pace, unique culture & blueprint for savings.

We call this roadmap *Crawl, Walk, Run* to meet customers where they are.

**Today, this is how the nation's most successful companies influence their healthcare.**

## Get in Touch

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