

Pulse of the Purchaser 2021-2023

Directions in Workforce, Benefits, Health Equity

March 31, 2021



Executive Summary

An online survey of 151 employers/purchasers that are members of coalitions affiliated with the National Alliance was conducted in March 2021. Respondents represent organizations from diverse industries and a spectrum of sizes.

COVID-19 and the Business Environment

- Over half of employers anticipate a more stabilized business environment (25% by Q2 and 27% by Q3)
- Among benefit offerings for the remainder of 2021 – 83% will continue to allow people to work from home; 76% have expanded virtual meeting capabilities; 60% offer flexibility to cover employee home demands; and about two-thirds will continue to restrain business travel
- 81% are providing information on benefits of the COVID-19 vaccines, 76% are offering education for employees about eligibility, 69% on safety and efficacy and on how to access
- Very few (8%) employers anticipate mandating the vaccine for employees and only 10% have implemented or are considering for higher exposure employees
- Over 80% of the largest employers anticipate providing onsite COVID-19 vaccination before the year is up

Executive Summary (continued)

Health Benefits Strategy

- Over 90% of employers have or anticipate expanding telehealth for both physical and behavioral care and 8 in 10 employers are expanding virtual wellbeing programs and investing in other care management solutions
- About 2/3 of employers have implemented or are considering value-based design; 45% anticipate increased employee cost sharing to mitigate cost increases, while 55% are not considering
- About 9 in 10 are implementing or considering delivery reform-based strategies with the most common being virtual care delivery and improving mental health access
- Significant focus is being invested in hospital pricing and quality transparency efforts; 7 in 10 employers are considering strategies to address high-cost claimants as well as bundled payment; and fastest-growing delivery-based strategies are Advanced Primary Care and Centers of Excellence
- Almost 80% cited medication therapy management as a current or planned drug strategy, while 74% were considering transparent/pass-through pricing for pharmacy drugs and 66% for medical drugs; and 68% emphasized biosimilars as an initial option
- There is a significant focus on Total Person Health as it relates to mental health integration, people with multiple chronic conditions, recognizing diversity within the employee population and emphasis on more personalization of health interventions

Executive Summary (continued)

Health Equity

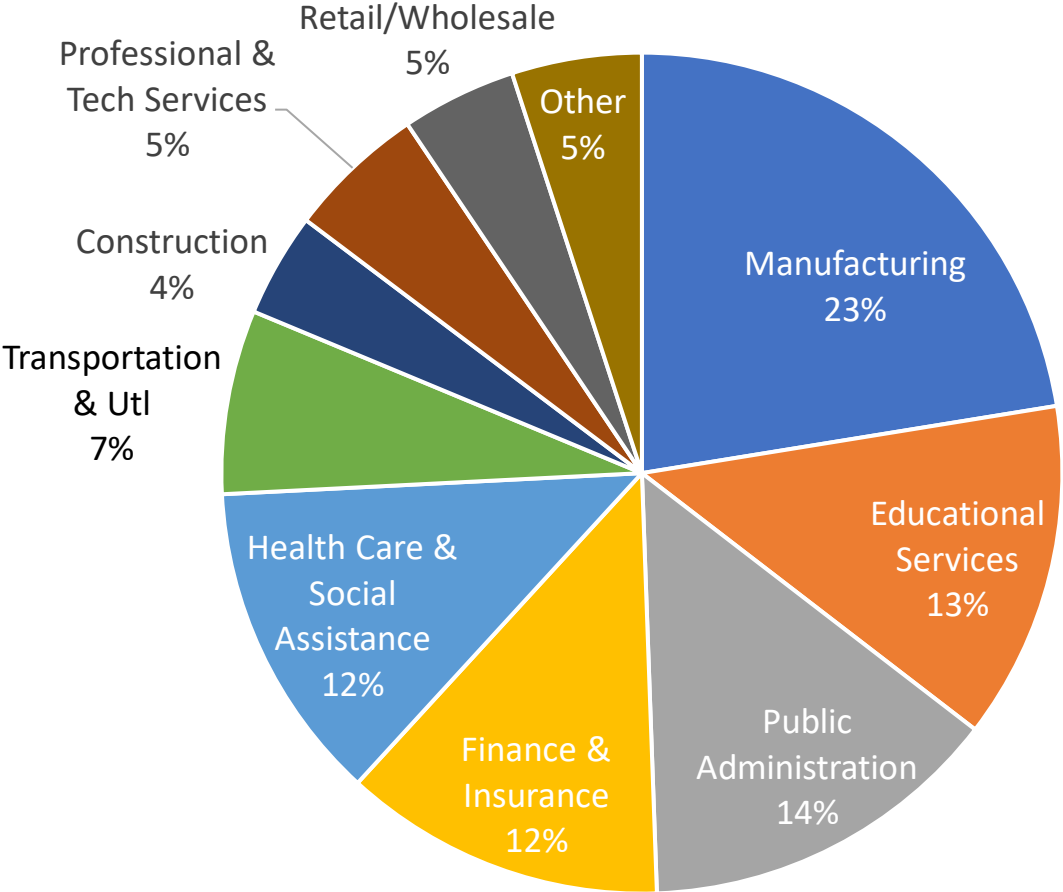
- Most companies have not yet implemented a broad health equity strategy
- About half of survey respondents currently integrate equity into their organizational values and objectives; these respondents represent the early adopters and have higher adoption rates on all equity strategies
- The leading strategies include engaging various department across the company, assessing health plans and other vendors, integrating equity into health education and establishing equity metrics

Health Reform

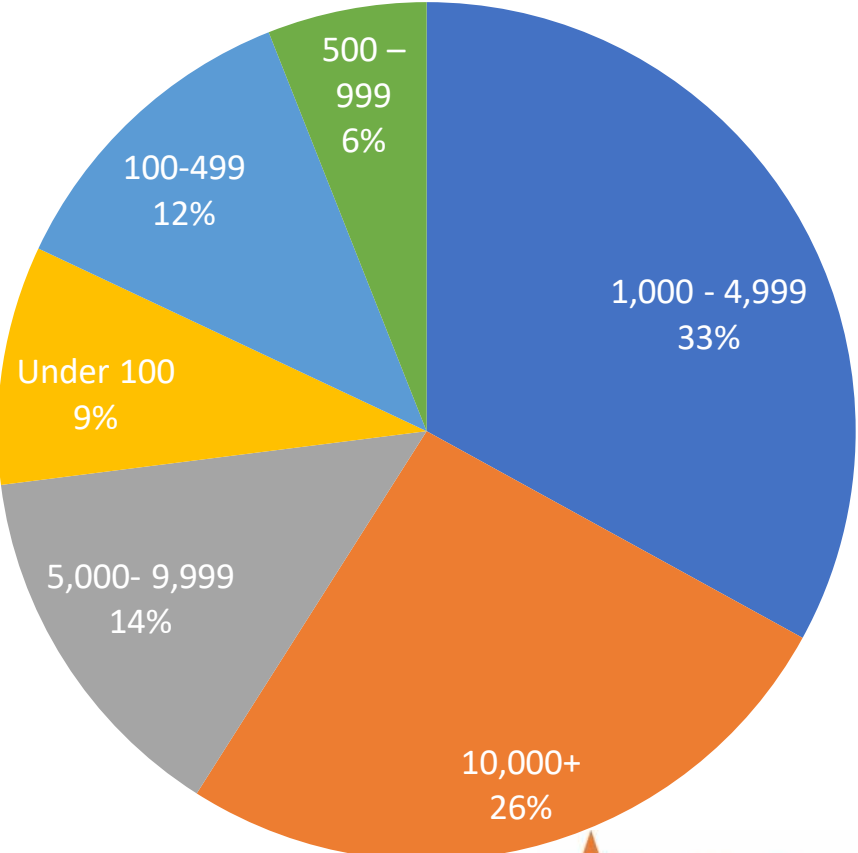
- Employer support for potential health reforms continues to grow since the last [survey conducted in fall 2020](#) with 87% indicating that drug price regulation is very or somewhat helpful, 85% for hospital price transparency, 79% for surprise billing regulation, 75% for hospital rate regulation
- Related to the Medicare public option 44% of employers believe it could be somewhat or very helpful, while 15% indicated it could be somewhat or very harmful

151 Total Respondents

Industry



Number of Employees



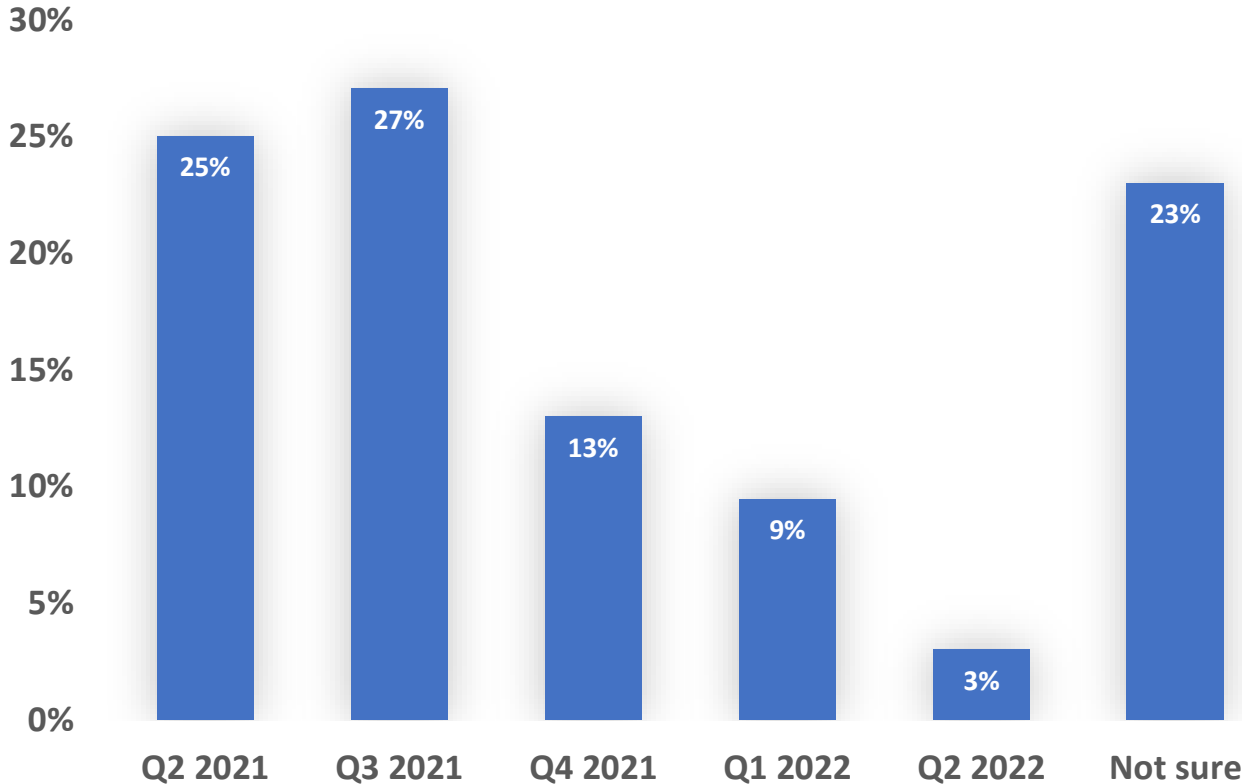
Self-Insured – 76% Fully-insured – 15% Hybrid – 9%

Resuming a more Stabilized Business Environment

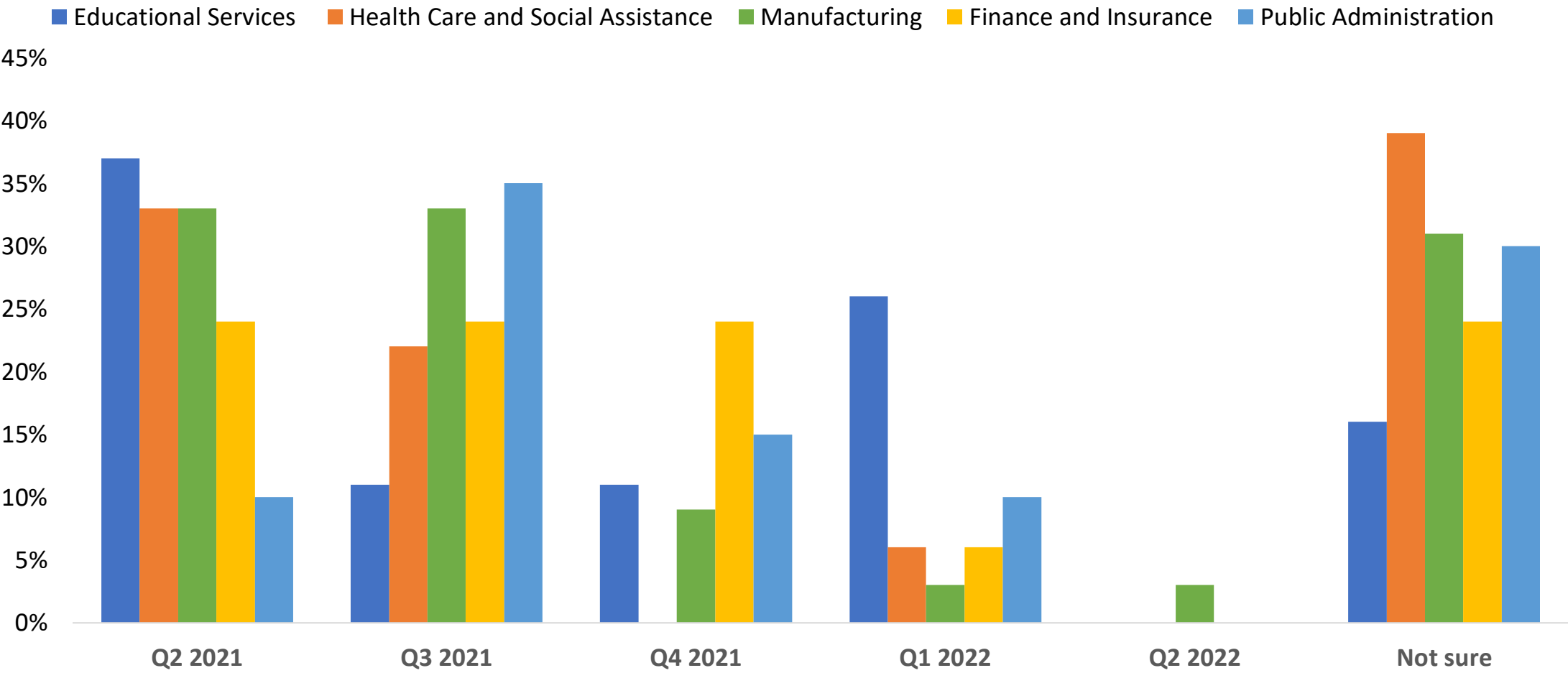
Over half of employers believe they will be in a more stabilized business environment by Q3 2021

23% are still unsure of when they will return to a stabilized business environment

Education and healthcare will return faster than most while finance and public administration industries anticipate a longer period of return to normal, on average



Resuming a more Stabilized Business Environment (by industry)

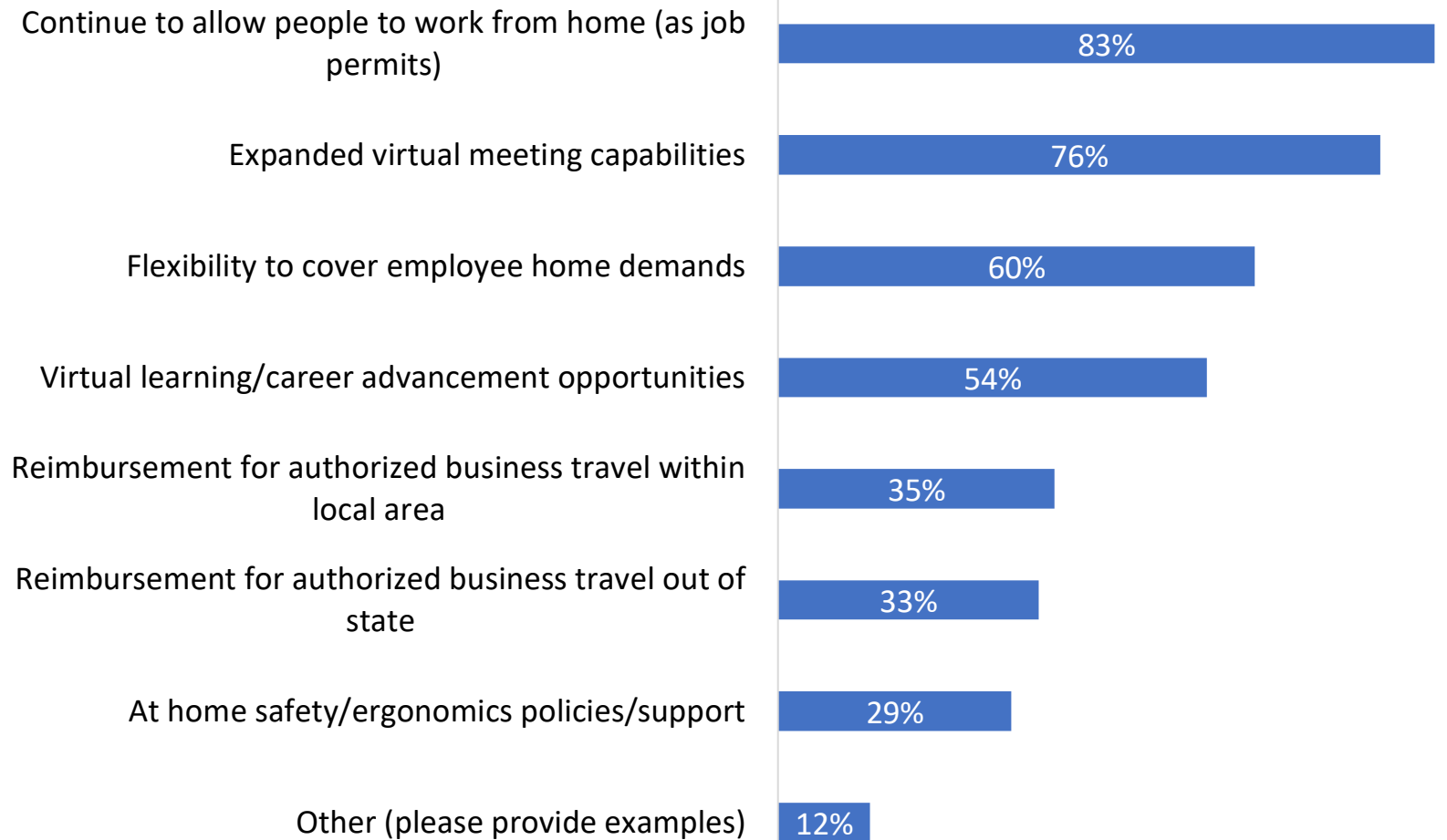


What Organizations are Providing for the Balance of 2021

Organizations are anticipating continuing to allow virtual activity, as appropriate, through the end of 2021 (work from home, meetings, learning/career advancement opportunities)

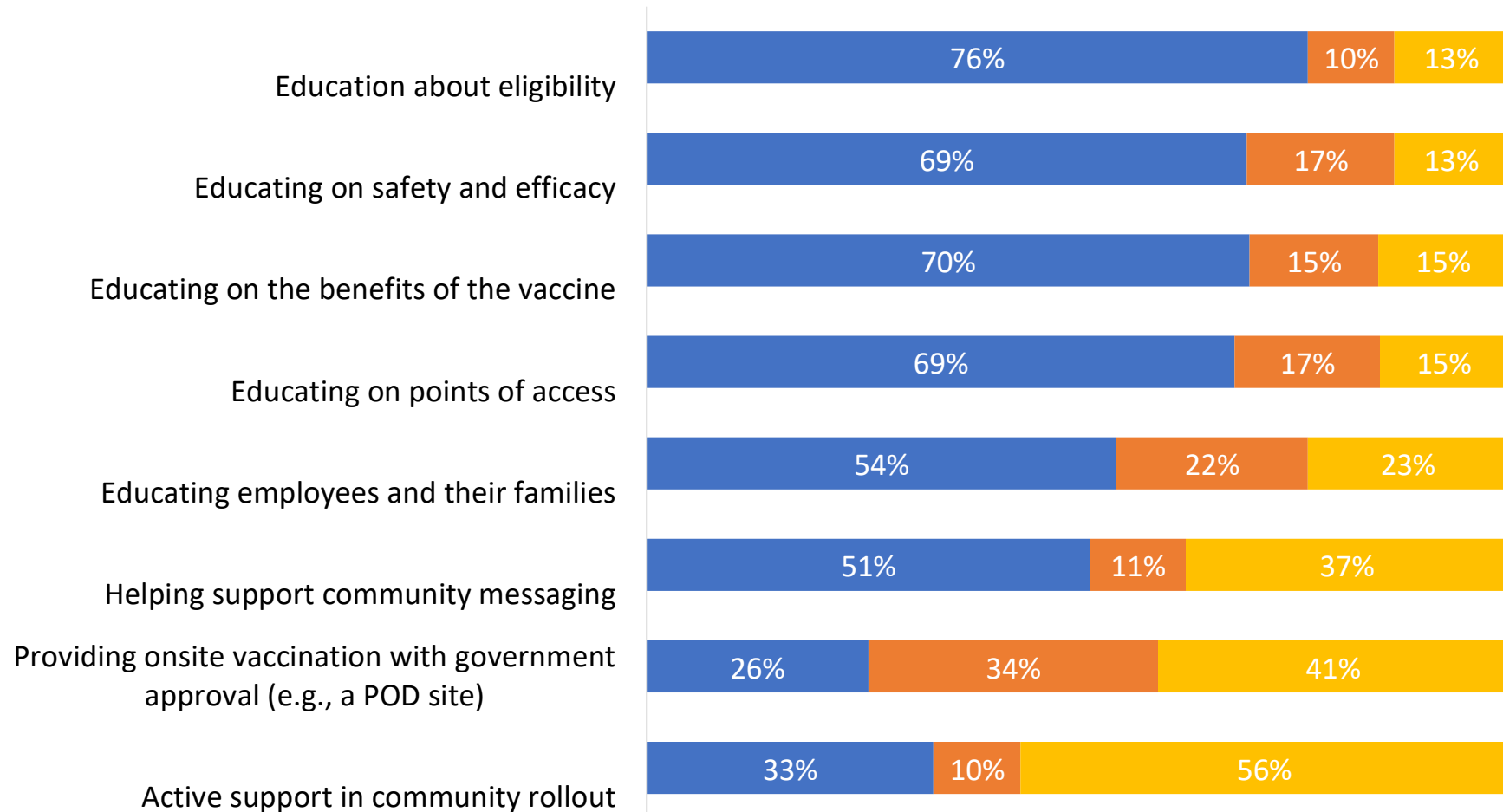
Similarly, 60% are anticipating flexibility to cover employee home demands

Approximately 2/3 anticipate that business travel, both within the local area and out of state will be restrained through the end of 2021



What Organizations are Offering to Encourage Employees to Get the COVID-19 Vaccines

■ Offering ■ Planning to Offer ■ Not Offering

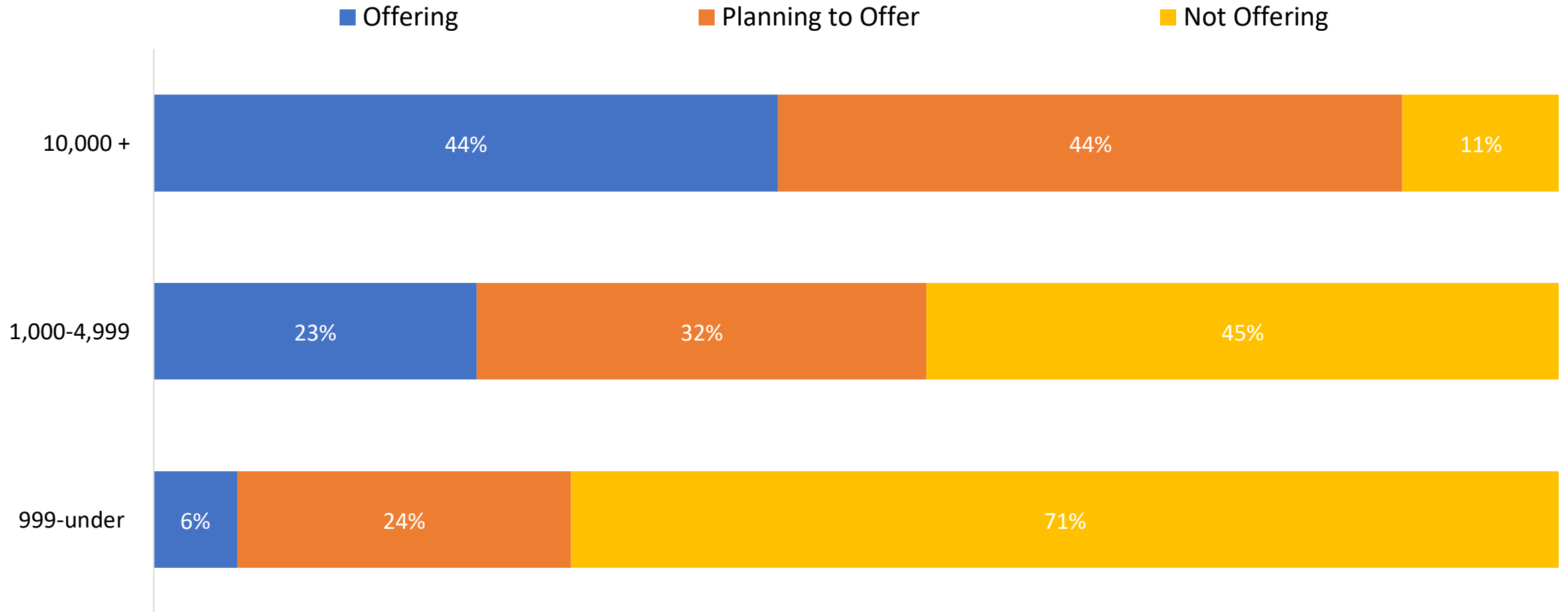


7 in 10 employers are educating their employees about the COVID-19 vaccines related to eligibility, points of access, benefits as well as safety and efficacy

6 in 10 employers anticipate assisting in community rollouts of the COVID-19 vaccine by providing onsite access

Over 80% of very large employers anticipate providing onsite COVID-19 vaccines before the year is up

Providing Onsite Vaccination with Government Approval (by size)



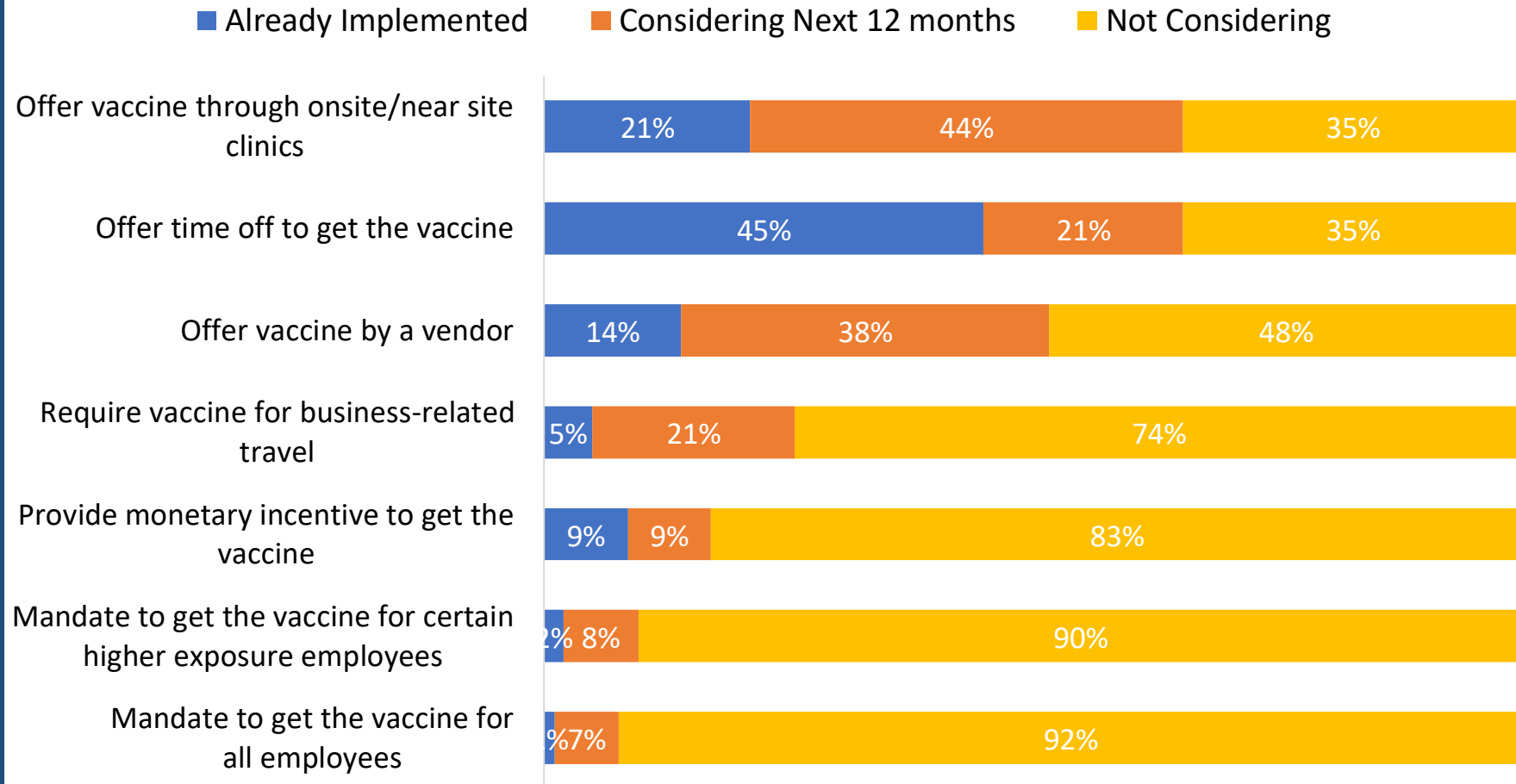
Workplace Policies Regarding the COVID-19 Vaccines

Where available, 6 in 10 employers do anticipate administering the COVID-19 vaccines through their onsite/near site clinics

Most employers are offering time off to get the COVID-19 vaccines

Very few employers anticipate mandating the COVID-19 vaccine even for higher exposure employee or those traveling on business

A few employers are offering monetary incentives

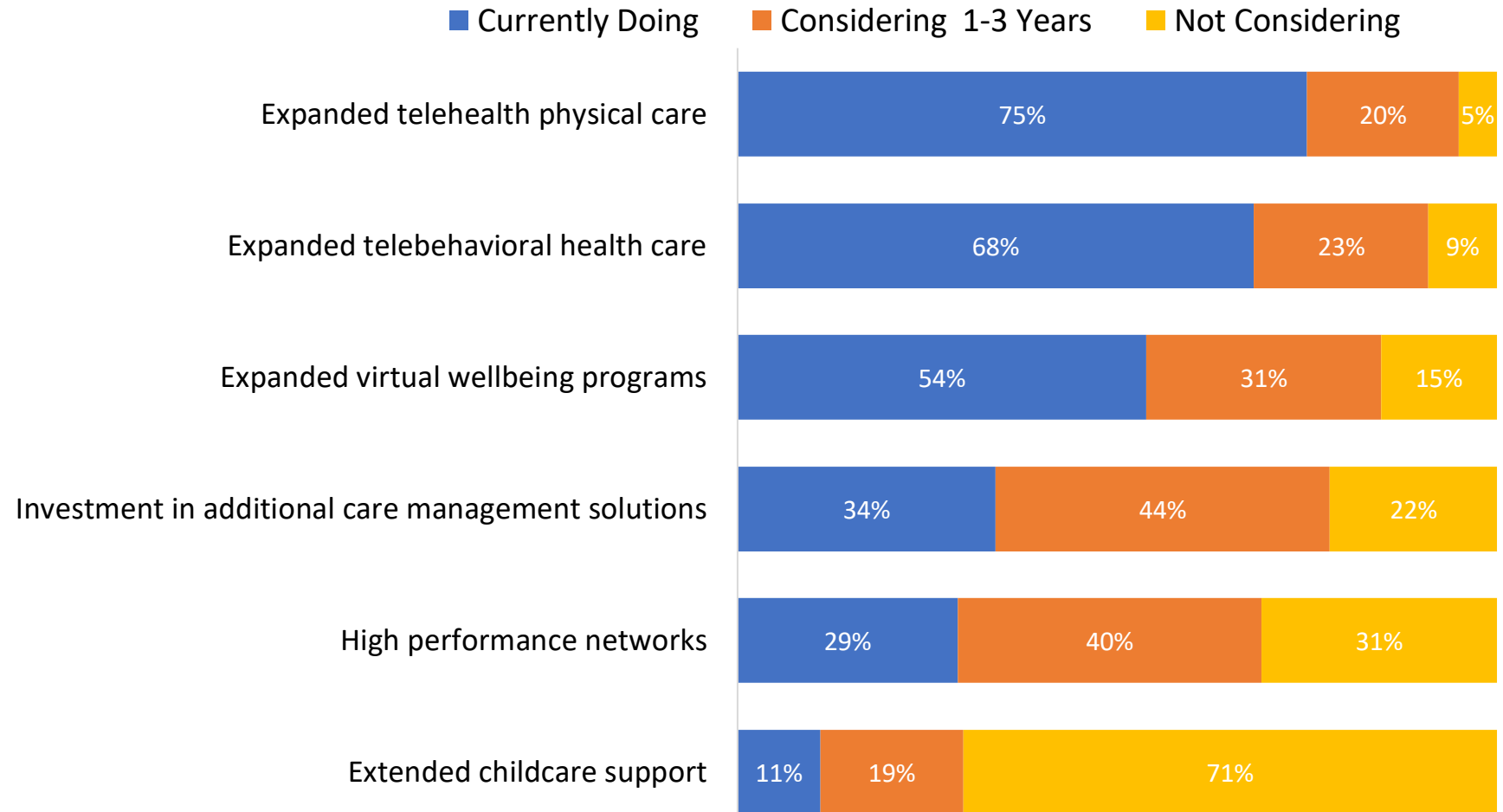


Benefit Design Strategy: Programs

Over 90% of employers have or anticipate expanding telehealth for both physical care and behavioral healthcare

Similarly, 8 in 10 employers are expanding virtual wellbeing programs and investing in other care management solutions

About 3 in 10 employers have implemented or are considering extended childcare support programs

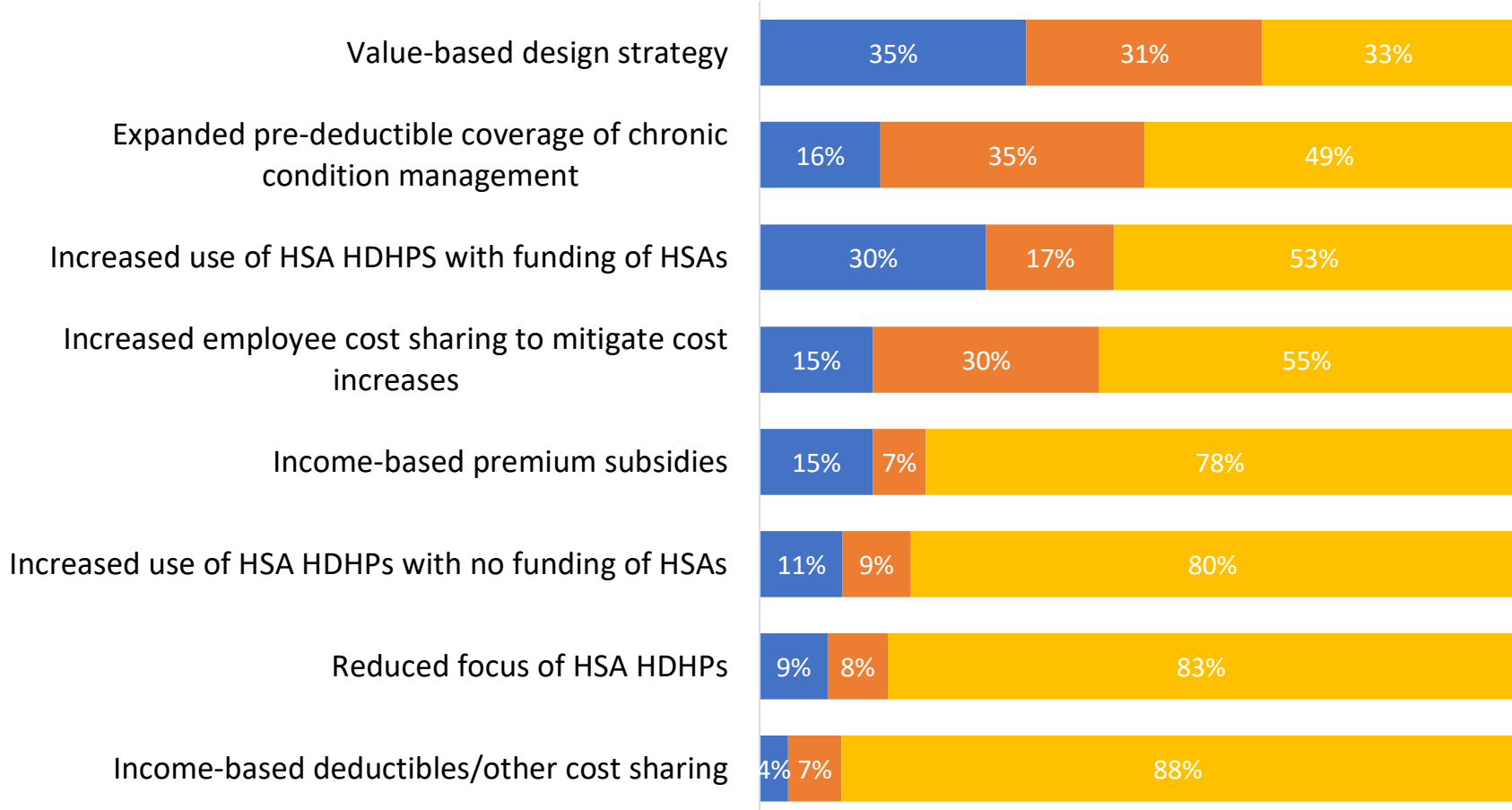


Benefit Design Strategy: Program (by size)

	5,000 +			1,000-4,999			999-under		
	Currently Doing	Considering 1-3 Years	Not Considering	Currently Doing	Considering 1-3 Years	Not Considering	Currently Doing	Considering 1-3 Years	Not Considering
Expanded telehealth physical care	81%	19%	0%	74%	18%	8%	61%	31%	8%
Expanded telebehavioral healthcare	83%	17%	0%	68%	20%	12%	49%	35%	17%
Expanded virtual wellbeing programs	72%	24%	3%	48%	39%	12%	31%	32%	37%
Investment in additional care management solutions	46%	37%	16%	32%	48%	19%	14%	55%	31%
Extended childcare support	22%	23%	55%	2%	23%	75%	6%	6%	88%

Benefit Design Strategy: Cost Sharing

■ Currently Doing
 ■ Considering 1-3 Years
 ■ Not Considering



Over 6 in 10 employers are already doing or considering value-based design approaches

Over half are considering pre-deductible coverage of chronic conditions

45% anticipate increased employee cost sharing to mitigate cost increases, while 55% are not considering

47% anticipate increased use of HSA HDHPS with funding of the HSAs, while 20% anticipate increased use of HSA HDHPS while not funding HSAs

Benefit Design Cost Sharing Strategy

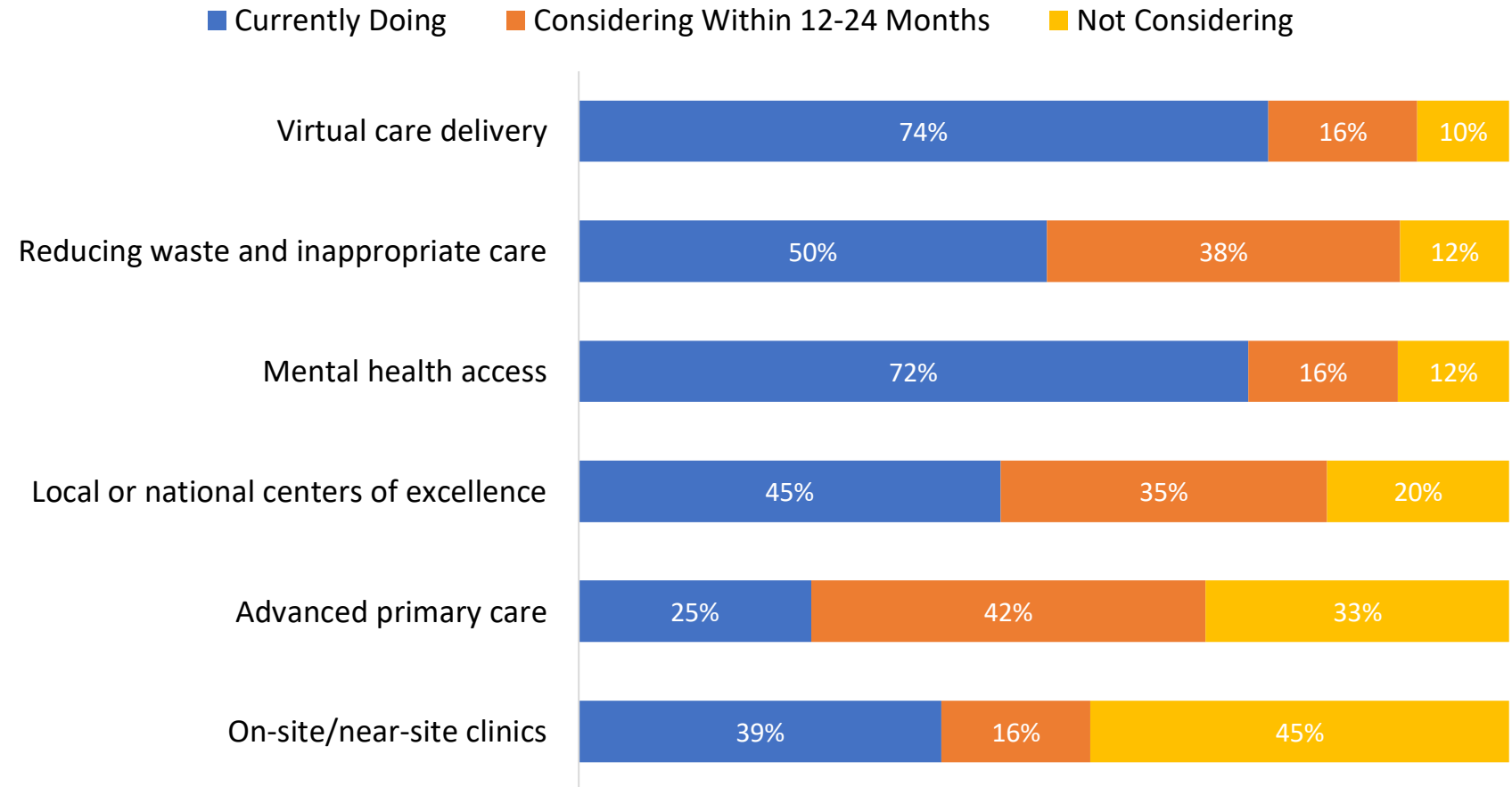
	5,000 +			1,000-4,999			999-under		
	Currently Doing	Considering 1-3 Years	Not Considering	Currently Doing	Considering 1-3 Years	Not Considering	Currently Doing	Considering 1-3 Years	Not Considering
Value-based design strategy	39%	33%	29%	38%	29%	33%	20%	34%	46%
Expanded pre-deductible coverage of chronic condition management	16%	41%	42%	19%	38%	42%	11%	23%	66%
Increased use of HSA HDHPS with funding of HSAs	36%	15%	48%	25%	23%	52%	23%	9%	68%
Increased employee cost sharing to mitigate cost increases	16%	35%	49%	14%	33%	53%	11%	20%	69%
Income-based premium subsidies	23%	7%	70%	14%	10%	76%	3%	3%	94%
Increased use of HSA HDHPs with no funding of HSAs	5%	10%	84%	15%	10%	75%	14%	3%	82%
Reduced focus of HSA HDHPs	9%	16%	74%	6%	4%	90%	11%	3%	86%
Income-based deductibles/other cost sharing	5%	7%	87%	2%	12%	86%	6%	6%	88%

Delivery Reform Strategies

About 9 in 10 are implementing delivery reform-based strategies

The most common strategies are virtual care delivery and improving mental health access

The fastest growing strategies are advanced primary care and centers of excellence and focusing on reducing waste and inappropriate care

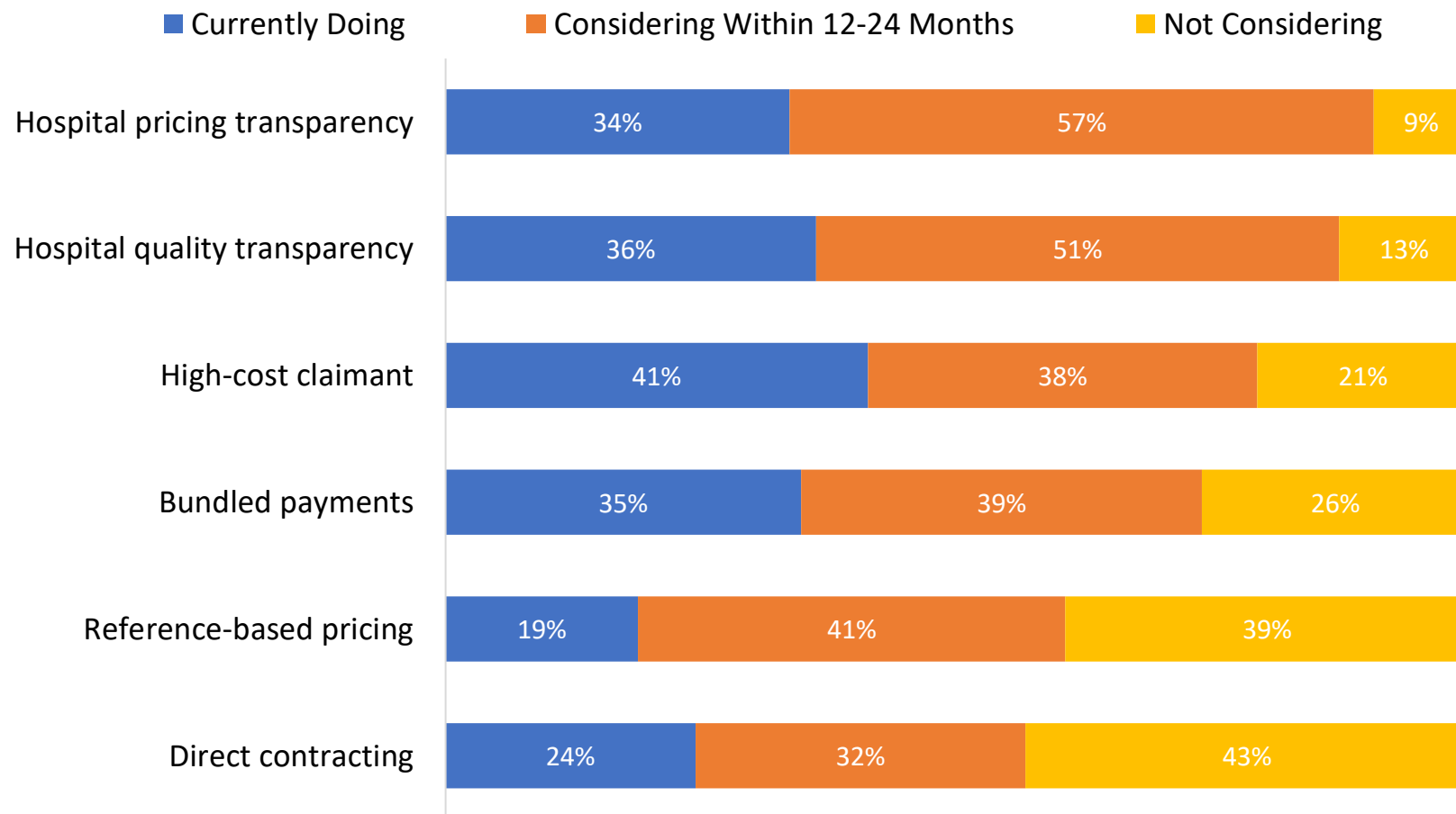


Payment Reform Strategies

A focus on hospital pricing and quality transparency is anticipated to grow to over 90% of the market over the next two years

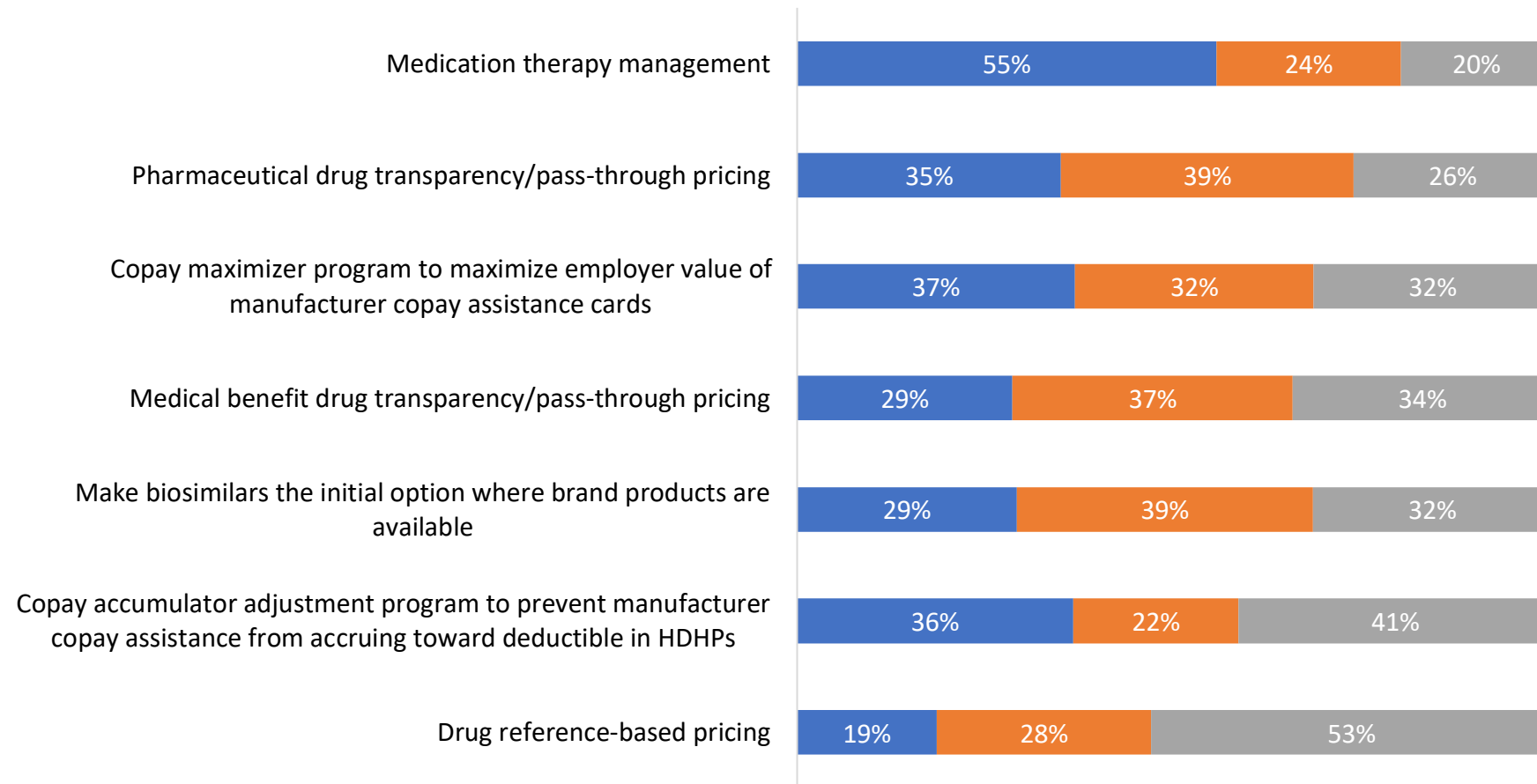
Over 7 in 10 employers are considering strategies to address high-cost claimants as well as bundled payment

Reference-based pricing and direct contract are being considered by more than half of employers



Pharmacy Drug Strategies

■ Currently Doing
 ■ Considering Next 2 Years
 ■ Not Considering



Most common pharmacy benefit management strategy cited was medication therapy management

Fastest growing strategy is increased transparency and pass-through pricing for both pharmaceutical and medical drugs

Almost 7 in 10 employers are considering making biosimilars the initial option where brand products are available

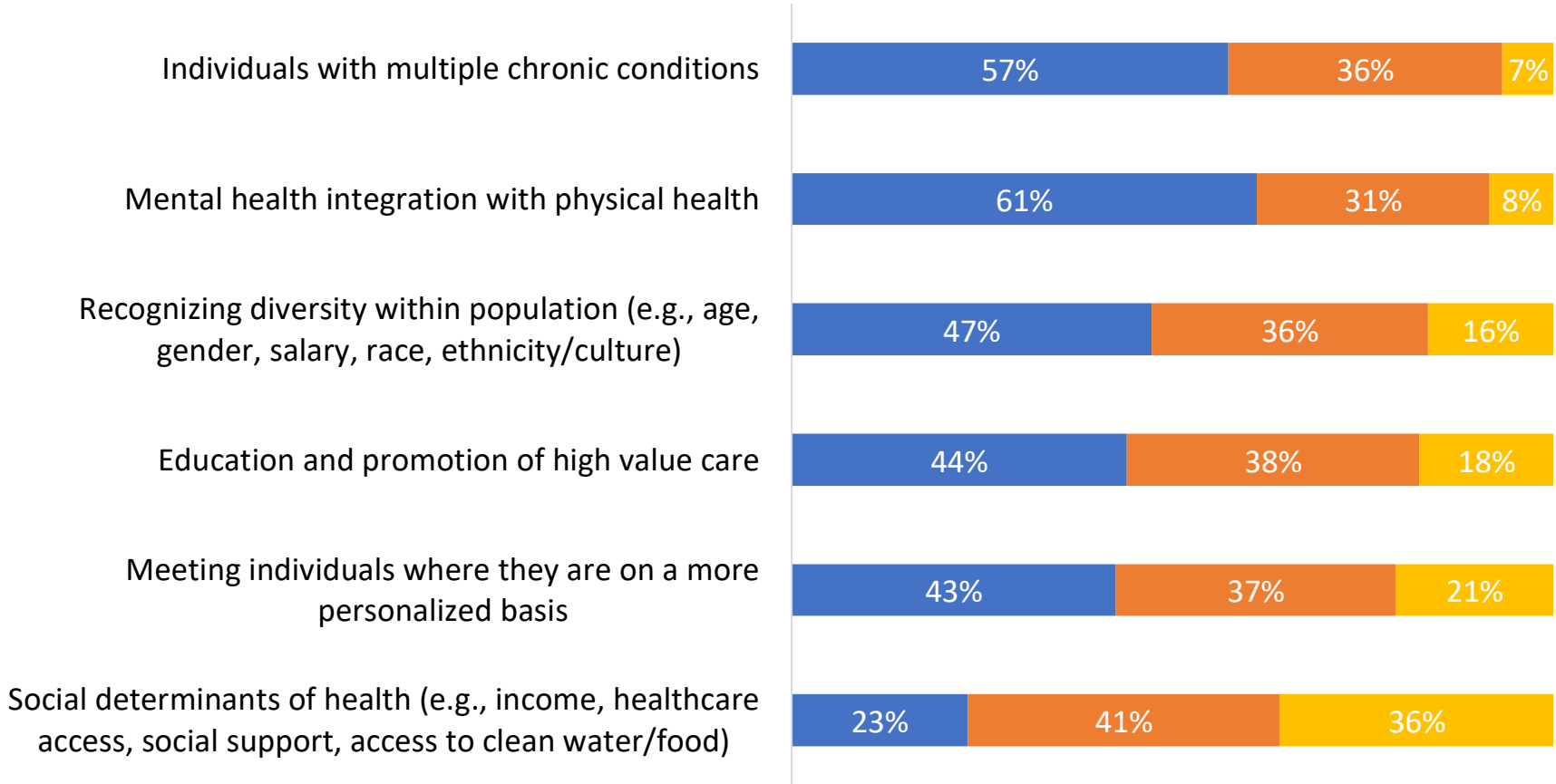
Employers are seeking to combat or leverage manufacturer copay assistance programs to mitigate costs

Pharmacy Drug Strategies (by size)

	5,000 +			1,000-4,999			999-under		
	Currently Doing	Considering Next 2 years	Not Considering	Currently Doing	Considering Next 2 years	Not Considering	Currently Doing	Considering Next 2 years	Not Considering
Medication therapy management	74%	13%	13%	51%	31%	18%	34%	31%	34%
Pharmaceutical drug transparency/pass-through pricing	39%	39%	22%	25%	43%	32%	30%	33%	37%
Copay maximizer program to maximize employer value of manufacturer copay assistance cards	41%	32%	27%	36%	36%	28%	29%	29%	43%
Medical benefit drug transparency/pass-through pricing	25%	48%	27%	24%	50%	26%	23%	33%	44%
Make biosimilars the initial option where brand products are available	30%	50%	20%	31%	40%	29%	27%	27%	46%
Copay accumulator adjustment program to prevent manufacturer copay assistance from	45%	17%	38%	36%	31%	33%	28%	19%	53%
Drug reference-based pricing	25%	30%	45%	13%	31%	56%	16%	23%	61%

Total Person Health: Areas of Focus

■ Currently Doing
 ■ Considering Next 12-24 Months
 ■ Not Considering



There is a significant focus on *Total Person Health* as it relates to mental health integration, individuals with multiple chronic conditions, recognizing diversity with the population and more personalization

4 in 5 employers are planning to put more emphasis on the education and promotion of high value care

6 in 10 employers are considering strategies to deal with social needs and social determinants of health

Total Person Health: Areas of Focus (by size)

	5,000 +			1,000-4,999			900-under		
	Currently Doing	Considering Next 2 Years	Not Considering	Currently Doing	Considering Next 2 years	Not Considering	Currently Doing	Considering Next 2 years	Not Considering
Individuals with multiple chronic conditions	73%	25%	2%	54%	37%	9%	36%	53%	11%
Mental health integration with physical health	68%	25%	7%	63%	26%	11%	51%	43%	6%
Recognizing diversity within population (e.g., age, gender, salary, race, ethnicity/culture)	48%	43%	9%	52%	24%	24%	40%	42%	18%
Education and promotion of high value care	58%	28%	14%	41%	39%	20%	23%	53%	24%
Meeting individuals where they are on a more personalized basis	49%	37%	14%	44%	31%	25%	30%	47%	23%
Social determinants of health (e.g., income, healthcare access, social support, access to clean water/food)	32%	49%	19%	19%	35%	46%	15%	33%	52%

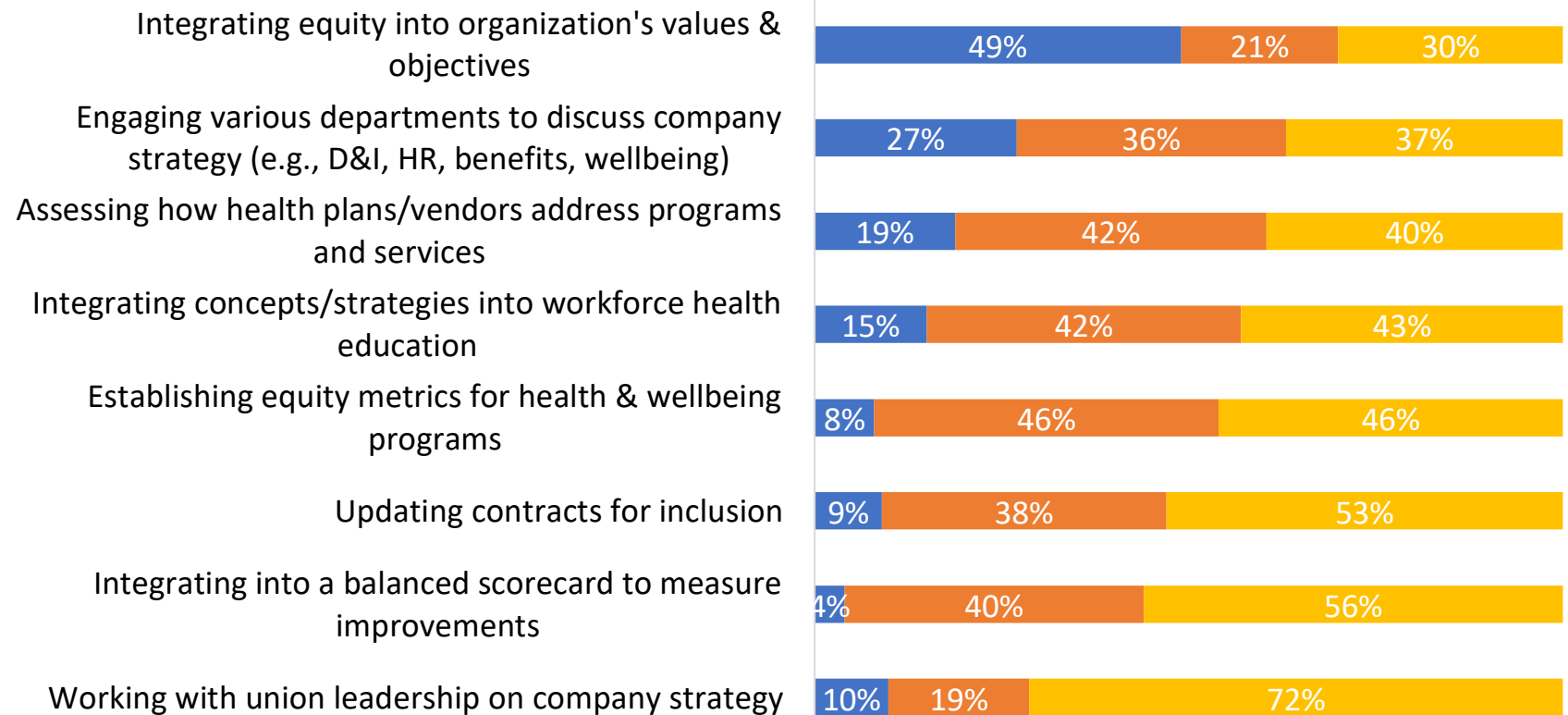
Activities Organizations are Considering to Address Race, Health & Equity

■ Currently Doing ■ Planning Next 1-3 Years ■ Not Considering

In general, most companies have not yet implemented a broad health equity strategy

The leading strategies today are:

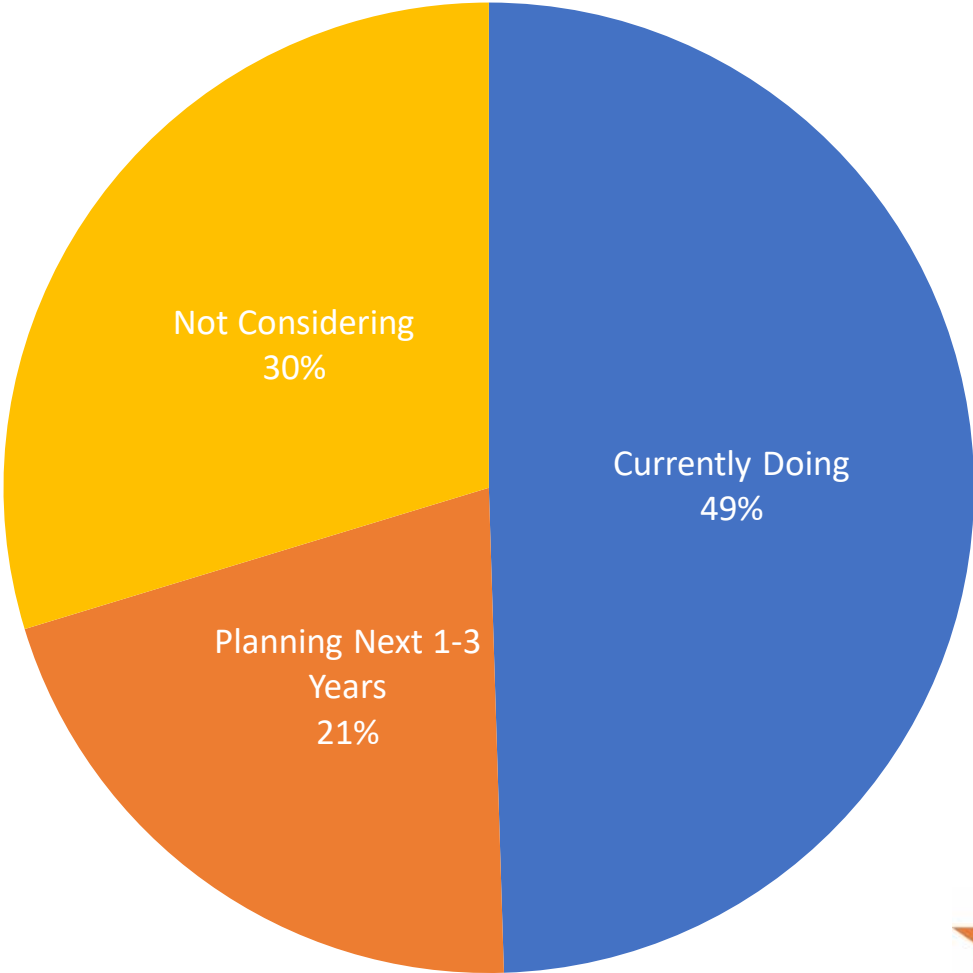
- Engaging various departments across the company
- Assessing health plans and vendors programs and services
- Integrating equity concepts/strategies into workforce health education
- Establishing equity metrics for health and wellbeing programs



Organizations Addressing Race, Health & Equity by Integrating into their Values & Objectives

About half of survey respondents currently integrate equity into their organizational values and objectives

These organizations represent the early adopters of health equity strategies and are analyzed further in the next two slides



For Organizations Currently Integrating Equity into Values *Further Ahead in Equity Strategy Execution*

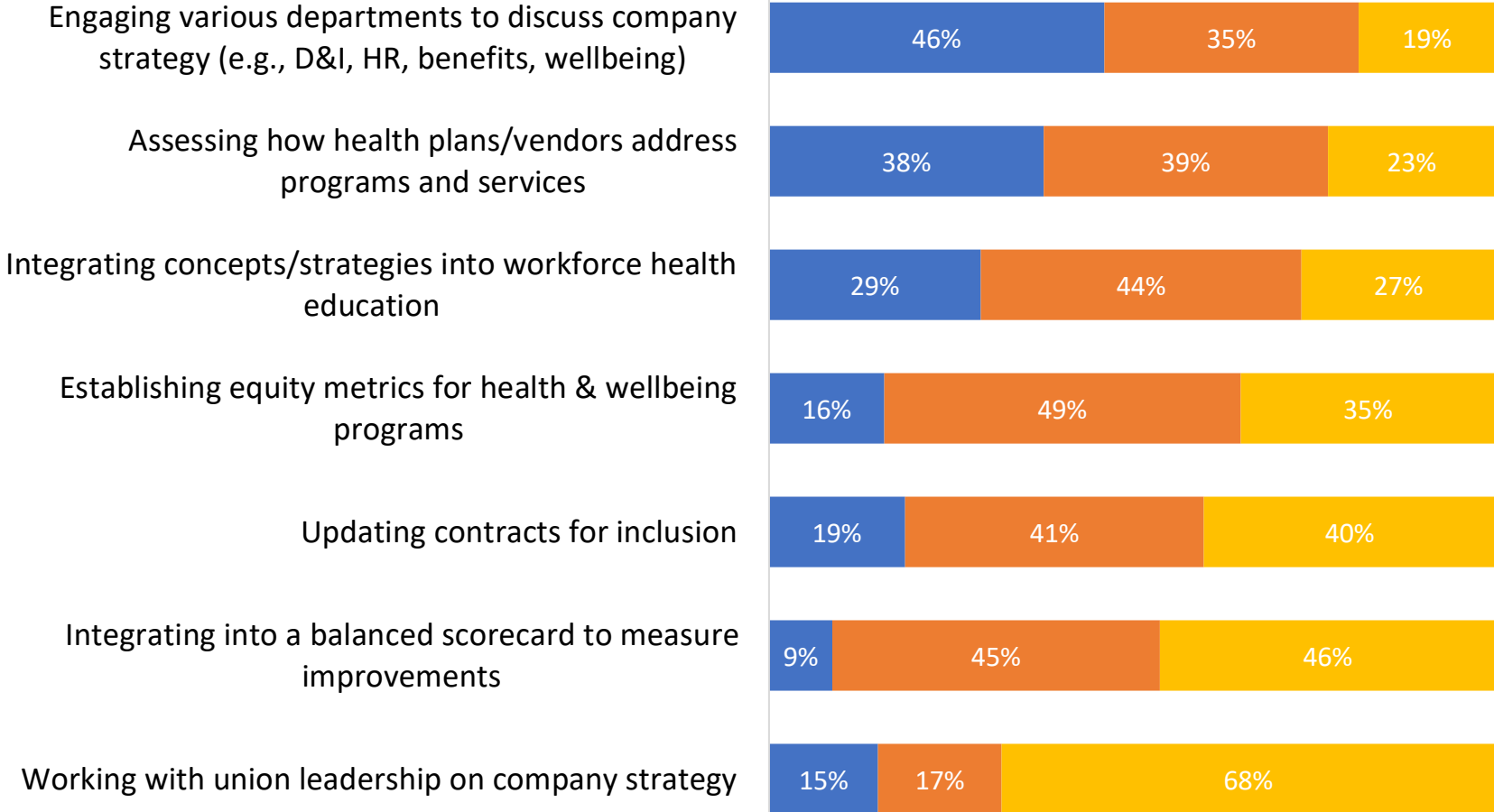
Organizations that currently integrate equity into their values & objectives are further ahead in implementing various equity strategies (early adopters)

Almost half are engaging various departments to discuss company strategy, with 9 in 10 anticipating to do so in the next two years

Almost 8 in 10 expect to be assessing their vendor's strategies as well

Other strategies include tailoring workforce health education and establishing equity metrics to assess improvements going forward

■ Currently Doing ■ Planning Next 1-3 Years ■ Not Considering



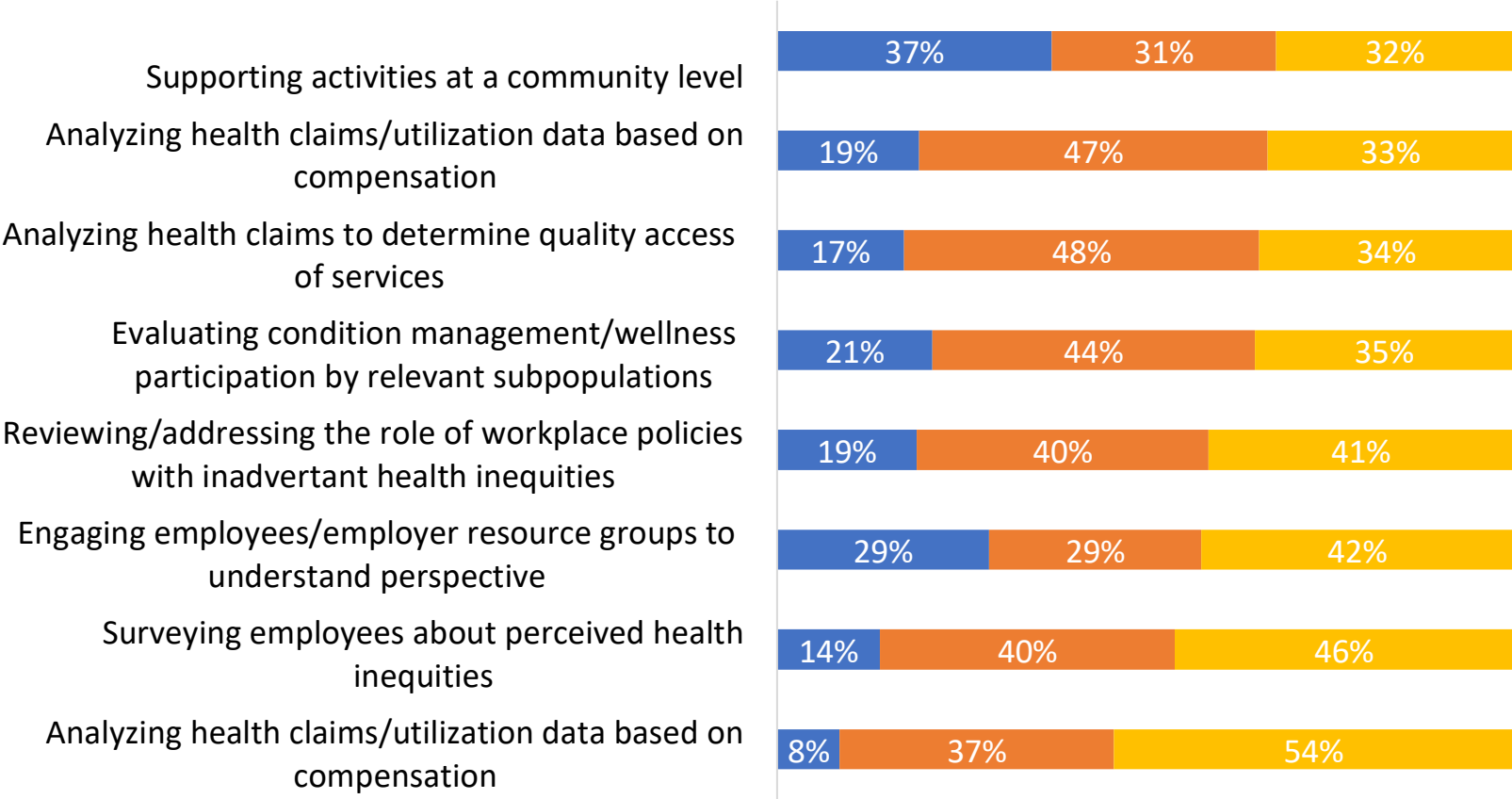
For Organizations Currently Integrating Equity into Values

Additional Activities Considered

■ Currently Doing
 ■ Planning Next 1-3 Years
 ■ Not Considering

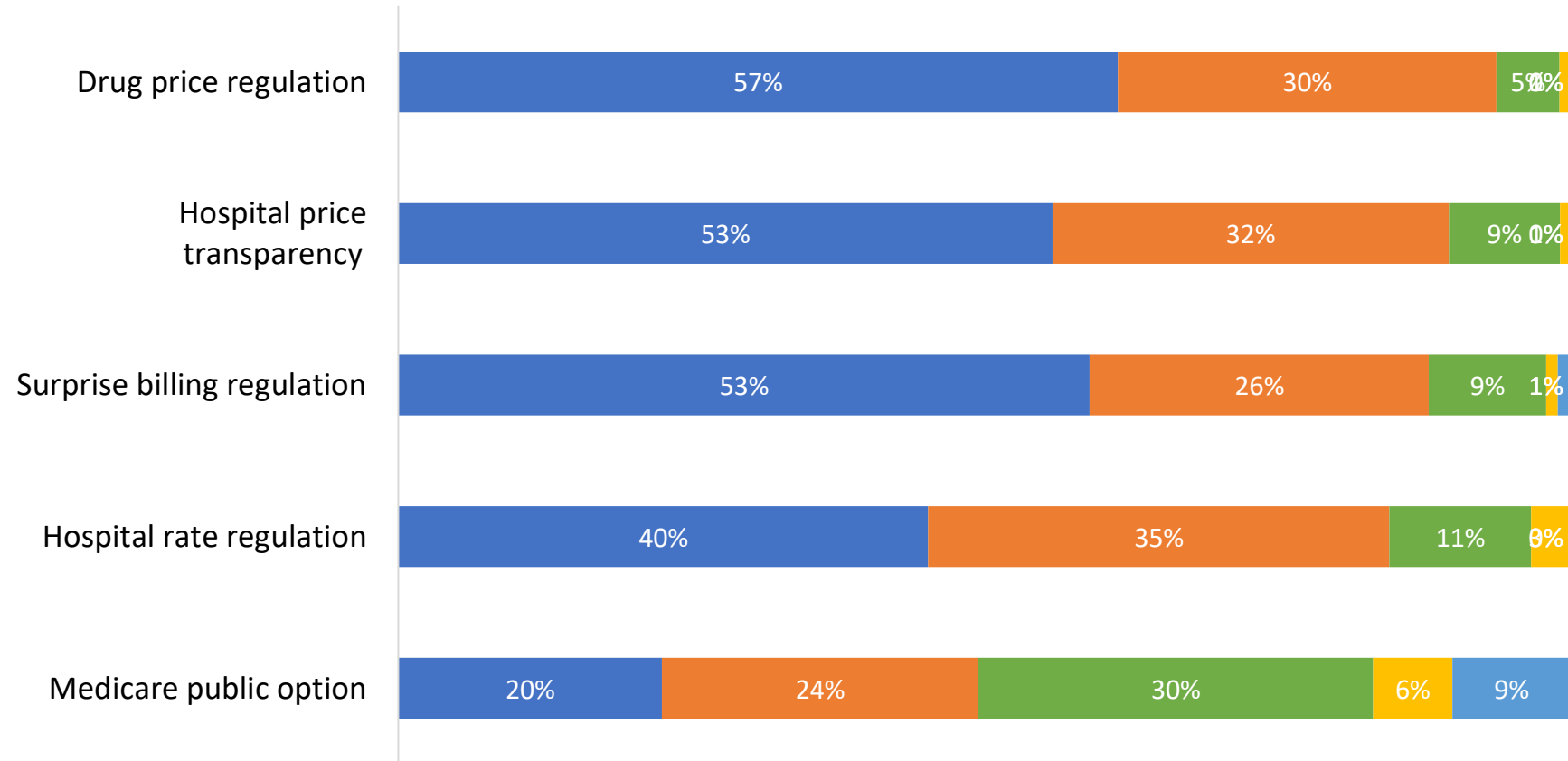
For companies that have integrated equity into their values, they are also doing or considering activities such as:

- supporting activities at a community level
- engaging employee resource groups
- reviewing workplace policies
- evaluating wellbeing programs
- analyzing data
- surveying employees about perceived health inequities



Employer Impressions of Potential Health Reforms

■ Very Helpful ■ Somewhat Helpful ■ Neutral ■ Somewhat Harmful ■ Very Harmful



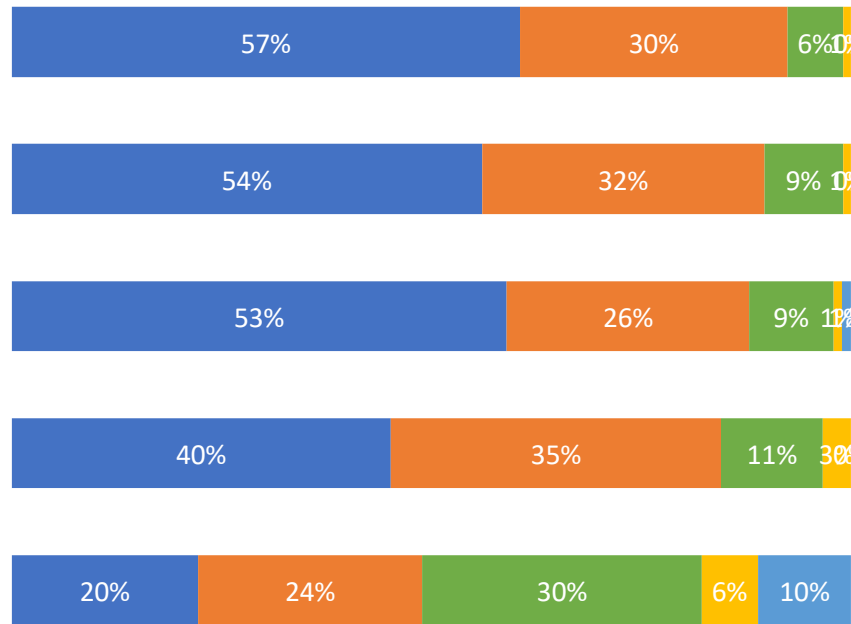
There is substantial support and minimal opposition for these reforms

Support for these reforms has substantially increased since even last year

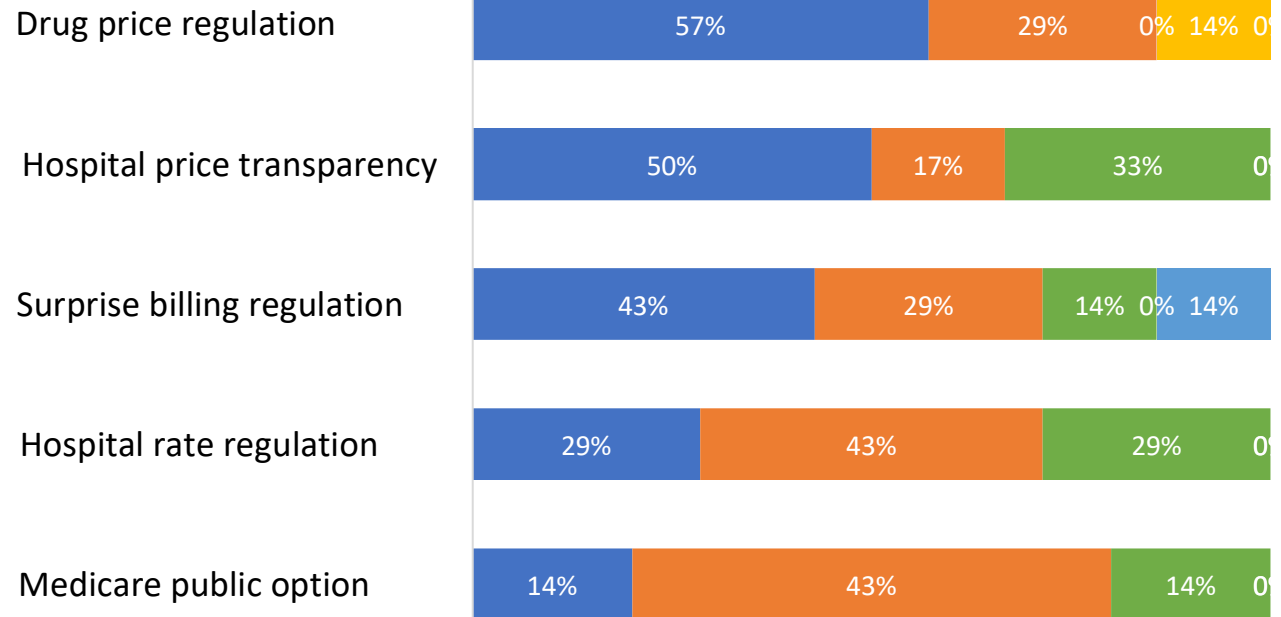
Employer Impressions of Potential Health Reforms 2021 vs 2020

■ Very Helpful
 ■ Somewhat Helpful
 ■ Neutral
 ■ Somewhat Harmful
 ■ Very Harmful

2021



2020



About the National Alliance

The National Alliance of Healthcare Purchaser Coalitions (National Alliance) is the only nonprofit, purchaser-led organization with a national and regional structure dedicated to driving health and healthcare value across the country. Its members represent private and public sector, nonprofit, and Taft-Hartley organizations, and more than 45 million Americans, spending over \$300 billion annually on healthcare. To learn more, visit nationalalliancehealth.org and connect with us on [Twitter](#) and [LinkedIn](#).

This study was partially funded through a Patient-Centered Outcomes Research Institute (PCORI) Eugene Washington PCORI Engagement Award (12856).