

# The Top 7 Key Factors Changing Employer-Sponsored Health Plans

The outdated health insurance system is feeling increasingly less safe and prudent for employer-sponsored health plans, making change more attractive and attainable. What's behind this significant shift?

In a recent Digital Forum, hundreds of employers shared the key factors that have heightened their willingness to take a more progressive approach to their employer-sponsored health plans. Behind these dynamics is a compelling impulse to seek a competitive advantage, avoid future risk, and not lag behind more forward-looking competitors.

- 1. Health Care Cost Increases**

Employers are tired of the continuous cost increases in the legacy insurance system. They are no longer willing to shift these costs to employees, who have seen their disposable income dwindle.

- 2. Self-serving Industry Practices**

Continual revelations of unethical and potentially criminal practices on the part of hospital systems, insurance carriers, PBMs, and large traditional insurance brokers have raised employer awareness that the legacy system does not serve their interests.

- 3. Talent Acquisition and Retention**

To win the war for workers and talent, employers must free up money to increase salaries and bonuses, improve benefits, and more.

- 4. Reduced Market Competition**

Mergers and acquisitions among and between health systems, insurance carriers, PBMs, and pharmacies continue unchecked, each one reducing competition and increasing prices. Employers are demanding more competitive and more cost-effective health plan options.

- 5. Increased Adoption of Alternatives**

Approximately 1 in 15 employers currently deploy an alternative to legacy insurance carriers and PBMs. *That number continues to grow as employers realize the benefits of alternatives.*

- 6. Regulatory Actions**

Incumbent stakeholders are under tighter scrutiny from the Healthcare Price Transparency and No Surprises Acts, elements of the Consolidated Appropriations Act, proposed prescription drug pricing legislation, and more.

- 7. Fiduciary Responsibility**

Employers and their boards of directors, are increasingly concerned that they are breaching their fiduciary responsibility to manage shared employer and employee health plan assets and expenses, exposing them to the harsh litigation risks that have impacted employee retirement plans.

Collectively, these factors are accelerating employer transitions to health plans that reduce overspending, offer better member service, and free up money for workforce and business investments.

***You don't have to believe its possible. Let someone show you its possible. – Butler***