

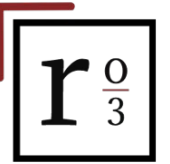
rule of three.



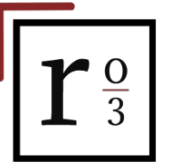
Healthcare Trends and Implications for Employers

February 15, 2024

Trends Shaping the Healthcare Landscape



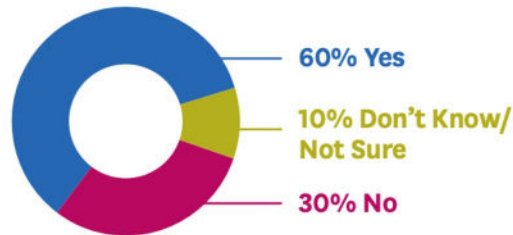
Consumer Demand for VBC is Growing



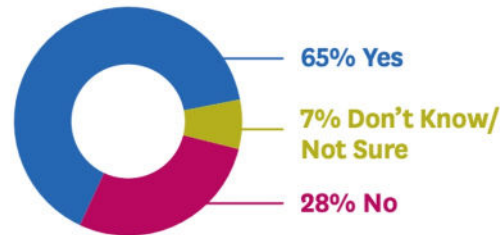
Have you heard the term 'value-based care'/'fee-for-service'?

EMPLOYER NATIONAL

Heard of Value-Based Care

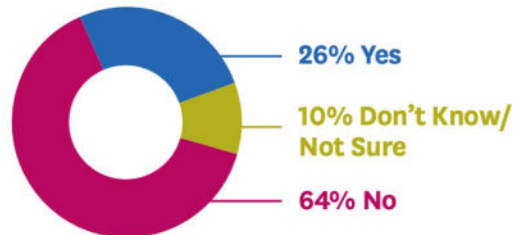


Heard of Fee-for-Service

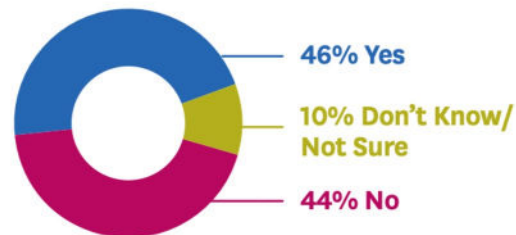


CONSUMER NATIONAL

Heard of Value-Based Care



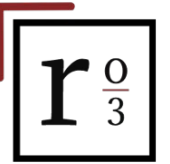
Heard of Fee-for-Service



“The survey showed that most consumers did not know the term, and even though 60% of employers said they had heard of VBC, **only 1/3 could provide an accurate definition.**

However, once given the definition of each, there was a **strong alignment towards the value-based payments compared to fee-for-service payments** approach across both audiences. Employers & consumers alike recognize it provides the **highest quality of care available that can keep costs down and meet their needs.**”

Value-Based Care Delivery Evolution



National Trends



ADVANCE EQUITY

Advance health equity by addressing the health disparities that underline our health system.

- Addressing disparities in rural and maternal health
- CMMI AHEAD model
- CMS SDOH measures



EXPAND ACCESS

Build on the ACA and expand access to quality, affordable health coverage and care.

- Drug price affordability
- Coverage transition (PHE unwinding)
- Improve safety/quality of care in nursing homes



ENGAGE PARTNERS

Engage our partners and the communities we serve throughout the policymaking and implementation process.

- Drug price affordability
- Partner with states/health plans to improve oral health



DRIVE INNOVATION

Drive innovation to tackle our health system challenges and promote value-based, person-centered care.

- Data to drive decision-making
- CMMI gene therapy model



PROTECT PROGRAMS

Protect our programs' sustainability for future generations by serving as a responsible steward of public funds.

- Focus on future of work at CMS
- Future pandemic preparedness



FOSTER EXCELLENCE

Foster a positive and inclusive workplace and workforce, and promote excellence in all aspects of CMS' operations.

- Integrate the 3Ms (Medicare, Medicaid/CHIP, and Marketplace)

Employer Implications

As the Federal government continues to **sharpen focus on value-based activities**, there will be both opportunities to **follow their lead** and for them to **learn from commercial success** in driving quality, cost, access, and experience outcomes.



What learnings from government models can be leveraged?



How do employers translate value-based care for their organizations?



How far should employers push to lead the way in value?

Payers Consolidating and Vertically Integrating



Humana



Humana exits employer insurance, pivots focus to government plans

Published Feb. 24, 2023



Humana opens 250th primary care center as it continues to focus on growth

By Paige Minenmyer - Jun 6, 2023 09:00am

U.S. News and World Report names Humana 2023 Best Overall Medicare Advantage Plan Company



CVS closes \$10.6B acquisition of Oak Street Health to expand primary care footprint

By Heather Landi - May 2, 2023 09:30am



OAK STREET HEALTH

CVS To Build More Than 50 Oak Street Senior Clinics In 2024

Trends in Louisiana



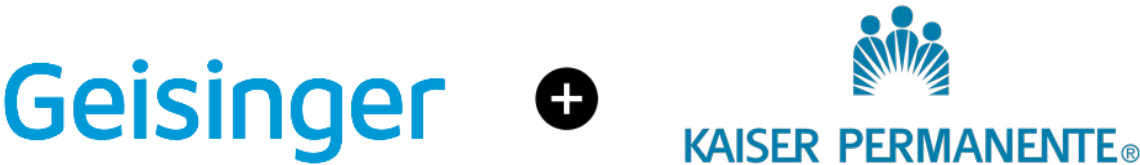
Provider Consolidation Taking New Paths



Cross market



VBC Play



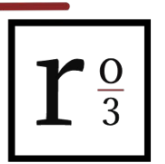
PE-Backed



Trends in Louisiana



Point of Care Networks a Hot Target for Employers



Array of Digital Health Opportunities

POINT OF CARE SOLUTIONS



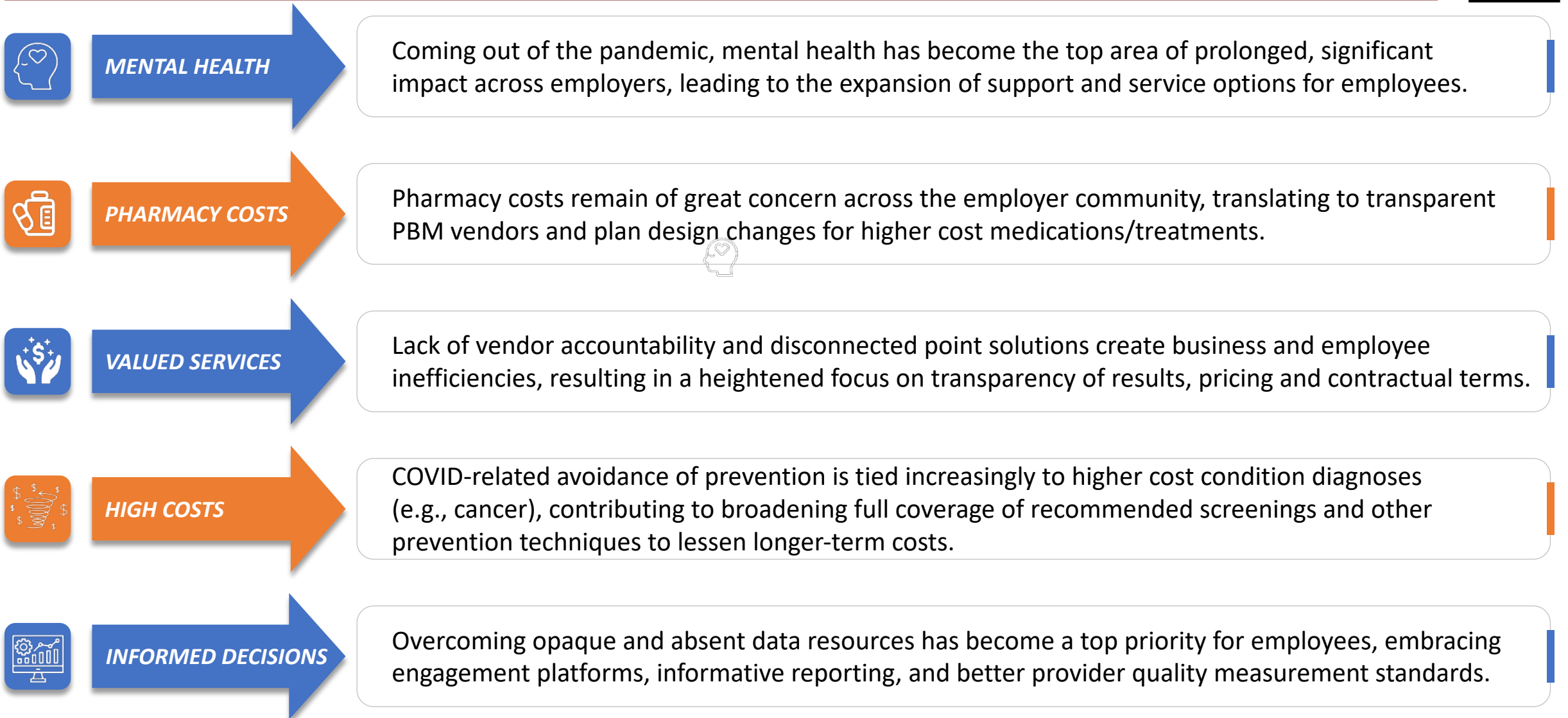
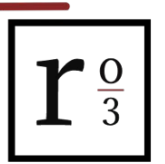
POINT OF CARE NETWORKS



Niche-Focused and Fragmented

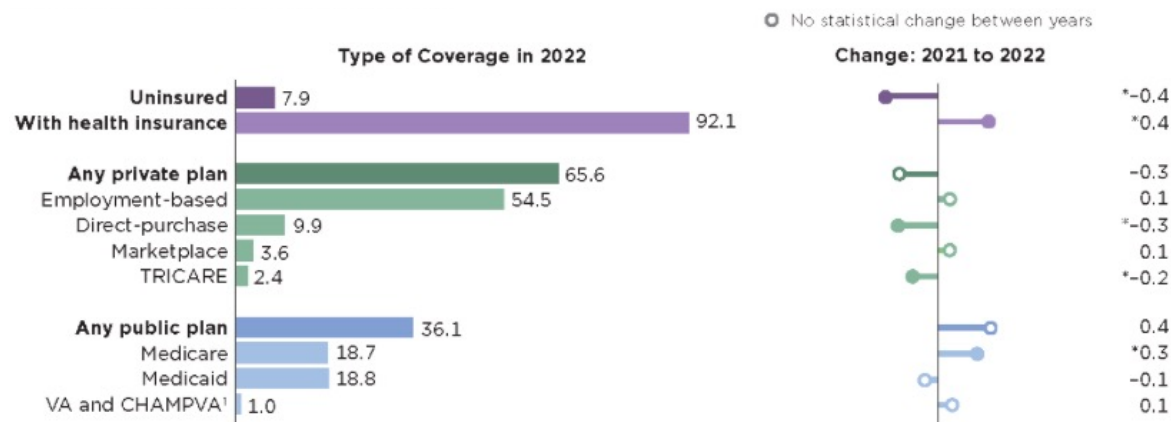
Comprehensive and Integrated

Strengthen Understanding of Employees



Employers Hold Golden Opportunity for Transformation r₀³

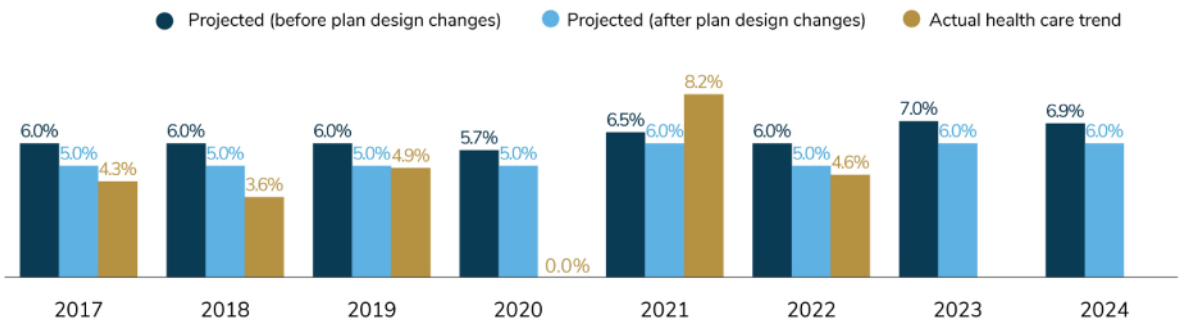
Percentage of Population by Type of Health Insurance Coverage and Change from 2021-2022



“After plan design changes, health care costs may **increase by 6%** in 2023 and 2024. This is **higher than historical increases.**”

Median Increase in Health Care Trend, 2017-2024
























2024 Large Employers’ Health Care Strategy Survey by the Business Group on Health



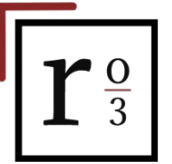
“Employers fund more than \$1 trillion of the U.S. health care ecosystem, and nearly half of Americans receive health insurance through an employer.”

But No Silver Bullets Exist



Employer Challenges	Potential Solutions	Examples
 Age Diverse Populations	<ul style="list-style-type: none">Tailored well-being solutions that cater to specific populations are becoming more common in VBC models.	   
 Continued Rise of Chronic Conditions	<ul style="list-style-type: none">Preventative health to avoid onset of chronic condition.Remote patient monitoring gives providers more info about patients' daily lives to better inform their care.	   
 Health Equity	<ul style="list-style-type: none">Hybrid care models enabling individuals to access care in based on what is best for their current needs.	    <small>Aetna Better Health® of Louisiana</small>
 High-Cost Conditions	<ul style="list-style-type: none">Emphasis on preventative health measures and better care navigation can both help with the affordability of high-cost conditions (e.g., cancer).	  
 Distributed Workforce	<ul style="list-style-type: none">Centers of Excellence negotiate rates with multiple health systems, so an employer doesn't have to manage rate negotiation across various providers.	  

Implications for **Employers**



Think longer-term. Avoid a health strategy focused on annual benefits cycles. Having a long-term view of the role of healthcare in your company strategy better positions the organization and workforce for success.



Embrace your fiduciary responsibility. With the passing of the Consolidated Appropriations Act, employers' fiduciary duty has expanded; monitor lawsuits to understand the CAA's true market impact.



Know your employees and their needs. Health benefits success has to be more than managing cost; especially in a tight labor market, providing what employees need and want is critical.



Evaluate all relationships. Many benefit plans are designed and delivered through legacy relationships; the pace of change in healthcare means new approaches may create more aligned value propositions.



Don't go it alone. Most employers lack the scale to make a significant impact on their own; coalitions and business groups of like-minded employers are better positioned to create a more sustainable future.