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Employers Focused on Improving Employee Health, Not Just Reducing Costs Per Houston Business Coalition on Health Survey

HOUSTON – May 11, 2018 – Most employers (83%) realized cost increases year over year with over 90% of employers taking on a larger share of expenses compared to what is passed to employees. These are among the findings of the 2018 Houston Employers Healthcare Benefits Costs, Trends & Interests survey released by the [Houston Business Coalition on Health](#) (HBCH). HBCH is a non-profit multi-stakeholder organization representing more than 2 million covered employees and their family members nationally.

“Improving the healthcare delivery system in Houston requires a better understanding of how employers are managing the performance of all of their health benefits investments to realize improved health and reduced costs,” said Chris Skisak, HBCH executive director. “Progress will require all stakeholders – including employers, providers and health plans to work more closely together.”

Additional findings:

- Preferred provider organization and exclusive provider organization medical plans remain the most popular plan options. They are offered by 65% of employers and 67% of employees are enrolled.
- Consumer-directed health plans or high deductible consumer-driven health plans are the most prevalent offering at 86% with a relatively lower employee enrollment at 20%.
- When asked if they are offering a narrow network plan which would include accountable care organization (ACO) plans, 18% of employers responded they are offering with 11% of employees enrolled. Given the geographic spread of employees in the survey and the local nature of ACO plans, this signals an important shift by employers to provider networks that provide a transparent mechanism to deliver cost effective care with better outcomes.
- In the face of rapidly increasing prescription drug costs, there was little movement in flat dollar copays for generic, formulary and non-formulary brand drugs. However, many employers are implementing other measures to address the high cost of pharmacy including. This includes creating a higher copay tier for specialty medications, using pharmacy clinical programs such as prior authorization, step therapy and exclusions, limitations on site of delivery, and adopting a coinsurance model or coinsurance combined with a copay model to share drug costs with employees.
- When it comes to tracking population health data, 80% of employers indicated they are doing so, but almost exclusively for medical and pharmacy claims. Only a small percentage track data to manage other important indicators of health and productivity such as disability, absenteeism, workers’ compensation, wellness, and biometric screening.
- Health literacy is a key indicator of lifespan and health care spend. More than 85% of employers are in some stage of offering education and guidance to become better healthcare consumers.

- More than 75% of employers rate obesity, diabetes, co-morbid conditions, and mental health in their top three conditions of concern.
- The average total premium cost for a family (employers and employees contributions) is \$20,883 and rising.

“We were surprised to see that just over half of large employers offer wellness programs,” said Ted Barrall, Director, Compensation and Benefits at Friedkin Companies, Inc., and an HBCH board member. “We’d like to see this number grow significantly because of the potential to positively impact employee health and productivity as well as health plan costs.”

Survey methodology

The 2018 employee benefits survey is based on 46 employer responses from Houston area employers representing more than 220,000 employees nationwide with 138,000 employees in the greater Houston area. Employers were asked to summarize 2018 medical benefit plan offerings including plan design, total cost and employee contributions. A representative mix of industries and employer size were represented. Survey services, graphic design and printing were donated by Higginbotham.

About Houston Business Coalition on Health

The non-profit [Houston Business Coalition on Health](#) is a leading resource for Houston employers dedicated to providing health benefits at a sustainable cost while improving the quality and employee experience of their delivery through effective benefits design. With 85 members, HBCH represents 800,000 local and more than 2 million national employer-sponsored lives. HBCH is an employer-centric multi-stakeholder organization focused on sharing of evidence-based strategies and practices to maximize benefits investments to improve health and health care. HBCH is a member of the National Alliance of Healthcare Purchaser Coalitions.

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