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Employee Health Trends 2024

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Meet the Springbuk Experts

Janet Young, M.D.
Clinical Analytics Advisor

With more than 30 years of experience, Janet Young has provided clinical expertise to the development of healthcare analytics used in provider, payer, employer, and government sectors. Janet joined the Data Science and Methods team at Springbuk in Dec. 2019, and has been responsible for clinical oversight of methods and models. Janet received her M.D. from Yale University School of Medicine.

Chris Gagen
Senior Director Professional Services

For the last 20 years, Chris Gagen has worked with benefits leaders and clients analyzing their healthcare claims data with a focus on financial and plan design modeling. He's gathered experience across collaborations with business leaders, product managers, data scientists, and software engineers to define and solve healthcare business problems.

Jennifer Jones, MSM, RD, CCWS
Vice President of Strategic Partnerships & Population Health Practice Leader

Jennifer Jones, MSM, RD, CCWS is an experienced healthcare professional with with over 20 years of experience in clinical dietetics, wellness programming, and employer health, and is a certified Corporate Wellness Specialist. She has worked in various settings including health care systems, occupational health organizations, and a health and welfare benefits advisory firm.

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Imagine a world where every healthcare and benefits program decision is backed and guided by data. **Springbuk is the health data analytics solution that equips you with the insights and expertise you need to sharpen your benefits strategy, advance employee health, and contain costs.** Beyond legacy data warehouses, we simplify data-driven decision-making with an intuitive user experience, predictive modeling, and curated action steps. Springbuk — a world of actionable health intelligence insight, at your fingertips.

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HEALTHIEST EMPLOYERS®

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Since 2009, Healthiest Employers® has been the leading recognition program for employer wellness. **Their goal is to be a resource for organizations focused on improving their employees' health, creating a community invested in their populations' health and well-being.**

Healthiest Employers has attracted over 10,000 employers from all 50 states, including 72% of the Fortune 100. Today, the Healthiest Employers community represents over 60 million employees or roughly one-third of the U.S. working population.

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The Healthiest 100 Workplaces in America award is Healthiest Employer's national recognition that honors the top 100 scoring companies from all regions, categories, and industries. If you apply for a regional award, your application is automatically considered for national recognition.

Learn more at healthiestemployers.com

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Each year, Springbuk releases the Employee Health Trends report based on aggregate data in our health data analytics platform. For 2024, that comprised data from more than 5,600 employer customers.

Unmasking the Persistent Trends in Employee Health

Over the last five years, we've had the opportunity and need to cover new trends within the healthcare ecosystem. **However, as we began mapping out the trends to cover in Employee Health Trends 2024, we quickly realized the hurdles employers are facing today are not new; they've only been masked by a global pandemic.**

The goal of this Employee Health Trends is to **highlight persistent and expensive trends affecting employee well-being and, consequently, employers' bottom line.** Throughout this report, we answer questions and cover topics including:

- **What continues to drive high-cost claimaints?**
- **Are specialty drugs really what's driving Rx costs?**
- **What is obesity really costing us?**

Embracing a Swift Change in Perspective

As our report's range of analysis has evolved, our end goal has remained the same: to empower employers and benefits leaders with actionable insights to improve health, manage costs, and understand strategy impact.

The inaugural report, released in February 2020, focused on emerging trends in mental health, chronic conditions, and opioid abuse. **At the time of its publication, we were uncertain about our audience's reception, given that discussing mental health and opioid abuse often felt "taboo."** However, we had no idea an impending virus would dominate the next three years and radically shift employers' focus and priorities.

As the world grappled with distress from a worldwide pandemic, **the impact on mental health became a top concern for employers and health benefits providers.** They also began to brace for the inevitable trickle-down effects on other areas of care, such as preventive care and high-cost claims.

Employers found themselves swimming through a tidal wave of uncharted waters as they tried to understand what resources could provide the care their employees needed.

Our team saw this sea change and went to work to provide timely information that was easy-to-understand and implement. Using each Employee Health Trends report as a vehicle, they covered trends, including:

2020

- Mental health
- Chronic conditions
- Opioid abuse

2021

- Telehealth
- Decrease in ER utilization
- Decrease in elective surgeries
- Mental health

2022

- Costs for hospitalized and non-hospitalized COVID-19 patients
- Increases in Medical and Rx specialty drug spend
- The ongoing utilization of telemedicine services & mental health
- The growing role of point solutions

2023

- Lingering COVID-19 effects
- Increased costs in treating Cancer
- Specialty Drugs
- Telemedicine and mental health

Unsurprisingly, COVID-19 dominated the conversation in 2021 and 2022, with a few whispers echoing into 2023. Following the subsequent shakeout from COVID-19, **our experts also covered how elements such as high-cost claims, specialty drugs, and delayed screenings** could shape the health-care landscape more than ever.

Mental health surged to the forefront. Once a sidelined issue, it claimed a recurring spot within each Employee Health Trends report, emphasizing the **growing recognition and importance of mental health** support in overall wellness.

Click the icon to view each year's report

An Evaluation of Usage, Cost, & Engagement Shifts in Mental Health

Crossing the threshold of the report's fifth year, our curiosity was piqued: Just how monumental were developments in the mental health trend? What shifts did we see in utilization, cost, and engagement?

Armed with data, our team recalled patterns and narratives to tell the stories of years past and how those stories would continue to influence the next chapter.

2020

In 2020, mental health conditions were highly prevalent, costly, and often co-occurring with chronic medical conditions. There were high rates in certain industries like healthcare and technology. Mental health drove a large portion of the increased cost per member.

19% of all members were diagnosed with a mental health condition

- The most common conditions were anxiety, depression, and ADHD

The average monthly cost for a member with a mental health condition was $847, more than double the cost for a member without one ($417)

- The most costly conditions were alcohol dependence, major depressive disorder, generalized anxiety disorder, and opioid dependence
- 69% of members with a mental health condition also had a chronic physical condition
- Members with both mental health and chronic conditions **had costs 262% higher** than those with just mental health
- Members with mental health conditions were 2x as likely to be high-cost claimants (over $50k)

2021

In 2021, the pandemic amplified certain mental health trends - anxiety increased notably among young women while treatment dropped for conditions like ADHD. There were differing impacts by age and gender. Employers responded by expanding mental health benefits.

Overall mental health trends differed significantly by age group

- Adults had a smaller initial drop and resumed treatment faster
  - For adults, anxiety disorders increased notably for women ages 18-25, 26-39, and 40-49
  - Depression rates maintained an upward trend
  - Alcohol/substance abuse treatment dropped significantly except for men over 50
- The top 3 conditions treated via telemedicine were depression, anxiety, and other behavioral health issues; none of the top conditions in 2019 were mental health-related
  - The gender treatment gap widened as ADHD visits dropped more significantly, impacting boys more
- 23.7% of members had a mental health condition in 2021; as these conditions rise, the lower cost of telemedicine provides an opportunity

2022

In 2022, **telemental health utilization stabilized at a "new normal" level,** remaining consistently high, especially among women 18-35. Most employers accelerated investments in mental health services due to pandemic concerns.

Telemental health utilization remained relatively stable in 2021, with 26.4 visits per 1,000 members in June 2021, only a 20% decrease from the April 2020 peak

- Telemental health rates exceeded all other telemedicine rates for the first time

Employers were concerned about long-term mental health issues resulting from the pandemic - 91% anticipated an increase, according to a survey by the Business Group on Health

- 87% of employers accelerated access to mental health services in response to the pandemic

2023

In 2023, **mental health remained the top condition treated via telemedicine.** The top telemedicine conditions were depression, anxiety, and other behavioral health issues. Employers continue to prioritize expanding virtual mental health access.

Mental health remains the top condition treated via telemedicine, accounting for 60% of telemedicine encounters

- However, only 31% of mental health encounters were conducted via telemedicine

The top 3 conditions treated via telemedicine were depression, anxiety, and other behavioral health issues. None of the top conditions in 2019 were mental health-related.

- Employers continued to prioritize expanding virtual mental health services - 54% say it is a top priority for 2023
- Mental health telemedicine visits cost significantly less than traditional visits

While assembling the "look back to look forward," we were reminded that mental health is not one singular trend but rather a collection of smaller patterns. To broaden the extent and reach of this story, we utilized data from the Healthiest Employers® program application.

For the past decade, Healthiest Employers has celebrated the Healthiest 100™ Workplaces in America as part of their national awards program, administered by Springbuk. This program honors the "best of the best" in corporate health and wellness. All companies on the list participated in a regional application process, **which includes an assessment comprising six categories**.

- Culture & Leadership Commitment
- Communications & Marketing
- Foundational Components
- Programming & Interventions
- Strategic Planning
- Reporting & Analytics

The insights from the Healthiest Employers' application reinforced the story found in Springbuk data:

Mental Health Programming Increases Significantly:

- **Virtual counseling/therapy: 92% in 2023 vs 79% in 2019**
- Suicide prevention resources: 82% in 2023 (not asked in 2019)
- Meditation apps: 58% in 2023 (not asked in 2019)
- Peer support groups: 48% in 2023 (not asked in 2019)
- Mental health first aid training: 38% in 2023 (not asked in 2019)

Lifestyle Programs:

- **Mindfulness programs increased from 75% in 2019 to 85% in 2023**
- Depression management programs increased from 73% in 2019 to 85% in 2023

Measuring Mental Health:

- **Tracking depression prevalence increased from 39% in 2019 to 69% in 2023**
- Tracking depression care gaps increased from 28% in 2019 to 56% in 2023

Reflecting on 2022:

A Recap of Where We Stood & What Lies Ahead

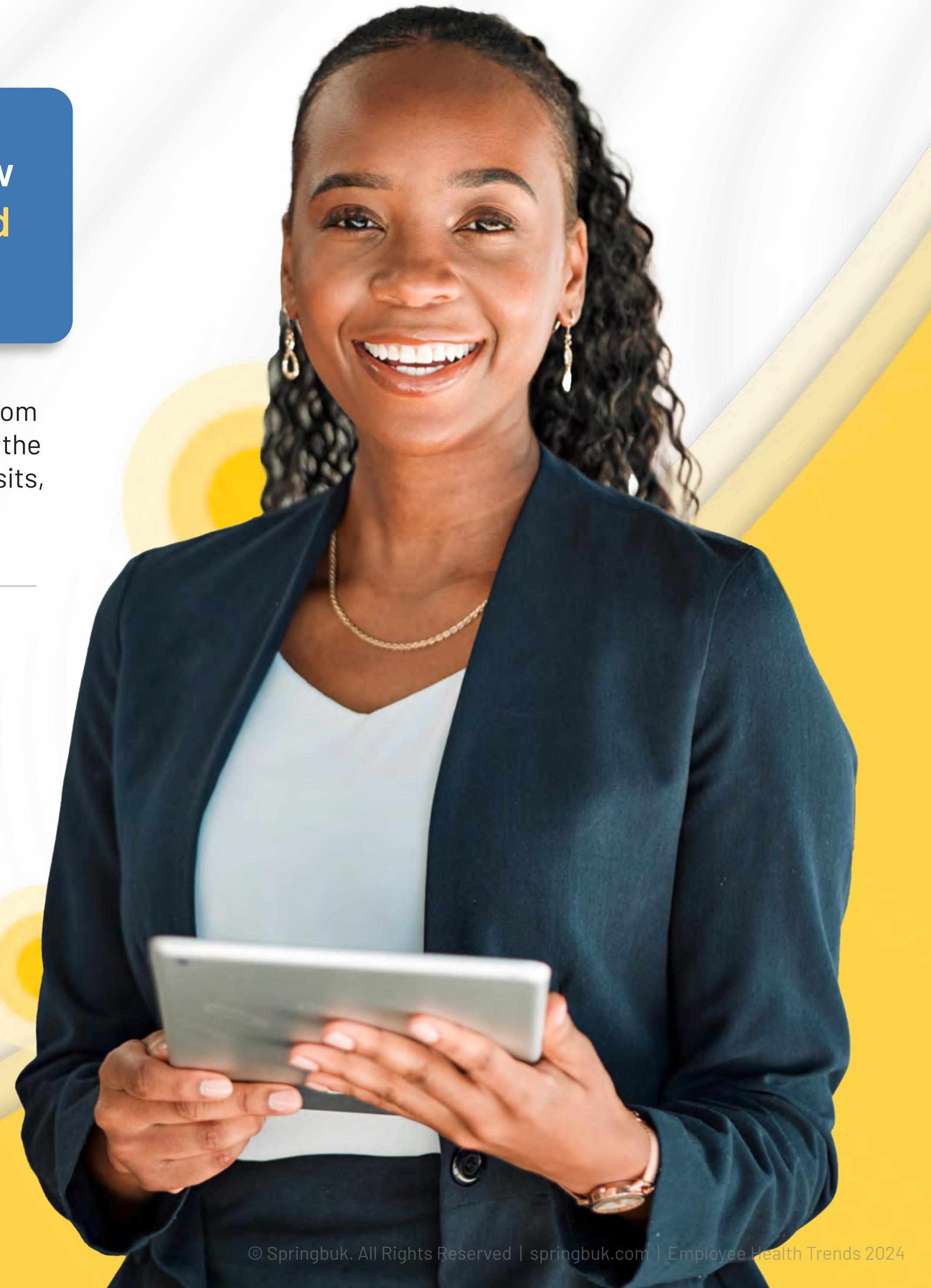
With a comprehensive view of what has shaped the last few years, our question quickly shifted to: how did last year end up and where are we now?

When we concluded last year's Employee Health Trends report, we were still waiting on the final data from 2022. **We anticipated the second half of the year would be more expensive than the first half,** driving up the overall trend as more individuals reach their deductibles and due to members engaging in screenings, visits, and surgical procedures before their benefits expired at the turn of the year.

The data analyzed across our Book of Business (BoB) confirmed our team's hypotheses and gave us strong, new insights. Here's what we found after all 2022 runout data were available:

+2%

2022 calendar year ended with a 2% overall increase ($473 to $482) in medical & Rx PMPM plan paid

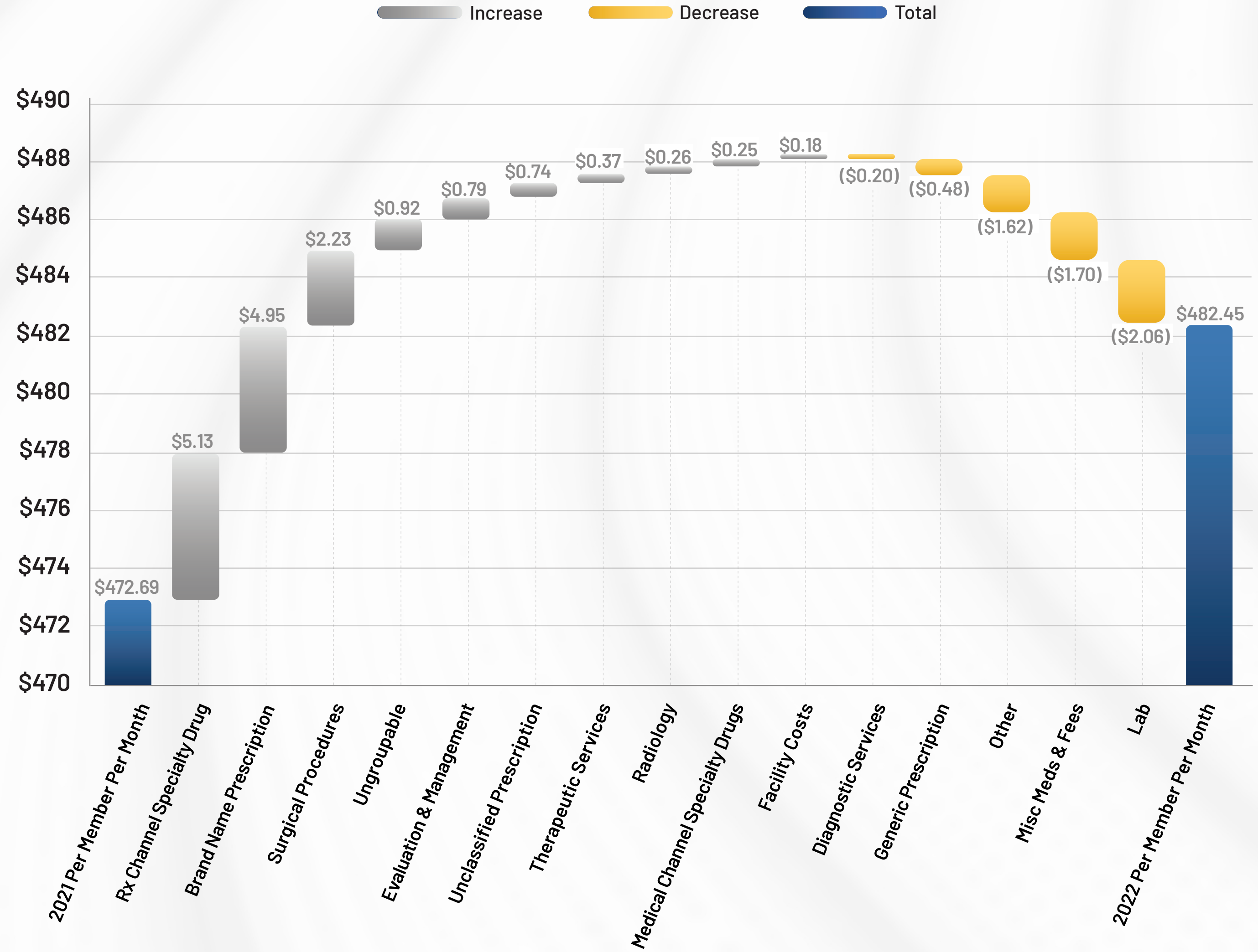


To gain a better understanding of what drove the increase in 2022, **we broke down the PMPM* by service classification:**

1. 2022 saw pharmacy claims as the driving force behind trend **(up 10.5%)**
   - Rx channel specialty drugs and brand name drugs were top, almost equal, drivers
   - In contrast, 2021 saw medical claims as the driving factor of trend **(up 14.5%)**, driven by facility costs and medical channel specialty drugs; both leveled off in 2022
2. From the medical side of claims, surgical procedures were a top trend driver, specifically within gastrointestinal diseases

*PMPM = Per Member Per Month

2021 - 2022 Per Member Per Month Change by Service Classification

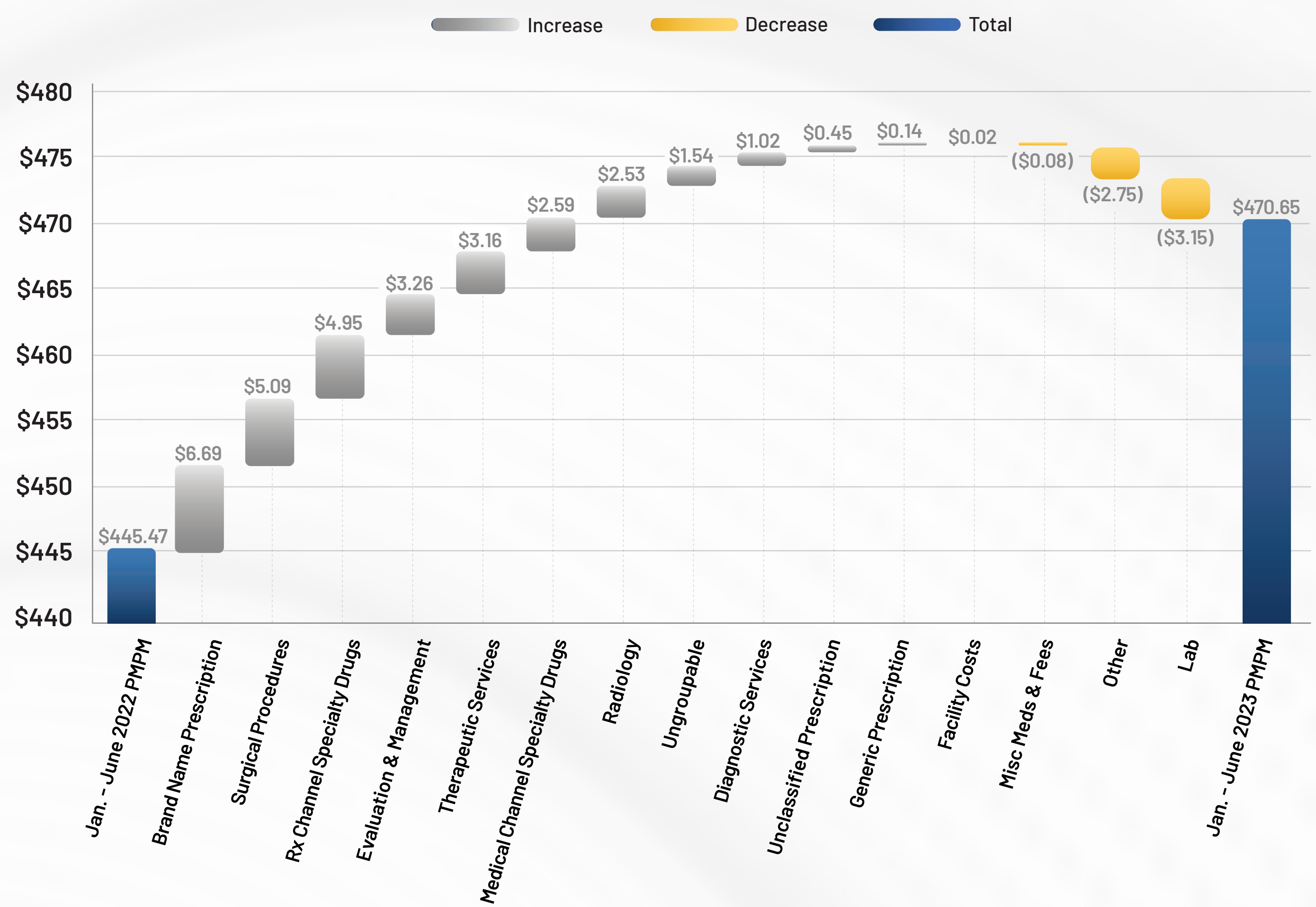


In 2023, we are seeing the same top 3 trend drivers through the first 6 months when compared to 2022:

- Brand Name Drugs
- Surgical Procedures
- Specialty Pharmacy

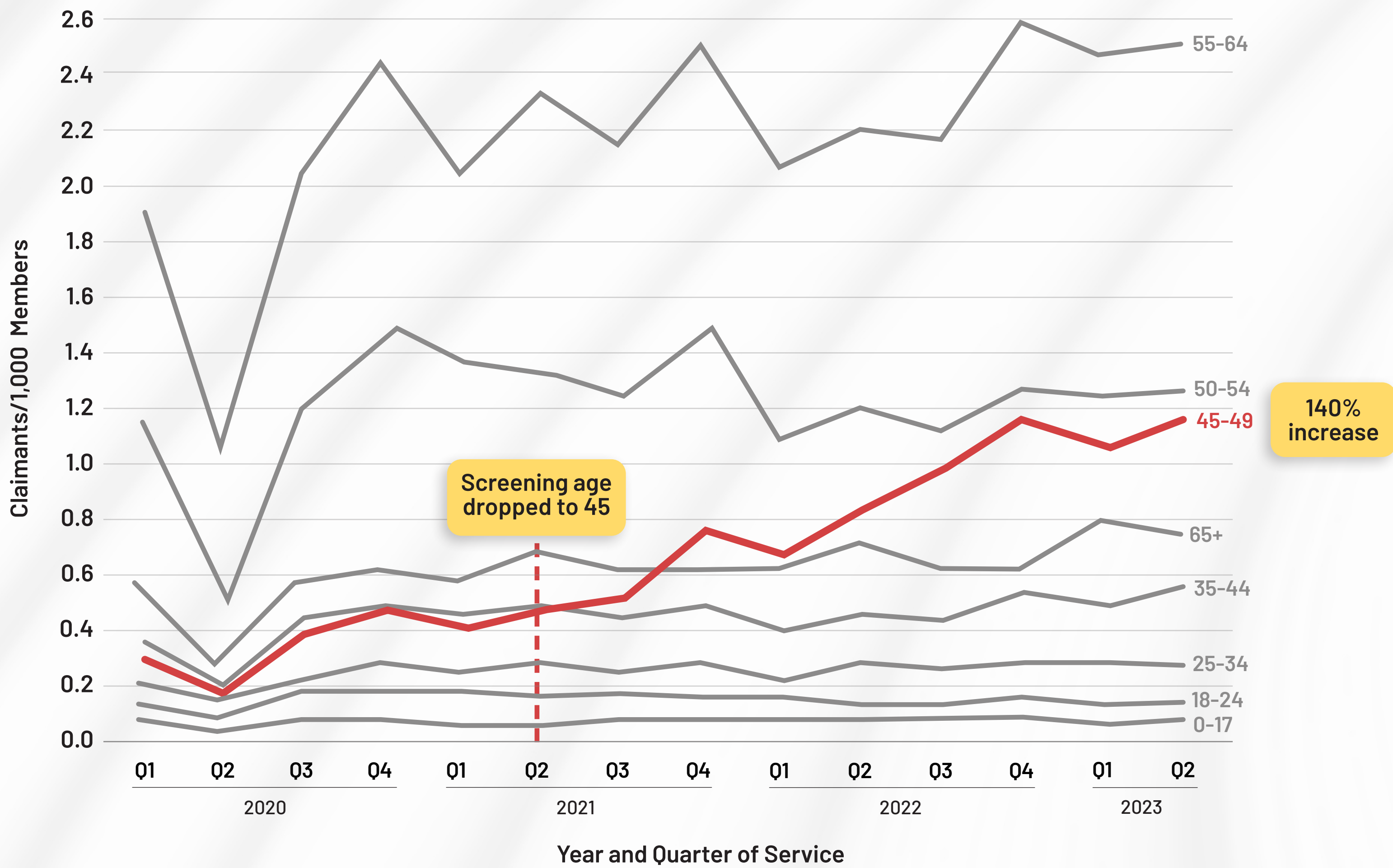
It's important to note that colonoscopies with biopsies or lesion removals were key drivers of the increase in surgical procedure spend. This is largely due to the United States Preventive Services Task Force (USPSTF) recommending lowering the colorectal screening age from 50 to 45 for those at average risk in May 2021.

Per Member Per Month Change by Service Classification First Half of 2022 to First Half of 2023



Gastrointestinal Diseases

Colonoscopy with Surgical Procedure Trend by Age Group



From Q2 2021 to Q2 2023, data indicates a 140% increase in these colonoscopy procedures for those aged 45-49.

Our experts deem this to be a good cost - while payers will cover the cost of this screening for more individuals now (increasing cost in the short term) these screenings have the potential to have a positive, long-term impact:

- Detecting the early stages of colorectal cancer makes it more treatable
- Detecting and removing precancerous polyps can help prevent cancer
- Potentially getting ahead of high-cost cancer patients

Leverage Health Intelligence to Compare Spend

For each service that occurs, different types of claims, facility and professional, can result. **For example, a colonoscopy could generate a facility claim and multiple professional claims for the pathologist, anesthesiologist and gastroenterologist.** And, as employers account for this "good" cost, it will be important to evaluate spend across facilities to ensure they aren't being gouged at one facility vs. the other.

To help accomplish this, intelligent solutions like **Springbuk Answers™** can quickly present the answer to your question with benchmark comparisons. This might be particularly important if many of your employees need colon cancer screening in the upcoming year, as it can help them better predict future spending.

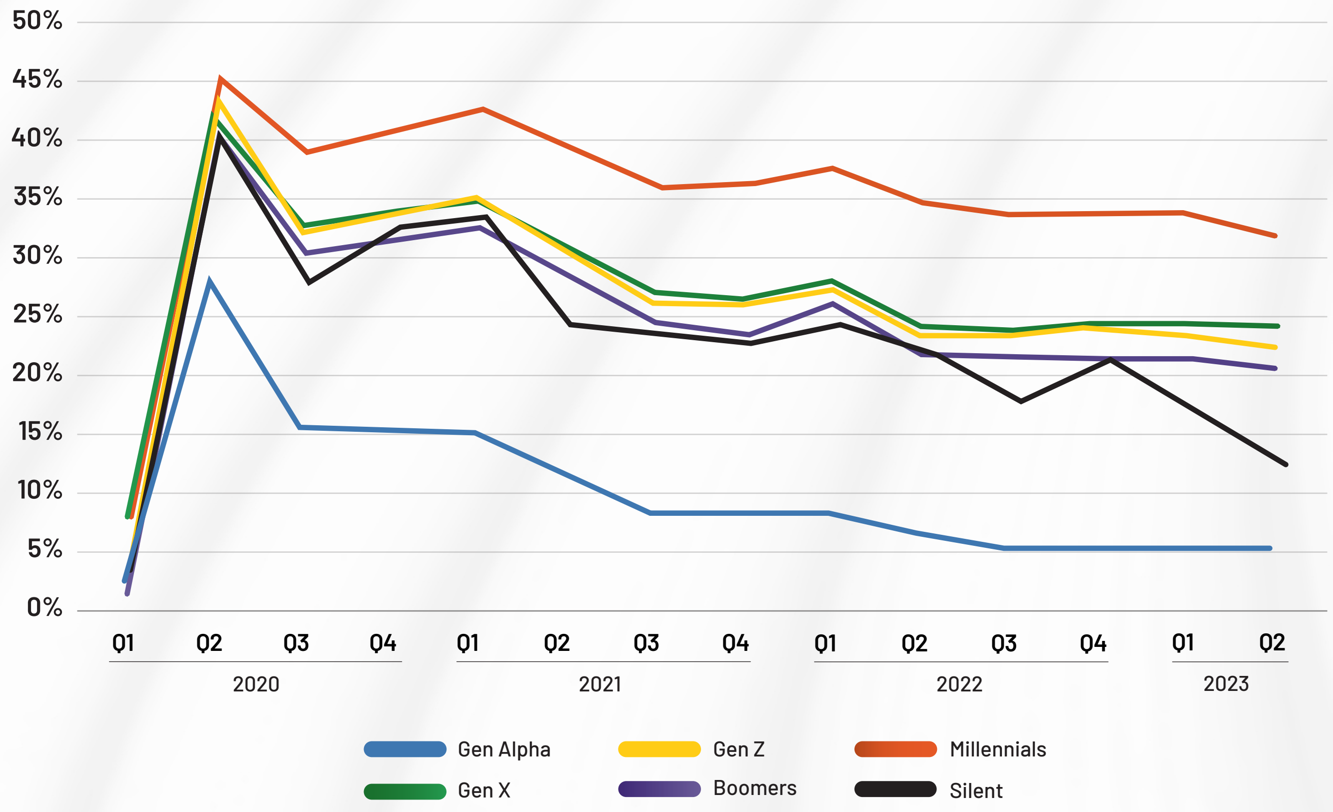
Leveraging advanced **health intelligence**, Answers provides related topics and questions that empower you to drive action and results. With this solution, you can:

- Identify the top providers for various services and compare spend to make informed decisions
- Dive deeper in your search with related questions – a guided search that provides the answers you will need to drive impactful results
- Browse by suggested topics based on your data and the knowledge of expert clinicians and data scientists

To no surprise, **mental health (anxiety, depression, and other behavioral health) continues to be a top concern for employers in 2023 and going into 2024.** We have analyzed these trends in the past, calling out the utilization trends by gender and age groups.

Percent of Mental Health Visits That Are Telemedicine

By Generation Over Time



See glossary for definitions of generations

Springbuk data shows that employers continue to see telemedicine as a viable option to provide healthcare to their members/employees, likely because of several reasons, including cost, access and availability, and convenience:

- **Increased Efficiency and Productivity:** Less time away from work, save time on travel and waiting rooms, directing members' focus to meaningful discussions
- **Increased Accessibility:** Telemedicine can bring healthcare to members' doorsteps, overcoming geographical and logistical barriers in some instances
- **Heightened Comfort:** Engaging in a consultation from the comfort of a member's space can make important conversations easier for many individuals
- **Cost-Effective:** Telemedicine may come at a lower cost than traditional healthcare, potentially reducing expenses for both the employer and the employee while still providing quality care when it comes to Telemedicine utilization

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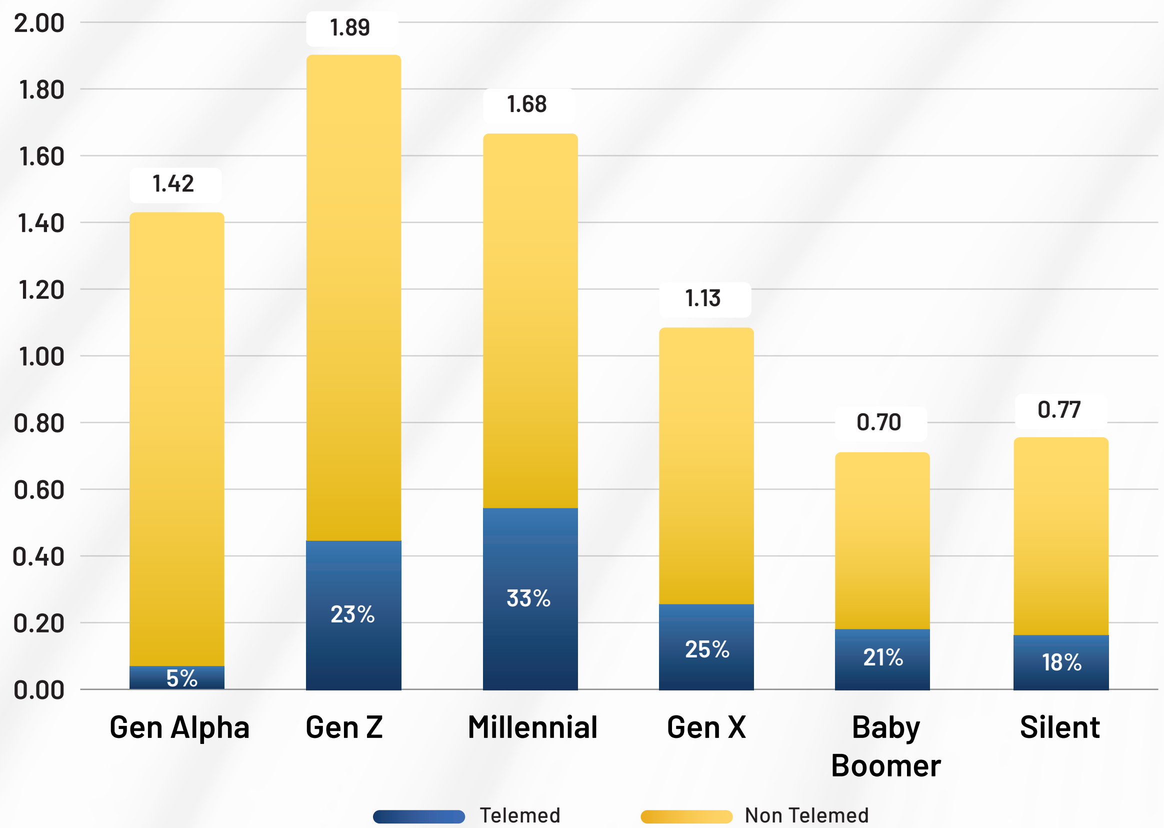
Mental Health Visits Per Member Per Year With Percentage Telemedicine per Generation

(Incurred July 1, 2022 - June 30, 2023)



See glossary for definitions of generations

"This year, we looked at grouping these members by their generational definitions. **Generational classifications can be useful when trying to understand differences in consumer behavior based on preferences and attitudes developed through one's lifetime based on when they were born.**

Mental health is an interesting use case because we might expect differences in both diagnosis rates and treatment patterns between cohorts based on different environmental influences."

— **Chris Gagen**, Sr. Director, Professional Services

It is important to understand the demographic makeup of your population to set expectations or develop communications when it comes to telemedicine utilization. For example, Gen Z is often considered "digital natives" as it is the first generation to grow up with the internet as part of their daily lives.

- The telemedicine trend for mental health is consistently highest for Millennials since the pandemic started in 2020 (currently hovering around 33%)
- **Gen Z has the highest mental health encounter rate of all generations but is only using telemedicine services 23% of the time (an opportunity to increase telemed utilization within this high-utilizing group)**
- The newest generation (Gen Alpha), although engaging significantly in mental health services, is rarely using telemedicine. Some of this is expected as the mix of conditions is different for this young cohort (higher mix of Autism Spectrum and Development disorders); however, there is still opportunity by increasing parental buy-in to telemedicine where appropriate

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Incorporating data from a recent KFF survey, when asked how important they felt telemedicine would be in providing care to employees going forward, employers shared:

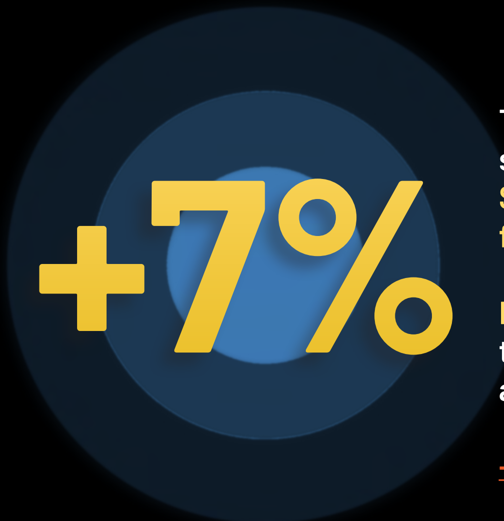
- **Overall** – 28% of firms say that telemedicine will be "very important" to provide access to enrollees in the future, and another 32% of firms say that it will be "important."
- **Behavioral Health Services** – 41% say that telemedicine will be "very important" in providing access to behavioral health services in the future, and another 30% say that it will be "important." Larger firms (1,000 or more workers) are more likely than smaller firms to say that telemedicine will be "very important" to providing access to behavioral health services. (57% vs. 40%).
- **Primary Care** – 27% say that telemedicine will be "very important" in providing access to primary care in the future, and another 34% say that it will be "important" to provide access to primary care.
- **Specialty Care** – 16% say that telemedicine will be "very important" in providing access to specialty care in the future, and another 30% say that it will be "important" to provide access to specialty care.

60% **Say providing access to telemedicine is paramount**

Looking forward at the overall 2023 trend, **we expect the year to end with an increase of 5.7% in total ($482 to $510)**

(Total Plan Paid PMPM)

Driven by the continued increase in the use of expensive brand name and specialty drugs, pharmacy drugs will have another year of double-digit increases - 11.3% predicted for year-end 2023.



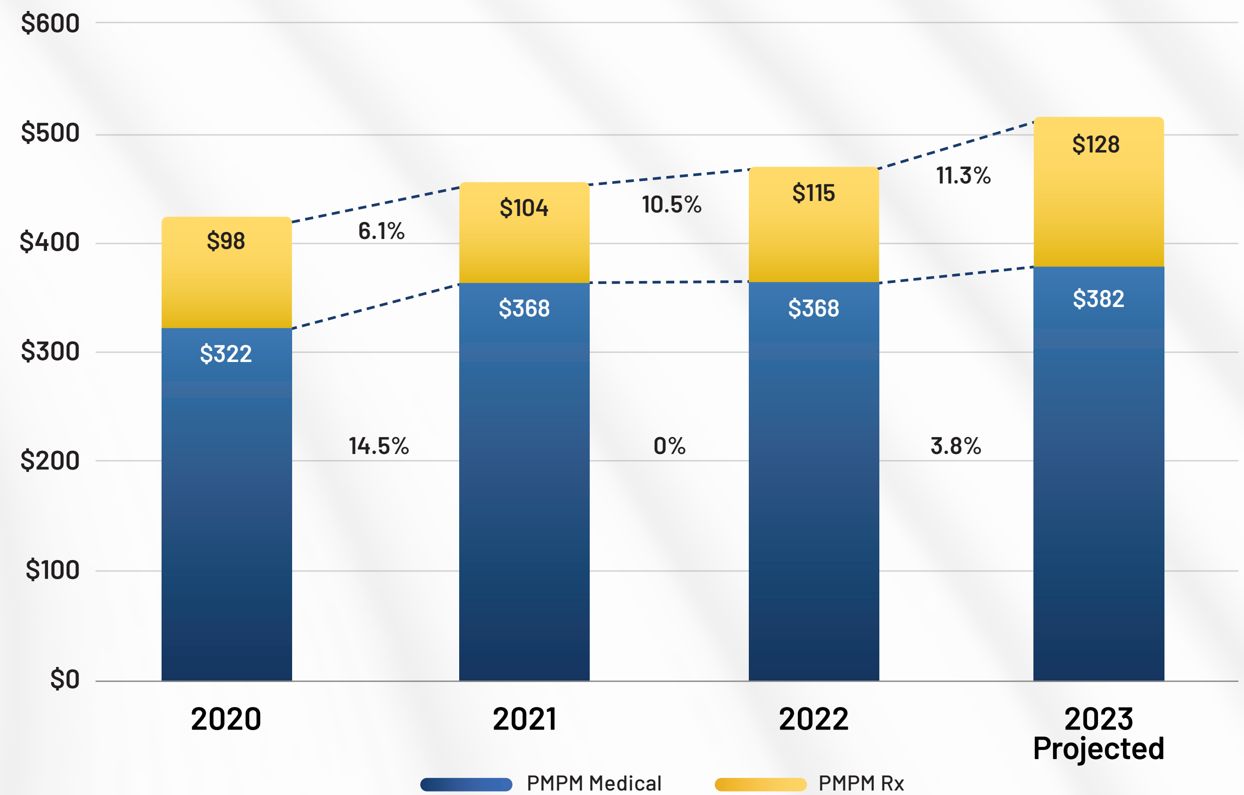
The average annual premium for employer-sponsored health insurance in 2023 is $8,435 for single coverage and $23,968 for family coverage

Both up 7% from the prior year and higher than average increases in workers' wages and inflation (5.2% and 5.8%, respectively)

- KFF Survey

Total Plan Paid Per Member Per Month

Incurred Years (2023 Projected)



CHAPTER ONE

High-cost Claimants

Unmasking the Ongoing Trend Drivers of High-cost Claimants

Employers often focus on high-cost claimants because of their outsized impact on healthcare costs. Influenced by rampant inflation, employee turnover, and new employee needs, this issue only becomes more complex. **And despite putting preventative measures in place, these high costs can start to feel like a persistent cough that's overstayed its welcome.**

"**Employers often use a static threshold of $50,000 or $100,000 to define high-cost claimants. As costs continue to rise, employers may wish to use a percentile ranking (e.g. 99th percentile) based on total paid each year in determining an appropriate threshold.**"

— **Janet Young**, M.D. Clinical Analytics Advisor

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In knowing the constant battle employers endure with high-cost claimants, our team's primary goal was to identify the specific conditions within cost categories defined by different thresholds that drive high-cost spend.

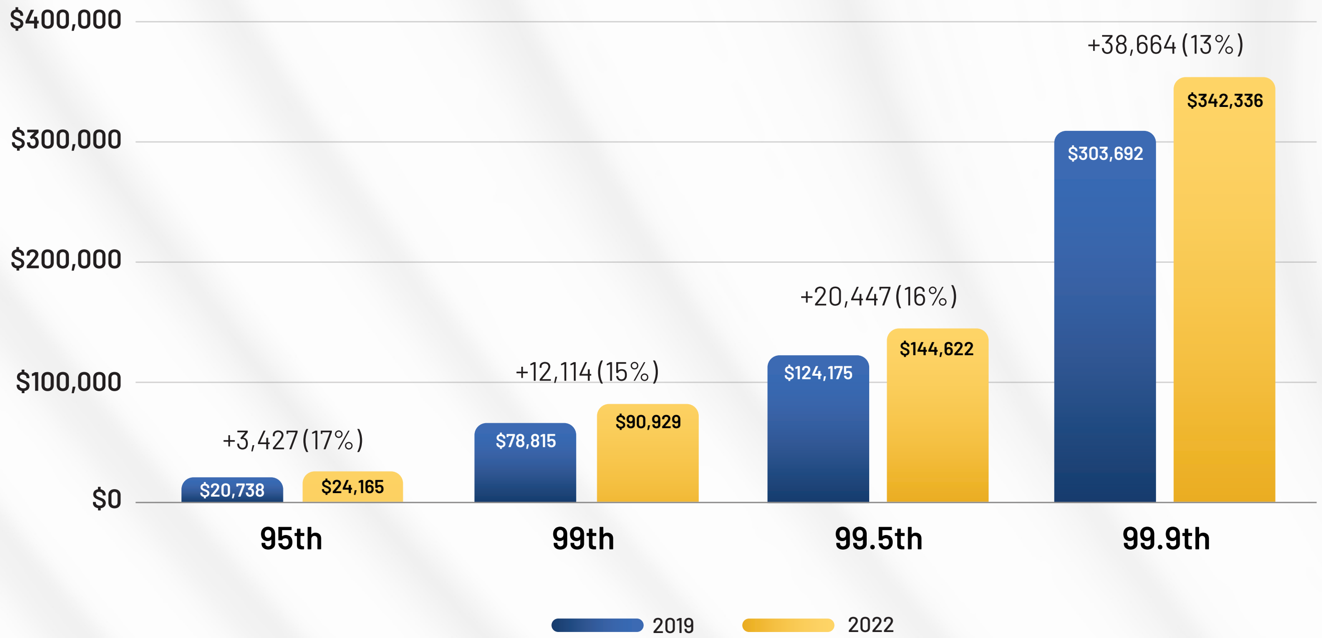
To achieve this, we started from the top, **comparing the total plan paid by percentile ranking (e.g. 99th percentile) from 2019 to 2022.**

After that, we looked at how different thresholds of high-cost claimants have changed over the last few years by **looking at the percent of claimants who fall into four different high cost categories:**

- $50,000 - $99,999
- $100,000 - $249,999
- $250,000 - $499,999
- $500,000 +

Increase in Plan Paid by Percentile Ranking

Between 2019 and 2022*



*This graph shows how thresholds at different percentile levels have changed between 2019 and 2022.

+15%

***In this instance, if we consider high-cost claimants to be the top 1% of members based on plan paid, the threshold has increased by 15% from 2019 to 2022** ($78,815 compared to $90,929).

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Upon initial analysis, our team found that in 2022

1 out of every 1,000 members

is likely to have total paid over $340,000

5 out of every 1,000 members

are likely to have total paid over $140,000

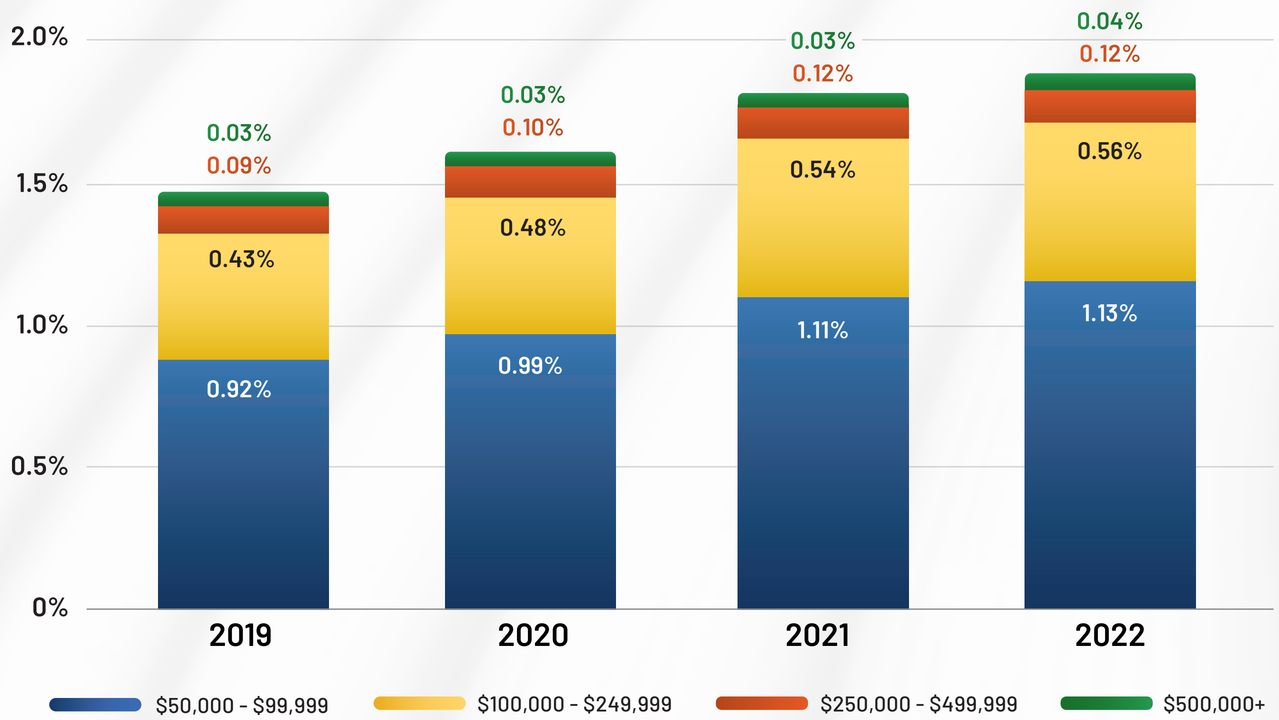
Alarmed by these insights, we wondered:

- What is the trend in members who qualify as high-cost claimants?
- How does that impact plan paid?

What is the Trend in Members who Qualify as High-cost Claimants, and How Does that Impact Plan Paid?

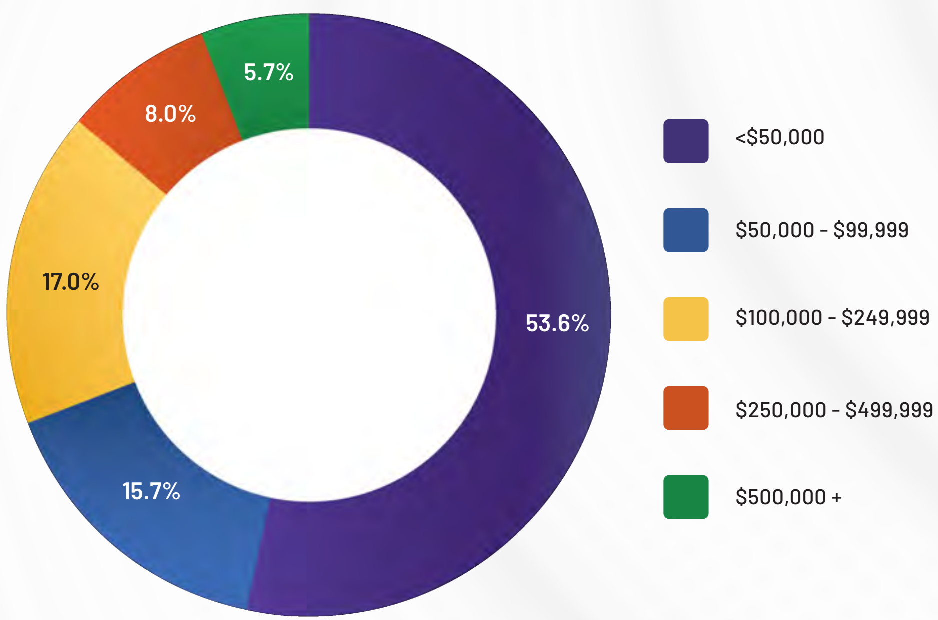
Members within the highest cost categories have an outsized impact on an employer's total cost for the year. **Although few members have plan paid exceeding $250,000 (about 1.6 per 1,000 members), these members contribute 12.7% of total spend.**

Percent of Members by High-cost Category



The percent of members with annual plan paid amounts exceeding $50,000 has increased from 1.47% in 2019 to 1.84% in 2022

2022 Contribution to Total Paid by Claimant Cost Category



The percent of total plan paid due to members with annual costs exceeding $50,000 has increased from 43.8% in 2019 to 46.4% in 2022

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With this surge in members meeting higher thresholds, we leaned even further into the data; because while employers cannot necessarily predict ***who*** will be a high-cost claimant, we can identify ***what*** conditions are most likely to drive the cost that make members high-cost claimants.

*Neonatal disorders with perinatal origin (e.g. respiratory distress)

**Except prostate

What Are Top 10 Conditions Based on High-cost Claimant Threshold?

Most Common Condition → Least Common Condition

$50,000 - $99,999	$100,000 - $249,999	$250,000 - $499,999	$500,000 +
Psoriasis	Inflammatory bowel disease	Malignant neoplasm of breast	Leukemia
Adult rheumatoid arthritis	Malignant neoplasm of breast	Malignant neoplasm of pulmonary system	Other neonatal disorders with perinatal origin*
Inflammatory bowel disease	Ischemic heart disease	Cystic fibrosis	Malignant neoplasm of breast
Ischemic heart disease	Multiple sclerosis	Multiple myeloma	Lymphoma
Multiple sclerosis	Joint degeneration, localized - back	Chronic renal failure	Malignant neoplasm of pulmonary system
Joint degeneration, localized - knee & lower leg	Psoriasis	Inflammatory bowel disease	Multiple myeloma
Joint degeneration, localized - back	Chronic renal failure	Ischemic heart disease	Sepsis
Malignant neoplasm of breast	Malignant neoplasm of pulmonary system	Malignant neoplasm of genitourinary system**	Hemophilia
Diabetes	Adult rheumatoid arthritis	Other neonatal disorders with perinatal origin*	Malignant neoplasm of skin, major
Pregnancy, with delivery	Leukemia	Leukemia	Malignant neoplasm of genitourinary system**

High drug costs and surgical costs (highlighted in grey) dominate the top conditions with lowest cost thresholds.

Cancers (highlighted in yellow) dominate top conditions with highest cost thresholds.

- When it comes to categories defined by lower cost thresholds, the conditions associated with high drug or surgical costs make up the majority of top conditions
- As the thresholds increase, we find that cancers take over as the most common conditions
- **While only 1 of the top 10 conditions in the $50,000 - $99,999 category is related to cancer, 7 of the top 10 conditions in the $500,000+ category are forms of cancer**

These insights emphasize the severity of the costs associated with cancer treatments. They highlight the importance of regular, preventive screenings and active research **for more cost-effective treatment options.**

> "In knowing the cost implications of cancer treatment, **it's important for employers to consider newer, preventative technologies.** This can include screenings such as Grail testing, a procedure that extends our capabilities in early cancer detection, identifying numerous other cancers that previously eluded screening. However, I would be remiss if I did not call out that **while they may identify cancers that previously eluded screening, this needs to be balanced against the high false positive rate,** which can result in additional expensive testing and patient anxiety."

Jennifer Jones, MSM, RD, CCWS
Vice President of Strategic Partnerships
& Population Health Practice Leader

Are the Same Members Likely to be High-cost Claimants from Year to Year?

2021 Category \ 2022 Category	$50,000 - $99,999	$100,000 - $249,999	$250,000 - $499,999	$500,000 +
<$50,000	63.46%	49.54%	40.79%	35.32%
$50,000 - $99,999	21.01%	15.20%	8.55%	6.80%
$100,000 - $249,999	6.22%	22.02%	20.07%	11.04%
$250,000 - $499,999	0.87%	3.91%	18.60%	14.68%
$500,000 +	0.29%	0.85%	3.04%	17.60%
Not Enrolled	8.15%	8.47%	8.94%	14.56%

Highlighted in Blue
Percent of members in cost category **who were NOT** a high-cost claimant in 2021

Highlighted in Yellow
About 1 in 5 members in each high-cost category **was in the same high-cost category in the previous year**

1/3

About 1/3 of claimants with spend > $50,000 in 2022 had claims exceeding that threshold in 2021, making it hard to predict each year who will be a high-cost claimant.

$

Members in highest cost categories were **more likely to have been high-cost claimants in the prior year** than those in lower high-cost categories.

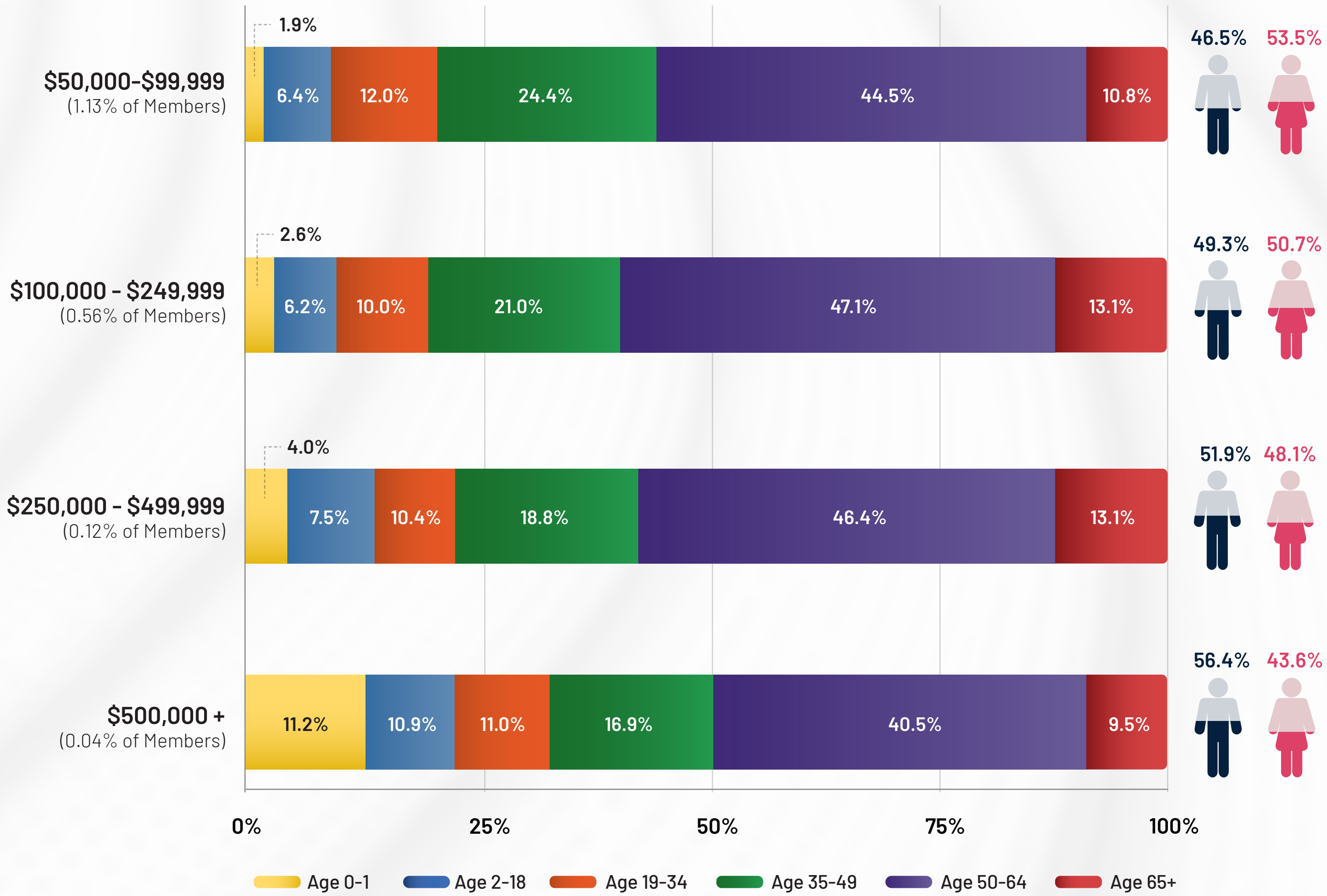
While we often hear that most high-cost claimants were not high-cost claimants in the prior year, **we found that was true, but with an important caveat. Moving to higher cost thresholds, we see greater percentages of members who were a high-cost claimant in the previous year.**

In fact, **over half of the high-cost claimants who met at least the $100,000 cost threshold were high-cost claimants in the prior year,** and 2/3 of the small number of members who met the $500,000 threshold.

What are the Demographics of High-cost Claimants?

Applying a more granular analysis to understand the relationship between member demographics and high-cost claimants, we began to break down the four high-cost claimant categories by age group and gender.

High-cost Claimant by Age Group



While most high-cost claimants are between ages 35 and 64, we see increasing percentages of younger members as cost thresholds increase.

- In every high-cost category, **members are most likely to be in the 50-64 age group,** followed by the 35-49 age group
- We see a **higher proportion of women in the lower-cost categories,** while higher-cost categories have a higher proportion of men
- We also note that **over 10% of members in the highest cost category are under age 2.** These are typically new-borns with serious issues either due to premature births or congenital anomalies

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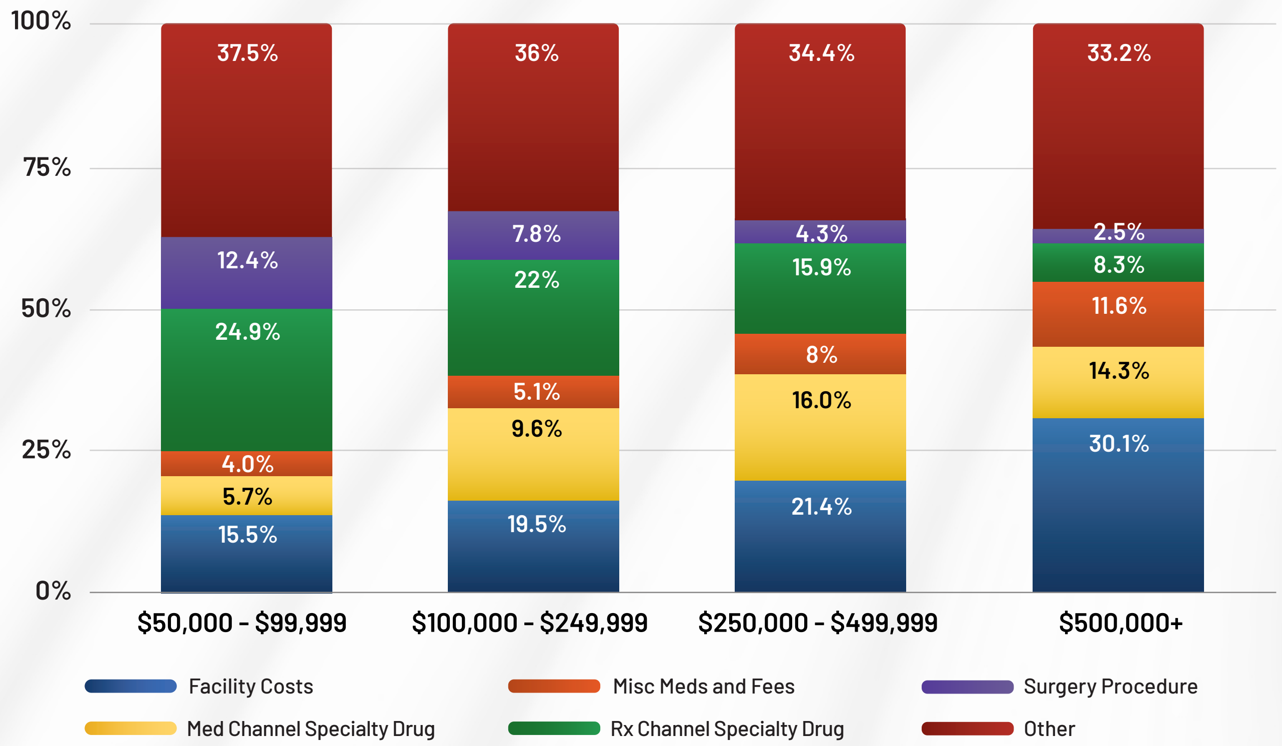
"As we see a higher prevalence of women in lower-cost categories and an increase of men in higher-cost categories, **it is important for employers to use all the data available to truly get to know their population** and understand how their conditions may impact their members. With this, they can implement targeted strategies, such as tailored wellness programs or gender-specific health initiatives."

Jennifer Jones, MSM, RD, CCWS
Vice President of Strategic Partnerships
& Population Health Practice Leader

The final variable in our high-cost claimants analysis was cost contribution by service class within high-cost categories. The findings would help break down types of services driving costs and hone in on potential cost-mitigation opportunities or strategies.

High-cost Claimants 2022

% of Total Paid by Service Class



Rx Channel Specialty Drugs are the largest driver of plan paid cost at lower thresholds. As thresholds increase, facility costs and medical specialty drugs become top drivers.

Across the four cost categories:

- Services driving costs are **consistent with those associated with the most frequent conditions** within the cost category
- In lower cost categories, where we see a high frequency of inflammatory conditions, **specialty drugs are the main driver of cost**
- **We also see a higher proportion of spend on surgery,** due to the inclusion of conditions like degenerative arthritis of the back, knee, and lower leg which is associated with costly surgery
- Within higher cost categories, **we see facility costs and medical channel specialty drugs as drivers** due to costly cancer treatment and care of sick newborns

Employers' Roadmap:
Navigating High-cost Claimant Spending - What's Next?

1. **Understand the population at greatest risk of becoming a high-cost claimant based on conditions, history of being a high-cost claimant, and demographic information.**

2. **Consider whether the use of a clinical program partner addressing specific conditions or services would be cost-effective based on areas of greatest risk.**
   - Springbuk customers can see potential opportunities in savings and program engagement – all in one place – with the Springbuk Activate marketplace, which matches employers with possible partners based on their population's health needs or risks.

Areas addressed in the Springbuk Activate marketplace that are associated with high-cost claimants include:

- Cancer management
- Drug utilization
- Musculoskeletal disease
- Second/expert medical opinions
- Dialysis cost containment solutions

Employers' Roadmap:
Navigating High-cost Claimant Spending - What's Next?

3 Cancer is the most frequent condition driving high-cost claimants in categories $250,000 and over

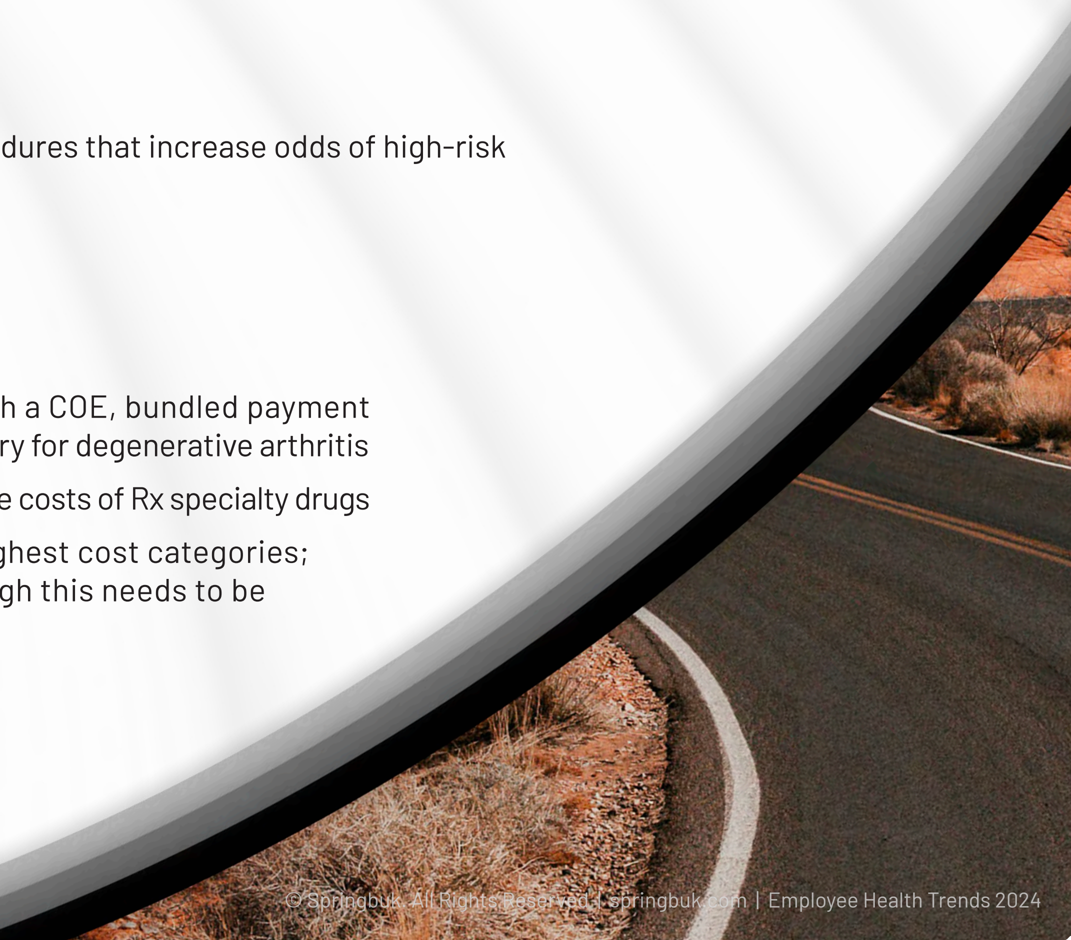
- Screening exams to find cancer early may prevent costly treatment due to high-stage cancers for some cancer types
- Promote wellness to decrease cancer risk – smoking, obesity, and environmental factors are contributors to many forms of cancer
- Consider partnering with a Center of Excellence (COE) to ensure high-quality care for cancer patients, which may lead to lower costs

4 Neonatal issues are also a potential contributor to highest cost claimants

- Understand your risk based on the demographics of your population and use of fertility procedures that increase odds of high-risk births related to twins, triplets, etc.
- Promote use of prenatal care for all pregnant members

5 Consider strategies to decrease costs related to services that drive high costs:

- Surgical costs may be reduced through the use of expert/second opinions, partnering with a COE, bundled payment arrangements, and risk reduction programs - Like weight loss programs to reduce risk of surgery for degenerative arthritis
- Use of preauthorization, step therapy, and incentives to promote the use of biosimilars can reduce costs of Rx specialty drugs
- Facility costs are drivers of costs at all thresholds, with greater contribution within the highest cost categories; price transparency tools can be useful to determine which facilities are less costly, although this needs to be considered in combination with quality of care



CHAPTER TWO

Rx Cost Analysis

Analyzing Rx Costs for Actionable Insights

Over the years, employers have tried it all: Formulary changes. Pharmacy Benefit Management (PBM) Optimization. Prior Authorization and Step Therapy. Despite these efforts, Rx costs persist, growing like an untamed vine creeping up the side of a house.

A new study by Business Group on Health (BGH) reveals that, amid increases in the percentage of healthcare dollars spent on pharmacy, 92% of employers are concerned about high-cost drugs in the pipeline, with 91% reporting concern about pharmacy cost trends overall.

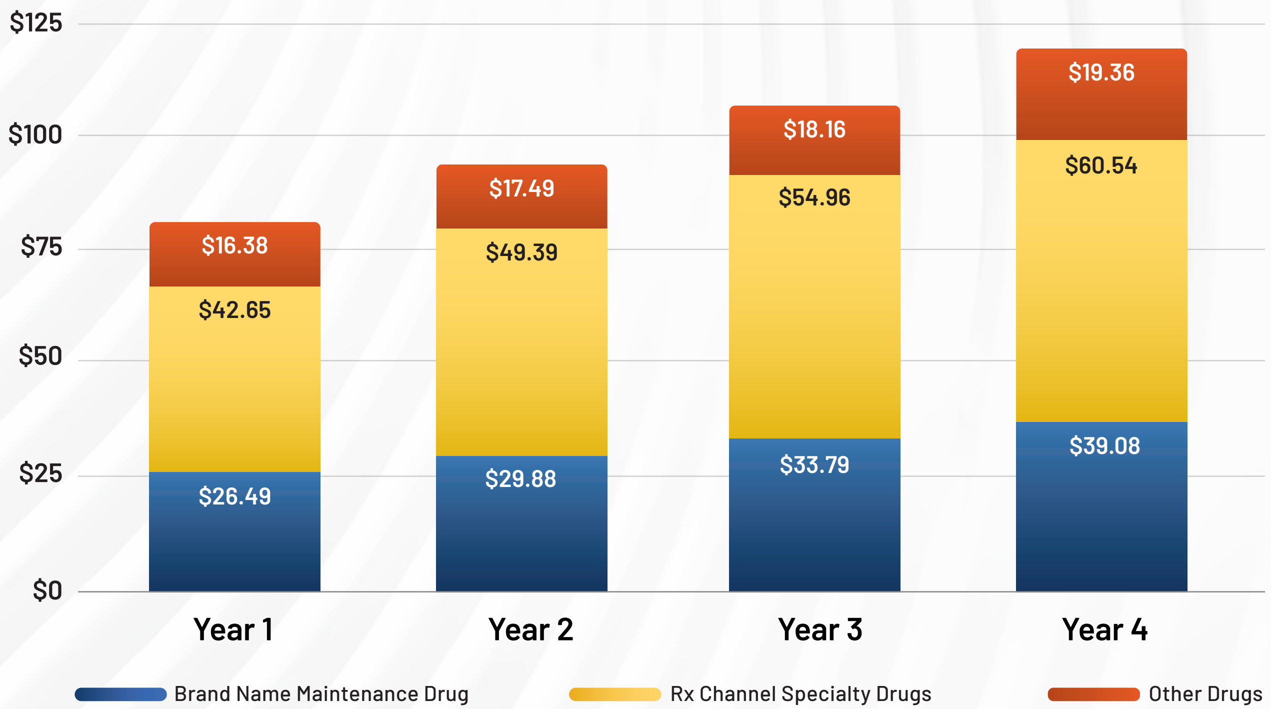
To empower employers with information and insights that help contain costs and fertilize strategies, our team investigated **the general trends and subtle patterns driving the rise in Rx costs.**

For our analysis, we analyzed Rx drug trends and cost drivers over the past 4 years:

- Time frame: 4 years of incurred data from July 2019 - June 2023
- Data source: Pharmacy claims data

Year 1:
July 2019 - June 2020
Year 2:
July 2020 - June 2021
Year 3:
July 2021 - June 2022
Year 4:
July 2022 - June 2023

Rx Per Member Per Month Trend by Drug Type



Rx PMPM has increased by over $33 since year 1, representing a 39% increase in drug spend.

Breakdown of Rx PMPM by Year:

Year 1: $86 PMPM
Year 2: $97 PMPM
Year 3: $107 PMPM
Year 4: $119 PMPM

Historically, high Rx spend has been attributed to the cost of specialty drugs. However, over the last three years, **we have seen an increase in drug spend that is attributable to brand name maintenance drugs,** which are brand name drugs used in the treatment of chronic conditions.

This prompted our team to narrow in on the change in the most recent year-over-year contributions to the total cost of both specialty and brand name maintenance drugs.

This revealed the increase in cost due to the brand name maintenance drugs was **almost as large as that from specialty drugs:**

Specialty drug PMPM increase:

$5.58

Brand name maintenance drug PMPM increase:

$5.29

Brand Name Drug: A drug sold by a drug company under a specific name or trademark and that is protected by a patent. Brand name drugs may be available by prescription or over the counter.

Specialty Drug: One that typically has one or more of the following attributes: high cost, biologic in nature, used in the treatment of rare or complex chronic conditions, or requires special handling or administration.

It's important to note: Brand name drugs include flu and COVID-19 vaccines, which have outsized impact on stats for utilization, cost per claimant, etc., particularly toward the end of each year when they are typically provided prior to the start of flu season. Limiting to maintenance drugs (those used for chronic conditions) enables the examination of more meaningful trends.

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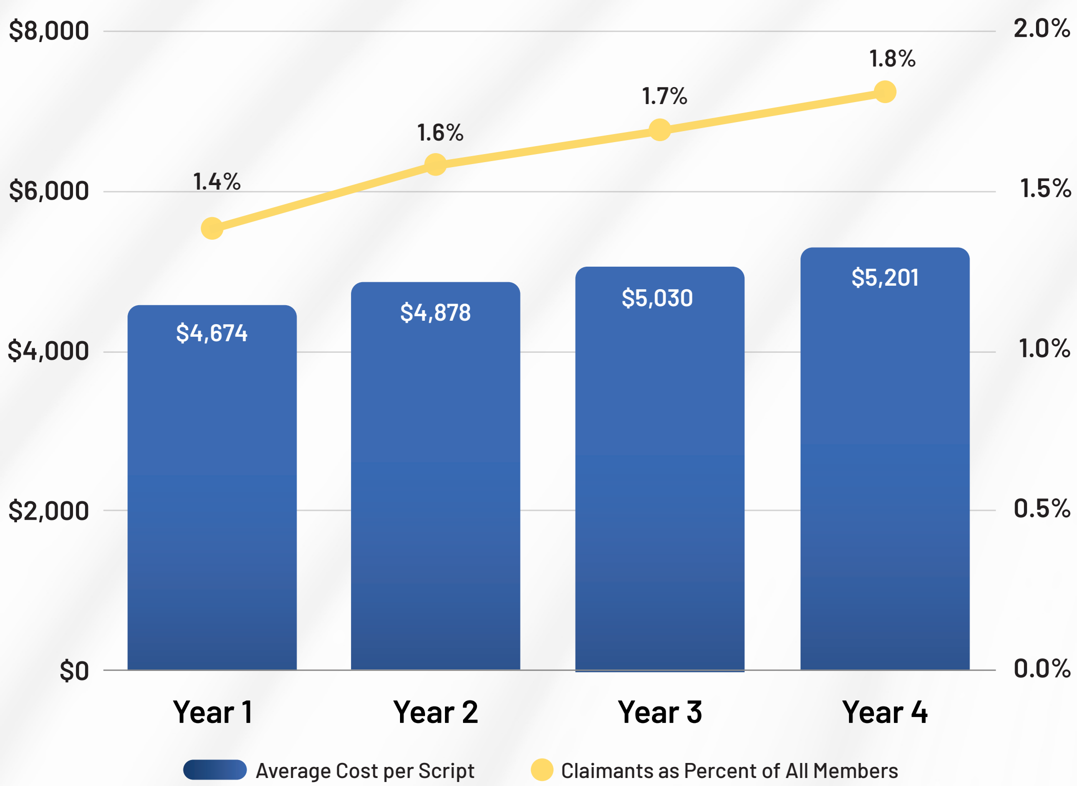
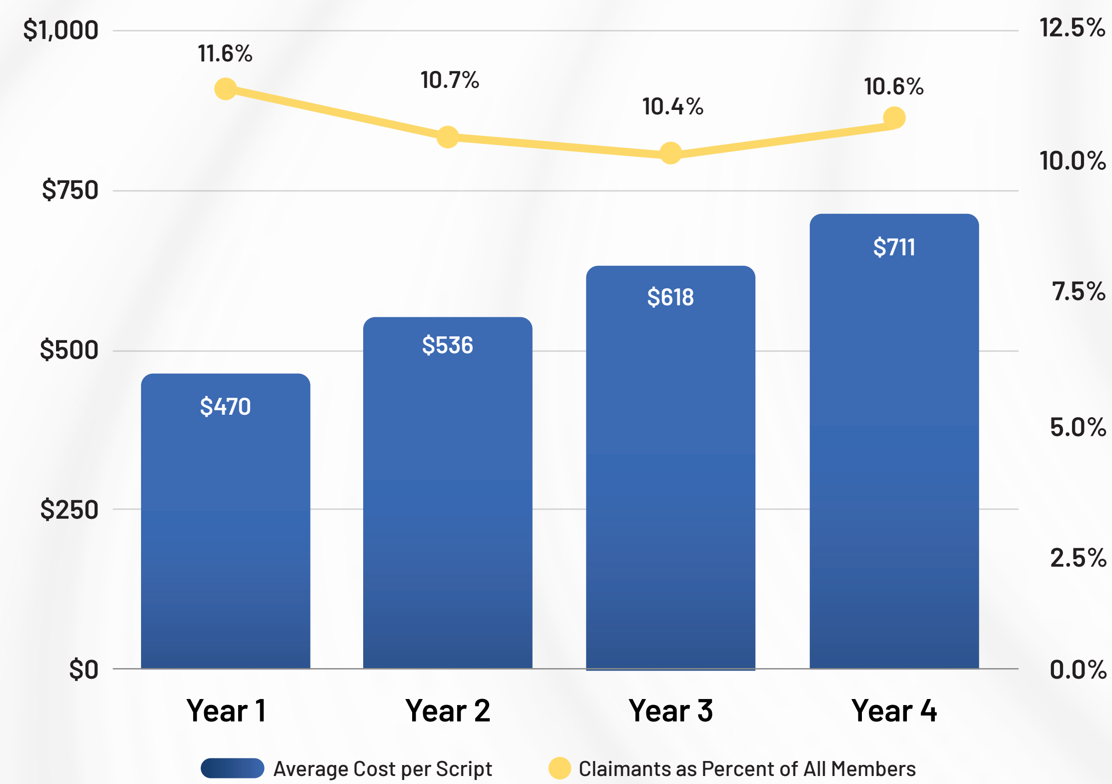
Rx The increase in specialty drug spend is associated with more people taking these drugs and an increase in average cost per script, with an increase in claimants being the biggest driver.

Specialty Drug Utilization and Average Cost per Script



Brand Name Maintenance* Drug Utilization and Average Cost per Script

*Brand Name Maintenance Drugs used in treatment of chronic conditions only



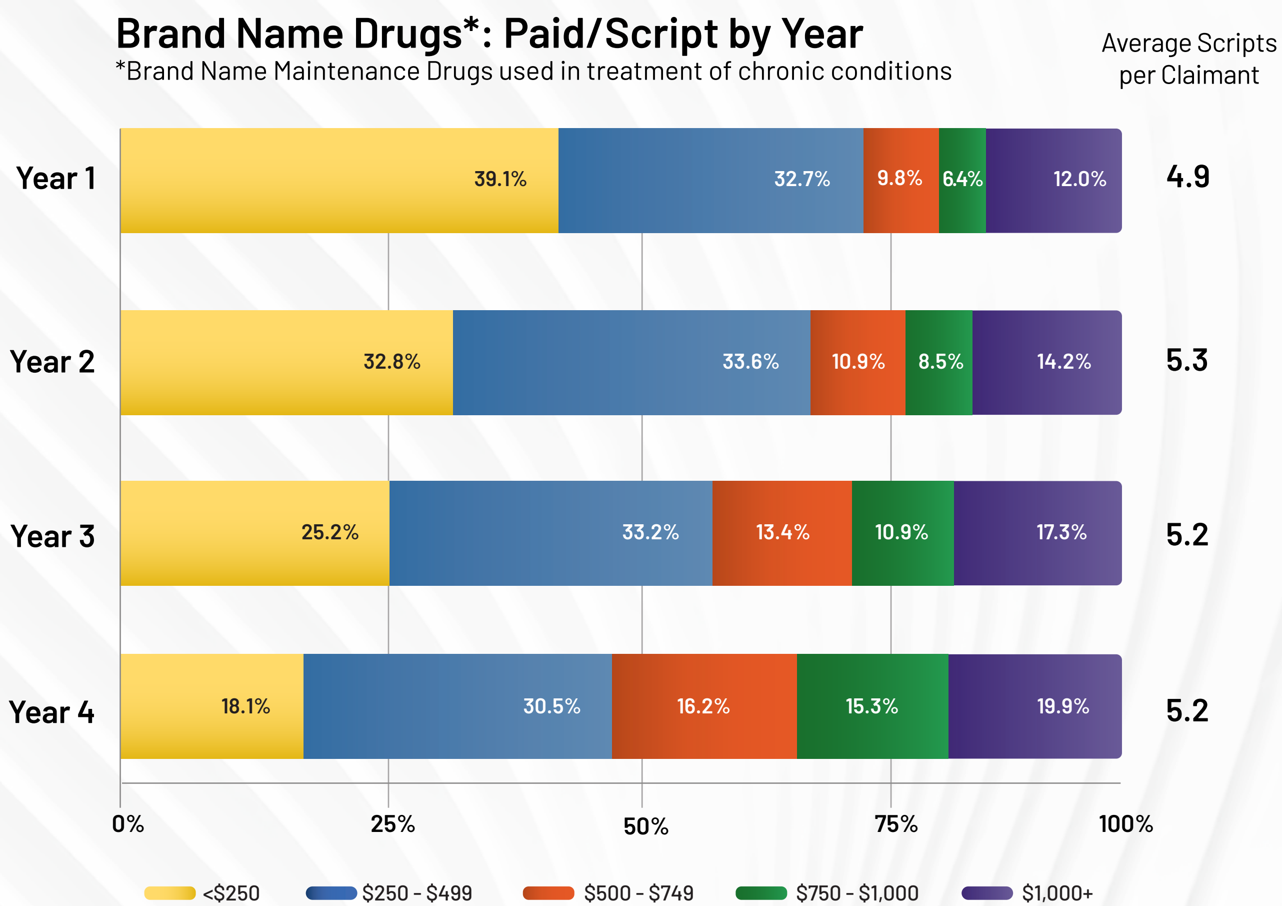
Year 1: July 2019 - June 2020
Year 2: July 2020 - June 2021
Year 3: July 2021 - June 2022
Year 4: July 2022 - June 2023

51%

In the last four years, the average plan paid per script for brand name maintenance drugs has skyrocketed by over 51%, from an average of $470 per script to $711.

- This translates into an increase of over $1,400 annually per brand name maintenance drug claimant
- This increase, spread across all members, accounts for an increase of almost $150 per member annually

How Have Brand Name Drugs Per Spend Category Increased Over the Years?



Year 1: July 2019 - June 2020
Year 2: July 2020 - June 2021
Year 3: July 2021 - June 2022
Year 4: July 2022 - June 2023

Note: In our analysis, prescriptions with $0 plan paid were excluded

While the percent of members taking at least one brand name maintenance drug has remained relatively constant over the last 4 years, the cost per script has gone up significantly.

- Brand name drug costs are driven by increased cost per prescription, with about half of prescriptions now exceeding $500 and 20% exceeding $1,000

This dramatic increase in cost per script for brand name drugs is a call to action. **In creating strategies to reduce drug costs, we must focus on brand name drugs and specialty drugs. Implemented strategies must consider not just the cost of the drug, but its impact on healthcare costs overall.**

In the most recent year, almost 1 in 5 brand name scripts exceeded $1,000, and about 1 in 2 exceeded $500.

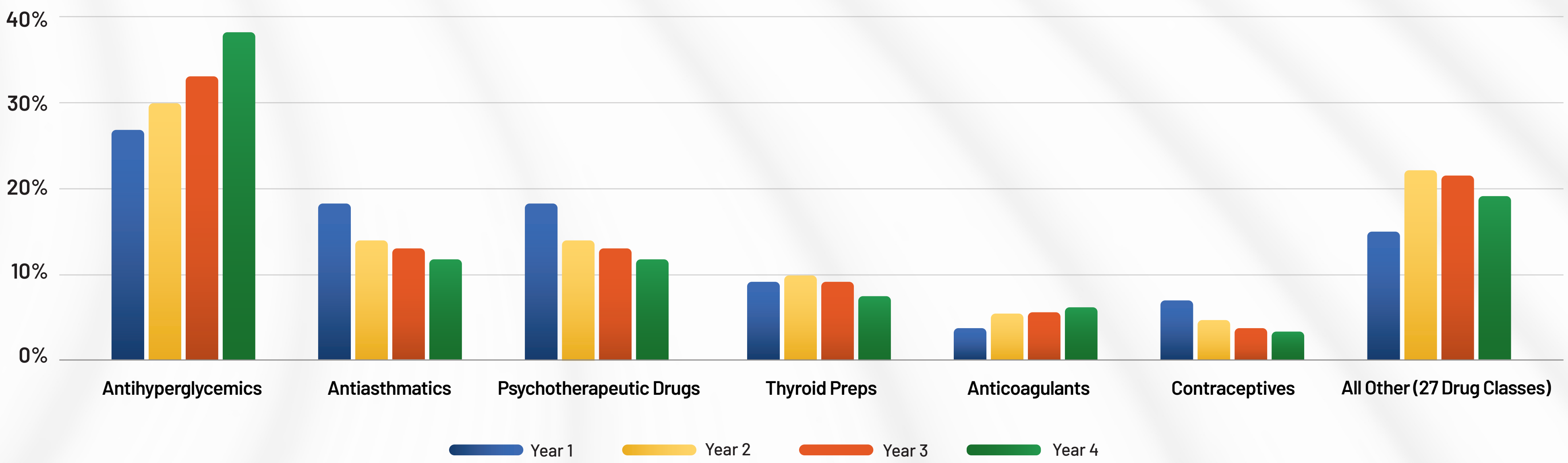
The dramatic increase in average cost per script for brand name maintenance drugs begged the question: **Is this increase due to increasing cost per script for the same drugs or due to a shift to the use of more expensive drugs?**

To address this question, **we aggregated drugs into 33 therapeutic classes**, using a classification method from First Databank, and analyzed the top 6 classes based on script count. These 6 therapeutic classes accounted for over 80% of brand name maintenance drug scripts in the most recent year.

The average cost per script in the most recent year and the percent change in cost per script compared to the prior year **varied among these top therapeutic classes:**

Antihyperglycemics:	$897	(+11.0%)	Antiasthmatics:	$397	(+16.0%)
Anticoagulants:	$665	(+12.7%)	Contraceptives:	$276	(+37.6%)
Psychotherapeutic Drugs:	$482	(+6.0%)	Thyroid Preparations:	$19	(+18.6%)

Percent of Total Brand Name Maintenance Drug Scripts by Therapeutic Class



Year 1:
July 2019 - June 2020

Year 2:
July 2020 - June 2021

Year 3:
July 2021 - June 2022

Year 4:
July 2022 - June 2023

The overall increased cost for brand name drugs appears to be due both to an increasing cost per script within therapeutic classes for the same or similar drugs and change in the mix of drugs.

The staggering increase in the contribution of costly antihyperglycemics to total brand name scripts is evident - **representing almost 39% of brand name scripts** in the most recent year compared to 27% of these scripts three years ago. Antihyperglycemic drugs include many types of drugs used in the treatment of diabetes, including GLP-1 agonists.

Ten conditions represent 54% of drug cost

54%

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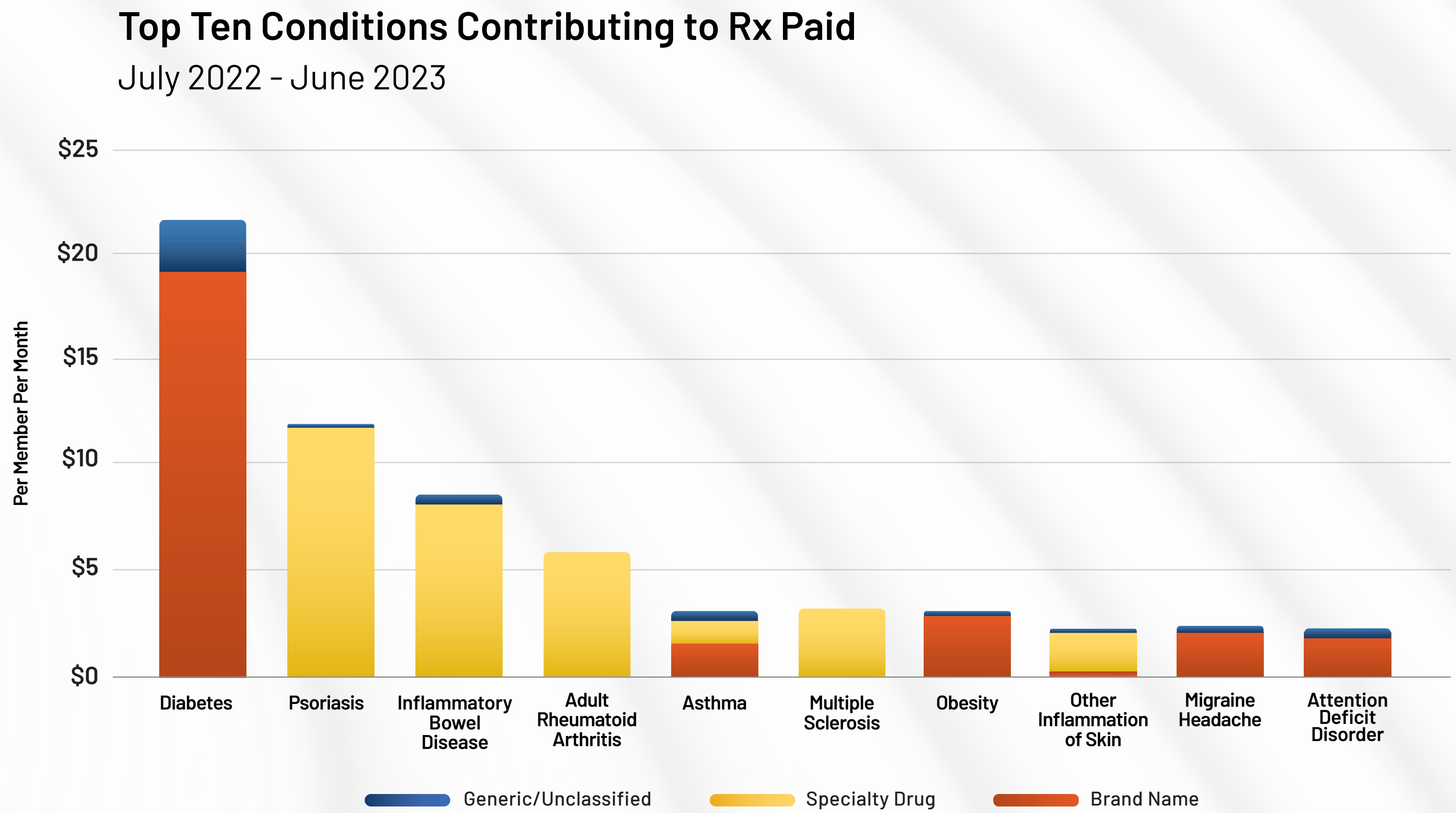
In the last year, the top 10 conditions by Rx paid include 4 conditions driven almost entirely by brand name drugs.

- Diabetes
- Migraine headache
- Obesity
- Attention deficit disorder (ADHD)

Vyvanse, one of the top drivers of cost for ADHD, went off patent in August 2023 and is now available as a generic.

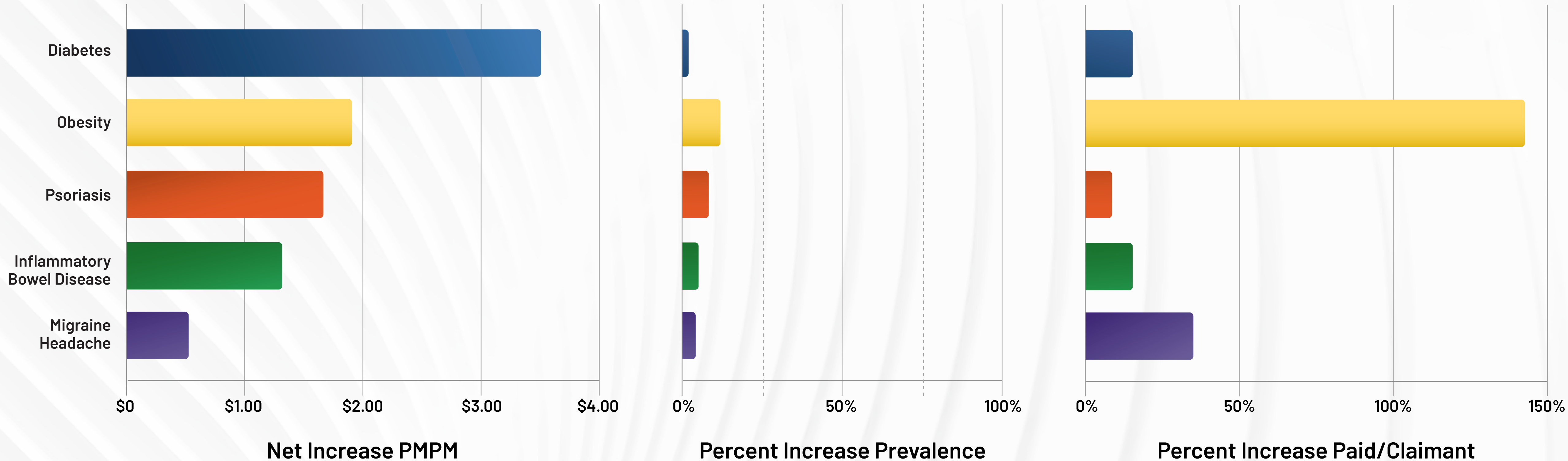


"**Of the top 10 conditions driving spend, over half have lifestyle and environmental factors affecting the incidence of the disease.** They aren't just determined by genetics but also by daily lifestyle choices and external factors. This highlights the importance of lifestyle changes and environmental interventions in addressing these health challenges."

— **Jennifer Jones**, MSM, RD, CCWS
Vice President of Strategic Partnerships & Population Health Practice Leader

Top Conditions based on Net Change Rx Per Member Per Month

July 2022 - June 2023 Compared to July 2021 - June 2022



75%

5 conditions account for almost 75% of increased Rx spending over the prior year. Most of the increase in Rx spending is due to higher Rx spend per claimant rather than an increase in the prevalence of members with these conditions.

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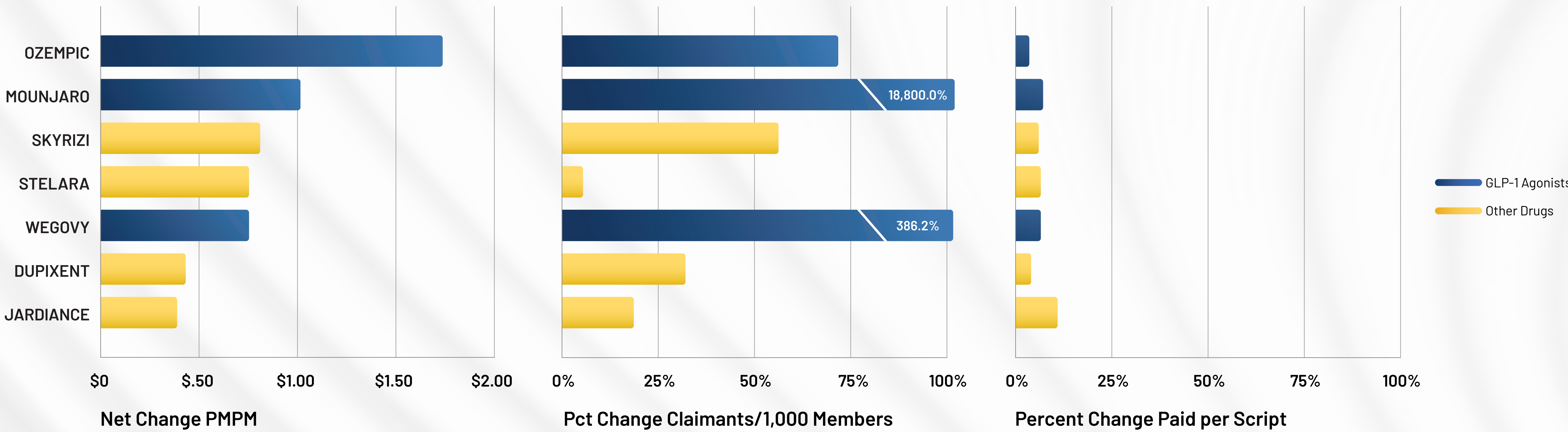
Navigating The Chronicles of Diabetes, Obesity, & Ozempic in 2023

The factors impacting Rx spend in 2023, particularly in conditions like Diabetes and Obesity, are tied to drugs that have carried headline-worthy narratives throughout 2022 and 2023. As we dove deeper into our analysis, insights quickly emerged.

Top Drugs based on Net Change Rx Per Member Per Month

July 2022-June 2023 Compared to July 2021-June 2022



3 of the top 5 drugs based on net change PMPM are GLP-1 agonists.

Most of the net increase in spend on top drugs is due to increase in claimants.

The **top 7 drugs** are responsible for almost **half of the net increase** in Rx PMPM over the last year.

GLP-1 agonists are a class of medications that mainly help manage blood sugar (glucose) levels in people with Type 2 diabetes. Some GLP-1 agonists can also help treat obesity. GLP-1 agonists are most often injectable medications, meaning you inject a liquid medication with a needle and syringe.

Two of the top 7 drugs are relatively new, but have seen use skyrocket at an astronomical rate. Wegovy was launched in June 2021 but was not widely available until December 2021. Mounjaro, a dual GIP and GLP-1 agonist, was launched in late May 2022. The steep increase in year-over-year use of the drugs is partially due to these drugs not being available for the full time period in the prior year.

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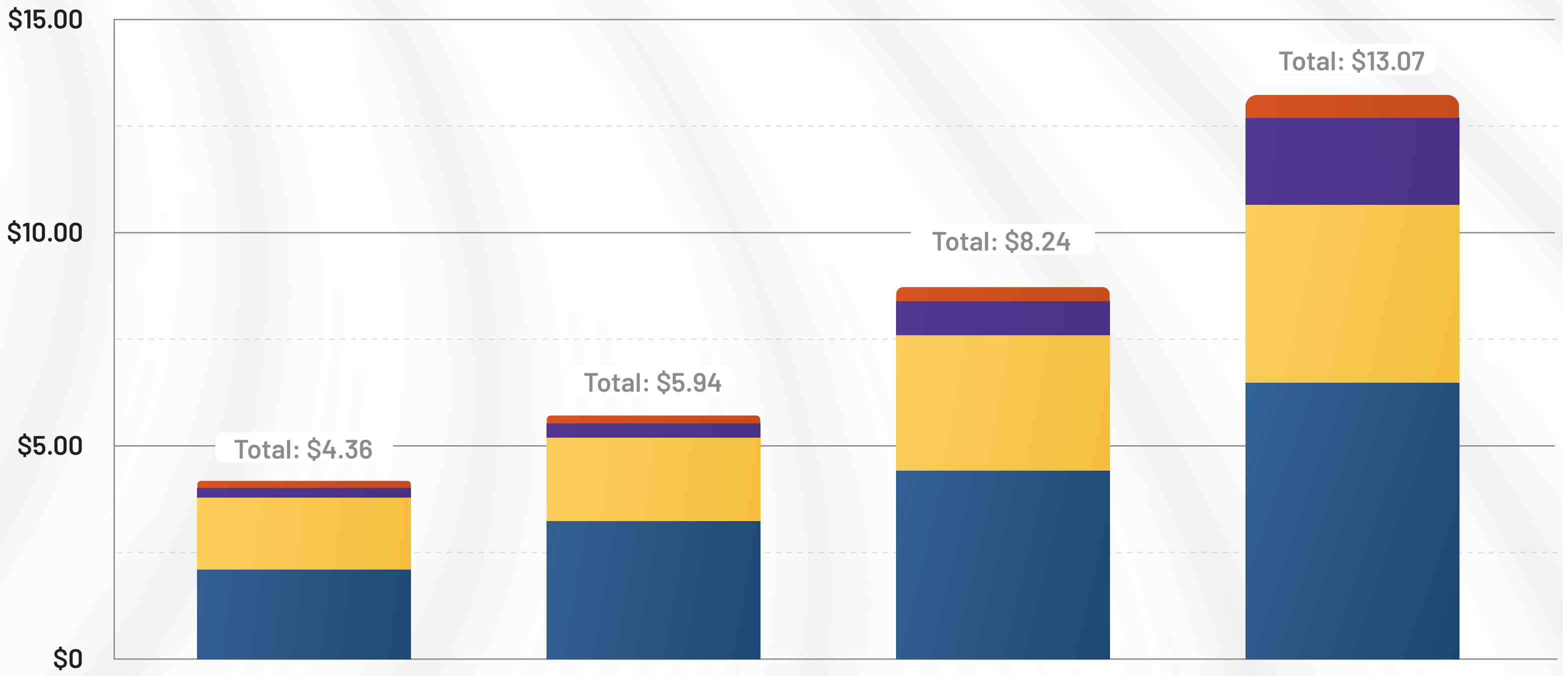
GLP-1 Agonist PMPM Trend

By Member Condition(s)



GLP-1 agonists are responsible for an **increase in Rx spending of almost** $5 PMPM over the prior year.

In the most recent year, about **1 in 4 members** receiving GLP-1 agonists **had an obesity diagnosis without a diabetes diagnosis.**

Year 1: July 2019 - June 2020
Year 2: July 2020 - June 2021
Year 3: July 2021 - June 2022
Year 4: July 2022 - June 2023

"Looking ahead, I think we're going to see spend on diabetes and obesity treatments like GLP-1s stabilize for many employers, primarily due to many only covering for the indicated use and required prior authorizations that many PBMs instituted mid-year. **This smart reshuffling of resources, in my opinion, will make the healthcare world a whole lot more balanced and sustainable."**

— **Jennifer Jones**, MSM, RD, CCWS
Vice President of Strategic Partnerships & Population Health Practice Leader

Employers' Roadmap:
Navigating High Rx Spend - What's Next?

1. **Ensure that strategies to address drug spending target both brand name drugs and specialty drugs.**

2. **The majority of drug spending is related to chronic conditions.**
   - Strategies aimed at the root causes of most chronic conditions, including diet, activity level, obesity, and smoking, can result in reduced need for these drugs.
   - Keep in mind that drugs that help members control their condition and prevent complications or progression can reduce other healthcare costs.

3. **Establish a baseline level for Brand Name Drug and Specialty Drug spend.**
   - Springbuk users can utilize the Condition Groups page to easily identify spend attributed to medical and pharmacy spending, including specialty drug spend (both medical and pharmacy channels) and brand name drug spend.
   - Key metrics are trended from one year to the next to help users easily identify impact of various strategies.

Employers' Roadmap: Navigating High Rx Spend - What's Next?

4 **Take steps to ensure members taking specialty drugs and high cost brand name drugs are using generic formulations and biosimilars where available, provided the net cost is lower.**

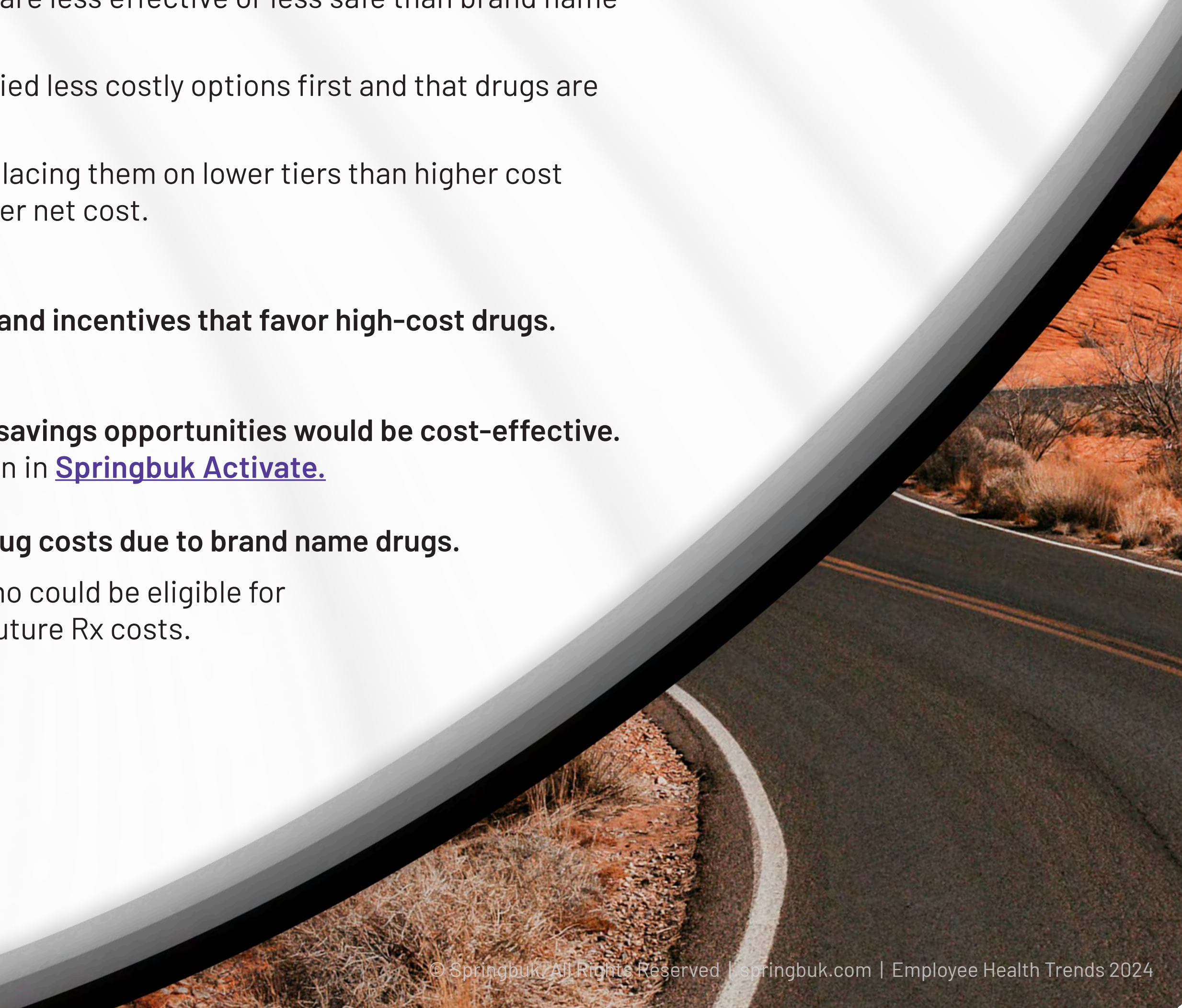
- **Member education:** Reduce any misconceptions that generic drugs or biosimilars are less effective or less safe than brand name or reference drug counterparts.
- **Step therapy and prior authorization:** Ensure that members receiving drugs have tried less costly options first and that drugs are medically necessary.
- **Formulary structure:** Incentivize the use of lower cost generics and biosimilars by placing them on lower tiers than higher cost brand name drugs and originator specialty drugs where these drugs represent a lower net cost.

5 **Understand the PBM contract, including generic drug definitions, handling of rebates, and incentives that favor high-cost drugs.**

6 **Consider whether engaging with a clinical program partner that focuses on pharmacy savings opportunities would be cost-effective.** Springbuk customers can see potential savings opportunities with a pharmacy solution in [Springbuk Activate.](Springbuk Activate)

7 **All signs point to the huge impact GLP-1 agonists have had on the increase in overall drug costs due to brand name drugs.**

- Given high rates of obesity and diabetes, there is a large percentage of members who could be eligible for GLP-1 agonists who are not receiving them, creating concern for employers about future Rx costs.
- A comprehensive strategy to determine eligibility for these drugs is necessary.



CHAPTER THREE

Obesity Analysis

Empowering Change: Taking Action with Obesity Analysis

When you hear "epidemic," you may recall events such as the opioid crisis or polio.
But what about obesity?

As the '80s were inundated with ultra-processed foods, sky-rocketing sugar intake, and fast food restaurants piled on every street corner – it became easy to lean into these lifestyle choices and turn away from the associated risk. And, with the '90s and '00s explosion of gaming consoles and social media, screen time began to outshine classic, physical play.

> “There was only a small rise (approximately 0.5%) in the prevalence of obesity among American adults in the years 1971–1974 to 1976–1980, **but this was followed by a rapid rise that continued for at least 20 years.**”
>
> - National Library of Medicine

The Prevalence of Obesity in American Adults

Age 20–74, both genders

15.0%	23.3%	30.9%	41.9%
1976-1980	1988–1994	1999-2000	2017-2020

- National Library of Medicine
- Centers for Disease Control and Prevention

Fast forward 40 years, with over 100 million Americans now obese,

leading to direct medical care costs over $289 billion and indirect costs over $15 billion annually. Can we still afford to turn away from the associated risk? Even more so:

- What if you knew that **less than 5%** of members actually seek medical treatment due to limited coverage through their employer-sponsored health plans?
- And, what if you knew that **44% of people with obesity would change jobs to gain coverage and 51% would stay at a job they didn't like to retain coverage for obesity treatment?**

It's time to acknowledge that our perspectives and approaches toward obesity are outdated and need an overhaul.

The Cost Impact of Obesity

To help give employers a baseline of cost, diagnosis, and member demographics, we analyzed PMPM by weight class and age category. For this analysis, we used the following definitions that could be supported through ICD-10-CM diagnosis coding:

Severely obese

Adults

- BMI ≥ 40 or diagnosis of severe obesity

Obese

Adults

- BMI ≥ 30 and < 40 or diagnosis of obesity

Pediatric

- ≥ 95th percentile for age or diagnosis for obesity

Overweight

Adults

- BMI ≥ 25 and < 30 or diagnosis of overweight

Pediatric

- ≥ 85th percentile and < 95th percentile for age or diagnosis of overweight

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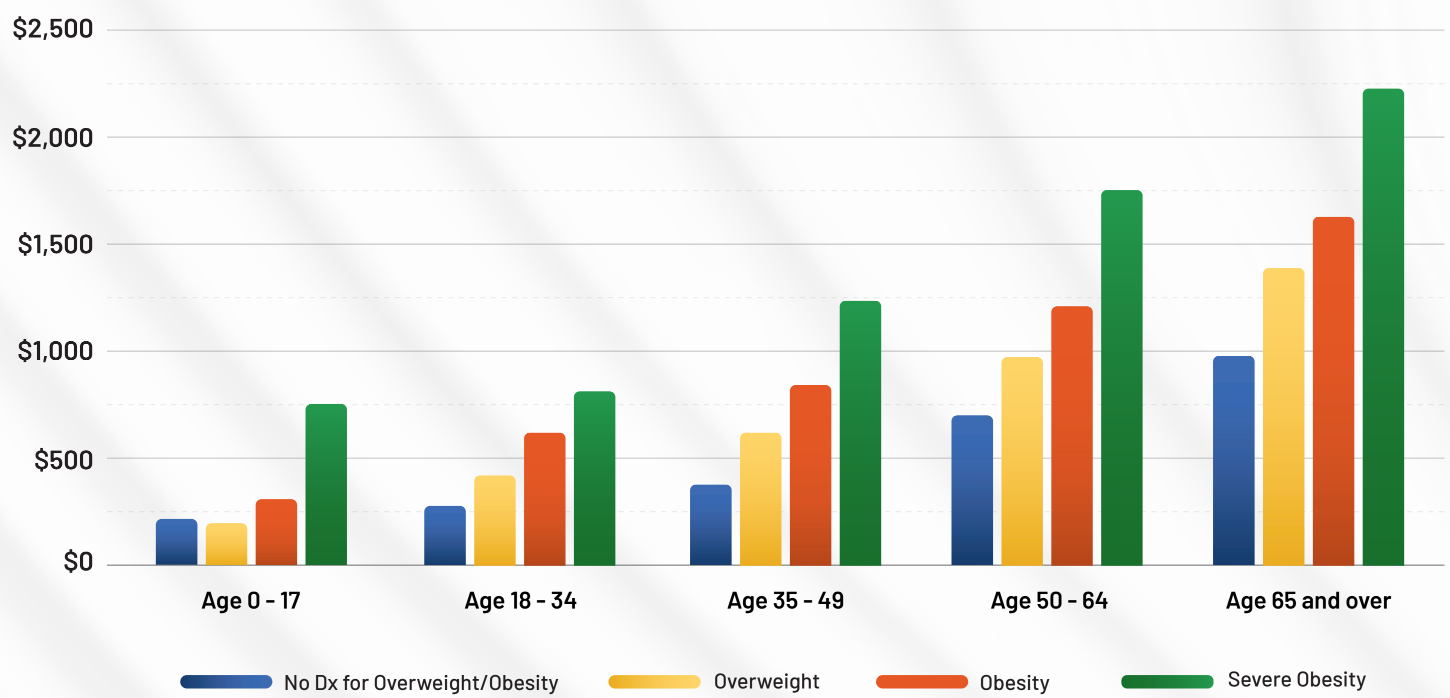
PMPM by Weight Class and Age Category

July 2022 - June 2023



PMPM increases in a stepwise fashion in adult members as we move across weight class categories associated with increasing BMI thresholds.

In adults, plan paid for members with severe obesity is over 2.9x that of plan paid for members without a diagnosis for obesity or overweight

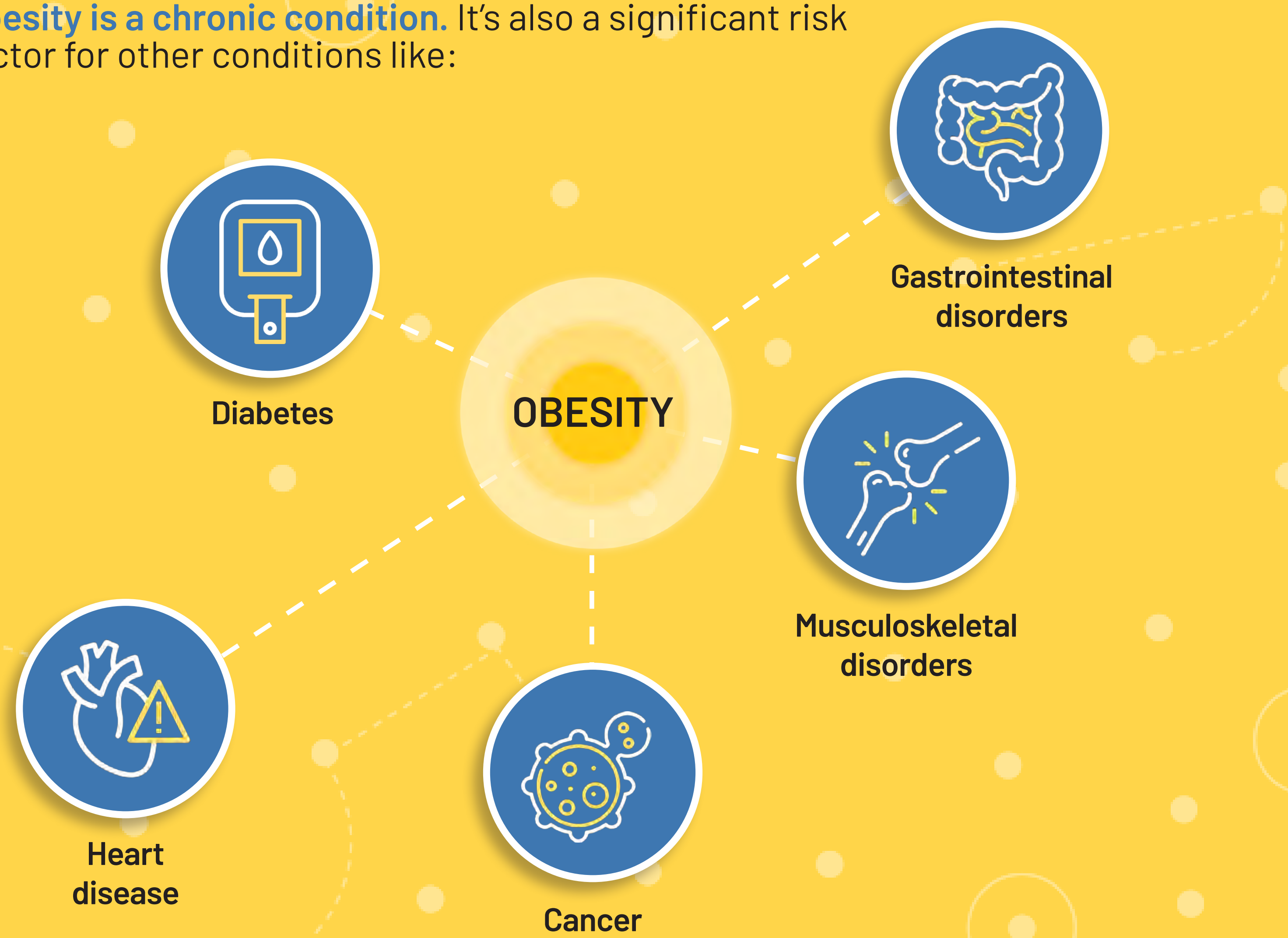
- **Only 9.9% of the adult population within the Springbuk Book of Business** had a diagnosis for obesity or severe obesity, compared with a national estimate of 41.9%

With the apparent undercoding of obesity using ICD-10-CM diagnosis codes, we believe that there may be some bias in the cost results. It is possible that obese members with more health problems, who seek care more frequently, are more likely to have a diagnosis for overweight or obesity entered on at least one of these claims.

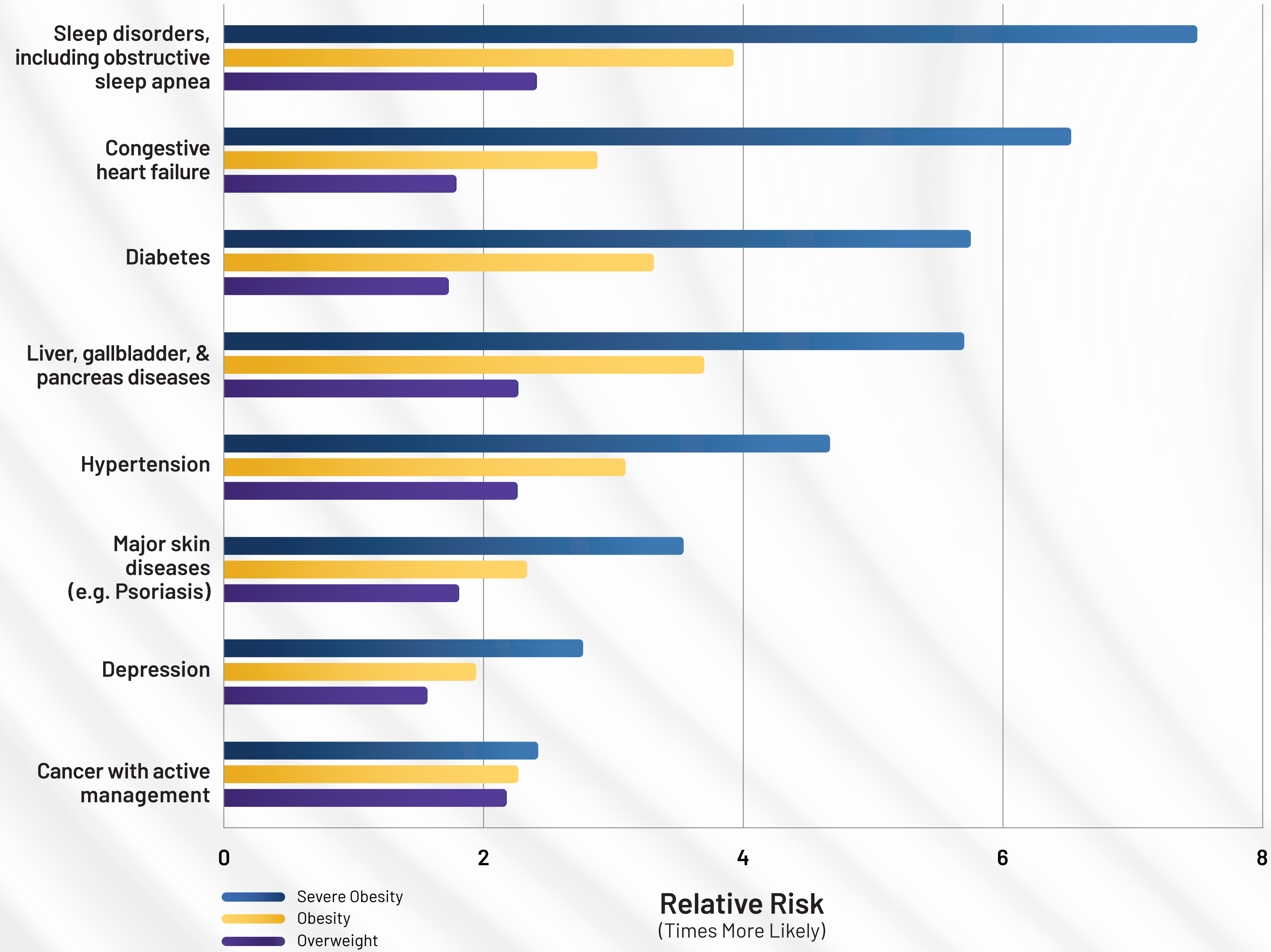
Additionally, only members who seek some type of care will have a diagnosis, meaning that all unengaged members will be categorized as having "no diagnosis of overweight/obesity."

Understanding Obesity & Its Multifaceted Health Impacts

Obesity is a chronic condition. It's also a significant risk factor for other conditions like:



Increased Likelihood of Having Condition



BMI ≥40
Adult members with severe obesity are **5.7 times more likely** to have diabetes.

In addition to chronic conditions like diabetes and heart disease, obese and overweight members are **at higher risk for many other conditions** including cancer and major skin conditions like psoriasis

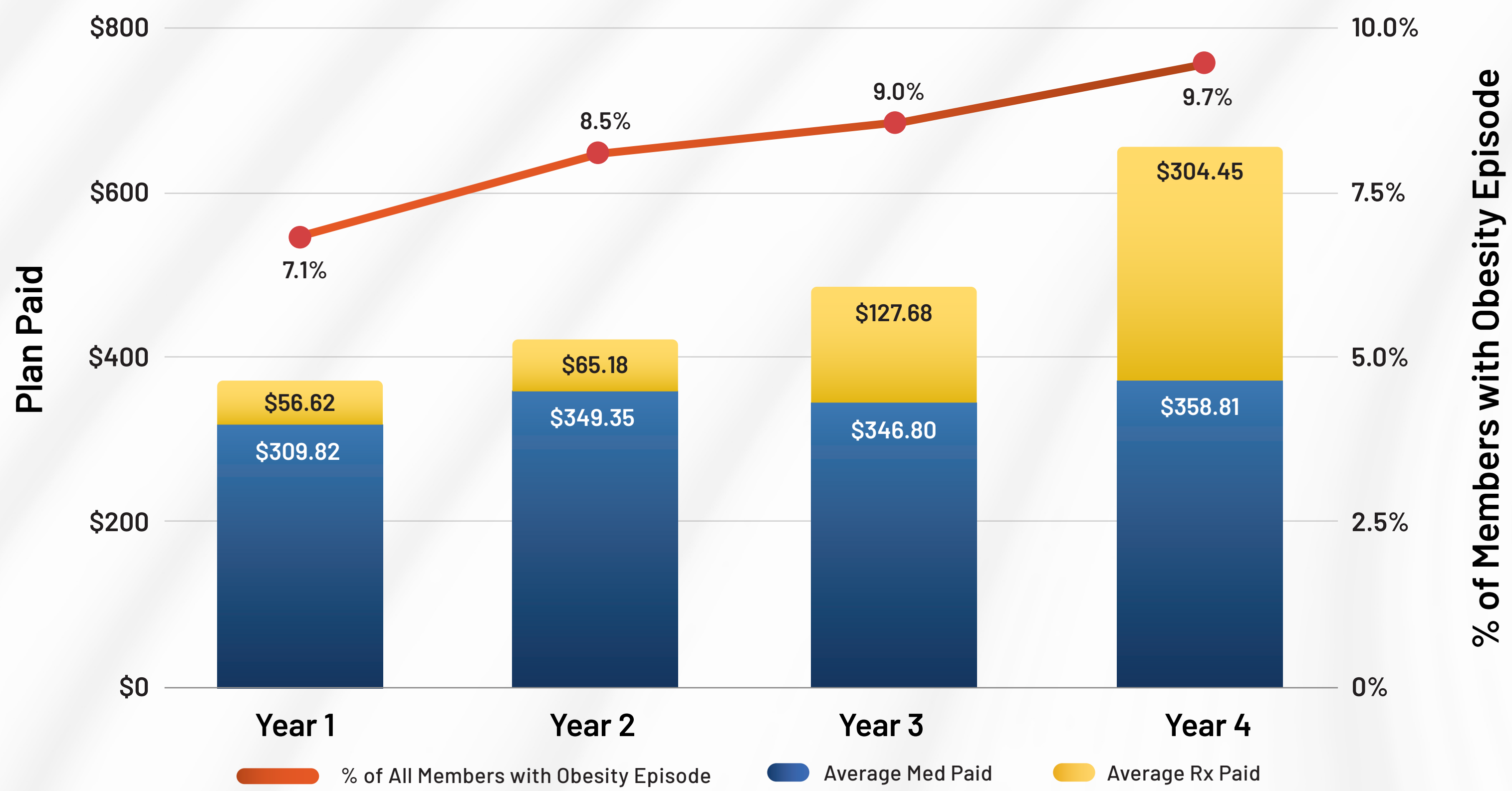
5-10% weight reduction can reduce risk or delay developing conditions, and in some cases, even **“reverse” disease**

The relative risk provides a measure of how much more likely a member who is overweight or obese is to have a specific condition than members who are not overweight or obese. Most of the increased cost related to obesity is due to the management and treatment of a wide range of associated conditions.

The medical rationale for weight loss is to prevent, reduce, or slow the progression of associated conditions.

The degree to which these outcomes can be achieved and potential cost savings are difficult to estimate, and cost savings related to the development of some conditions, like severe cardiovascular disease and cancer, could be far into the future.

Average Annual Rx and Medical Paid for Obesity Episodes



Year 1: July 2019 - June 2020 **Year 3:** July 2021 - June 2022
Year 2: July 2020 - June 2021 **Year 4:** July 2022 - June 2023

In the last 4 years, there has been a substantial increase in drug spending for members being treated for obesity.

Until recently, bariatric surgery and lifestyle/nutritional counseling have been the mainstay of obesity treatment, with drugs playing a smaller role.

Tides have shifted, with **drug treatment playing an increasingly important role in treatment of obesity.**

In the last year, the overall plan paid for members treated for obesity has increased by 40%, **driven largely by increased drug spend, which has** increased by a whopping 138%.

In a survey from Aon, findings indicated that 1% of the 8.5% increase in employer healthcare costs predicted for next year would be driven by employee take-up of weight loss drugs.

During our analysis time frame, we also **saw an increase in the percentage of members with an obesity episode.**

Members who are obese are more likely to have an obesity episode if they are receiving treatment for this condition. **The increase in percent of members with an obesity episode is probably due to more individuals who are obese seeking treatment due to the availability of drug treatment.**

According to the 2022 Employee Benefits Survey of Employee Benefits Plans:

22%	45%	32%
Cover Rx drugs	Cover bariatric surgery	Offer weight management programs

Source: International Foundation of Employee Benefit Plans

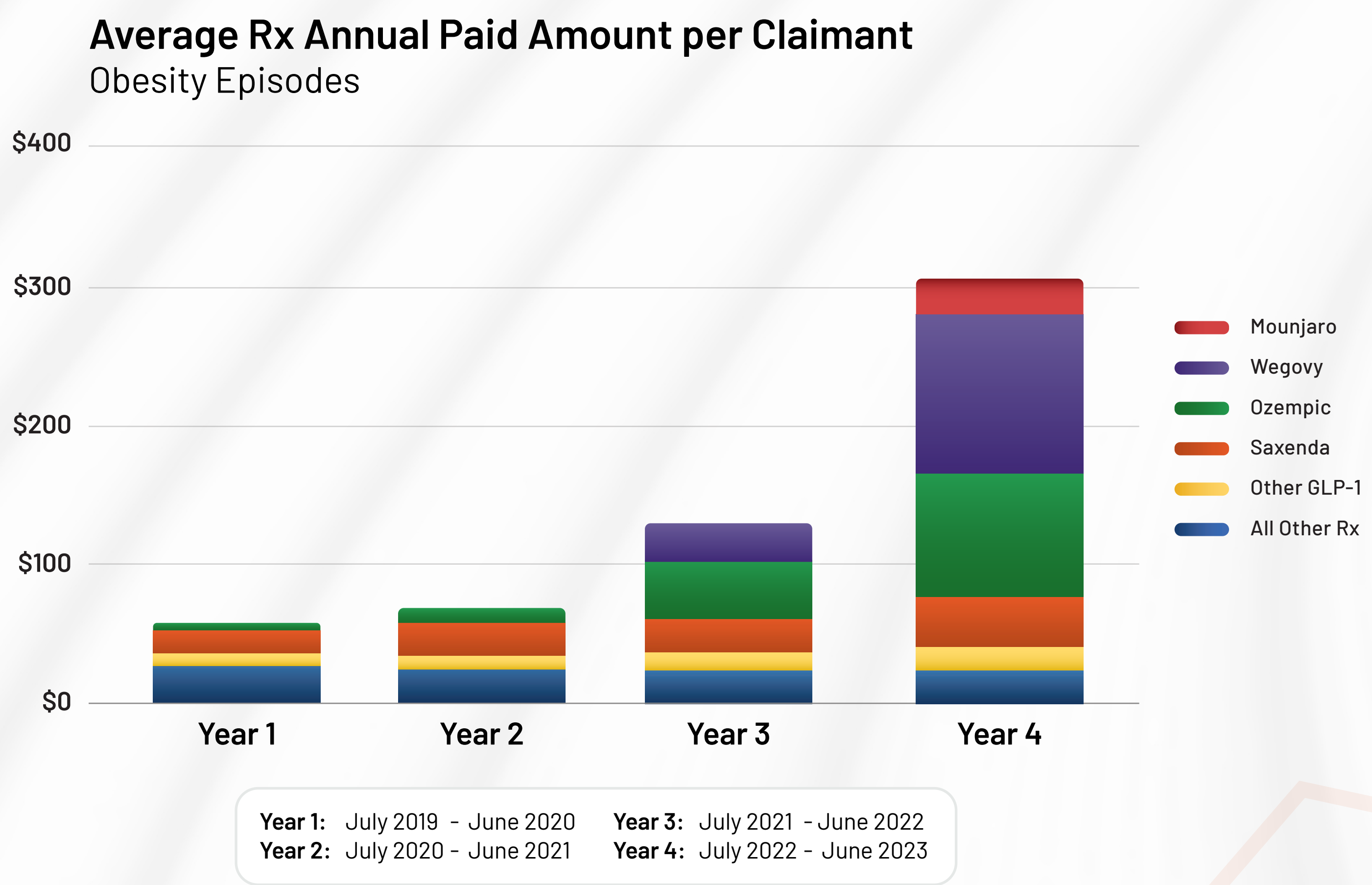
"As we navigate the complexities of healthcare, employers need to consider all aspects of treatment avenues, from prescription to surgical alternatives like bariatric surgery. While employers often cover bariatric procedures, we must ask ourselves:

Are the outcomes truly equivalent? Are we fully considering the invasiveness and long-term implications? The path to effective obesity treatment is multi-faceted, and it's imperative to evaluate every option with a critical, comprehensive outlook."

Jennifer Jones, MSM, RD, CCWS
Vice President of Strategic Partnerships
& Population Health Practice Leader

Revolutionizing Weight Management:
The Transformative Potential of GLP-1 Agonists

GLP-1 agonists may be a game-changer in approach to weight management, but come with a high price tag.



5x

The paid amounts for drug treatment within obesity episodes has skyrocketed - now over 5x what it was three years ago and almost 2.5x what it was in the previous year.

About 2/3 of drug spending within obesity episodes in the most recent year is for Wegovy and Ozempic. Ozempic and other GLP-1 agonists that have not been approved for weight loss are only included in obesity episodes if members do not have a diabetes diagnosis but do have a diagnosis of obesity.

There has been remarkable growth in the use of new drugs, Wegovy and Mounjaro, which entered the U.S. market in June 2021 and May 2022, respectively.

- In the last year, there has been a substantial increase in the percent of members with obesity episodes treated with top GLP-1 agonists (Mounjaro, Wegovy, Ozempic, or Saxenda) - 6.0% compared to 2.3% in the prior year
- **If the percent of obesity episodes with GLP-1 agonist scripts increased to 20%, the overall PMPM for obesity episodes would result in a cost per episode for obesity that is almost 2x current spend**
- It's important to note: During the time period of our analysis, the only FDA-approved GLP-1 agonists for weight loss were Wegovy and Saxenda; use of Mounjaro or Ozempic for weight loss is an off-label use; however, the active ingredient in Mounjaro, tirzepatide, was approved for weight loss in November 2023 under the name "Zepbound"

GLP-1

Weight Loss by Drug: Results of clinical studies examining weight loss from GLP-1 agonists can be difficult to compare because studies often differ in the length of the follow-up period, initial BMI requirements to be part of the study, comorbid conditions, etc. Some key results are listed below:

Wegovy	An average reduction of 15% in adults after 68 weeks (STEP 1 clinical trial)
Mounjaro/Zepbound	Average reduction of 22.5% at the highest dose, after 72 weeks (Surmont-1 clinical trial)
Ozempic	Average reduction of 6.4% at the highest dose (2mg) in members with diabetes, after 40 weeks (Sustain Forte clinical trial)

Note: Long-term use of these drugs may be necessary to maintain weight loss.

The Challenge of GLP-1 Agonists

Undergoing drug treatment

6%

The initial results look promising, yet only 6% of potentially eligible individuals are undergoing drug treatment. **This suggests that there is potential for a large increase in members taking these drugs among the remaining 94% of potentially eligible members.** We'll closely monitor adoption rates in the coming year.

GLP-1 agonists challenge our thoughts about prioritizing disease prevention. Obesity is a risk factor for many serious chronic conditions, and there is evidence that the risk of some of these conditions could be reduced with obesity treatment. Yet there is reluctance by many to pay for treatment of obesity itself with an effective class of drugs, but an acceptance of treating associated, potentially preventable conditions, like diabetes and cardiovascular disease.

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Employers' Roadmap: Navigating Obesity Treatment - What's Next?

1 **A comprehensive strategy to address obesity is critical due to its high prevalence, impact on member health and quality of life, and associated increased healthcare plan costs.**

2 **Consider partnering with a clinical program that addresses obesity.** Springbuk customers can identify potential opportunities for savings and program engagement in Springbuk Insights™, then use the Springbuk Activate marketplace to find a partner to help manage obesity.

3 **There is not a one-size-fits-all approach.** Management of obese members must consider any previous methods employed to achieve weight loss and subsequent outcomes, and individual member risk.

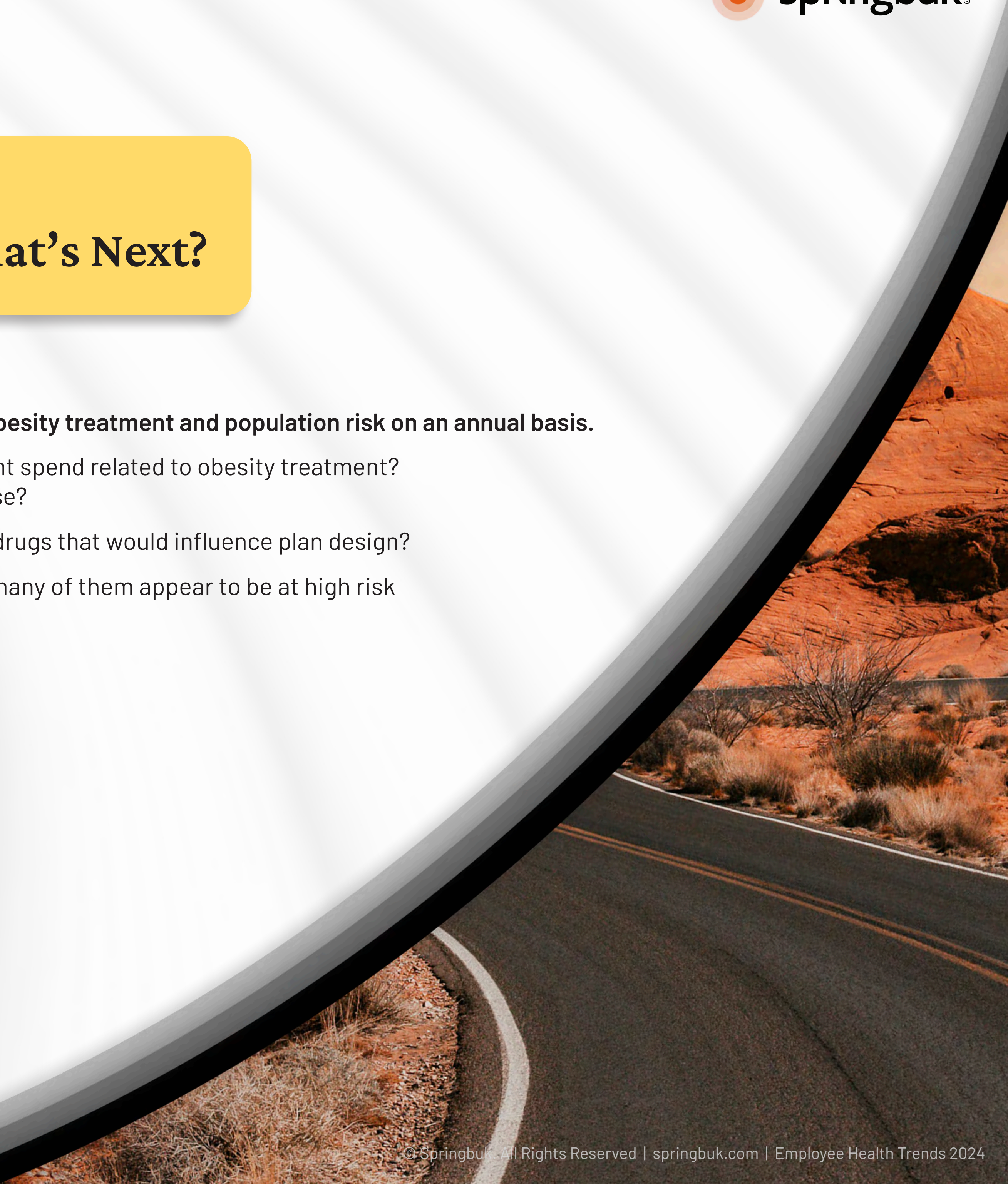
- Typically, programs focused on diet, exercise, and behavioral modifications should be tried first.
- Medications or bariatric surgery may be considered for members who are not able to achieve or sustain weight loss (minimum 5%).
- Identification of members who are eligible for high-cost medications or bariatric surgery should consider factors that influence risk of mortality and morbidity. Obesity-related health risk is influenced by increasing BMI, onset before age 40, presence of cardiovascular risk factors (e.g. hypertension, hyperlipidemia, diabetes), and other obesity-related comorbid conditions.

Employers' Roadmap:
Navigating Obesity Treatment - What's Next?

4 **Obesity treatment is a rapidly evolving field, requiring review of plan design for obesity treatment and population risk on an annual basis.**

- What percent of eligible members are receiving treatment and what is current spend related to obesity treatment? What is the potential for increased spending with increased rates of GLP-1 use?
- As newer drugs enter the market, is there a decrease in cost of anti-obesity drugs that would influence plan design?
- What portion of your members with obesity are not being treated, and how many of them appear to be at high risk due to severe obesity or other serious comorbid conditions?

5 **Understand impact of plan design on hiring and employee retention.**



2024 & Beyond

A New Echelon in Employee Wellness

Today, we find ourselves at the threshold of the old ways of wellness and the future of well-being.

When reviewing Healthiest Employers 2023 application data, it's clear that gone are the days of employer-sponsored benefits plans with physical health at the center of all initiatives. **The future of holistic benefits plans takes into account employees' physical, emotional, mental, and financial well-being.**

Springbuk data has plucked 3 dominant areas of holistic benefits to focus on in 2024 :

1. Company Culture
2. Data Analysis
3. Chronic Condition Management

1. Company Culture

Company mission, vision, and values support employee well-being – Increased 12.7%

- Leadership buy-in is very important in overall employee health and wellness
- Key Insights:
  - Managers impact employees' mental health (69%) more than doctors (51%) or therapists (41%) — and even the same as a spouse or partner (69%)
  - More than 80% of employees would rather have good mental health than a high-paying job
  - Two-thirds of employees would take a pay cut for a job that better supports their mental wellness — and 70% of managers would, too
  - Work stress negatively impacts employees' home life (71%), well-being (64%), and relationships (62%)
  - 40% of the C-suite says they will likely quit within the year because of work-related stress

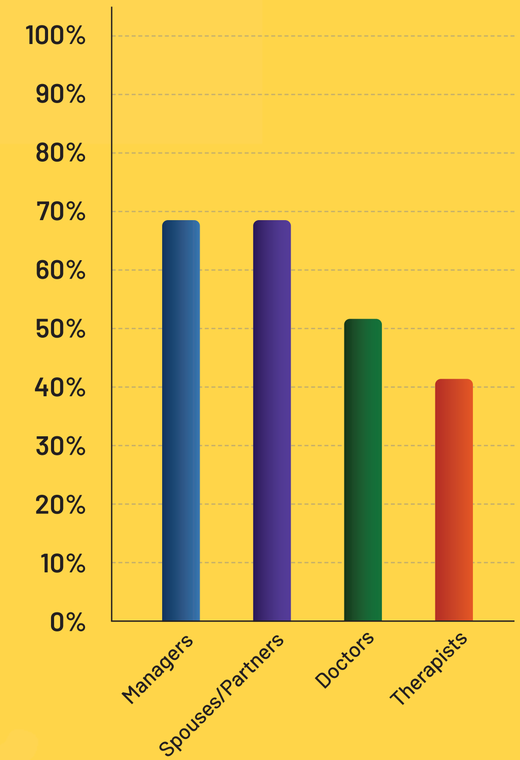
Flexible schedules and telecommuting opportunities

- 62% offered telecommuting in 2019; 93% offered telecommuting in 2023
  - Largely due to COVID-19 pandemic and continued desire for hybrid/flexible work
- CNBC reported that 90% of companies will be back in office in 2024, but the traditional 5-day work week is dead

Career development is more important due to the 'Great Resignation' and employees wanting to have advancement opportunities

- In 2019, 60% of applicants reported personality and behavioral self-assessments; in 2023, it was 71.5%
- Career satisfaction surveys
  - 2019: 57%
  - 2023: 78%
- Top 3 reasons employees quit is due to lack of career growth, pay, or feeling undervalued/underappreciated

Managers Heavily Impact Employees' Mental Health



2. Data Analysis
More than Just "Participation Data"

In both 2019 and 2023, when asked what data sources they were using to plan health and wellness programming, organizations reported employee interest and feedback as their top source

- However, today, we are seeing increased numbers on various other data sources
- In 2019, 83% of respondents reported that employee interest and feedback were utilized for the strategic planning of their wellness program; in 2023, this number rose to 91%

Various data sources closely being analyzed in order to prove a VOI/ROI

- Improvements in clinical measures/outcomes – increased from 45% in 2019 to 53% in 2023
- Reduction in chronic condition prevalence – increased from 42% in 2019 to 59% in 2023
- Reduction in gaps in care – increased from 33% in 2019 to 51% in 2023

Tracking of biometrics trending down compared to 2019

- In 2019, 59% of applicants reported that they were tracking changes in biometrics of their populations; number decreased to 45% in 2023

Employee Feedback Utilized

83%	91%
2019	2023

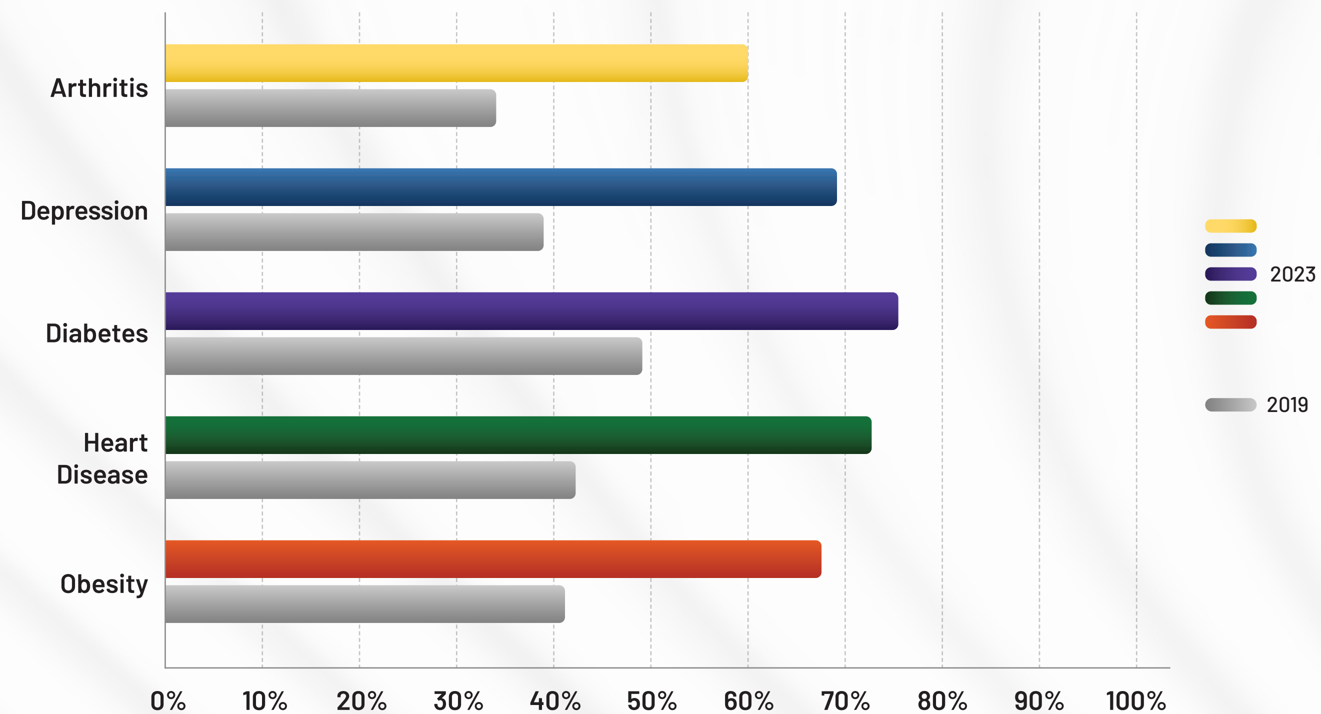
springbuk

3. Chronic Condition Management

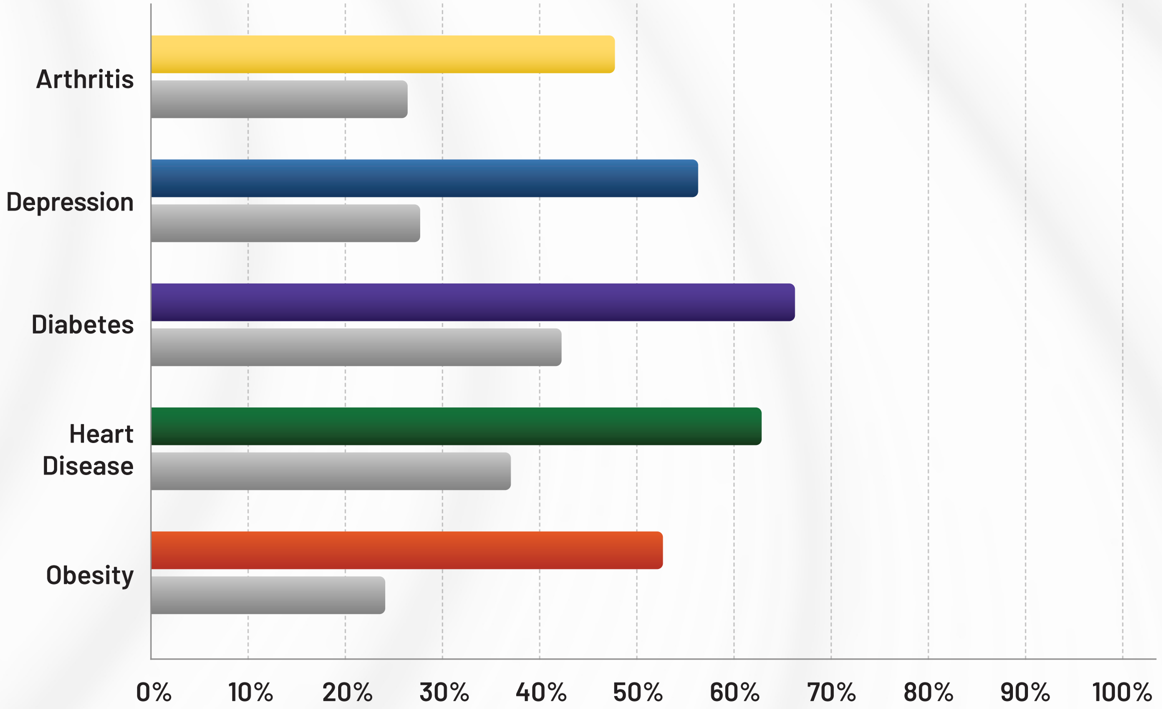
The tracking of chronic condition prevalence increased from 43% in 2019 to 65% in 2023

- Health analytics tools increased from 27% to 44%, which is helping make this possible for many of these companies

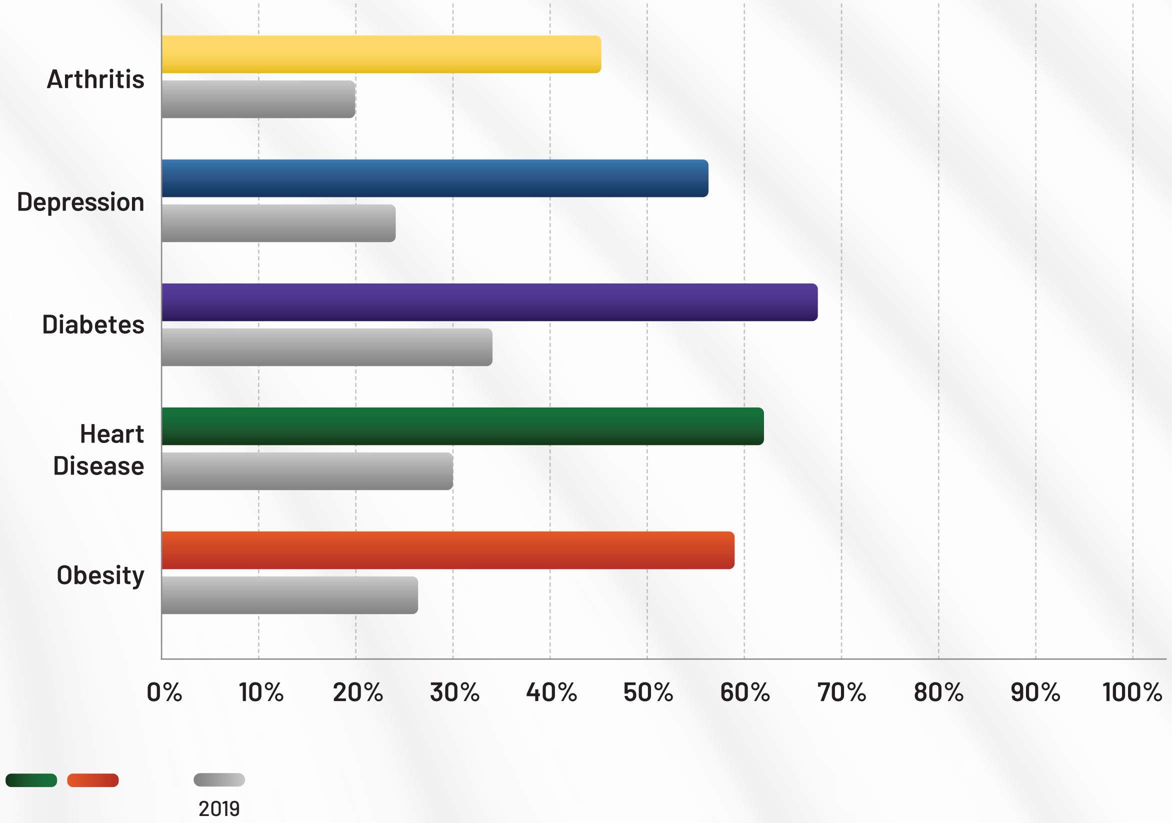
Percentage of Companies That Can Identify the Following Chronic Conditions



Percentage of Companies That Can Identify Gaps in Care for the Same Conditions



Percentage of Companies That Can Measure the Clinical Improvements for Chronic Conditions



Why do we ask about these chronic conditions on the Healthiest Employers survey?

- CDC Definition: Chronic diseases are defined broadly as conditions that last 1 year or more and require ongoing medical attention or limit activities of daily living or both. Chronic diseases such as heart disease, cancer, and diabetes are the leading causes of death and disability in the United States. They are also leading drivers of the nation's $4.1 trillion in annual healthcare costs.
- **Employers will see the impact of these populations on their healthcare claims data.**

Unlock the Potential of Your Health Data for Optimized Employee Benefits and Cost Efficiency

Your health data isn't just information—**it's a goldmine of insights that can tailor benefits uniquely to your employees while bolstering your organization's financial health.**

To truly capitalize on your investment in health benefits, you need the right tools and insights. **Understanding care and cost trends eliminates the guesswork, offering a clear starting point to tailor plans and programs confidently.**

Harnessing all your data enables you to anticipate trends, make informed decisions, and, ultimately, **drive optimal outcomes for your people and your business.**

Discover how **Springbuk's health data analytics and intelligence can elevate your employee experience** and amplify the impact of your programs.

Explore more at springbuk.com

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Glossary

Biologic Drugs	Large molecules made by living cells. It is not possible to make an exact copy.
Biosimilar	A biological drug that is very much like another biological drug (called the reference drug) that has already been approved by the U.S. Food and Drug Administration (FDA). To be called a biosimilar drug, a biological drug must be shown to be as safe as, work as well as, and work in the same way as its reference drug. It must also be used in the same way, at the same dose, and for the same condition as the reference drug.
Book of Business	A list of clients or accounts managed within a business. For example: Springbuk's 5,600 employer clients as of December 2023.
Brand Name Maintenance Drugs	Brand name drugs used in the treatment of chronic conditions.
Chronic Conditions	Chronic diseases are defined broadly as conditions that last 1 year or more and require ongoing medical attention or limit activities of daily living or both. Chronic diseases such as heart disease, cancer, and diabetes are the leading causes of death and disability in the United States. They are also leading drivers of the nation's $4.1 trillion in annual healthcare costs.
Cost Or Spending	The plan paid amount.
Generational Age Group – Used in Introduction	Silent Generation Born 1928-1945 Baby Boomers Born 1946-1964 Gen X Born 1965-1980 Millennials Born 1981-1996 Gen Z Born 1997-2010 Gen Alpha Born 2011-2024
Off-Label use	Refers to the practice of prescribing a drug for a different purpose than what the FDA approved. This practice is called "off-label" because the drug is being used in a way not described on its package insert.
Per Member Per Month (PMPM)	A financial metric used in healthcare revenue cycle management to calculate the average cost or revenue generated per individual enrolled in a health plan within a given month. (MD Clarity)
Reference Product	The original biologic drug.
Time Periods Used Throughout this Report (All dates are incurred)	Year 1: July 2019 - June 2020 Year 2: July 2020 - June 2021 Year 3: July 2021 - June 2022 Year 4: July 2022 - June 2023
United States Preventive Services Task Force (USPSTF)	An independent panel of experts in primary care and prevention that systematically reviews the evidence of effectiveness and develops recommendations for clinical preventive services.

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