

Pulse of the Purchaser

2024 Survey Results

Summary

Pulse of the Purchaser, a national survey of employers, was conducted September-October 2024 with 188 responses from private and public employers and purchasers across the country

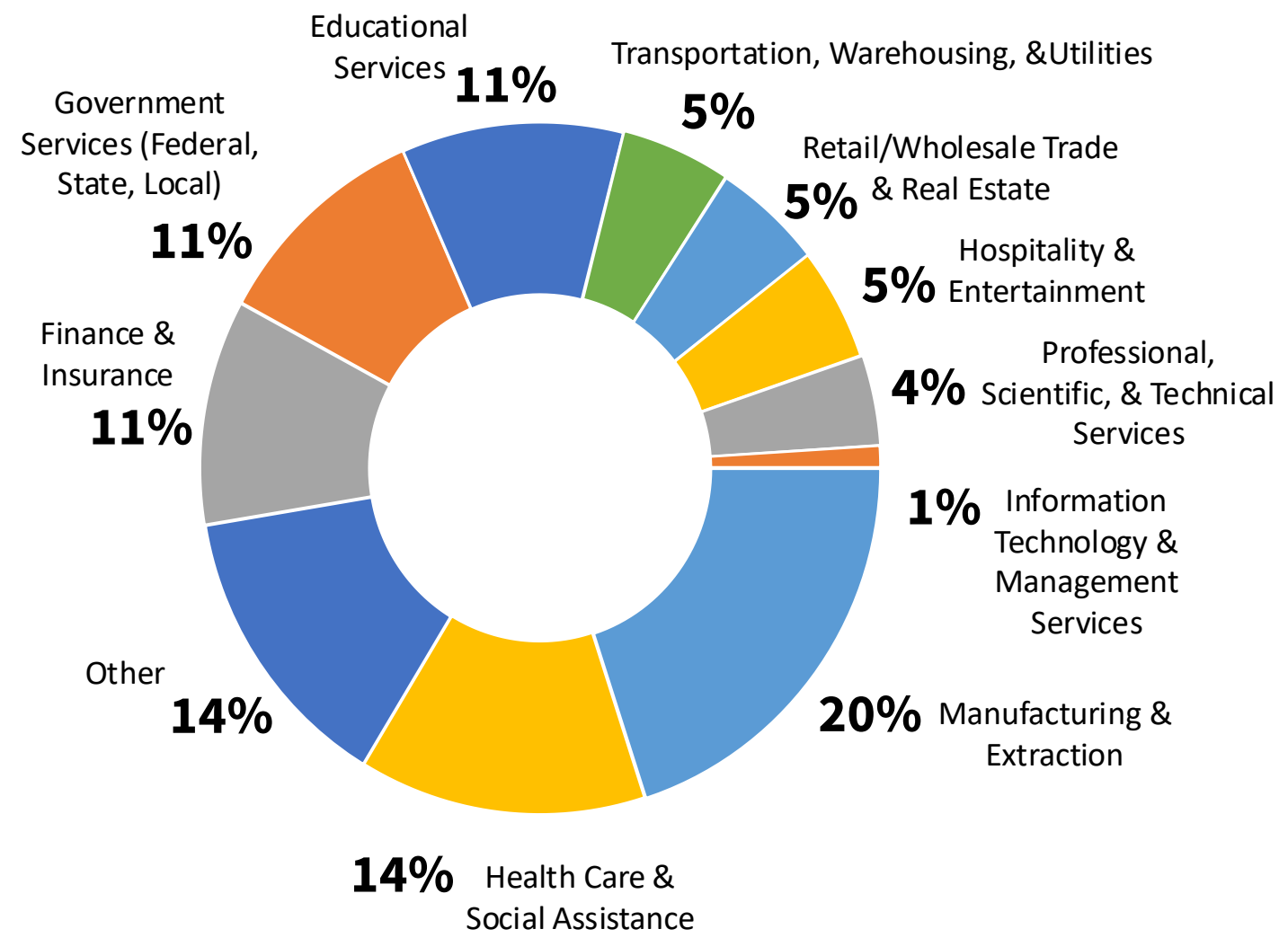
The survey gauged concerns and views of employers around the following:

- Workforce environment
- Health strategies (e.g., women's health, obesity management, mental health, equity)
- Pharmaceutical drug strategies
- Hospital price strategies
- High-cost claim strategies
- Fiduciary strategies
- Potential health reforms

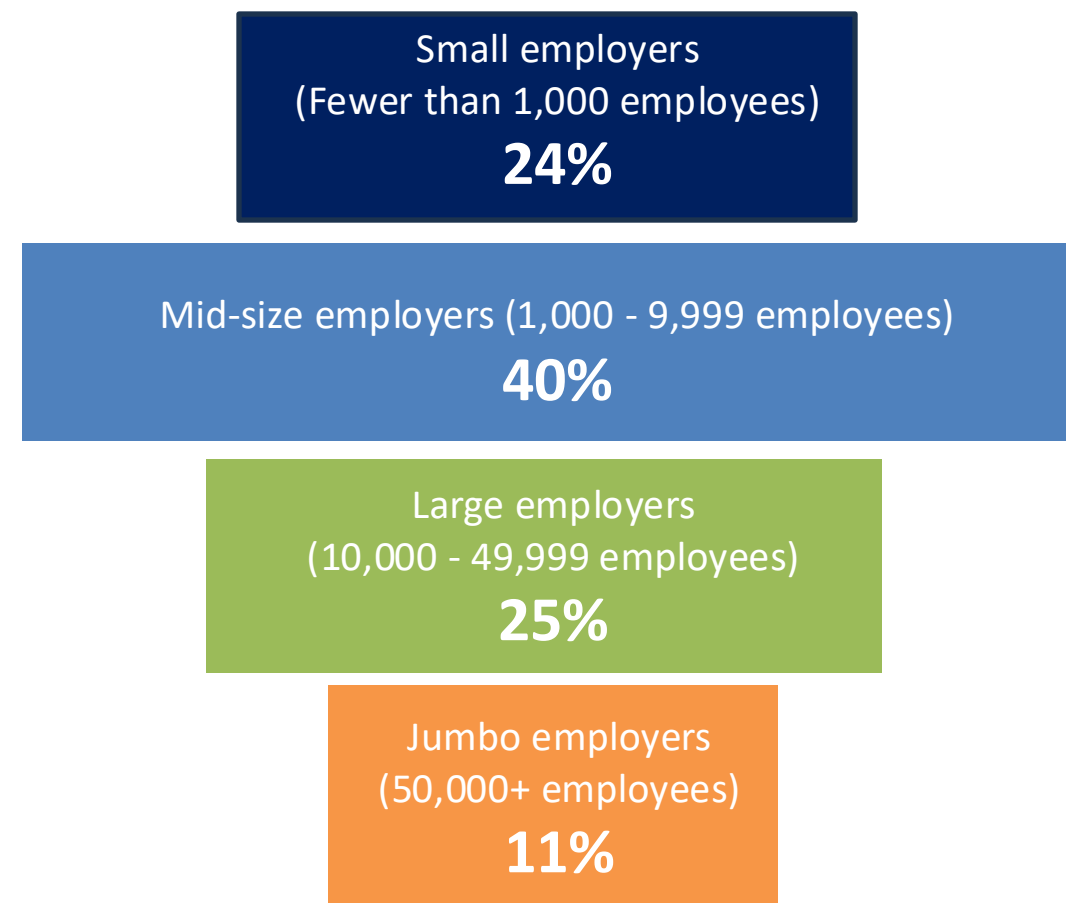
The survey was conducted with member coalitions and organizations with more than 10 employer members responding including – **Midwest Business Group on Health, Lehigh Valley Business Coalition on Healthcare, Florida Alliance for Healthcare Value, Dallas/Fort Worth Business Group on Health, and HealthCareTN**

188 Total Respondents

Industry Breakdown



Organization Size Breakdown Number of Employees



Employer healthcare spending varied widely

In 2023, the average annual premium for fully insured employer-sponsored health insurance was \$8,435 for single coverage and \$23,968 for family coverage.



34%

Higher than the average

33%

About the same as the average

33%

Lower than the average

Several employers highlighted the success of strategies in managing costs:

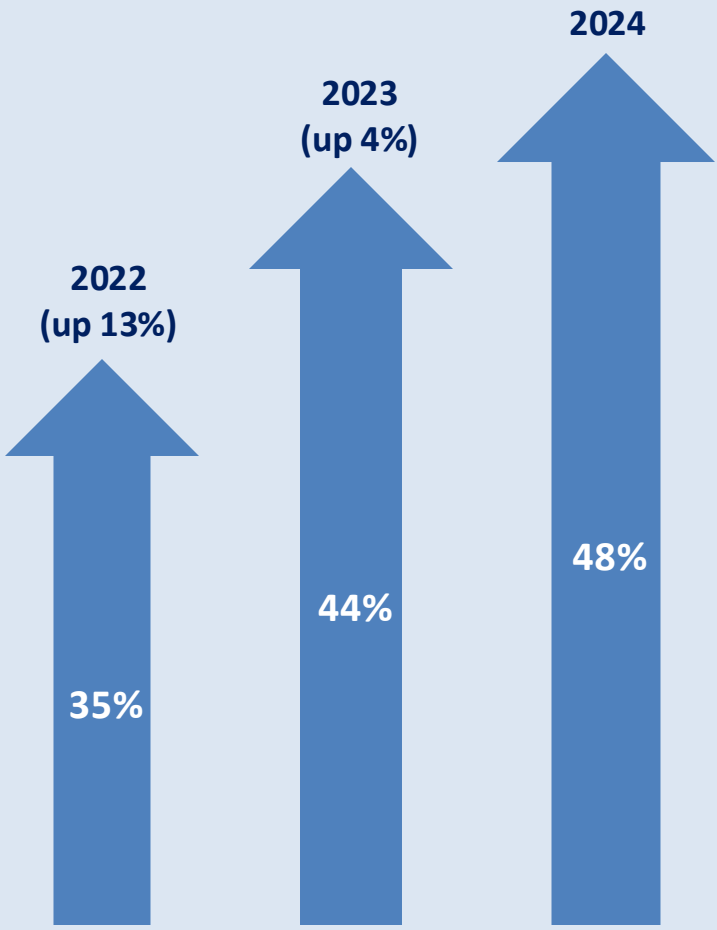
"We have used alternative healthcare plan strategies that have allowed us to control our healthcare spend as well as cost-sharing with our workforce." – Survey respondent

Other employers expressed frustration with external factors, including geographic location and federal policies:

"We are in Indiana (8th most expensive state), geographically held hostage to the second most expensive healthcare network in the state." – Survey respondent

Purchaser Perspectives on Managing Costs

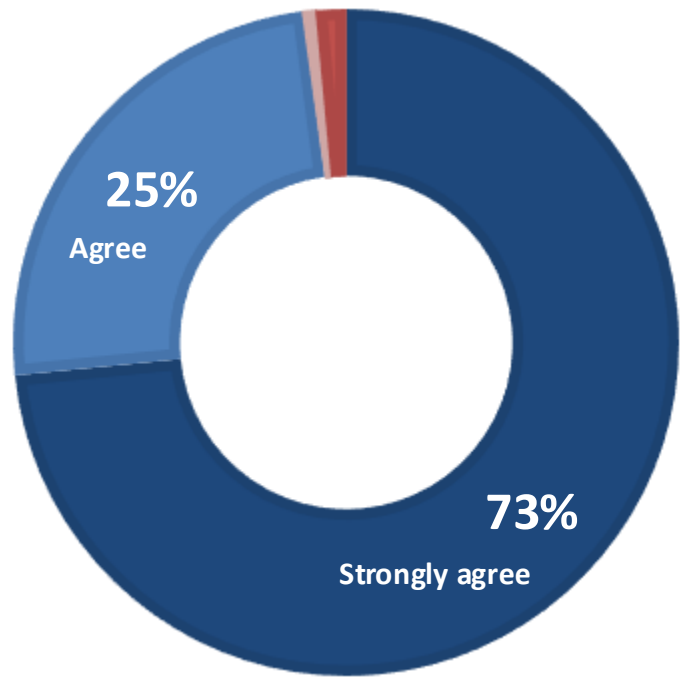
Rising healthcare costs heat up competitiveness concerns



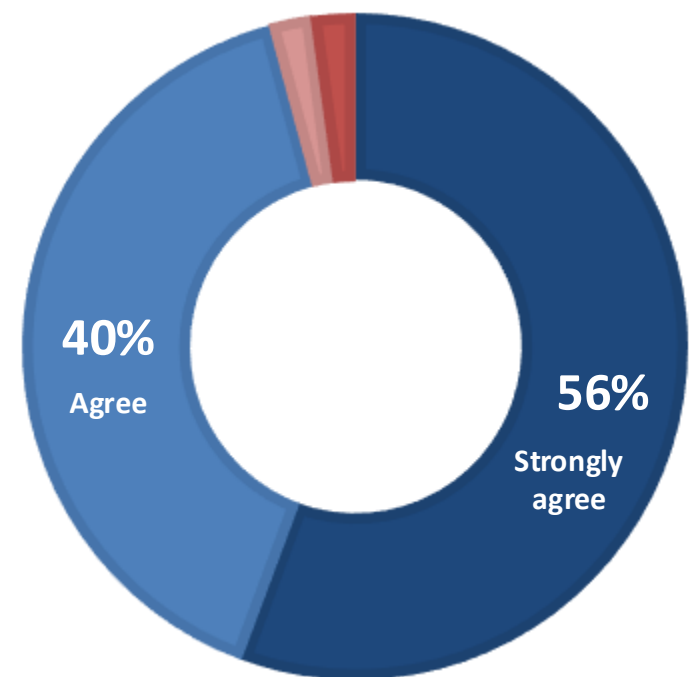
The percentage of employers strongly agreeing that rising healthcare costs impact their competitiveness has steadily increased year over year

Amid rising costs, over 9 out of 10 employers prioritize employee attraction and retention and the role of health and wellbeing benefits

98% of employers agree attracting and retaining employees is a top priority



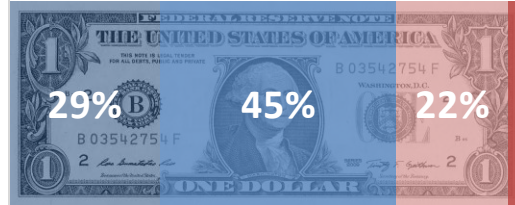
96% of employers agree health and wellbeing benefits play a crucial role in our employee attraction and retention efforts



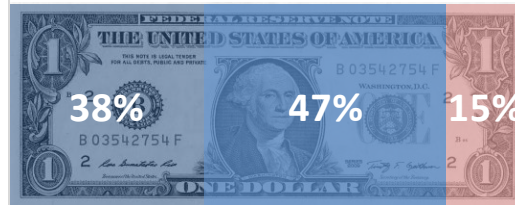
“Rising healthcare costs are not just a budgetary issue; they’re an existential threat to our workforce strategies.” – Survey respondent

Purchaser Perspectives on Managing Costs

Healthcare cost increases often lead to trade-offs with salary or wage increases



Higher healthcare costs will result in further cost-shifting to employees



■ Strongly Agree ■ Agree ■ Disagree ■ Strongly Disagree

“It’s not just about cost control anymore; it’s about survival.”

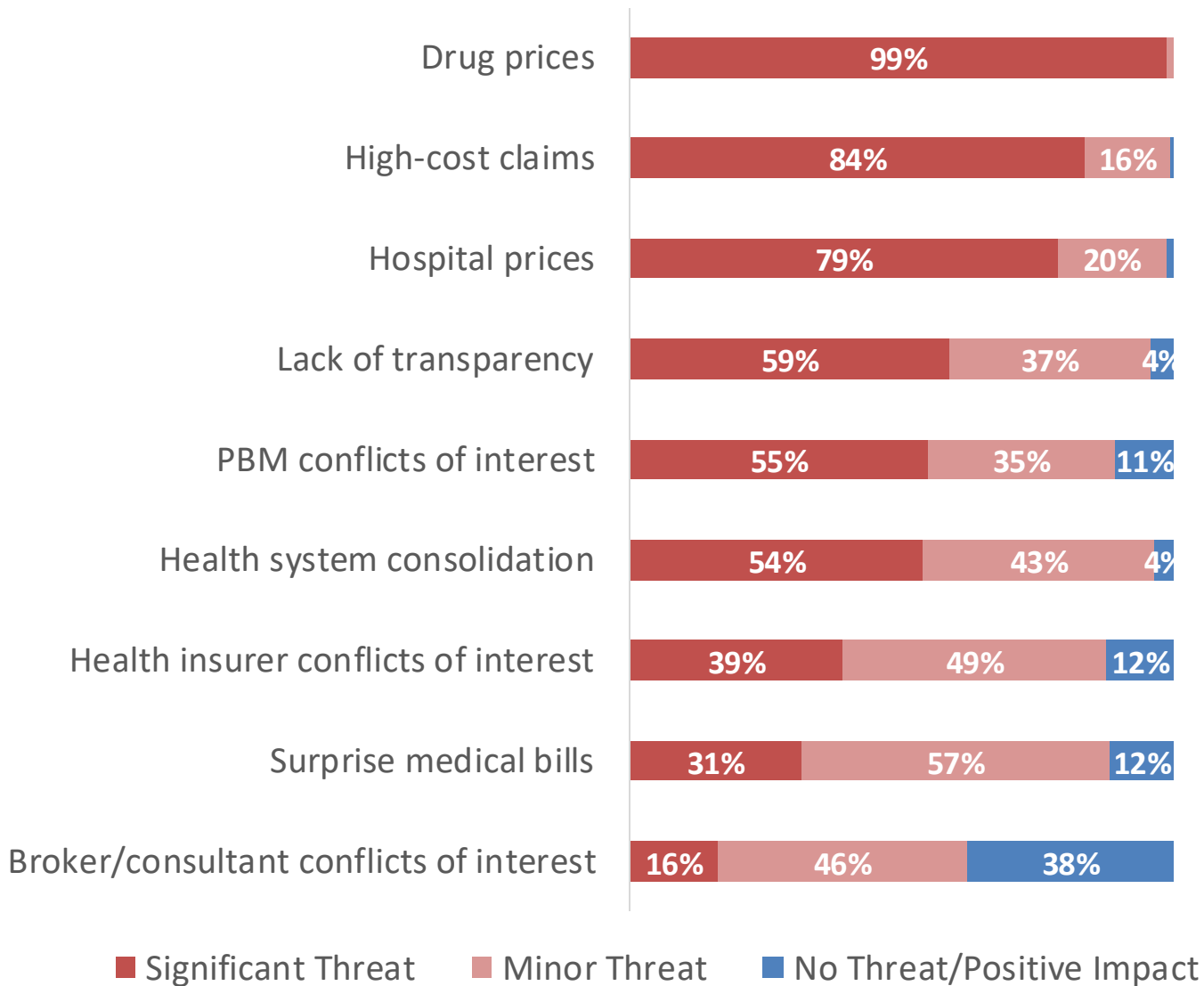
— Survey respondent

74% of employers believe that increases in healthcare costs often lead to trade-offs with salary or wage increases, with **38% strongly agreeing**

74% of employers agree that rising healthcare costs will lead to cost-shifting to employees, with **38% strongly agreeing**

Purchaser Perspectives on Threats to Affordability

Three biggest threats to affordability are drug prices, high-cost claims, and hospital prices



Consistent with the past four years, nearly 8 out of 10 employers consider drug prices, high-cost claims, and hospital prices a significant threat to affordability



99% of employers believe that drug prices are a significant threat

**“Prescription costs are a joke.”
– Survey respondent**

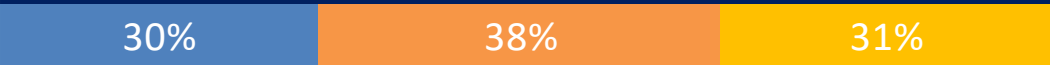
Purchaser Perspectives on Health Equity

Employer health equity strategies are continuing to trend upwards

Engaging various departments to discuss company strategy (e.g., diversity & inclusion, HR, benefits, wellbeing)



Surveying employees about perceived access to care, quality, and patient experience



Collecting qualitative data through focus groups



Placing and measuring accountability for health equity in service provider contracts



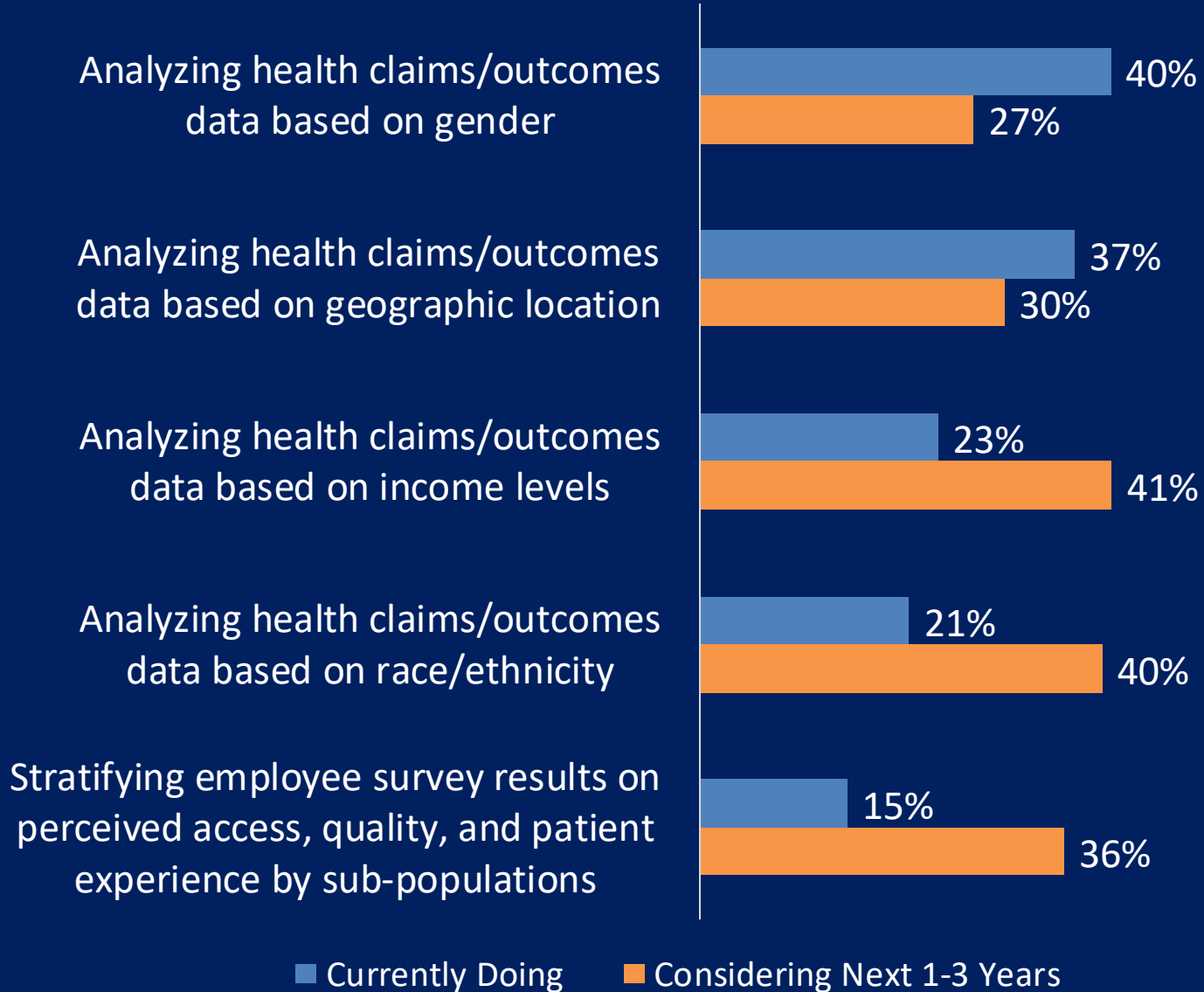
■ Currently Doing ■ Considering Next 1-3 Years ■ Not Considering

Trending up:

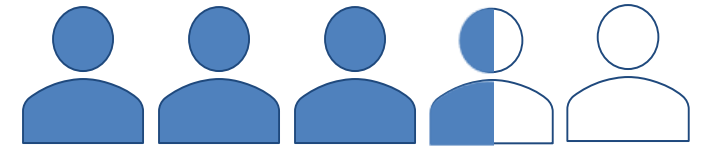
Employers continue to **engage various departments to discuss company strategy**

- up 15% from 2023 (59%)
- up 22% from 2022 (52%)

How employers are analyzing health equity data



Over 3 out of 5 employers are currently or considering analyzing their health claims based on gender, geographic location, income levels, and race/ethnicity



Women's health benefits employers are currently offering:



78% offer maternity support services



75% offer parental leave

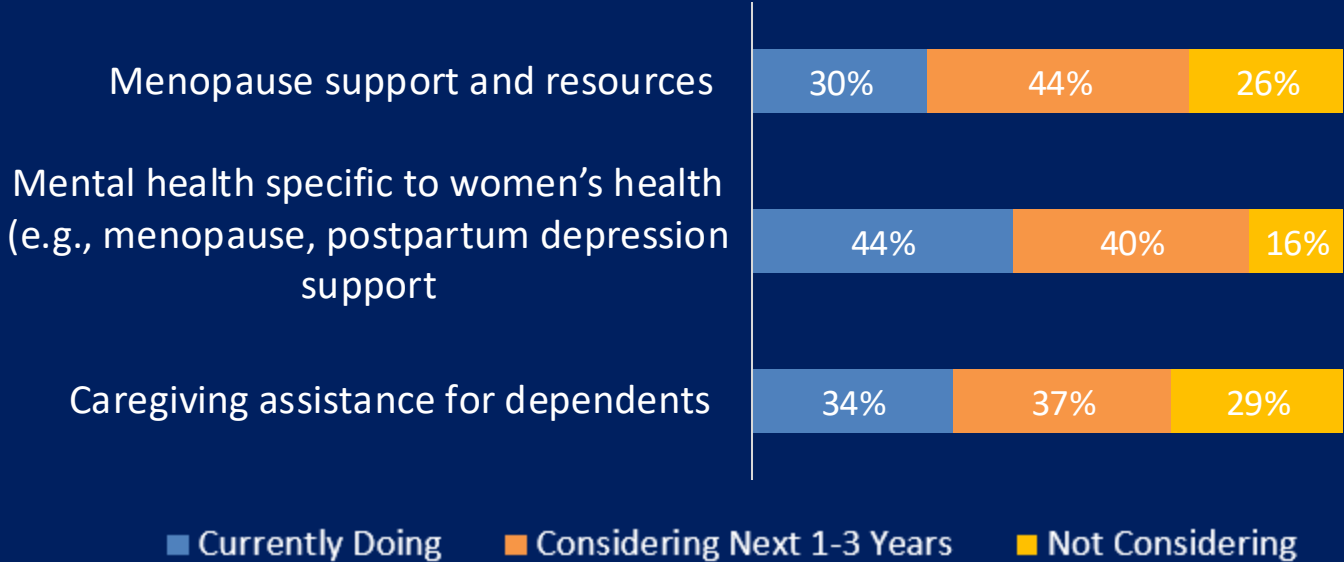


63% offer coverage on gynecological issues (e.g., endometriosis, cervical cancer)



55% offer reproductive healthcare and fertility services

The fastest-growing women's health areas include menopause support, mental health support, and caregiving assistance



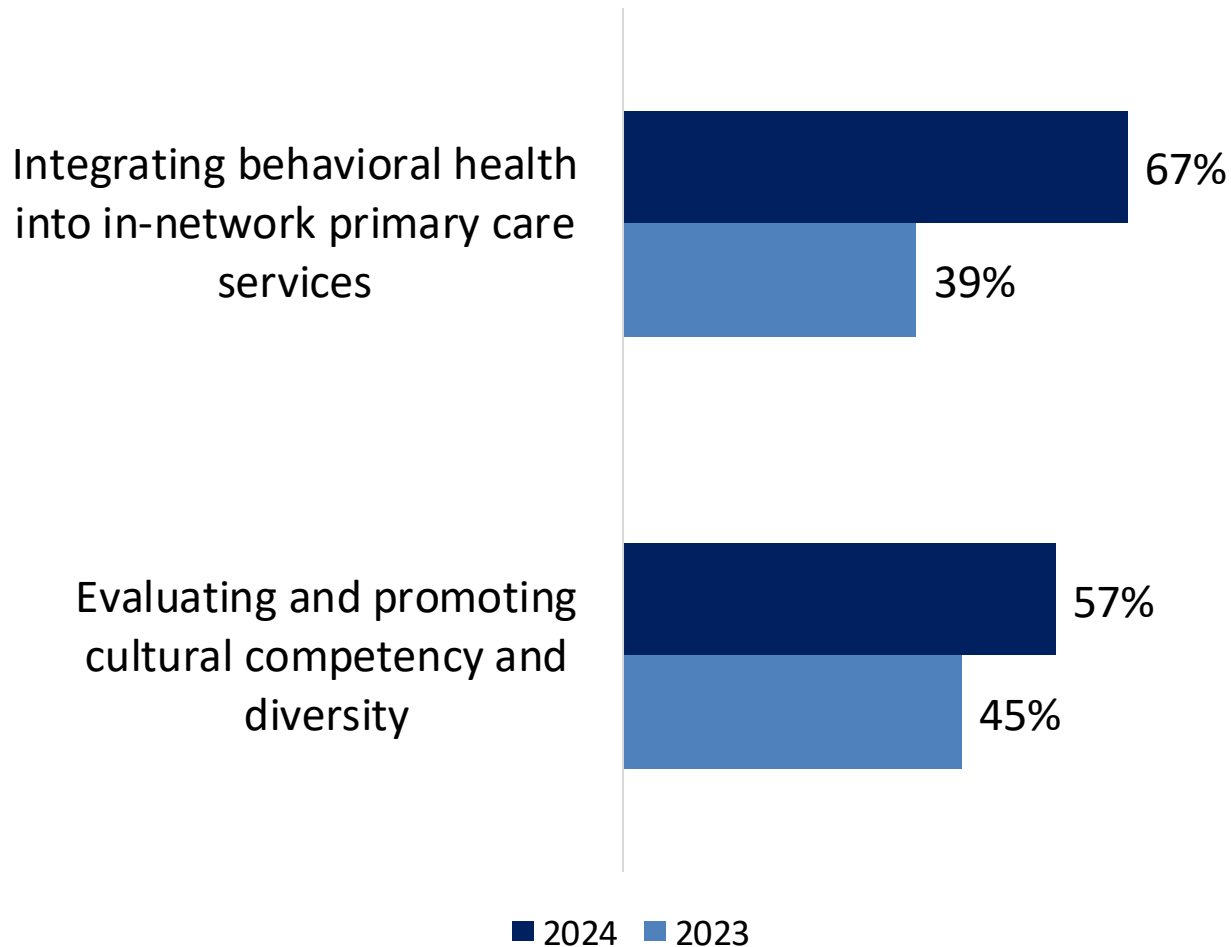
Trending up:

Employers interest in implementing the following maternal health strategies has continued to increase:



- Menopause support and resources up 14% from 2023 (16%)
- Maternity support services up 9% from 2022 (69%)
- Reproductive healthcare and fertility services up 6% from 2023 (49%)

Employers expand mental health efforts; uptake grows by 28% and 12% from 2023 on the following strategies:



Comparison of Currently Doing from 2024 and 2023



48% have established vendor accountability (e.g., performance metrics)



74% currently offer programs that educate on mental health stigma/bias

Trending up:

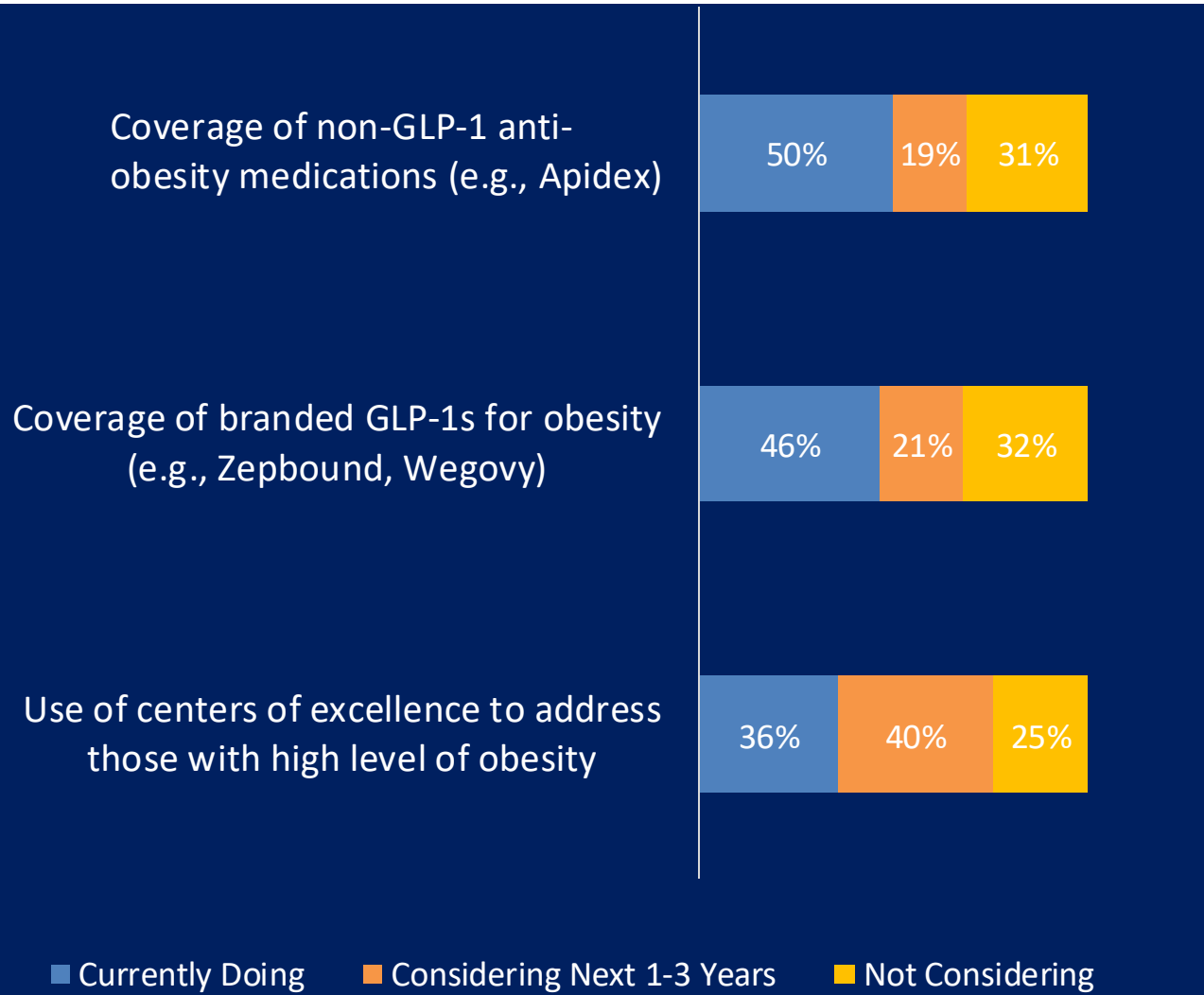
Employers interest in implementing the following mental health strategies has **continued to increase**:



Integrating behavioral health into in-network primary care services **up 28% from 2023 (39%)**

Evaluating and promoting cultural competency and diversity **up 8% from 2022 (45%)**

Addressing obesity in the workplace: current trends and future plans



Obesity benefits employers are **currently offering**:



84% Lifestyle programs (e.g., exercise and nutrition programs)



72% Coverage of bariatric surgery



54% Reduce bias and stigma through communications, messaging in programs

Trending up:

Employers continue to lean in on strategies they are familiar with. The following currently available **obesity strategies continue to rise**:



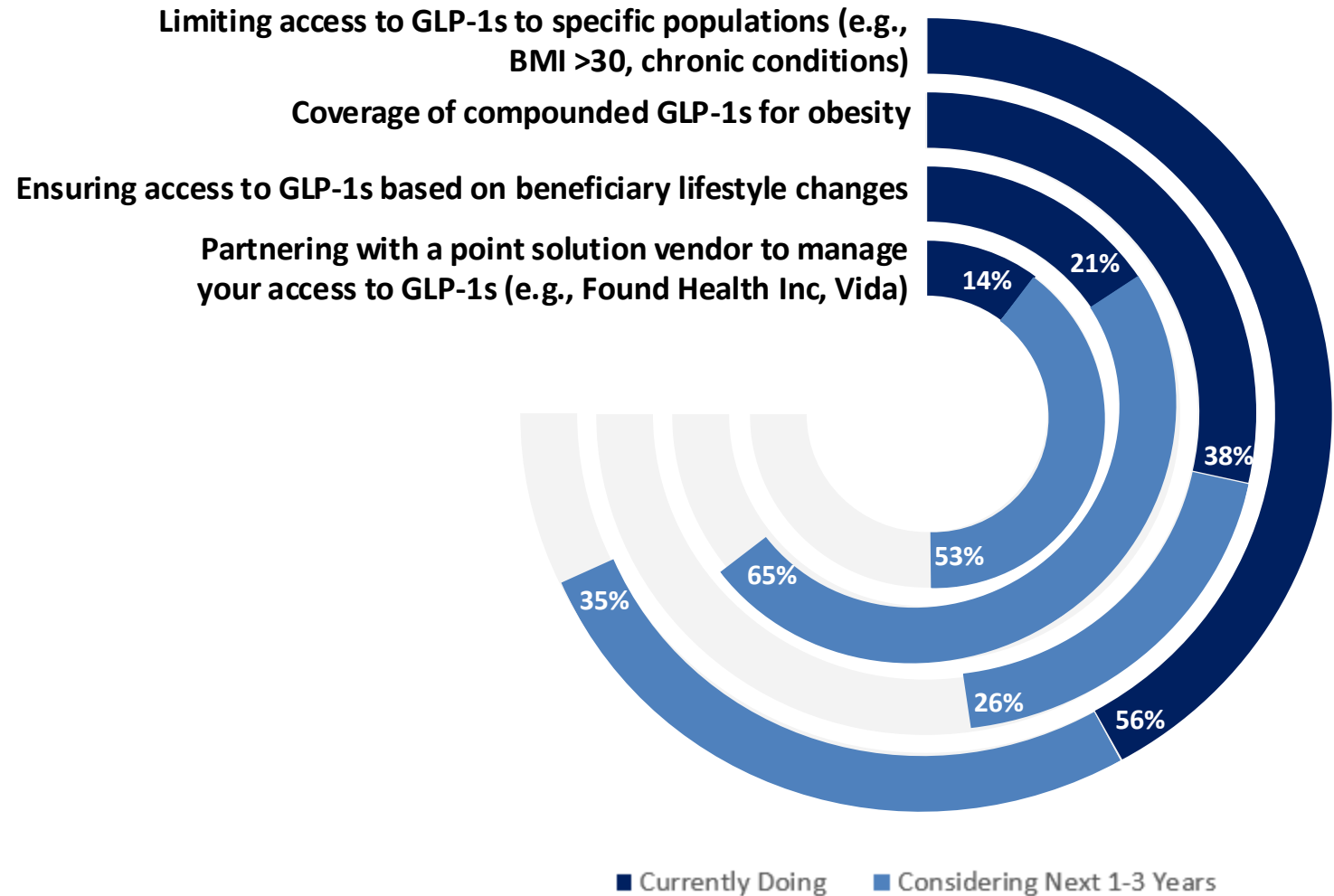
- Reducing bias and stigma through communications, and messaging in programs **up 12% from 2023**
- Lifestyle programs (e.g., exercise and nutrition programs) **up 6% from 2023**
- Coverage of bariatric surgery **up 3% from 2023**

Trends in GLP-1 coverage: Current adoption and future considerations among employers

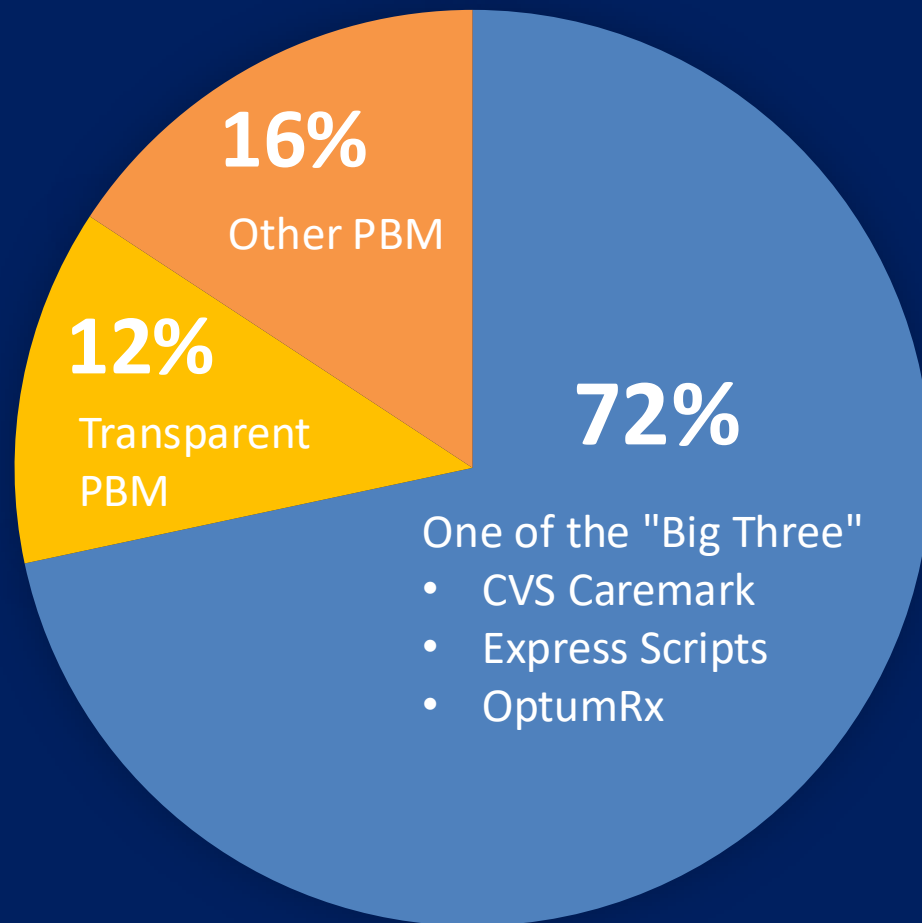
Of the 67% of employers currently offering or considering GLP-1 coverage in the next 1-3 years, many are considering the following solutions to mitigate their costs:

Nearly 2 out of 3 of employers currently offering or considering GLP-1 coverage are adopting the following strategies:

- Limiting access to GLP-1s to specific populations (91% currently/considering)
- Ensuring access to GLP-1s based on lifestyle changes (86% currently/considering)
- Partnering with point solution vendor to manage access (67% currently/considering)
- Coverage of compounded GLP-1s (64% currently/considering)



Employers' primary PBM contracts are with:



Over half of employers plan PBM changes in the next 1-3 years:



52% of employers are considering changing their PBM in the next 1-3 years while **48%** are not planning on changing

Why employers are rethinking their PBM choices

Comments from employers:

- More transparent contract and pricing
- Take more control over the formulary and add more customized options, based on our population
- Reduce conflicts of interest
- Strong belief that we need to be more involved in the day-to-day management of Rx utilization, access, and claims
- Lack of transparency makes it impossible to tell whether our PBM is making the right choices for our organization
- To comply with fiduciary requirements, we will be re-evaluating our PBM contract

Purchaser Perspectives on PBMs

PBM strategies employers are **currently doing or considering in the next 1-3 years:**



Promotion and inclusion of biosimilars on formulary



Confirmation that advisors do not receive any direct or indirect compensation from PBM or related third-party

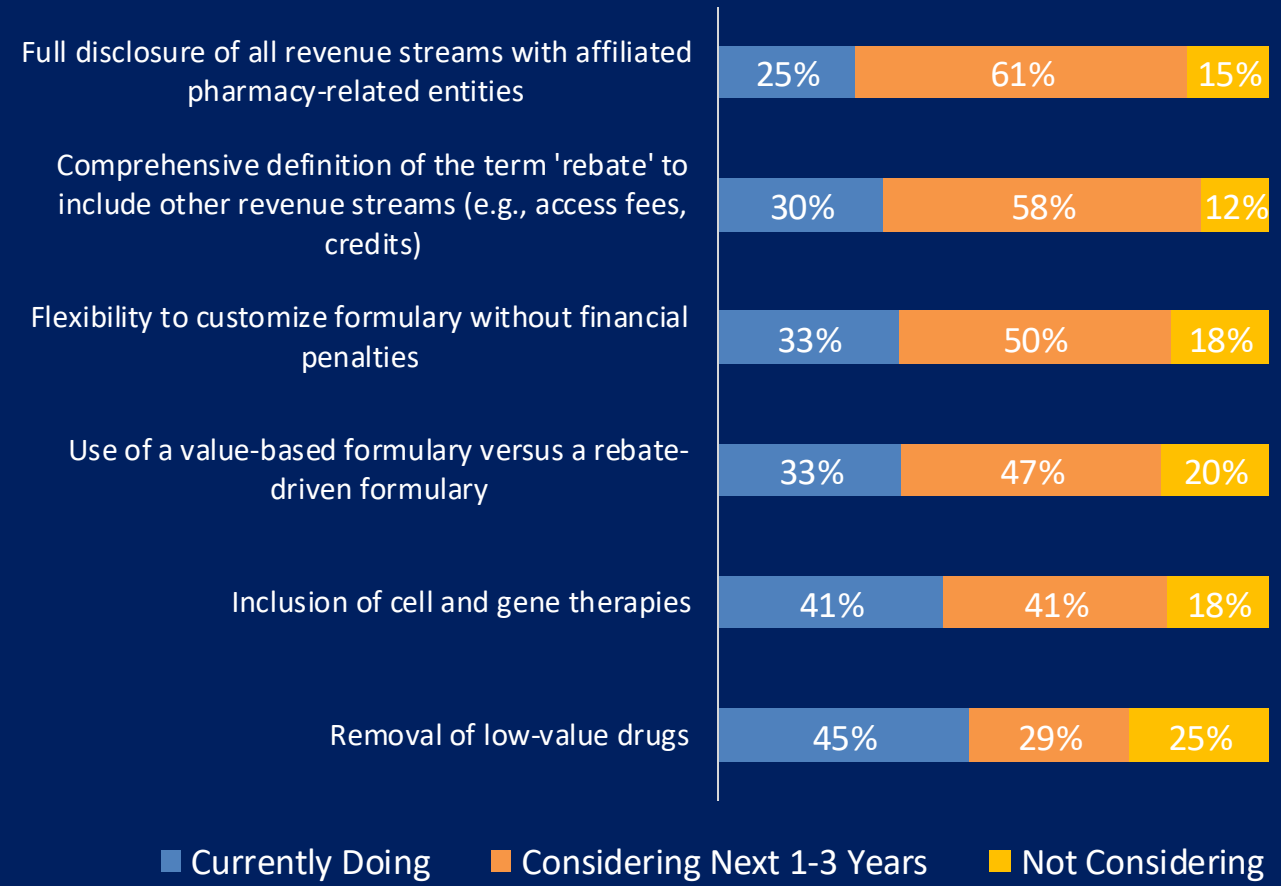


Full and independent audit rights of PBM contract and rebate agreements

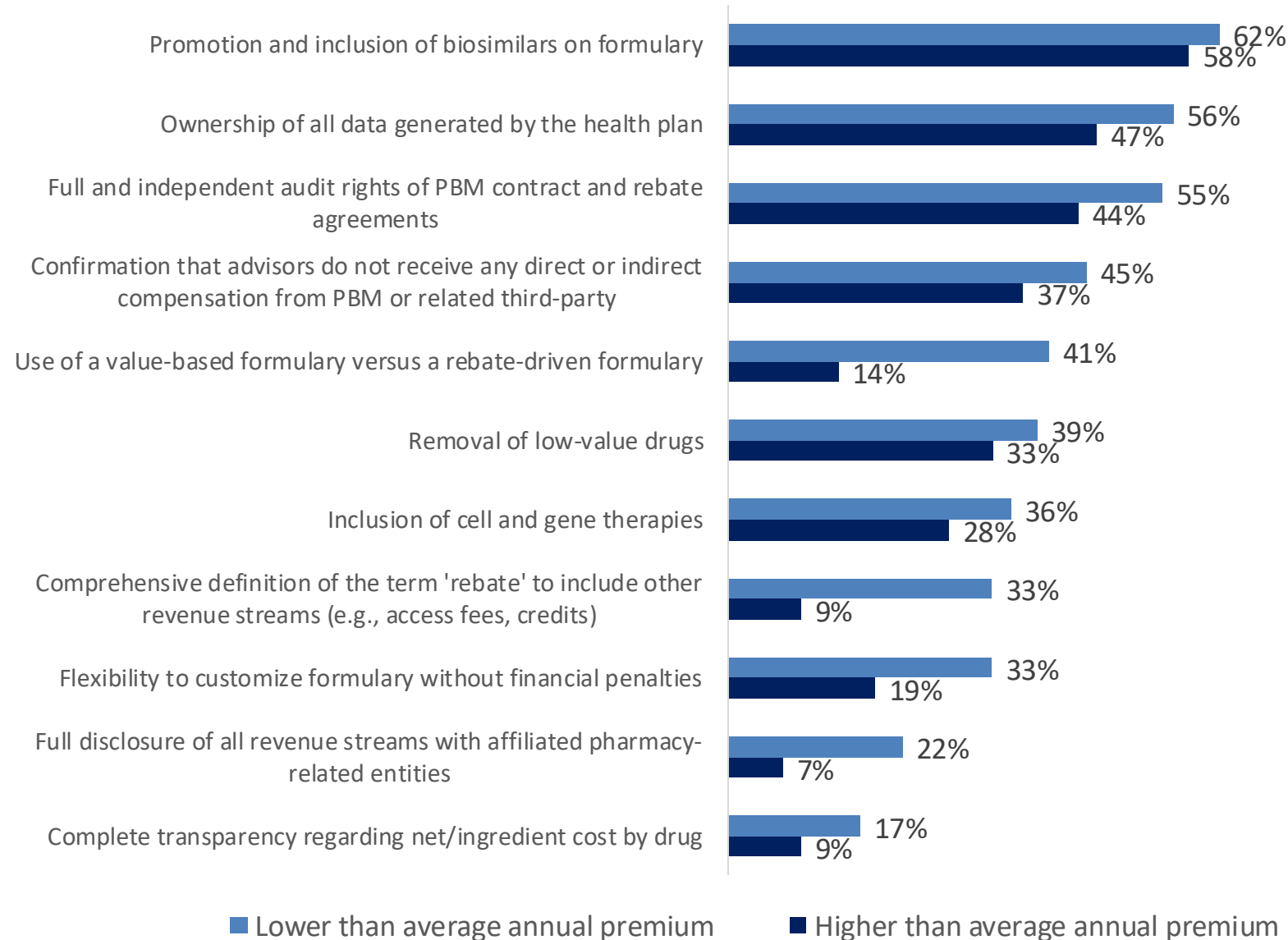


Ownership of all data generated by the health plan

The fastest-growing PBM strategies include: confirming transparent revenue disclosure, comprehensive rebate definition, and flexibility to customize formulary



Unlocking cost savings: employers using PBM strategies to control premiums Comparison of employers currently doing the following PBM strategies by annual premium

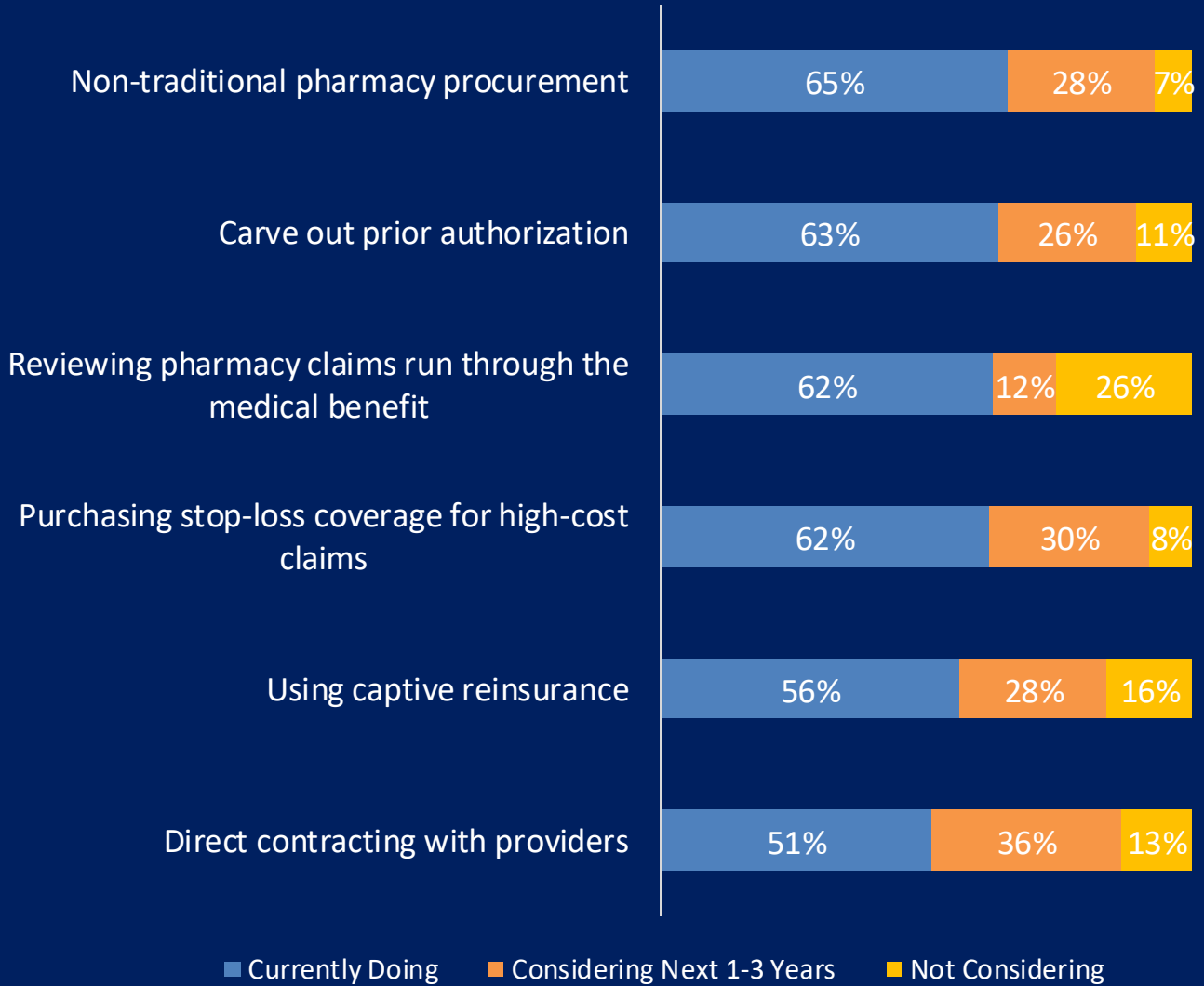


Employers implementing these healthcare strategies saw the greatest reductions in premiums for the following strategies:

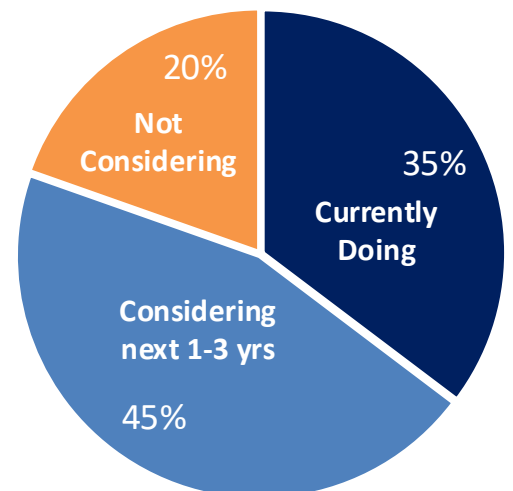
- **Value-based formulary versus rebate-driven formulary: +27% net for lower premiums** (41% lower vs. 14% higher).
- **Comprehensive definition of the term “rebate” to include other revenue streams (e.g., access fees, credits): +24% net favoring lower premiums** (33% lower vs. 9% higher).
- **Full disclosure of all revenue streams with affiliated pharmacy-related entities: +15% net toward lower premiums** (22% lower vs. 7% higher).
- **Flexibility to customize formulary without financial penalties: +14% net with lower premiums** (33% lower vs. 19% higher).

Purchaser Perspectives on High-cost Claims

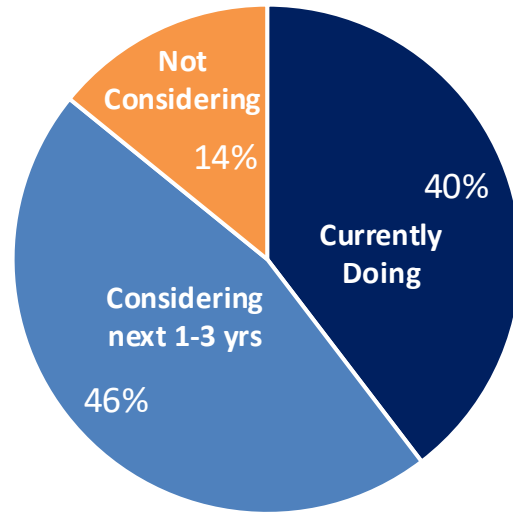
More than half of employers are currently implementing the following high-cost claims strategies:



Employers driving efficiency: Auditing hospital prices and large claims for better negotiations



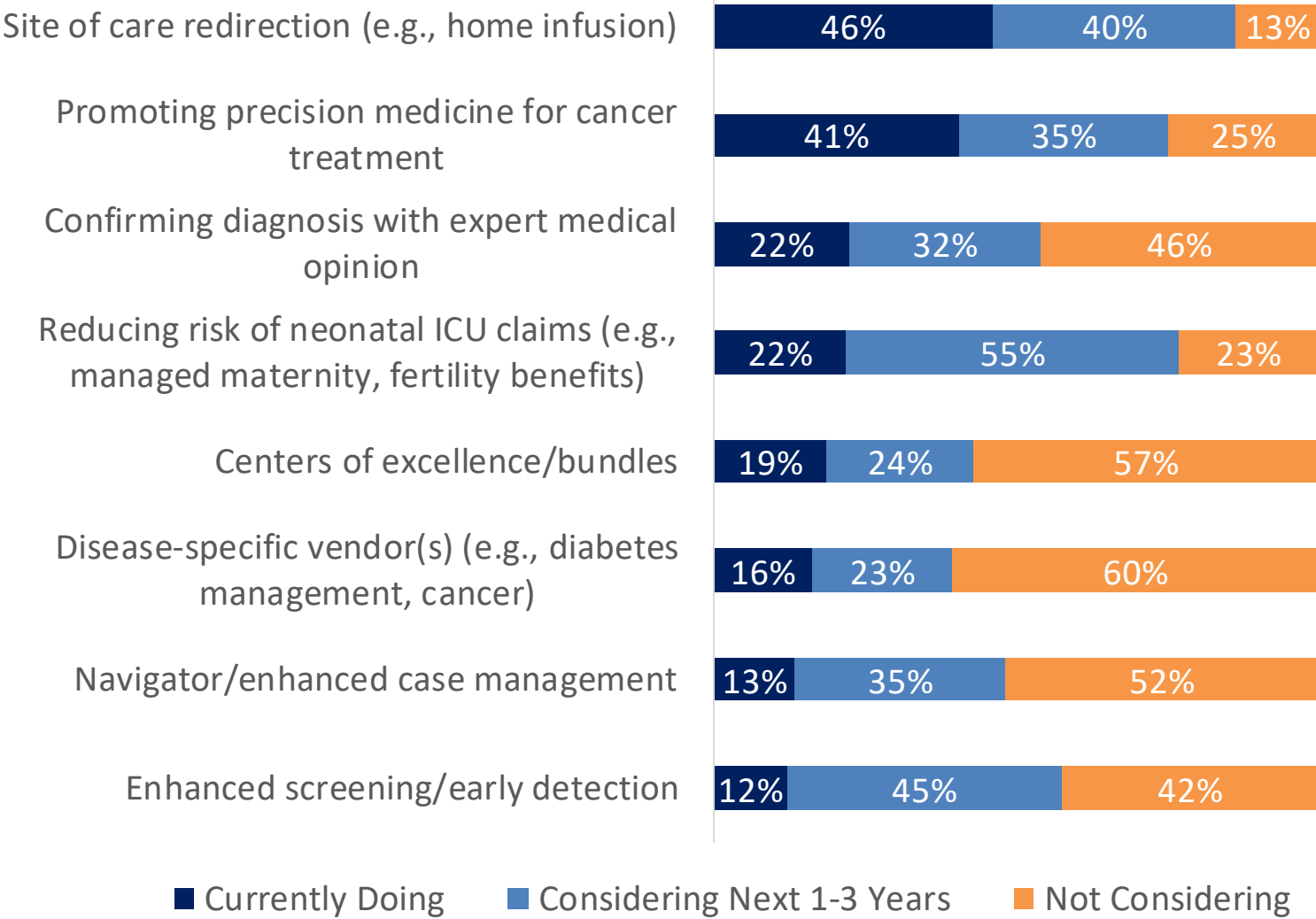
Negotiating and auditing hospital prices



Requesting data and audits of large claims

Purchaser Perspectives on High-cost Claims

How employers are strategizing to mitigate high-cost claims



Top strategies employers are considering next 1-3 years

55%



Reducing risk of neonatal ICU claims (e.g., managed maternity, fertility benefits)

45%



Enhanced screening/early detection

40%



Site of care redirection (e.g., home infusion)

Top concerns for employers as fiduciaries:

Combined employer responses who selected concerned and somewhat concerned

63%



Not confident in integrity and lack of conflicts in hospital billing practices

59%



Not confident in reasonability of hospital charges for the services provided

50%



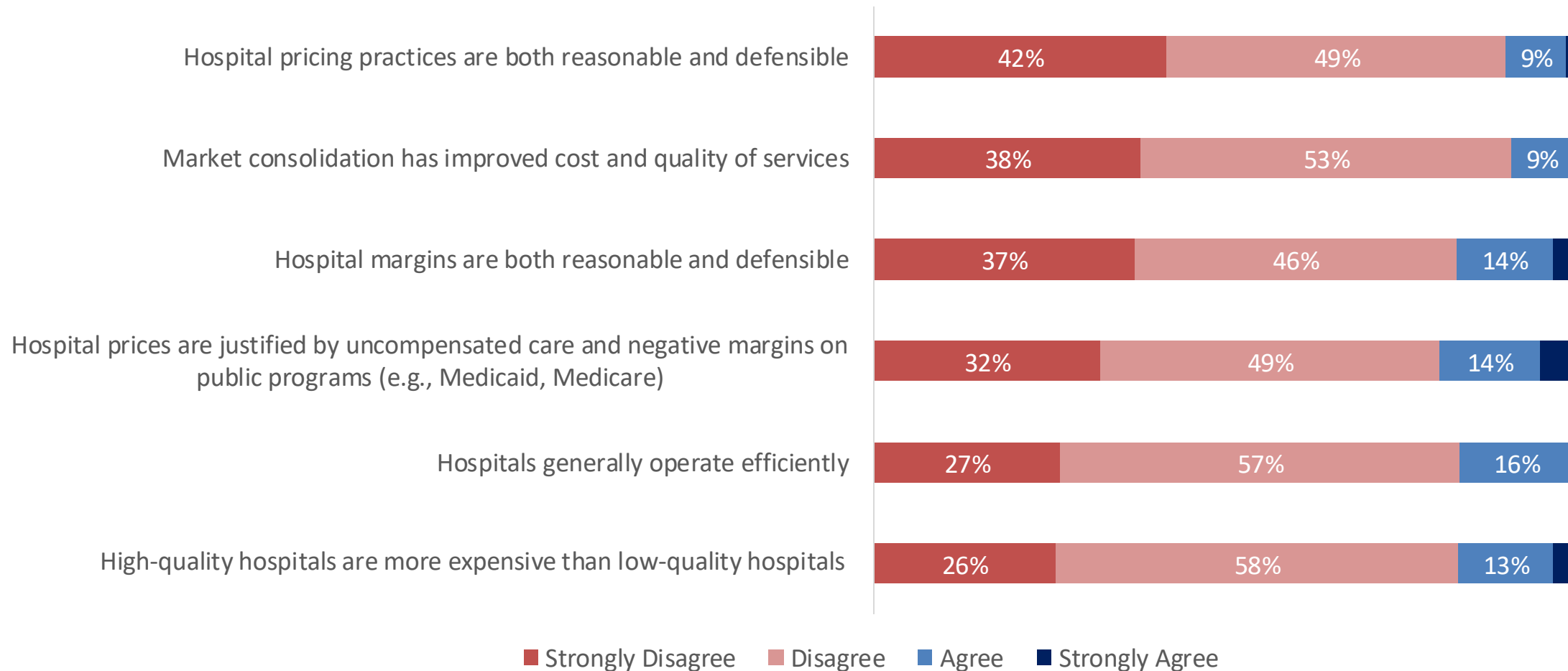
Not confident in integrity and lack of conflicts in PBM administration

47%



Not confident in reasonability of PBM direct and indirect compensation for services provided

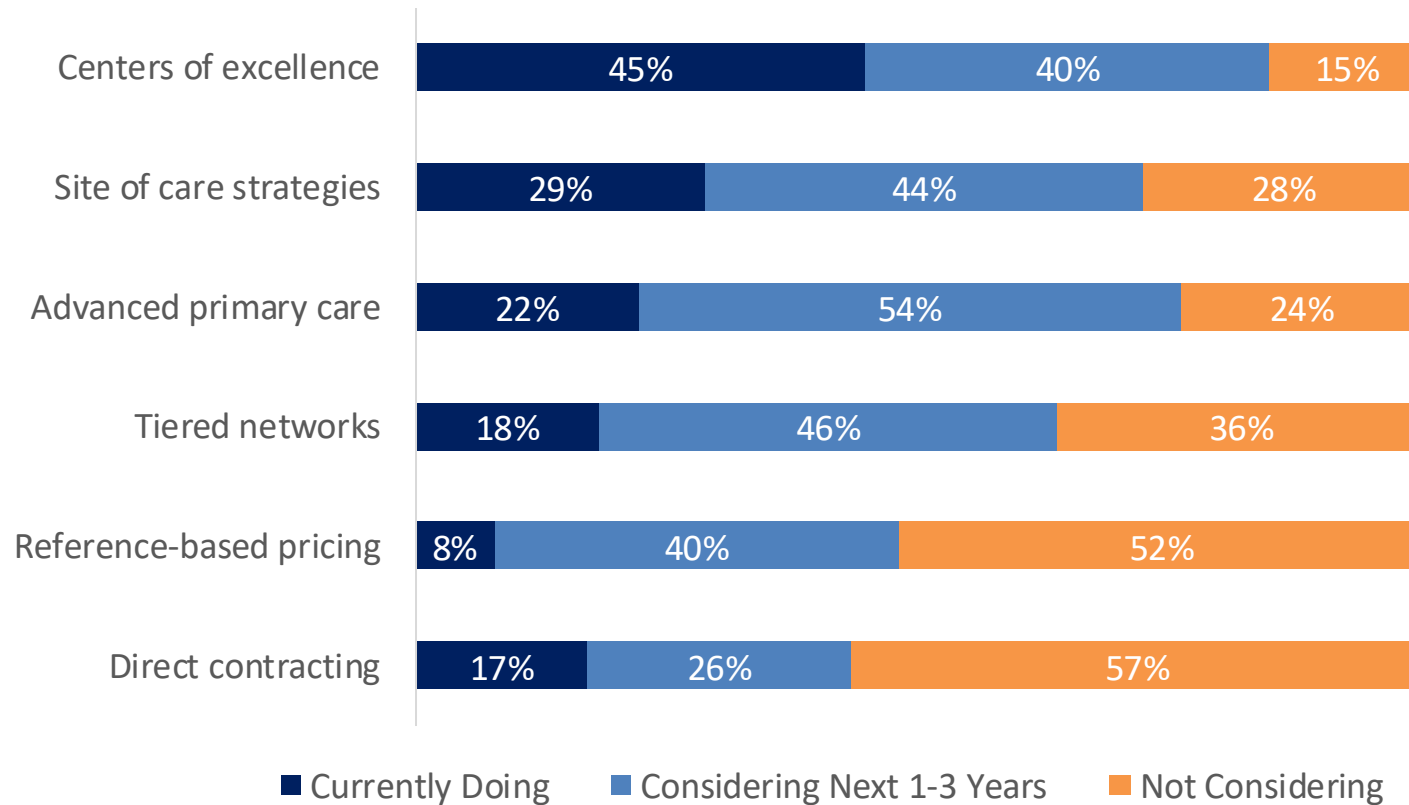
Over 8 out of 10 plan sponsors doubt hospital efficiency, pricing, and benefit of consolidation



“Hospital pricing is absolutely out of line and considered gouging.” – Survey respondent

Purchaser Perspectives on Hospital Pricing

Fastest-growing hospital pricing strategies include advanced primary care, tiered networks, site of care strategies



Employers share the difficulties they face when attempting direct contracting, leading to less uptake and interest,

“We have been talking to the local hospitals for over a year. We would like a direct contract, but they are not willing to discuss.”



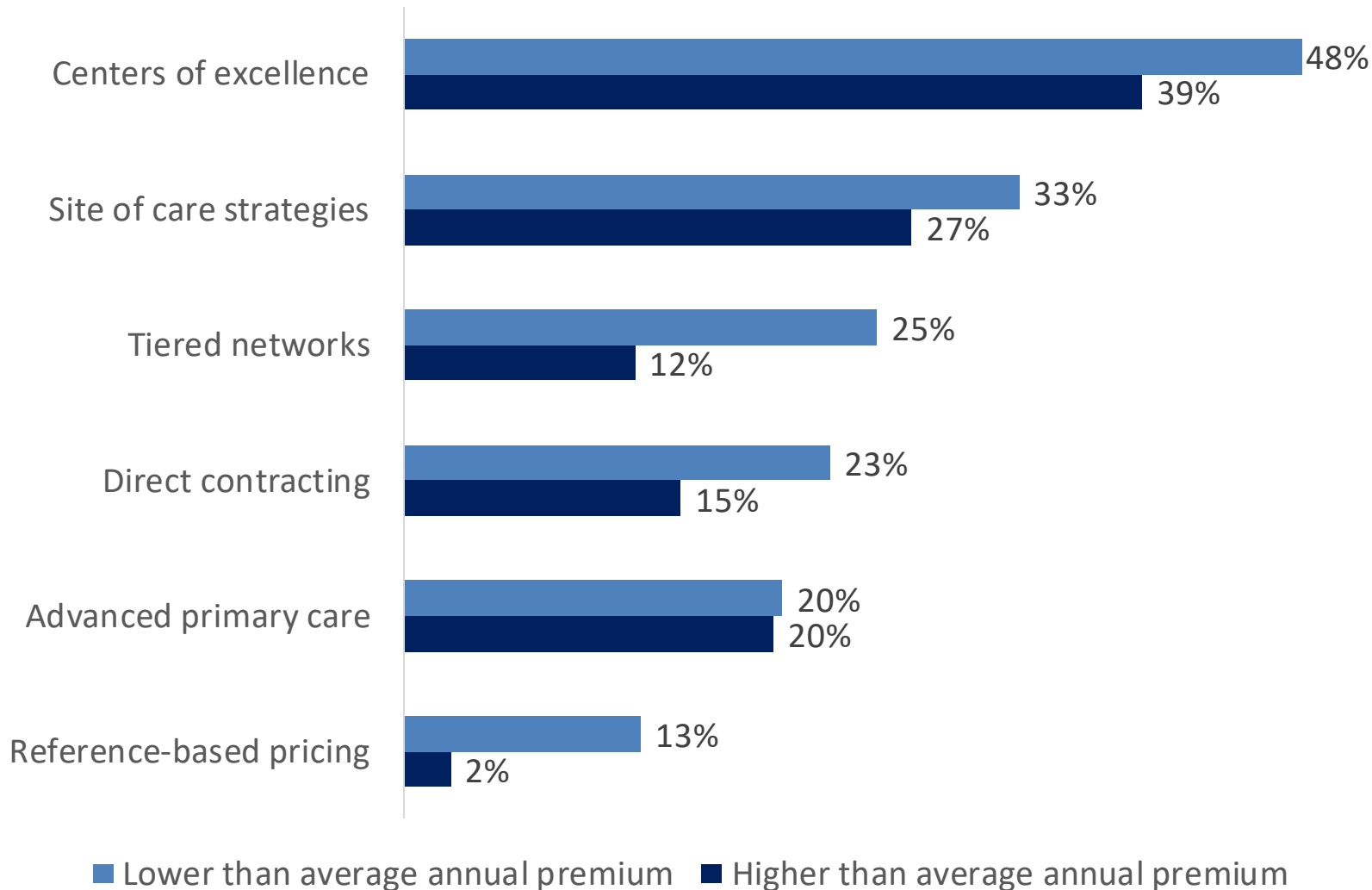
Over 7 out of 10 are currently offering or considering in the next 1-3 years:

- Centers of excellence (85%)
- Advanced primary care (76%)
- Site of care strategies (72%)

Purchaser Perspectives on Payment Strategies

Unlocking cost savings: Employers using payment strategies to control premiums

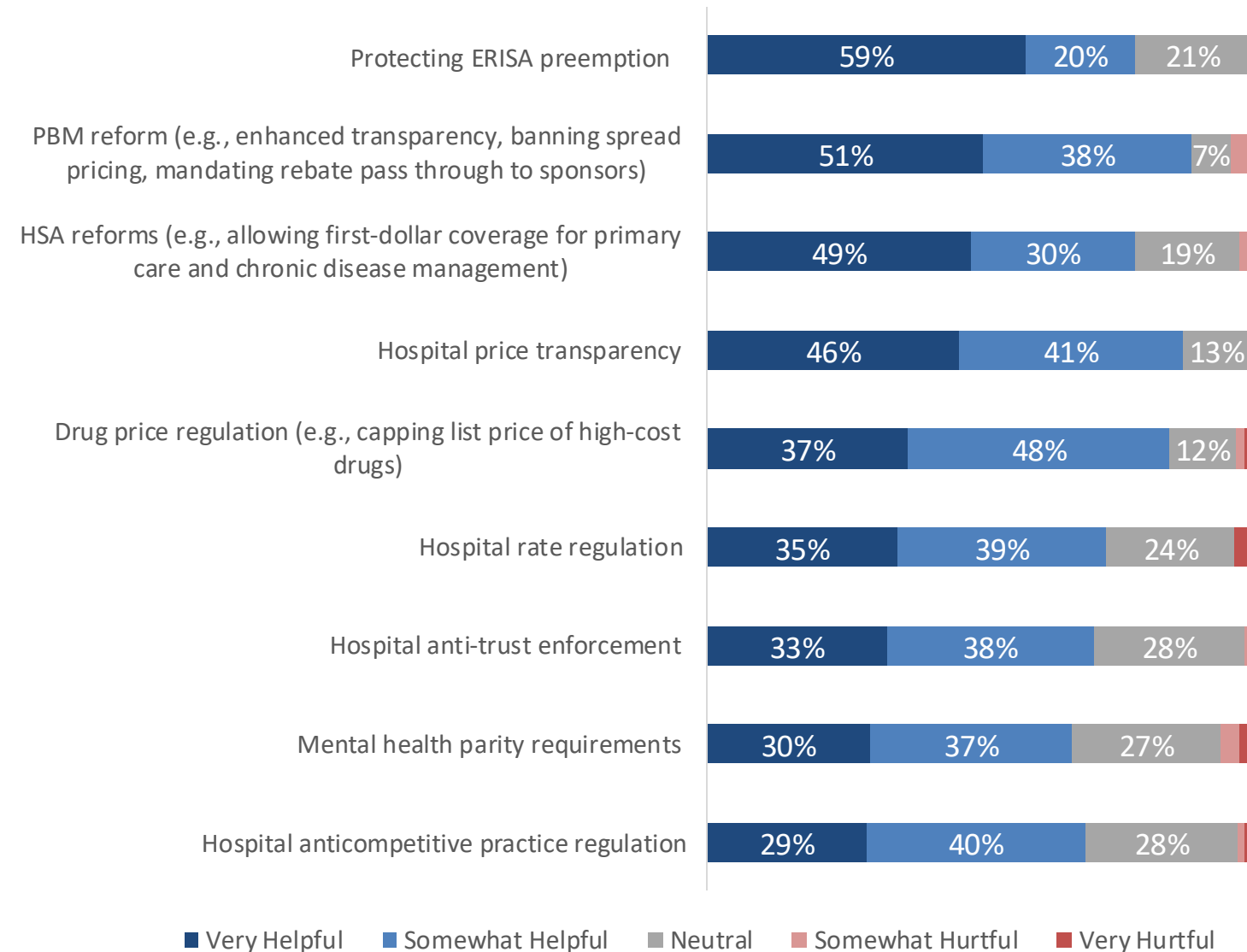
Comparison of employers currently doing the following light of hospital pricing practices by annual premium amount



Employers implementing these healthcare strategies saw the greatest reductions in premiums for the following strategies:

- **Tiered networks: +13% net favoring lower premiums** (25% lower vs. 12% higher)
- **Reference-based pricing: +11% net toward lower premiums** (13% lower vs. 2% higher)
- **Centers of excellence: +9% net for lower premiums** (48% lower vs. 39% higher)
- **Direct contracting: +8% net with lower premiums** (23% lower vs. 15% higher)
- **Site of care strategies: +6% net favoring lower premiums** (33% lower vs. 27% higher)

Employers are increasingly supportive of policy reforms that can improve transparency and fair pricing



Trending up:

Employers interest in PBM and HSA policy reforms has **increased substantially from 2023 to 2024:**



- HSA Reform (up 20%) (29% 2023)
- PBM Reform (up 13%) (38% 2023)

Opportunity for education:

Almost half of the employers would benefit from “more information” on the following policy reforms:

- Shrinking the size of the 340B Program (**50%** need more info)
- Healthcare global budgets (**47%** need more info)

About the National Alliance Purchaser Coalitions

The National Alliance of Healthcare Purchaser Coalitions (National Alliance) is the only nonprofit, purchaser-aligned 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 union and Taft-Hartley organizations, and more than 45 million Americans, spending over \$400 billion annually on healthcare. To learn more, visit nationalalliancehealth.org and connect on [LinkedIn](#).

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