

Pulse of the Purchaser Survey Fall 2021

*Current Employer Views on
COVID-19, Health Strategy and Health Policy*

Executive Summary

The National Alliance Pulse of the Purchaser Survey was conducted August 2021

- Handling of COVID-19 in light of the Delta variant
- Employer health strategic priorities over the next two years
- Attitudes related to key health policy reforms currently under consideration

The survey included 142 responses from private and public employers across the country

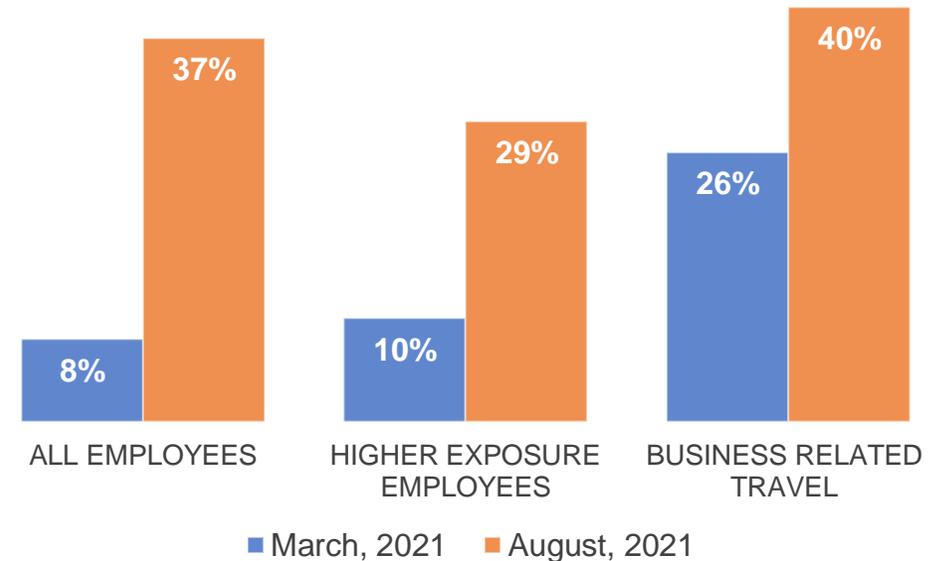
- Wide range of sizes – 29% less than 500 employees, 23% over 10,000 employees
- Representing numerous industries – largest concentrations in manufacturing (18%), healthcare (16%), education (14%), and public administration (11%)

Some survey questions have been tracked with prior surveys

Executive Summary – Key Findings

The COVID-19 Delta variant has significantly changed employer strategies

- 55% of organizations surveyed indicated that their “return-to-work” plans have changed as a result of the Delta variant
- The percentage of employers anticipating a return to a stabilized business environment by the end 2021 has decreased from 65% to 57% over the past six months
 - Almost 3 in 10 are now unsure of when the environment will stabilize
- The openness to considering COVID-19 vaccine mandates has grown substantially in the past six months
 - All employees (37% in August 2021 vs 8% in March 2021)
 - Higher exposure employees (29% in August 2021 vs 10% in March 2021)
 - For business-related travel (40% in August 2021 vs 26% in March 2021)
- Almost all employers are continuing COVID-19 safety procedures in the workplace, and most are requiring stricter standards for those who have not been vaccinated

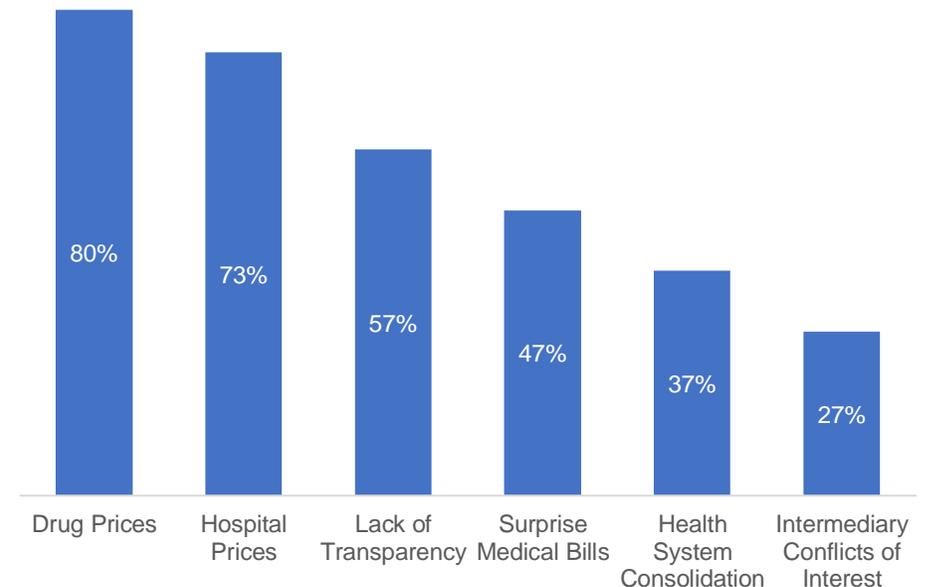


Executive Summary – Key Findings

Employers are considering significant changes in health strategies in next two years

- Employers continue to have significant concerns about the affordability of employer-provided health coverage for employees and their families
 - 80% cited drug prices as a significant threat
 - 73% cited hospital prices as a significant threat
- Leading areas of focus for healthcare strategies over the next 1-2 years included:
 - Mental health and substance use access and quality (92%)
 - Centers of excellence (92%)
 - Hospital price and quality transparency (91%)
 - High-cost claimants (88%)
 - Total person health (87%)
 - Value-based benefits (86%)
- Emerging areas requiring more information included:
 - Health equity (72%)
 - Advanced primary care (68%)

Significant Threats to Affordability

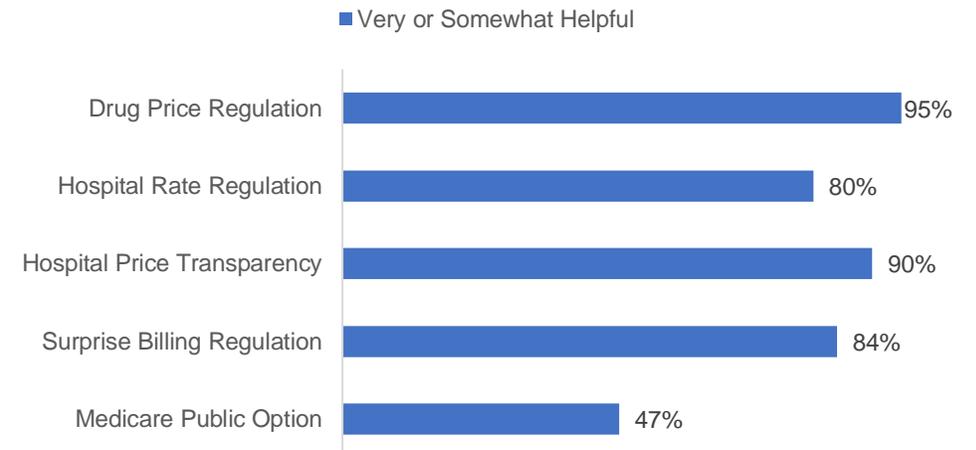


Executive Summary – Key Findings

Employers are positively inclined to health reforms that could improve affordability

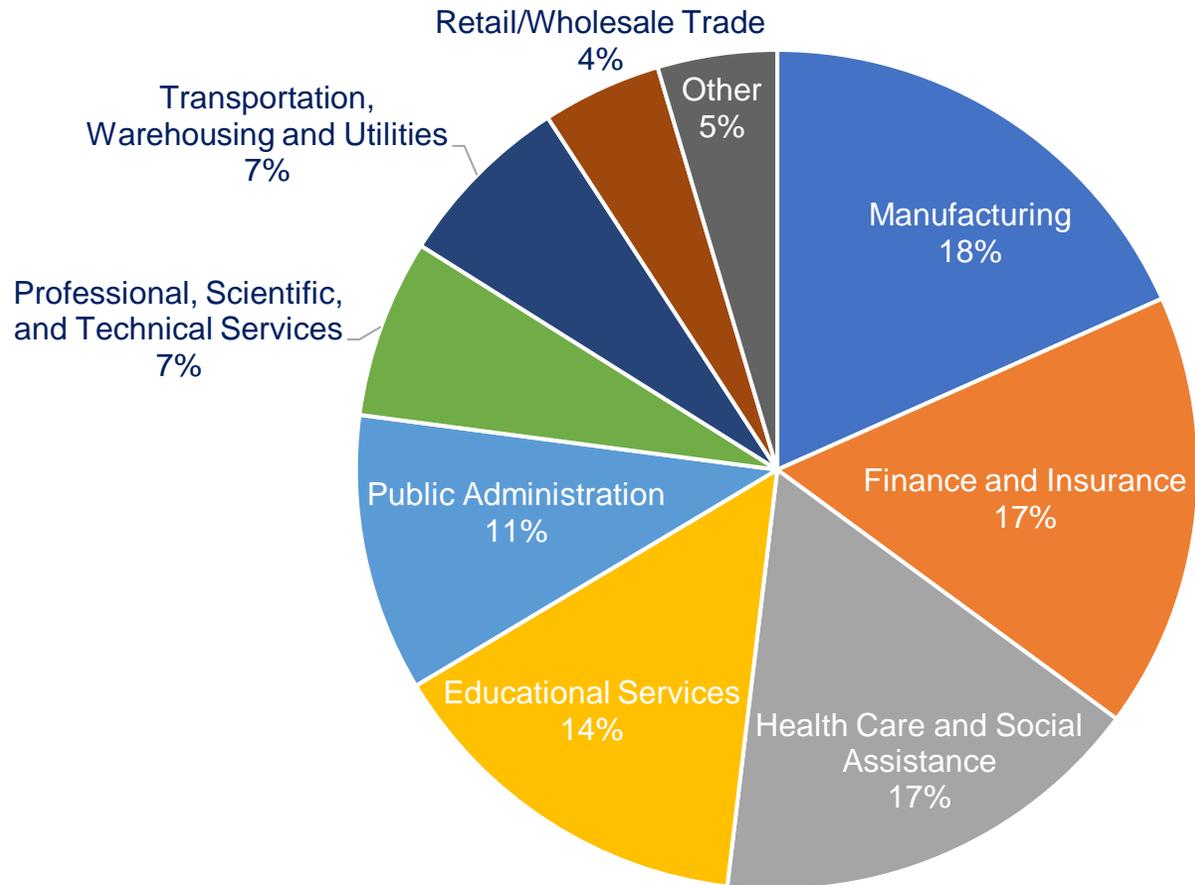
- Most employers view potential health reforms favorably overall and considered the following very or somewhat helpful (with few considering them even somewhat harmful):
 - Drug price regulation (95%)
 - Hospital rate regulation (80%)
 - Hospital price transparency (90%)
 - Surprise billing regulation (84%)
- The percentage rating reform “very helpful” has increased significantly in the past 12 months for both drug price regulation (70% vs 65%) and hospital rate regulation (50% vs 46%)
- A Medicare public option is viewed favorably by almost half (47%) of employers and harmful by 16% of employers
- The public option was viewed most favorably if:
 - Public option pricing available to all plan sponsors
 - Public option was available to all employees regardless of plan sponsor

Employer Favorability for Health Reforms

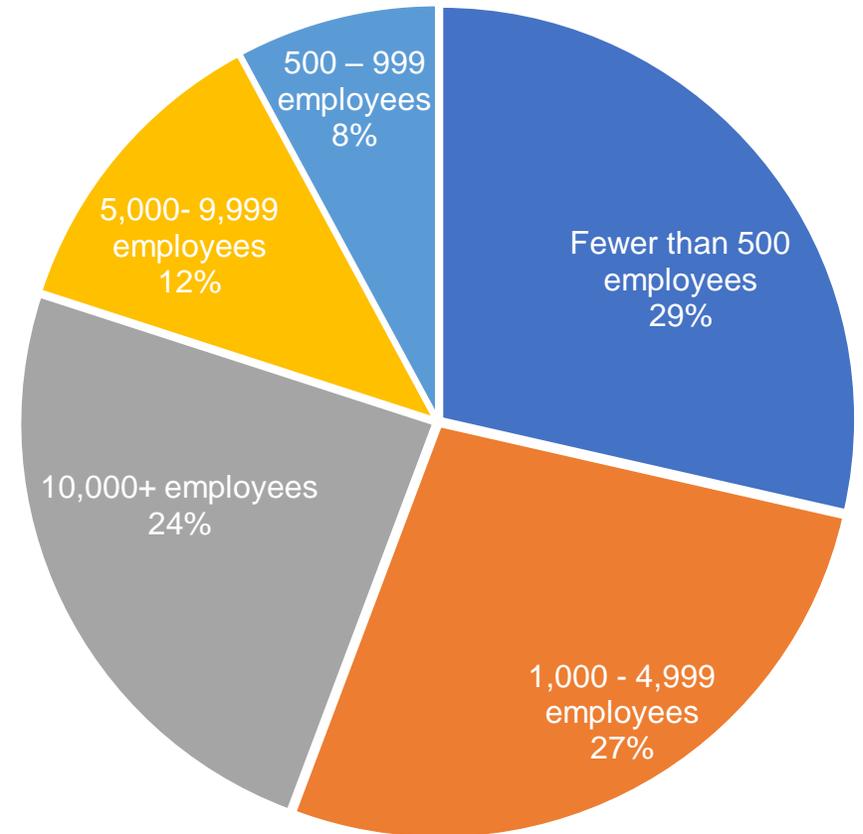


142 Total Respondents

Industry

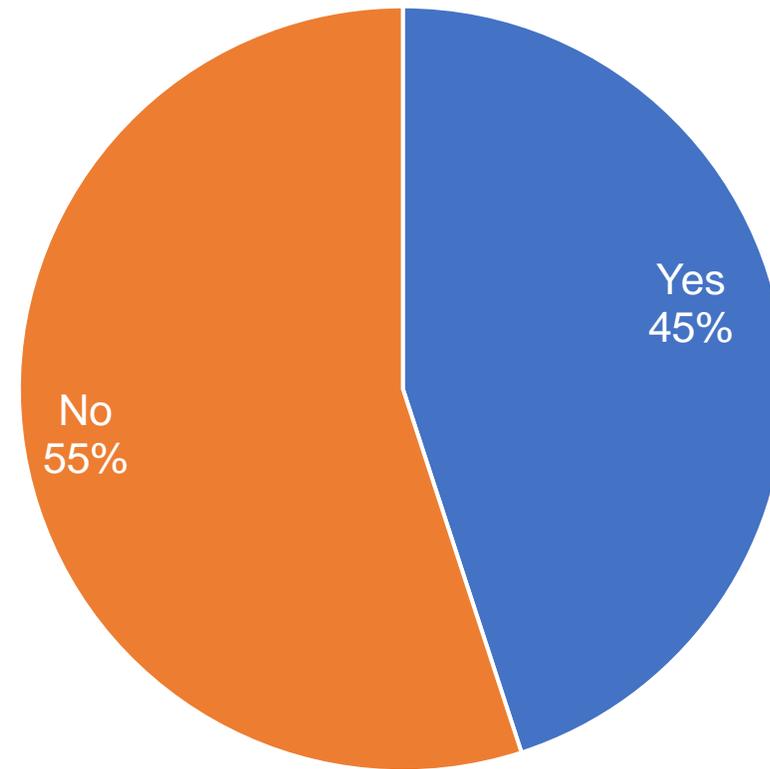


Number of Employees



Percentage of Employers whose Return-to-Work Plans Changed as a Result of the Delta variant

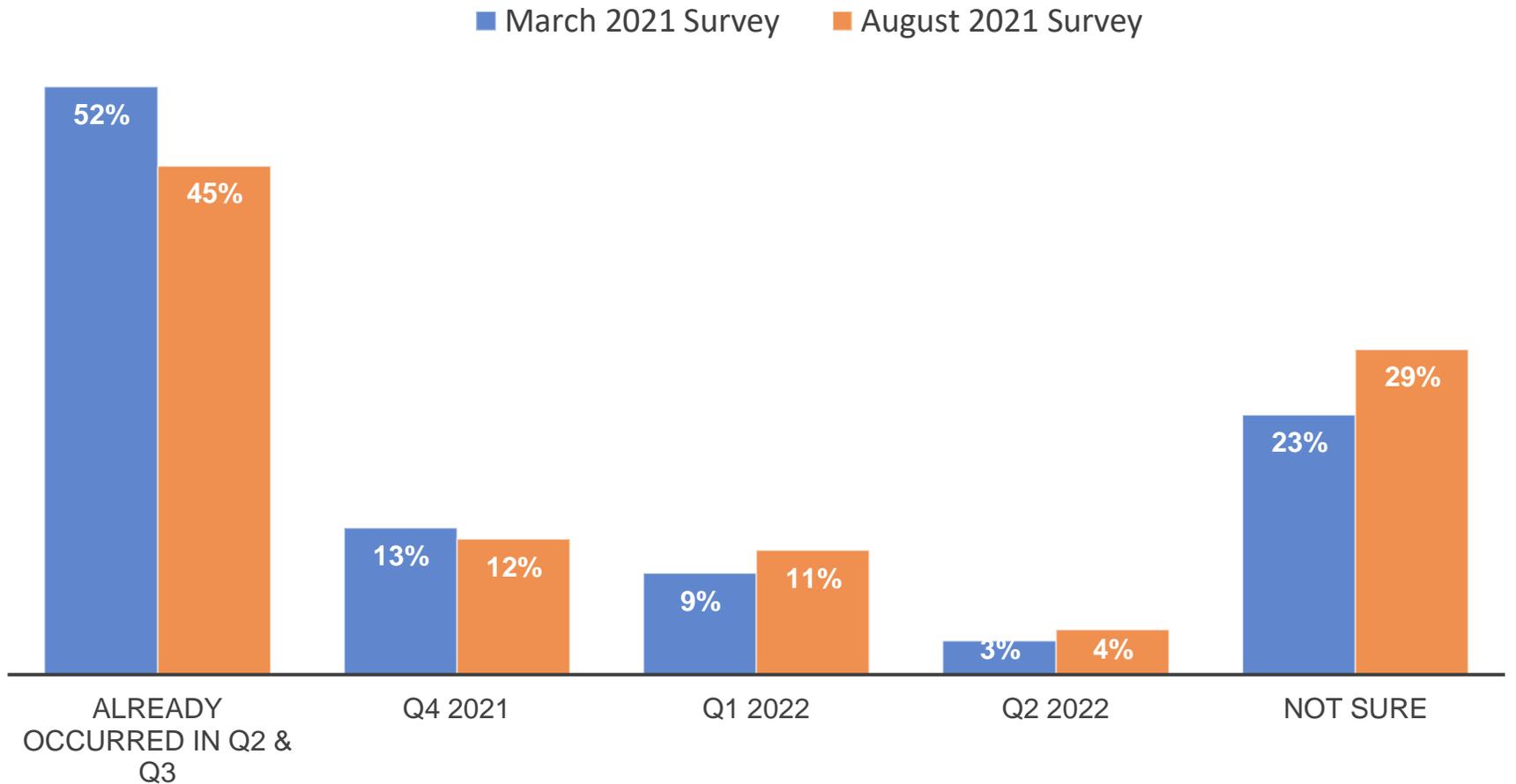
55% of organizations surveyed indicated that their “return-to-work” plans have changed as a result of the Delta variant



Over half of employers continue to expect to resume a more stabilized business environment by the end of Q3 2021

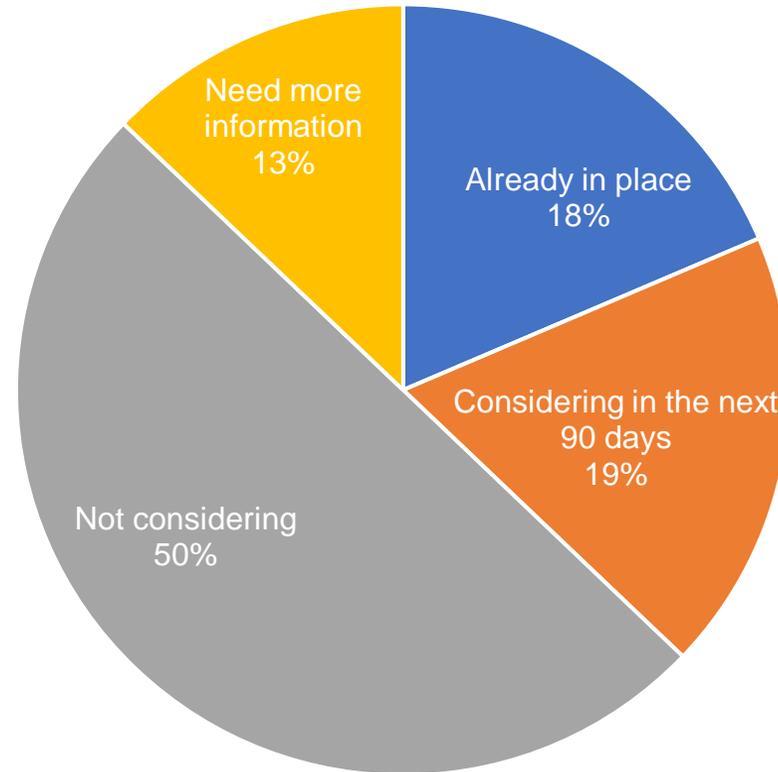
However, the percentage anticipating the return to a stabilized business environment by the end of 2021 has decreased from 65% to 57%, with almost 3 in 10 unsure of when the environment will stabilize

Percentage of Employers Anticipating a Return to a Stabilized Business Environment



About half of employers are not considering requiring proof of vaccination for their employees, while almost 4 in 10 are considering

Employers Requiring Proof of Vaccination as Part of their Return-to-Work Strategy

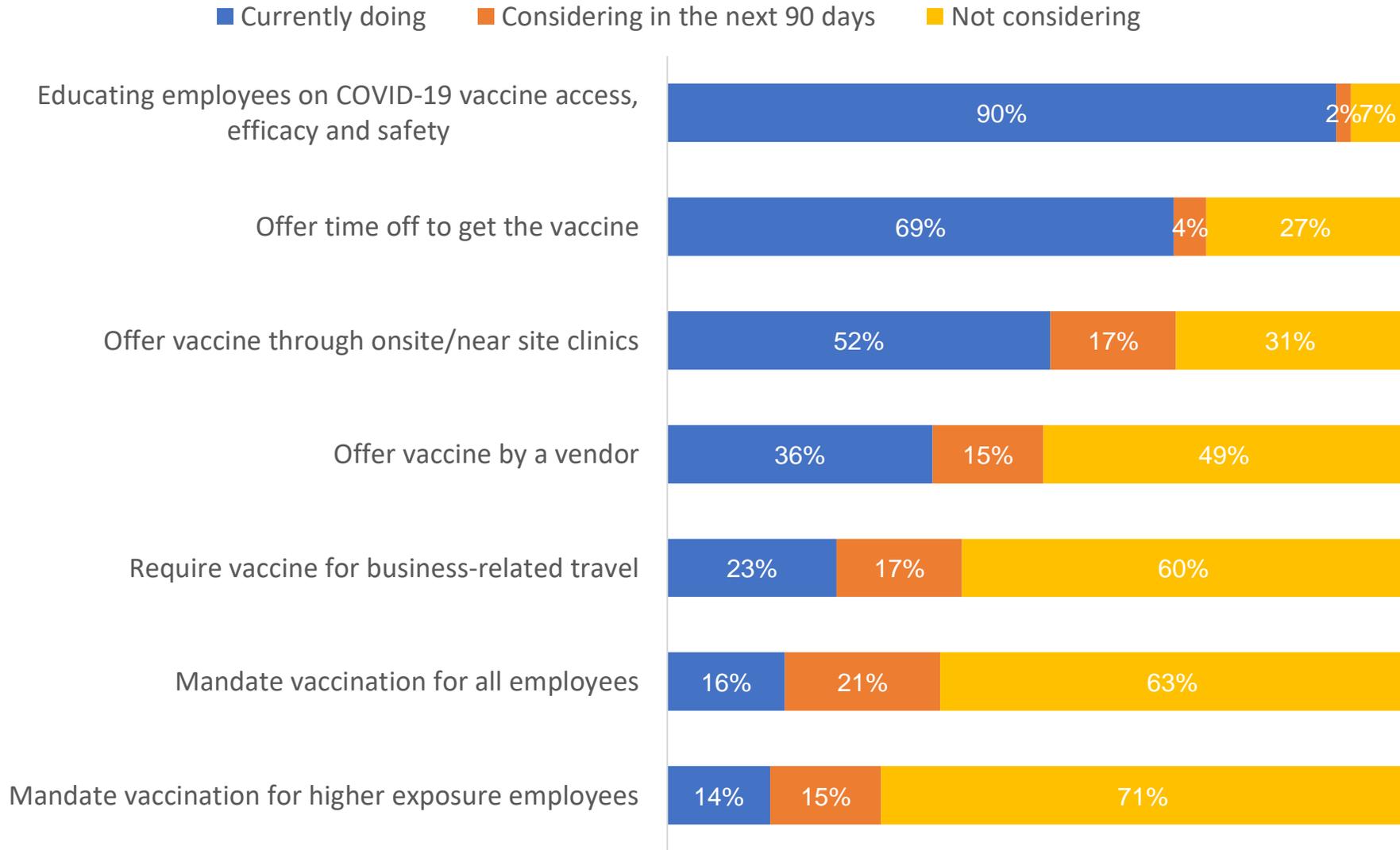


Workplace Policies Regarding the COVID-19 Vaccine

The most common workplace policies employers are currently using include education on the COVID-19 vaccine (90%), offering time off to get the vaccine (69%) and offering the vaccine through onsite/near site clinics (52%)

Openness to considering COVID-19 vaccine mandates has grown substantially in the past six months:

- Require all employees (37% in August 2021 vs 8% in March 2021)
- Require for higher exposure employees (29% in August 2021 vs 10% in March 2021)
- Require for business-related travel (40% in August 2021 vs 26% in March 2021)



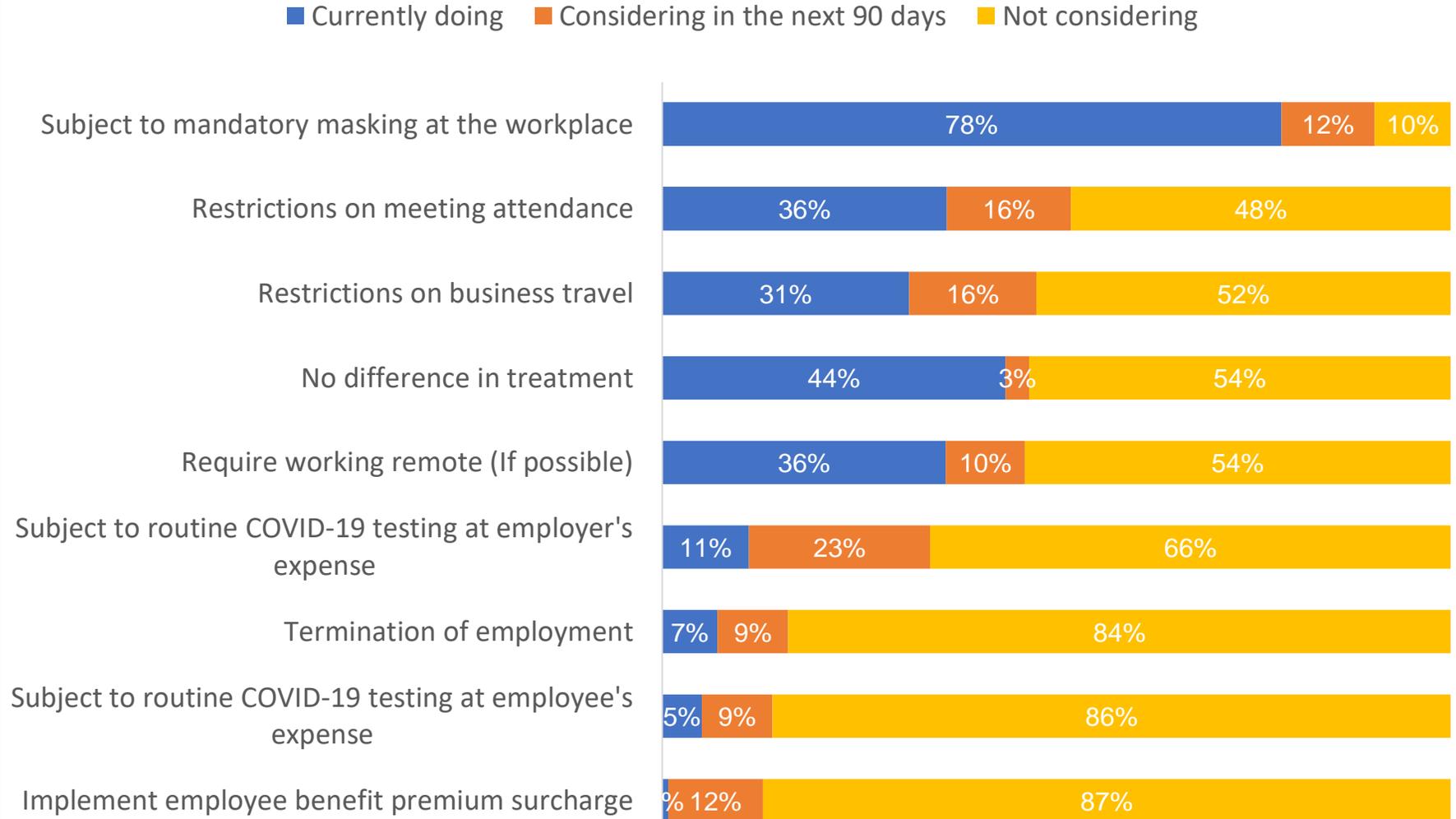
Employers are considering distinct policies for employees that have not been fully vaccinated, most common include:

- Mandatory masking at workplace (90%)
- Restrictions on meeting attendance (52%)
- Restrictions on business travel (47%)
- Requiring working remote (if possible, 46%)
- Routine COVID-19 testing at employer's (44%) or employee's (14%) expense

Fewer are considering termination of employment (16%) or benefits surcharges (13%)

46% are not considering difference in treatment of employees if not vaccinated

Policy/Policies for Unvaccinated Employees



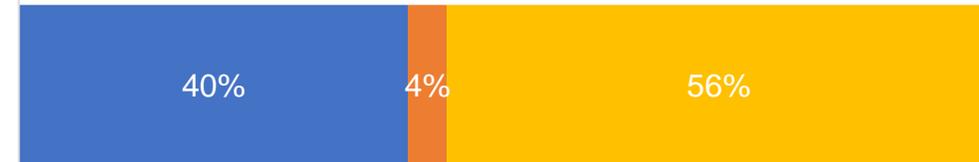
Strategies for Employees that have Tested Positive for COVID-19 Antibodies and have not yet been Vaccinated

■ Currently doing ■ Considering in the next 90 days ■ Not considering

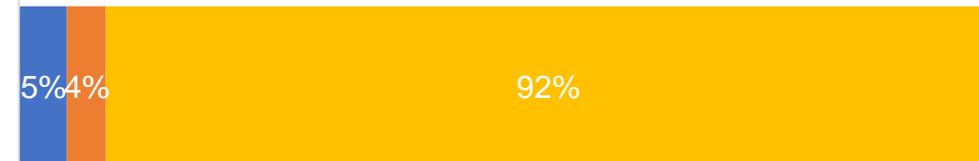
Treated the same as those who have not been vaccinated



Treated the same as those who have been vaccinated



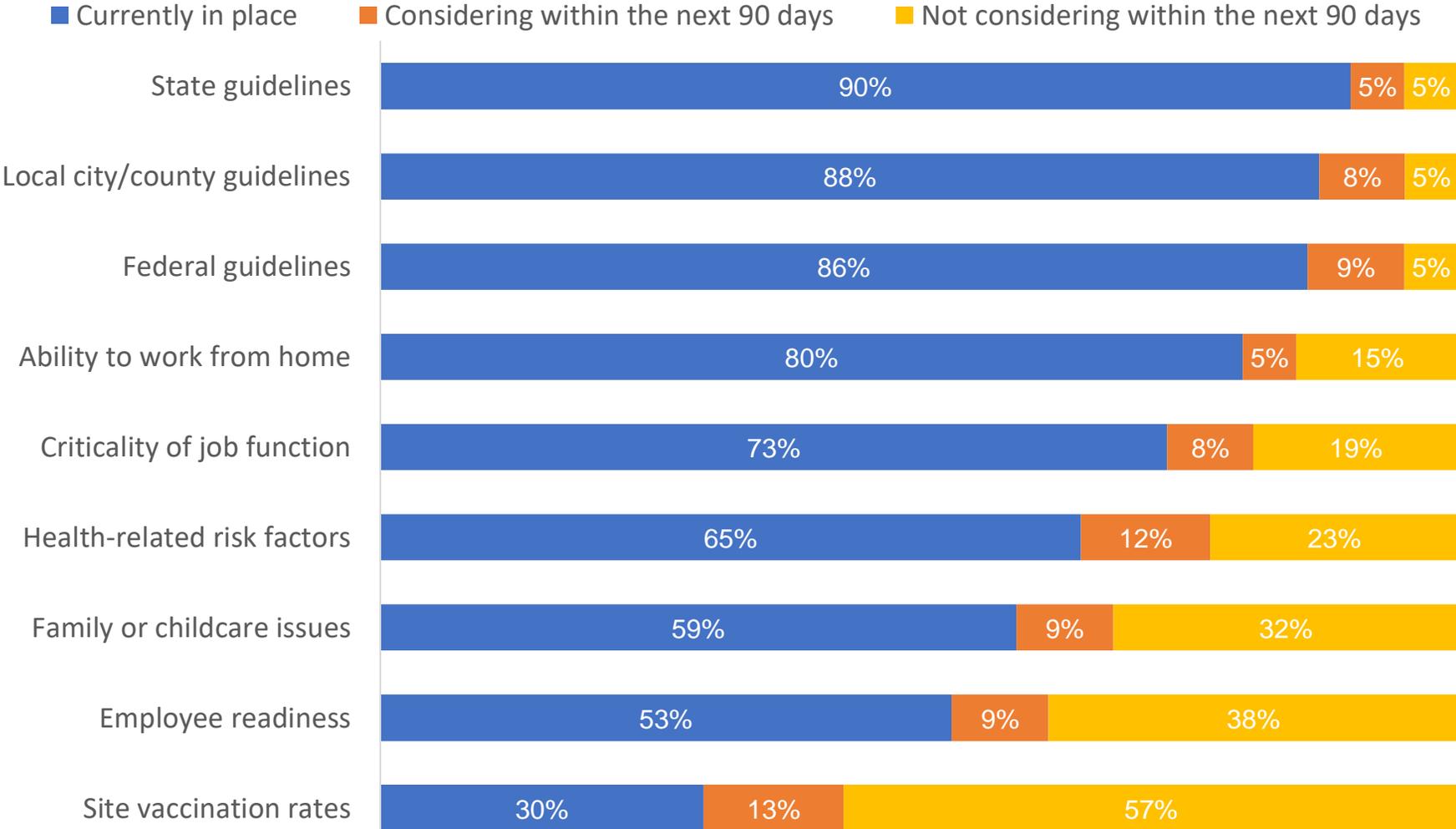
Require proof of COVID-19 antibodies



About two-thirds of employers are treating those who have tested positive for COVID-19 antibodies (due to the virus) but not yet vaccinated, the same as others who have not been vaccinated

Almost one in five employers needed more information on how to consider those testing positive for COVID-19 antibodies relative to vaccination requirements

Range of Factors Employers are Considering in their Return-to-Work Strategies



Employers are considering a range of factors in their return-to-work strategies including:

- State (95%), Local (94%) & Federal (95%) guidelines
- Ability to work from home (85%)
- Criticality of job function (81%)
- Health-related risk factors (78%)
- Family and childcare issues (68%)
- Employee Readiness (62%)

A minority are also considering site vaccination rates (43%)

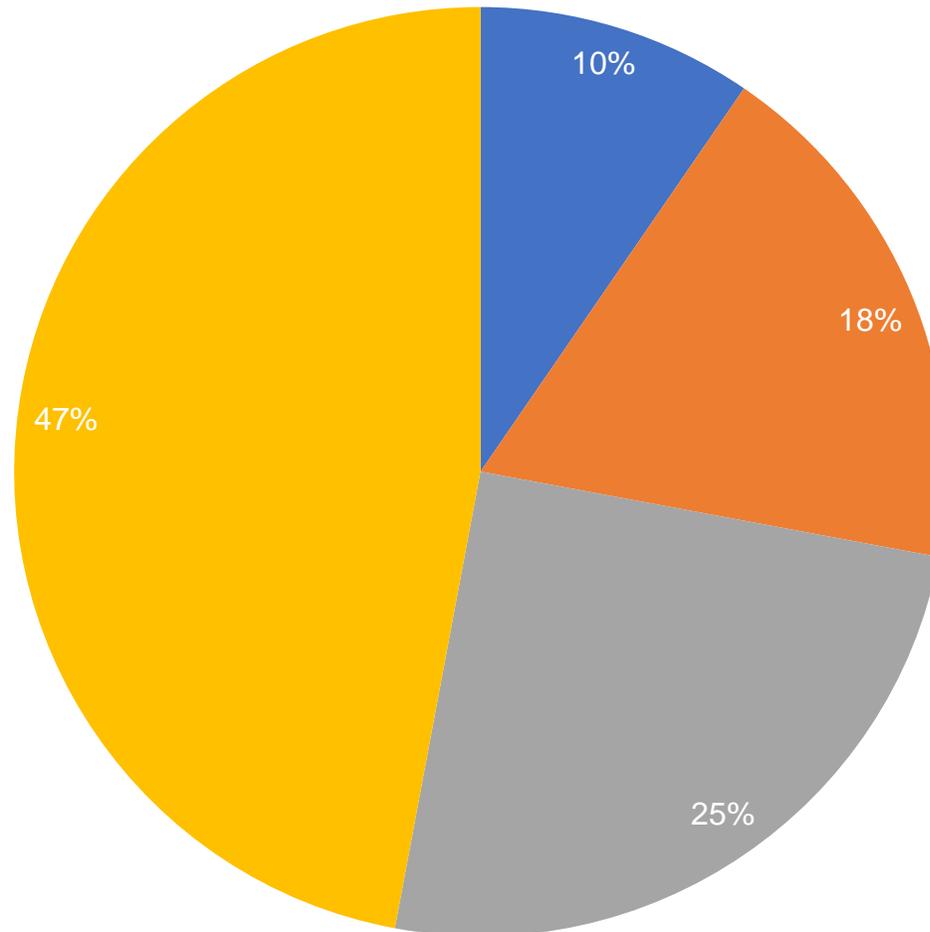
Most employers (72%) are not being impacted by any state or local restriction limiting mask mandates, vaccines passports or vaccine mandates

- 47% are not situated where such restrictions apply
- Another 25% are situated in such states but the restrictions are not impacting their policy intentions

The policies of 28% of employers are being impacted by state or local restrictions with most (18% of the 28%) limiting their impact to employees in those states

Organizational Impact by State or Local Restrictions

Limiting mask mandates, vaccine passports, or vaccine mandates

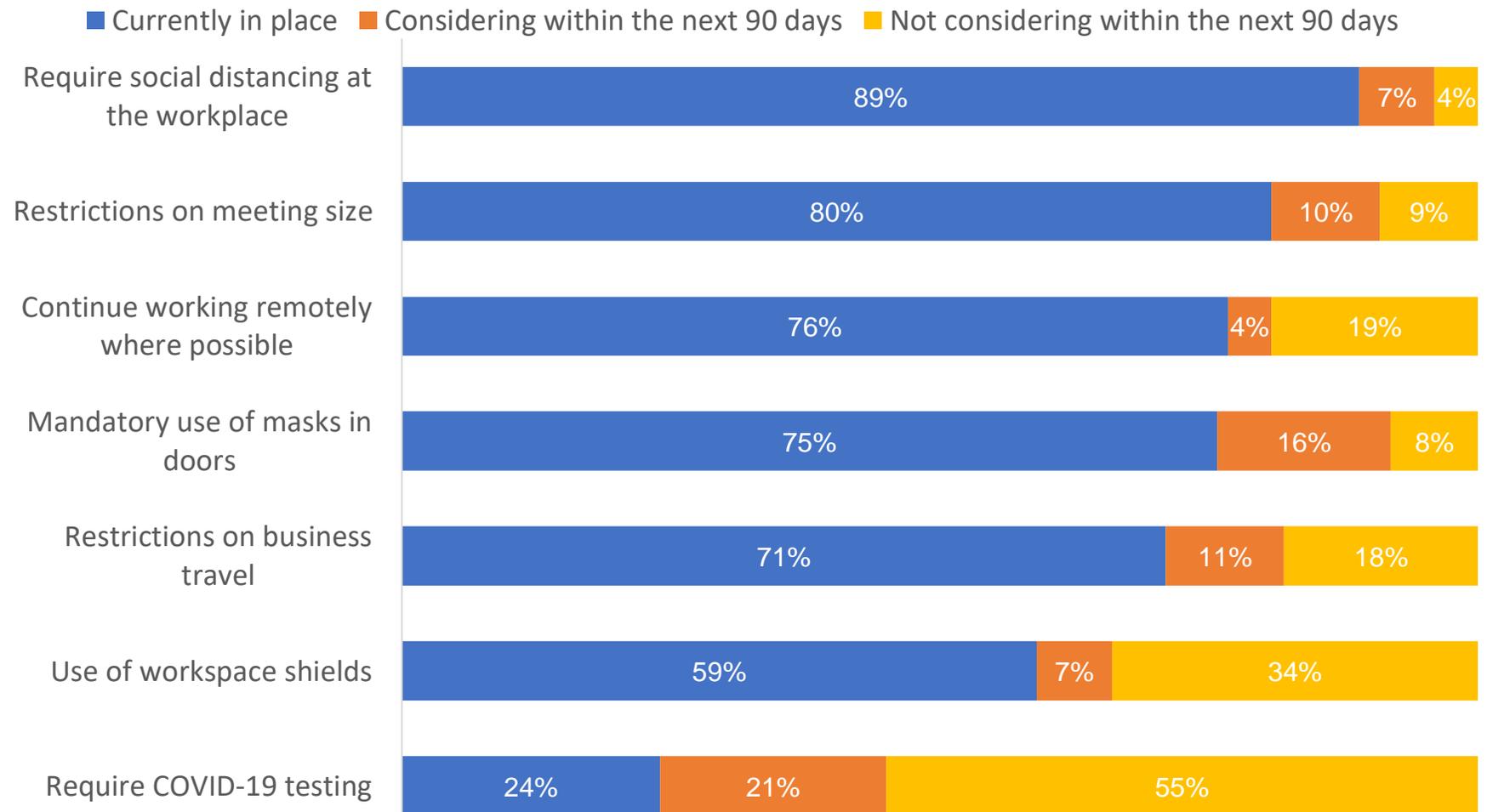


- Yes, and it is impacting the policies that apply or are being considered for all of our employees
- Yes, and it is impacting the policies that apply or are being considered for employees in those states only
- Yes, but it is not impacting the policies that apply or are being considered for any of our employees
- No, no such state or local restrictions apply to our employees

Employers have continued or are considering most of the COVID-19 safety strategies for all employees where applicable

- Social distancing at the workplace (96%)
- Restrictions on meeting size (90%)
- Mandatory use of masks indoors (91%)
- Continue working remotely where possible (80%)
- Restrictions on business travel (82%)
- Use of workplace shields (66%)

COVID-19 Safety Strategies being Implemented for all Employees

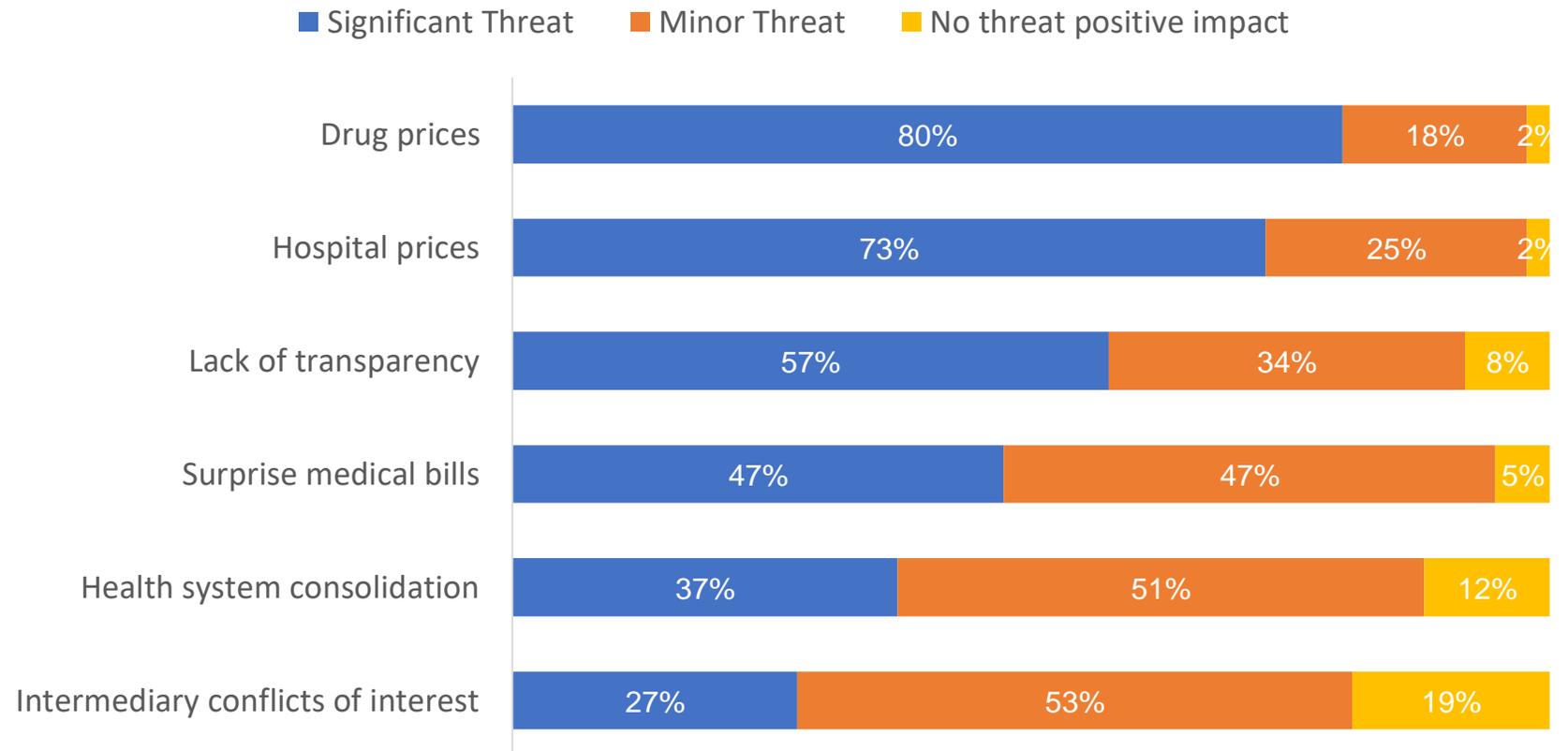


Employers continue to have significant concerns about the affordability of employer-provided health coverage for employees and their families

- 80% cited drug prices as a significant threat
- 73% cited hospital prices as a significant threat

Other significant threats to affordability included lack of transparency (57%), surprise medical bills (47%), health system consolidation (37%) and intermediary conflicts of interest (27%)

Threats to Affordability of Employer-Provided Health Coverage



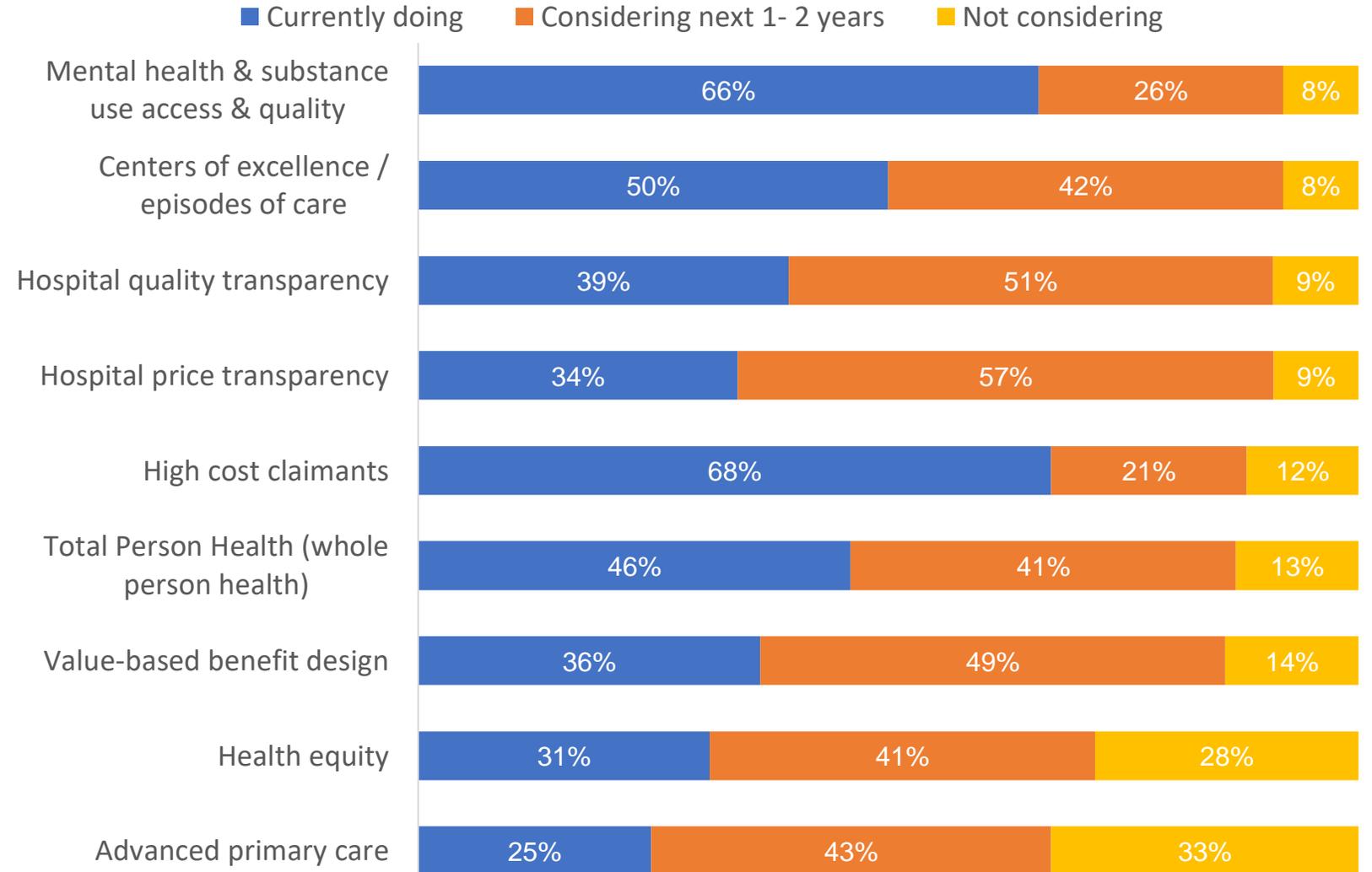
Employers are continuing to refine their healthcare strategies over the next 1-2 years, key areas being considered include:

- Mental health and substance use access and quality (92%)
- Centers of excellence (92%)
- Hospital price and quality transparency (91%)
- High-cost claimants (88%)
- Total person health (87%)
- Value-based benefit (86%)

Emerging and the areas most requiring more information included:

- Health equity (72%)
- Advanced primary care (68%)

Strategies Employers are Integrating into Healthcare Approach



Strategies for Managing High-Cost Claims

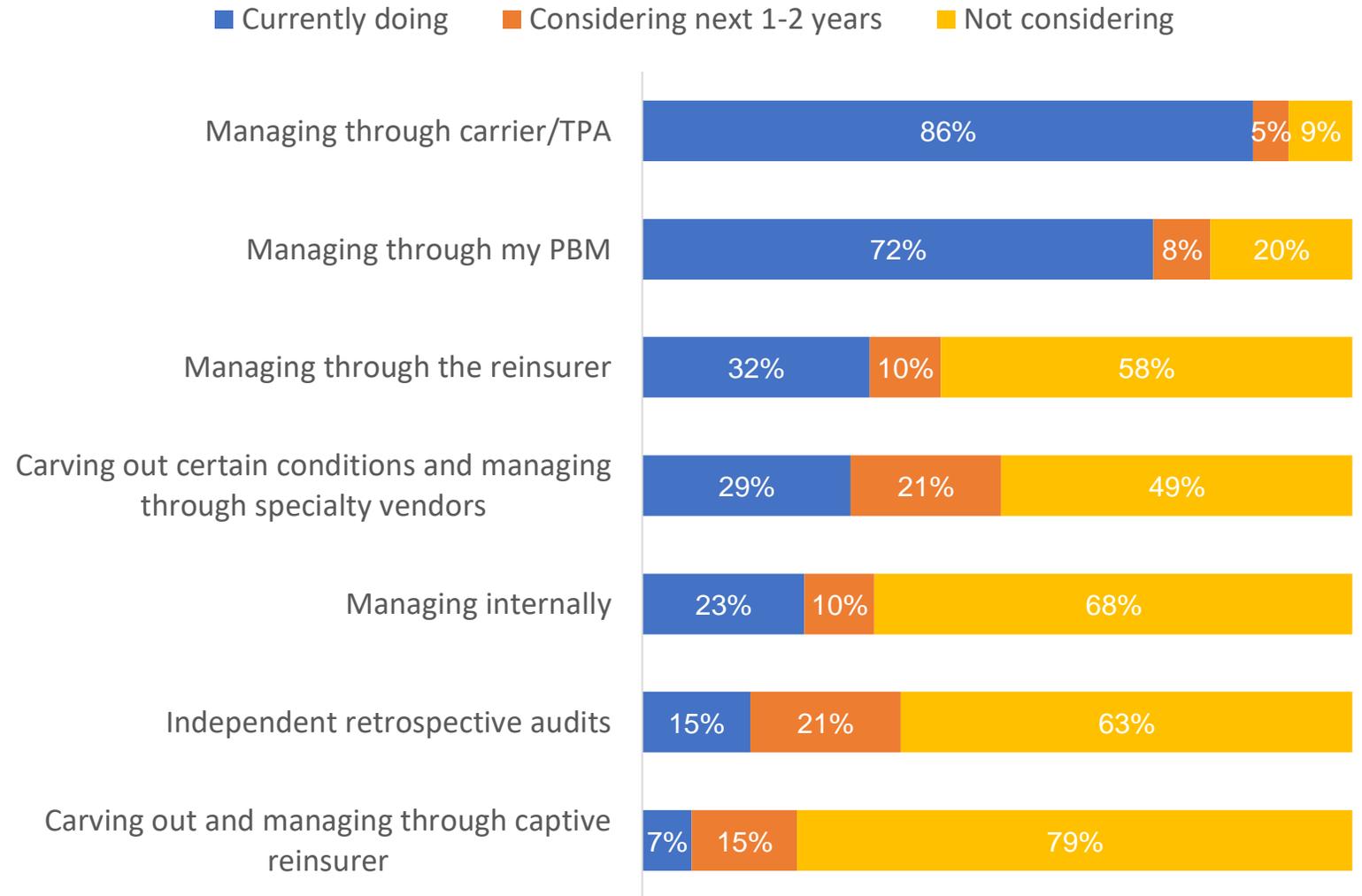
Most employers believe they are effectively managing high-cost claims through their intermediaries

Those most often cited in currently doing so included:

- Carrier/TPA (86%)
- PBM (72%)

Currently less common but increasingly being considered are those considering managing high-cost claims through:

- Specialty vendors (50%)
- Reinsurers (42%)
- Retrospective audits (36%)
- Internal management (33%)
- Captives (22%)



Most employers view potential health reforms favorably overall and the following would be considered very or somewhat helpful (with few considering them even somewhat harmful):

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- Surprise billing regulation (84%)

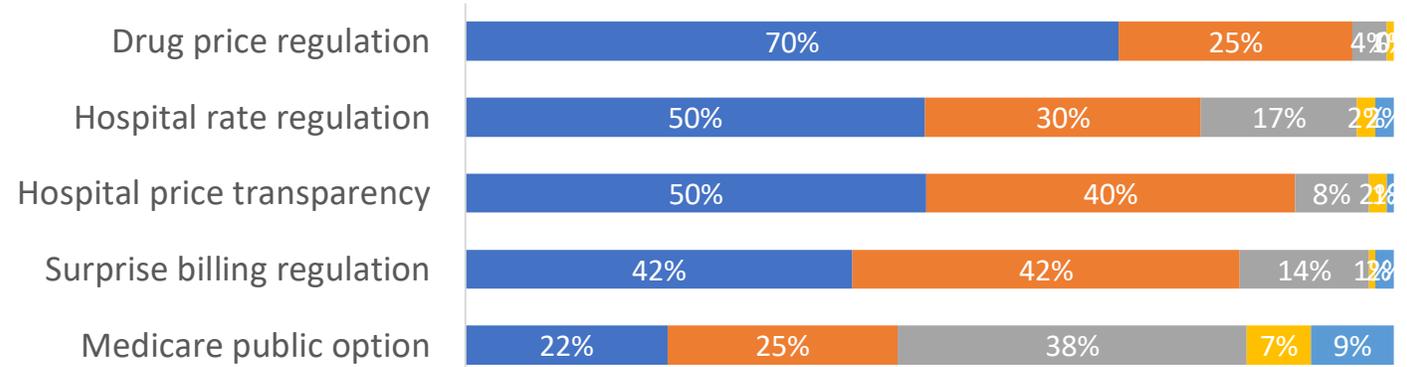
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A Medicare public option is viewed favorably by almost half of employers (47%) and harmful by 16% of employers

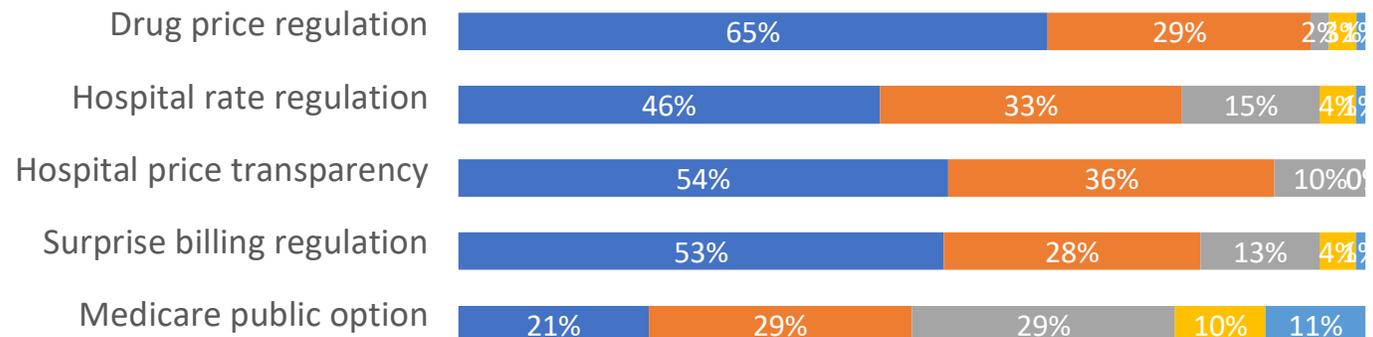
Employers Impression of Potential Health Reforms

■ Very Helpful ■ Somewhat Helpful ■ Neutral ■ Somewhat Harmful ■ Very Harmful

August 2021



August 2020



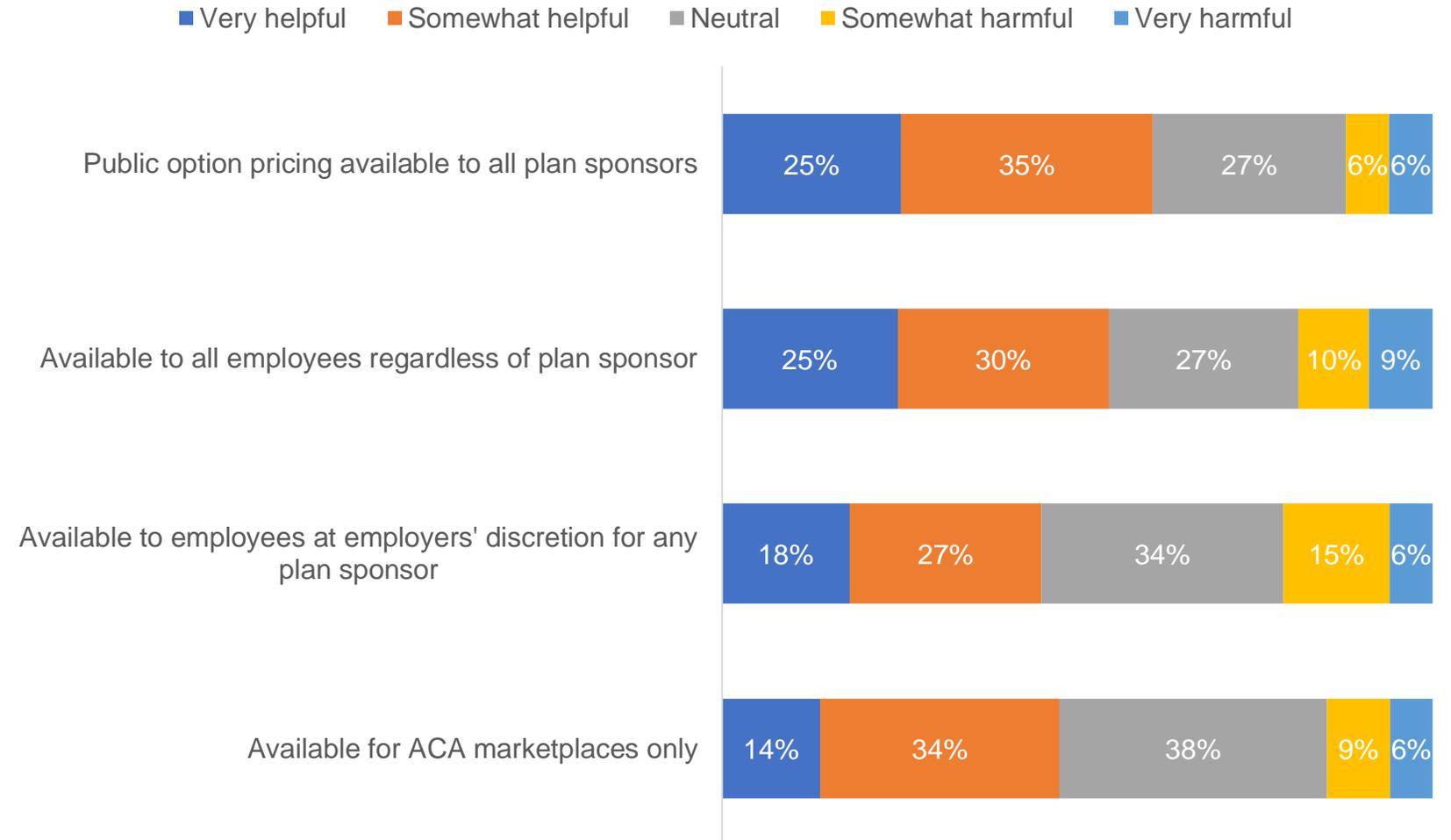
The form of a public option could have a significant effect on whether employers would view as public option as favorable or harmful

The public option features that were viewed most favorable:

- Public option pricing available to all plan sponsors (60% favorable, 12% harmful)
- Public options available to all employees regardless of plan sponsor (60% favorable, 19% harmful)

Less favorable was if the public option was available for ACA marketplaces only or if the it was available to employees at the discretion of the plan sponsor

With Respect to a Public Option, Views of Potential Features



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 Taft-Hartley organizations, and more than 45 million Americans, spending over \$300 billion annually on healthcare. To learn more, visit nationalalliancehealth.org and connect with us on [Twitter](#) and [LinkedIn](#).

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