Pulse of the Purchaser Survey

Healthcare Strategy & Beyond

September 2020 Results
The National Alliance of Healthcare Purchaser Coalitions (National Alliance) conducted a survey of employers and other private purchaser of healthcare with its members to gain insights on benefit strategies and reform.

The online survey was conducted in August and September 2020 and reflects the responses of 165 employers from across the country.

Key findings:

• Faced with record disruption in healthcare services and the economic downturn, employers are staying the course or accelerating (71% for 2021 and 63% for 2022) their health benefit strategies.

• Employers are open to a myriad of potential reforms with the majority indicating drug price regulation (94%), hospital price transparency (90%), surprise billing regulation (81%) and hospital rate regulation (79%) to be very or somewhat helpful.

• Employers indicated a Medicare public option (50%) could be very or somewhat helpful, while 21% felt it could be very or somewhat harmful. When asked about Medicare for All, 46% of employers indicated that would be very or somewhat harmful.

• Caregiving benefits such as leave (30%) and protected time to support employee caregiving needs (28%) have tripled since the start of the COVID-19 pandemic.

• Drug prices (90%), lack of transparency (73%), hospital prices (71%), surprise medical bills (58%), and overuse of low-value services/waste (53%) are greatest threats to affordability of employer-provided health coverage for employees and their families.

• Reducing waste and inappropriate care (61%) and steerage within networks (47%) are top delivery and payment reform strategies. Strategies being considered over next two years: hospital quality transparency (44%), hospital pricing transparency (43%), regional centers of excellence (39%), and advanced primary care (36%).

• Most prevalent medical and pharmacy drug strategy employers are currently doing: medication therapy management (49%).

• Top health and wellbeing strategies currently being implemented: flexible work week (65%), total person health and wellbeing (63%), navigation and advocacy services (55%), and enhanced mental health support (49%).

• Related to race, health and equity, a majority of employers indicated current efforts to encourage community volunteerism (71%) and engagement in community improvement (70%), and 58% said they are currently doing anti-racism education and cultural competency training (52%).
Long-term Health Strategy

Most employers have stayed the course or accelerated their strategies during COVID-19. 1 in 5 is relooking at their strategy moving forward.
<table>
<thead>
<tr>
<th>Threat</th>
<th>Significant Threat</th>
<th>Minor Threat</th>
<th>No Threat or Positive Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drug Prices</td>
<td>90%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Lack of transparency</td>
<td>73%</td>
<td>25%</td>
<td>2%</td>
</tr>
<tr>
<td>Hospital prices</td>
<td>71%</td>
<td>28%</td>
<td>1%</td>
</tr>
<tr>
<td>Surprise medical bills</td>
<td>58%</td>
<td>39%</td>
<td>3%</td>
</tr>
<tr>
<td>Overuse of low-value services (waste)</td>
<td>53%</td>
<td>41%</td>
<td>6%</td>
</tr>
<tr>
<td>Industry consolidation</td>
<td>44%</td>
<td>46%</td>
<td>10%</td>
</tr>
<tr>
<td>Intermediary conflicts of interest</td>
<td>37%</td>
<td>54%</td>
<td>9%</td>
</tr>
</tbody>
</table>
### Drug Strategy Considerations

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Currently doing</th>
<th>Considering in the next 24 months</th>
<th>Not considering in the next 24 months</th>
<th>Need more information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medication therapy management</td>
<td>49%</td>
<td>18%</td>
<td>11%</td>
<td>22%</td>
</tr>
<tr>
<td>Pharmacy benefit drug transparency/pass through pricing</td>
<td>24%</td>
<td>31%</td>
<td>19%</td>
<td>26%</td>
</tr>
<tr>
<td>Pharmaceutical drug transparency/pass through pricing</td>
<td>21%</td>
<td>33%</td>
<td>19%</td>
<td>27%</td>
</tr>
<tr>
<td>Biosimilars promotion</td>
<td>19%</td>
<td>27%</td>
<td>23%</td>
<td>31%</td>
</tr>
<tr>
<td>Medical benefit drug transparency/pass through pricing</td>
<td>16%</td>
<td>33%</td>
<td>22%</td>
<td>29%</td>
</tr>
<tr>
<td>Drug reference-based pricing</td>
<td>15%</td>
<td>24%</td>
<td>33%</td>
<td>28%</td>
</tr>
</tbody>
</table>

The most prevalent strategy is medication therapy management with almost half currently doing.

Being considered in the next two years:
- Medical benefit drug transparency/pass through pricing (33%)
- Pharmaceutical drug transparency/pass through pricing (33%)
- Pharmacy benefit drug transparency/pass through pricing (31%)
- Biosimilars promotion (27%)
- Drug reference-based pricing (24%)

Considerable amount of employers need more information to consider these strategies.
6/10 believe they have a strategy for reducing waste and inappropriate care

Leading strategies moving forward include:
- Focus on hospital pricing (43%) and quality transparency (44%)
- Centers of excellence/episodes of care (average 38%)
- Advanced primary care (36%)
Payment and Delivery Reform Strategies (By size)

**Advanced Primary Care**
- 10,000+: 21% Currently doing, 46% Considering in the next 24 months, 33% Not considering in the next 24 months
- 5,000-9,999: 10% Currently doing, 50% Considering in the next 24 months, 40% Not considering in the next 24 months
- 1,000-4,999: 19% Currently doing, 38% Considering in the next 24 months, 44% Not considering in the next 24 months
- 300-999: 33% Currently doing, 17% Considering in the next 24 months, 50% Not considering in the next 24 months
- Fewer than 300: 18% Currently doing, 27% Considering in the next 24 months, 55% Not considering in the next 24 months

**Regional centers of excellence/episodes of care**
- 10,000+: 49% Currently doing, 41% Considering in the next 24 months, 10% Not considering in the next 24 months
- 5,000-9,999: 45% Currently doing, 55% Considering in the next 24 months
- 1,000-4,999: 38% Currently doing, 38% Considering in the next 24 months, 24% Not considering in the next 24 months
- 300-999: 18% Currently doing, 47% Considering in the next 24 months, 35% Not considering in the next 24 months
- Fewer than 300: 43% Currently doing, 26% Considering in the next 24 months, 30% Not considering in the next 24 months

**National centers of excellence/episodes of care**
- 10,000+: 41% Currently doing, 41% Considering in the next 24 months, 19% Not considering in the next 24 months
- 5,000-9,999: 50% Currently doing, 50% Considering in the next 24 months
- 1,000-4,999: 38% Currently doing, 38% Considering in the next 24 months, 24% Not considering in the next 24 months
- 300-999: 31% Currently doing, 31% Considering in the next 24 months, 38% Not considering in the next 24 months
- Fewer than 300: 26% Currently doing, 26% Considering in the next 24 months, 48% Not considering in the next 24 months
Impressions on Health Reform Policies (Overall)

Employers appear to be open to a myriad of potential health reforms

[Bar charts showing impressions on different health reform policies]

*Additions to August 2020 Survey*
Impressions of Health Reform Policies (August 2020 vs. December 2019)

**August 2020**
- Hospital price transparency: 54% Very helpful, 36% Somewhat helpful, 10% Neutral
- Hospital rate regulation: 46% Very helpful, 33% Somewhat helpful, 15% Neutral
- Medicare for All: 17% Very helpful, 15% Somewhat helpful, 22% Neutral, 14% Somewhat harmful, 32% Very harmful
- Medicare public option: 21% Very helpful, 29% Somewhat helpful, 29% Neutral, 10% Somewhat harmful, 11% Very harmful

**December 2019**
- Hospital price transparency: 48% Very helpful, 41% Somewhat helpful, 9% Neutral, 2% Somewhat harmful, 2% Very harmful
- Hospital rate regulation: 48% Very helpful, 30% Somewhat helpful, 18% Neutral, 2% Somewhat harmful, 2% Very harmful
- Medicare for All: 8% Very helpful, 6% Somewhat helpful, 28% Neutral, 16% Somewhat harmful, 42% Very harmful
- Medicare public option: 12% Very helpful, 27% Somewhat helpful, 33% Neutral, 14% Somewhat harmful, 14% Very harmful
### Health & Wellbeing Strategies (Overall)

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Currently doing</th>
<th>Considering in the next 24 months</th>
<th>Not considering in the next 24 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexible or complex work week</td>
<td>65%</td>
<td>18%</td>
<td>16%</td>
</tr>
<tr>
<td>Total Person Health and wellbeing</td>
<td>63%</td>
<td>24%</td>
<td>14%</td>
</tr>
<tr>
<td>Navigation/advocacy services</td>
<td>55%</td>
<td>26%</td>
<td>18%</td>
</tr>
<tr>
<td>Enhanced mental health support</td>
<td>49%</td>
<td>38%</td>
<td>13%</td>
</tr>
<tr>
<td>Education and promotion of high value care</td>
<td>35%</td>
<td>38%</td>
<td>26%</td>
</tr>
<tr>
<td>Education and discouragement of low value care</td>
<td>34%</td>
<td>36%</td>
<td>31%</td>
</tr>
<tr>
<td>Enhanced caregiver support</td>
<td>23%</td>
<td>35%</td>
<td>43%</td>
</tr>
<tr>
<td>Personalized support on Social Determinants of Health</td>
<td>17%</td>
<td>40%</td>
<td>43%</td>
</tr>
<tr>
<td>Sabbatical with a percentage of normal pay</td>
<td>10%</td>
<td>4%</td>
<td>86%</td>
</tr>
</tbody>
</table>

**Most prevalent today:**
- Flexible or complex work week
- Total Person Health and Wellbeing
- Navigation/advocacy series

**Leading strategies moving forward include:**
- Personalized support on social determinants of health (40%)
- Enhanced mental health support (38%)
- Education and promotion of high value care (38%)
- Education and discouragement of low value care (38%)
- Enhanced caregiver support (35%)
Caregiver Support

- Onsite child care:
  - Offered Pre-COVID-19: 8%
  - Started offering since COVID-19 began: 30%
  - Considering offering: 13%
  - Not considering offering: 86%

- Special caregiving leave benefits:
  - Offered Pre-COVID-19: 15%
  - Started offering since COVID-19 began: 43%
  - Considering offering: 13%
  - Not considering offering: 30%

- "Protected time" to support employees with caregiving needs:
  - Offered Pre-COVID-19: 16%
  - Started offering since COVID-19 began: 28%
  - Considering offering: 16%
  - Not considering offering: 40%

Special caregiving benefits have tripled since the COVID-19 outbreak and still more employers are considering...
Employer Allowance Offers

While not as common today, some employers are considering expanding allowances for dependent care accounts and emergency day care.

- **Allowance for dependent care account**: The percentage of employers offering this allowance varies, with 19% offering it Pre-COVID-19, 4% offering it since COVID-19 began, 6% considering offering it, and 71% not considering offering it.
- **Allowance for emergency day care (e.g., Bright Horizons)**: 9% offer this Pre-COVID-19, 3% offer it since COVID-19 began, 13% are considering offering it, and 76% are not considering offering it.
- **Allowance for extended care programs**: 49% offer this Pre-COVID-19, 9% offer it since COVID-19 began, 9% are considering offering it, and 85% are not considering offering it.
- **Allowance for home tutoring/teacher**: 5% offer this Pre-COVID-19, 12% offer it since COVID-19 began, 8% are considering offering it, and 86% are not considering offering it.

The allowances are offered at different price ranges:
- Up to $500: 40% offered Pre-COVID-19, 17% started since COVID-19, 14% are considering offering, and 11% are not considering offering.
- $501-$1,000: 17% offered Pre-COVID-19, 17% started since COVID-19, 14% are considering offering, and 11% are not considering offering.
- $1,001-$2,500: 17% offered Pre-COVID-19, 17% started since COVID-19, 14% are considering offering, and 11% are not considering offering.
- $2,501-$5,000: 14% offered Pre-COVID-19, 17% started since COVID-19, 14% are considering offering, and 11% are not considering offering.
- Over $5,000: 11% offered Pre-COVID-19, 17% started since COVID-19, 14% are considering offering, and 11% are not considering offering.
Handling Flu Season During COVID-19

- Offer virtual consultations through tele-health: 70%
- Offer onsite flu shot clinics: 59%
- Providing education on the difference between the flu and COVID-19: 46%
- Offer drive by flu shot (e.g., neighborhood pharmacy): 26%
- Other (e.g., flu shot voucher): 19%
- Special 800 number or nurse line: 19%
Race, Health & Equity Strategies

Most prevalent today:
- Encouragement of community volunteerism
- Engagement in community improvement

Leading strategies being considered in the next two years include:
- Access to aggregate health data by race/ethnicity (40%)
- Transparency and education healthcare disparities (40%)
- Cultural competency training (30%)
- Anti-racism education (28%)
Employer Insights to Creating a more Sustainable System during COVID-19

• Taking care of our workforce, understanding their challenges, and adopting policies that will assist them to do their job and care for their families
• Greater access to in-network behavioral health services
• Education on:
  • Drugs - public or generic and biosimilar options, drug pricing, FDA approval
  • Ready access to reliable information to guide decisions
  • Building a coalition on care
• Transparency

• Effective access to testing and treatment for COVID-19, more widespread virtual visits, regulated balance billing
• Timely access to high quality mental health care and continuity of that care
• Expansion of telemedicine/ease of access (both in person & telehealth)
• Encourage motivation among employees to stay engaged in their wellbeing
• Increasing the competition of healthcare providers in the rural areas
Employer Demographics

By Industry

- Manufacturing 25%
- Finance & Insurance 16%
- Healthcare & Social Assistance 12%
- Educational Services 11%
- Transportation 10%
- Other, 7%
- Professional Services 6%
- Public Administration 8%

Conducted 8/20/20-9/4/20

By Size

- 10,000 + 25%
- 5,000 - 9,999 16%
- 1,000 - 4,999 27%
- 300 - 999 16%
- Fewer than 300 21%

Total responses: 165 employers nationwide

Conducted 8/20/20-9/4/20

Total responses: 165 employers nationwide
Type of Insurance Structure

- Fully-insured, 16%
- Self-insured, 72%
- Hybrid, 12%
About the National Alliance of Healthcare Purchaser Coalitions

The National Alliance of Healthcare Purchaser Coalitions (National Alliance) is the only nonprofit, purchaser-led 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 $300 billion annually on healthcare.

To learn more, visit [nationalalliancehealth.org](http://nationalalliancehealth.org), connect with us on [Twitter](http://twitter.com) and [LinkedIn](http://linkedin.com).