the INDEX

Quantum Health

MedCity News

The 2023 Benefit Consultant Sentiment Index

Benefit Consultants' Perspective on the Shifting Employer Healthcare Landscape

Introduction

In the summer of 2023, MedCity News partnered with Quantum Health to survey more than 100 veteran healthcare benefits consultant leaders whose work with self-insured employers gives them a unique perspective on how the shifting healthcare landscape has affected employee benefits experience expectations and employers' priorities.

With topics ranging from strategies to address cost management and health equity to the increasing role of AI, consultants revealed how their roles have evolved to serve the diverse needs of their clients amid industry changes. They also offered their perspectives on the next chapter in healthcare navigation.

Quantum® HEALTH + MedCity News

Key Findings

Consultant roles are changing to adapt to the new benefits landscape. Integration and consolidation of care management solutions are the way forward, along with full navigation platforms.

The complex benefits landscape requires consultants to build a broad knowledge base for a greater hands-on role, according to 63% of respondents.

Developing long-term strategies and innovative solutions for clients are the focus of consultant time.

Mental healthcare and inclusive family planning are among the most frequently requested benefits by employees.

More than half of consultants (53%) said they typically guide their self-insured employer clients to an independent healthcare navigation company (vs. client's existing carrier or consultancy).

Additional findings include:

- The expanding role of AI will provide a more tailored experience for plan members.
- For chronic condition support, consultants most frequently advise clients around plan programs such as high-touch case management and virtual care.
- To support health equity needs, virtual care is most frequently used by employers.
- Cost management and health outcomes are the top priorities for self-insured clients' ROI goals.

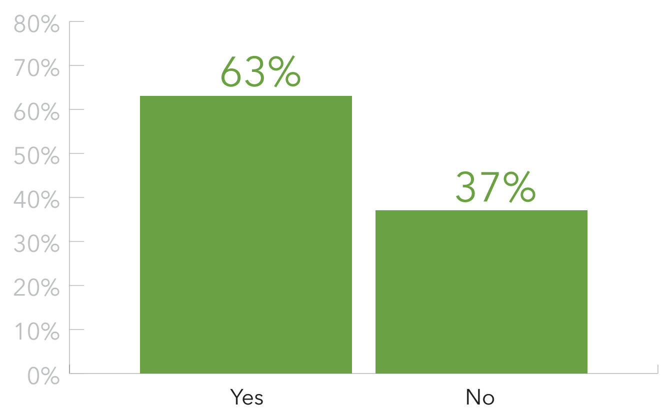
The figures used to express survey findings were rounded to whole numbers.

Survey Results

Complexities of the benefits landscape require consultants to have broader knowledge and a more hands-on role

63% of consultants surveyed report that their role has changed over time. The increasingly complex landscape for employers – with features such as new regulations, more vendor options, evolving point solutions, and advances in technology – requires greater breadth of knowledge and a more expansive role, consultants say, in order to serve the diverse needs of their clients. One respondent reports they provide legal, tax, and technology advice in addition to brokerage services. **Many describe their work as more consultative than transactional as they have transitioned to "trusted advisors" who are "more hands-on" with clients.**

Has your role as a consultant changed over time?



Substantively, consultants say shifts include **increased focus on compliance issues, personalized benefits and chronic conditions, and mental and emotional wellbeing,** especially as clients adapt to the "ever-changing definition of health and wellbeing benefits to include things such as DEI, caregiving, climate change." **"I don't just consult for medical and ancillary benefits,"** reports one consultant, **"as clients are very active in exploring total rewards and new fringe benefits."** There is also more awareness of health equity issues than in the past.

While cost remains a primary focus, there is greater emphasis on outcomes and "more criteria for decision making." Many clients expect **"more in-depth analysis of use vs cost vs plan utilization."** One consultant describes how their work has changed over time: "It continues to evolve far beyond brokerage services and placing of product. It now focuses more on controlling unit pricing and utilization, group specific population health management/ improvement, and data analytics."

Developing long-term strategies and innovative solutions for clients

The areas in which consultants say they spend most of their time include **helping clients with longer-term strategies and bringing innovation and new ideas on benefits.** They also frequently help employers evaluate vendors and partners.

Where are you most focused on serving your self-insured employer clients?

Consultants responded (in ranked order):

1. Helping employers with longer-term strategies
2. Bringing innovation and new ideas on benefits to employers
3. Helping employers evaluate vendors and partners
4. As a resource for operational needs regarding benefits programs
5. Providing basic guidance on benefits for annual cycles or placing specific coverage when benefit programs are up for renewals
6. As a resource for recommending and building strategic relationships

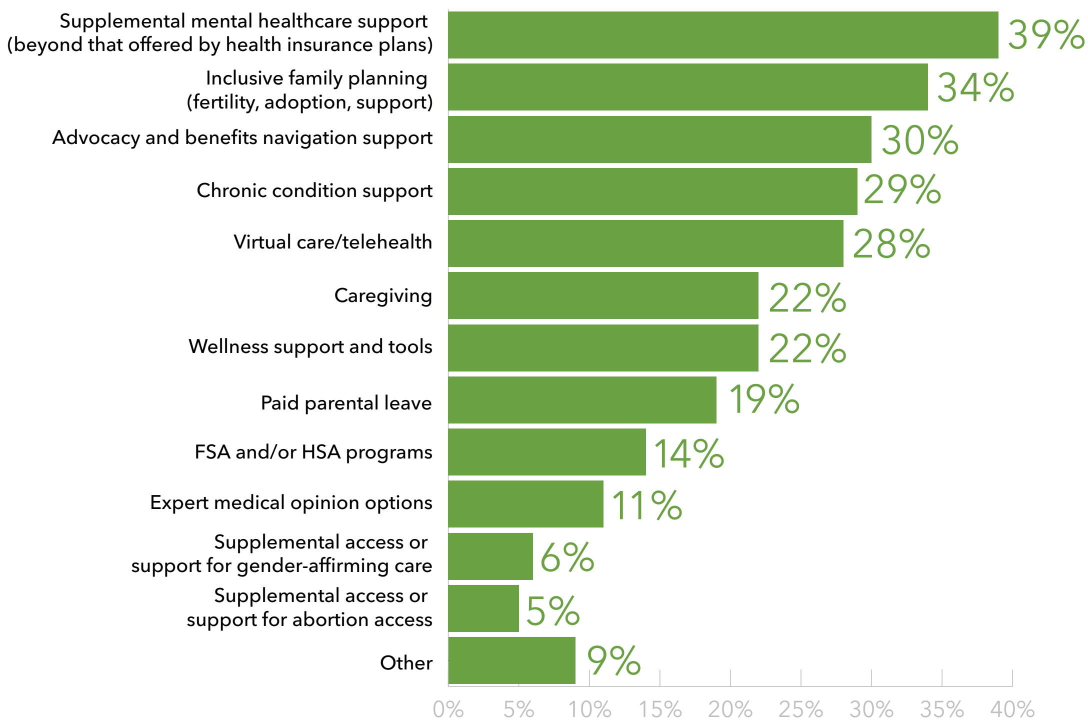
Additional areas of focus cited by some consultants include:

- Administrative efficiencies
- Assisting with compliance
- Clinical risk assessment
- Educating employees on how to navigate the system
- Identifying the risks specific to their population
- Measurement and well-being strategies
- Negotiating renewals
- Providing cost containment and disease management
- Retainer-based and concierge medicine for annual wellness

Mental healthcare and inclusive family planning are among benefits most often requested by employees

According to consultants, the top three employer healthcare benefits most often requested by employees are **supplemental mental healthcare support, inclusive family planning, and advocacy and benefits navigation support.** Other benefits frequently requested include chronic condition support and virtual care or telehealth options.

In consulting with your self-insured employer clients, what healthcare benefits that are not currently offered are their employees most often requesting? *Please select the top three.*



Other requested benefits include:

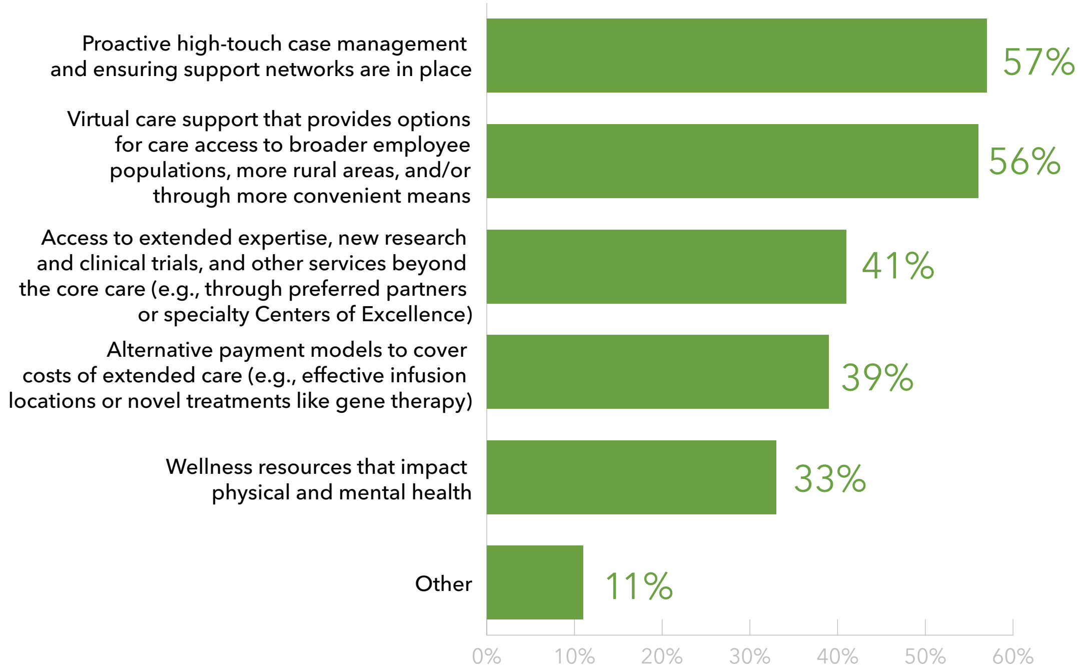
- Balance bill representation
- Cost containment
- Direct contracting strategies
- Specialty prescriptions

Benefit options consultants recommend for chronic condition support include proactive case management and virtual care

Consultants report that they advise clients most often around **plan programs like proactive high-touch case management and virtual care support to support chronic condition care.** Other options many consultants recommend include access to clinical trials and extended expertise, alternative payment models, and wellness resources.

Which health benefits plan options (below) do you recommend most often to those self-insured clients with employees who need chronic condition support (e.g., cancer, MSK, etc.)? For example, for a cancer diagnosis, where do you focus plan recommendations?

Please select all that apply.



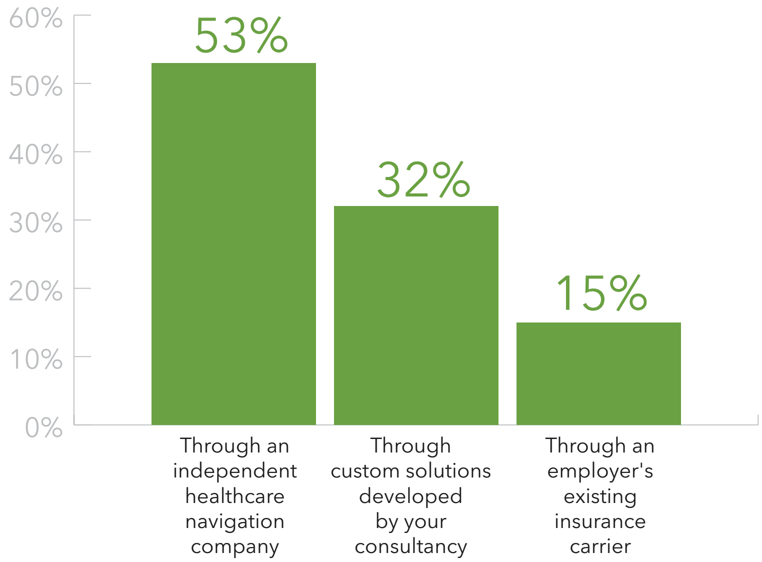
Additional benefits plan options some consultants discuss include:

- Caregiving support for special needs children
- Chronic condition third-party administrators for MSK, physical therapy, etc.
- Navigation to best providers
- Point solution vendors that focus on the specific condition (MSK, diabetes, etc.)
- Programs that cover the chronic-condition management spectrum of needs from prevention to acute/chronic care to recovery
- Validated data and analytic solutions that address baseline and support program selection with ongoing evaluation

Independence is a key factor for the best healthcare navigation results

More than half of consultants say they typically **guide their self-insured employer clients to an independent healthcare navigation company** for healthcare navigation solutions. Approximately one-third guide them through custom solutions developed by their consultancies. Just 15% say they guide them to the employer's existing insurance carrier.

When thinking about healthcare navigation, where do you typically guide your self-insured employer clients to get healthcare navigation services/solutions for their plan?



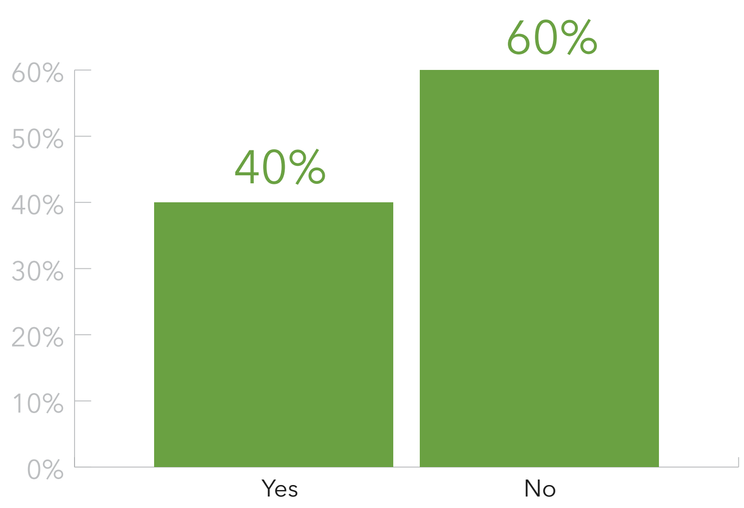
53% of consultants recommend healthcare navigation through an independent healthcare navigation company because these companies have greater subject matter expertise, offer **"more holistic and independent"** service, and **"generally deliver better results."** As several consultants noted, **"members are wary of suggestions"** from their insurance company, while an unbiased third party **"can better evaluate all options across the landscape"** and guide employees to the most appropriate provider. In addition, independent healthcare navigation companies offer **"superior reporting"** and **"often provide the polish that carrier customer service resources do not have."**

Among those who typically direct clients either to existing insurance carriers or to custom solutions developed by their own consultancy, the main reasons include expense and client reluctance to transfer service to a third party. Some consultants also suggest that independent companies may not have local market expertise or **"intimate access and knowledge of plans in place."**

However a number of consultants point out that when making recommendations, it's not necessarily an either/or situation since **"no one approach meets every client's needs."** As one consultant explains,

"I evaluate the client need, business objectives, and budget/price sensitivity to recommend an approach that best meets those needs. So it is and can be a mix of carrier solution, independent navigation company, or custom solution."

Do you believe healthcare navigation through an employer's existing insurance carrier meets a self-insured employer's needs?



60% of consultants say **healthcare navigation through an employer's existing insurance carrier does not meet all their clients' needs** in large part because carriers' focus on cost means they **"navigate toward the lowest price without considering the patient's current situation."** Members need **"more hand-holding"** and **"higher levels of engagement,"** and employers need more transparency. **"It is too confusing for employees,"** says one consultant. **"They get answers to basic questions, not someone who brings their problem to resolution."**

Cost management and health outcomes are top priorities for employers

Consultants report that self-insured clients are most focused on **ROI impact in the areas of cost management and health outcomes.** Next in importance are member engagement and member satisfaction. Operations implementation and efficiency measures are ranked lower on the list of client priorities.

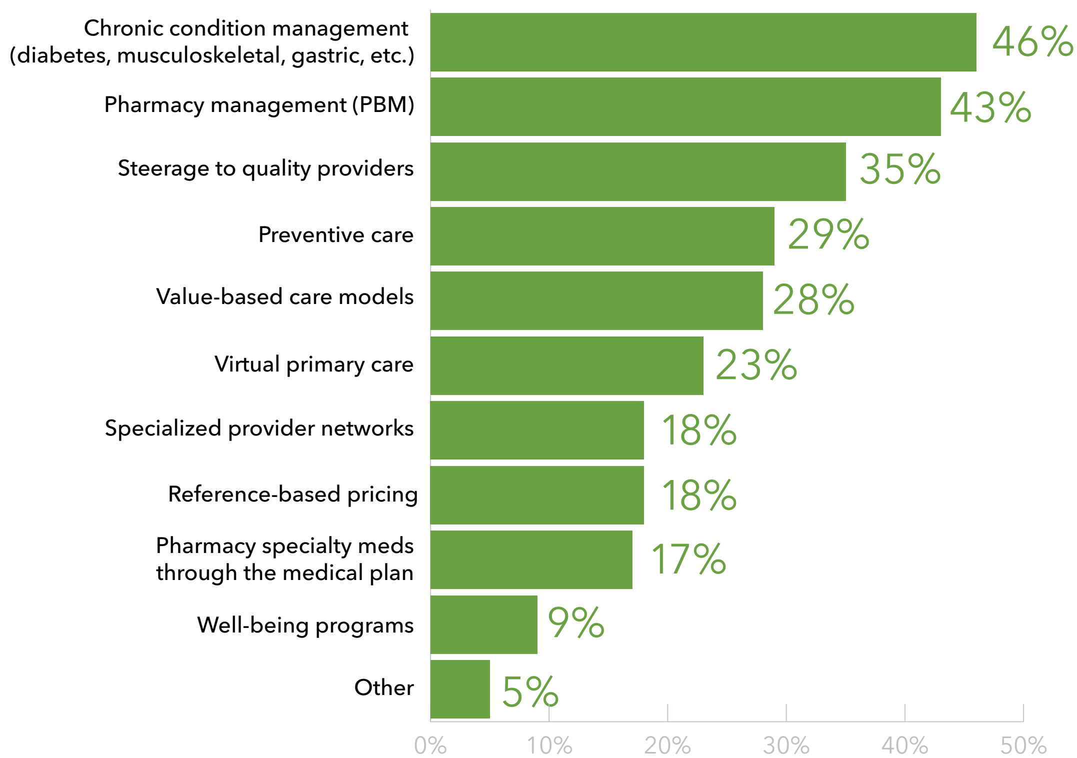
With regard to healthcare navigation, what ROI measurements are the most important/meaningful for your self-insured employer clients?

Consultants responded (in ranked order):

1. Cost management/cost control (e.g., per person savings, claims cost reductions, cumulative year-over-year savings, etc.)
2. Health outcomes (e.g., decrease in hospital stays/readmissions, preventive care success, chronic care quality measures)
3. Member engagement and utilization across services/solutions
4. Overall member satisfaction (e.g., NPS, customer service, etc.)
5. Operations implementation (e.g., systems/infrastructure/data onboarding, integration, reporting, etc.)
6. Efficiency measures across both provider and payer engagement (e.g., scheduling, claims management)

When advising clients on managing healthcare benefits costs, consultants most often **focus on chronic condition management as the top cost driver.** Other areas commonly identified include **pharmacy management and steerage to quality providers.**

When cost management is important, which of the following cost drivers are you most often recommending to your self-insured employer clients to improve healthcare cost/spending? *Please select the top three.*



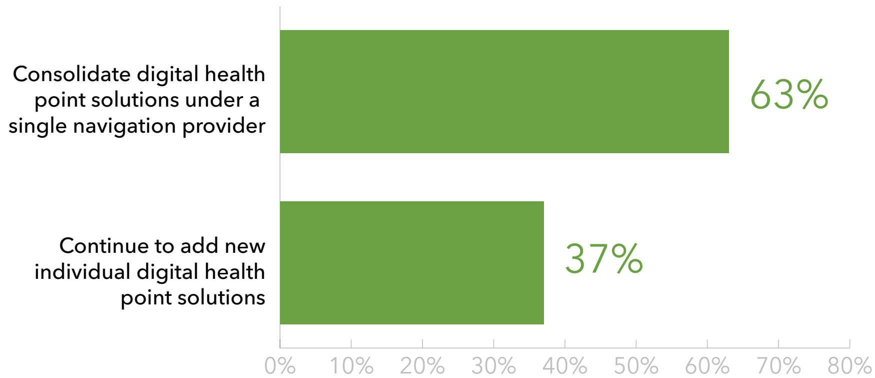
Other recommendations by consultants to improve healthcare spending include:

- Good case management, especially controlling high-utilizers (of healthcare)
- Consistent primary benefit care provider for each person

Future of digital health point solutions lies in consolidation

63% percent of consultants surveyed believe that digital health point solutions will be consolidated under a **single navigation provider.**

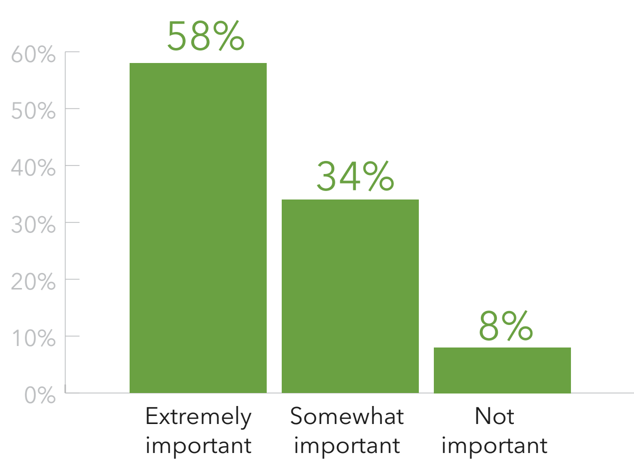
With the rise in number of digital health point solutions, and the increasing complexity of benefits management for companies, do you believe benefits plans will:



The importance of shared values

Nearly all consultants surveyed report that it is at least **somewhat important** to their employer clients that their chosen benefits partner have **similar or shared values and culture**, and **58% describe it as "extremely important."**

How important is it to your self-insured employer clients that their chosen benefits partner have similar or shared values and culture?

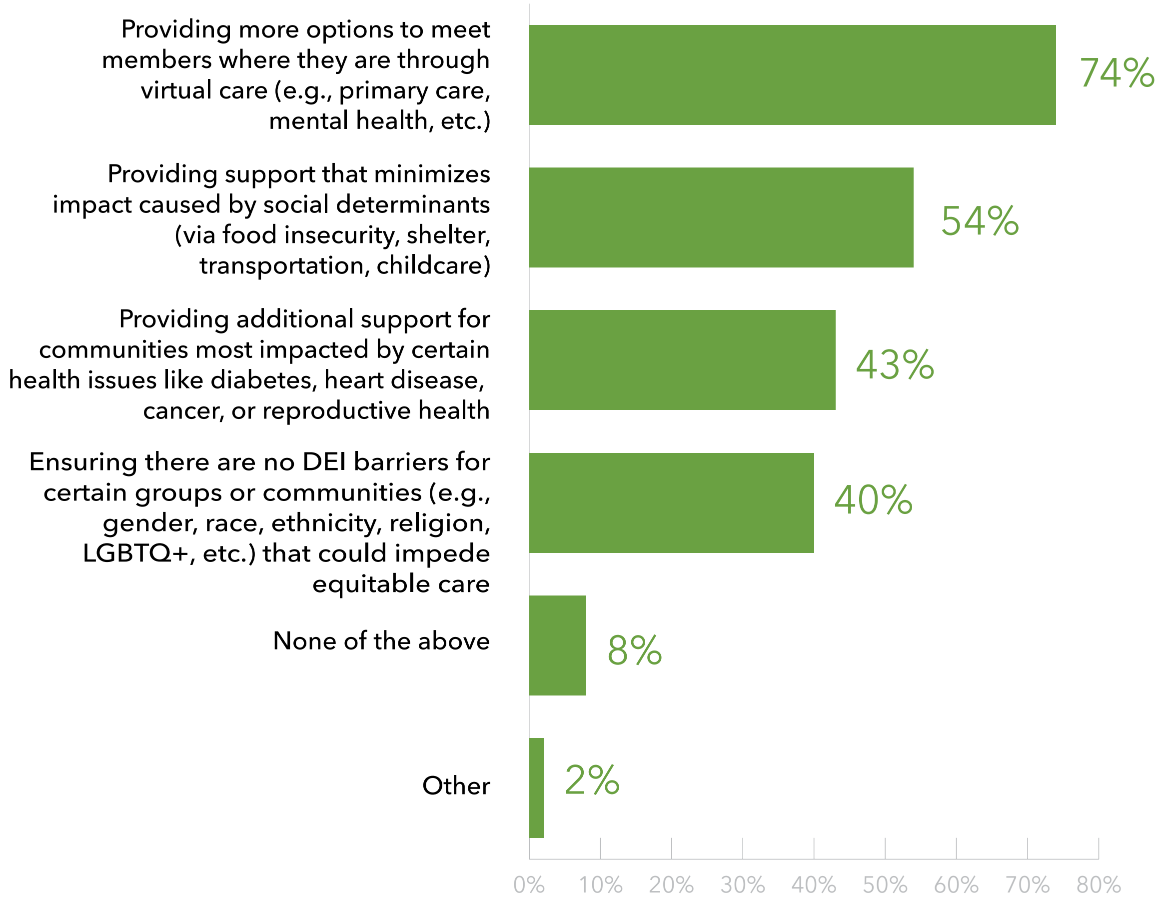


Helping employers address issue of health equity

Consultants report that providing more options to meet members where they are through virtual care is the area most often sought by clients with respect to health equity. In addition, more than half of consultants say that **support that minimizes the impact caused by social determinants is another area in which they frequently advise.** One respondent also noted that "mental health and substance abuse support is critical."

Which areas of health equity do you most often advise your clients?

Select all that apply.



The expanding role of AI will provide a more tailored experience for plan members

The most significant way in which consultants expect AI to help shape healthcare navigation is by **offering a more tailored experience for plan members.** Other notable advantages include enabling deeper data for predictive analytics and the ability to identify trends through data observation.

Where do you see the biggest advantages AI can bring in shaping healthcare navigation?

Consultants responded (in ranked order):

1. More tailored experience for plan members
2. Deeper data to drive predictive analytics
3. Ability to identify trends through observation of data
4. More informed choices for physicians and procedures
5. Higher quality app experiences to address patient needs

Consultants also suggested other benefits AI can provide:

- 24/7 availability
- Better price negotiations
- Leveraging the ratio of care coordinators to coaches
- More efficiency in administrative tasks
- Zagat type rating of providers

Integration is the way forward for healthcare navigation

"What do you envision is the next chapter (or evolution) in healthcare navigation?"

"Streamlined patient journeys leveraging longitudinal health records, bridging patients, providers and customized therapies from pharma and life sciences."

"Complete and total connectivity between the plan, the healthcare system, scheduling and billing."

"Better, more efficient integration with health insurance carriers to streamline the process and make it as easy as possible for members."

"Consolidation of care management solutions under a smaller number of vendors and one overall care coordinator to help employees know where to go and when."

Conclusion

The healthcare landscape has always posed a challenge for employers to navigate, but the challenges have changed. A tight labor market, numerous digital health offerings, and growing attention to employee well-being and mental health provide new opportunities for consultants to advise employers.

Consolidation of core management solutions from a smaller number of vendors with one overall care coordinator providing customized therapies to create streamlined patient journeys is where the future of employer benefits is heading, according to the majority of consultants surveyed for this report.

As the results of this survey demonstrate, the core job of benefits consultants is growing more complex. This complexity provides greater opportunities to provide value through efficiency, consolidation, and integration of point solutions for their employer clients.

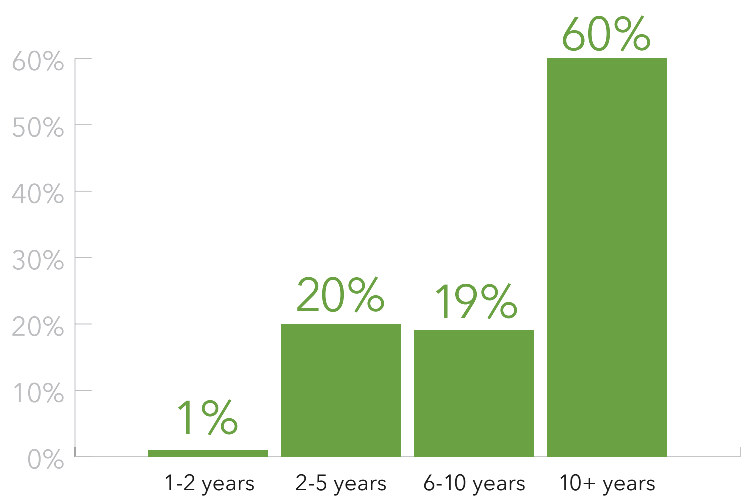
Employers need help sifting through expanding benefit menus while keeping costs under control. But they also need consultants with an eye on the future. If there is one certainty in healthcare, it is that change will continue to remake the landscape. Additionally, consultants are spending more time evaluating vendors and parsing options in growing areas such as mental health, inclusive family planning, and chronic care.

Reliable navigation and customization are critical to the future of employee benefits.

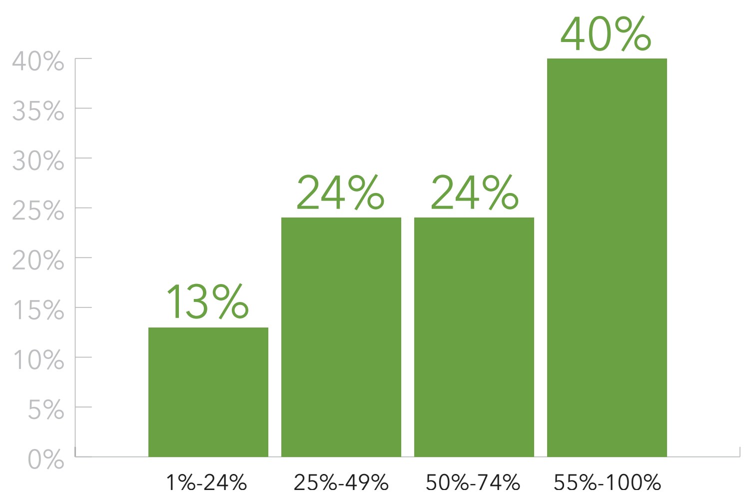
Survey Demographics

The majority of the consultants surveyed have **at least a decade of experience** advising employers on healthcare benefits, and most have significant experience working specifically with **self-funded/ self-insured employers.** Their clients vary in size, from employers with fewer than 500 employees to those with more than 50,000. The most common category are employers with **between 1,000 and 5,000 employees.**

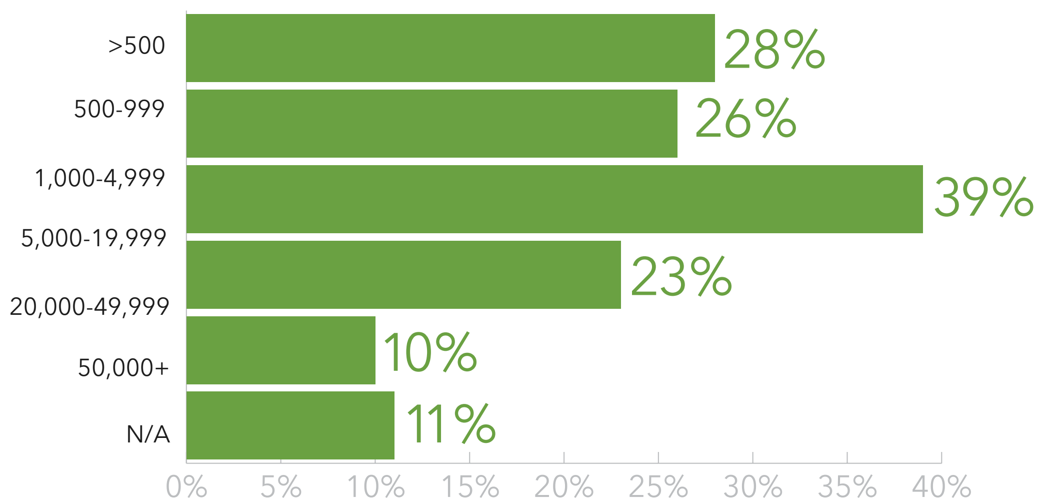
How long have you advised employers on healthcare benefits?



To the best of your knowledge, approximately what percentage of your employer clients are self-funded/self-insured?



On average, how many total employees does your typical self-insured employer client have across all US locations nationwide?
(multiple selections allowed)



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Ken Montgomery
MedCity News Publisher
kmontgomery@medcitynews.com