



News Release

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Minnesota Health Action Group benefits survey shows employers' top benefits priorities and new initiatives aimed at reducing health care spend

BLOOMINGTON, MN. (May 7, 2018) — Minnesota employers are experiencing a higher health care cost trend than the national average. As a result, a vast majority of employer concerns, goals, and new programs and initiatives are aimed at combating health care spend, according to the [Minnesota Health Action Group](#) 2018 Annual [Employer Benefits Survey](#).

The Action Group Benefits Survey reflects input from 95 [public](#)- and [private](#)-sector employers that are either headquartered in or have employees in Minnesota. The Survey content is designed by employers, for employers, with the goal of identifying their top priorities and benefit trends. This year's survey focused on trends related to:

- Health benefit planning and goals
- Medical plan costs and employee cost sharing
- Health plan competition and performance
- Prescription drug benefits and costs
- Mental health
- Wellness and health improvement
- Value-based care and innovations

“Year over year, our survey has shown that Minnesota employers truly listen to employees and think about what is best for their workforce. They are aspirational about the things they can influence but need data to support and drive change within their benefits structure and their organizations,” said Deb Krause, vice president of The Action Group. “Our survey delivers the data and insights to understand what is and isn’t working for employers across the state, along with a benchmark of how their organization compares to other employers. It helps eliminate some of the guesswork and prioritize their future benefits strategy.”

Highlights from the 2018 Employer Benefits Survey include:

- Cost trends for Minnesota employers are increasing at a higher rate than the national average. The average health care cost trend (total including employer and employee share) for Minnesota companies was 7.4 percent in 2017, while the trend nationwide was 6.0 percent. The premium trend — the increase passed on to employees after plan design changes — increased to 5.7 percent, while the national average rose to 4.3 percent. A variety of levers are being used to mitigate costs, including managing contribution rates, as well as changes in prescription drug benefits and overall plan design.
- Employers are optimistic about the impact of new players, such as UnitedHealthcare and Aetna, in the benefits market.

- Primary employer concerns related to changing workforce demographics include attracting and retaining talent and a shortage of essential skills due to retiring baby boomers. To meet the needs of an increasingly diverse workforce, employers are making changes, such as adding voluntary benefits, adopting new technology to ease benefit access, introducing onsite programs and improving parental leave options.
- Data is being used to drive program design and plan communication. The most common sources of data used to drive health benefits strategy are medical and pharmacy claims data (87 percent and 74 percent, respectively). Although commonly discussed as a measure of productivity, absenteeism data is still underutilized, with only 28 percent of employers taking this into account.
- Employers have mitigated total cost of health care by shifting costs to employees, mostly through design changes and premium contributions. PPO plans with larger deductibles and HSA-eligible plans continue to grow in popularity.
- Specialty pharmacy continues to contribute significantly to health care costs. The percent of drug spend for specialty pharmacy was 36 percent for general industry employers and 34 percent for public employers. Organizations are combating specialty drug costs through prior authorizations, partially filled orders, step therapy programs and Medication Therapy Management programs.
- Employers plan to take greater action on employee mental health in 2018. Employers are focused on reducing mental health stigma through communication, education and training for managers. When it comes to improving access to mental health services, employers are turning to online solutions, enhanced benefits, telehealth services, and expanded networks for mental health providers.

According to Krause, participation in The Action Group survey increased this year among both public and private employers. Employers who completed this year's survey provide benefits for 243,341 employees in Minnesota and more than 672,000 employees nationwide, making it a valuable benchmark of benefit trends across the state.

A full survey report with complete findings and detailed answers is available to companies that participated in the survey or that commit to participate in 2019. An executive summary of survey findings for public and private employers is available [online](#).

To learn more, follow the Minnesota Health Action Group on [Twitter](#) (@ActionGroupMN #AGBenefitsSurvey), or [LinkedIn](#).

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About the Minnesota Health Action Group

The Minnesota Health Action Group is a coalition of public and private purchasers whose sole purpose is to represent the collective voice of those who write the checks for health care in Minnesota. Action Group members collaborate with community stakeholders to drive innovations that support high-quality health care, create engaged consumers, and ensure the economic vitality of all Minnesota communities. Based in Bloomington, MN, the Minnesota Health Action Group was formed in 1988 as the Buyers Health Care Action Group. To learn more, visit www.mnhealthactiongroup.org. Follow on [YouTube](#), [LinkedIn](#) and [Twitter](#).

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