



News Release

Minnesota employers investing in specialty pharmacy, mental health strategies to improve employee health and manage spend as cost trends across the state continue to climb

2019 Minnesota Health Action Group Employer Benefits Survey measures benefit trends that matter most to employers and workers

BLOOMINGTON, MN. (May 13, 2019) — Minnesota employers are experiencing year-over-year increases in health care cost trends that continue to exceed the national average, according to findings from the [Minnesota Health Action Group](#) (The Action Group) [2019 Annual Employer Benefits Survey](#). Minnesota companies are turning to specialty pharmacy and mental health benefits as two of the key strategies to manage increasing spend and minimize cost increases for employees.

The Action Group Employer Benefits Survey, which is designed by employers, for employers, with the goal of identifying their top workplace priorities and benefit trends, reflects input from 108 public- and private-sector employers that are either headquartered in or have employees in Minnesota. Collectively, companies that completed the survey provide health benefits for 269,850 Minnesotans and their families. 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,
- Waste in the health care system, and
- Value-based care and innovations.

“Minnesota has always been ahead of the curve in health care, from consumer-directed plans, to narrow networks, and payment reform, our state has been blazing trails in health care for years,” said Deb Krause, vice president of The Action Group. “While this is ultimately an advantage, it also means we’ve already realized cost savings from these strategies and now we’re seeing costs climb again because the heart of the problem — the cost of care itself — has not changed. To truly fix this problem, we need to collaborate to lower the cost of services, drive out waste, and improve quality, rather than shifting costs to premiums.”

Highlights from the 2019 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 9.6% in 2018 (up from 9.1% in 2017), while the trend nationwide was 3.6%. The net employee premium trend — the increase passed on to employees after plan design changes

— was 4.5% in 2018 (down from 5.9% in 2017). On a related note, 89% of employers said controlling health care costs is their #1 priority.

- Employee cost sharing for health coverage increased to 27% up from 24% in the prior year.
- 87% of employers surveyed said they have yet to see dramatic changes as a result of increased competition from UnitedHealthcare, Allina/Aetna, and Bind in the health plan market. Very few employers saw improved provider access, lower costs, or improved quality and outcomes.
- While 32% of employers went out to bid for health coverage in 2018 for 2019, only 12% of companies actually switched plans and two-thirds have not changed their health plan coverage in the last three years.
- For the first time in the history of the survey, the percent of employers (74%) offering a high-deductible health plan with a health savings account (HSA) exceeds the percent offering a preferred provider organization (PPO) plan.
- Mental health has caught up to diabetes as a leading focus area for employee health, with 32% of employers saying they are focusing on diabetes and 30% on mental health as top employee health and well-being concerns. Cardiovascular health, specialty drugs, and musculoskeletal conditions are also top areas of focus for employers.
- 83% of responding companies said employee mental health is an important health management strategy compared to 78% in a national benchmark survey. However, 64% of employers had not conducted an independent compliance assessment of mental health parity and 24% did not know if their company had conducted a parity assessment.
- Prescription drug trend for Minnesota employers is 5%, which is below the national benchmark of 7%. Managing prescription and specialty drugs are also the top-two strategies that employers are focusing on to manage health care waste.

“Minnesota employers are clearly making employee health a priority, with innovative companies willingly tackling complex issues like mental health and specialty drug utilization. It’s promising to see that 79% of our survey respondents agree that more employer collaboration is needed,” said Krause. “The Action Group is committed to supporting employers in managing their own plans and in working together to influence the health care marketplace.”

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 2020. An executive summary of survey findings for public and private employers is available online at <https://bit.ly/2WwzakZ>.

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

###

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](#).

For more information:

Barbara Tabor, APR / (651) 230-9192 / barbara@taborpr.com