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Employee Health Trends

2024 | Executive Summary



Each year, Springbuk publishes the Employee Health Trends report based on aggregate data in our health data analytics platform. For 2024, that comprised data from **more than 5,600 employer customers.**

As our report's range of analysis has evolved, our end goal has remained the same: to empower employers and benefits leaders with actionable insights to improve health, manage costs, and understand strategy impact.

Below, we'll highlight the topics covered in Employee Health Trends 2024. To read the full report, click here.

Uncovering the Persistent Trends in Employee Health

The 2024 Employee Heath Trends report highlights persistent and expensive trends affecting employee well-being and, consequently, employers' bottom line. Throughout this report, we cover topics of pressing concern to benefits leaders and answer questions such as:

- **What continues to drive high-cost claimants?**
- **Are specialty drugs really what's driving Rx costs?**
- **What is obesity really costing us?**

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An Evaluation of Usage, Cost, & Engagement Shifts in Mental Health

Crossing the threshold of the report's fifth year, our curiosity was piqued: Just how monumental were developments in the mental health trend? What shifts did we see in utilization, cost, and engagement?



Armed with data, our team of experienced data analysts, clinicians, and population health experts recalled recalled patterns and narratives to tell the stories of years past and how those stories would continue to influence the next chapter:

2020

Mental health conditions were highly prevalent, costly, and often co-occurring with chronic medical conditions. There were high rates in certain industries like healthcare and technology. Mental health drove a large portion of the increased cost per member.

2021

The pandemic amplified certain mental health trends - anxiety increased notably among young women while treatment dropped for conditions like ADHD. There were differing impacts by age and gender. Employers responded by expanding mental health benefits.

2022

Telemental health utilization stabilized at a "new normal" level, remaining consistently high, especially among women 18-35. Most employers accelerated investments in mental health services due to pandemic concerns.

2023

Mental health remained the top condition treated via telemedicine. The top telemedicine conditions were depression, anxiety, and other behavioral health issues. Employers continue to prioritize expanding virtual mental health access.

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A Recap of Where We Stood & What Lies Ahead

With a comprehensive view of what has shaped the last few years, our question quickly shifted to: **how did last year end up and where are we now?**

Rx and medical channel specialty drugs continue to be major drivers behind rising costs.

- Medical costs leveled off after driving the 2021 trend
- In 2022, pharmacy claims drove the trend with increases in specialty and brand-name drugs
- 2023 data is projected to end with another year of double-digit Rx cost increases

2022 and 2023 saw a huge increase (140%) in colonoscopies with biopsies for 45-49-year-olds since the colorectal screening age was lowered from 50 to 45 in May 2021.

- This is increasing spend but is expected to have a positive long-term impact through early detection and cancer prevention

Employers continue to embrace telemedicine as a way to provide convenient, cost-effective care.

- 28% say it will be "very important" for future employee access
- It is seen as especially key for behavioral health services (41% "very important")

Looking forward at the overall 2023 trend, we expect the year to end with an increase of 5.7% ($482 to $510 - in total)

- Driven by the continued increase in the use of expensive brand name and specialty drugs, pharmacy drugs will have another year of double-digit increases - predicted 11.3%



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Unmasking the Ongoing Trend Drivers of High-cost Claimants

Knowing the constant battle employers endure with high-cost claimants, our team's primary goal was to identify the specific conditions within cost categories defined by different thresholds that drive high-cost spend. Our data scientists and clinicians found:

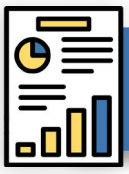
The thresholds for defining high-cost claimants have increased significantly from 2019 to 2022.

+15%

For example, the top 1% threshold rose 15% from $66,531 to $79,725.

1.83%

The percentage of members exceeding $50K also rose from 1.5% to 1.83%.



Want to know how the demographics of high-cost claimants differ and what you should consider for that? Get the full report.

Over 50% of those exceeding $100K thresholds were high-cost in the prior year. This increased to 2/3 for the $500K+ group, showing greater persistence at higher levels.

- Cancers dominate the conditions driving the highest-cost claimants (those over $250K)
- Most high-cost claimants are ages 35-64; higher cost thresholds include greater percentages of younger members, with over 10% under age 2 (likely premature births/congenital issues)
- Lower cost categories skew slightly more female, while higher thresholds skew more male
- Key services driving high-cost claimant spend are specialty drugs (lower thresholds), facility/inpatient costs, and medical specialty drugs (higher thresholds tied to cancers)

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What Are Top 10 Conditions Based on High-cost Claimant Threshold?

Most Common Condition ↓ Least Common Condition

$50,000 - $99,999	$100,000 - $249,999
Psoriasis	Inflammatory bowel disease
Adult rheumatoid arthritis	Malignant neoplasm of breast
Inflammatory bowel disease	Ischemic heart disease
Ischemic heart disease	Multiple sclerosis
Multiple sclerosis	Joint degeneration, localized - back
Joint degeneration, localized - knee & lower leg	Psoriasis
Joint degeneration, localized - back	Chronic renal failure
Malignant neoplasm of breast	Malignant neoplasm of pulmonary system
Diabetes	Adult rheumatoid arthritis
Pregnancy, with delivery	Leukemia

Most Common Condition ↓ Least Common Condition

$250,000 - $499,999	$500,000 +
Malignant neoplasm of breast	Leukemia
Malignant neoplasm of pulmonary system	Other neonatal disorders with perinatal origin*
Cystic fibrosis	Malignant neoplasm of breast
Multiple myeloma	Lymphoma
Chronic renal failure	Malignant neoplasm of pulmonary system
Inflammatory bowel disease	Multiple myeloma
Ischemic heart disease	Sepsis
Malignant neoplasm of genitourinary system**	Hemophilia
Other neonatal disorders with perinatal origin*	Malignant neoplasm of skin, major
Leukemia	Malignant neoplasm of genitourinary system**

High drug costs and surgical costs (highlighted in grey) dominate the top conditions with lowest cost thresholds.

Cancers (highlighted in yellow) dominate top conditions with highest cost thresholds.

*Neonatal disorders with perinatal origin (e.g. respiratory distress) **Except prostate

Key takeaway: Understand the population at greatest risk of becoming a high-cost claimant based on conditions, history of being a high-cost claimant, and demographic information.

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Analyzing Rx Costs for Actionable Insights

To empower employers with information and insights that help contain costs and fertilize strategies, our team investigated the general trends and subtle patterns driving the rise in Rx costs.

+39%

Rx costs have increased 39% over 4 years, up to $119 per member per month (PMPM). Specialty and brand-name maintenance drugs (drugs used in treatment of chronic conditions) are top drivers.

Want to know how drug spending related to chronic conditions is impacting PMPM and how you can apply this information to your strategy? Get the full report.

The most recent year-over-year brand name maintenance drug PMPM increase almost matched the specialty drug PMPM increase. Average cost per brand name script skyrocketed 51% to over $700.

- 20% of brand name scripts now exceed $1,000; cost increases stem from both higher costs per script and shift toward more expensive drug classes
- Antihyperglycemics (diabetes drugs) now account for almost 40% of brand name scripts, up from 27% three years ago



"**Of the top 10 conditions driving spend, over half have lifestyle and environmental factors affecting the incidence of the disease.** They aren't just determined by genetics but also by daily lifestyle choices and external factors. This highlights the importance of lifestyle changes and environmental interventions in addressing these health challenges."

— Jennifer Jones, MSM, RD, CCWS
Vice President of Strategic Partnerships & Population Health Practice Leader

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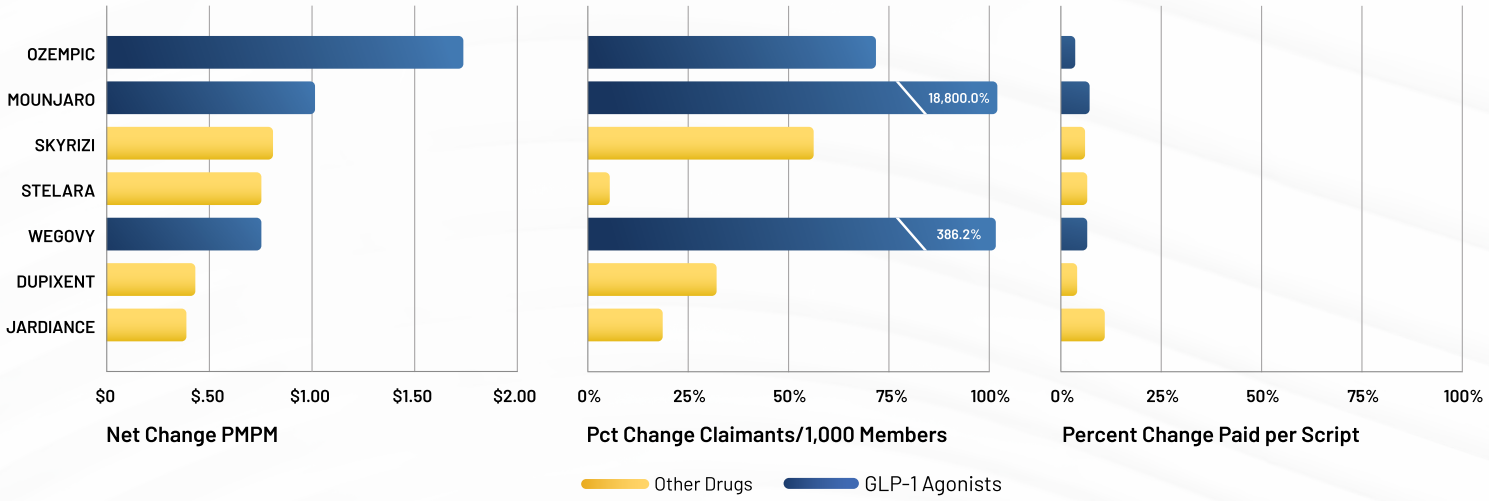
In the last year, the top 10 conditions by Rx paid include 4 conditions driven almost entirely by brand name drugs.

- Diabetes
- Migraine headache
- Obesity
- Attention deficit disorder (ADHD)

Vyvanse, one of the top drivers of cost for ADHD, went off patent in August 2023 and is now available as a generic.

Top Drugs based on Net Change Rx Per Member Per Month

July 2022-June 2023 to July 2021-June 2022



3 of the top 5 drugs based on net change PMPM are GLP-1 agonists.

Most of the net increase in spend on top drugs is due to increase in claimants.

Key takeaway: Ensure that strategies to address drug spending target both brand name drugs and specialty drugs.

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Empowering Change: Taking Action with Obesity Analysis

With **over 100 million Americans now obese, leading to direct medical care costs over $289 billion and indirect costs over $15 billion annually**, can we still afford to turn away from the associated risk?

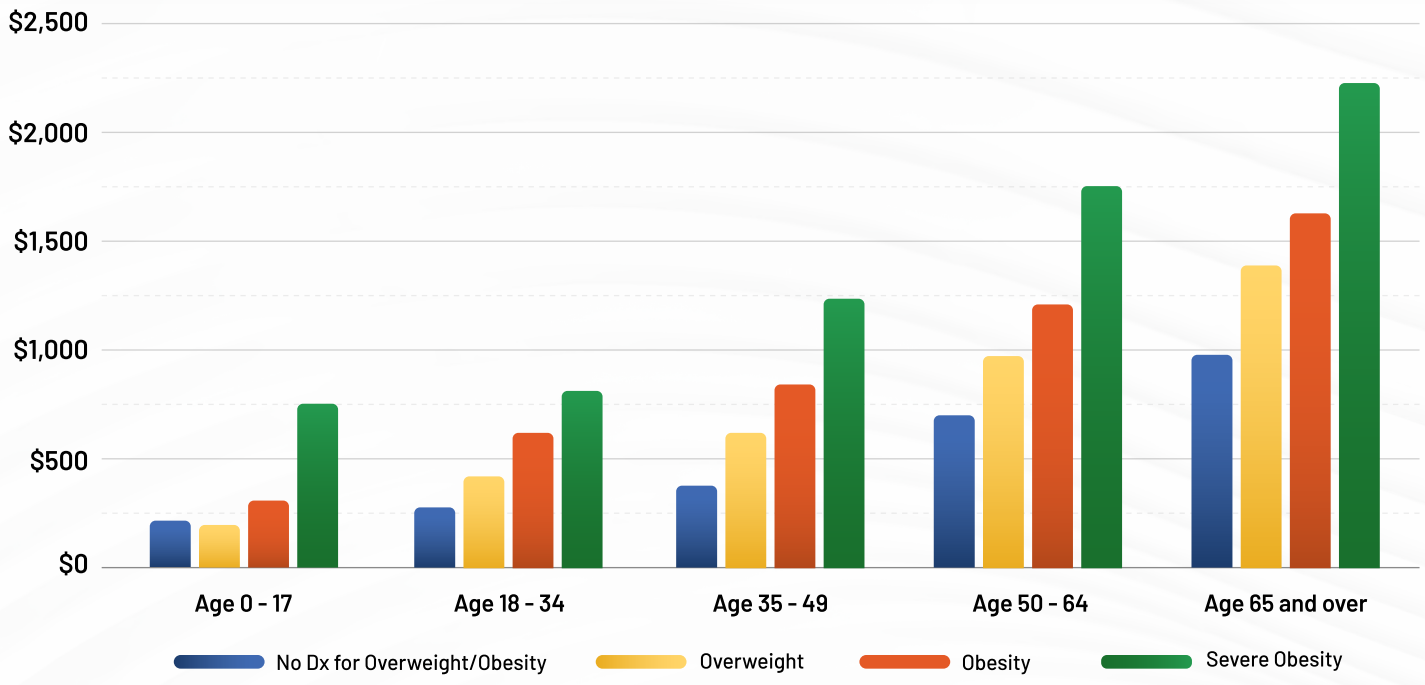
To help give employers a baseline of cost, diagnosis, and member demographics, we analyzed PMPM by weight class and age category.

Adult members with severe obesity (BMI ≥40) have health costs 2.9x those without overweight/ obesity diagnoses.

- However, only 9.9% have an obesity diagnosis despite a 42% national obesity rate, indicating underdiagnosis on claims

PMPM by Weight Class and Age Category

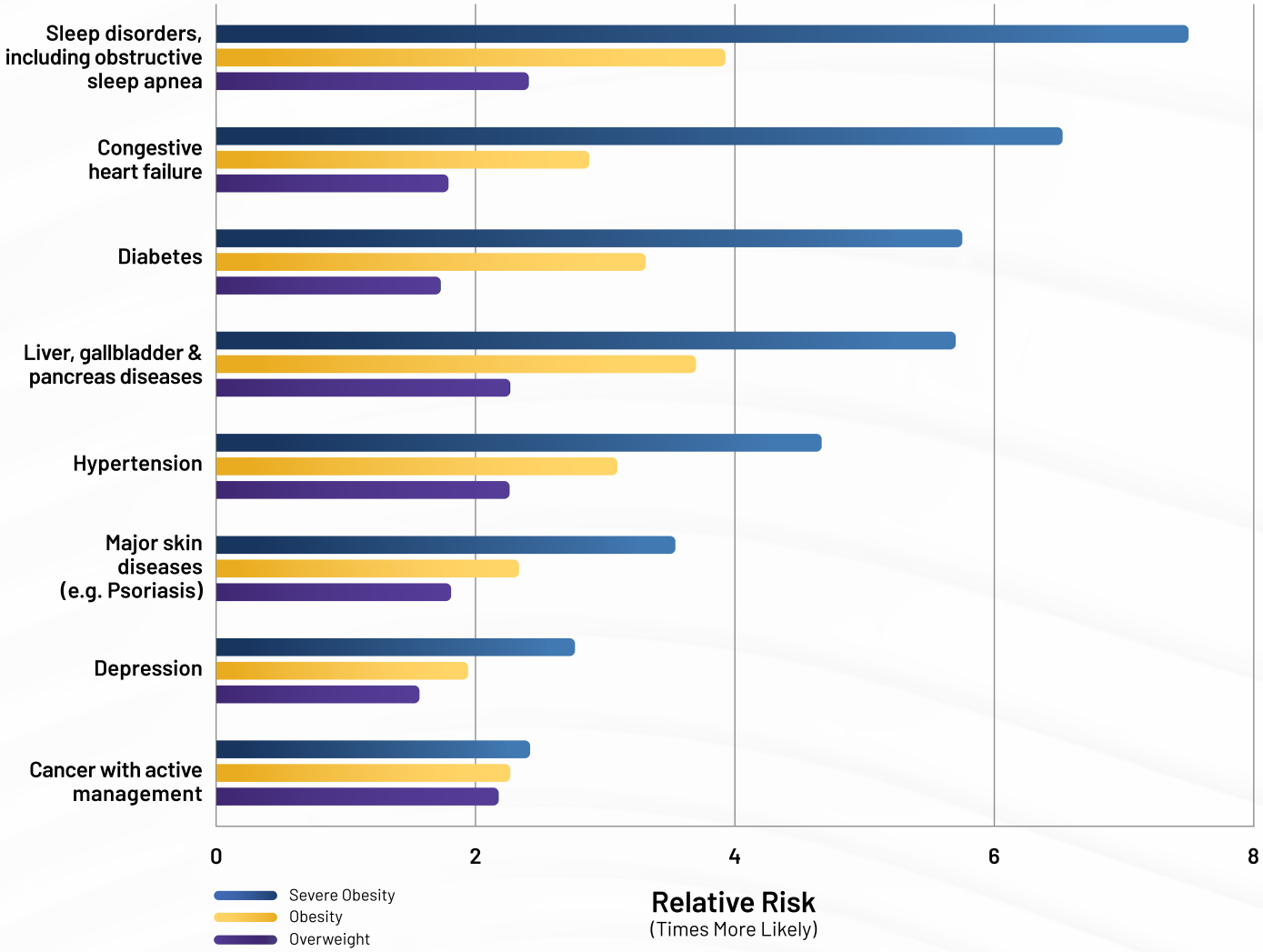
July 2022 - June 2023



Obesity significantly increases risks for conditions like diabetes (5.7x higher for severe obesity), sleep apnea, heart disease, cancer, and more.

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Increased Likelihood of Having Condition



BMI ≥40
Adult members with severe obesity are **5.7 times more likely** to have diabetes.

In addition to chronic conditions like diabetes and heart disease, obese and overweight members are **at higher risk for many other conditions,** including cancer and major skin conditions like psoriasis.

5–10% weight reduction can reduce risk or delay developing conditions, and in some cases, even **"reverse" disease.**

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Tides have shifted, with drug treatment playing an increasingly important role in treatment of obesity.

In the last year, the overall plan paid for members treated for obesity has **increased by 40%**, driven largely by increased drug spend, which has **increased by a whopping 138%.**

- Two-thirds of this spending is now on GLP-1 agonists like Wegovy and Ozempic

Use of newer GLP-1 drugs has rapidly increased but still **only 6% of potentially eligible members receive them.**

- This suggests that there is potential for a large increase in members taking these drugs among the remaining **94% of potentially eligible members**

Want to know how obese members vary by demographic and what you should consider for that? Get the full report.



"As we navigate the complexities of healthcare, employers need to consider all aspects of treatment avenues, from prescription to surgical alternatives like bariatric surgery. While employers often cover bariatric procedures, we must ask ourselves: **Are the outcomes truly equivalent? Are we fully considering the invasiveness and long-term implications?** The path to effective obesity treatment is multi-faceted, and it's imperative to evaluate every option with a critical, comprehensive outlook."

— Jennifer Jones, MSM, RD, CCWS
Vice President of Strategic Partnerships & Population Health Practice Leader

Key takeaway: A comprehensive strategy to address obesity is critical due to its high prevalence, impact on member health and quality of life, and associated increased healthcare plan costs.

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Unlock the Potential of Your Health Data for Optimized Employee Benefits & Cost Efficiency

Your health data isn't just information—**it's a goldmine of insights that can tailor benefits uniquely to your employees while bolstering your organization's financial health.** To maximize the impact of your health benefits investment, you need the tools and insights to efficiently identify opportunities and meaningfully direct your resources.

Our Employee Health Trends report can help make that happen.

When you download the full report, you'll receive deeper insights and discussions on the three major trends, extended analysis, additional charts and visuals of key findings, and actionable recommendations you can act on today.

Unlock Insights & Guidance in Employee Health Trends 2024



Learn more at springbuk.com

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