



Millennials and their children: Significant health findings



In this sixth annual white paper, Health Action Council and UnitedHealth Group explored a range of factors and claims data from UnitedHealthcare, UMR and Optum that may impact the health of Millennials and their children. The cohort represents 126,000 individuals or 38% of Health Action Council covered lives.

What is driving higher utilization and what are the implications of that trend?

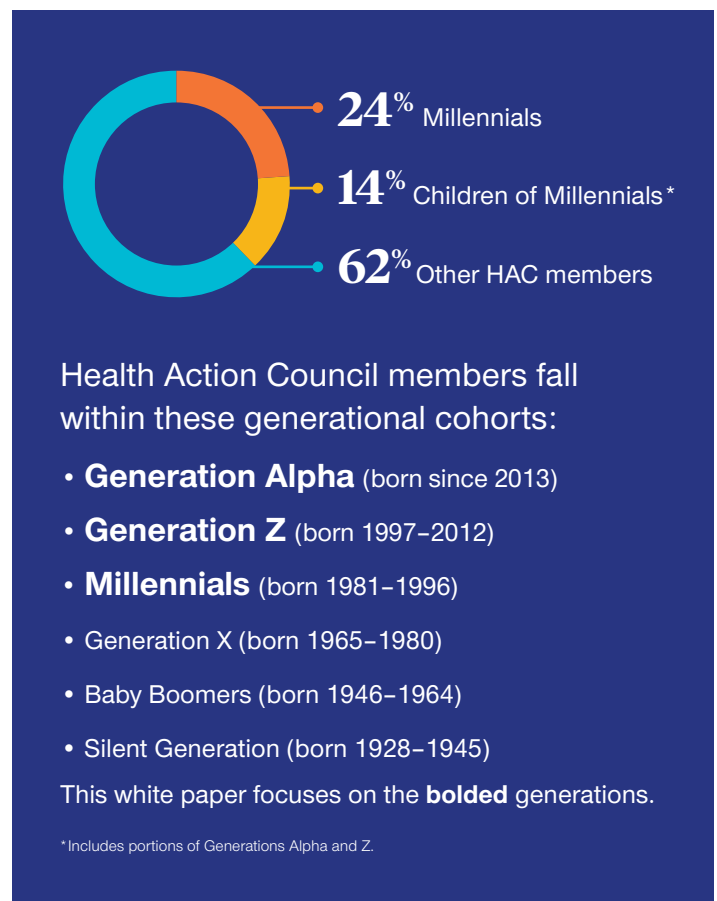
Although only 27 to 42 years old in 2023, Millennials experience chronic conditions at significant rates. As compared to other age groups, this generation and their children are high utilizers of the health care system. Through this analysis, employers can learn about health trends that may impact their organizations and consider strategies that help to support employee health and may help to minimize medical spend.

The objective

To understand the greatest areas of disease burden and seek insights on this cohort's higher-than-expected utilization and factors affecting their lives.

In some instances, Millennials and their children are compared to other generations or groups in order to emphasize the variances.

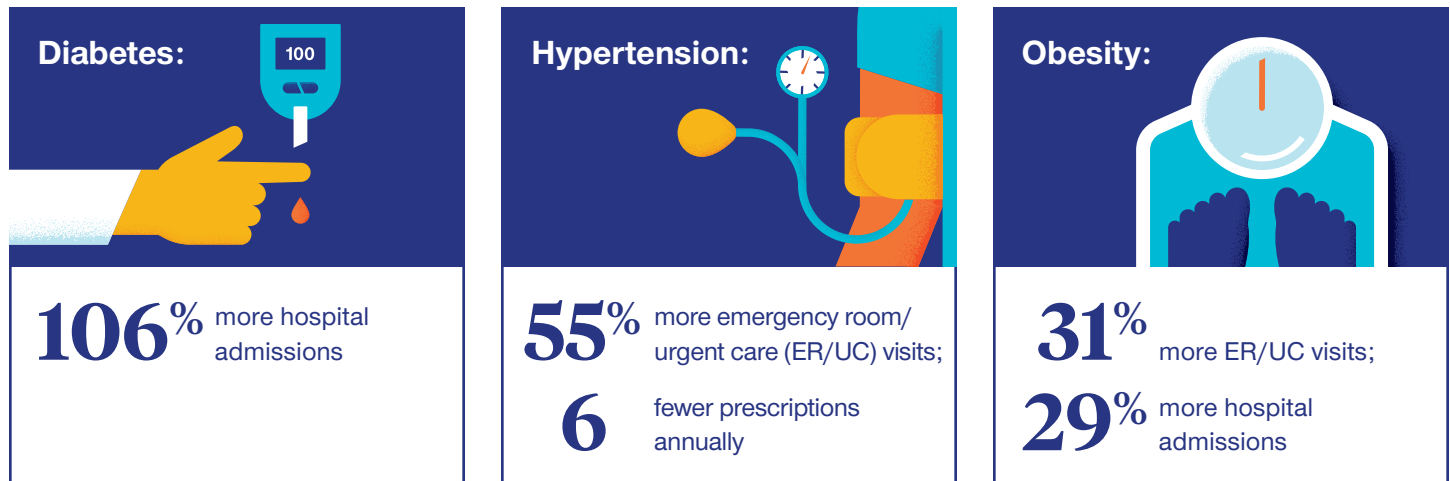
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Medical risks

Compared to Generation X, Millennials with common chronic medical conditions greatly exceed utilization, as shown in the charts below. This may indicate the potential for higher future utilization and increased spend by plan sponsors.

Millennial utilization and treatment compared to Generation X



Diabetes medical spend

- A larger portion of medical spend is attributed to Millennial diabetics than Generation X or Baby Boomer diabetics, indicating new diagnoses, higher outpatient utilization and/or crisis care
- Millennials and their doctors may attempt to control diabetes through diet or less-costly generic drugs more often than with older diabetics
- As a proportion of total spend, costs for Millennial diabetics are nearly as high as older generations, which is concerning given the age differences

Obesity rates

Millennials and their significant others have a low incidence of obesity compared to the total population:

- 2% of Millennial employees
- 0.7% of their spouses/partners
- 0.4% of their children

However, they do have higher facility utilization, as noted above.

Social determinants of health (SDOH) indicators

The most frequently predicted SDOH issues by Optum focused analytics are financial stress and social isolation. However, the most common SDOH codes submitted by providers for Health Action Council's Millennials are:

- Family issues, such as marital discord and death of a family member
- Employment or unemployment problems
- Psychosocial circumstances (may be pandemic-driven)

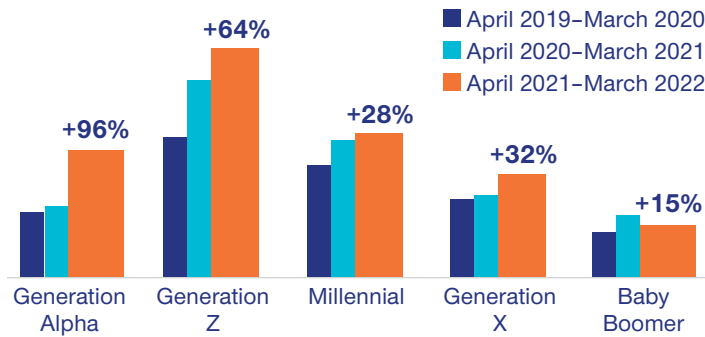
“ Together with Health Action Council, UnitedHealth Group has made addressing SDOH a priority by seeking tangible solutions to individual member's concerns. As our advisors and clinical teams have conversations with members, we seek to understand their specific situation and offer real, local help for their need.

These issues can't be solved on a mass scale or with a simple financial investment; they require one-on-one problem solving.”

– **Dee Wyatt**, Vice President, Collaborative Ventures Group, UnitedHealthcare National Accounts, dedicated to Health Action Council since 2021

Behavioral health

Compared to pre-pandemic rates, behavioral health utilization is up 35% for Millennials and their children. Anxiety, depression and trauma disorders make up 66% of behavioral diagnoses for Millennials. Not surprisingly, per member per month (PMPM) spend has also increased.



“ Millennials’ financial concerns are evidenced by their increased use of mental health benefits compared to prior generations.

What we are learning is that investing in mental health at a younger age can mitigate the negative effects of prolonged stress and anxiety on our physical health and decrease the onset of costlier disease.”

– Kevin Gregory, Vice President, Business Solutions, Health Action Council

The pandemic’s lingering effects

Pandemic-related diagnoses may influence Health Action Council members for the foreseeable future:

- In 2019, 31% of post-traumatic stress disorder (PTSD) diagnoses were for Millennials; in 2022, that number was 38%
- Both pre- and post-pandemic rates are a disproportionate share of cases, as Millennials make up just 24% of Health Action Council membership
- Of the nearly 2,000 Health Action Council members impacted by long COVID-19 (PASC), 19% are Millennials, indicating they are coping with the pandemic better medically than behaviorally

Substance use disorder (SUD) and alcohol-related disorders

Health Action Council Millennials:

- Are most likely to have SUD claims
- Slightly trail Generation X for alcohol-related claims

Child/teen behavioral health diagnoses

Pediatric behavioral health utilization is at an all-time high. Anxiety and depression total 28% of the diagnoses; neurodevelopmental, trauma, impulse control and other disorders make up the remainder.

Millennials and their children account for 41% of neurodevelopmental disorder claims—a disproportionate share in relation to the 38% of covered lives. The most common diagnoses are attention deficit disorder at 43% and autism spectrum disorders at 35%.

Suicidal ideation and self-harm

For Health Action Council’s covered lives, Generation Z is most often treated for suicidal thoughts and attempts, with drug overdoses by older teens being the highest prevalence.

“ For the last decade, the mental health of children has been declining in the United States, an issue that was accelerated by the pandemic, with ER up 20% and inpatient admissions increasing up to 61% in the last five years alone.¹

Providing parents, educators and policy-makers a pathway to improve early identification and intervention, enhance systems of support and increase access to care will be critical to addressing this crisis in our country.”

– Dan Gardner, Vice President, Employer Solutions, Optum, dedicated to Health Action Council since 2019

Pregnancy

Pregnancy is the top clinical cost driver for Millennials, accounting for 21% of employer PMPM spend.

A closer look

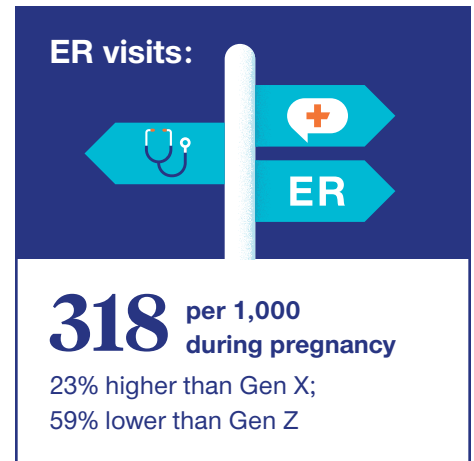
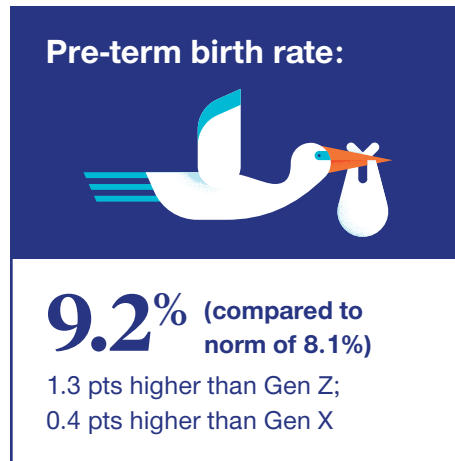
- Average employer paid: \$17,000 to \$27,000 per pregnancy
- Costs increase with complicating factors such as:
 - Fertility treatment
 - Extended hospital stays
 - High-risk pregnancy
 - C-section delivery
 - Multiple births

“As a Millennial growing up in a prevalent period of teen mothers, some of my peers and I decided to hold off on starting a family until we could better afford it. Financial uncertainty during eras like the dotcom bubble and the Great Recession further deterred my age group from family planning.

Now, as a high-risk pregnancy candidate, I plan on having only one child.”

- LaShuna Jackson, Customer Analytics Manager, Customer Value Reporting, Optum, dedicated to Health Action Council since 2022

Comparative statistics



High-cost pregnancies and newborns

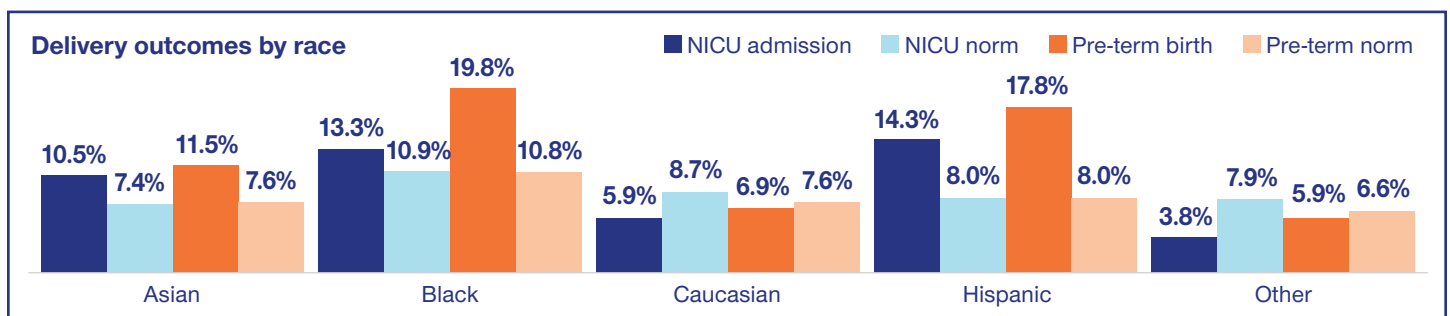
- 1% of all pregnancies reached catastrophic costs (> \$100K); of those 48.9% were Millennial mothers
- Critical newborns are 36 times more expensive than those born at optimal weight and gestation

Fertility treatments

- 17% of Health Action Council’s members in peak child-bearing years sought fertility treatment
- Typical costs (vary based on medical procedures or prescriptions) – Employer: \$1,100–\$5,500; employee: \$400–\$1,900

Millennial pregnancy metrics by race

Neonatal intensive care unit (NICU) admissions and pre-term births for Health Action Council’s Asian, Black and Hispanic Millennial mothers are significantly higher than both the norm and Caucasian/other mothers.



Parenting

Dependent utilization



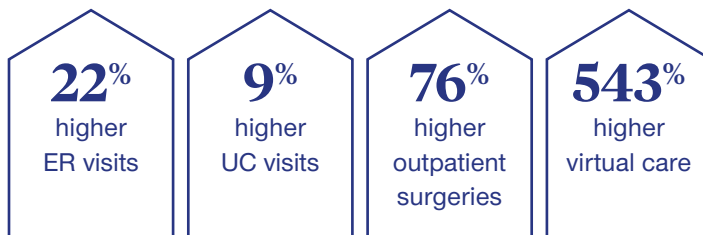
Well-child visits for member dependents dropped drastically in 2020 but rebounded somewhat in 2021 and 2022.



However, immunization rates continue to decline and have never returned to pre-pandemic levels. Yet the risk is real: According to the World Health Organization, measles cases more than doubled in 2022 compared to 2021.²



Generation Alpha children with Millennial parents have significantly higher (38%) utilization than those born to other generations:



Comparative family size

Health Action Council Millennials have smaller families than members with Generation X heads of household (1.9 vs. 2.4 respectively). This correlates to national research that found Millennials overall are less likely to be married and/or become parents by age 38, in contrast to earlier generations at comparable times in history.³



The impact of family on health

Family situation in relation to health

In previous white papers, we detailed the value of the HAI to help optimize health plans and incentives. This analysis found that Millennials who are in a family relationship have higher HAI scores and greater health literacy.

Utilization rates by coverage type (family status) and gender

Pregnancy drives higher outpatient rates, admissions and risk for Millennial females, especially those with family coverage.

Readmission rates for Millennial males are higher than females—with members who are covered as an individual the highest of all. These are driven by behavioral health and infectious and chronic diseases, specifically kidney, diabetes, neurological, gastrointestinal and cardiac.

These same males are also the lowest users of UnitedHealth Premium® program and network providers and have the lowest HAI score. These metrics could signal lower health literacy rates for this cohort.

Health Activation Index® (HAI) is the percentage of times a person or group makes optimal choices on 53 clinical and financial decisions



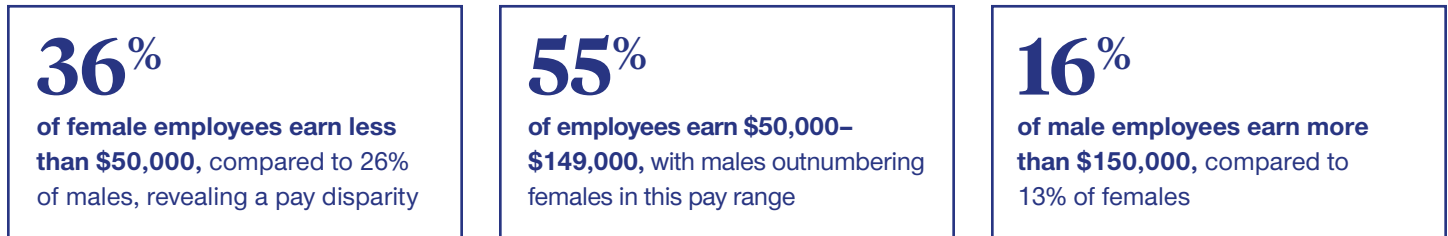
“ I have long been curious whether the health of one family member influences the whole family and whether women ‘quarterback’ the health care of their children and significant other.

These findings for Millennials and their families seem to indicate those who are part of a family have higher utilization of quality networks and providers and better health literacy but may be overutilizing some outpatient services.”

– Craig Kurtzweil, Vice President, UnitedHealthcare Center for Advanced Analytics®, UnitedHealthcare National Accounts, dedicated to Health Action Council since 2014

Financial impacts to health

Of the Millennials working at Health Action Council employers, 85% earn <\$150,000 and gender disparities exist. Specifically:



Cost share by employee generation

Millennials pick plan designs with the smallest impact to their pay checks. However, high utilization means greater out-of-pocket costs from copays and deductibles over time. This disconnect between plan choice and utilization means Millennials are likely paying much more than their older Generation X and Baby Boomer coworkers.

Medical inflation and debt

- Since 2012, average risk adjusted* medical cost per claimant increased 47%; that’s about \$440 more paid by employees and \$1,466 paid by Health Action Council employers
- Millennials carry greater medical debt than older Americans and incur it more often; most are mid-to-late 20s⁴
- 51% of Millennials reported an unexpected medical bill of over \$2,000; 22% have no savings to pay medical bills⁵

*Risk adjustment mitigates effects of changes in contracting to create true comparability.

Housing

- Many Millennials prefer urban areas, which tend to have costlier rental properties
- 36% report student debt as a major barrier to purchasing a home
- 45% rank saving for a home as a top financial priority

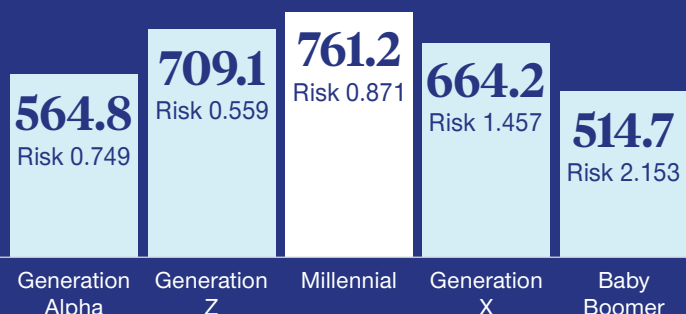
80% of Health Action Council Millennial members who were identified for SDOH outreach had financial concerns



Insights for the future

Predicting future employer spend

Utilization of ER, UC and virtual care by Millennials and their children may predict unprecedented future spend for Health Action Council employers.**



“ Millennial utilization of the health care system is very high, while their disease burden is low. As Millennials age, will they maintain this high level of utilization, or will utilization increase further? This is a key consideration for employers from a health care cost and productivity perspective.

A well-managed plan will raise the health literacy and decrease utilization demand of the Millennial generation.”

– **John Elliott**, Vice President, Collaborative Ventures Group, UnitedHealthcare National Accounts, dedicated to Health Action Council since 2009

Conclusion



Predicting and preparing for future employer spend

Health care utilization by Millennials and their children and the other trends identified in this white paper provide a window to what may be ahead. To bend the trends, there are strategies that may encourage better employee health and minimize future medical costs. Consider these as you develop your plan:

- 1 Refocus. Continue to manage your high-cost claimants while developing, implementing and engaging employees in activities that will keep them healthy.
- 2 Implement and promote disease prevention and lifestyle modification programs to delay and manage the onset of chronic conditions.
- 3 Educate employees on:
 - a. Where and when to obtain care and the value of treatment protocols on their quality of life both in the short and long term.
 - b. The value of preventable disease immunizations. If you are offering onsite or shared clinics, offer immunizations to dependents or consider partnering with a local practice to run an immunization clinic several times a year.
- 4 Continue targeted fitness campaigns that combat obesity. Have a team join Health Action Council's Step It Up program.
- 5 Review your corporate HR and pay-scale policies to determine if they are driving inappropriate utilization or creating perpetual gender pay disparities.
- 6 Support employee mental health by encouraging behaviors that help employees maintain balance or provide re-balance. Great options are healthy eating, exercise and sufficient sleep.
- 7 Consider implementing flexible human resource policies to help address the conflict parents and caregivers may experience when focusing on their children's needs and managing work responsibilities.
- 8 Include family planning benefits to mitigate the risk associated with holding off on having a family.
- 9 Expand engagement and involve the entire family in healthy practices as children mirror their parents' health. Look for cultural alignment in engaging the entire family in healthy practices.
- 10 Offer financial planning services, financial health tips and/or a savings strategy, or a student loan repayment benefit to employees.

There's more to this story

Discover the data that supports and illuminates what is shared here. Learn more by contacting Patty Starr of Health Action Council or Craig Kurtzweil of the UnitedHealthcare Center for Advanced Analytics.

About Health Action Council – Health Action Council is a not-for-profit organization representing large employers that enhances human and economic health through thought leadership, innovative services and collaboration. We provide value to our members by facilitating projects that help to improve quality, lower costs and enhance individual experiences, and by collaborating with key stakeholders to help build a culture of health.

About UnitedHealthcare – UnitedHealthcare is dedicated to **helping people live healthier lives®** by simplifying the health care experience, meeting consumer health and wellness needs, and sustaining trusted relationships with care providers. The company offers the full spectrum of health benefit programs for individuals, employers, military service members, retirees and their families, and Medicare and Medicaid beneficiaries, and contracts directly with more than 1 million physicians and care professionals and 6,000 hospitals and other care facilities nationwide. UnitedHealthcare is one of the businesses of UnitedHealth Group (NYSE: UNH), a diversified Fortune 50 health and well-being company.

About Optum – Optum is a leading information and technology-enabled health services business dedicated to helping make the health system work better for everyone. With more than 100,000 people worldwide, Optum delivers intelligent, integrated solutions that help to modernize the health system and improve overall population health. Optum is part of UnitedHealth Group (NYSE:UNH). For more information, visit [optum.com](https://www.optum.com).

About UMR – UMR is the third-party administrator (TPA) line of business for UnitedHealthcare, providing customized solutions, cost-effective provider networks, dedicated customer service and member engagement solutions to self-funded medical, dental, vision and disability plans. We work closely with our clients to lower their medical costs, improve the health of their employee populations and help them achieve their benefits goals. Now serving 5.7 million members with custom plan designs, cost-containment solutions and innovative services, our 70-plus-year legacy of lasting relationships and customer retention speaks for itself.

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UMR

This work contains UnitedHealth Group internal data based on a comparison of current medical and pharmacy plan data of Health Action Council plan sponsors from April 2021 through March 2022, paid through June 2022, as well as historical data dating back to 2012.

This case study is true. Savings calculated on book-of-business case rate savings for these programs. Savings for enrolled members are case specific. Results will vary based on client-specific demographics and plan design. Results will vary depending on the state where the insured policy is issued and the amount of engagement by employees.

Employer data was included based upon multiple but not mutually exclusive factors such as: effective date with medical carrier, pharmacy benefit manager and availability of data in carrier analytic systems. Every effort has been made to include data to the greatest extent possible.

Race/ethnicity is a derived field in Health Plan Manager, which is approximately 80% complete and has been determined valid by analysis of known race/ethnicity for 2 major customers. No analysis has been done for members with unknown race/ethnicity. Other consists of Caribbean, Jewish, Mediterranean, Middle Eastern, Native American and Polynesian.

¹ [healthline.com/health-news/youth-mental-health-was-declining-in-the-u-s-long-before-covid-19](https://www.healthline.com/health-news/youth-mental-health-was-declining-in-the-u-s-long-before-covid-19)

² [nature.com/articles/d41586-022-02051-w](https://www.nature.com/articles/d41586-022-02051-w)

³ [pewresearch.org/social-trends/2020/05/27/as-millennials-near-40-theyre-approaching-family-life-differently-than-previous-generations/](https://www.pewresearch.org/social-trends/2020/05/27/as-millennials-near-40-theyre-approaching-family-life-differently-than-previous-generations/)

⁴ [pbs.org/newshour/health/millennials-rack-up-the-most-medical-debt-and-more-frequently](https://www.pbs.org/newshour/health/millennials-rack-up-the-most-medical-debt-and-more-frequently)

⁵ [healthcareinsider.com/millennials-battle-surprise-medical-bills-251063](https://www.healthcareinsider.com/millennials-battle-surprise-medical-bills-251063)

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