



On the ground with Local Markets CEO

Strategic cost management is among top priorities for employers



UnitedHealthcare Local Markets CEO Darren Moquist explains why employers are seeking ways to better manage their health care costs.

In my role as Local Markets CEO for UnitedHealthcare Employer & Individual, I'm working with health plan and regional leadership to understand what employers, brokers and consultants are focused on across the nation when it comes to health care. In 2023, it's clear that the economy has pushed one priority to the top of the list: cost management.

Employers are looking for opportunities to reduce costs within almost every aspect of their business. Since health care costs are often the second-largest expense on an employer's balance sheet behind employee compensation, it's no surprise companies may be considering paring back on their health benefits or shifting some of the costs onto their employees. We understand those decisions are difficult to make, because they come with the potential risk of lowering employee satisfaction and leading to worse health outcomes and higher costs down the road.

At UnitedHealthcare, we are working to bring effective cost-management strategies and solutions to market that fit within employers' budgets, while also meeting the needs of their employees and their families.

Taking a holistic approach to cost of care

UnitedHealthcare has not taken our eye off the ball in terms of total cost of care. While some of our competitors have focused more on unit cost and making sure that they're getting the lowest cost they can from various providers, we continue to stay focused on the full continuum of care. That means, we're focused on the cost that we pay and making sure that we have a fair reimbursement to providers, including how we reward and incentivize providers and making sure that they are aligned with us and with what the member requires in terms of experience and quality outcomes.

We're also committed to helping ensure that the out-of-pocket cost doesn't create an environment that's unintended, such as where care is deferred due to affordability on the part of the member. So, our ongoing focus is across that full continuum, and it continues to differentiate us in the market.

What's trending across the nation?

Understanding an employer's priorities requires us to know the ins and outs of the business and the state of the employee population's health. By combing through data, insights and the performance of an employer's health plan over time, we are helping to pinpoint the right blend of health plan and network design, clinical strategies and employee engagement programs that work together to improve health outcomes and reduce costs.

For example, [level-funded](#) plans continue to gain popularity across markets, especially with small and midsize businesses. This funding structure offers employers the potential savings of self-funded plans with reduced risk, as well as the predictability of fully insured plans at a potentially lower cost. [Surest](#) is another health plan growing in popularity for its ability to provide price clarity and empower employees to make more informed health care decisions.

Investing in [networks](#) that promote providers who deliver quality care at lower costs is another avenue employers are taking. In the West, the philosophy that primary care providers help guide employees to quality care at lower costs is gaining traction among employers through PCP-centered health plans. In the Central region, many employers are leveraging health plans that take a portion of the savings generated from these quality-focused networks and returning those savings in the form of richer health benefits. And in the East region, as well as across the country, both tiered and narrow networks are helping to reduce costs and drive better health outcomes for employers.¹

These health plan and network designs are complemented by integrated clinical solutions that help guide employees throughout their health journey and employee engagement programs that incentivize and empower employees to make healthier choices.

Cost has consistently been a focus for employers and for us at UnitedHealthcare, but the environment we're living and working in today is challenging us all to think more strategically about how we manage costs.

Learn more

Contact your broker, consultant or UnitedHealthcare representative

¹ Network configurations may help improve care quality while reducing costs. UnitedHealthcare, 2023. Available: <https://www.uhc.com/broker-consultant/news-strategies/resources/more-employers-consider-network-configurations-to-help-improve-care-quality-and-reduce-costs>

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