



Research Report

# The future of health care: What matters to employers

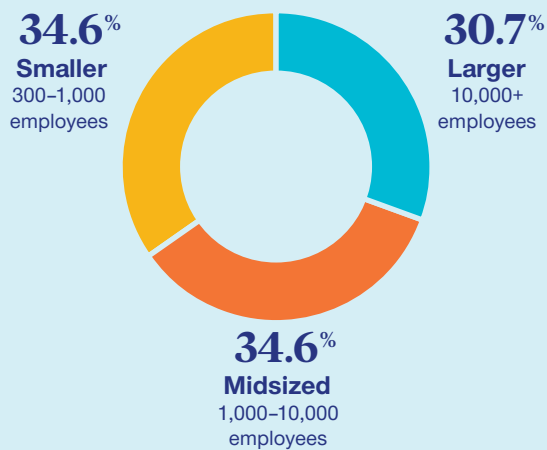
Key findings from a survey conducted by Advisory Board, commissioned by UnitedHealthcare

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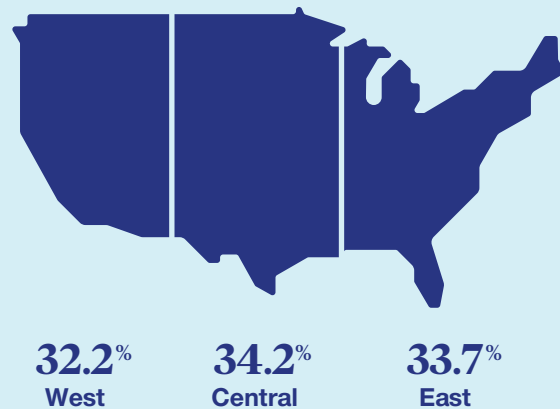
To better understand the kind of innovation employers are seeking in the health care industry, UnitedHealthcare commissioned Advisory Board to conduct a survey of 205 benefit leaders across a wide range of employer sizes, industries and markets throughout the U.S.

## Survey respondents

### By employer size:



### By region:



## 5 key findings

When asked about the health care-related innovations they would like to see emerge in the next 5 years, respondents indicated interest in:

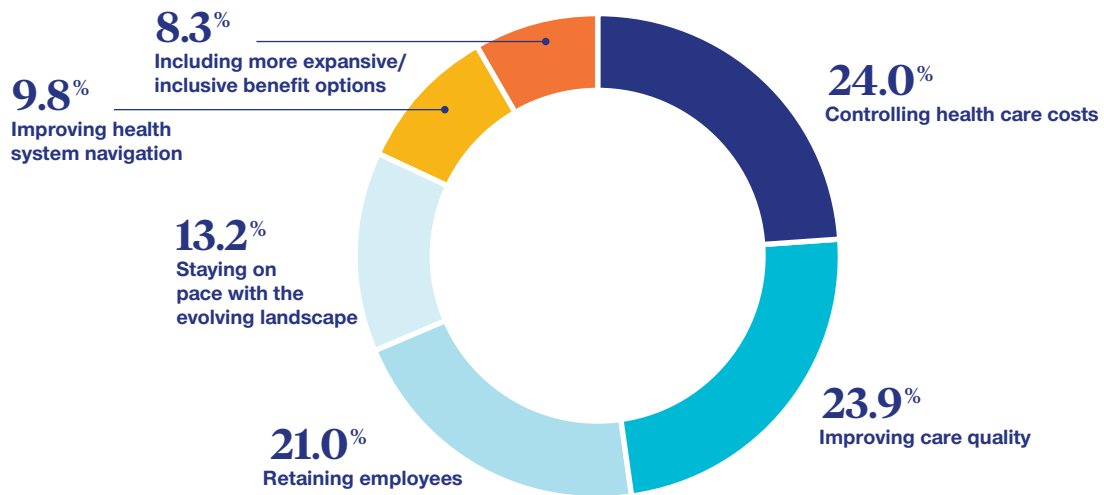
- 1 Scalable innovations that address top priorities
- 2 More support in managing chronic conditions, with digital health as a key solution
- 3 Technology aimed at improving access and reducing costs
- 4 Innovative plan designs that prioritize simplicity and cost-effectiveness
- 5 Cross-industry innovation, especially between integrated health care solution companies and providers

# 1

## Scalable innovations that address top priorities

Employers are often balancing different and sometimes competing priorities, but the top 3 most important health benefits-related priorities among those surveyed were controlling costs, improving care quality and retaining employees.

### Health benefits-related priorities for employers:



### Controlling health care costs

When asked about the types of cost control-related innovations they were considering, the majority of those surveyed expressed interest in solutions and strategies aimed at better managing employee care choices.

These could include networks designed to help employees more easily find quality care like Centers of Excellence (COEs)—clinically superior, cost-effective health care centers that help manage complex medical conditions—or programs and tools that help employees make more cost-effective decisions, such as choosing the most clinically appropriate and lowest-cost care setting.

Many respondents also showed interest in digital health or point solutions aimed at addressing specific health conditions, as well as strategies for managing high-cost medications.

### Solutions and strategies respondents said they were considering to help control health care costs (multi-select):

Strategies for better managing employee care choices



Strategies for managing high-cost claimants



Digital health or point solutions



Offloading benefits



Strategies for managing high-cost medications



Risk-based contracting



## Improving care quality

Survey respondents said care management and delivery had the greatest impact on their organizations over the past 5 years and ranked it as one of the top 2 areas in need of innovation over the next 5 years.

Among the innovations respondents said would have the most impact and potential to improve quality of care over the next 5 years, 76% selected advanced primary care services and digital/virtual care management.

**Asked to choose the top 3 innovations that would have the greatest impact on their business and their employees over the next 5 years, respondents selected:**

Advanced primary care services

76%

Digital/virtual care management

76%

Digital/virtual care delivery

62%

Home-based services

45%

Treatment/pharmaceutical delivery

41%

## Retaining employees

When it comes to retaining talent, survey respondents were fairly split on the types of innovations they felt could have the greatest impact on employee satisfaction, but solutions that offer access to the latest platforms and technology—as well as health system navigation support and immediate or on-demand care—rose to the top of their list.

**Asked to choose the top 3 innovations that would have the greatest impact on employee satisfaction, respondents selected:**

Access to latest platforms and technology

69%

Health system navigation support

60%

Immediate/on-demand care

60%

Digital communication with providers

57%

Increased coverage of specific needs

55%



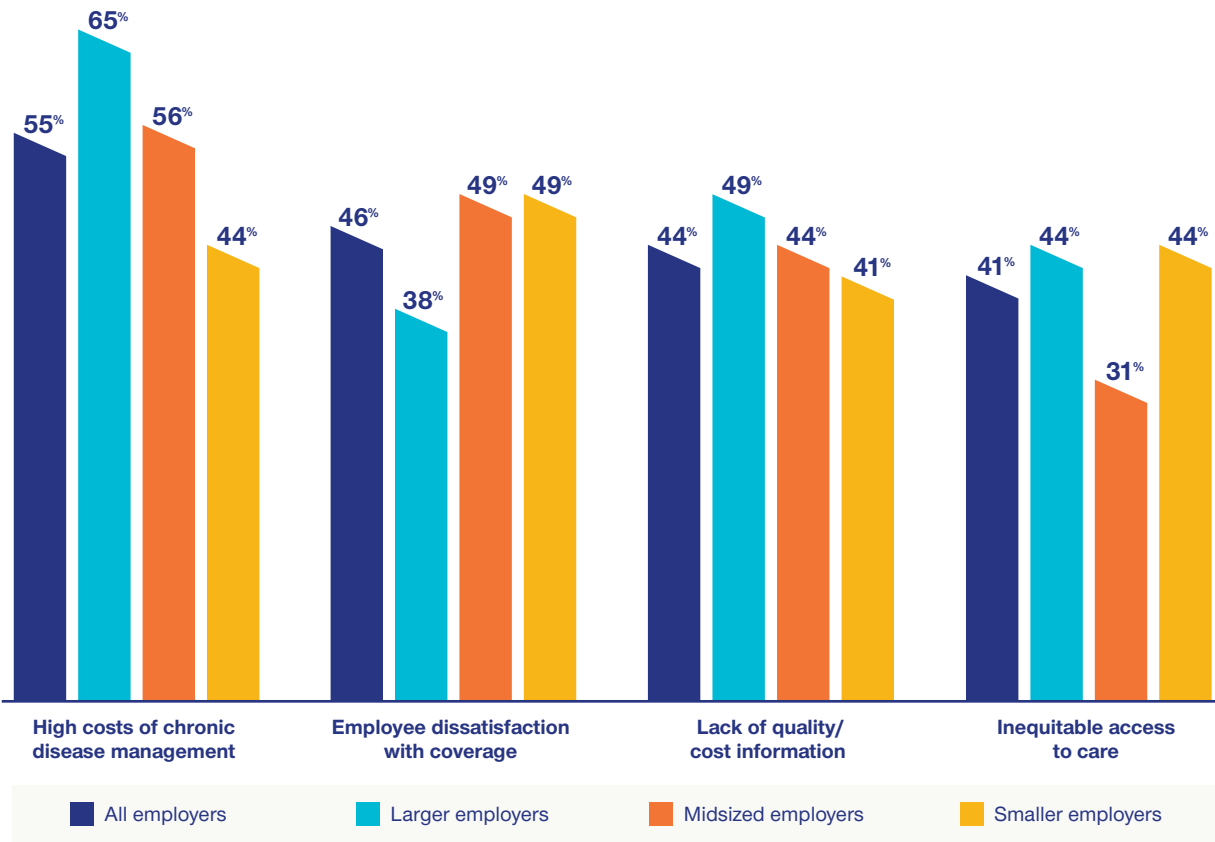
## 2

# More support in managing chronic conditions, with digital health as a key solution

Facing a rising prevalence of chronic disease and its associated high cost of care, employers are looking to the health care industry for additional support in implementing chronic care management strategies. It's no surprise that the majority of surveyed employers ranked high costs of chronic disease management as the pain point they felt could benefit most from innovation.

The only difference in this ranking was among respondents from smaller-sized employers, who indicated employee dissatisfaction with coverage was the pain point they felt could benefit most from innovation.

### Pain points respondents felt could benefit most from innovation in the future:

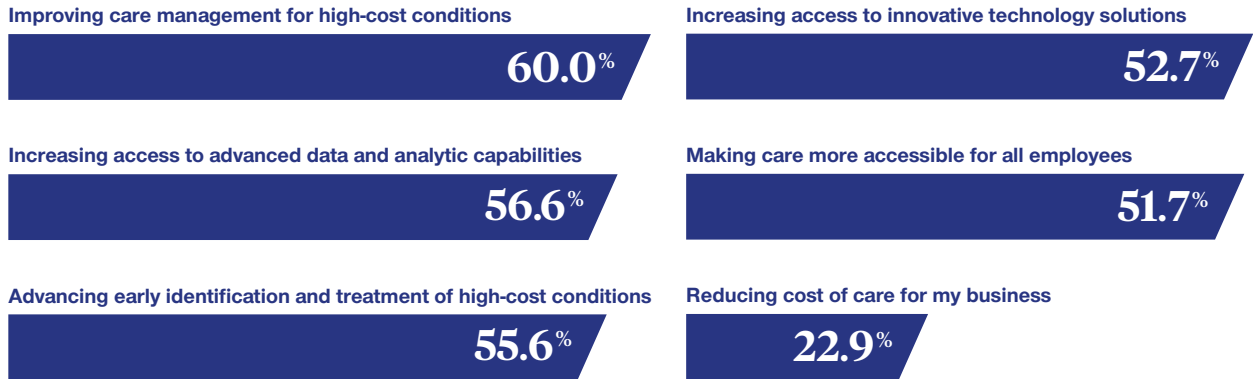


### Seeking more support in advanced care management and diagnostic capabilities

When it comes to the kind of innovation designed to support those with chronic conditions, many see advancing care management and diagnostic capabilities as key. In fact, respondents said they needed the most support in improving care management for high-cost conditions, with advancing early identification and treatment of high-cost conditions coming in second among larger employers and third across all business sizes.

Respondents ranked care management and diagnostic advancements as one of the top breakthrough innovations they would like to see in the next 5 years. They also expressed interest in at-home diagnostics, with 60% currently investing in this space.

Asked to choose the top 3 areas for which they're seeking more support from the health care industry in the next 5 years, respondents selected:

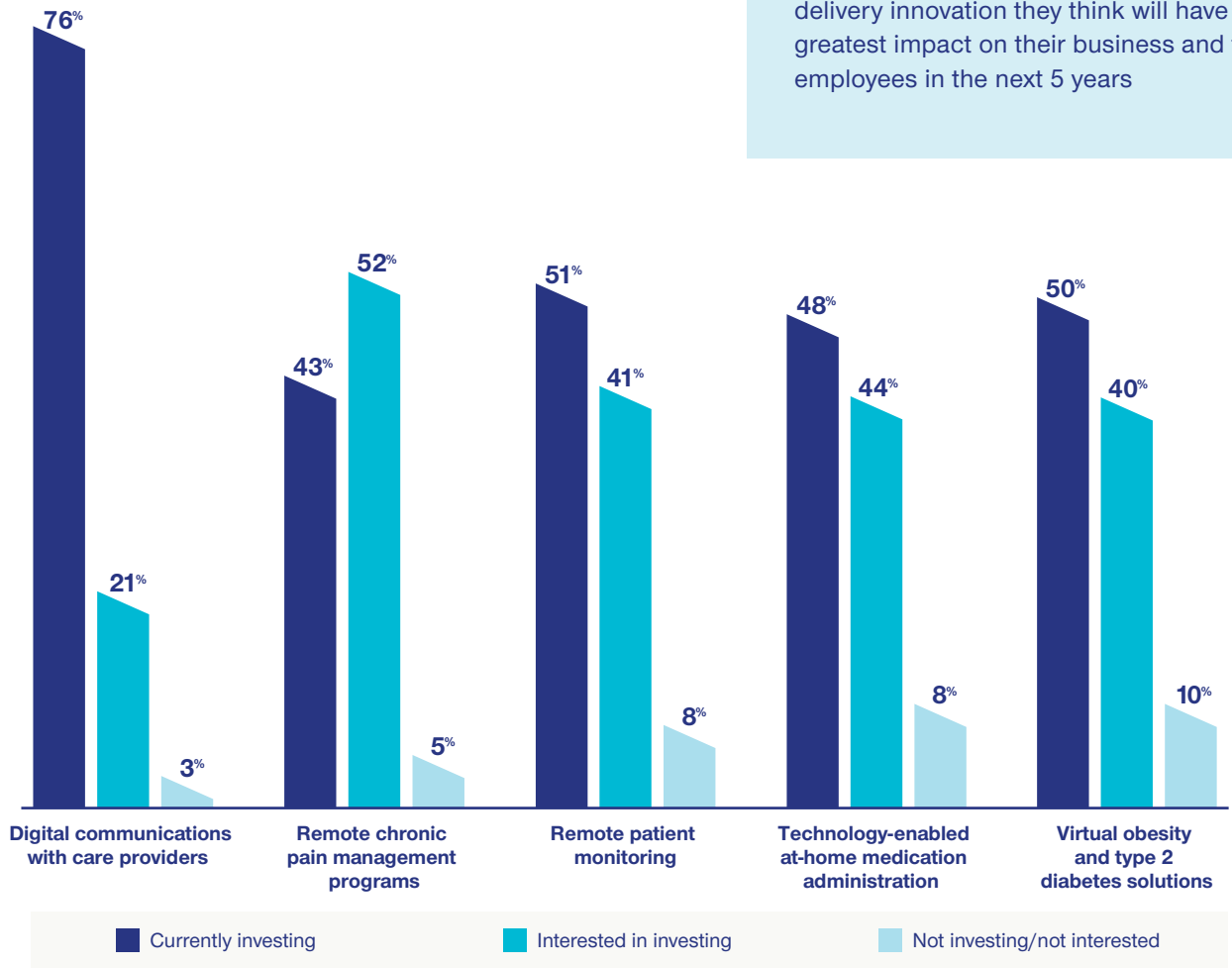


### Growing interest and investment in digital health solutions

Digital health solutions built to help manage chronic conditions are of particular interest among employers given their ability to help lower expenses, encourage healthier lifestyles and improve connectivity of care for employees.

The majority of employers surveyed said they are investing or interested in investing in virtual care delivery innovations related to chronic care management:

**76%**  
of surveyed employers ranked digital/virtual care management as a care delivery innovation they think will have the greatest impact on their business and their employees in the next 5 years

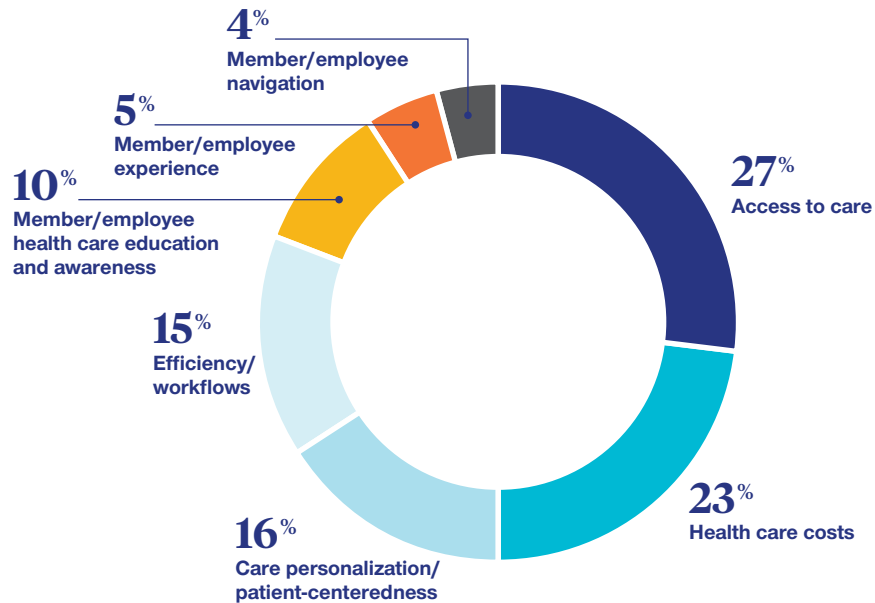


# 3

## Technology aimed at improving access and reducing costs

Technology drives the bulk of innovation seen across industries today. Survey respondents said they were looking for the same within health care, ranking technological advancements as having the greatest potential to transform health care over the next 5 years and to address challenges including access to care, health care costs and care personalization.

Challenges employers would like to see health care technology address in the future:



### Improving access to care

Employers recognize the impact access to care can have on employee health and their health care experience, which can overlap with their overall employee experience. Employers are looking for technology to help close gaps in care and improve the care experience.

More specifically, respondents expressed interest in asynchronous telehealth—a virtual platform that allows for communication between providers and patients without the need for in-person interaction—and AI-driven appointment scheduling systems based on their potential to improve access to care.

# 63%

expressed interest in using AI to enhance employee self-service, such as virtual assistants to help answer benefit-related questions



## Addressing health care costs

Technology that leverages AI may be a solution for controlling health care costs as well, with 54% of respondents indicating interest in using AI to help forecast health care costs.

Another 72% said that they think AI or other advanced technology could help inform benefit design and offerings and help them get more out of the dollars they spend on health care. An example of this would be to use machine learning to identify components of a health plan or benefits package that are underused and then make data-informed suggestions on how to improve utilization or when to cut and reinvest those savings elsewhere.

## Enabling more personalized care

In addition to improving access and addressing health care costs, employers are interested in technology that can enable more personalized care. Of particular interest to those surveyed:

- Leveraging adaptive machine learning to better meet employees' individual needs based on their behavior/past decisions
- Precision diagnostics, including using genetic, environmental and lifestyle data to improve prevention, diagnosis and treatment of disease

Overall, mid-sized employers indicated the most interest in AI technology, specifically around AI-supported care recommendations, adaptive machine learning to better meet employees' individual needs and AI-informed optimization based on machine learning.

# 68%

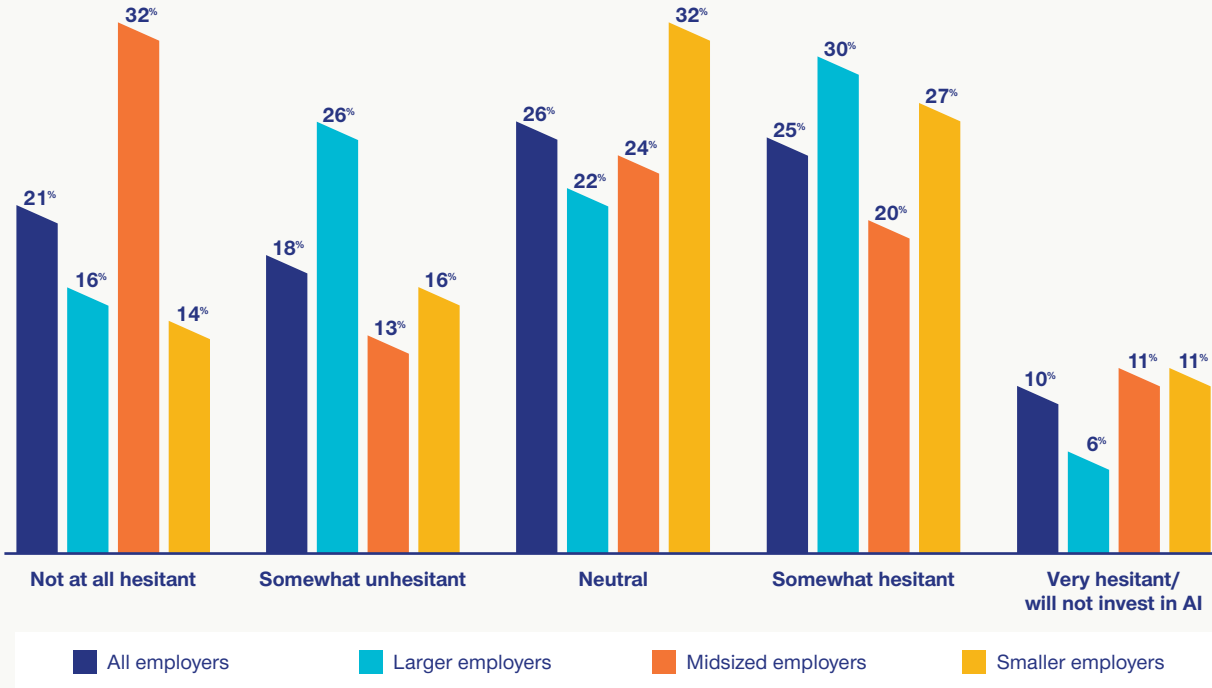
felt technology such as conversational AI could help in the collection and review of employee feedback and in analyzing responses to uncover patterns and trends



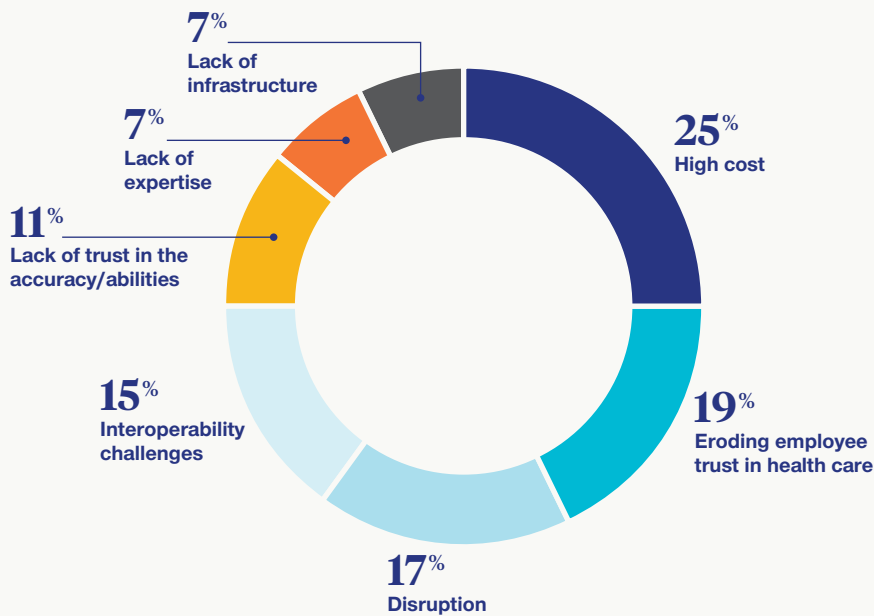
# Still, reservations remain regarding the use of AI in health care

While respondents indicated they are generally more open to than hesitant about the use of AI in health care, a mild degree of skepticism exists due to its high associated costs, risk of eroding trust and potential for disruption.

Smaller employers said they were less willing to invest in AI technology than larger and midsized employers:



Concerns employers have around the use of AI in health care:

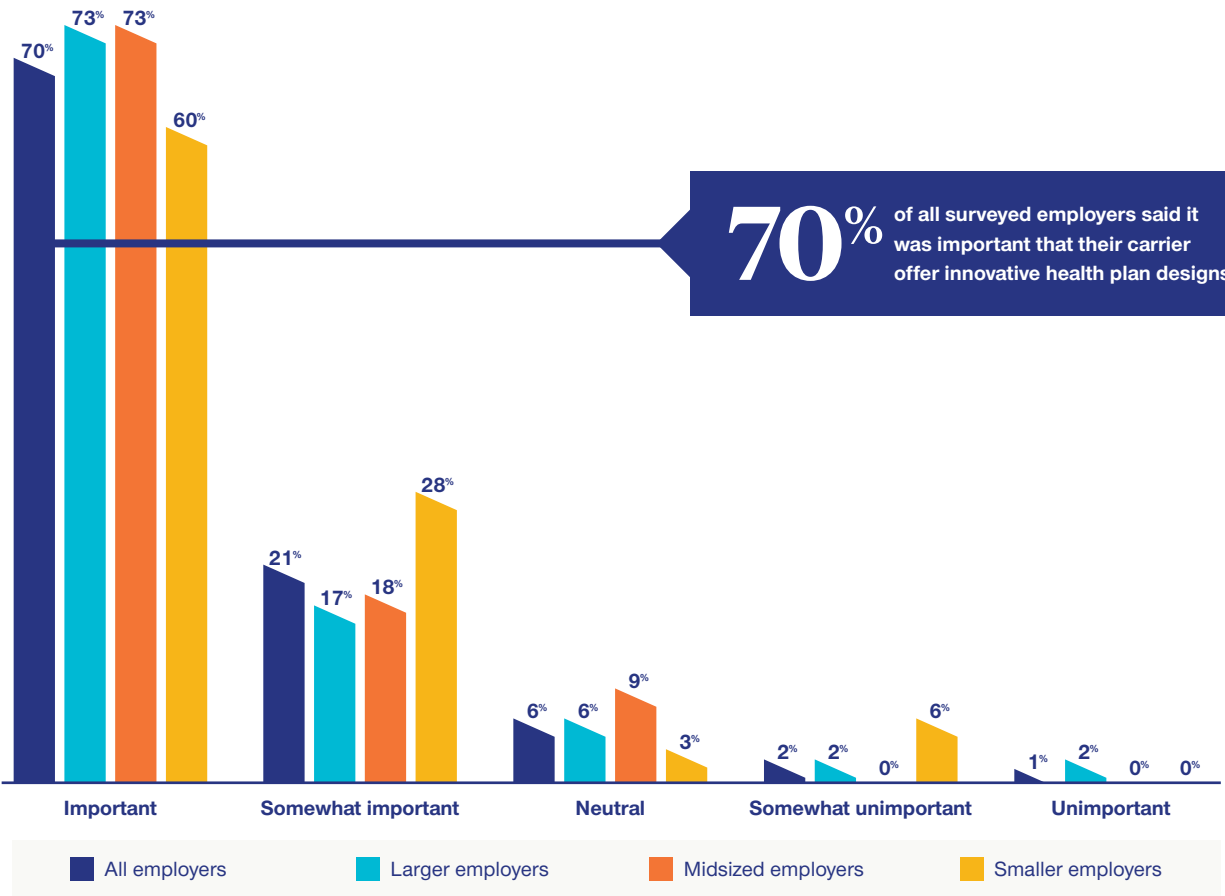


 Cost was cited by larger and smaller employers as their greatest concern or hesitancy about the use of AI in health care, while midsized employers cited interoperability challenges as their greatest concern

## 4 Innovative plan designs that prioritize simplicity and cost-effectiveness

The way a health plan is designed matters because it has implications for costs, outcomes and experience for both employers and employees. As such, it's no surprise that 70% of all surveyed employers said it was important that their carrier offer innovative health plan designs.

How important is it to respondents that their carrier offer innovative health plan designs:



### Plan designs that offer a simpler health care experience

Respondents indicated that helping employees navigate health care was important to them, with 77% saying they're investing in plans that are simple to understand and use.

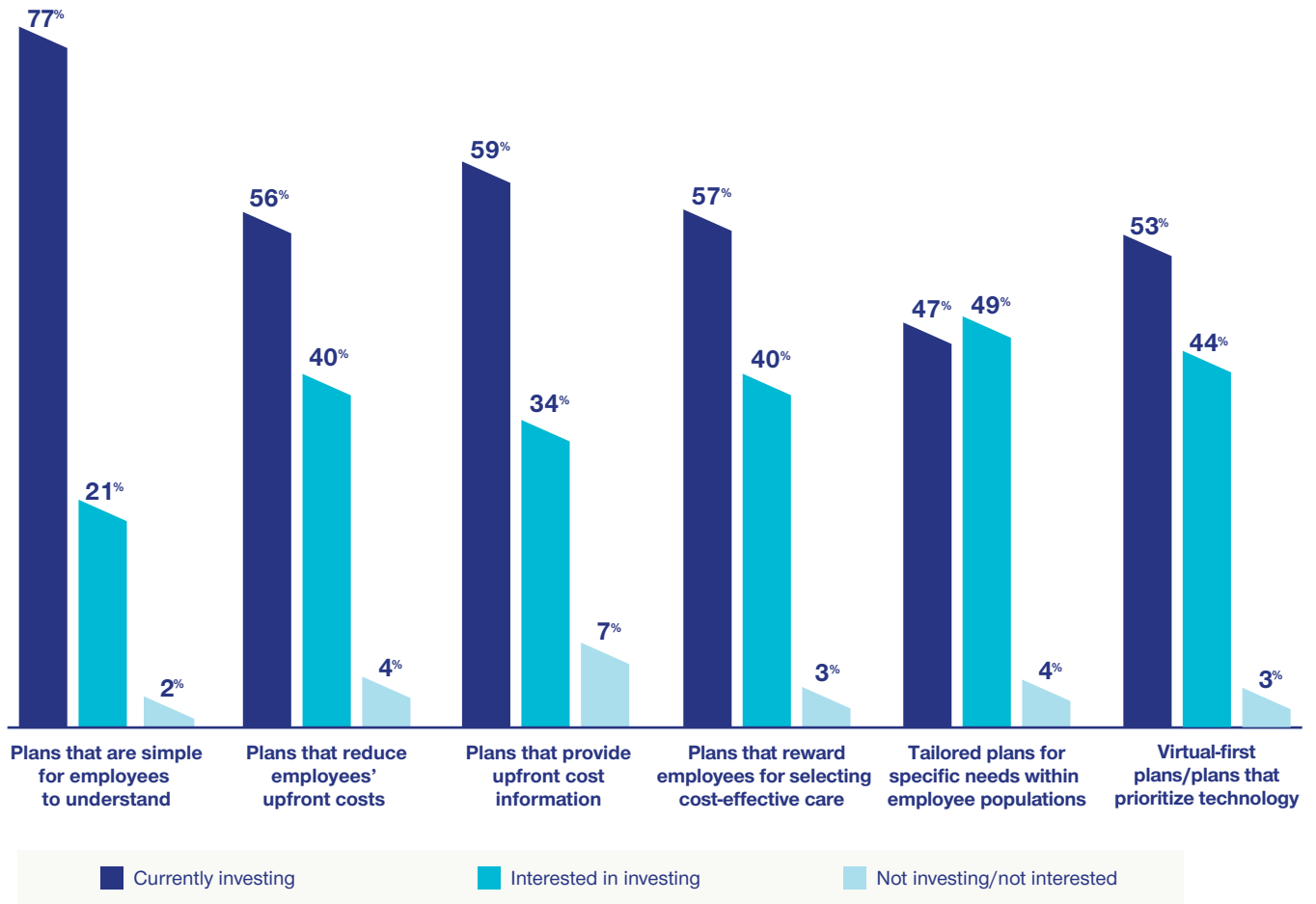
Likely driving these investment decisions is the priority employers place on choosing a health plan designed to offer their employees a more positive member experience.

This was especially true for midsized employers, with 52% reportedly willing to change plans to improve the health care experience for employees.

**47%**

of all respondents indicated they were willing to leave their carrier, broker, consultant or vendor to improve the health care experience for their employees

Types of plan designs employers are currently investing in or interested in investing in:



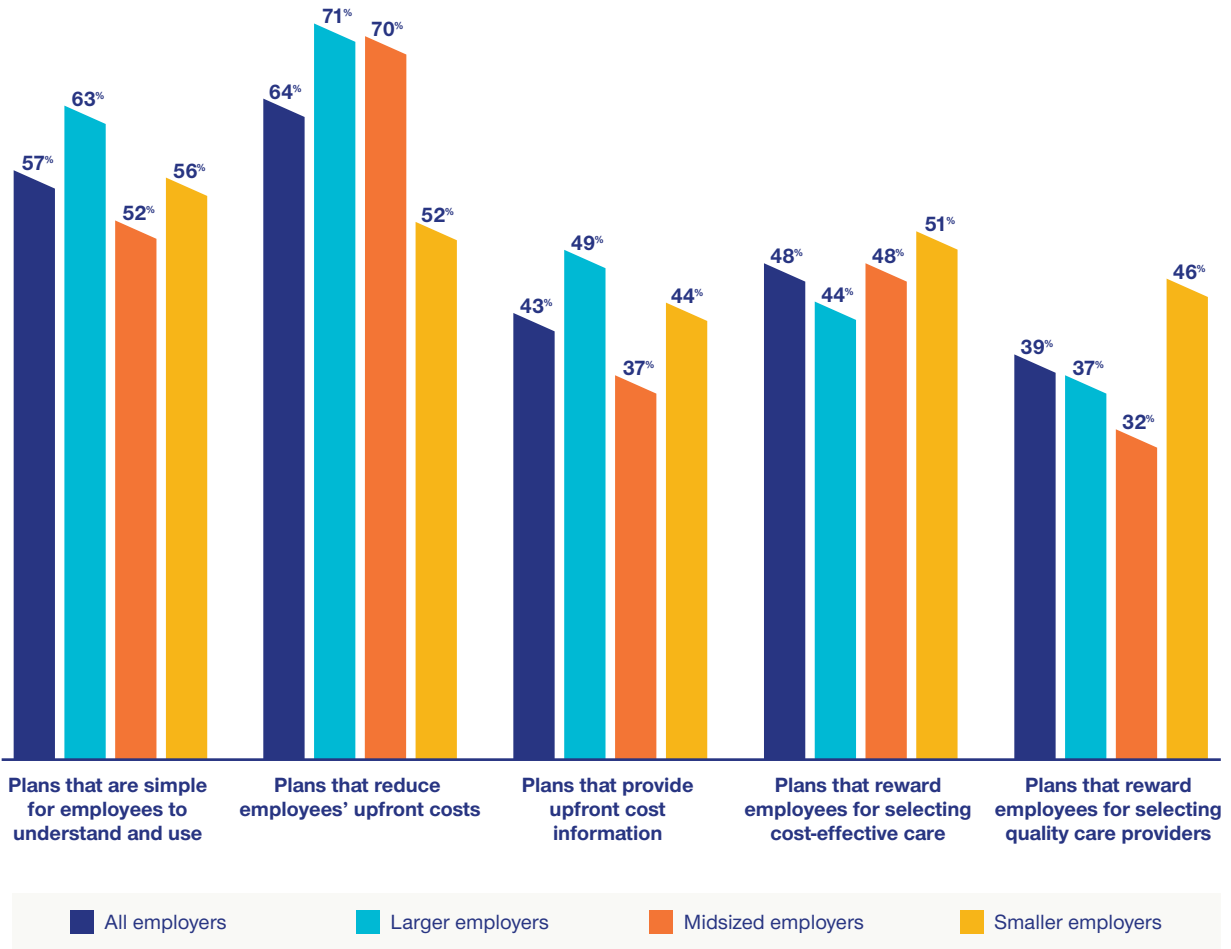
## Tailored plan designs could be a differentiator

While only 47% of all respondents said they were currently investing in and 49% saying they were interested in investing in tailored plan designs aimed at addressing specific needs—such as a health plan designed to help employees manage type 2 diabetes—those representing smaller and larger employers expressed a greater interest in investing in these types of plan designs in the future at 62% and 51%, respectively, compared to 34% among mid-sized employers. This represents an opportunity for those employers to think about how they can differentiate themselves from competitors by investing in tailored plans and working with a carrier that offers these types of plan designs.

## The balance between simple and cost-effective plan designs

When employers were asked which plan designs had the biggest potential to transform health care over the next 5 years, the majority of employers, with the exception of the smaller employers, indicated that health plans with the ability to reduce employees' upfront costs had the most potential to move the needle. Coming in second among larger and midsized employers and first among smaller employers were plans that are simple for employees to understand and use.

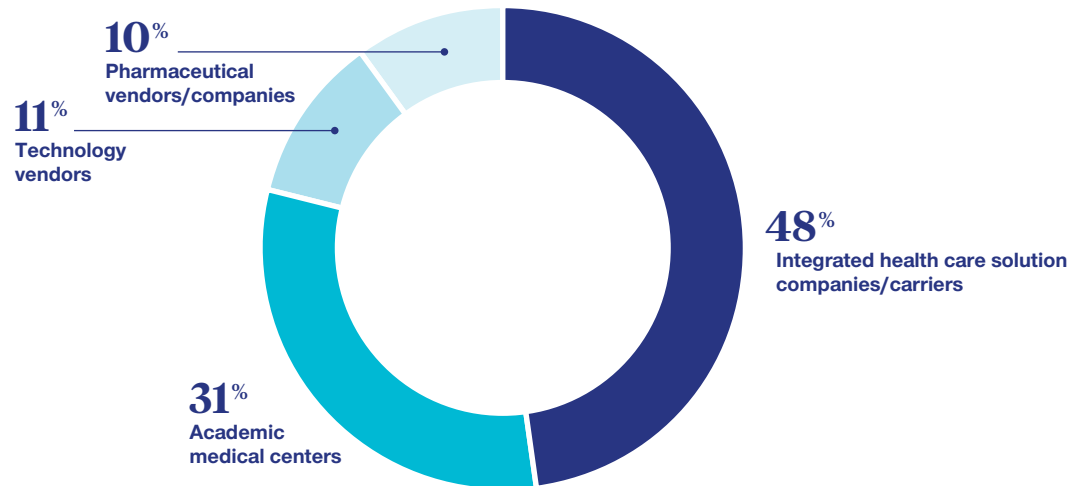
Surveyed employers said that the following plan designs had the most potential to transform health care over the next 5 years:



## 5 Cross-industry innovation, especially between integrated health care solution companies and providers

Many stakeholders are working to drive health care innovation and transform the health care industry. Those surveyed viewed carriers, or integrated health care solution companies like UnitedHealthcare, as the top innovators within health care today. This is likely because carriers have the scale and network of providers and health plans that allow them to better meet the needs of their customers and members.

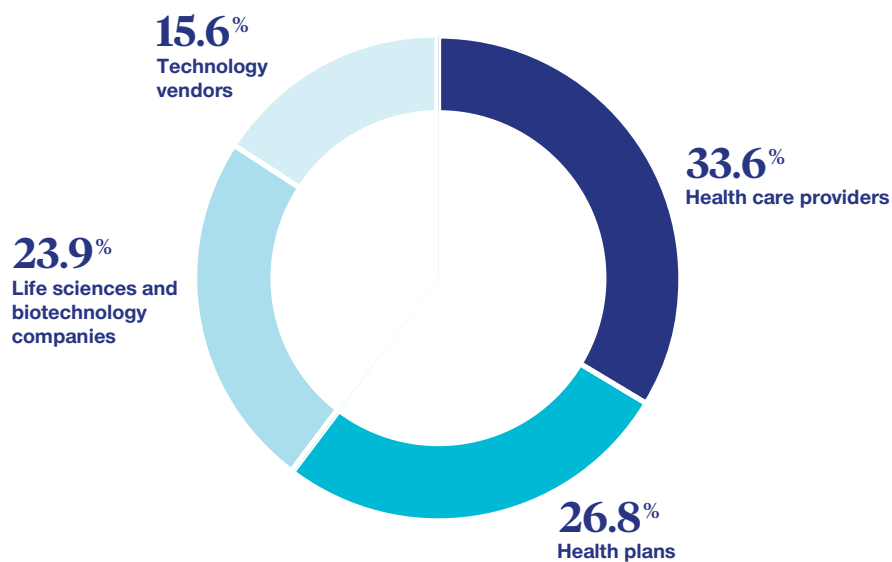
**Top innovators within health care today, according to respondents:**



When asked who they think is most responsible for driving health care innovation in the future, the majority of respondents selected health care providers and life sciences or biotechnology companies. Yet, when asked who they thought will maximize the value of innovation the most over the next 5 years, health care providers followed by health plans rose to the top of their lists.

While larger employers still expect providers to play the biggest role in maximizing innovation, it's worth noting that they ranked life sciences and biotechnology companies over health plans.

**Which stakeholder will have the biggest impact in maximizing the value of health care innovation over the next 5 years, according to respondents:**



## Learn more

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Advisory Board 2023 Employer Innovation Survey, Q4 2023. Commissioned by UnitedHealthcare.

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