



Balancing Act: 3 employer benefit strategies in the face of rising healthcare costs

In an era where healthcare costs are soaring, employers are faced with the challenging task of providing comprehensive benefit solutions to their employees while maintaining financial sustainability. The delicate balance between offering competitive benefits and managing the impact of escalating healthcare expenses requires strategic planning and innovative approaches.



The current landscape

Employers are facing a [staggering 8.5% increase](#) in average healthcare costs in 2024, up from the 6% experienced in 2023. This is due to several factors including:



High inflation, rising wages, and higher interest rates

- **Impact on insurance premiums:** Higher inflation and interest rates can lead to increased insurance premiums, as insurers adjust rates to cover rising costs, thereby increasing the overall cost of providing healthcare benefits for employers
- **Increased labor costs:** As wages rise, so do employers' payroll expenses, including the costs of providing healthcare coverage to employees
- **Cost of borrowing:** Higher interest rates can raise borrowing costs for employers, affecting the financing of healthcare benefit programs



Workforce shortages

- **Competitive labor market:** To attract and retain talent in a competitive market, employers may need to offer higher wages and enhanced benefit packages
- **Increased overtime:** Employers often pay a premium for overtime hours, which increases payroll expenses, including healthcare benefits costs
- **Decreased productivity:** Chronic stress and burnout, often associated with [decreased productivity](#), can exacerbate mental and physical health issues, resulting in higher healthcare costs for both employees and employers



Delayed or deferred care

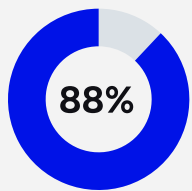
- **Increased severity of health conditions:** [Delaying medical care](#) can worsen health conditions, leading to more complex and costly treatments when care is finally sought
- **Emergency room visits:** Delaying medical care can result in emergency room or [urgent care visits](#) for conditions that could have been treated more affordably by a primary care physician
- **Impact on health insurance premiums:** Higher healthcare costs from delayed care can lead to increased health insurance premiums for employers as insurers raise rates to cover these expenses

These trends pose a significant challenge for employers striving to [provide attractive benefit packages](#), without compromising their bottom line. As healthcare costs outpace inflation, businesses must proactively address the impact on their employee benefit offerings.



3 of 4 employers

are seeking to [reduce redundancies](#) and improve engagement



of job seekers

give consideration to [better health, dental and vision insurance benefits](#) when choosing between a higher-paying job and a lower-paying job with better benefits



3 strategies for optimization

#1: Streamline benefits for long-term value

- **Simplify employee healthcare experience:** By providing [one entry point](#) for all of your benefit solutions, there is a clear path forward for employees to understand their benefits and engage with them easily
- **Deeper vendor engagement:** Consolidating benefits offers a chance to deeply engage with vendors that drive long-term strategic value, rather than managing multiple vendors in a tactical way
- **Provide clearer understanding of benefits:** Included Health provides employees easy [access to information, quality care, and real-time assistance](#), empowering them to make informed decisions about their healthcare needs, helping reduce unnecessary healthcare utilization and costs

#2: Embrace a beginner's mindset

- **Question existing practices:** Going back to the beginning and digging into what your benefits solutions are actually trying to achieve helps ensure that resources are allocated appropriately towards meeting the specific healthcare needs of employees
- **Identify inefficiencies:** Taking a step back and looking at your benefits ecosystem holistically can lead to a discovery of overlooked opportunities for cost savings
- **Explore new, cost-effective approaches:** Implementing creative solutions like combining [Virtual Primary Care](#) with healthcare [navigation services](#) provides employees with more accessible and personalized healthcare options, leading to [better health outcomes](#)

#3: Don't underestimate the power of strategic vendor partnerships

- **Employee engagement and satisfaction:** Partnering with reputable vendors who build trust with members, while delivering high-quality care, can enhance overall job satisfaction and loyalty
- **Expertise and innovation:** Vendor partners bring specialized knowledge and expertise in specific benefit areas, helping address the unique needs of your organization
- **Customization and flexibility:** Customizing benefits packages to meet the unique needs and preferences of your workforce, increases employee satisfaction, morale, and retention, ultimately leading to a more engaged and productive workforce

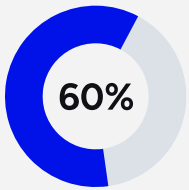


Employees love us



4.9/5

member experience



of members are repeat users within the first 6 months



>\$10.7M

saved in member out-of-pocket medical expenses

How an innovative, integrated offering delivers 10x better experiences for employees

Experience seamless integration you can both feel and see. Our app and care team deliver a unified experience without seams, elevating employee experiences tenfold.

Our internal tools bridge the gap between care types and stakeholders, connecting care to clinical, medical to behavioral, and Included Health to trusted partners. This approach ensures that every aspect of care is seamlessly connected, providing a comprehensive solution for employers and employees alike.

With a proven track record of rapid innovation and a future-focused product roadmap, we're true partners in delivering next-level care. Experience the difference with our connected model, providing high-quality care for every need while generating cost savings for employers. Trusted by nearly a third of Fortune 100 companies, our commitment to industry-leading care sets us apart.

Employers benefit with us



11%

reduction in total cost of care for a nationwide employer



6-10%

lower healthcare trend than the national average



\$325M

annual savings from high-quality referrals

Navigating the complexities of rising healthcare costs requires employers to adopt a strategic and innovative approach to benefit solutions. By re-evaluating and consolidating benefit offerings, embracing a beginner's mindset to identify inefficiencies, and leveraging strategic vendor partnerships, employers can optimize their benefit packages while managing costs. Additionally, prioritizing employee engagement and satisfaction through high-quality, customized benefits can enhance overall job satisfaction and loyalty. By integrating these strategies into their overall benefits strategy, employers can effectively manage healthcare costs while providing valuable benefits to their workforce.

Learn more about our flexible solutions at includedhealth.com/employers

About Included Health

Included Health is a new kind of healthcare company. We combine people and technology to guide and deliver care differently. Working with employers and health plans nationwide, we provide millions of people with a healthcare experience that is more personalized, accessible, equitable, affordable, and cohesive. With us, it's all included; care and support online, around the corner, and in the home for everyday and urgent needs including primary, specialty, and behavioral healthcare. Our model is designed to treat people better.



Start a conversation

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