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ARTHUR J. GALLAGHER & CO.

SPRING 2016

EMI

Employer Market
Intelligence

EMPLOYER MARKET TRENDS

A private ongoing, multiclient study.

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Table of Contents

Introduction	7
Employer & Coalition Participant Panel	8
Executive Summary	10
Why Employers?	17
Health & Pharmacy Benefit Management Strategy	20
Employer Disease States of Importance	20
A Growing Concern: Obesity in the Workforce	23
Innovative Approaches to Employer Benefit Management	25
Value-Focused Initiatives	26
Value-Based Contracting Avenues	28
Use of Risk-Based Payment Contract	29
Value-Based Initiative Example: Walmart	30
Employee Cost Sharing	31
Pharmacy Benefit Management Trends, Challenges, & Initiatives	32
Pharmacy Management Initiatives	34
Value-Based Benefit Design for Pharmacy Benefits	37
Prescription Drug Formulary Approach	38
PBM/Health Plan Exclusion Lists	41
Understanding the Role of Drug Riders	45
Evaluating Coverage	46
Employer Health Benefits Decision Making	51
Benefits Planning & Decision Calendar	52
Stakeholder Influences on Employer Decision Making	53
Employer Resources	55
Use of Data	57
Employer Segmentation	59
Defining the Quadrants	60
Segmentation Results	63
Putting the Segmentation Model into Action: Employer-Manufacturer Collaboration	67
Implications for Manufacturers	68
Consumerism & Consumer-Directed Health Plans (CDHPS)	69
Consumer-Directed Health Plans	69
CDHP Outcomes	75
Consumer-Directed Account Offerings (HRAs & HSAs)	78
Health Reimbursement Arrangements (HRAs)	78
Health Savings Accounts (HSAs)	79
CDHPS & Pharmacy Benefits	81
HSA Design & Decision Making	83

Consumerism & CDHP Summary	85
Consumerism – Implications for Manufacturers	85
Biologic & Specialty Pharmacy Products	87
Concerns Pertaining to Biologics	87
Biologics Management Initiatives	90
Biologics in the Medical vs. Pharmacy Benefit	91
Preferred Drug List for Biologics	92
Specialty Pharmacy Provider (SPP)	93
Biologics Summary	94
Biologics—Implications for Manufacturers	94
Recommendations for Manufacturers	94
Healthcare Reform	95
Timeline of Employer-Relevant ACA Requirements	95
Employer Approach to Benefits	97
ACA Impact on Costs	98
Excise “Cadillac” Tax	99
Private Health Insurance Exchanges	101
Private Exchange Enrollment	102
Factors in Decision to Move to a Private Exchange	103
Employer Perspectives on Private Exchanges	104
Healthcare Reform Summary	106
Healthcare Reform – Implications for Manufacturers	107
Worksite-Based Health Clinics	108
Party Responsible for Running Worksite-Based Health Clinics	109
Services Offered at Worksite-Based Health Clinics	110
Worksite-Based Health Clinic Summary & Recommendations	111
Employer Health Coalitions	112
Coalition Services	112
Coalition Disease States of Importance	115
Group Purchasing Plans	116
Approach to Formulary	119
Health Initiatives Impacting Healthcare Purchasing & Delivery	123
Involvement in Quality & Value Initiatives	126
Employer Health Coalition Summary	128
Employer Health Coalition – Implications for Manufacturers	128
Appendix	129

List of Figures

Figure 1	Importance of Disease States or Conditions to Employers	21
Figure 2	Employers Indicating Disease/Condition’s Importance Has Significantly Increased Over the Last 12-18 Months	22
Figure 3	Weight-Loss Resources Available to Employees	23
Figure 4	Approach to Innovative Benefit Designs or Management Methods	25
Figure 5	Value-Focused Benefit Management Innovation	26
Figure 6	Contracting Avenues for Value-Based Initiatives	28
Figure 7	Use of Risk-Based Payment Contract	29
Figure 8	COE Example: Walmart & the Employer Centers of Excellence Network (ECEN)	30
Figure 9	Employers Increasing 2016 Cost Sharing	31
Figure 10	Importance of Trends Impacting Pharmacy Benefit Management	32
Figure 11	Current Pharmacy Management Initiatives	34
Figure 12	Future Pharmacy Management Initiatives	35
Figure 13	Growing Trends in Pharmacy Management	36
Figure 14	Employers with Value-Based Benefit Design	37
Figure 15	Organization’s Approach to the National Prescription Drug Formulary	38
Figure 16	4-Year Trend: Organization’s Approach to Prescription Drug Formulary	40
Figure 17	Number of 2016 Medication Exclusions by PBM/Health Plan	41
Figure 18	Trends in Express Scripts and CVS Caremark Excluded Medications	42
Figure 19	Manufacturers with Excluded Medications by Therapeutic Area	43
Figure 20	PBMs with Excluded Medications by Therapeutic Area	44
Figure 21	Employer’s Approach to the Coverage of Drugs on their PBM or Health Plan’s Exclusion List	46
Figure 22	Information Used to Evaluate Coverage of Excluded Medications	48
Figure 23	Employer Interest in Information Related to PBM/Health Plan Exclusion Lists	50
Figure 24	Time Horizon for Health and Pharmacy-Related Benefit Planning and Decision Making	51
Figure 25	Benefits Decision Cycle	52
Figure 26	Role of All Stakeholders in Health Management Decisions	53
Figure 27	Approach to Vendor Recommendations	54
Figure 28	Employer Involvement in National Organizations	56
Figure 29	Data Elements Integrated and Used for Planning, Measurement and Management of Pharmacy and Medical Benefit Decision Making	57
Figure 30	Overview of Employer Segments	59
Figure 31	Characteristics by Quadrant	62
Figure 32	Segmentation by Quadrant	63
Figure 33	Employer Sample by Quadrant	64
Figure 34	Segmentation Placement of Research Participants	65
Figure 35	Interest in Receiving Employee Health Management Information and Resources from Manufacturers	67

Figure 36	Employers Offering CDHPs	70
Figure 37	Employers' Approach to CDHPs	71
Figure 38	Percentage of Total Covered Lives Enrolled in CDHP	72
Figure 39	Employers Currently Incentivizing Enrollment in CDHP vs. Other Plan Types	73
Figure 40	Maximum Annual Employer Contribution to HRA or HSA	74
Figure 41	Beneficial Outcomes Experienced with a Consumer-Directed Health Plan (CDHP)	75
Figure 42	Undesirable Outcomes Associated with a Consumer-Directed Health Plan (CDHP)	76
Figure 43	Description of Health Reimbursement Arrangements (HRAs)	78
Figure 44	Description of Health Savings Accounts (HSAs)	79
Figure 45	Healthcare Accounts Linked with CDHPs	80
Figure 46	Pharmacy Benefit Coverage in CDHPs with HRAs	81
Figure 47	Preventive Drug Coverage in CDHPs with HSAs	82
Figure 48	Factors of Importance for Determining Approach to Preventive Drugs in a Health Savings Account (HSA)	83
Figure 49	Employer Interest in Information Related to PBM Preventive Drug Lists	84
Figure 50	Concerns Pertaining to Biologics	88
Figure 51	Initiatives to Manage Cost and Utilization of Biologics	90
Figure 52	Approach to Health Plan Management of Specialty Medications and Biologics that Fall Under Medical Benefit	91
Figure 53	Disease States for Which Employers Use a Biologics Preferred Drug List	92
Figure 54	Specialty Pharmacy Provider (SPP)	93
Figure 55	ACA Timeline of Employer Requirements: 2015–2020	95
Figure 56	Jumbo Employer Approach to Active Employee Health Benefits: 2015–2018 and Beyond	97
Figure 57	Organization's Increase in Costs Due to ACA	98
Figure 58	Employers' Approach to the Cadillac Excise Tax	99
Figure 59	4 Employer Perspectives on the Cadillac Tax and Reactions to the 2-Year Delay	100
Figure 60	How a Private Exchange Works	101
Figure 61	Employers Utilizing or Seriously Considering Utilization of Private Exchanges for Active Employees	102
Figure 62	Critical Factors in Employer's Decision to Move Active Employees and Dependents to a Private Exchange	103
Figure 63	Employer Perspectives on Private Exchanges	104
Figure 64	Employer Worksite-Based Health Clinics	108
Figure 65	Party Responsible for Running Worksite-Based Clinics	109
Figure 66	Services Offered at Worksite-Based Health Clinics	110
Figure 67	Coalition Services Offered to Employer Members	112
Figure 68	Top Coalition Services Used by Employer Members	114
Figure 69	Importance of Disease States or Conditions to Coalitions	115
Figure 70	Coalitions Offering Group Pharmacy and Medical Benefit Purchasing	116
Figure 71	Coalition Member Use of Group Purchasing for Pharmacy Benefits	117

Figure 72	Coalition Analysis of Prescription Drug Utilization Data	118
Figure 73	Coalitions' Approach to the National Prescription Drug Formulary	119
Figure 74	Coalitions' Approach to Covering Drugs on their PBM's Exclusion List	120
Figure 75	Information Used by Coalitions to Evaluate Coverage of Excluded Medications	121
Figure 76	Coalition Approach to Vendor Recommendations	122
Figure 77	Trends Impacting the Way Healthcare is Purchased or Delivered for at Least 20% of Coalition's Employer Members	123
Figure 78	Innovative Initiatives Actively Supported by Coalitions	124
Figure 79	Coalition Support, Coordination or Organization of Purchasing Contracts with Risk-Based Payment Terms for Member Initiatives	125
Figure 80	Coalition Involvement in Quality Initiatives	126
Figure 81	Coalition Participation in Value-Driven Initiatives	127

List of Appendix Figures

Figure A1	Breakdown of Research Participants	131
Figure A2	Segmentation Placement of Research Participants	132
Figure A3	Segmentation Placement of Research Participants by Company Name.....	133
Figure A4	Segmentation Placement of Research Participants by Plot Point	134
Figure A5	Employer Research Participants	137
Figure A6	Coalition Research Participants	138

EMI 2016 Employer Market Trends Report

Introduction

The Employer Market Trends Report explores employer and coalition health benefit topics and market trends impacting decision making for nearly 150 million employer covered lives. In its eleventh year, this research looks back at the progression of key trends through today, and takes a forward-looking view to understand where employer health and pharmacy benefit design is headed. This report is part of Benfield-Gallagher's EMI Service.

Who should read this report? Manufacturers that have account management, outcomes research or medical liaison resources focused directly on employers will find this report critical for understanding and successfully working with their customers. Increasingly, employers are putting pressure on more traditional providers like managed care organizations, integrated delivery networks and large medical groups to demonstrate and provide better value to employee patients. Therefore, this report is valuable for manufacturers who seek to understand, better serve and collaborate with these customers.

This primary research includes results from a study of 106 jumbo employers (5,000+ employees) and 35 leading health coalitions. Also included are interview insights from 13 employer benefit executives and employer health coalition leaders (see Figure A1). The report focuses on important trends, including:

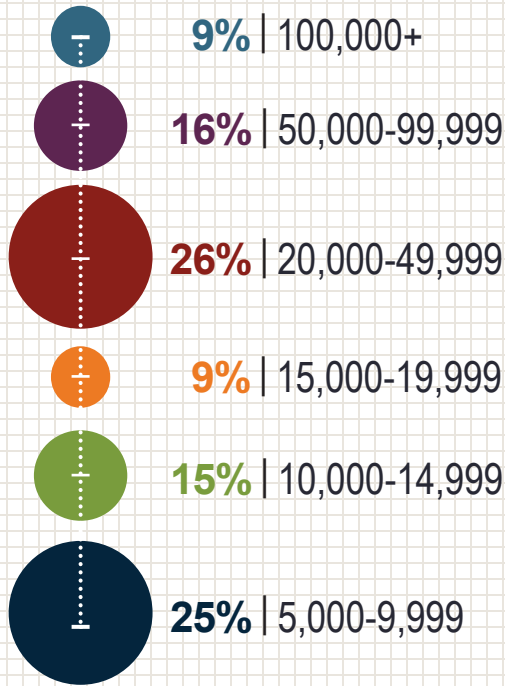
- Disease States of Importance
- Health and Pharmacy Management Initiatives
- Value-Focused Benefit Management Innovation
- **NEW!** Direct and Risk-Based Contracting for Healthcare Benefits
- PBM Exclusion Lists
- **NEW!** Benefits Decision Cycle
- Approach to Vendor Recommendations
- Employer Segmentation
- Consumerism and CDHPs
- **NEW!** Employer HSA and HRA Contributions
- HSA Preventive Drugs Lists
- Biologics
- **NEW!** Cadillac Tax: Perspectives and Reaction to Delay
- Private Exchanges
- Worksite Health Clinics
- Employer Health Coalitions

Contact Sarah Daley at sarah_daley@ajg.com with questions or feedback about this report or the EMI Service.

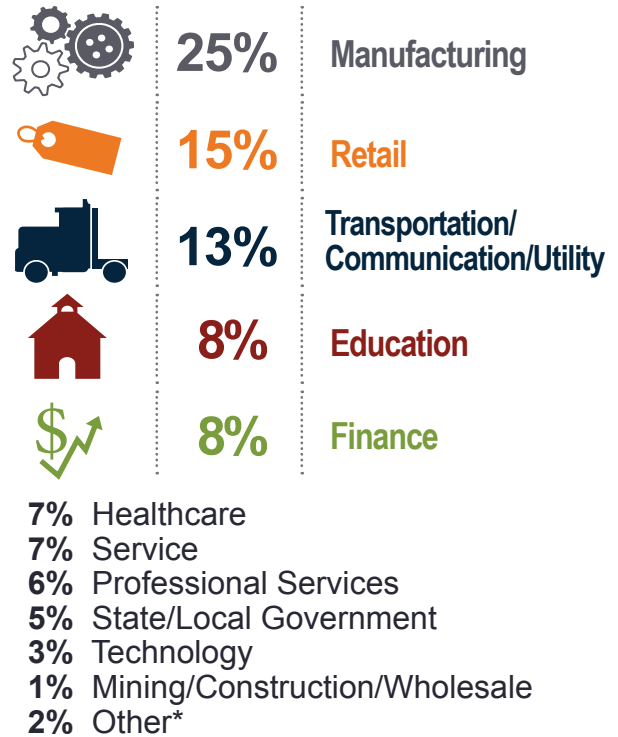
Employer Participant Panel

106 EMPLOYERS | 8 INTERVIEWS | 6.2 MILLION COVERED U.S. LIVES

PARTICIPANTS BY NUMBER OF U.S. EMPLOYEES



INDUSTRY

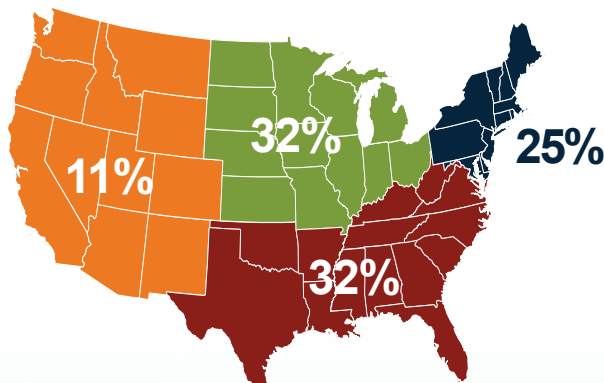


*Other includes: Agriculture and Media

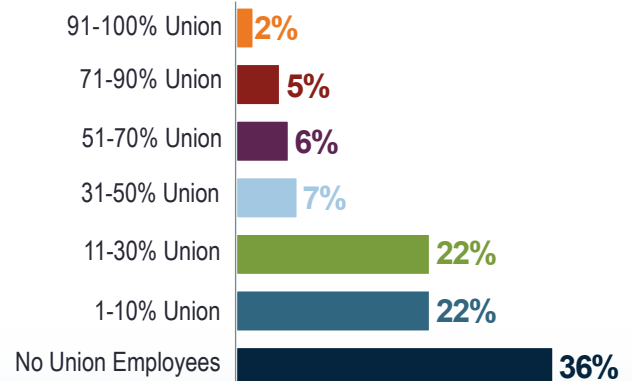
EMPLOYER RESPONDENT ORGANIZATIONAL POSITION



GEOGRAPHICAL BREAKDOWN OF EMPLOYER HEADQUARTERS



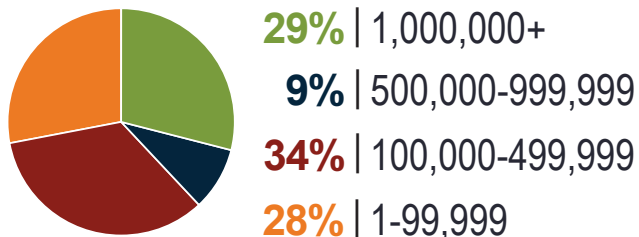
PERCENT OF ACTIVE EMPLOYEES IN A UNION



Coalition Participant Panel

35 COALITIONS | 5 INTERVIEWS | 27 MILLION MEMBER LIVES

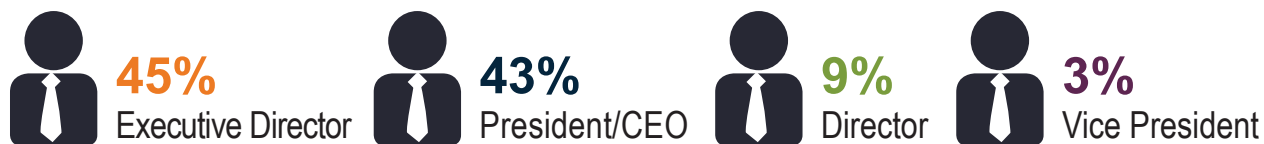
MEMBER LIVES REPRESENTED BY COALITION PARTICIPANTS



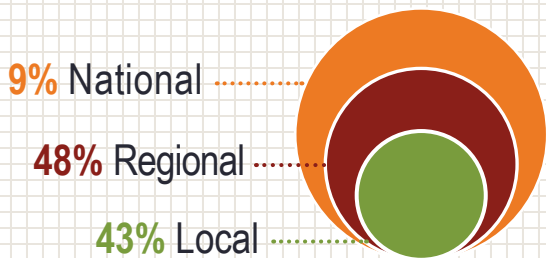
COALITIONS PROVIDING GROUP BENEFIT PURCHASING



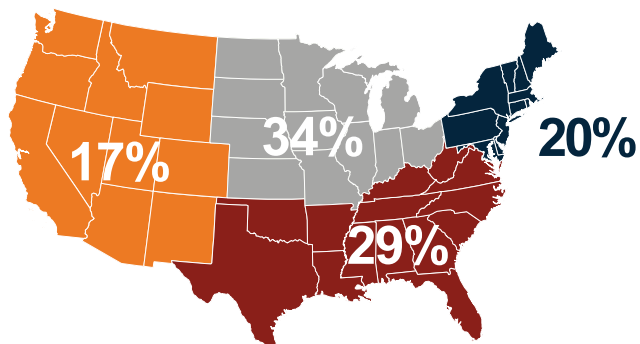
COALITION RESPONDENT ORGANIZATIONAL POSITION



SCOPE OF COALITION MEMBERSHIP & ACTIVITY



GEOGRAPHICAL BREAKDOWN OF COALITION LOCATIONS



See Appendix Figures A5 and A6 for a full list of employer and coalition participants.