4 Healthcare Benefits Trends to Watch in 2019

At csONE, we are constantly monitoring the healthcare landscape for shifts and fissures—and most importantly, for opportunities to make manifest our mission to simplify the business of healthcare.

As we feel a sense of responsibility to continuously deliver more ways to help our constituents be better prepared for healthcare costs now and in the future, we are tracking the following health benefits trends in 2019.

Affordable Care Act reform unlikely but changes are still underway

Along with the rest of the healthcare industry, we have kept a very watchful eye on efforts to repeal, replace or reform the Affordable Care Act. It is safe to say that for now the ACA is here to stay, but the landscape has shifted as a result of the recent midterm elections, and the direction of future change is uncertain. Employee Benefits Advisor says this makes it all the more important for employers to have a smart benefits strategy in 2019: “When it comes to helping employers solve the healthcare challenges they face, strategic advice provided by advisers will continue to play a key role in client success in 2019.”

Look for the healthcare conversation in DC to shift—measured change to the ACA may still be on the agenda, but expect to hear a lot of noise about other proposals issues such as Medicare for All and prescription drug pricing. Nonetheless, one thing is certain: Rising healthcare costs continue to apply pressure to both employers and consumers. Anxiety over healthcare also means that employees will put increased emphasis on benefits—even over salary—when choosing an employer, says Benefits Pro.

Adoption of consumer-directed healthcare to level out

According to Mercer, the percentage of employers offering a consumer-directed health plan (CDHP) continued to increase in 2018, and the percent of employees enrolling increased from 30 percent to 33 percent. Cost pressures have been a big factor driving this trend, but employers preparing for the so-called “Cadillac” tax to go into effect have also contributed. That 40 percent excise tax on the excess of employer plan cost exceeding specified thresholds is now not scheduled to take effect until 2022, though plenty on Capitol Hill believe it will be delayed even further.

This may partially explain why the National Business Group on Health’s annual survey shows a 9 percent decline in the number of employers that will offer CDHPs, and NBGH expects this percentage to grow in future years, reflecting a movement toward increased choice. Chris Byrd, our executive vice president of operations and corporate development, recently told Plan Sponsor that while most employers will continue to offer an array of health plan offerings—both CDHPs and traditional health plans—he expects employers to nudge employees toward CDHPs. “As awareness of the various advantages CDHPs offer spreads, eyes will open to the additional value of consumer health accounts as a budgeting and financial discipline tool to help those who struggle to make ends meet ensure that they have funds available when confronted with healthcare expenses,” he said. He also predicted there will be more use of value-based plan designs and narrow networks in 2019.
Employers taking more active role in healthcare benefits administration

Since the cost of employer-sponsored healthcare benefits is expected to reach $14,800 per employee this year (with employers covering about 70 percent of those costs), more employers are actively pursuing ways to spend less. Nearly half (49 percent) of the employers surveyed by CFO magazine said they will pursue one or more of the following strategies in 2019: directly contracting with health systems and physician groups, partnering with their health plans or working with a third party.

NBGH reports that large companies are also controlling healthcare costs this year by adding more virtual care solutions, focusing their strategy on high-cost claims and expanding centers of excellence to include additional conditions. We also expect to see more large companies contracting directly with healthcare providers in 2019 and even developing their own worksite health centers, as both Apple and Tesla did in 2018.

Personalized communications around healthcare benefits

Our own Clear Insights research last year found that when employers know which tools and resources work best for communicating about healthcare benefits with different groups of employees, it can make a big difference in the effectiveness of education and engagement programs. “In 2019, employers should focus on partnering with providers who are delivering customized messaging to employees to maximize engagement and adoption rates,” says Benefits Pro. “2019 will likely see employers not only offering more customized and personalized benefits, but also more robust communications that speak directly to employees’ needs.”