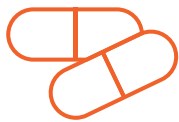
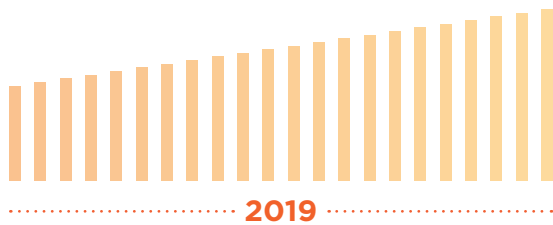


HEALTH CARE TREND WATCH 2019

Learn about important trends that could impact your company's health benefits.



4.92%
Predicted rise
in drug costs¹



TREND #1

Drug costs are still climbing.

Drug costs can be expected to rise 4.92 percent in 2019 — a slower rate of growth than in 2018, but a significant one nonetheless.¹ Two key factors include the growth of specialty pharmacy products, and the importance of competition between name brand medications and generic or biosimilar options. (“Biosimilar” drugs are designed to have similar effects to other, already-licensed pharmaceuticals.) With 11 biosimilars approved by the FDA in 2018, experts are hoping for an increase in market competition that can help rein in drug spending.²

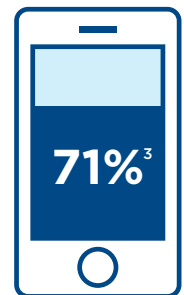
TREND #2

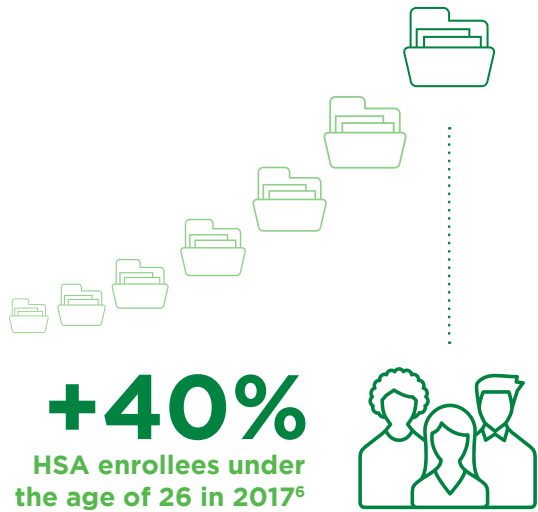
Telemedicine is changing the game.

Driven by faster internet connections and increasingly prevalent smartphones, telemedicine — remote consultation that doesn't require an in-person visit — is growing in popularity. Now used by 71 percent of health care providers, telemedicine is an increasingly attractive option for employees looking for medical consultation.³ It facilitates two-way, real-time interaction between the patients and physicians, offering a cost-effective solution to both.⁴ Plus, telemedicine can give patients access to providers that may be otherwise inaccessible due to distance.



Health care
providers using
telemedicine





TREND #3

Plan types are evolving with the times.

Consumer-driven health plans (CDHPs), which combine a high deductible with tax-advantaged health savings accounts (HSAs), are growing in popularity. The total number of HSAs grew to 23.4 million in mid-2018, up 11.2 percent from the previous year.⁵ These accounts offer a new financial planning option for all customer segments who wish to plan for retirement and unexpected medical costs, and their popularity is growing: HSA investment assets now approach \$10 billion.⁵ They are increasingly adopted by price-conscious millennial employees, who are attracted to the portability that allows them to keep what they've saved when transitioning jobs. In fact, the number of HSA enrollees under the age of 26 rose by 40 percent in 2017.⁶

TREND #4

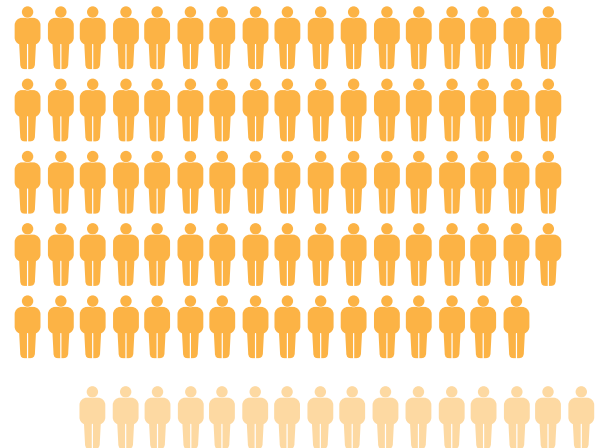
Wellness programs engage new talent.

A healthy workforce could lead to fewer sick days, higher productivity and lower health care costs for both employees and employers. Offering wellness programs could help recruit and retain new talent. While early versions of workplace wellness programs focused on efforts like quitting smoking and losing weight, companies are now shifting to personalized efforts that combine wellness with career development and incentive programs to increase employee engagement and boost recruitment.⁷ In addition, 60 percent of surveyed employers found that wellness programs had reduced their organizations' health care costs, and well-designed programs have the potential to produce an ROI of \$1.50 to \$3 for every dollar invested.⁸ Also, as 84 percent of U.S. employees have reported symptoms of poor mental health, many companies are making mental health education a wellness priority.⁹



84%

of U.S. employees have reported symptoms of poor mental health⁹



TREND #5

Legislation could steer health care in a new direction.

Health care issues, including affordability, access and market stabilization remain key areas of focus for Congress in 2019. Just as well, the Affordable Care Act (ACA) remains a target for judicial challenges. What we know for certain is, beginning in 2019 there will be no penalties for those without minimum essential health coverage;¹⁰ the IRS has issued extended deadlines for 2018 Minimum Essential Coverage and Large Employer Shared Responsibility reporting due to individuals in early 2019;¹¹ and, states have greater opportunity to waive key ACA provisions in order to implement innovative, alternate health coverage rules or programs while retaining basic consumer protections. In addition, the Congressional Budget Office predicts that key Affordable Care Act plan premiums will go up 15 percent in 2019.¹²



Key Affordable Care Act plan premiums will increase 15% in 2019¹²

- Congressional Budget Office

The health care industry is rapidly evolving.

Employers need the tools to navigate the changing landscape and make the best business decisions. Contact your insurance broker or Cigna to learn more about how we can help you prepare for these trends.



Together, all the way.®



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