

Ahead of the Curve:

Healthcare Trends Affecting Employers in 2024

And What Businesses Can Do About It





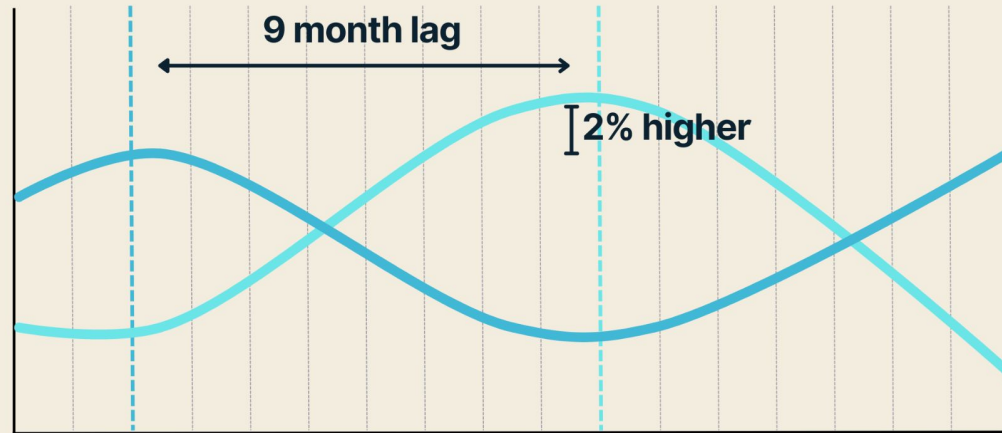
PART 1:

The Landscape of Rising Healthcare Costs

General Market Update

Medical Inflation is on the rise

**Medical inflation is ~2% higher
and lags behind general inflation**



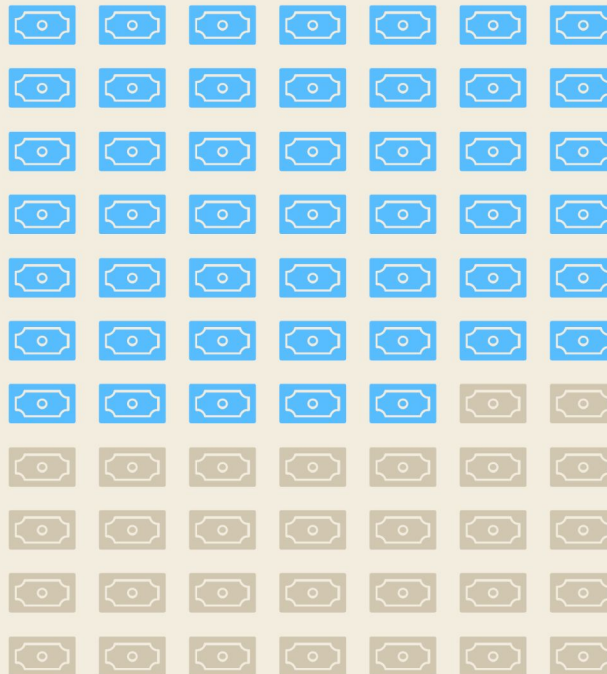
SOURCE: MILIMAN | PROSERVICE.COM



General Inflation



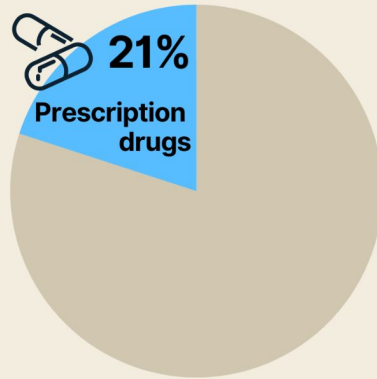
Medical inflation



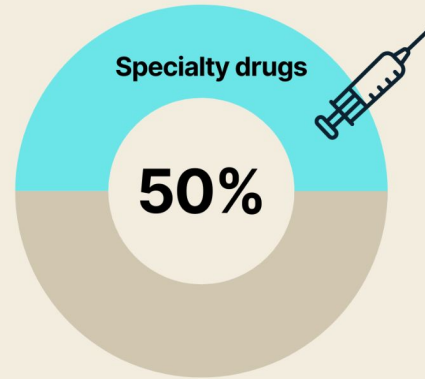
#2. Prescription Drug Costs

**Prescription drugs account for
~21% of employers' healthcare costs**

Total employer healthcare costs:



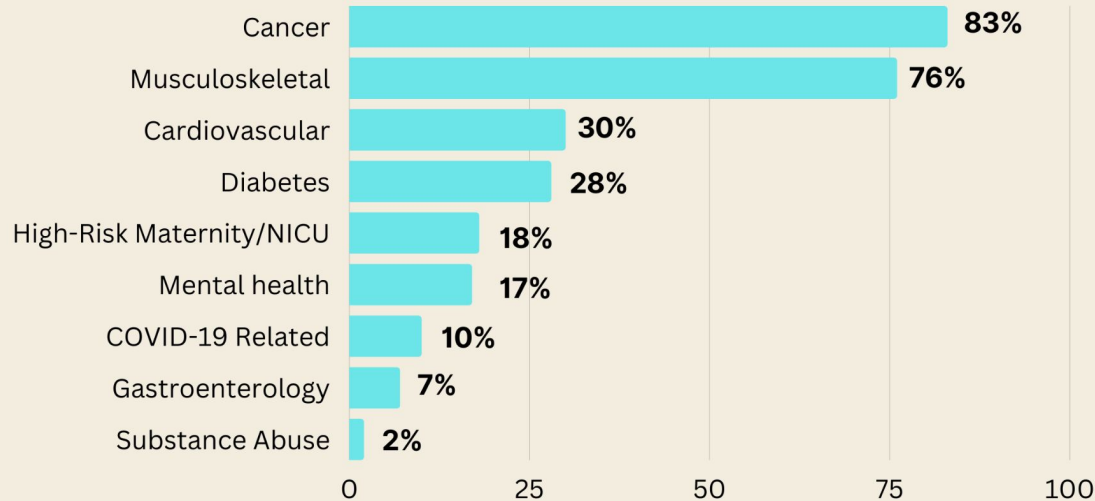
Of employer prescription drug costs:



SOURCE: BUSINESS GROUP ON HEALTH | PROSERVICE.COM

#3. Pandemic & Delayed Care

Cancer is the top condition driving costs for U.S. employers.



SOURCE: BUSINESS GROUP ON HEALTH | PROSERVICE.COM

#4. Other Key Factors

- Hawaii's **aging population**
- Rise in chronic diseases, specifically **diabetes and heart disease** in Hawaii
- Growing **mental health** crisis
- **General lag** patterns in the healthcare industry may impact costs *beyond 2024*

Employer Options & Advice

- Plan design and contribution structure
- Voluntary benefit options
- Understand the landscape, so you know how to budget
- For the long term...



PART 2:

Health & Well-Being as a Business Strategy

Defining Well-Being

Well-being is about the combination of our love for **what we do each day**, the quality of our **relationships**, the security of our **finances**, the vibrancy of our **physical health**, and the pride we take in what we have contributed to our **communities**. Most importantly, **it's about how these five elements interact.**

— Gallup



Gallup's Definition of Well-Being

Well-being is comprised of five elements and all five are **interrelated** and **interdependent**.



- **Purpose:** Liking what you do each day and being motivated to achieve goals.
- **Social:** Having supportive relationships and love in your life.
- **Financial:** Managing your economic life to reduce stress and increase security.
- **Community:** Liking where you live, feeling safe, and having pride in your community.
- **Physical:** Having good health and enough energy to get things done daily.

Did you know...



“While **66% of people are doing well in at least one of these areas**, just **7% are thriving in all five**. But we’re not getting the most out of our lives unless we’re living effectively in all five.”

Guided Instructions on Starting or Supplementing a Program

Assess	Plan	Engage	Measure
Use data to learn where your organization stands on workforce wellness.	Set goals, schedule activities, and develop a communications strategy.	Launch and promote the program to your workforce.	Evaluate your program's success and set future goals.
<p>Assess data-driven health information to determine the needs and interests of employees.</p> <ul style="list-style-type: none"> → KP Worksite Health Survey → Employee Interest Survey → Clinical data 	<p>Use the results from the worksite assessments to address priority risk reduction areas.</p> <ul style="list-style-type: none"> → Wellness Advisory Team → Wellness Committee → Programs identified → Communication campaign 	<p>Employ strategies that engage employees and address multiple risk factors.</p> <ul style="list-style-type: none"> → Health Risk Assessment → Onsite Screening → Health Education → Online Resources → Fun challenges and activities 	<p>Continual evaluation ensures that initiatives meet programmatic and organizational goals.</p> <ul style="list-style-type: none"> → Participation → Worksite and Environmental Changes → Program Satisfaction → Post program survey



Baby Boomer

- Born 1946-1964
- Prefers face-to-face communication
- Starting to embrace modern digital technology
- Social Media Preferences: Facebook & LinkedIn



Generation X

- Born 1965-1979
- Prefers email communication
- Comfortable with technology
- Social Media Preferences: Facebook & Twitter



Millennial

- Born 1980-1994
- Prefers email or text
- First “digitally native” generation
- Social Media Preferences: Not loyal to any particular social media outlet



Generation Z

- Born 1995-2012
- Likes written communication, but in-person meetings in the workplace
- Expects quick responses
- Social Media Preferences: Instagram & Snapchat

The Value of a Worksite Well-Being Program

Recruitment & Retention

16%

Improve Performance

21%

Productivity & Absences

66%

Employee Engagement

66%

SOURCE: 2023 Large Employers' Health Care Strategy and Plan Design Survey, Business Group on Health, 2022

56%

Employers

32%

Employees

% agree with "The company's well-being programs have encouraged employees to live a healthier lifestyle."

SOURCE: NGBH/Fidelity

65%

Employers who say employee health is an integral part of their overall workforce strategy

SOURCE: Fuller et al. Harvard Business Review, March 23, 2022

44%

56%

44% of orgs do not have a health and well-being strategy

SOURCE: 2022-2023 Aflac Workforces Report, 2022

Ideas to Engage

Physical	Social	Financial	Community	Career	Emotional
Walking club/meetings	Social events	Financial counseling	Volunteer opportunities	Continued learning opportunities	Stress management classes
Healthy vending options	Recognition	Tuition reimbursement/ continuing education	Corporate partnerships	Leadership walks	EAP (Employee Assistance Programs)
Healthy meeting policies	Team activities	Retirement savings	Participation in community events	Goal and development surveys	Yoga
Exercise at work space	Potlucks	Financial education	Local purchasing policies	Mentoring	Meditation Rooms
Smoke free campus	Break rooms as gathering space	Commute solutions	Coordinate a Farmer's Market at work	Job Shadowing	Anti-stigma campaigns
Fun & Healthy challenges	Pau hana with co-workers		Company fundraisers to donate to an organization		Massage Therapy at work
Health education classes/webinars	Create social or hobby groups				

Thrive at Work: Employer Resources for Workforce Health

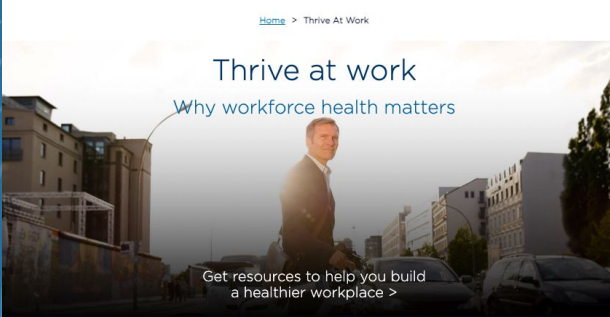
> Interactive toolkits

- ✓ Starting a Well-Being Program Toolkit
- ✓ Workforce Health Resource Guide
- ✓ Healthy Meetings Guide
- ✓ Maintain Don't Gain Toolkit
- ✓ Tobacco-Free Campus Toolkit
- ✓ Walking for Workforce Health Toolkit
- ✓ Rest and Revive Toolkit
- ✓ Healthy Eating at Work Food Policy Toolkit

> Resource Center

> Insights blog

> Flu & COVID-19 Resources



Home > Thrive At Work

Thrive at work

Why workforce health matters

Get resources to help you build a healthier workplace >

[Save](#)

You have an opportunity to improve the health of your employees every day. Making small changes to your workplace and company policies is a great way to start, and it's where you can make the biggest impact. On these pages, you'll find the tools and support to build a culture of health at work — and see how the right partner can help guide you along the way.

Additional annual costs per employee linked to:

Condition	Additional annual cost per employee
Smoking	\$5,800
Diabetes	\$4,413
Obesity	\$4,237
High blood pressure	\$1,077

The high cost of poor health — more than just premiums

Poor lifestyle choices increase the risk of chronic conditions, which have a negative effect on your employees' lives and can raise your premiums. They also make it harder to be productive, lead to more sick days, and increase workers' compensation costs. The good news is that many lifestyle risks can be affected by behavior change — which you're uniquely positioned to influence.

No-cost tools and resources at:
kp.org/workforcehealth

Each toolkit includes the Assess, Plan, Engage, Measure (APEM) Model

Four Simple Steps to Workforce Well-Being



Create a successful strategy in four simple steps

Following this four-step model helps you lay a strong foundation for developing your plan, organizing your program activities, and making it easy and fun for your employees to adopt healthy lifestyles.

1

Assess

Use data to learn where your organization stands on workforce wellness.

2

Plan

Set goals, schedule activities, and develop a communications strategy.

3

Engage

Launch and promote the program to your workforce.

4

Measure

Evaluate your program's success and set future goals.

[Learn More About This Four-Step Model](#)

Step-by-step process to help employers included in every toolkit:

1. **Assess** their workforce
2. **Plan** activities with a targeted focus
3. **Engage** employees to participate
4. **Measure** the success of the program

kp.org/workforcehealth



Q&A

LIVE ●

After the Maui Wildfires: Hawaii's Economic Outlook

October 4, 2023 @ 11 am

Featuring:

Dr. Carl Bonham

Executive Director, UHERO

And more panelists coming soon!



UHERO

THE ECONOMIC RESEARCH ORGANIZATION
AT THE UNIVERSITY OF HAWAII

**Mahalo for
attending!**



Please take our survey following the webinar
