

EXECUTIVE SUMMARY

Lockton's 2023 National Benefits Survey Insights Report

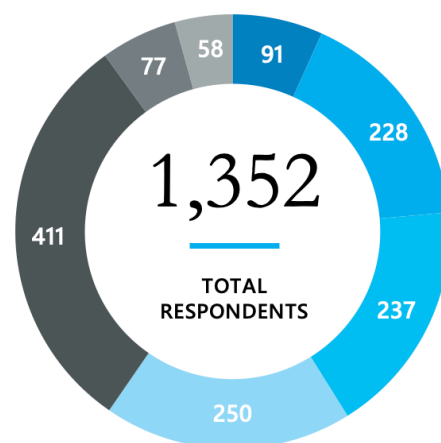
UNLOCKING VALUE

In 2023, employers are seeking a balance between offering competitive benefits and managing their costs. Looking forward, they must use a strategic approach to help maximize value for their employees. To do this, employers must know their people. Understanding employees and their needs is vital to providing valuable benefits they will utilize.

The 2023 Lockton National Benefits Survey includes responses from **1,300+ employers from a variety of industries and group sizes**, with different philosophies and priorities on balancing talent attraction with the costs of providing health and welfare benefits.

RESPONDENTS BY GROUP SIZE

■ 2 to 99	■ 1,000 to 4,999
■ 100 to 249	■ 5,000 to 9,999
■ 250 to 499	■ 10,000 +
■ 500 to 999	



PHARMACY BENEFITS DESIGN:

Cost-Share Levels Within Specialty Drugs

+10

percentage point increase in employers' implementation for the current year or considering for next year

INCREASED: 48% TO 58%

SELF-FUNDED HEALTH PLANS:

+5

percentage point increase in self-funded plans for group sizes < 1,000

INCREASED: 30% TO 35%

CARE MANAGEMENT:

+9

percentage point increase in care management services (e.g., complex conditions, cancer care, renal care or dialysis, catastrophic care) with third-party delivery increasing from 4% to 8%

INCREASED: 17% TO 26%

MENTAL HEALTH:

+18

percentage point increase in employers implementing targeted buy-up solutions (beyond standard program resources) for the current year or considering for next year

INCREASED: 46% TO 64%

Key Findings

— Immediate Impacts

Due to economic pressures and the heightened cost of providing benefits, employers are looking for ways to manage short-term costs. For example, **employers are optimizing costs by managing specialty drugs** – they are eliminating the ability for members to select any drug at any cost and guiding them to generic or biosimilar alternatives. This change in pharmacy benefits can lead to significant savings. **An increasing number of survey respondents at smaller group sizes also made the move from a fully insured health plan to a self-funded plan**, potentially in pursuit of better cost management.

— Long-Term Investments

Employers are also making longer-term investments in their people. In the last year, there was a **9 percentage point increase in employers offering care management targeted buy-up solutions** (beyond standard program resources). This provides value to employees through an immediate investment in their health but may also lead to cost benefits down the road for employers by reducing disease progression. In addition, **employers are continuing to focus on providing mental health benefits to promote wellbeing**. In the last year, there was an 18 percentage point increase in employers opting-in to mental health buy-up solutions.



Let the Lockton team help you understand how the 2023 survey findings can provide insight for your benefits strategy.

