



Launchways  
Power your people.

# Prepare Your Company for the Future of Healthcare Today





## Introduction

The healthcare industry is changing at a rapid pace, and it can be hard to keep up as an employer in order to minimize costs and maximize the well-being of your employees. That's why it's worth considering where healthcare is likely to go and what steps you can take today to set yourself up for success in the future.

Let's examine how the healthcare industry is changing and key ways to prepare your company for the future of healthcare:

- Become a better healthcare consumer
- Adopt telemedicine
- Empower and engage employees
- Embrace wellness





## Healthcare: Where it is Now and Where it is Heading

The entire healthcare industry, and insurance in particular, has changed drastically over the past two decades. Consolidation, rising costs, technology, and government action have all contributed to a turbulent and challenging healthcare marketplace for employers.

At the beginning of the millennium, comprehensive insurance plans with low deductibles were still commonplace, but they ultimately failed due to the lack of an incentive for employees to reduce spending – which was especially vital after the recession. Insurance companies tried to solve the issue through carrier-managed plans which controlled access to care to reduce costs, but these plans proved extremely unpopular. As a result, carriers and employers are turning to consumer-driven health plans (CDHPs) to increase cost-sharing and decrease spending. The most common type of CDHPs are high-deductible plans paired with tax-deductible health savings accounts, which keep premiums low and give employees significant control over their healthcare costs.

The problem with these plans is that, while they provide employees with an incentive to manage and reduce their costs, the plans do not provide them with the tools they need to do so effectively. The rest of the healthcare pipeline, including employers, are struggling to catch up with ways to reduce costs and empower employees now that more of the healthcare costs lie on the consumer.

Throughout the healthcare industry, the focus is on cutting costs and increasing efficiency – resulting in the formation of conglomerates. The lines between insurance carriers, brokers, pharmacy benefit managers, pharmacies, and providers are all becoming more blurred. The most prominent recent mergers have been between insurers and PBMs; Aetna recently merged with CVS Health and Cigna purchased Express Scripts.

There is good reason to believe that this trend of consolidation will continue, and that major companies not historically associated with healthcare will get involved. Amazon has made it clear that it intends to enter the healthcare arena, partnering with reinsurers Berkshire Hathaway and JPMorgan and purchasing the prescription delivery service PillPack. As with so many other industries, Amazon is likely to change the way that the healthcare industry functions and take over a lion's share of the market in the process. And once it has, it is likely that other tech giants will follow suit.

The current trend of consolidation and CDHPs are moving the industry towards a “direct-to-consumer” model, with fewer middlemen and greater focus on customer experience. There will be more opportunities for employees and employers to save time and money, but at the same time there will be an even greater burden of responsibility to be intelligent consumers. The more knowable the market is for consumers, and the more control that they have over their healthcare, the more important it is that understand it. Education, already a crucial and too-often-neglected part of the healthcare equation, will likely become even more vital to both employers and employees.

Employers have often borne the brunt of the burden of rising costs and an ever-changing healthcare industry. Future changes could cause further turmoil for companies that do not adapt quickly and effectively. However, change is not always bad news at all. You can set yourself up for success in the current and future healthcare markets by taking a proactive approach to your healthcare policies and adapting properly to every new development. The future is looking pretty bright – for smart healthcare consumers.





## Become a Better Healthcare Consumer

In order to thrive now and in the future, it's important to become a better consumer. The same trends that have empowered employees to take control of their own healthcare costs have also given employers greater responsibility for their own costs. So how can you meet this responsibility?

Education is the first step to becoming a smarter consumer. Knowing the ins and outs of the market, including which new options exist and could benefit the company and its employees, allows you to take control over your healthcare present and future. This is especially important when the relationships between every player in the healthcare industry are being thrown into turmoil. Proactive employers, armed with current knowledge, can negotiate better deals and carve out an advantageous space for themselves in the new market that is continuously forming.

An important part of becoming a better healthcare consumer is to take advantage all of the new tools that are becoming available that employers can leverage to minimize their expenses and provide value for their employees. For instance, mail-order prescriptions and other alternatives to traditional pharmacies can reduce your spend on prescription drugs. Modernized, alternative healthcare fulfillment will only become more common, so adopting them early will set you up to take full advantage of new developments.





## Adopt Telemedicine

Telemedicine is perhaps the most significant alternative to traditional care that employers can leverage to reduce their costs while keeping employees healthier. In an age when offices are increasingly moving in the direction of remote work, remote doctor's appointments just make sense. Plus, telemedicine is likely to become even more widespread and powerful, so making it part of your employee's healthcare habits now will pay dividends in the long-term.

Like all other digital healthcare solutions, telemedicine saves employees – and by extension employers – time and money by offering a more convenient alternative to traditional options. It lowers direct costs by reducing the number of expensive emergency room and urgent care visits and is often even cheaper than a traditional doctor's appointment. Also, employees commonly skip or reschedule preventative care appointments during work hours because they feel pressured not to miss work, which can actually lead to greater healthcare costs down the line (not to mention make employees feel mistreated).

Telemedicine also makes your team members better employees. Because employees can consult doctors from their home or office, they generally don't need to miss work in order to get medical advice. And, because telemedicine allows employees to access the care they need more quickly, your employees will be healthier overall, raising their productivity when they are in the office.





## Empower and Engage Employees

At Launchways, we strongly believe in empowering your employees to become smarter healthcare consumers. This is particularly important in healthcare because of the shift towards consumer-driven health plans. With the current trend of consumer-driven healthcare, employees need to be more involved in their healthcare decisions in order to minimize costs while maximizing their health. So, turning your employees into smart, proactive healthcare consumers can really set you up for present and future success.

Coaching and education are important parts of empowering employees, allowing them to choose the options that are best for their health and their wallets. Digital tools not only provide employees with the information they need to be smart consumers, they also make it easier to navigate the healthcare process – an important step in getting employees engaged in healthcare decisions. And engaged consumers spend a third as much on healthcare as passive consumers, according to the 2016 McKinsey Consumer Health Insights Survey. The same survey also found that 80% of consumers view digital solutions as the most effective way to perform many fundamental healthcare activities such as finding doctors and insurance plans, checking health information, and monitoring health metrics.

Because employees prefer digital options, they are more likely to take control of their healthcare decisions when offered digital solutions. And since digital options are streamlined and user-friendly, they genuinely make it easier for consumers to save money and manage costs through intentional consumption. Tools like HealthiestYou are already providing employees with one-stop-shop digital platforms to manage their healthcare. Just as Uber has revolutionized transportation and apps have modernized dating, healthcare apps make it easy for consumers to find the insurance plans, doctors, medications, and pharmacies that work best for their health and wallet.







## Embrace Wellness

Wellness benefits are getting increasing attention due to their ability to reduce healthcare costs and make employees feel valued and engaged in their work. The cost-benefit analysis of wellness from a healthcare perspective is clear – the healthier your employees are, the fewer healthcare-related costs they will incur. Smoking cessation and weight loss programs are obvious examples of cost-saving wellness measures, but other health-promoting benefits can have almost as big an impact on your bottom line.

Because wellness benefits generally target lifestyle related health costs, they are often seen by employees as quality-of-life benefits. They show employees that you care about their wellbeing, which makes them feel valued. Given the challenges of high employee turnover and the difficulty of keeping employees engaged in their work, the morale boost from introducing wellness benefits can be a very welcome side effect indeed.

So wellness is important, but what exactly are wellness benefits? The first kind of wellness benefits have to do with physical well-being, such as:

- Onsite gyms
- Discounted or free gym memberships
- Company-wide exercise or smoking cessation challenges
- Nutritional benefits: eg. healthy meals and snacks on-site or access to a nutritionist

The second type of wellness benefits address mental health, which is an often overlooked area that can result in significant healthcare costs as well as reduced performance. Examples of these benefits include:

- Time off to recharge: vacation time, sick days, “personal days”, floating holidays, summer Fridays
- Stress relief breaks: naps, required breaks throughout the day, or even on-site massages
- Meditation or mindfulness apps
- Support groups (particularly for alcohol or smoking cessation)
- Onsite or remote counseling

Wellness benefits can have a significant impact on your healthcare costs as well as your employee’s well-being and work satisfaction as a whole.





## Key Takeaways

The healthcare industry has changed a lot in recent years, and there is every reason to believe that it will keep changing at an even greater rate. Employers have to adapt to face new challenges and accommodate new healthcare models in order to keep afloat. But by planning ahead and taking advantage of new developments, employers can define their role in the healthcare equation, minimize their costs, and maximize their employee's health and well-being. Just keep in mind that a few key steps can help you manage costs now and prepare for the future:

- Becoming a better consumer by educating yourself, renegotiating relationships, and leveraging new tools
- Adopting telemedicine to reduce direct costs and absenteeism and to increase productivity
- Empowering and engaging employees to make them the best possible healthcare consumers
- Embracing wellness to reduce long-term health costs and make your employees feel valued

Healthcare is an incredibly complex topic and there is no right or wrong answer for how to manage your employee's healthcare. Every organization will face its own challenges and find its own solutions. But, hopefully this article has provided some insight into where the industry is going and some of the things you should consider doing for the present and future well-being of your company and its employees.