2024 HEALTHCARE REPORT

EXECUTIVE SUMMARY

This year marks the 22nd annual Benefits Benchmarking Survey for Mid-Market Employers. Currently, there are 27,325 unique employer responses nationally, representing 2.5 Million employees and roughly $34.6 Billion in healthcare dollars spent. As one of the largest databases of employee benefits information, participants not only have access to their individual entries, but also additional information, which allows for a deeper look into other markets, industry, employer size, and company type.

Our goal is to help employers understand how their benefit offerings and costs compare to those of their peers; ultimately, helping employers attract and retain their most valuable assets – their employees. Additional benchmarking is available beyond what is displayed in this report.

Each year we fine-tune the benchmarking results, and with our expertise as an independent third-party actuarial consulting firm, do our best to provide answers to employers' biggest questions in 2024. Our experience and expertise allow us to show the whole story: past and present. You define the future. We will show you how to get there.

A big thank you is deserved for all involved in making the 2024 survey a great success!

Milliman Omaha

Health & Welfare

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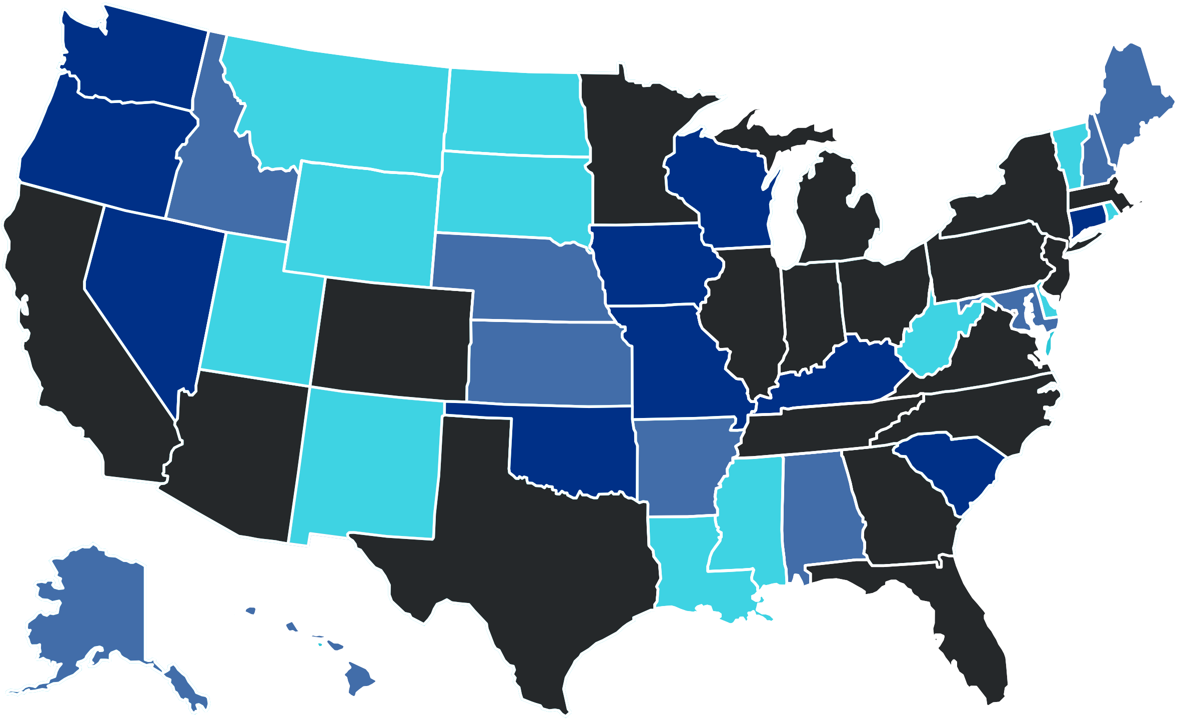
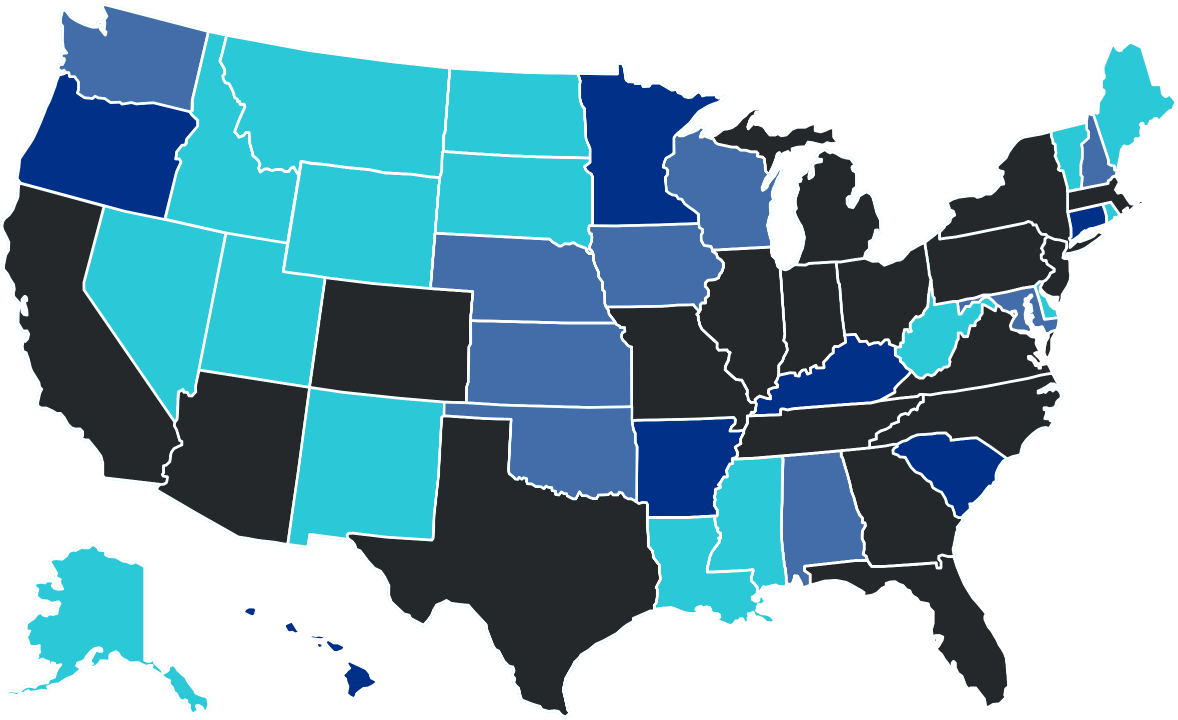


2023 AREAS SURVEYED

1-100 SURVEYS	101-250 SURVEYS	251-500 SURVEYS	501+ SURVEYS



2024 AREAS SURVEYED

YEAR TO YEAR

2024 was the fifth year the Benefits Benchmarking Database had participants from all 50 states and D.C.

California had the most participants in 2024

Arkansas had the largest percent increase of participants from 2023 to 2024

The North Atlantic Region[1] had the largest number of participants in 2024

[1] The North Atlantic Region includes Connecticut, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont

2024 NATIONAL STATISTICS*

2.5 Million

EMPLOYEES REPRESENTED

$34.6 Billion

HEALTHCARE DOLLARS SPENT

27,325

COMPANIES PARTICIPATING

ORGANIZATIONAL STRUCTURE

Corporation - Privately Held (LLC)	71%
Corporation - Publicly Held	14%
Partnership (LLP or Other)	9%
Government Organization	6%
Non-Profit Organization	12%
Not-for-Profit Organization	5%
Organized Labor Unions	6%

 Based on the 2024 National survey responses

INDUSTRY BREAK DOWN

54 Professional, Scientific, and Technical Services	21%
31-33 Manufacturing	12%
62 Health Care and Social Assistance	9%
42 Wholesale Trade	7%
52 Finance and Insurance	7%
23 Construction	7%
44-45 Retail Trade	6%
81 Other Services (except Public Administration)	5%
53 Real Estate and Rental and Leasing	5%

MILLIMAN'S ONLINE TOOLS AT YOUR FINGERTIPS

BENCHMARKING FOR TODAY.VISION FOR TOMORROW.

You have access to online tools that are intuitive, ease to use, and flexible with extensive drill down capabilities. With these benchmarks in hand, you will be able to design your best benefit plans, understand costs, find new insights into trends, and most importantly, attract and retain key employees.

Over 27,000 employer participants nationwide

Multiple drilldowns available so you can customize your experience

View your results alongside benchmarks within 30 minutes

BENEFITS BENCHMARKING

DRILLDOWN BY:

CITY

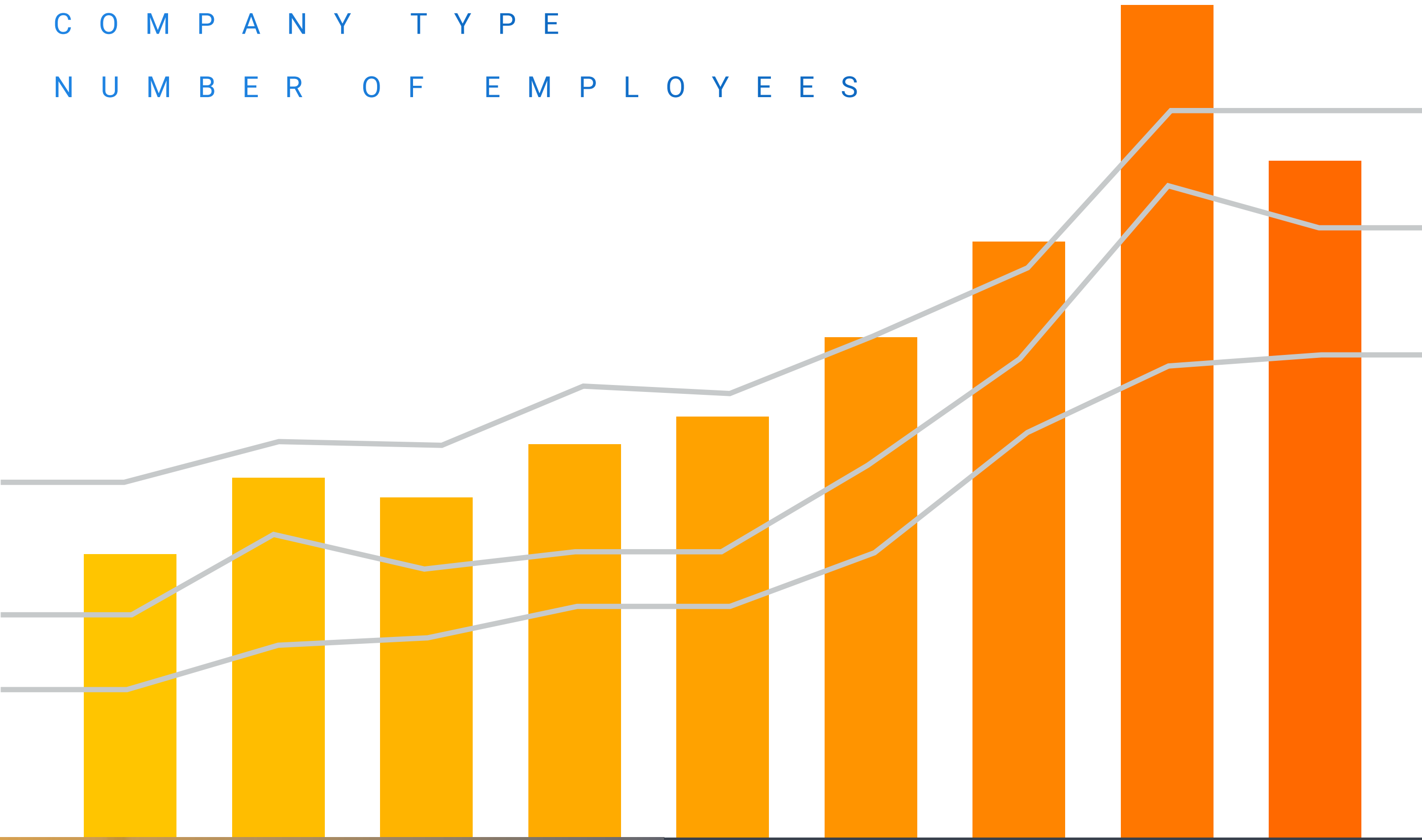
STATE

INDUSTRY

NAICS CODE

COMPANY TYPE

NUMBER OF EMPLOYEES



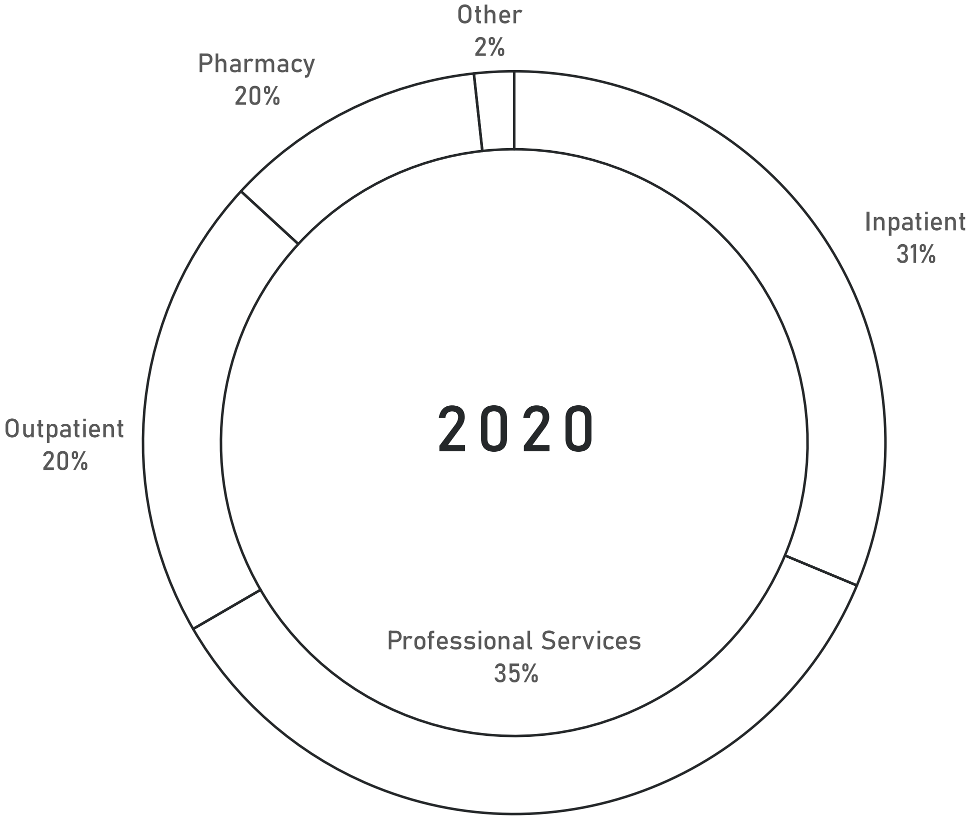
Milliman Benefits Benchmarking is a comprehensive benchmarking tool covering over 100 data points including deductible, coinsurance, copays, premiums and employee contributions and offers comparison by company type, region, and industry. Milliman Benefits Benchmarking also covers components including dental, ancillary and new trends in benefits.

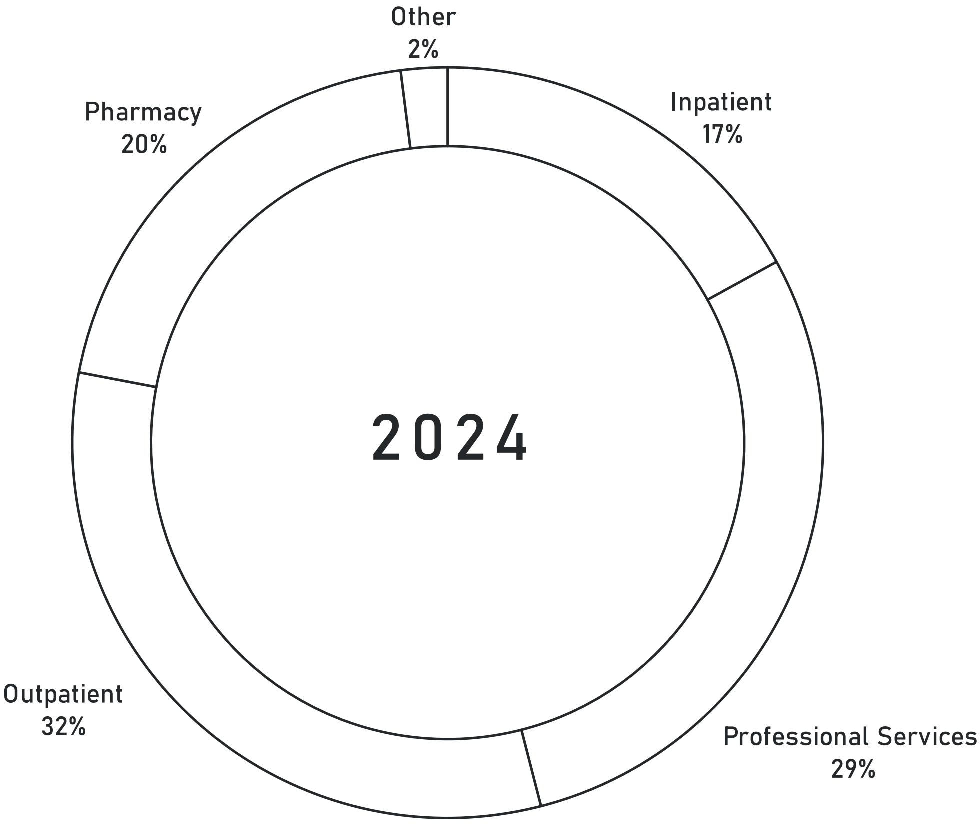
MEDICAL

COMPONENTS OF SPENDING

2024 Milliman Medical Index

The components of spending represent those of a “typical American family of four” defined as a male age 47, a female age 37, child age 4, and a child under the age of 1.

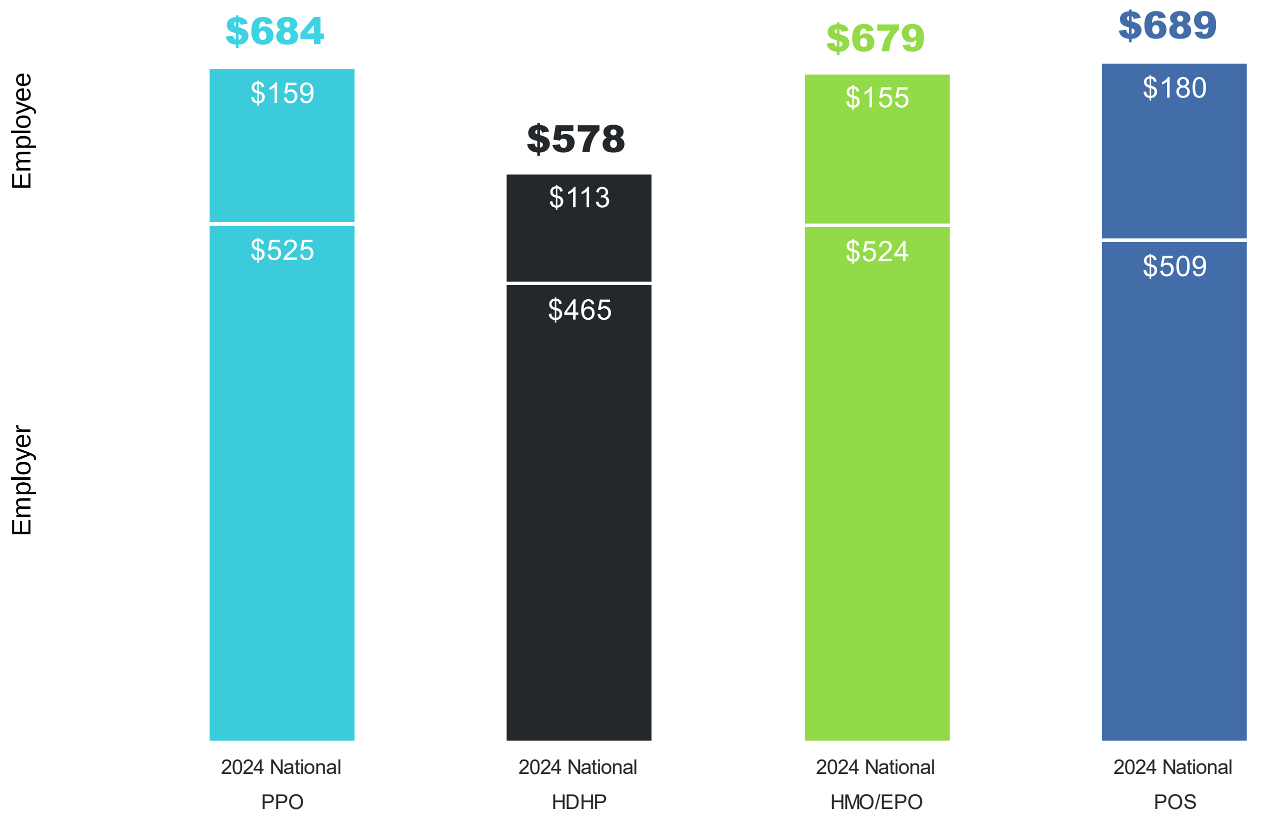




*2024 Milliman Medical Index (May 2024): Figure 2: 2024 MMI Components of Spending for an Average Person
Percentages may not add to 100% due to rounding

PREMIUM RATES

Employee Only

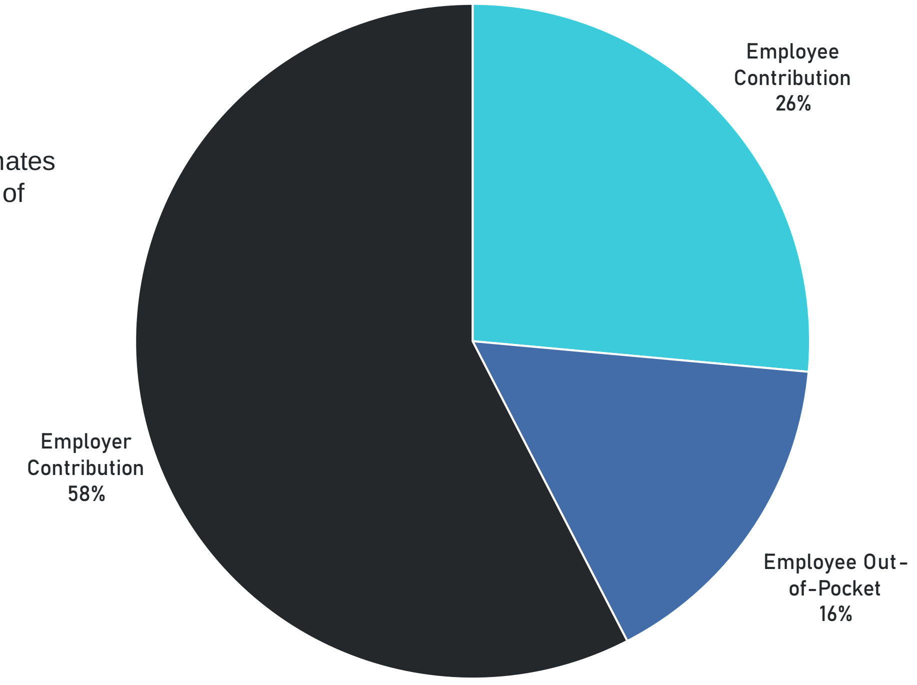


Based on the 2024 National survey responses

EMPLOYEE'S SHARE OF HEALTHCARE COSTS

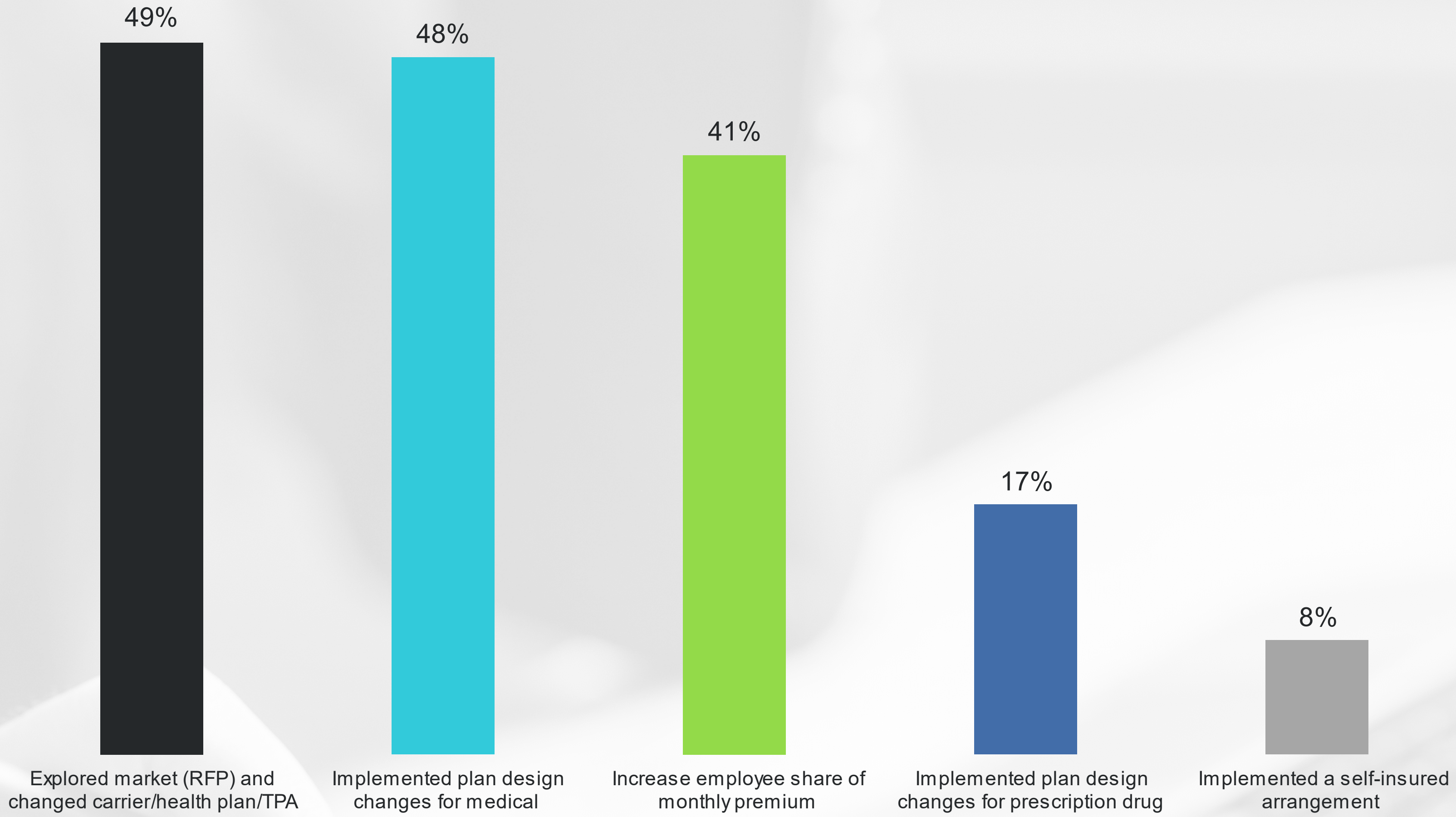
2024 Milliman Medical Index

For an average person, the Milliman Medical Index estimates that employers paid for 58% of the total costs in 2024.

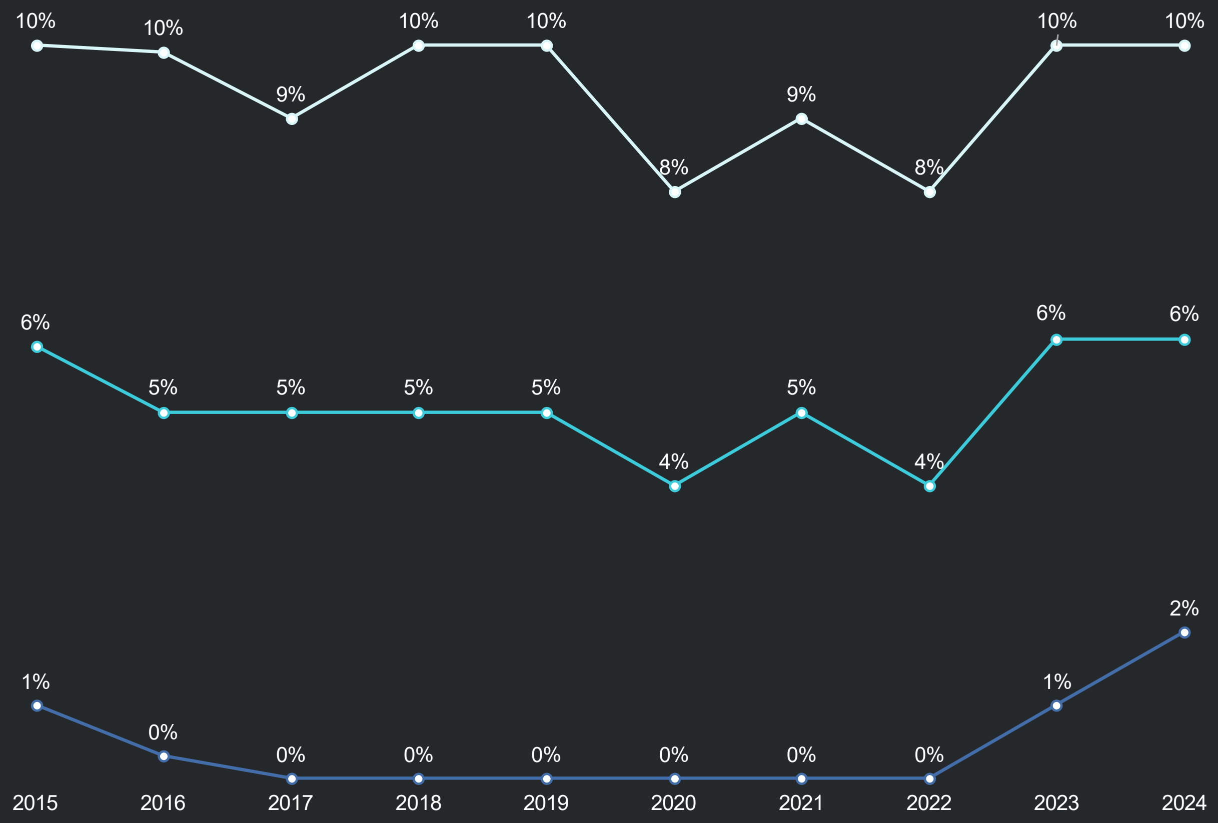


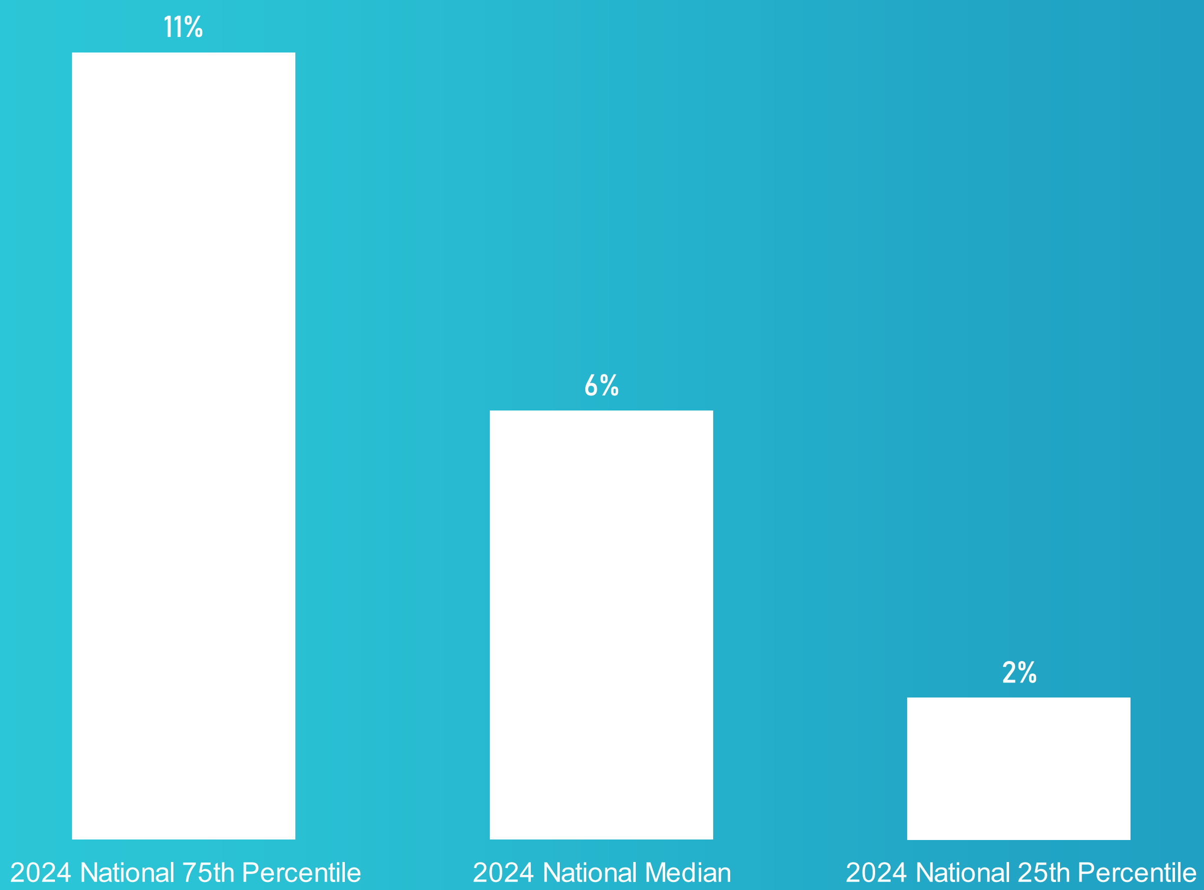
*2024 Milliman Medical Index (May 2024): Figure 3 – Healthcare Cost by Source of Payment for an Average Person
Percentages may not add to 100% due to rounding

MANAGING COSTS



HEALTHCARE INFLATION





Based on the 2024 National survey responses

FINAL COST INCREASE

AFTER ALL PLAN DESIGN CHANGES

Year after year, national healthcare costs continue to increase. One of the possible contributors is the increased risk of chronic illness due to lifestyle habits and choices. Nationally, we have higher risks for sicknesses such as diabetes, heart disease, or cancer because of things such as smoking or obesity. This increased risk along with the need for more medication trigger higher premiums, especially as people age. Another contributing factor is changes in government policy to better manage health care costs. When policy changes occur, it causes a fluctuation in the demand for healthcare coverage. This fluctuation in demand has a direct impact on the costs of healthcare.[1]

Additionally, there continues to be an increase in utilization and spend towards glucagon-like peptide-1 (GLP-1) medications. These drugs are commonly seen in both type 2 diabetes treatments and chronic weight management treatments. Under Medicaid, GLP-1 medications have widespread coverage for type 2 diabetes treatments, unlike chronic weight management treatments. However, with approximately 42% of the U.S. population having obesity, there is an increase in the demand for GLP-1 medications for weight-loss solutions more broadly. Given the high demand and high cost of these drugs, employers should take proper actions (care management, medication counseling, education, etc.) which are essential to manage the impact these drugs may have on their health plan.[2,3]

1. https://www.thebalance.com/causes-of-rising-healthcare-costs-4064878
2. https://www.milliman.com/-/media/milliman/pdfs/2024-articles/1-18-24_glp1-agonists-in-medicaid-utilization-growth-and-management.ashx
3. https://www.milliman.com/en/insight/payer-strategies-glp-1-medications-weight-loss

Rx DRUG RATES COPAYS

	PPO	HMO/EPO	POS
Generic	$10	$15	$10
Form	$40	$35	$40
Non-form	$70	$70	$75
Specialty	$150	$125	$200

23% of medical plans require mandatory generic drugs

According to the 2024 Milliman Medical Index (MMI), pharmacy costs for the average person grew by 13.0% from 2023 to 2024.

 Based on the 2024 National survey responses

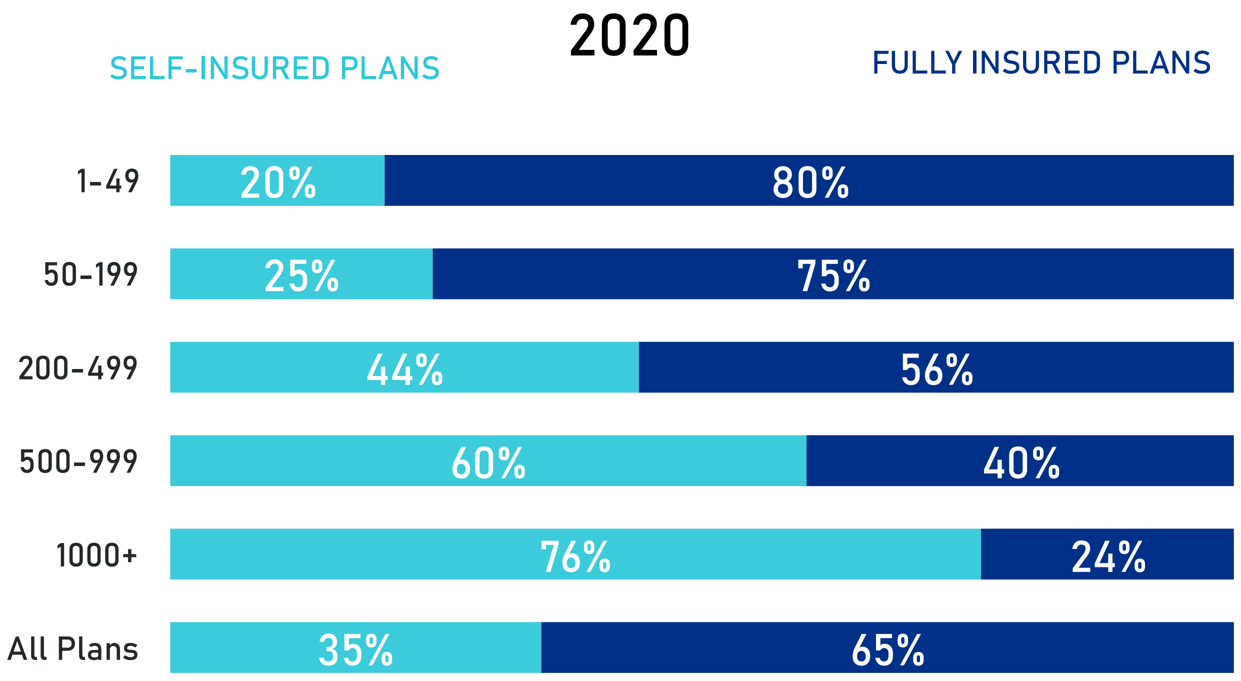
PRICE

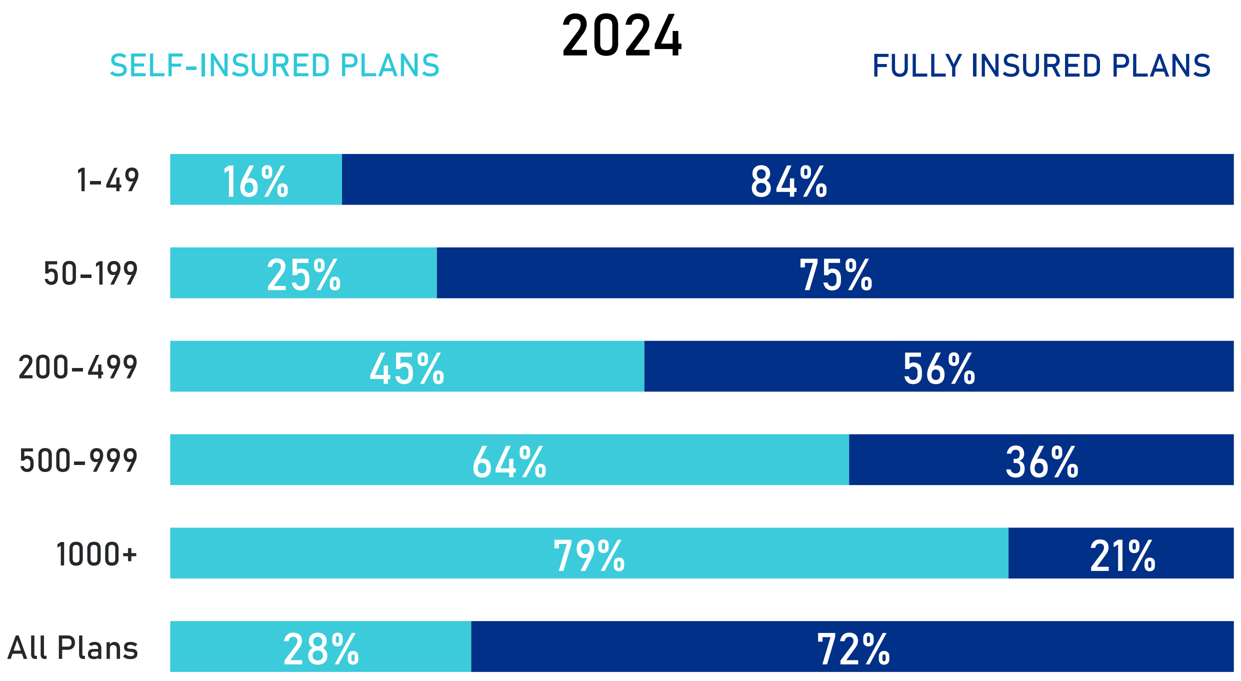
TRANSPARENCY

With a growing emphasis on price transparency, the healthcare market is one of the few that is a step behind - most do not know they can shop healthcare pricing. Among a few organizations that focus on shedding light onto price transparency, the Free Market Medical Association is a great resource that shows what hospitals charge for common procedures in different areas. Another way to find prices associated with procedures is going to Medicare.gov and using their Procedure Price Lookup tool. This allows you to see how much a procedure would cost under Medicare. These are two ways to supplement clarity around healthcare costs.

FUNDING STRATEGIES

Milliman’s Self-Insured Feasibility Analysis (SIFA) calculates the cost savings or increase from a self-insured funding arrangement. We take the guess work out of an employer’s difficult decision and provide a clear picture of what a funding change will look like for both the short and long term. If you are interested in finding your potential cost savings, contact your Milliman consultant.





Based on the 2024 National survey responses

ADDITIONAL CONTRIBUTION STRATEGIES

SPOUSAL CARVE OUT	3%
SPOUSAL SURCHARGE	3%

$100 median spousal surcharge monthly amount

SMOKER DIFFERENTIAL	$50
% of Employers offering	5%

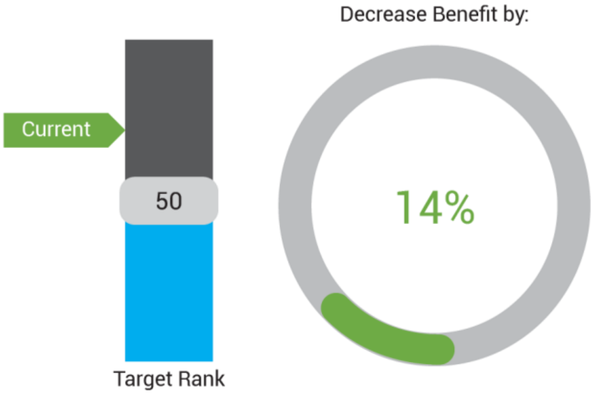
WELLNESS DIFFERENTIAL	$50
% of Employers offering	6%

MEDICAL WAIVER CREDIT	$150
% of Employers offering	3%

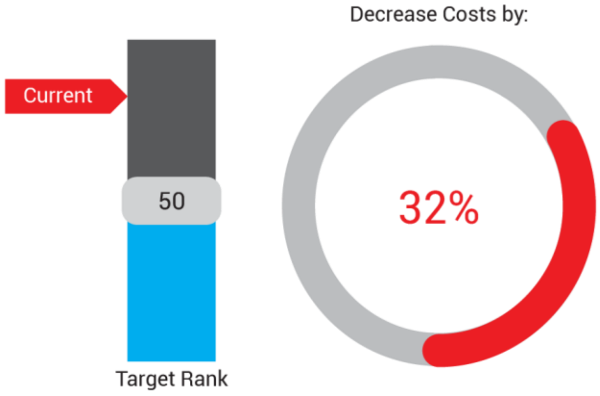
MILLIMAN'S ONLINE TOOLS AT YOUR FINGERTIPS

BPS helps each employer "position" their benefit plans relative to others in the nation, their specific industry, and their area. In short, it helps you determine where you are, where you want to be, and how far you have to go to get there. We process data from the Benefits Benchmarking database through our cost and utilization models to help employers see where they rank and how they compare to the market.

BENEFIT PLAN



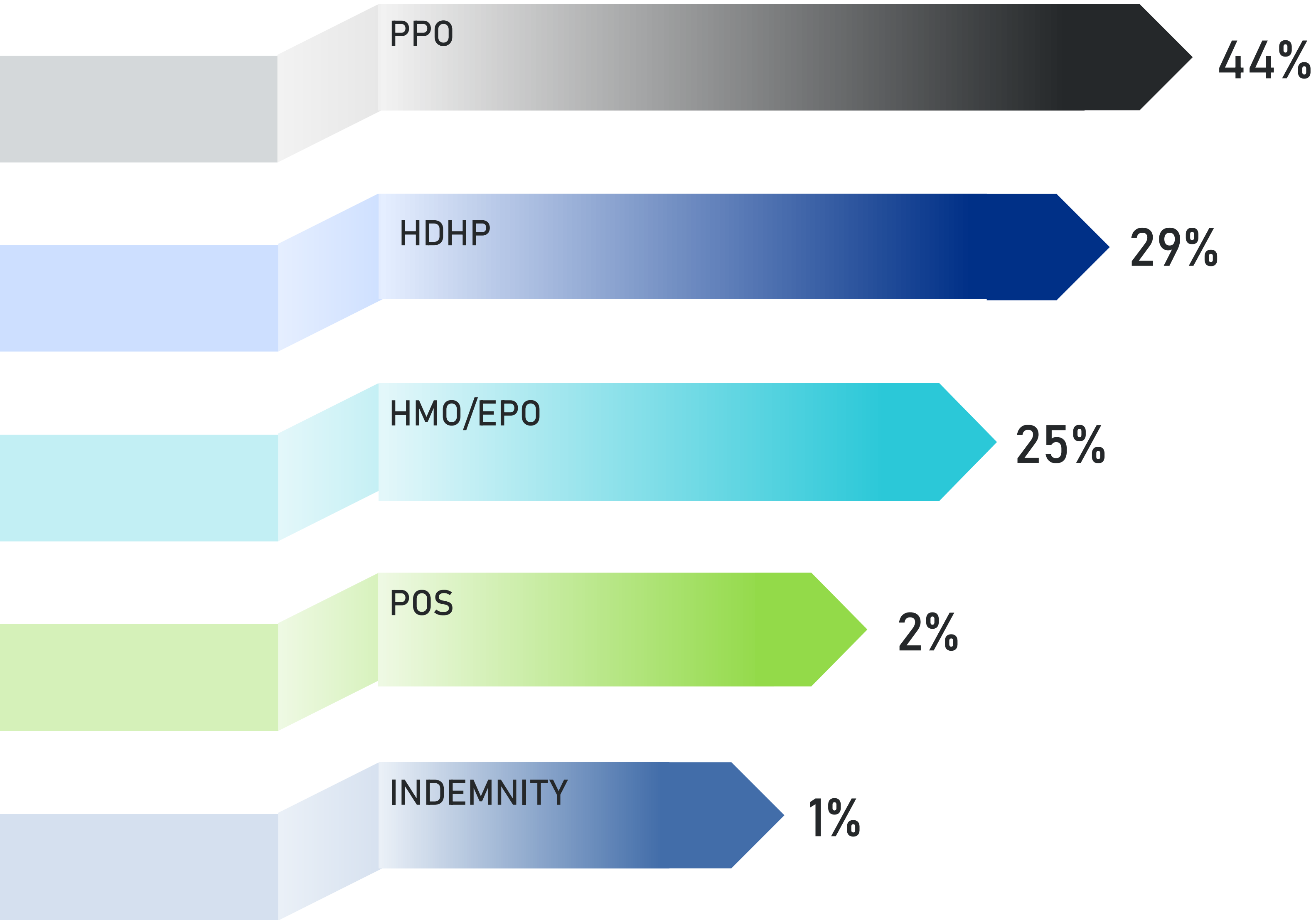
EMPLOYER COST



BPS

BENEFITS POSITIONING SYSTEM

PLAN PREVALENCE



NUMBER OF PLANS OFFERED

28%	29%	23%	20%
1 PLAN	2 PLANS	3 PLANS	4+ PLANS

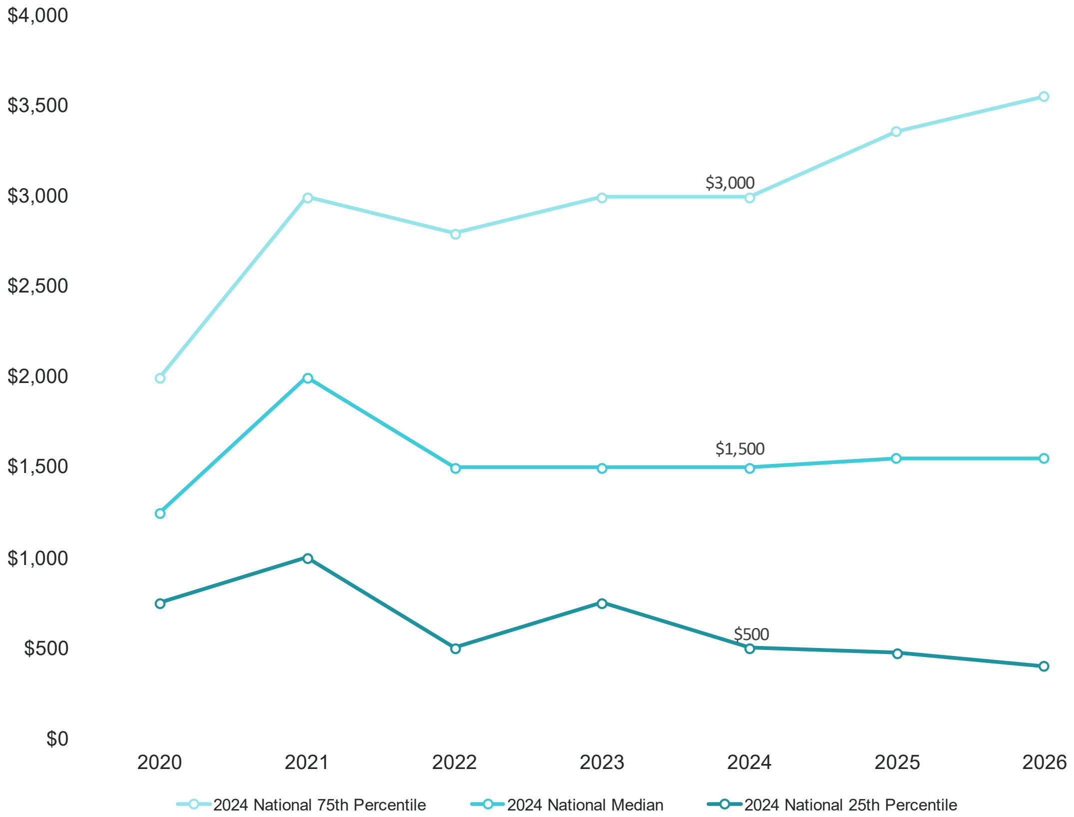
PPO

PLAN DESIGNS

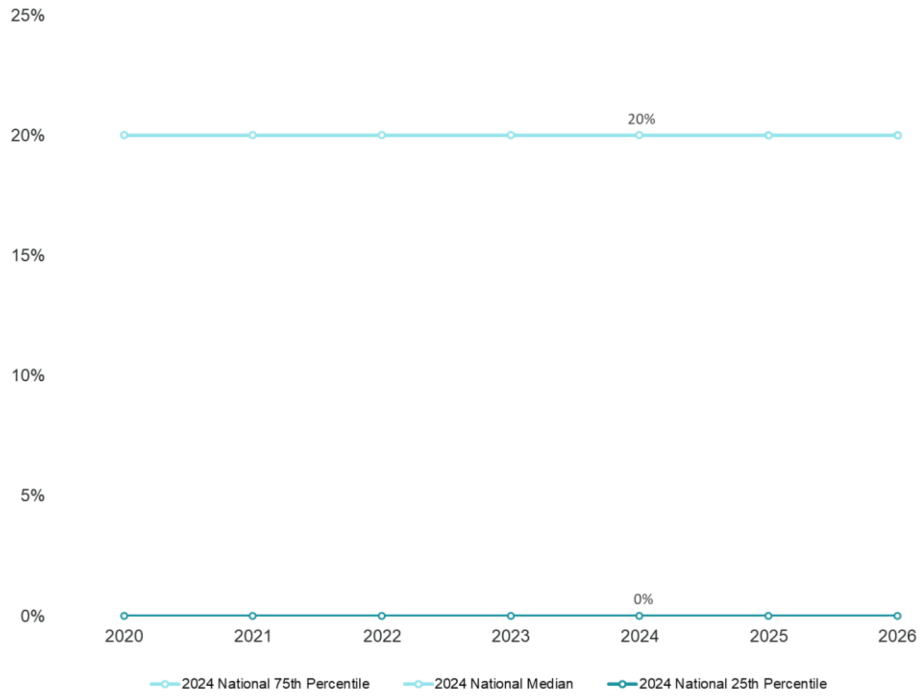
	2024 National (In-network/Out-of-network)
Deductible	$1500/$2000
Coinsurance	20%/50%
OOP Max	$5500/$10000
Office Visit Copay	$30
Specialist Copay	$50
Rx Copays (retail)	$10/$40/$70/$150

Based on the 2024 National medians

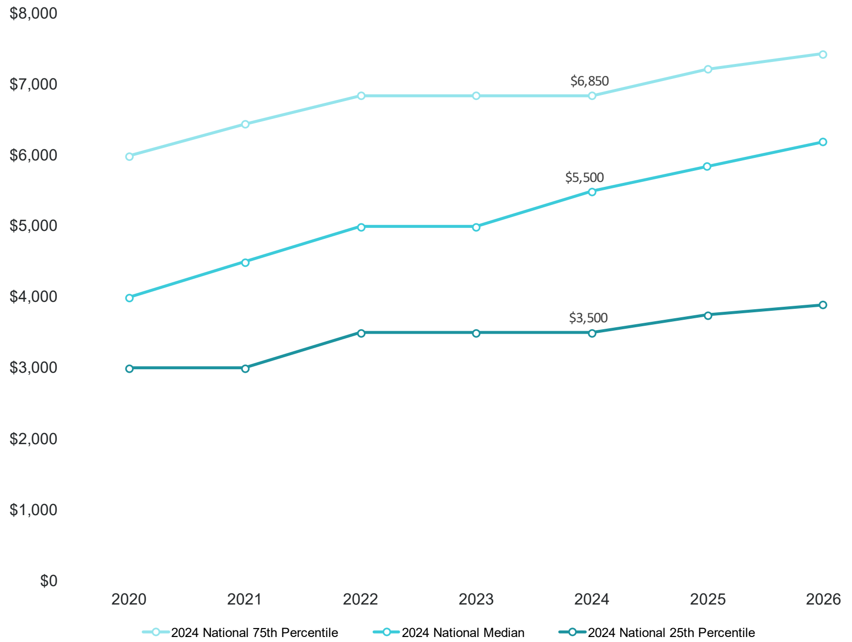
DEDUCTIBLE



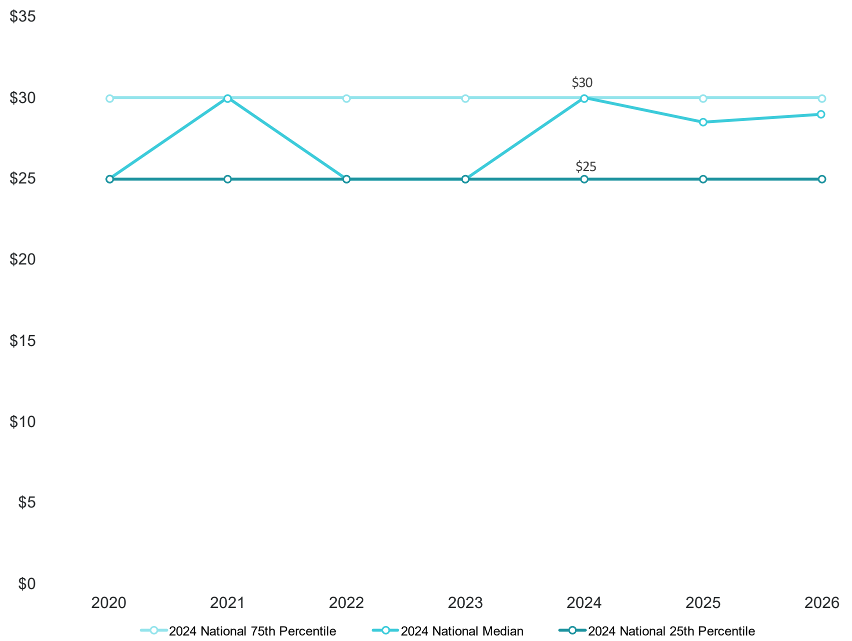
COINSURANCE



OUT-OF-POCKET MAX



OFFICE VISIT COPAY



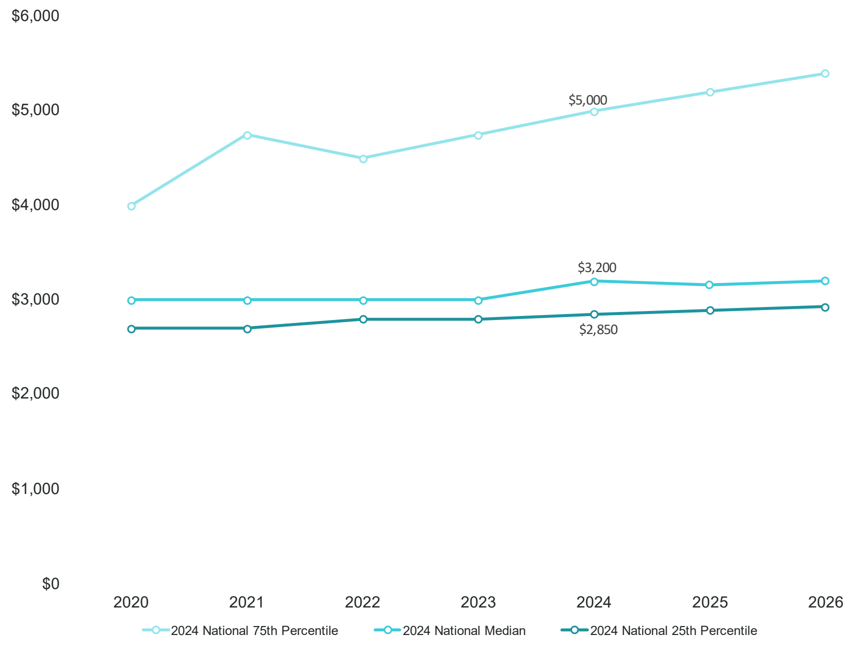
HDHP

PLAN DESIGNS

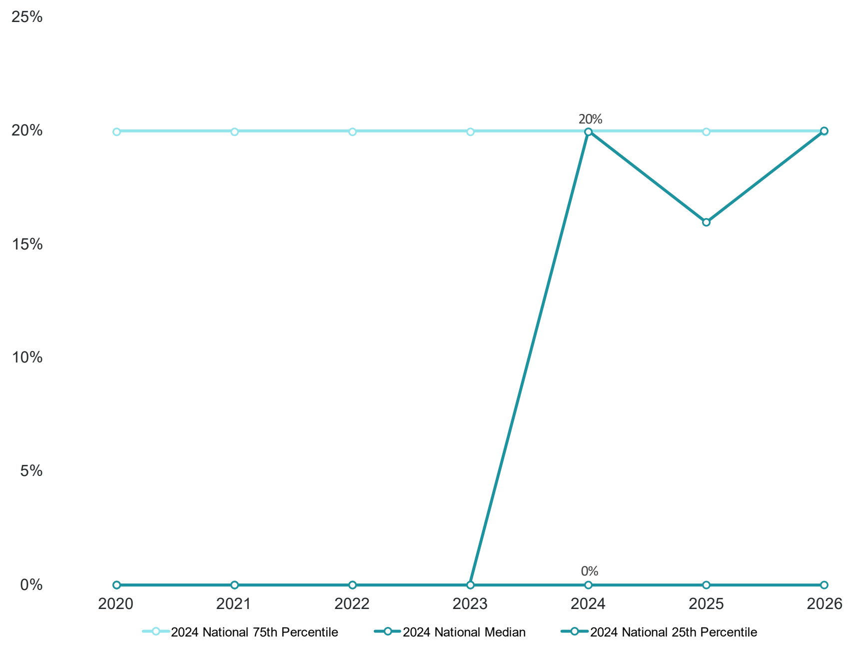
	2024 National (In-network/Out-of-network)
Deductible	$3200/$5000
Coinsurance	20%/50%
OOP Max	$6000/$10500
	Employee Only/Family
Employer Contribution (HSA/HRA)	$750/$1250

Based on the 2024 National medians

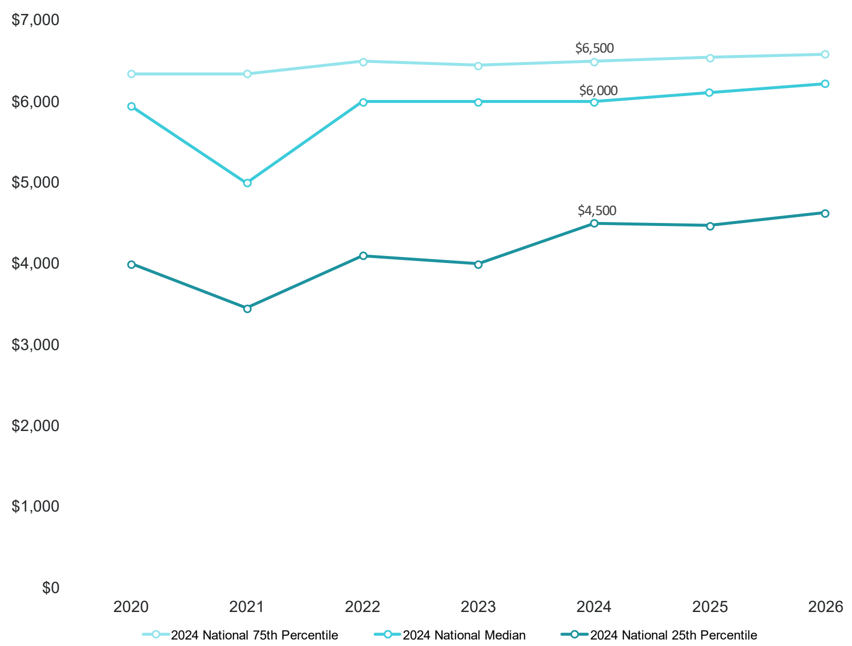
DEDUCTIBLE



COINSURANCE



OUT-OF-POCKET MAX



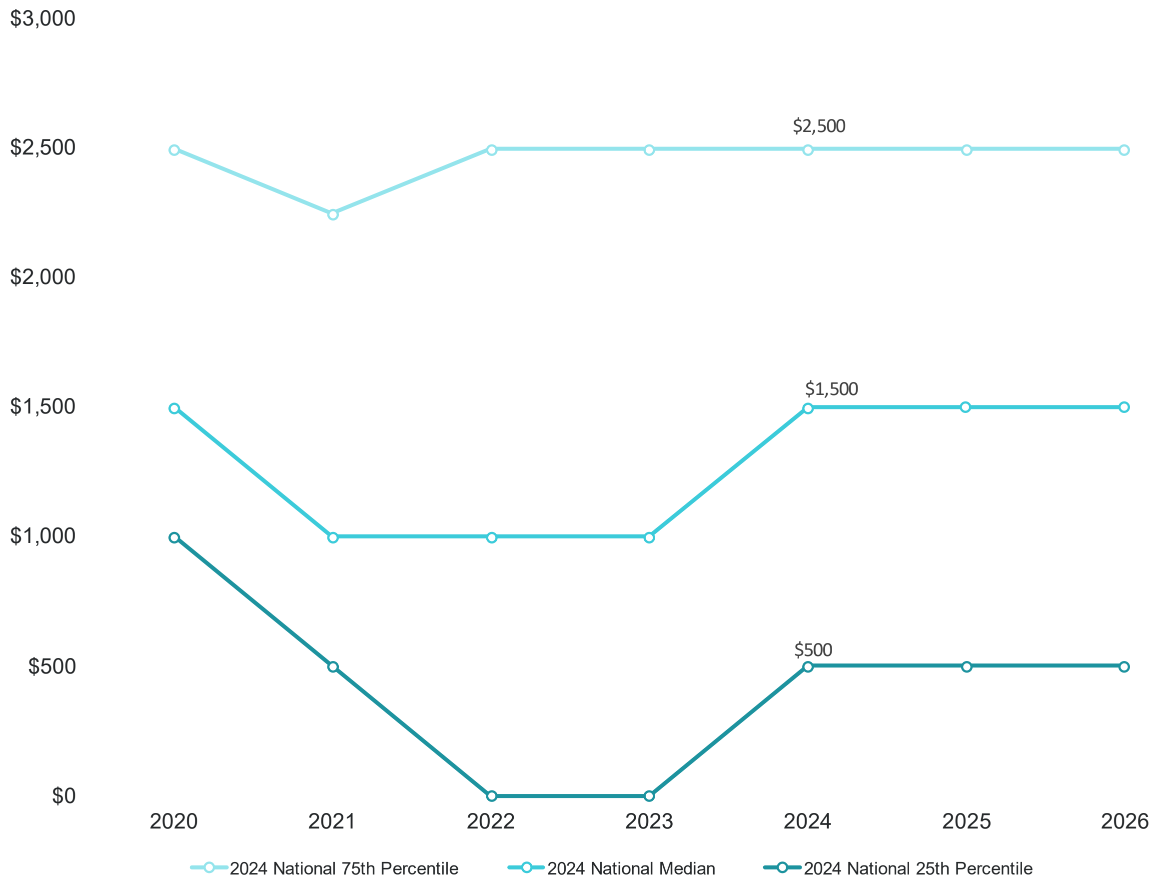
HMO

PLAN DESIGNS

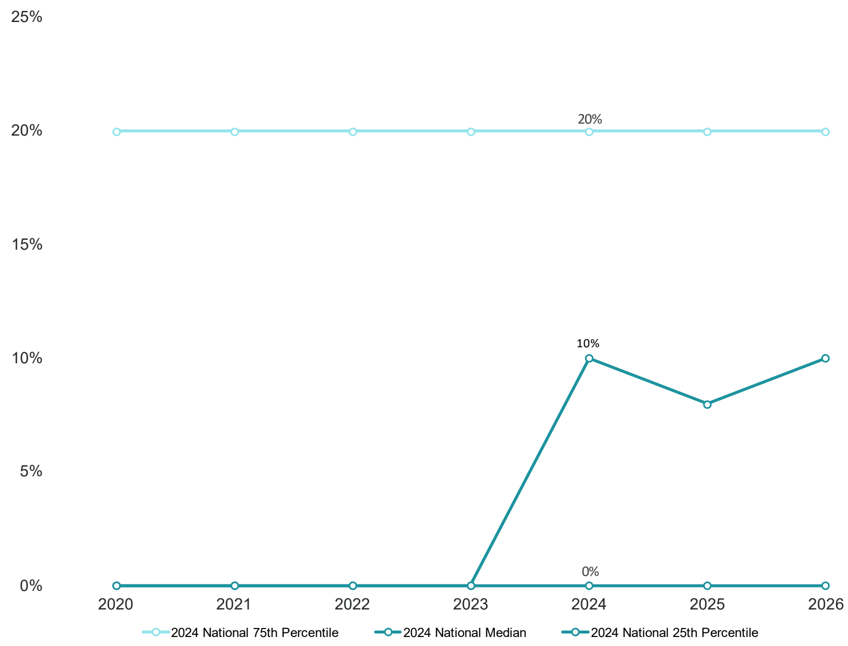
	2024 National (In-network)
Deductible	$1,500
Coinsurance	10%
OOP Max	$5,000
Office Visit Copay	$25
Specialist Copay	$50
Rx Copays (retail)	$10/$45/$70/$125

Based on the 2024 National medians

DEDUCTIBLE



COINSURANCE



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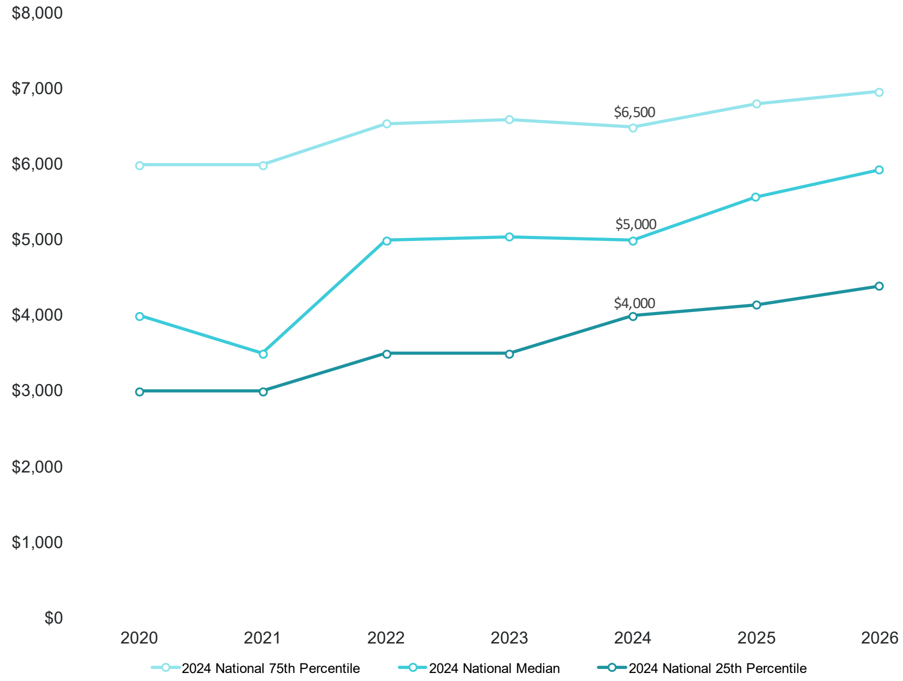

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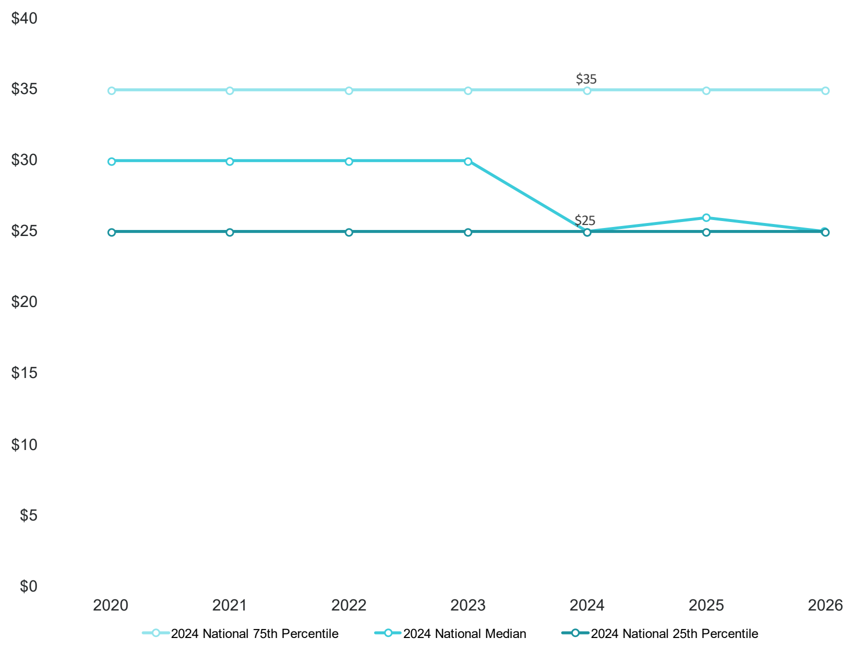


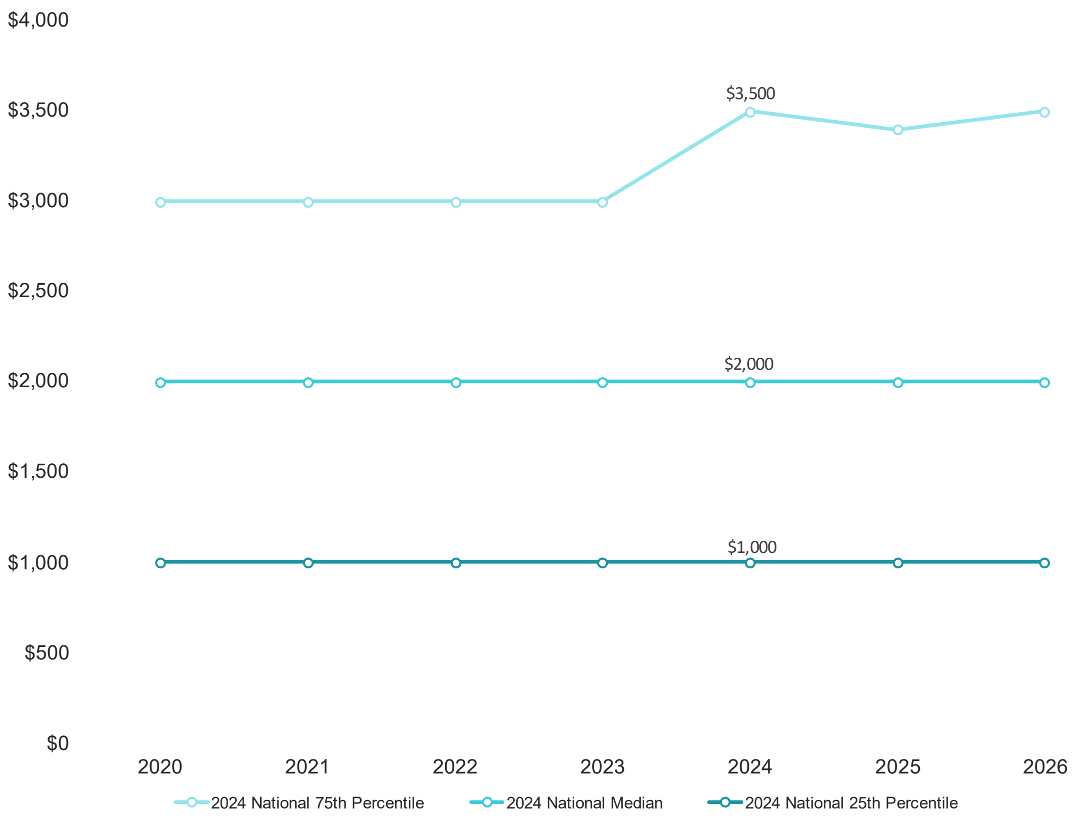
POS

PLAN DESIGNS

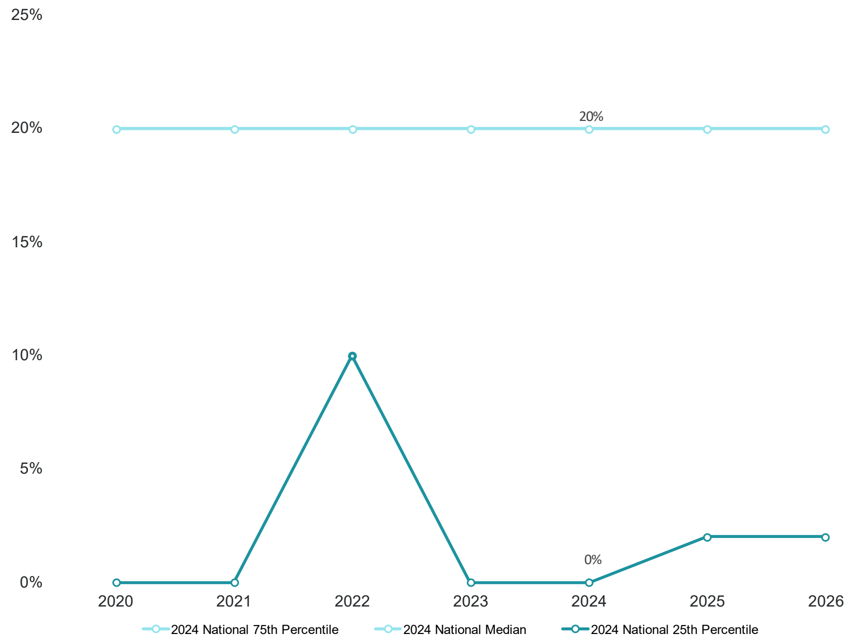
	2024 National (In-network/Out-of-network)
Deductible	$2000/$4000
Coinsurance	20%/50%
OOP Max	$6000/$12100
Office Visit Copay	$30
Specialist Copay	$60
Rx Copays (retail)	$10/$40/$75/$200

Based on the 2024 National medians

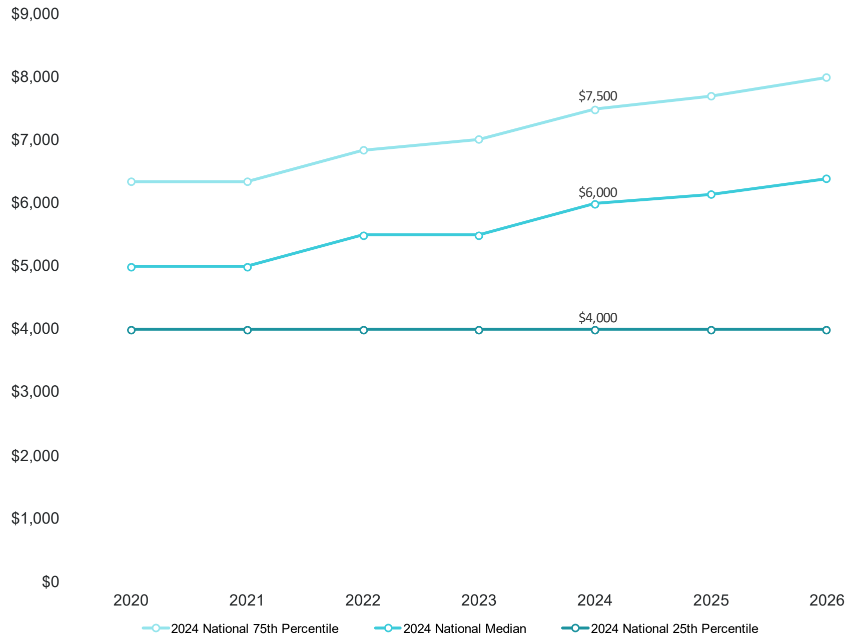
DEDUCTIBLE



COINSURANCE



OUT-OF-POCKET MAX



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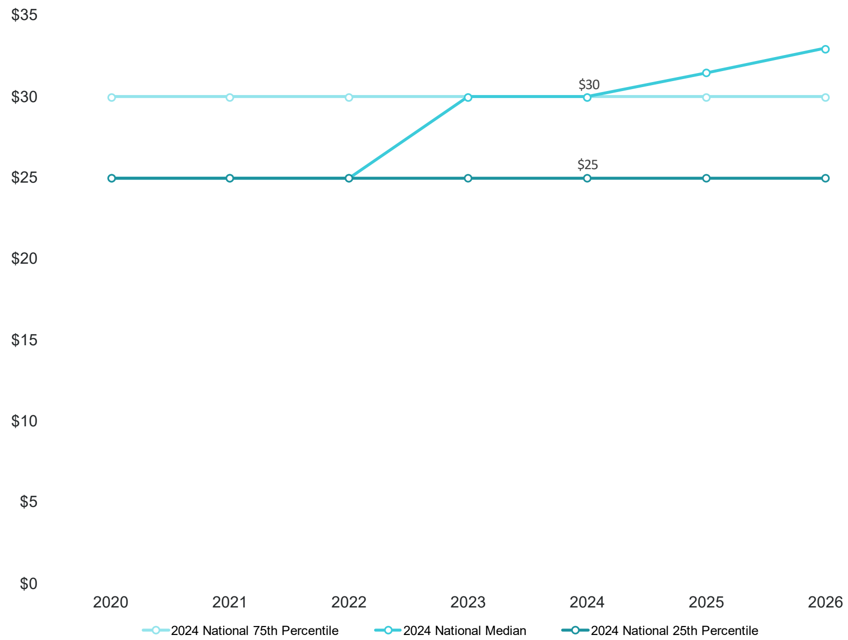
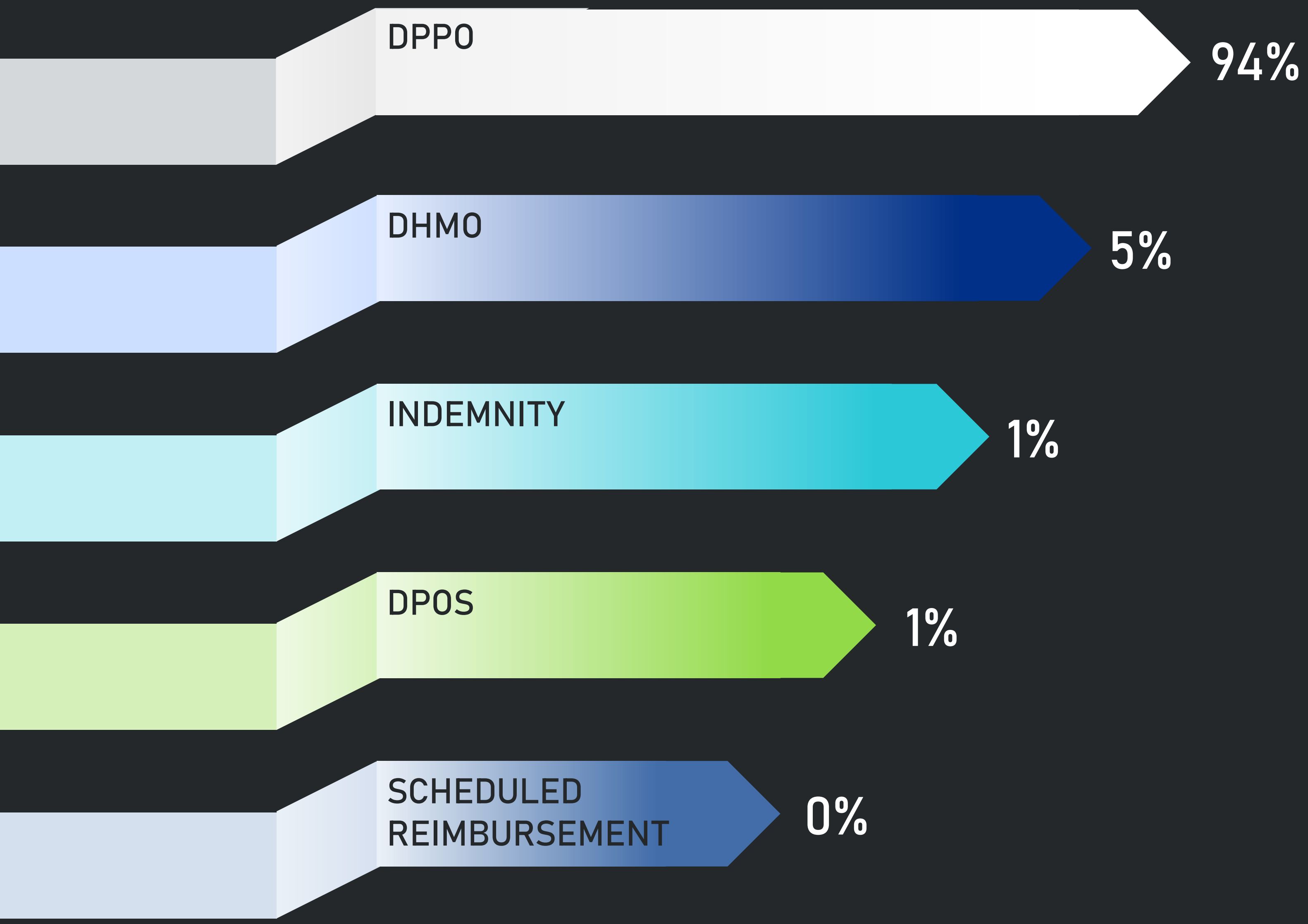


DENTAL

PLAN PREVALENCE



NUMBER OF PLANS OFFERED

75%
1 PLAN

24%
2 PLANS

2%
3 PLANS

18% of employers offer no coverage

DPPO

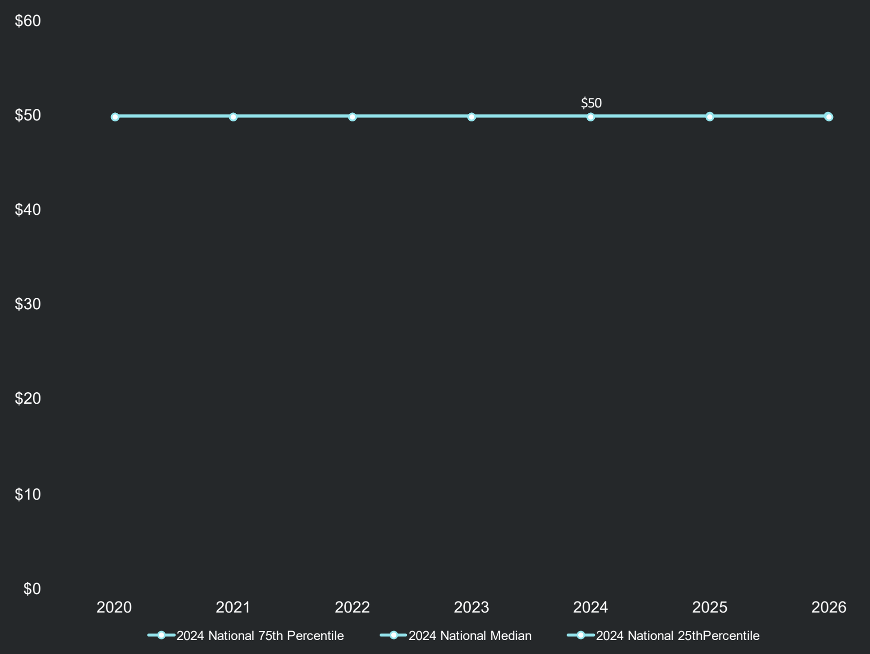
PLAN DESIGNS

		2024 National (In-network/Out-of-network)
Deductible		$50/$50
Coinsurance	Preventative	0%
	Basic	20%
	Major	50%
	Orthodontia	50%
Annual Max		$1500/$1500
Ortho Max		$1250/$1500

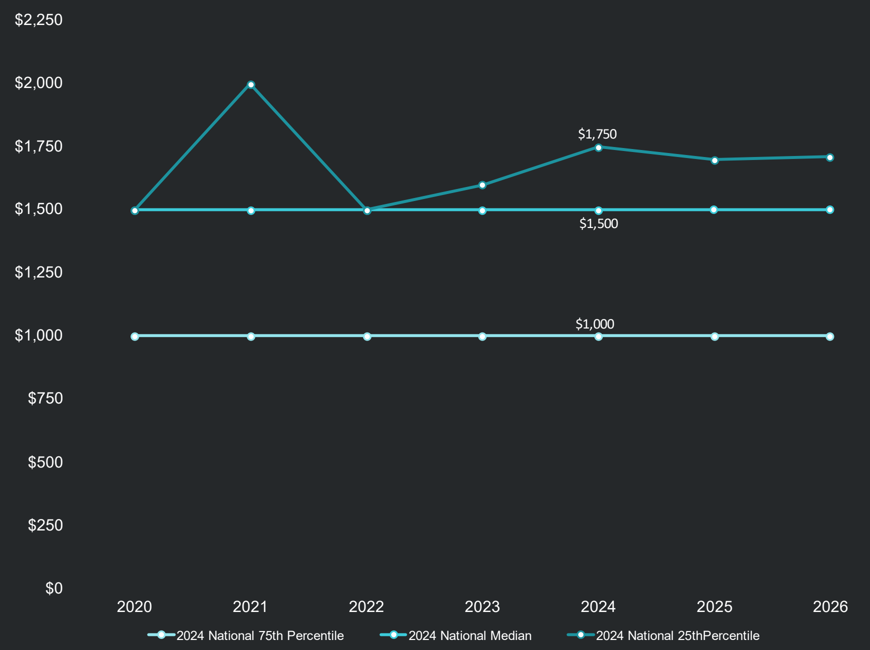
Dental plans have remained fairly constant over the past 5 years in terms of the deductible, annual benefit maximums, and orthodontia maximum. We expect these levels to remain constant.

Based on the 2024 National medians

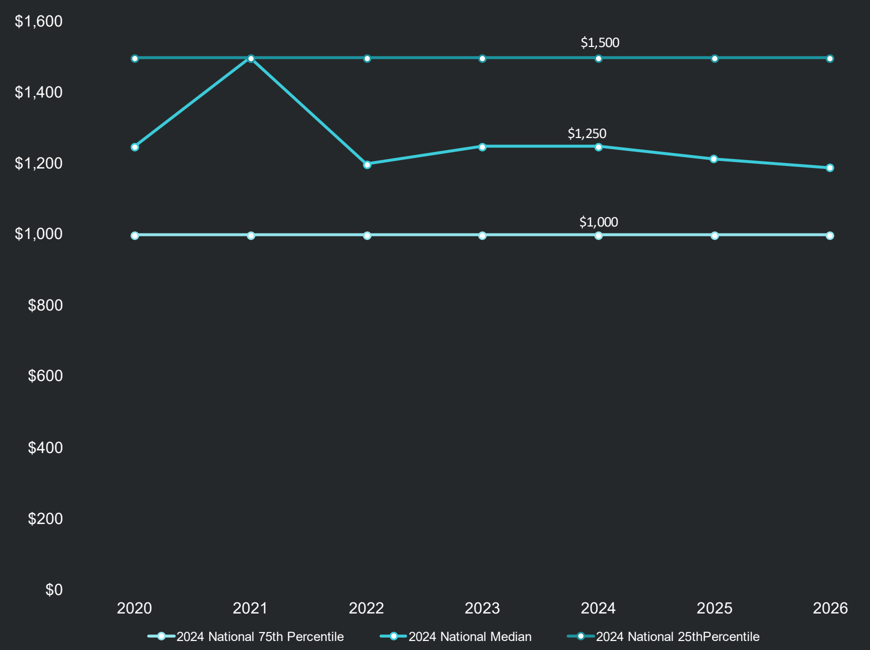
DEDUCTIBLE



ANNUAL BENEFIT MAX



ORTHO MAX

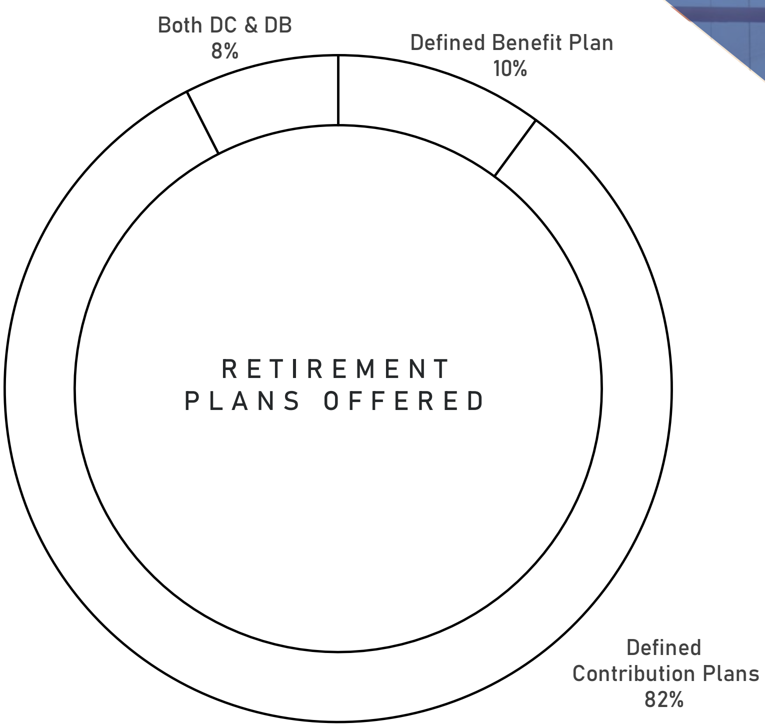


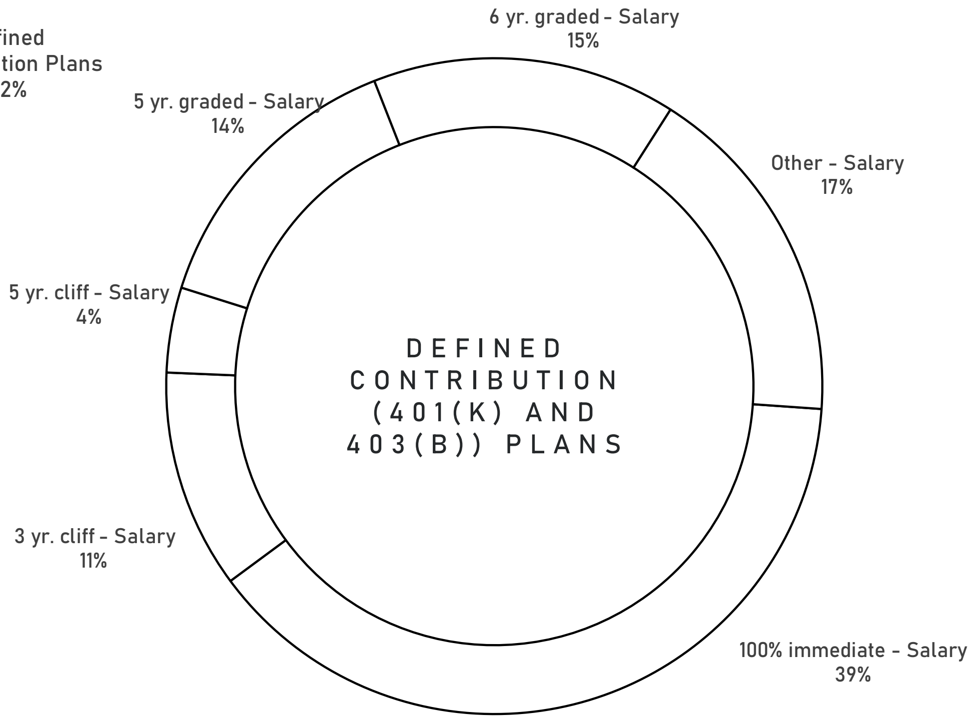
ANCILLARY
BENEFITS

VISION
BENCHMARKS

	Copay	Coverage
EYE EXAMS Once every 12 months	$10	$39
FRAMES Once every 24 months	$25	$130
LENSES Once every 12 months	$25	$130
CONTACT LENSES Once every 12 months	$20	$130

Based on the 2024 National survey responses



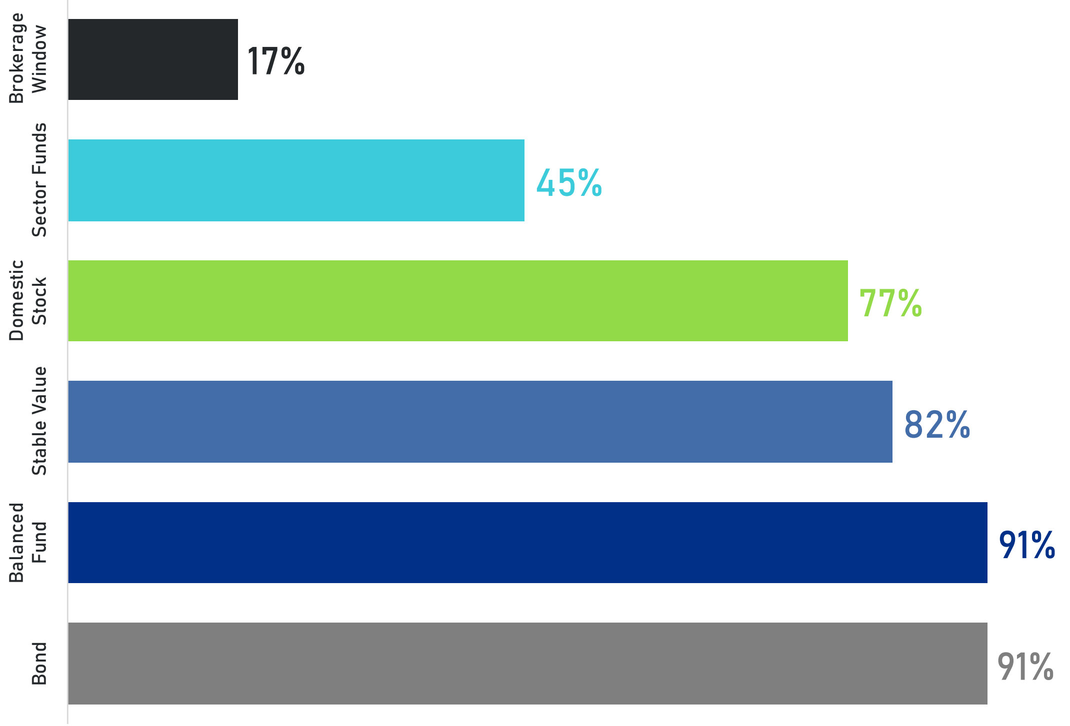


RETIREMENT

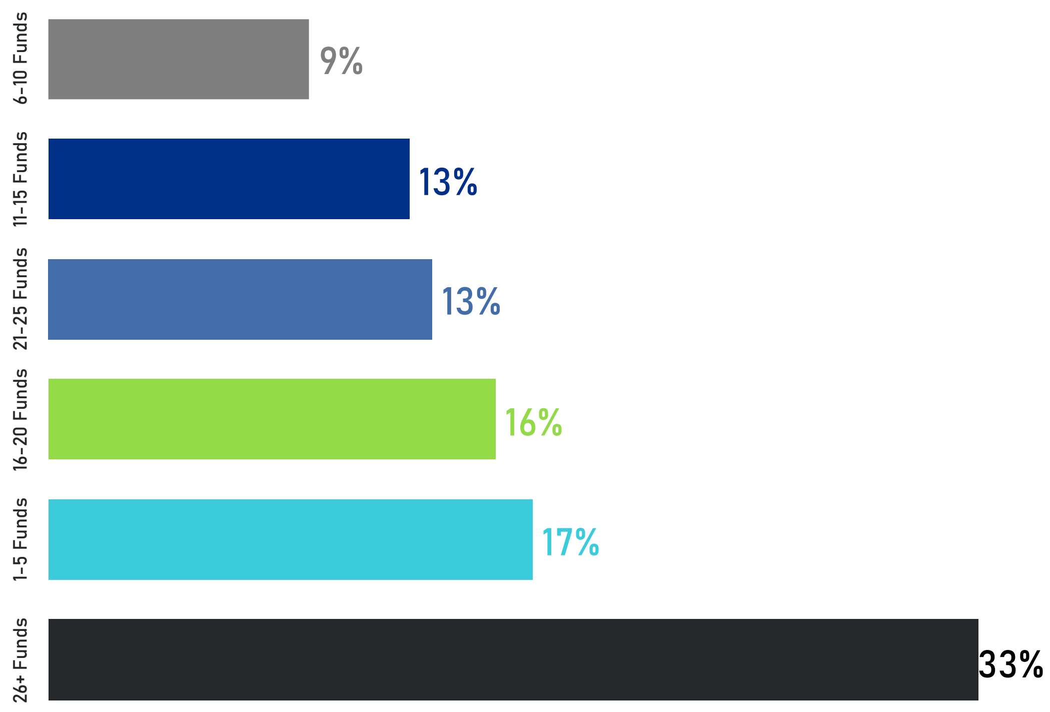
For many years, employer sponsored retirement plans have been shifting toward defined contribution (DC) plans such as 401(k) and 403(b), as opposed to the more traditional defined benefit (DB) plans. More and more, people are starting to save earlier.

 Based on the 2024 National survey responses

INVESTMENTS OFFERED

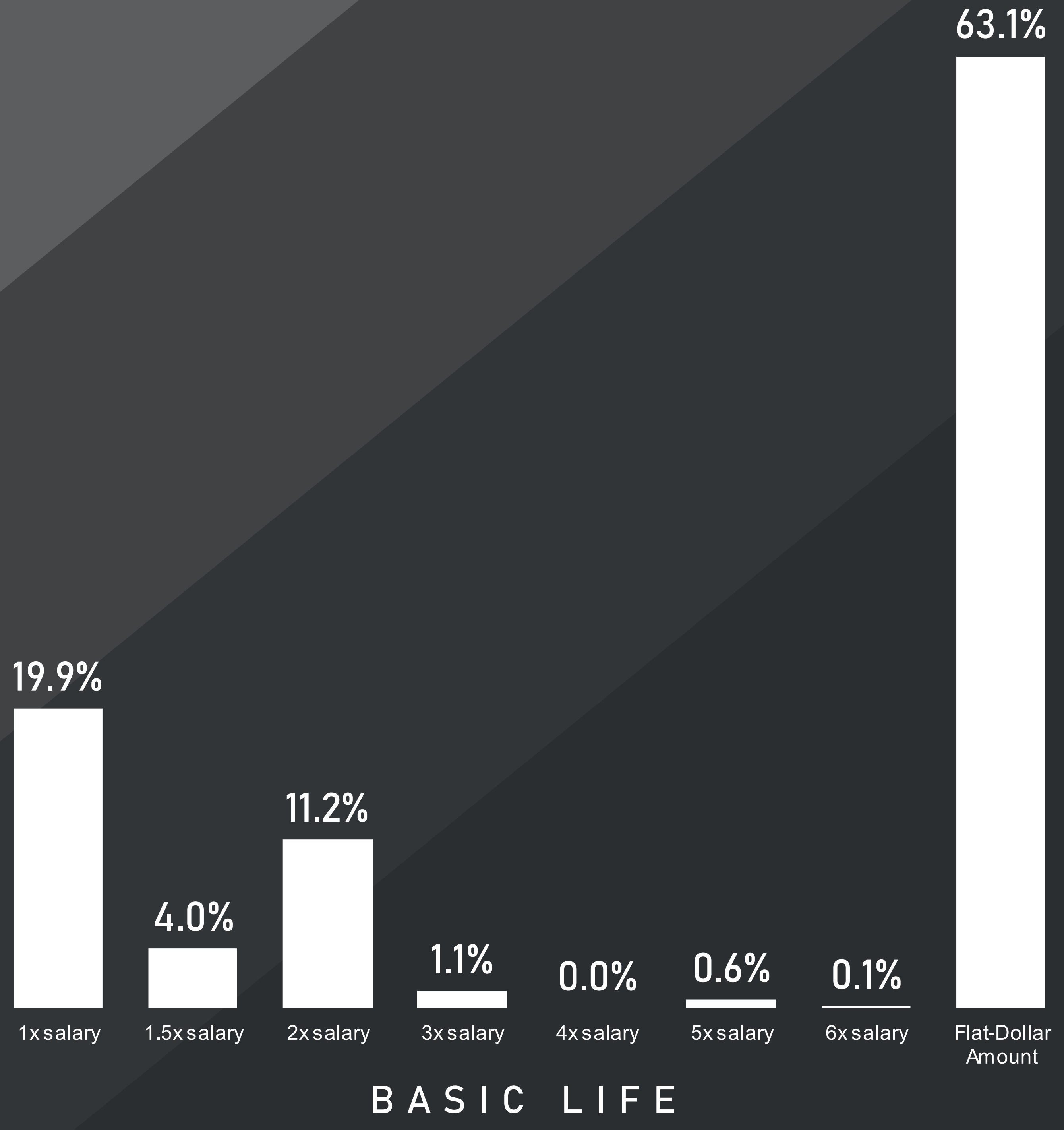


NUMBER OF FUNDS OFFERED



LIFE

Basic Life insurance benefit levels have remained constant for a number of years with Flat-Dollar amount being the most common and 1x Salary being the second most common



Based on the 2024 National survey responses

LONG TERM

60% of salary replaced is offered by 86% of employers

100% premium paid is offered by 78% of employers

90 day elimination period is offered by 68% of employers

SHORT TERM- ACCIDENT & ILLNESS

60% of salary replaced is offered by 75% of employers

100% premium paid is offered by 66% of employers

13 week duration period is offered by 40% of employers

DISABILITY

Long Term and Short Term Disability medians have not changed significantly from 2023 to 2024. Above are the medians for 2024.

TIME OFF

PTO BANK MEDIANS

15 DAYS
NEW HIRE

17 DAYS
1-5 YEARS

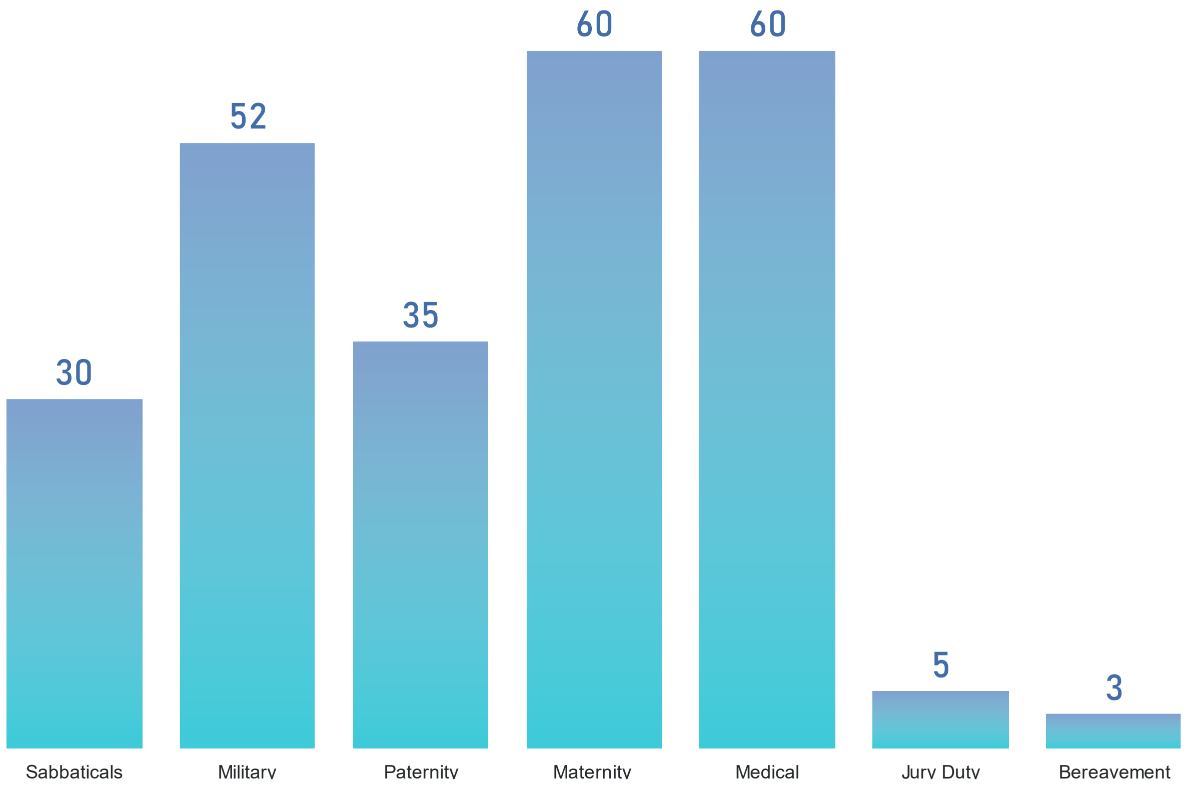
21 DAYS
6-9 YEARS

25 DAYS
10+ YEARS

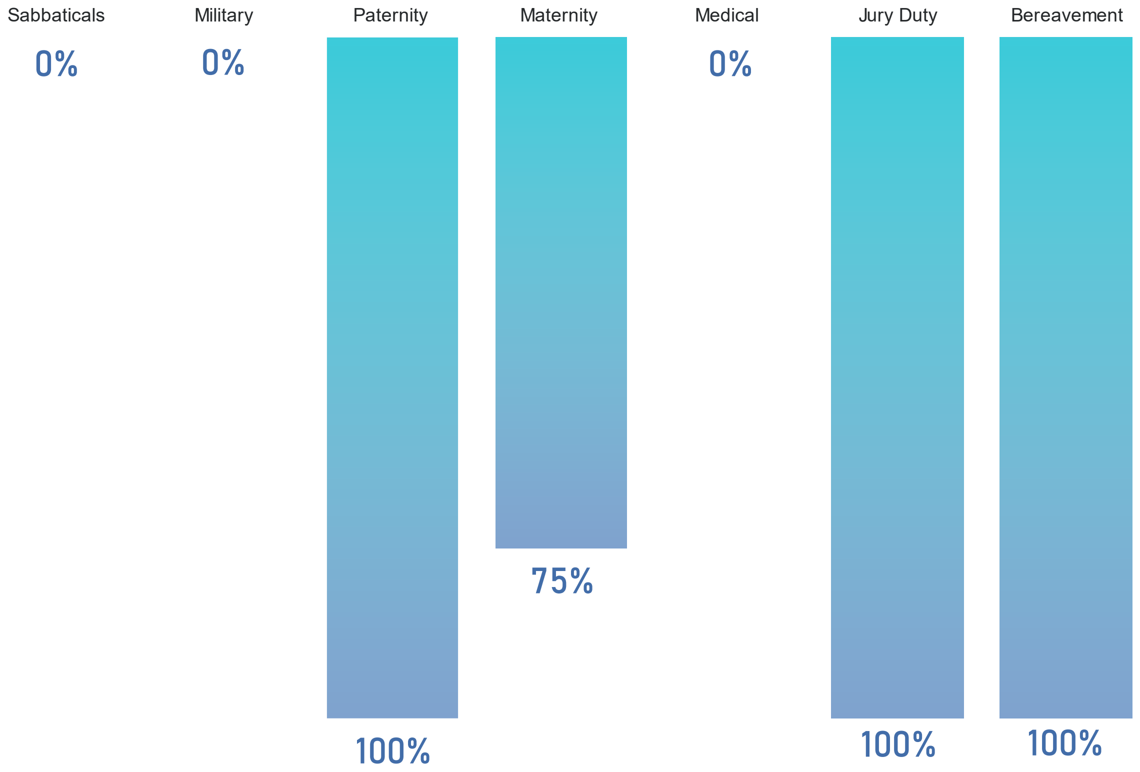
4% of employers offer unlimited PTO

Based on the 2024 National survey responses

DURATION (DAYS)



LEAVES OF ABSENCE



PERCENT OF SALARY

WELLNESS

Wellness programs are designed to better the health and morale of your employees. As an additional bonus, this creates savings within healthcare costs. Based on those offering nationally, below are the most common wellness programs.

TOP 5 WELLNESS PROGRAMS

83%
Employee assistance programs

49%
Web-based resources for healthy living

46%
Wellness newsletters

41%
Flu shots

38%
Telephonic health coaching

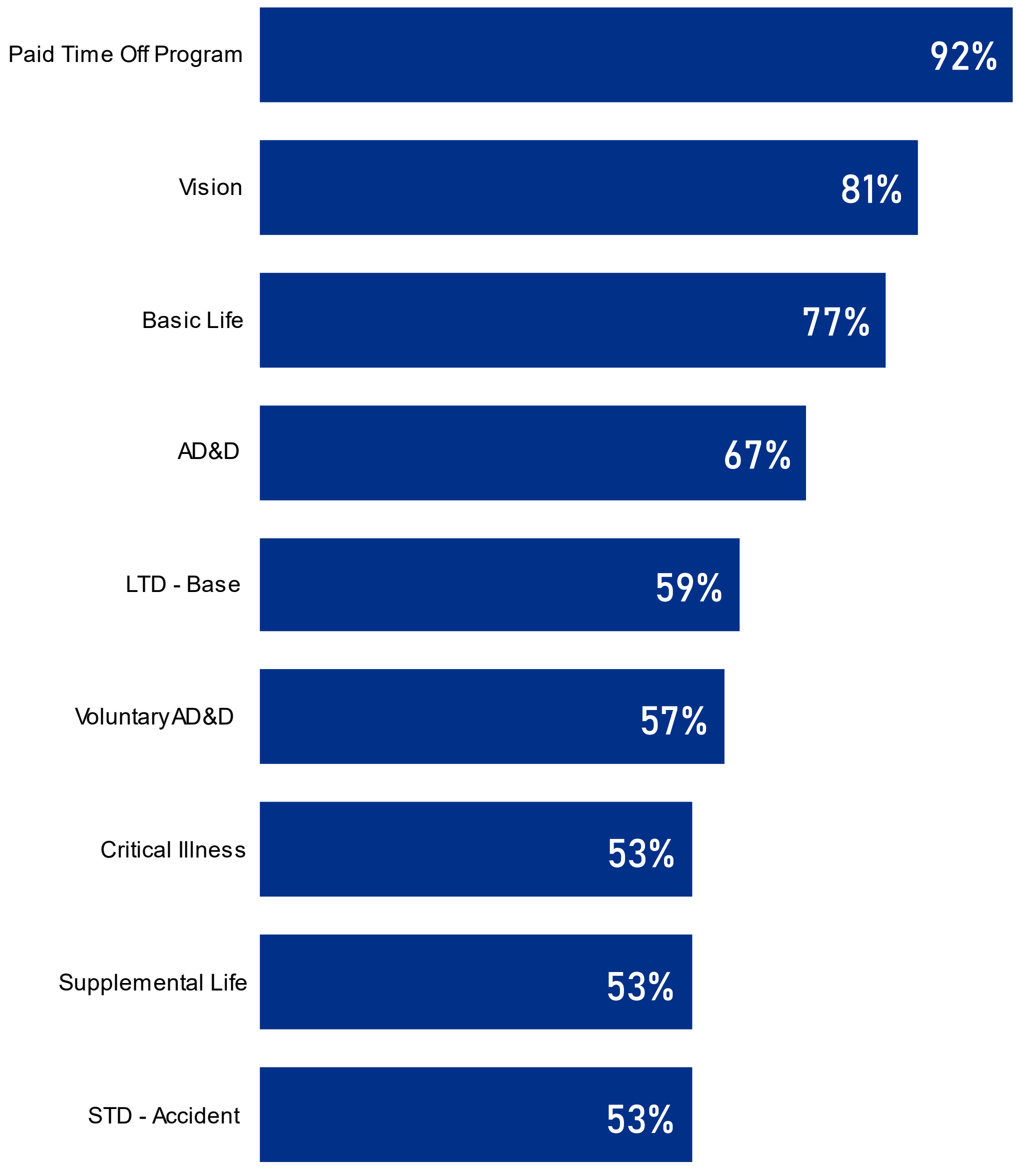
Based on the 2024 National survey responses

REASONS FOR OFFERING WELLNESS PROGRAMS

To improve the health of employees	21%
Benefits were part of the health plan	6%
Reduce health care costs	5%
Improve employee morale and productivity	2%
Other	1%
Reduce absenteeism	0%

BENEFITS PROVIDED

Additional benefits come in a variety of forms and are continually enhanced to better serve employees. Some companies have taken it upon themselves to offer truly unique perks such as well-being allowances or a selection of snack or staff lunches.[1] Below are some of the most common benefits that are offered nationally.



Based on the 2024 National survey responses

[1] 17 Innovative And Trendy Employee Benefits That Actually Work (forbes.com)

46%	Free parking
30%	Tuition reimbursement/ assistance
21%	Telecommuting
21%	Industry certification
20%	Flex time schedule

Telemedicine available through health plan	94%
Casual dress code	21%
Infertility benefits	20%
Sit-to-stand work stations	13%
Identity theft protection	12%

DELIVERING INSIGHT

FOR HR BENEFITS AND THE CFO

The Benefits department needs more competitive benefit plans to attract and retain key employees. The CFO needs to balance a budget that is showing annual health care trends in the 8-10% range, while the budget only has room for 4-6%.

Milliman's BenefitsCFO® Platform meets both needs.

Originating in Milliman's Health & Welfare Consulting Practice in Omaha, the BenefitsCFO® Platform was developed in 2002 to address the needs of mid-market employers looking for more sophisticated financial and actuarial analysis. The BenefitsCFO® Platform delivers these services continuously throughout the year. They are tailored to fit all types and sizes of employers; including self-insured and fully insured. In addition, we offer a number of additional services on an ad hoc basis. Consistent with Milliman's brand of "delivering insight," BenefitsCFO® is recognized as an industry leader in benchmarking data, actuarial analysis, and unique tools to advise clients.

Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in healthcare, property and casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. For further information, visit www.milliman.com.

KEY FEATURES

75 Years National & International Coverage

Market-leading Benchmarking Analysis

Cost Models Recognized As Gold Standard

Independent Third-party Consulting

Online Tools With Health Analytics And Predictive Modeling

NEW TRENDS

WHAT IS AN ICHRA?

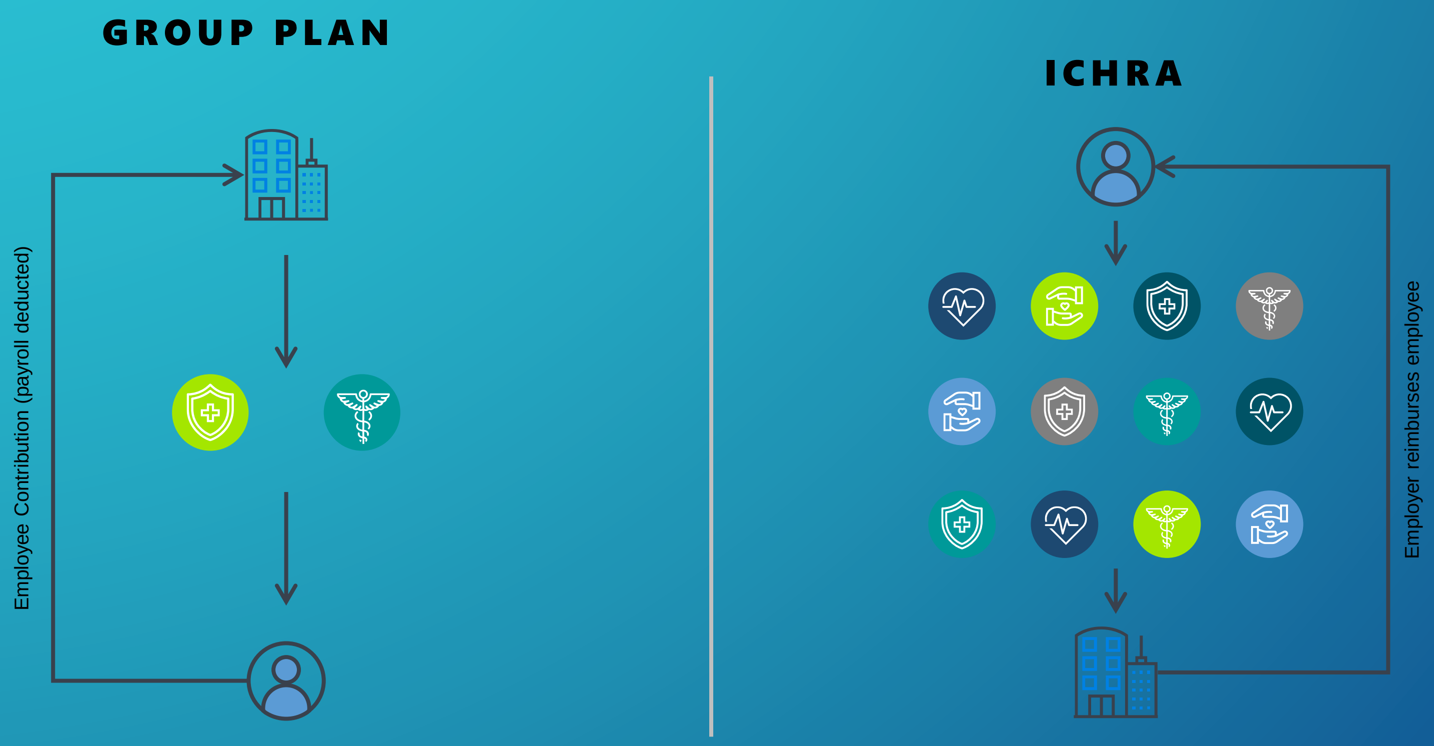
INDIVIDUAL

COVERAGE

HEALTH

REIMBURSEMENT

ARRANGEMENT



An “Individual Coverage Health Reimbursement Agreement” (ICHRA for short) enables employers of any size to reimburse their employees tax-free for health insurance premiums and medical expenses. Employers set an allowance and employees choose the plan that fits their needs.

BAVVY

MILLIMAN'S ICHRA SOLUTION

1. Sophisticated benefits consulting to maximize savings with classing
2. ICHRA Feasibility Analysis (IFA)
3. Milliman banking relationships eliminate employee reimbursement to feel like a group benefit plan
4. Dedicated customer success team to support implementation and ongoing questions

Follow the link below for an IFA

https://bavvy.com/ichraquote/producer

STANDARD CAVEATS

In performing our analysis, we relied on data provided to us by BCFO Agencies. We have neither verified nor audited the accuracy of the data contained in the files. If the underlying data is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete. Where practicable, the data was reviewed for consistency and reasonableness. Due to the nature of any medical block of business, results are highly variable. As such, actual results may vary from the results provided in this report.

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