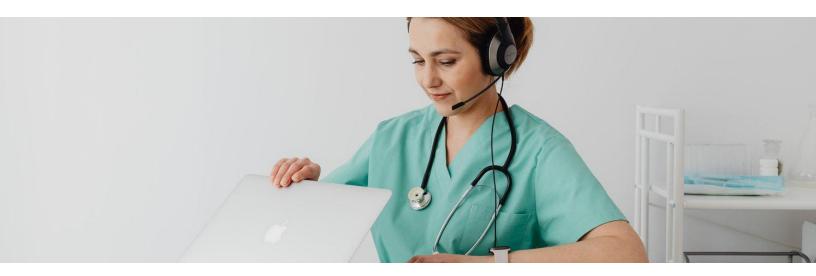
# DICEROS DISPATCH



# Mercer: Employer-Sponsored Health Plan Costs Shot Up in 2021

Mercer Consulting's 2021 National Survey of Employer-Sponsored Health Plans reveals that the average cost of employer-sponsored health insurance rose by 6.3% in 2021, to reach \$14,542 per employee, compared to just 3.4% in 2020. This marks the highest increase since 2010, but cost growth was even higher among companies with fewer than 500 employees, at 9.6%. Cost growth among companies with more than 500 employees was reported at 5.0%.

## Employee "cost shifting" wanes:

But with health plan costs on the rise, the practice of "cost shifting," such as raising employee deductibles and coinsurance amounts, seems to be off the table for many employers. According to Mercer, the tight labor market has resulted in an unexpected reversal in

some health plan cost-sharing trends. "In today's extremely tight labor market, generous health benefits can help tip the scales in attracting and retaining staff," said Tracy Watts, National Leader for U.S. Health Policy at Mercer.

Consequently, among companies with fewer than 500 employees, the median annual deductible for individual coverage in a PPO health plan fell from \$1,000 to \$900 in 2021. Among companies with more than 500 employees, the median annual deductible for an individual enrolled in an HSA-eligible health plan fell from \$2,000 to \$1,850.

#### **Employee premium contributions up slightly:**

Additionally, companies with 500 or more employees increased employee premium contributions only slightly in 2021. For employee-only coverage, the average monthly paycheck deduction rose by just \$7 (from \$160 to \$167). For family coverage, the monthly paycheck deduction rose by just \$12 (from \$590 to \$602).

### New virtual health care options:

According to Mercer, employers are more open to offering virtual health care options than ever before. With employees putting off or delaying in-person health care because of COVID-19, use of telemedicine has spiked. Utilization jumped to 15% in 2020 (up from 9%), and has held steady at 12% during the first half of 2021. Sixteen percent of companies with 500 or more employees offer a virtual primary care physician network, with 10% considering it, and 28% of these companies offer a virtual behavioral health care network.

The full survey, including tables of responses broken down by employer size, industry, and geographic region, will be available for purchase in March 2022.

Full text of press release (Mercer Consulting, December 13, 2021)

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