

2024 HEALTH CARE IN FOCUS

Driving health forward with a focus on patients' needs



Introduction

I am pleased to present the latest *Health Care in Focus* report from Evernorth Health Services. A culmination of rigorous analysis of data and survey information from members, businesses and health plans, this report dives into challenges affecting us all, including affordability, access, quality, ease of engagement and other critical connection points within the health care ecosystem.

We know that you work hard to simplify, clarify and enable care, and our hope is that you'll use the information in this report to assist in that work. To fuel stronger partnerships, think beyond what is currently available and create products and programs that sustainably connect people with the care they need at a price they can afford.

As you review this report, you might think, "We all know there are problems. What are you doing about them?" We recognize that identifying problems is only the first step. Our commitment is to remain relevant and innovative in driving better health and vitality—in the ways we address the challenges most important to you and your members. To force us to be agile—to pivot and produce solutions that knock down seemingly insurmountable barriers. And to keep us all accountable to those in populations who need and deserve care—and to those who provide it.

With a strong focus on making the system better and making people better, Evernorth takes a relentless approach to understanding current and protecting against future pressures in the system that create barriers to care. Thank you for your continued support and engagement. Together, we can drive health forward and shape a better future.

In good health,



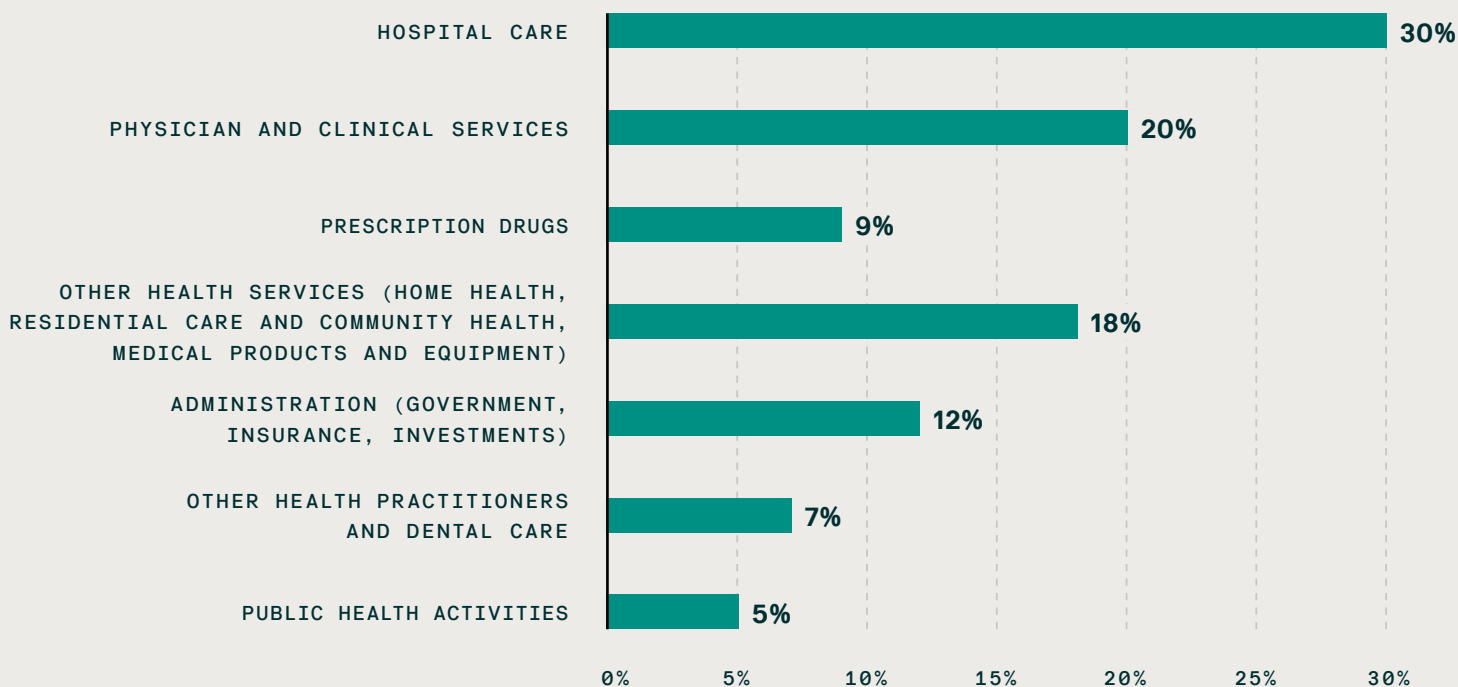
URVASHI PATEL, PHD, MPH
VICE PRESIDENT, DATA AND
ANALYTICS, EVERNORTH
RESEARCH INSTITUTE



As new technologies emerge, the same challenges persist

The U.S. health care system is currently facing persistent challenges marked by escalating costs, rapid technological advancements, and ongoing lifestyle and health services utilization issues. Affordability remains a critical concern, with health care expenses continuing to rise at unsustainable rates, placing significant financial strain on both individuals and organizations. In 2022, U.S. health care spending grew **4.1%** to reach **\$4.5 trillion**,¹ or approximately **\$13,493** per person. More than half of the U.S. health care spend—about **\$60 of every \$100**—pays curative care.²

2022 U.S. health care spend for every dollar



The cost crisis in health care is exacerbated by the **rapid pace of innovation.**

According to Our World in Data, technological advancements have accelerated dramatically since 2000,³ with the current rate of change almost vertical. While new technologies and treatments promise improved outcomes, they also pose challenges and uncertainties that can lead to increased costs and unintended consequences. Individual factors that influence health outcomes and utilization, such as lifestyle choices and health literacy, further contribute to the issue.

Improving health literacy can save **\$25B+** a year and prevent nearly **1M** hospital visits.⁴

Despite the availability of advanced health solutions and digital tools, the prevalence of lifestyle-related diseases, such as obesity, diabetes and heart disease, continues to increase. This issue is compounded by low health literacy, which impacts an individual's ability to follow care instructions, navigate the complex health care system and use health services appropriately. The Centers for Disease Control and Prevention (CDC) reports that nearly **90%** of adults have difficulty understanding and using everyday health information, which is often filled with unfamiliar or complex terms.⁴

Evernorth Research Institute partnered with Ipsos to conduct a nationwide survey of benefit decision-makers, health plan leaders and consumers. Our research highlights the importance of patient-centered care that balances technological advancements with personalized engagement. Our aim is to provide employers and health plans with timely information so, together, we might address these pressing issues and achieve better health for all.



Key findings



Rising costs demand increasingly difficult trade-off decisions for health plans, employers and individuals.

Access and affordability continue to be significant concerns for individuals, employers and health plans. For employers and health plans, managing long-term cost of care is top of mind, while consumers are mostly concerned about rising costs of care, premiums and treatment.



The potential of artificial intelligence (AI) is polarizing, calling for more thoughtful exploration of value.

Many consumers believe digital health solutions can improve affordability and access to care but insist that in-person provider interactions be preserved.



Health literacy continues to be a struggle for consumers, highlighting the need for innovative multidisciplinary approaches that address these challenges effectively.

Individuals are not engaging in the right care at the right time due to a lack of awareness, option overload and complexity of care delivery systems.

What can we do?

Action #1

Whole-person health strategies that extend beyond clinical care and drive healthy behaviors can help enable better health and cost outcomes.

Action #2

Integrating AI with compassionate care practices and personalized education can lead to better patient outcomes and experiences.

Action #3

New approaches that lead to higher health literacy can result in better utilization, health and cost outcomes.

Whole-person health strategies that extend beyond clinical care and drive healthy behaviors can help enable better health and cost outcomes

While cost pressures in health care are not new, how consumers are reacting to them is: There is growing evidence that consumers are crafting their own paths to care and looking for ways to delicately balance health and expenses. Some of these actions include using in-network services, seeking out prescription discounts, taking advantage of incentives, purchasing prepaid vouchers that provide access to benefits at deep discounts and collecting funds to cover medical costs.

As plan sponsors focus on managing medical and drug costs, including COVID-19 care delays and the long-term cost implications of employees at risk for chronic conditions, they see an increasing need for whole-person health and wellness. To assist in achieving it, they are looking for partners aligned with their benefit strategies and see distinct advantages when data is leveraged to identify opportunities, make recommendations and facilitate informed decision-making.

80% of health is determined by factors outside clinical care.⁵

To better understand the trade-offs that continue for both consumers and plan sponsors, we delved into where they get their start. Given that **80%** of health is determined by factors outside of clinical care,⁵ prioritizing initiatives that address social drivers of health has the potential to decelerate increasing health care costs and the prevalence of chronic conditions.

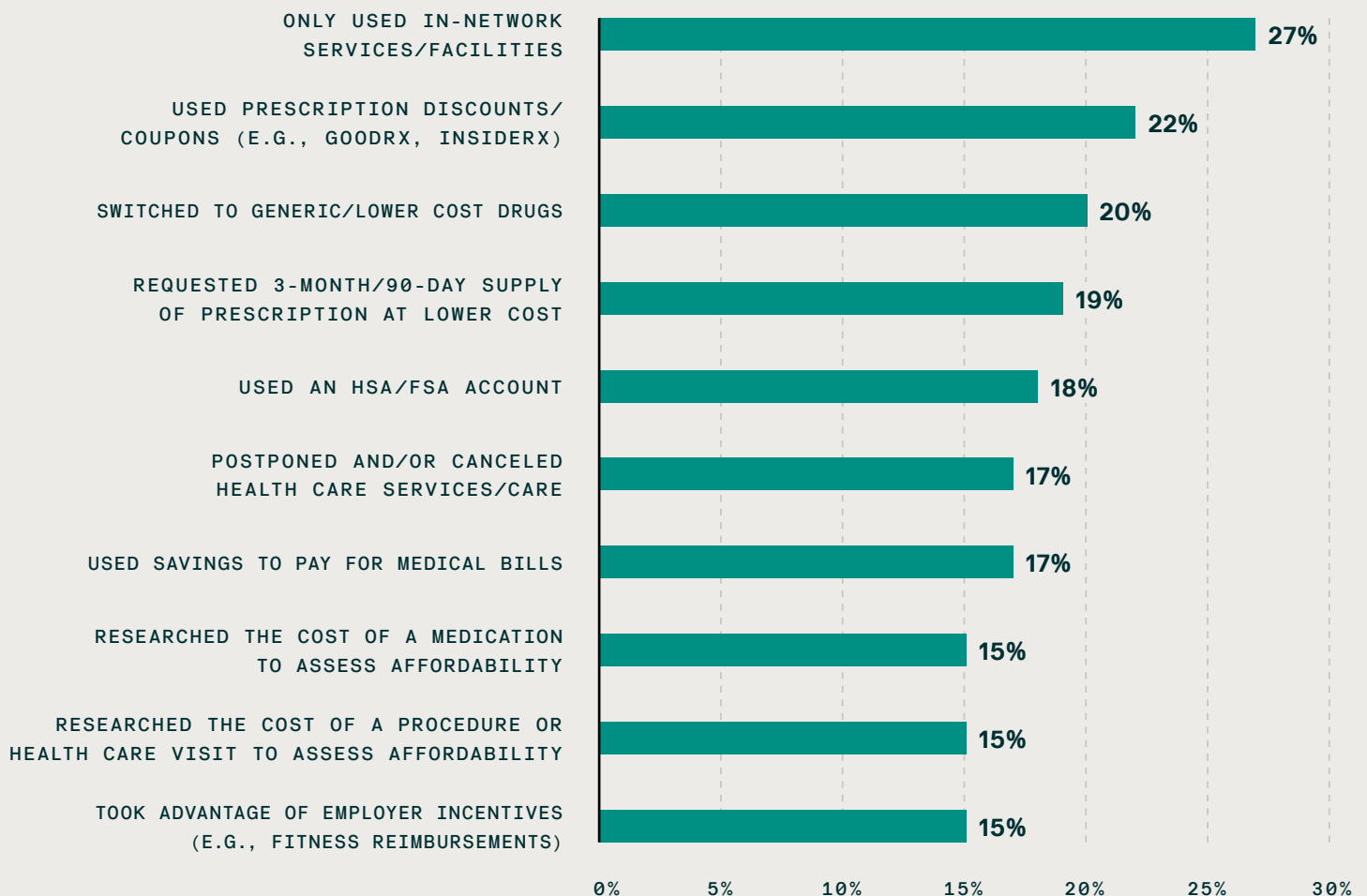


Interestingly, our research found that most employers see their role in addressing health equity as providing adequate health care access (73%), and less of them see their role as addressing social determinants of health (SDoH), such as education and literacy (36%), food insecurity (30%) and housing (24%). This is likely due to a limited capacity to demonstrate the positive impact of addressing these factors.

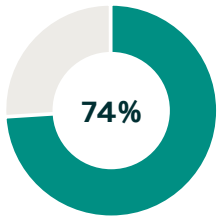
1 in 12 adults has medical debt, with **3M** owing over **\$10,000**.⁷

This can contribute to significant disparities in the ability of people to access and utilize preventive care. For example, claims data analysis found that only **11%** of patients living in under-resourced areas have completed their preventive medical exams and labs, compared with **43%** of individuals living in highly resourced areas.⁶ This data highlights the need to look beyond access to care and consider how the conditions in the environment where people are born, live, learn and work influence health.

Steps consumers have taken in the past 12 months to manage health care costs



Cost concerns differ across the population



74% of Americans say they are concerned about unaffordable medical costs despite plan coverage.⁸



Women, Hispanics/Latinos and Millennials are most concerned about affordability

Race/ethnicity

80%

of Hispanic/Latino consumers

74%

of white consumers

say they are concerned about unaffordable medical costs

Gender

19%

of women

15%

of men

say they have postponed or canceled care because of cost concerns

Age

73%

of Millennials

68%

of Baby Boomers

are concerned about losing access to their current plan

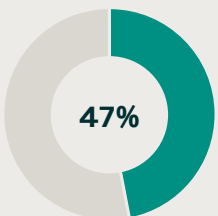
Populations who view affordability as a barrier to health care access

- + Individuals and families with lower income
- + Households with children
- + Individuals under age 57 (particularly Millennials and Gen Xers)
- + Women
- + Hispanics/Latinos
- + Urban dwellers

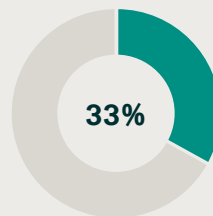
Top five therapeutic drug classes driving pharmacy spend⁹

1. Inflammatory conditions (e.g., rheumatoid arthritis)
2. Diabetes
3. Oncology
4. Human immunodeficiency virus (HIV)
5. Weight loss

+	+	+	+	+	+	+
+	+	+	+	+	+	+
+	+	+	+	+	+	+



Health plan leaders



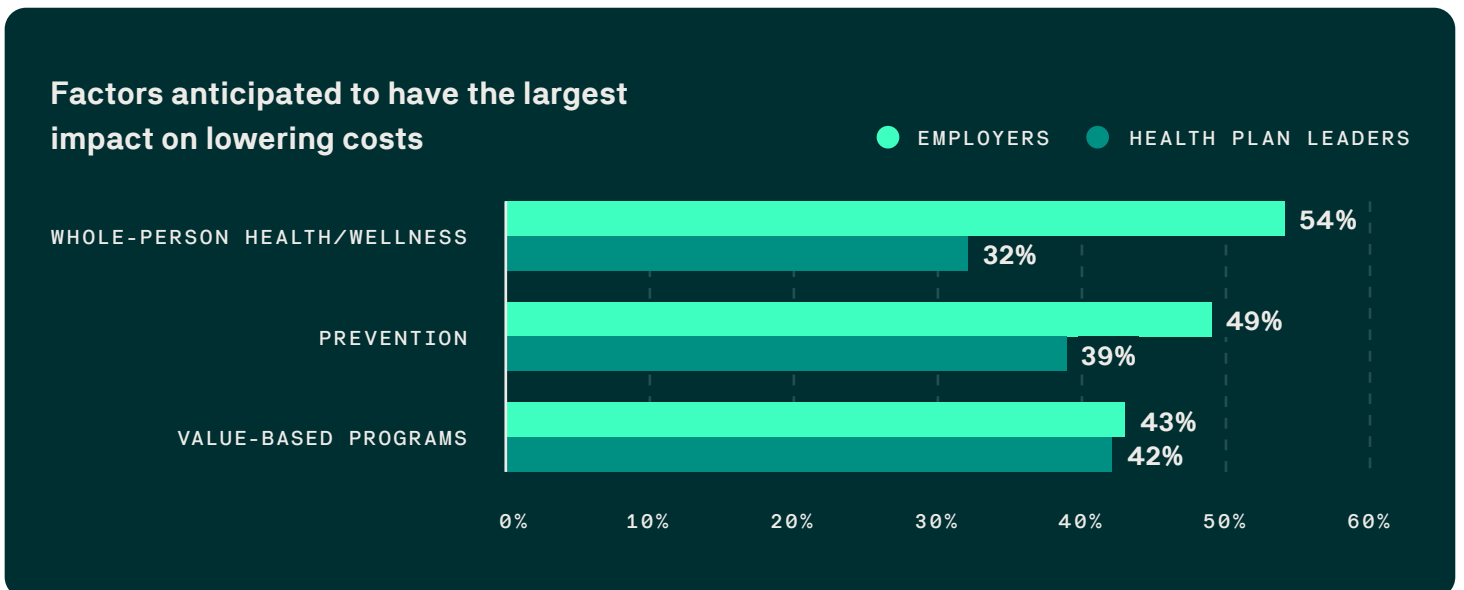
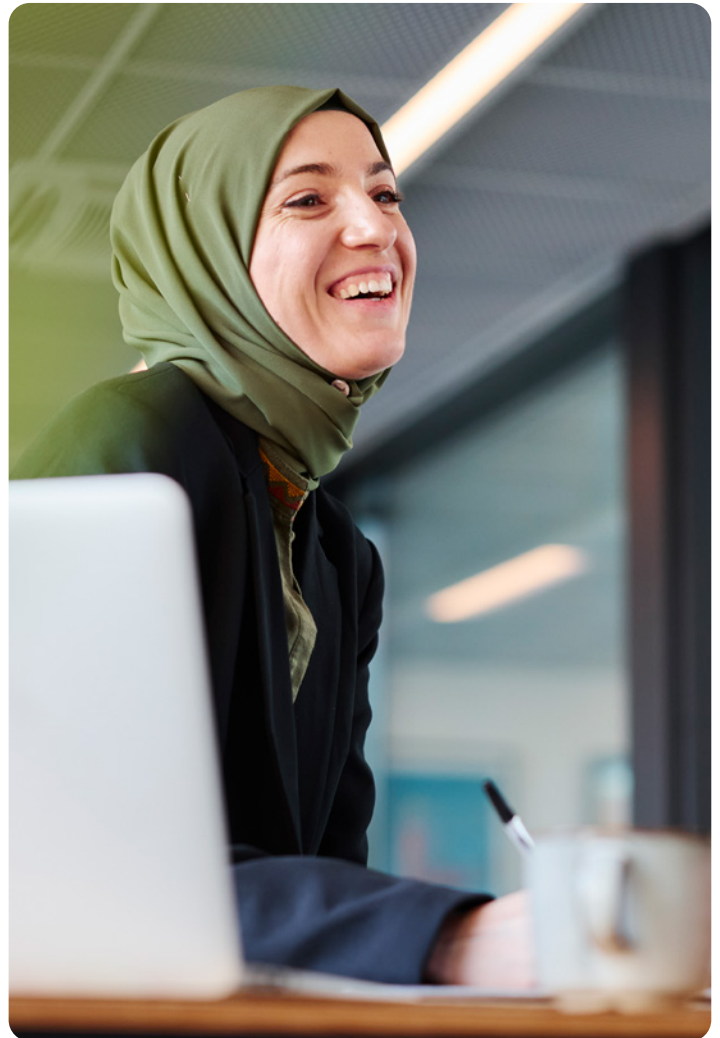
Employers

Nearly half of health plan leaders and **one-third** of employers indicate that high demand for GLP-1s is impacting their ability to control costs. This is not surprising, considering GLP-1 use increased **250%** from 2021 to 2023.¹⁰

The journey to effective whole-person care

As the chronic condition burden increases, long-term costs will continue to increase as well. It's imperative to slow down and disrupt this cycle. The good news is that prevention is possible. For cardiometabolic conditions alone, a multipronged approach to prevention primarily focused on at-risk and early stage cardiometabolic conditions can slow down the progression. Our research found that:

- + Plan sponsors are aligned with consumers, recognizing that health benefits play a large role in their ability to stay healthy.
- + There is a shared focus on the need to improve costs of care and coverage via whole-person health/wellness, prevention and value-based programs.
- + Employers anticipate that an increased focus on whole-person health/wellness will have the greatest impact on lowering costs.
- + Increased adoption of value-based programs is the top factor emphasized by health plan leaders.



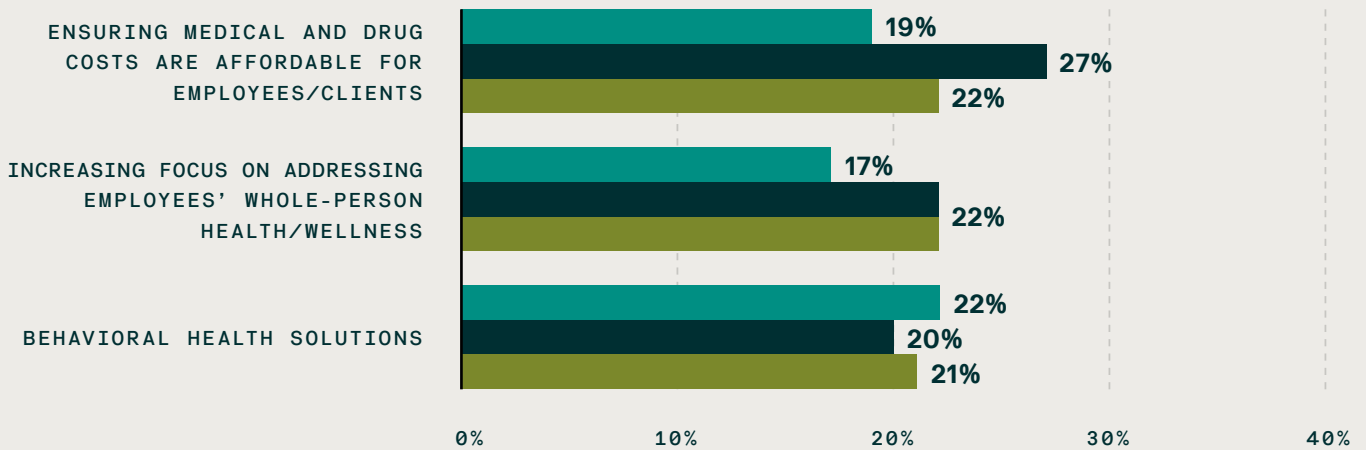
Both employers and health plan leaders share a growing focus on addressing whole-person health and wellness: Employers' anticipated investment increased by **5 percentage** points since 2021, and health plan leaders' by **10**. A key part of their efforts involves behavioral health—**44%** of employers and **46%** of health plans rate it as a priority condition to address.

As plan sponsors continue to explore new ways to manage costs, whole-person strategies and forward-thinking solutions have emerged as a vehicle for driving better health and cost outcomes for everyone, especially for key groups disproportionately affected by adverse social circumstances.

Plan sponsors' top three anticipated organizational investments over the next two to three years

Employers

● 2021 ● 2022 ● 2023



Health plan leaders

● 2021 ● 2022 ● 2023



Integrating AI with compassionate care practices and personalized education can help lead to better patient outcomes and experiences

While new technologies have the potential to transform interactions with health care, mixed consumer sentiment is influencing speed of adoption. A dichotomy exists in health care, the public remains cautious about the use and impact of AI in health care, whereas plan sponsors see it as an opportunity. In addition, our research shows that many consumers believe digital health solutions can improve access to care but insist that in-person provider interactions be preserved.

There is still a consumer deficit in familiarity, trust and comfort with AI that must be addressed before we can see the rewards. Nearly half of consumers are still not comfortable with the use of AI in health care. By educating consumers on the value of key AI uses, plan sponsors can potentially alleviate concerns and provide reassurance to promote more widespread acceptance of AI in health care.

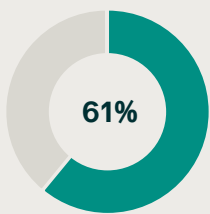
Nine out of 10 consumers agree that in-person interaction with providers is vital to managing their health care.

According to our data, consumers and plan sponsors agree on two of their top three scenarios for which AI should be used in health care. AI can assist in more clerical functions and administrative tasks, such as helping manage electronic medical records, analyzing vast amounts of data and even transforming prior authorization, making work better, faster and less expensive. Most consumers say that AI should be used to identify possible interactions between medications (**71%**), to facilitate providers' administrative tasks (**68%**) and to clarify health benefits (**67%**). This in turn can support providers, freeing them up to spend more time with patients and enhance the human connection they view as critical to care.

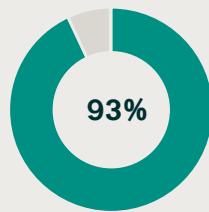


AI is on the rise, but consumer acceptance lags behind

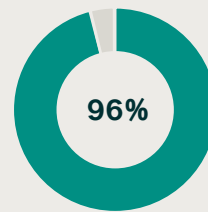
Percentage who believe in the accuracy of AI in health care, by role



Consumers



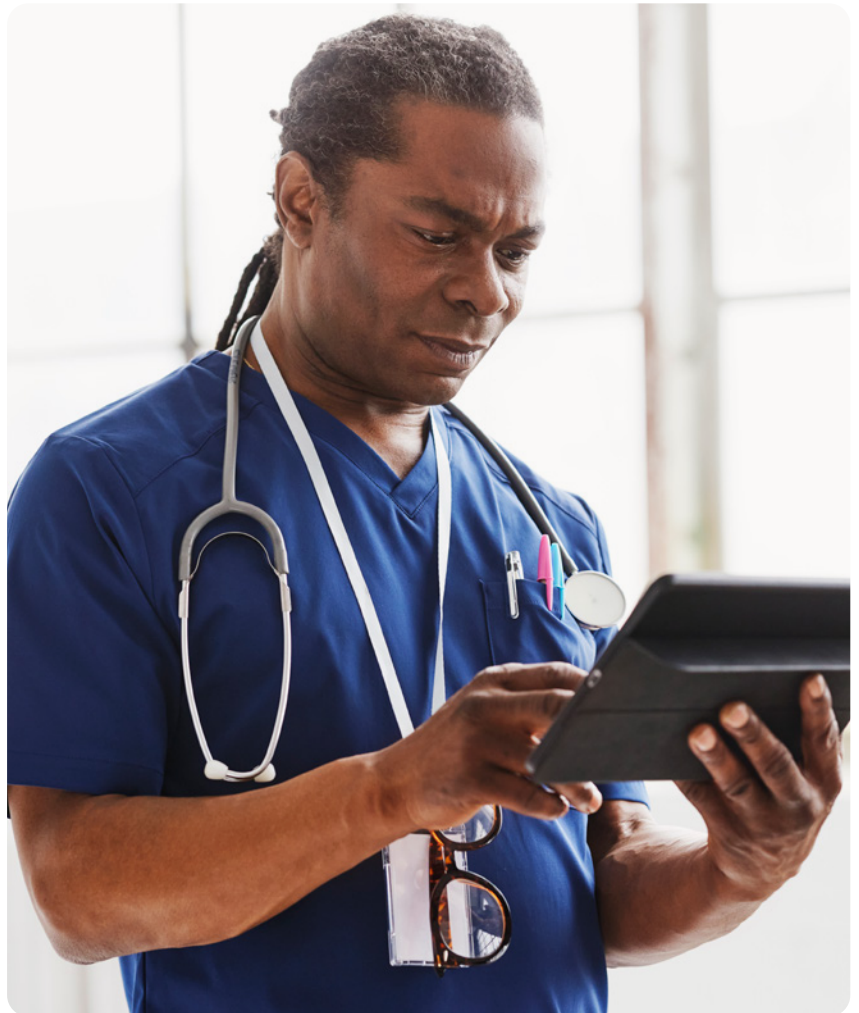
Employers



Health plan leaders

Current options for AI application in health care

- + Early detection of health issues
- + Analytics
- + Customer service
- + Natural language processing
- + Chatbots
- + Administrative tasks
- + Prior authorizations
- + Image analysis
- + Error reduction



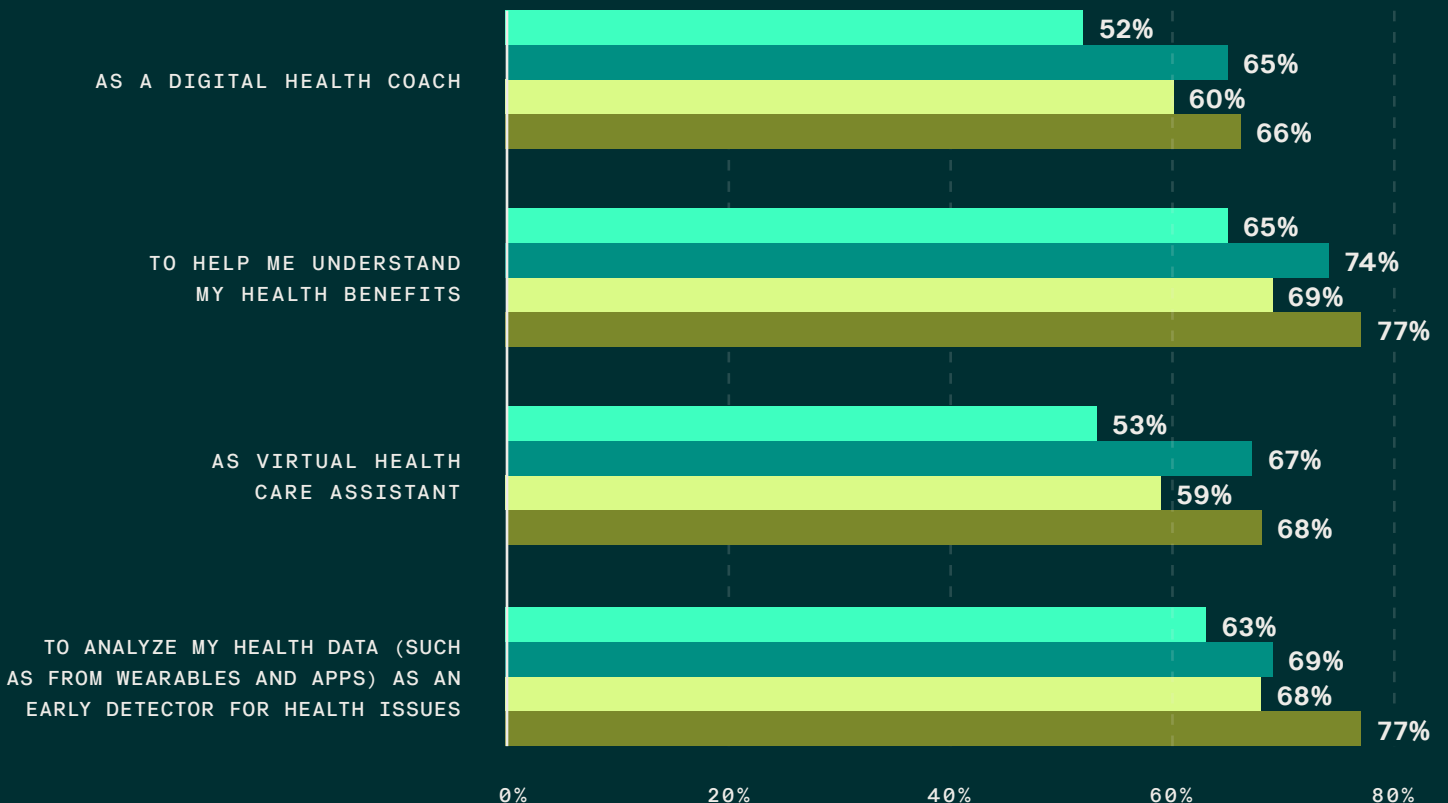
Expanding AI innovations among racial/ethnic populations may advance health equity

Some populations are more receptive to this emerging technology.



Consumers' openness to AI utilization in health care

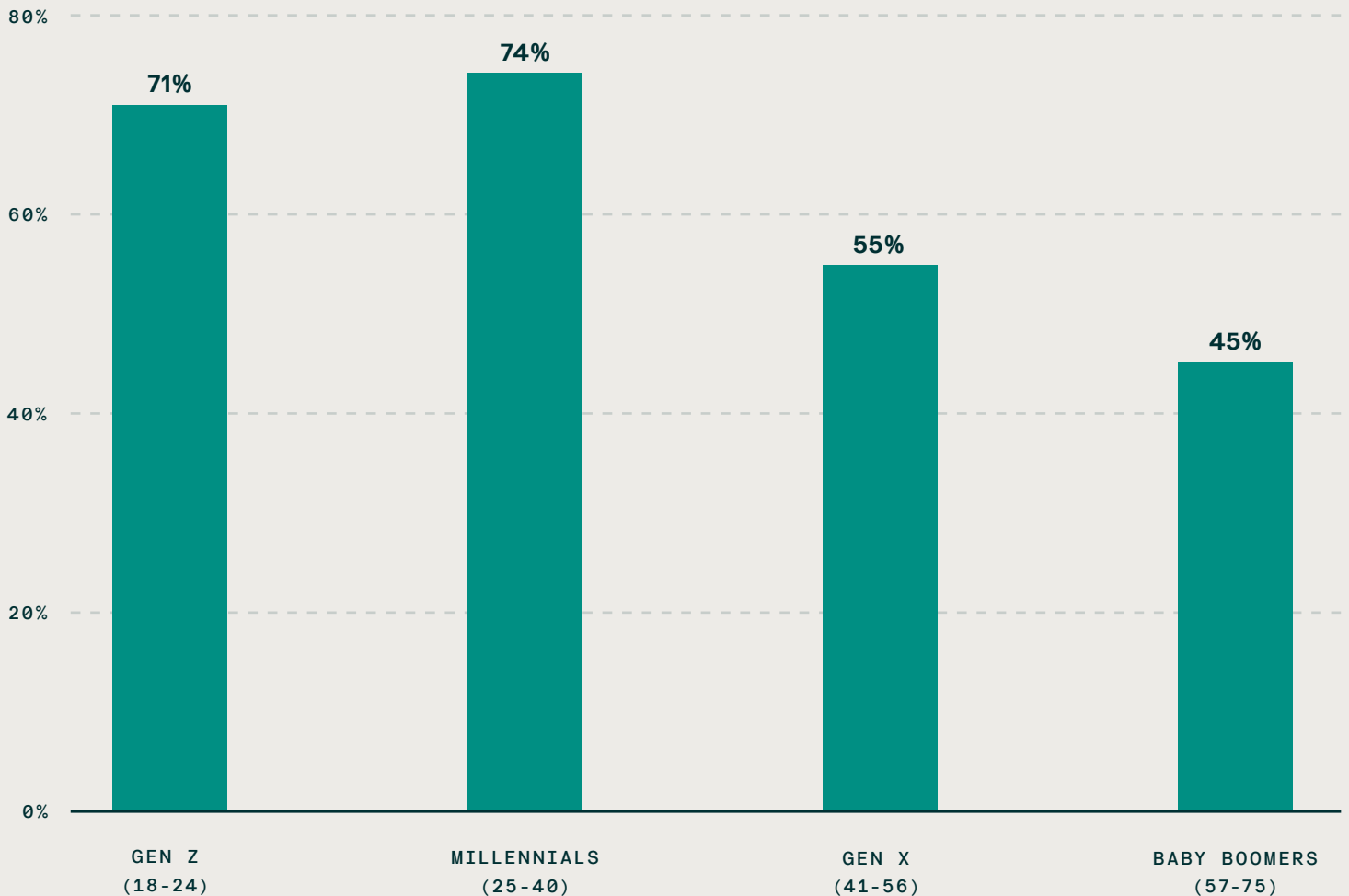
● WHITE ● AFRICAN AMERICAN OR BLACK ● HISPANIC/LATINO ● ASIAN OR PACIFIC ISLANDER



Younger generations across the board have **higher confidence** in AI.



Percentage of consumers who believe in the accuracy of AI in health care, by generation



Thoughtful and empathetic AI integration fosters trust

When health plans and providers adopt AI tools that leverage data to support patients and clinicians in making informed decisions, the value of these tools rises. There is also value in streamlined administrative processes and, at times, faster diagnoses. Thoughtful exploration of AI's value involves assessing its impact on clinical outcomes, cost-efficiency and patient satisfaction.

Health care providers who integrate AI into workflows by automating routine tasks, such as appointment scheduling, billing and documentation—freeing up clinicians to spend more time with patients—can experience increase operational efficiencies and patient satisfaction. AI can also be used to analyze large datasets to identify patterns and predict patient outcomes, enabling proactive interventions. And incorporating AI-driven virtual health assistants can help manage patient inquiries, provide health education and offer medication reminders, to enhance patient engagement and adherence to treatment plans.

By targeting early adopters within both the patient and health care provider communities, organizations can gather positive feedback and success stories that can be used to build confidence and encourage broader acceptance.



Allowing for small wins that can **foster trust** and **demonstrate value** is a great place to start.

Conducting cost-benefit analyses to measure the financial impact of AI implementations and comparing patient outcomes before and after AI integration can provide valuable insights. Training health care providers to effectively use AI technologies and ensuring transparency about AI applications can build trust and acceptance among patients. Additionally, maintaining a strong emphasis on preserving the human touch in health care by combining AI with compassionate care practices will lead to better patient experiences and outcomes.

New approaches that lead to higher health literacy can result in better utilization, health and cost outcomes

Health literacy, or an individual's ability to obtain, understand and use health information to make informed decisions, has been linked with adequate health utilization, better outcomes and overall health.¹¹

When individuals have a clear understanding of their health conditions and the health care system, they are more likely to engage in preventive care, adhere to prescribed treatments and make informed decisions regarding their health. This increased knowledge leads to the appropriate use of health care services, reducing unnecessary emergency room visits and hospitalizations, thereby lowering health care costs.¹²

Furthermore, health-literate individuals are better equipped to navigate health insurance plans, avoiding financial pitfalls and ensuring they receive necessary care without undue financial strain. This informed approach fosters a more efficient health care system by reducing the incidence of denied claims and billing errors. Overall, boosting health literacy not only improves individual health outcomes but also promotes a more effective and equitable health care system, benefiting society as a whole.¹¹

Not surprisingly, in an era of information and technological advancements, most U.S. adults (**65%**) find managing their care to be overwhelming and time consuming.¹³ In fact, our research found that consumers are struggling with health literacy. Although, **four in five** consumers say they know where to find health care-related information when they need it, **two-thirds** of consumers find it difficult to know when to use which benefit or solution.

While **two out of three** consumers agree it's difficult to know when to use which benefit or solution, our research found that **80–90%** of plan sponsors believe that consumers are generally knowledgeable about their coverage.

Health plans and consumers differ on their views of health literacy.

65% of U.S. adults find managing care to be overwhelming and time-consuming.¹³

When we dig deeper into behavioral health care specifically, we see a clear example of this disconnect. At **27%**, more than a quarter of consumers believe they do not have any type of behavioral health coverage from their employer-sponsored insurance. However, **89%** of employers indicate that they currently offer behavioral health benefits and will continue to prioritize them in the future. This gap in perception becomes even more critical when considered alongside [the current behavioral health crisis](#). Personalized learning can drive better communication, transparency and understanding, aligning consumers' expectations and awareness with current plan offerings and available information.

As the prevalence of mental health concerns increases, it's critical we make it easy for individuals to understand the benefits available to them so they can get the care they need when they need it.

41%

of consumers say their mental health has declined in the past year.

350K+

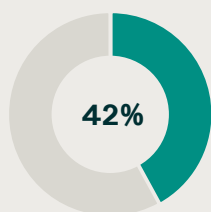
digital health solutions currently on the market with **250+** more introduced every day.¹⁴

60%

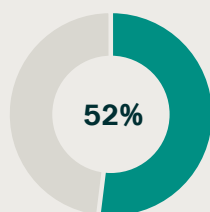
of consumers say they need more help understanding their coverage.

In 2023, Americans perceived a significant, favorable shift in the systemic importance of treating mental health, and they are seeking care.

Percentage of consumers who believe the current health care system considers behavioral health to be as important as (or more important than) physical health



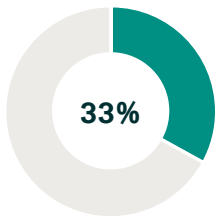
2022



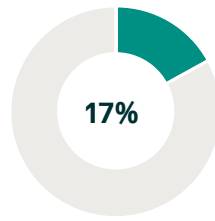
2023



One third of Americans (or their family members) sought behavioral health care in the last year—a significant increase compared to 2022.



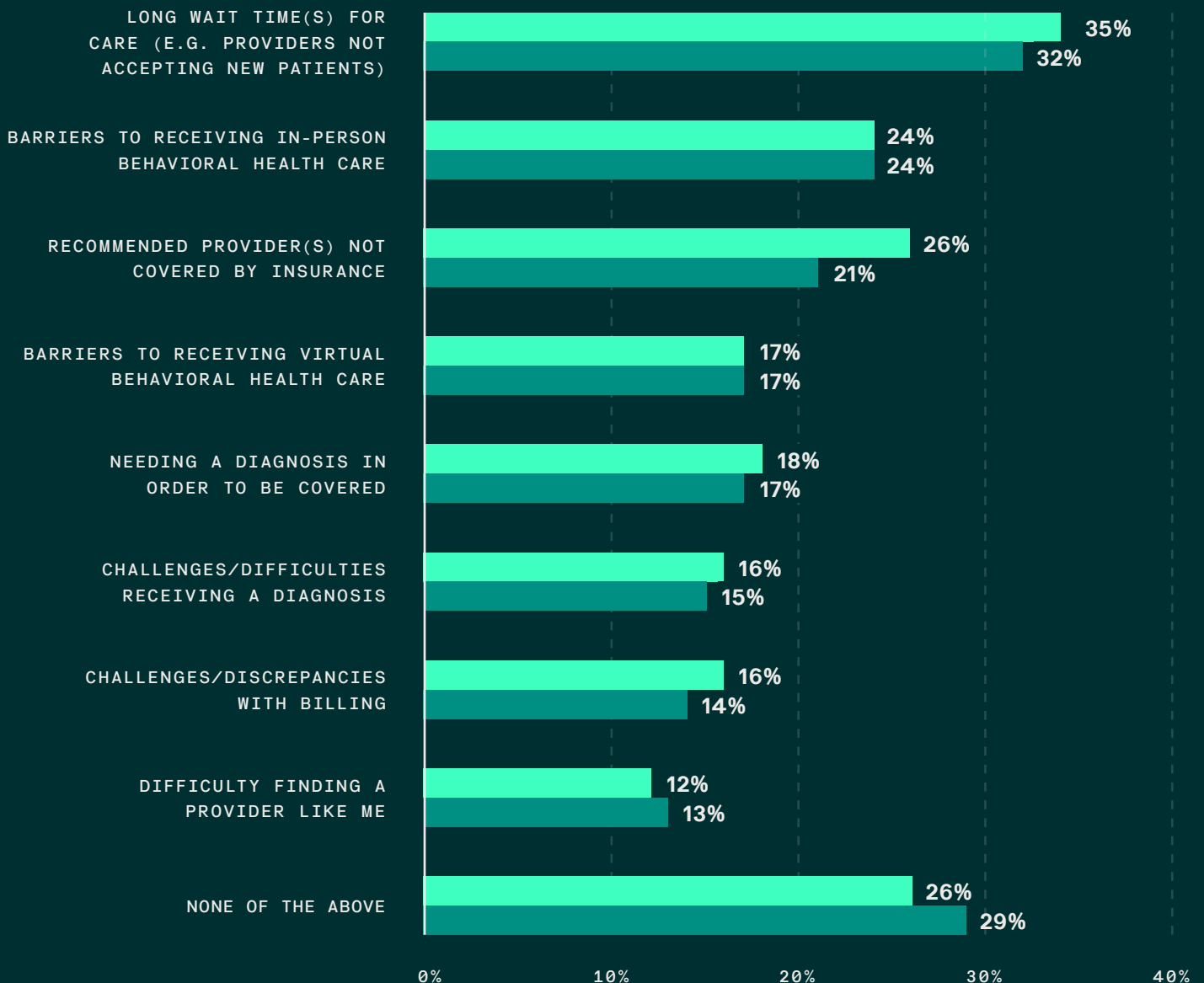
Sought behavioral health care in the past 12 months



Self or their family member(s) sought care outside of their plan/ employer-sponsored benefits

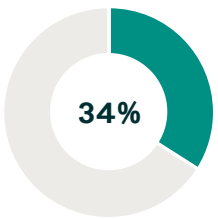
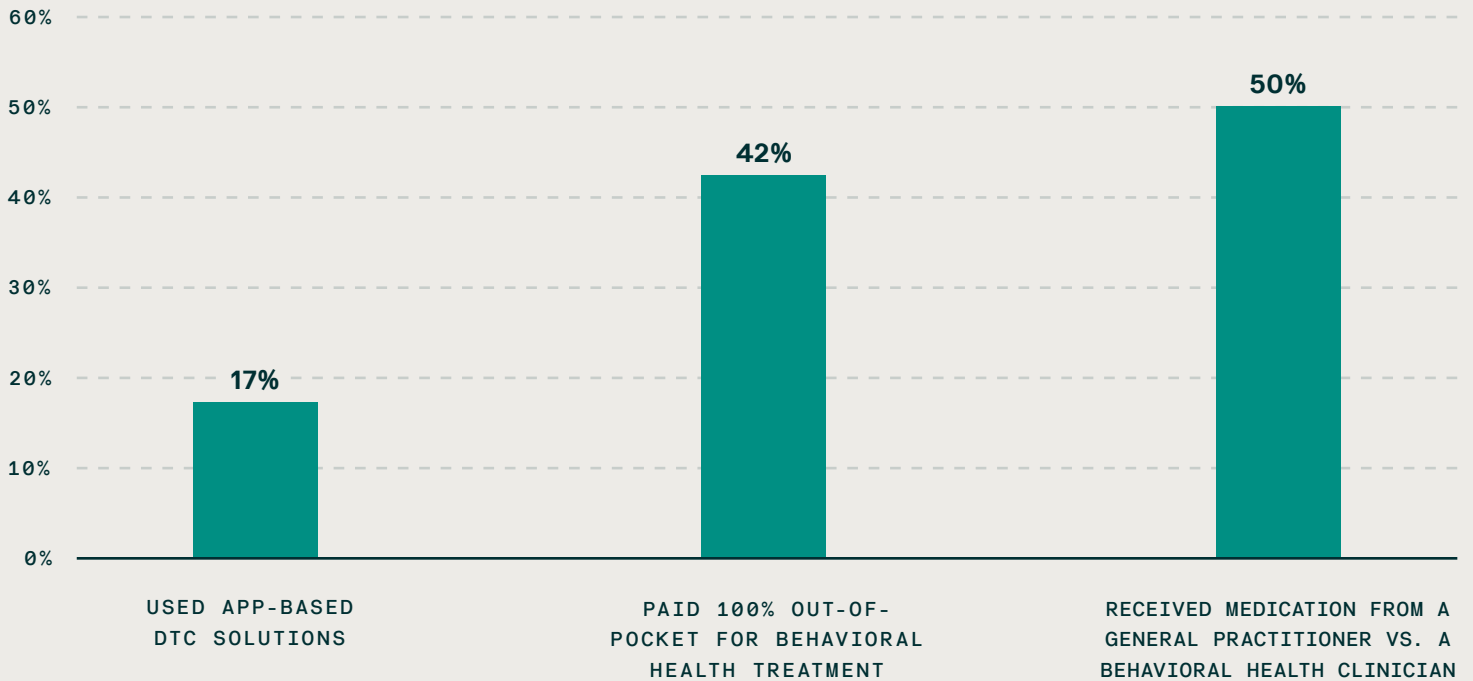
Behavioral health care experience over the past 12 months

● 2024 ● 2023

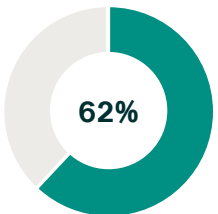


Lack of benefits clarity can cause consumers to look elsewhere for health care services

Ways consumers sought behavioral care in the past year



34% of consumers say they turned to direct-to-consumer (DTC) solutions because of lower costs.



62% of health plan leaders are worried that conditions are insufficiently managed by DTC solutions.



Driving better utilization through personalization

Patient engagement is essential for achieving better cost and health outcomes, but it remains a significant challenge, partly driven by low health literacy. In many cases, patients simply don't understand how to access the tools available to them that can drive better health. When patients possess higher health literacy, they may feel more ownership of their health and can effectively interact with the health care system. The results are better adherence to treatment plans and improved health outcomes.

Employers and plan sponsors can help by increasing communication and providing navigation tools that educate, direct and reward positive health behaviors. This includes creating culturally and linguistically appropriate materials. Tailoring health communications and interventions to individual needs and preferences can enhance patient understanding and participation. We can better engage with patients with using a multi-channel, interactive, personalized community-based approach.

When patients understand their health information, they are more likely to engage in preventive measures, follow care instructions and make informed decisions. This results in more timely and appropriate use of health care resources.¹² Improving health literacy not only boosts health outcomes but also contributes to more efficient and cost-effective health care delivery. Embracing new strategies that focus on personalized education and clear communication is essential for better health care utilization and overall patient health.





Choose the right partners to drive better health.

Given the complexity of health care and the many factors beyond the clinical setting that drive health outcomes, collaboration and communication are essential to advancing the health and vitality of our population. Providers, patients, employers, health plan leaders and other major stakeholders aligning around shared ideas and understanding is the first step to progress. The actionable insights presented in this report are designed to support that effort.

But that's not all. Working together, we can thoughtfully integrate efforts from health care providers, health organizations, health plans, community leaders and policymakers to address these industry opportunities with innovative approaches centered on patients.

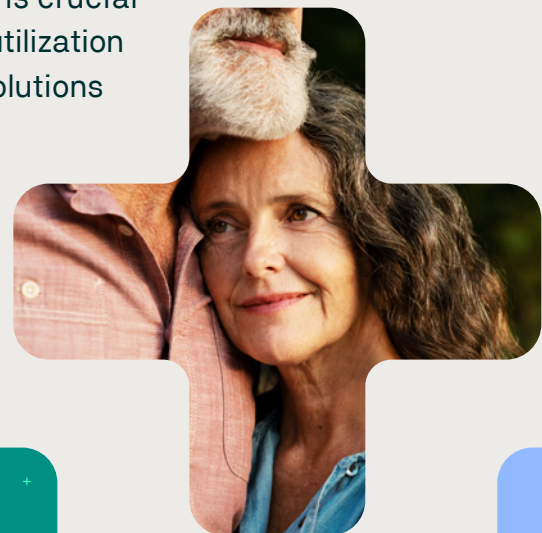


What can you do to support whole-person health within your population?

Extend beyond traditional care by integrating strategies that address SDoH. To truly support our employees and customers, we must consider factors such as housing, nutrition, education and social support, which significantly impact health outcomes. [By leveraging customer research and patient data](#), we can develop comprehensive support models that go beyond clinical treatment to encompass the full spectrum of health and well-being. Embracing this whole-person approach will not only help to improve patient outcomes and satisfaction but also enhance our ability to provide equitable and effective care. Let's commit to making whole-person health central to our business strategies and decisions.

Utilize customer research, patient data and AI-driven insights to prioritize whole-person health in every business decision and strategy. By integrating comprehensive patient insights, we can ensure that our services and innovation not only address medical needs but also the emotional, social and mental health aspects of our patients. Keeping patients at the center of our strategies will improve health outcomes, enhance patient satisfaction and foster trust and loyalty. Let's commit to making data-driven decisions that reflect a holistic approach to health, ensuring our business practices truly support the well-being of our employees and patients.

Innovate to improve health literacy and its impact on health outcomes, utilization and costs. By adopting advanced technologies and creative educational strategies, we can empower patients with the knowledge and skills they need to make informed health decisions. Health literacy is crucial for effective health management, reducing unnecessary health care utilization and lowering overall health care costs. Let's commit to pioneering solutions that drive significant improvements in health literacy and patient empowerment, ultimately leading to better health outcomes and more efficient use of health care resources.



Methodology

The 2024 *Health Care in Focus* report is based on two online surveys conducted by Ipsos on behalf of Evernorth Health Services with U.S. adults and plan sponsors. The consumer English online survey was fielded between November 16-30, 2023, with **3,000** commercially insured adults living in the continental U.S., Alaska and Hawaii between the ages of **18-65** with private health insurance coverage through an employer or union, government employment or VA/Tricare. It consisted of **55%** females and **45%** males. The poll has a credibility interval of plus or minus **2.2** percentage points for all respondents.

The plan sponsors English online survey was fielded between December 16-30, 2023, with a sample of **575** adults between the ages of **25-65** from the continental U.S., Alaska and Hawaii. In order to qualify for the survey, respondents had to be human resource decision makers (HRDMs) at companies that offer employees both medical and prescription drug coverage and have at least **1,000** employees. The sample includes **79** health plan leaders (HPLs), defined as those that work at a health plan organization in the health insurance industry, and are decision makers when it comes to determining the benefits partners/suppliers that health plan offers to groups/clients. No post-hoc weights were applied to the data, and findings reflect the opinion of these respondents.





1. Centers for Medicaid and Medicare Services (CMS). "National Health Expenditures 2022 Highlights" [Press release]. December 13, 2023. <https://www.cms.gov/newsroom/fact-sheets/national-health-expenditures-2022-highlights>
 2. CMS. "The Nation's Health Dollar (\$4.3 Trillion): Where It Came From and Where it Went." Page last accessed August 1, 2024. <https://www.cms.gov/files/document/nations-health-dollar-where-it-came-where-it-went.pdf>
 3. Roser M. "This timeline charts the fast pace of tech transformation across centuries." World Economic Forum. February 27, 2023. <https://www.weforum.org/agenda/2023/02/this-timeline-charts-the-fast-pace-of-tech-transformation-across-centuries/>
 4. Centers for Disease Control and Prevention (CDC). "Talking Points About Health Literacy." May 21, 2021. <https://www.cdc.gov/healthliteracy/shareinteract/TellOthers.html>
 5. County Health Rankings & Roadmaps. "Explore health topics." University of Wisconsin Population Health Institute. Last accessed August 9, 2024. <https://www.countyhealthrankings.org/what-impacts-health/county-health-rankings-mode>
 6. Evernorth Research Institute Supplemental Claims Analysis (2024) of de-identified 9 million commercially insured individuals with consistent medical and pharmacy claims in CY 2022 under age 65.
 7. Rakshit S, Raw M, Claxton G, Amin K and Cox C. "The burden of medical debt in the United States." Peterson-KFF Health System Tracker. February 12, 2024. <https://www.healthsystemtracker.org/brief/the-burden-of-medical-debt-in-the-united-states/>
 8. Ipsos and Evernorth Research Institute. Health Care in Focus [Report]: "Consumer Survey." 2023 results. <https://www.evernorth.com/health-care-in-focus-report/methodology>
 9. Evernorth Pharmacy claims analysis of commercially insured.
 10. Evernorth Research Institute Supplemental Analysis (2024). "Prevalence of GLP-1 Receptor Agonist Use."
 11. Coughlin SS, Vernon M, Hatzigeorgiou C and George V. (2020) "Health Literacy, Social Determinants of Health, and Disease Prevention and Control." Journal of Environmental Health Sciences. 6(1): 3061. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7889072/>
 12. Impact of low health literacy on patients' health outcomes: a multicenter cohort study. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9465902/>
 13. American Academy of Physician Associates (AAPA). "U.S. Adults Spend Eight Hours Monthly Coordinating Healthcare, Find System 'Overwhelming'" [Press release]. May 17, 2023. <https://www.aapa.org/news-central/2023/05/u-s-adults-spend-eight-hours-monthly-coordinating-healthcare-find-system-overwhelming/>
 14. IQVIA. Digital Health Trends 2021 [Report]. July 22, 2021. <https://www.iqvia.com/insights/the-iqvia-institute/reports-and-publications/reports/digital-health-trends-2021>
- © 2024 Evernorth. All rights reserved. All products and services are provided by or through operating subsidiaries or affiliates of Evernorth. Some content provided under license.