



EMPLOYEE BENEFITS MEDICAL TRENDS

Economic Cost Drivers

Adequate provider staffing significantly impacts both patient and nurse satisfaction and the quality of care provided to patients. Conversely, higher patient-to-nurse ratios produce outcomes such as turnover, burnout, job dissatisfaction and intent to leave. Doctors and nurses have said the stress they endured during the pandemic has increased consideration around leaving the profession.

As it relates to cost, greater nurse staffing is associated with decreased risk of hospital-related mortality, hospital-acquired pneumonia and other negative patient outcomes. The opposite is also true; registered nurse shortages can lead to:

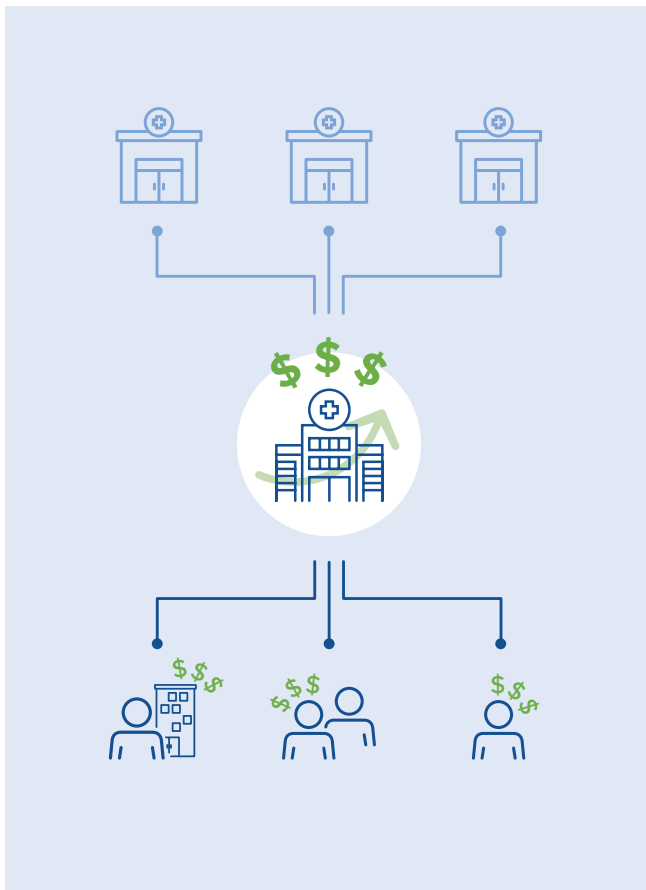
- Lower quality of care for patients
- Return visits to medical facilities
- Access issues
- Overall greater out-of-pocket costs for individuals and plan sponsors

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As a global issue, staffing shortages are top of mind in the healthcare industry.”

Roughly 1 in 5 doctors said they plan to leave in 2 years

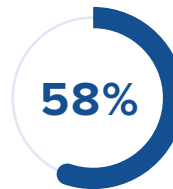
Source: Mayo Clinic Proceedings: Innovations, Quality & Outcomes Dec. 2021





Healthcare markets are increasingly consolidating, giving one health system control over multiple clinics, hospitals, and specialists. While consolidation efforts can extend efficiency gains, the leverage it generates can equally drive inflationary pricing and contracting pressures in a given market.

Staffing shortages, competition and supply and demand are not the only impacts on healthcare systems. Our aging population contributes considerably to healthcare spending. Since the first baby boomers turned 65 in 2011, healthcare systems have seen a higher percentage of total charges paid by Medicare compared to private payers. This means hospitals are getting paid less per charge for a larger portion of their total services delivered.



of medical practices say **staffing** is their biggest challenge heading into 2023

Source: MGMA Stat poll. September 20, 2022, What is your organization's biggest challenge heading into 2023? 673 responses. MGMA.COM/STAT, #MGMASTAT

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Top Cost Drivers

- 1 Cancer**

Cancer has surpassed musculoskeletal conditions as the top driver of large companies' health care costs, according to Business Group on Health's 2023 Large Employers' Healthcare Strategy and Plan Design Survey.
- 2 An Aging Population**

Among the many factors that have triggered increasing cancer costs, an aging U.S. population is one of the biggest contributors. Baby boomers were the second largest population group in 2022, behind Millennials, at 69.6 million.

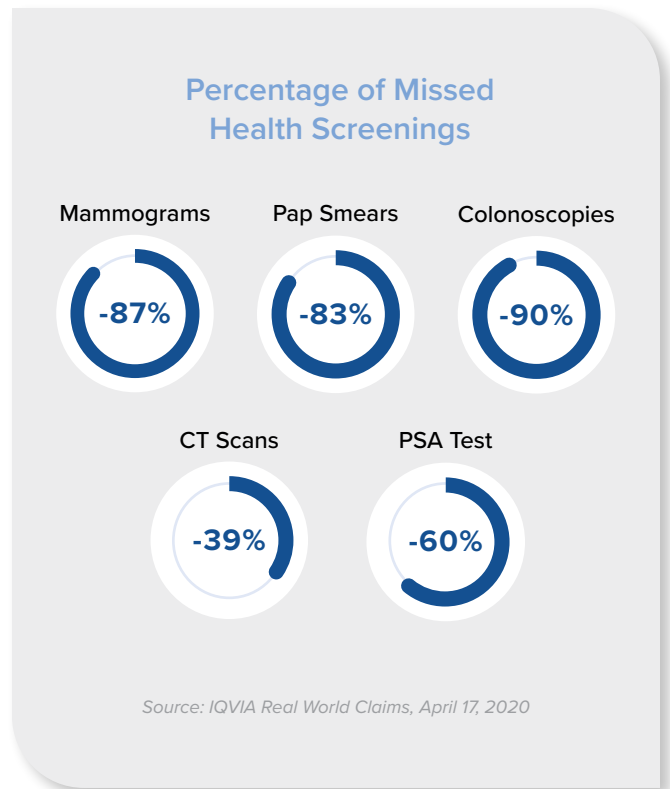


3 Avoiding Care and Screenings

In addition to an aging population, one of the main influencers believed to be accelerating cancer prevalence as a top healthcare cost driver in 2022 is the impact of delayed care/ screenings due to the COVID-19 pandemic. It is estimated that approximately 22 million cancer screenings were disrupted, which ultimately led to a higher prevalence of late-stage cancer diagnoses.

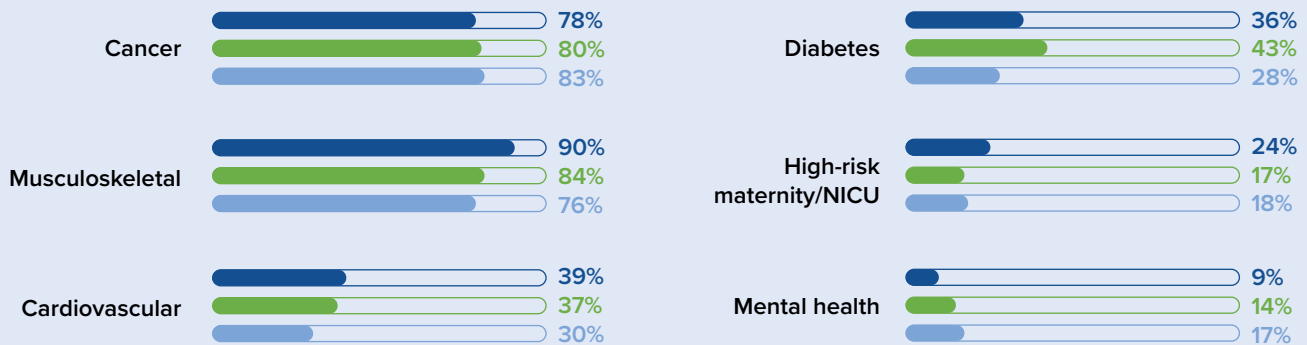
4 Rising Healthcare Costs

Rising healthcare costs associated with delayed care are not limited to late-stage cancer diagnoses but also have been attributed to longer hospital stays for patients experiencing other medical issues. The average patient length of stay in hospitals increased by 19.2% in 2022 compared to pre-pandemic levels, according to an issue brief from the American Hospital Association (AHA).



Percentage of Employers Reporting on Their Top Three Conditions that Drive Their Health Care Costs from 2020 – 2022

Source: Business Group on Health 2023 Large Employers' Healthcare Strategy and Plan Design Survey





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