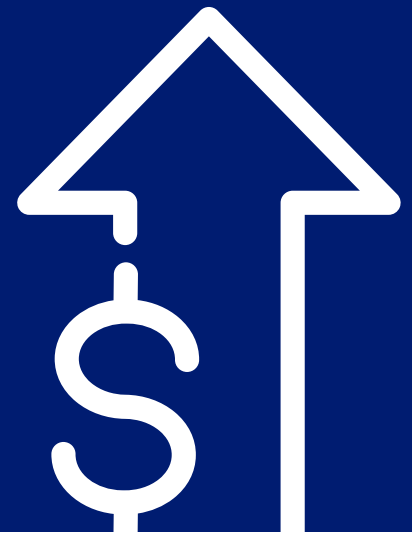


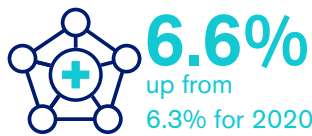
Cost Trends for Most Medical Plans and Rx Coverage Projected to Increase for 2021



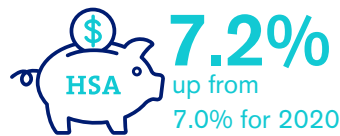
Trend projections for actives and early retirees are higher for most medical plan types (excluding prescription drug coverage), a change from last year when there was a slowdown in those projections, and for outpatient prescription drug coverage.



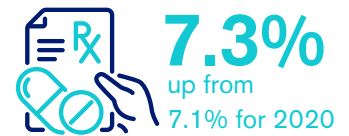
Open-Access PPO/POS Plans



HMO Plans



HSA-Qualified HDHPs



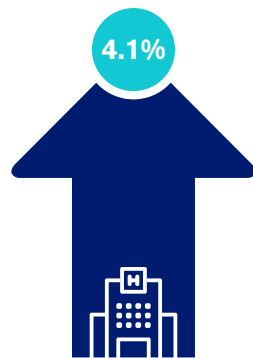
Outpatient Rx Coverage
(excludes PBM rebates)

No change in trend projected for PPO/POS plans with primary care physician gatekeepers: 7.2 percent.

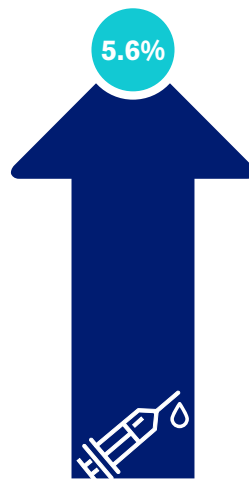
Price inflation is the leading driver of trend for most services.



Outpatient Rx
Non-Specialty



Hospitals

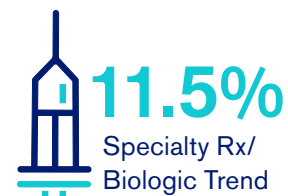


Outpatient
Rx Specialty



For physician services, **utilization** is a greater trend driver: 3.1% compared to 2.6% for price inflation.

Projected trend for specialty drugs is **more than 4x higher** than non-specialty drugs.



Plan sponsors' 2020 top-five cost-management strategies:



1
Waiving cost sharing for treatment related to COVID-19



2
Using healthcare transparency tools



3
Implementing telehealth for behavioral health support services or enhanced virtual therapy sessions

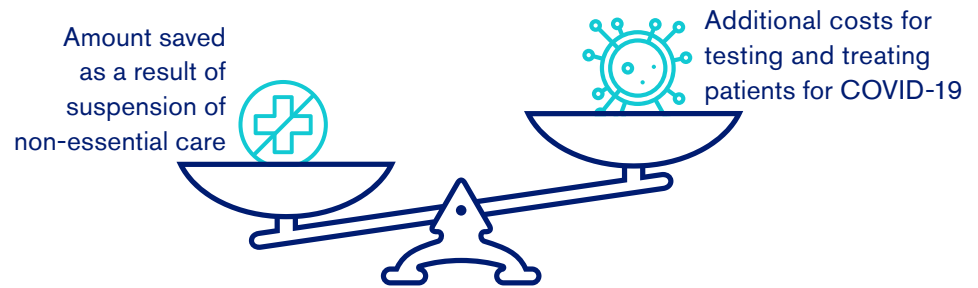


4
Including high-deductible health plan options



5
Expanding pharmacy management programs

Weighing the cost impact of COVID-19 in 2020



Estimated net impact of the COVID-19 pandemic on 2020 medical plan costs
~ 4% Decrease

It's too soon to know the overall effect that COVID-19 will have on actual plan costs or what the impact will be on long-term cost trends. Before projecting future claim expenses, Segal suggests plan sponsors closely examine their actual claim experience. To help plan sponsors estimate the impact of COVID-19 testing and treatment on their plans, we created a [cost-modeling tool](#) that we update as new data becomes available.

Learn more

This infographic illustrates just a few key findings from the 2021 *Segal Health Plan Cost Trend Survey* of 70 managed care organizations, health insurers, pharmacy benefit managers and third-party administrators, which, collectively, represent 80 percent of the commercially insured and self-insured market. [Download the survey report](#) to learn more about trend projections and cost-management strategies.

To find out how Segal can help you identify which solutions are most likely to yield savings without compromising the quality of care your participants receive, [contact us](#).

This infographic is for informational purposes only and does not constitute legal, tax or investment advice. You are encouraged to discuss the issues raised here with your legal, tax and other advisors before determining how the issues apply to your specific situations.