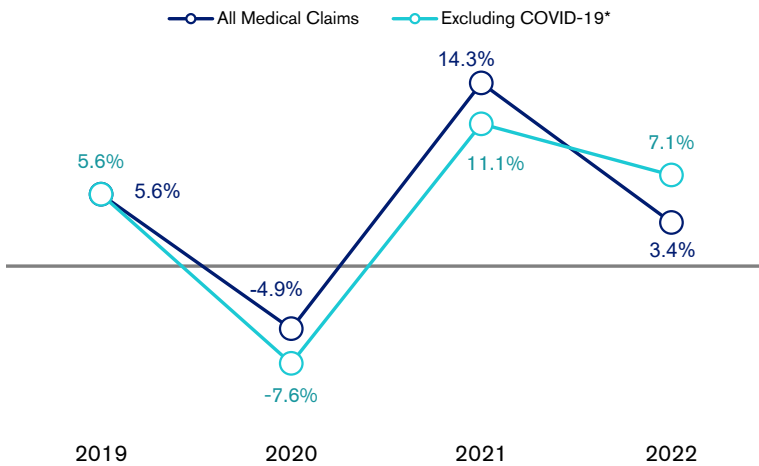


Key Factors Impacting Health Plan Cost Trends

This infographic presents key findings about health plan cost trends based on data from Segal Health Analysis of Plan Experience (SHAPE), our proprietary health data warehouse and analytics tool, which includes information from large health plans across the United States representing a range of industries and organizations that collectively cover more than four million lives.

Medical trend was favorable in 2022 primarily because there were fewer claims related to COVID-19, which peaked at the end of 2021.



In 2022, there were three main drivers of medical trend.



1. Cancer



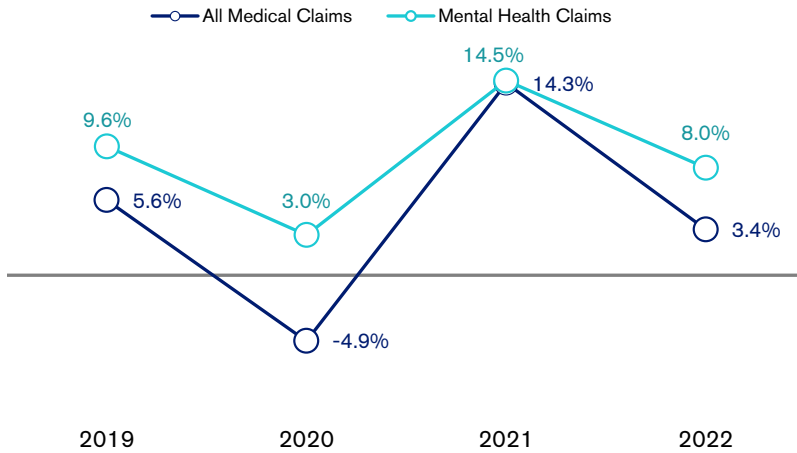
2. Mental health



3. Emergency room care

* This is any claim for a COVID-19 test, vaccine or with a confirmed COVID-19 diagnosis code.

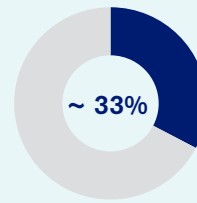
Treatment of mental health — the largest cost driver during the pandemic, when the percent of participants seeking mental health treatment increased from about 19% prior to the pandemic to over 23% by 2021 and telehealth was widely adopted — was still a major cost driver in 2022, increasing at more than twice the rate of general medical trend.



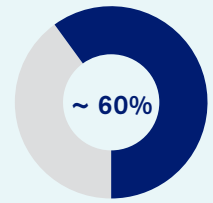
Five conditions are the main drivers of mental health cost trends.

1. Attention-deficit/hyperactivity disorder
2. Anxiety
3. Adjustment disorders
4. Bipolar disorders
5. Depression

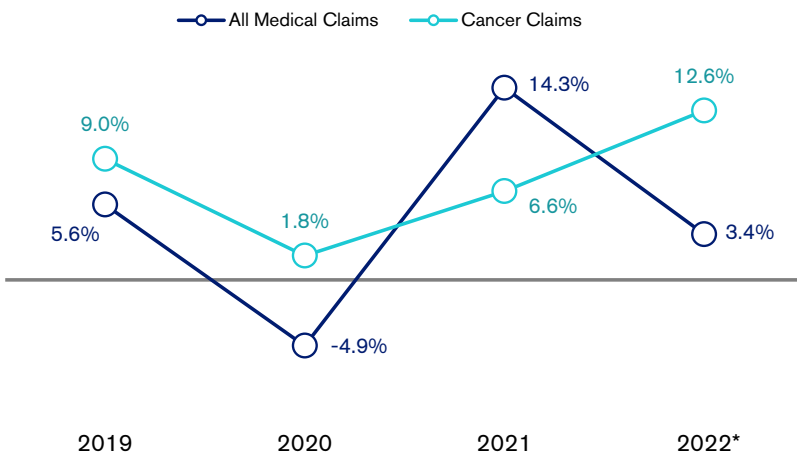
Percent of All Mental Health-Related Visits Done Virtually



Percent of All Virtual Visits that Are Related to Mental Health



Cancer care, which is typically a major driver of costs for most health plans, was one of the few areas of healthcare that did not experience a reduction in costs during 2020; by 2022, cancer trend was almost four times higher than general medical trend.



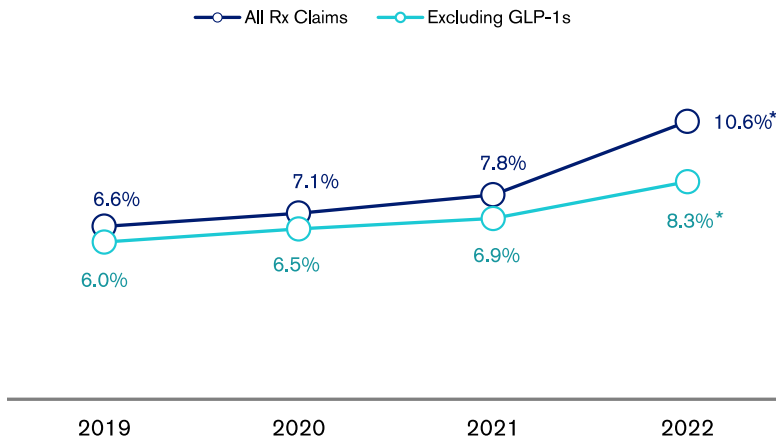
Costs related to cancer treatment have been driven by several cancer types.

- Brain
- Breast*
- Cervical*
- Endometrial
- Prostate*

* All three of these cancers have recommendations for preventive screenings.

* Preventive cancer screenings in 2022 were higher than pre-pandemic levels, likely leading to more cancers being identified.

Double-digit prescription drug trend in 2022 was mainly attributable to high utilization of glucagon-like peptide-1 receptor agonist (GLP-1) drugs used to treat diabetes and for weight loss.



* Before rebates

In 2022, in addition to GLP-1s, other major drivers of Rx expenses include medications used to treat three conditions.



1. Cancer (e.g., Everolimus[®] and Verzenio[®])

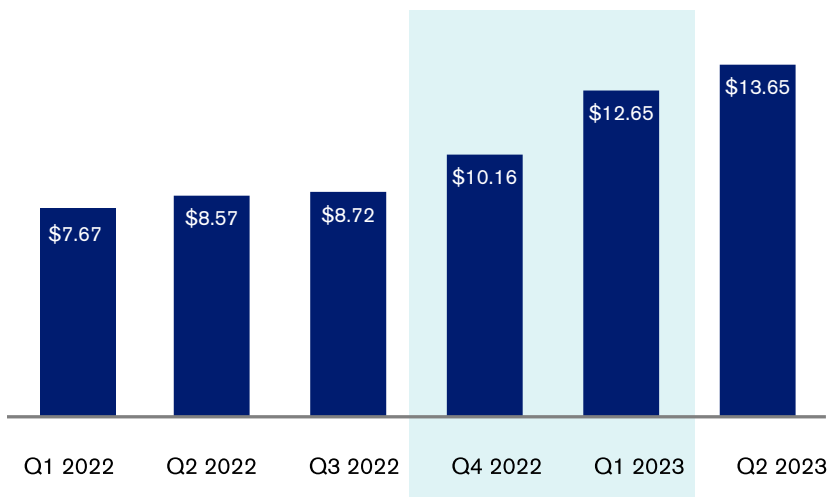


2. Psoriasis (e.g., Skyrizi[®] and Tremfya[®])



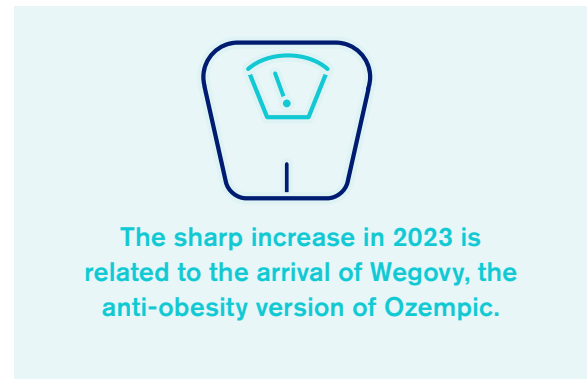
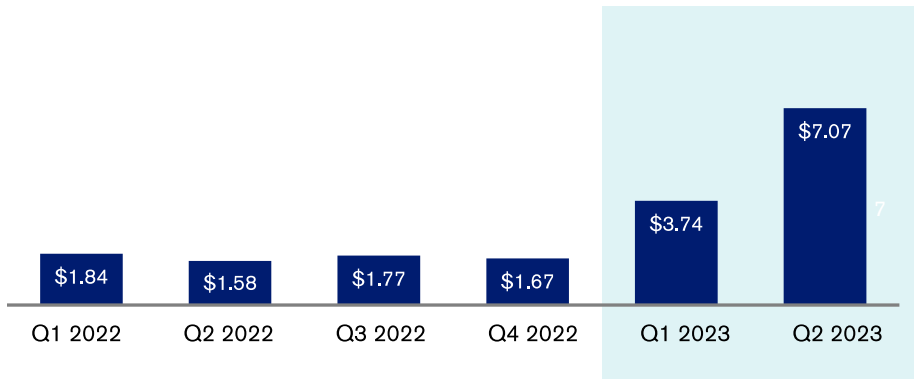
3. Migraines (e.g., Nurtec[®] and Ubrelvy[®])

The gross allowed cost per member per month (PMPM) for anti-diabetic GLP-1s (e.g., Mounjaro[®], Ozempic[®] and Rybelus[®]) increased 78% from the first quarter of 2022 to the second quarter of 2023.*



The largest quarter-over-quarter increase during this period was 25% between the fourth quarter of 2022, when Mounjaro was widely introduced, and the first quarter of 2023.

The gross allowed cost PMPM for anti-obesity GLP-1s (e.g., Saxenda® and Wegovy®), which was under \$2 through 2022, had roughly doubled in each of the first two quarters of 2023.*



* Zepbound™, the anti-obesity version of Mounjaro, is not included in these figures as it was not approved until late 2023.

How do your plan's medical and Rx trends compare to this data?

Do you know what's driving those trends and what can be done about it?

To learn more about our SHAPE health data warehouse and how you can use it to benchmark your plan's experience and performance, get in touch with one of the following subject matter experts:



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