



## Key Findings

The latest annual *Segal Health Plan Cost Trend Survey* found projected medical plan cost increases for 2022 are similar to pre-pandemic increases.

Other key findings about 2022 trend projections include:

- Survey respondents project per-person cost trends for open-access PPO/POS plans to be 7.3 percent.
- The projected annual cost trend for outpatient prescription drugs is 8.4 percent.
- Double-digit specialty Rx cost trend, mostly driven by price increases and new specialty drugs, continues to be a major driver of Rx cost trends and a challenge for plan sponsors.
- Provider price increases are still the primary driver for both hospital and Rx trends.
- Utilization is the primary driver of trend for physician services.
- Trend projections for most dental coverages are expected to return to pre-pandemic levels.
- Projected vision trends are less than 2 percent.
- Medical trend projections for Medicare-eligible retirees are similar to pre-pandemic levels with projected Medicare Advantage (MA) PPO and MA HMO plans at 4.8 percent.

In addition to presenting trend projections, the report also evaluates actual historic trends. For the first time in the 25 years that Segal has conducted this survey, actual 2020 trends were negative for medical and dental due to deferred and eliminated care.

## Observations

COVID-19 has caused unexpected disruption in our healthcare system. Healthcare utilization was at historic lows as people chose to postpone and even eliminate care. In contrast, utilization of digital health services exploded over the past year and transformed the delivery of some healthcare. The COVID-19 pandemic has also influenced patterns of emergency room use, urgent care use and retail clinic use that may outlast the pandemic.

In addition, plan sponsors are dealing with issues related to vaccines, incentives to increase workforce vaccination rates, return-to-work strategies and greater variation in paid claim amounts from month to month and quarter to quarter. These added variables create increased challenges for accurate forecasting of health benefit expenses for many plan sponsors. Tracking claim-cost expenses more frequently and studying detailed utilization patterns can help plan sponsors effectively respond to increased plan cost volatility that may continue into 2022.