



Wellness Trends and Cost Containment Strategies

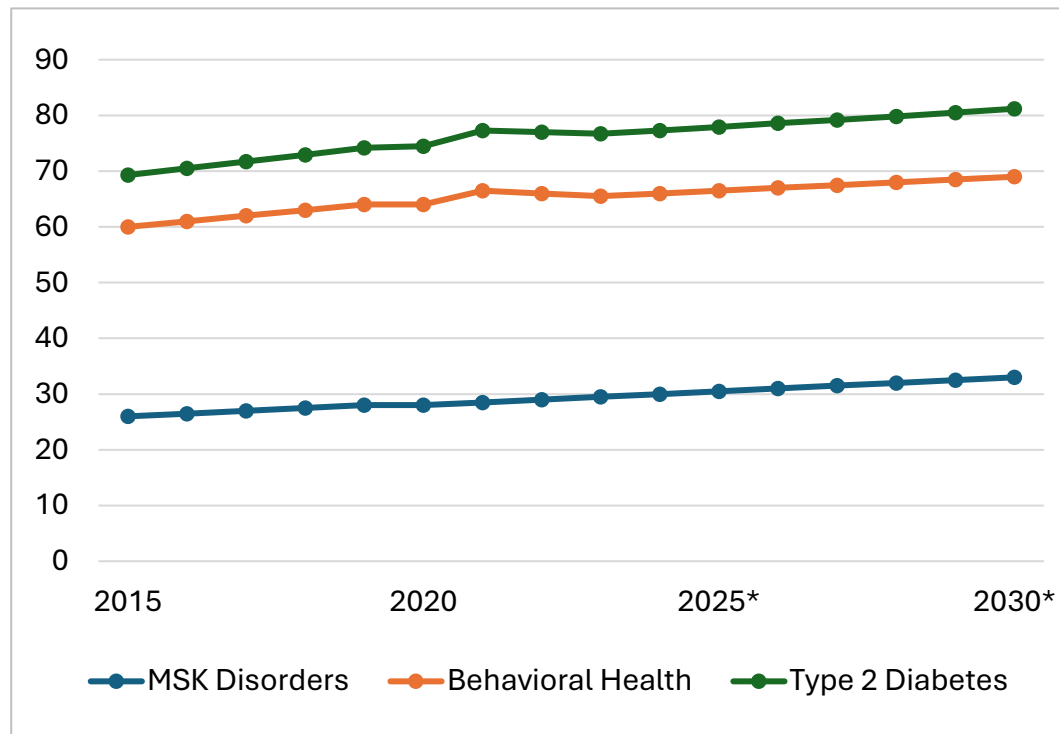
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2026 Wellness Trends

Overall Health in the U.S.

Estimated Prevalence/Incidence Rates per 100 U.S. Adults 2015–2030
(Cancer per 1,000 adults)

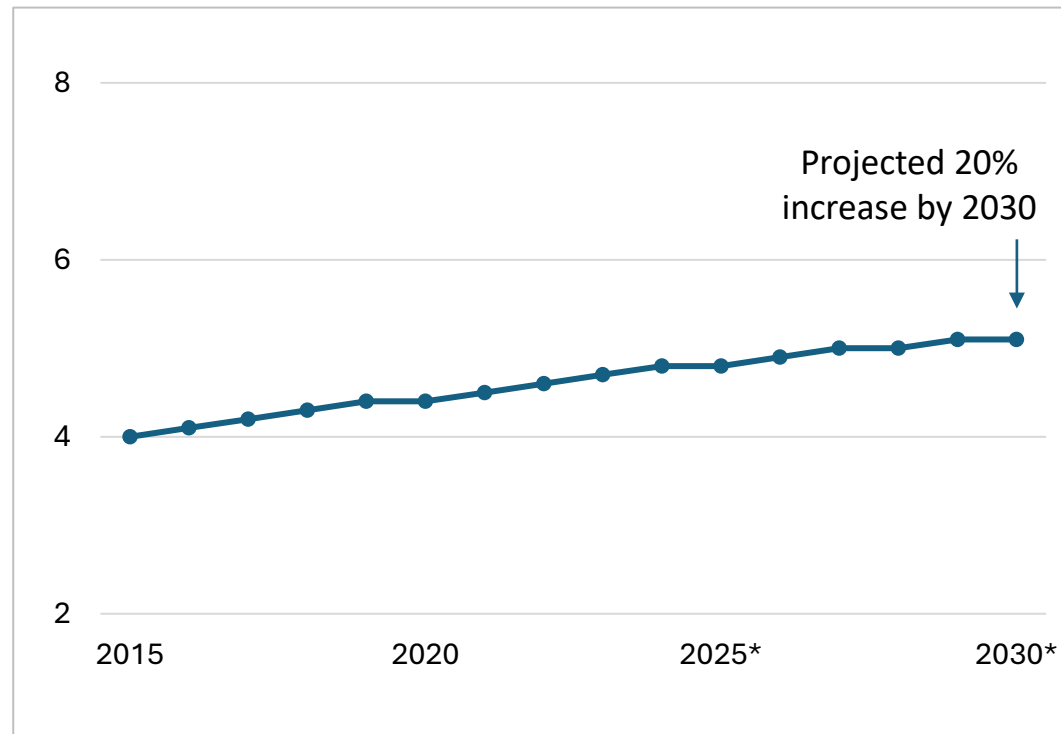


Sources: CDC Musculoskeletal Disorders Data, Lancet, Global Burden of Disease for MSK, NCI SEER Cancer Statistics, NCI Annual Report, CDC Mental Health Data, NIH Mental Illness Statistics, CDC Diabetes Statistics

- The health status of the U.S. population continues to decline.
- Obesity is a significant driver of overall claim costs.
- The prevalence of all chronic conditions is forecasted to increase for the near future.
- There has been a surprising increase in heart disease and cancer incidents for those under 50 years old.
- Behavioral health utilization has expanded into the older age segments not previously impacted.

Cancer Remains a Leading Cost Driver

Estimated Cancer Prevalence/
Incidence Rates per 1,000 U.S. Adults 2015–2030



Sources: NCI SEER Cancer Statistics, NCI Annual Report

- Cancer and leukemia account for approximately 25% of all cancer diagnoses.
- Rate of new diagnoses has steadily risen over time, a trend that is expected to continue.
- **NEW:** Higher incidents of early-onset cancers – colorectal and breast cancers^{1, 2}.
 - Leading cancer for younger people now colorectal cancer (previously skin cancer).
- The annual cost to treat cancer is expected to exceed \$240 billion by 2030.
 - Surging costs for therapies, diagnostics, imaging, specialty drugs.

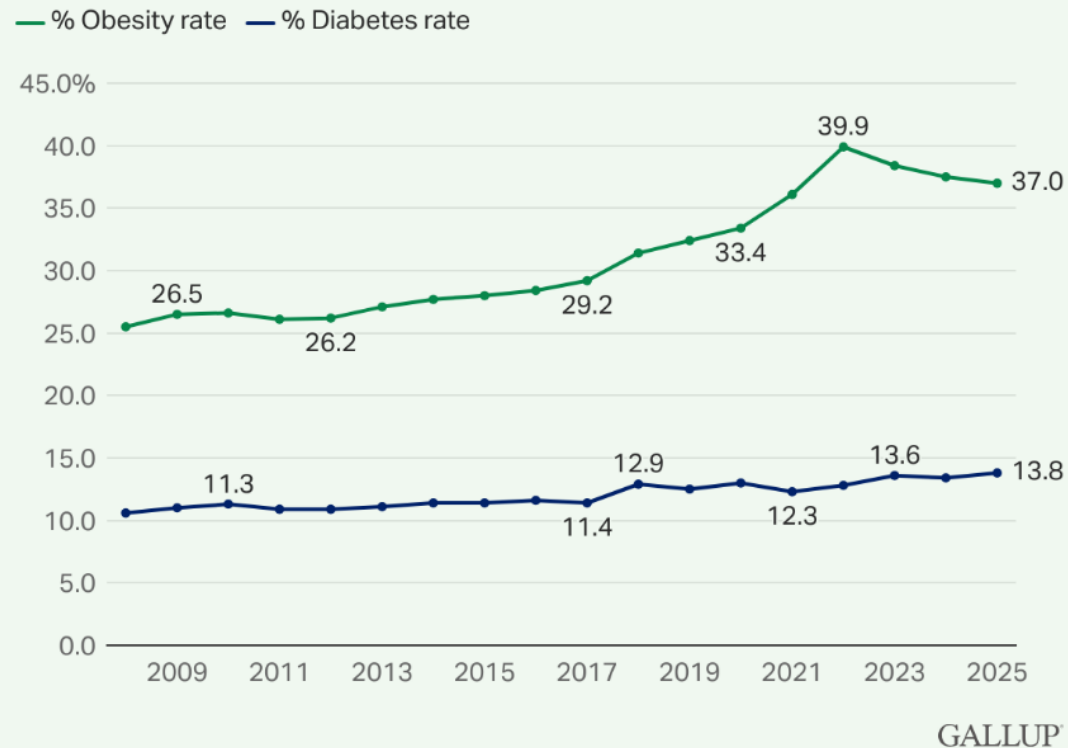
Early detection of Cancer:

¹Yale School of Medicine, Why Are Colorectal Cancer Rates Rising Among Younger Adults?, 2023

²American Cancer Society, Breast Cancer Incidence Still Rises and Death Rate Still Declines, 2024

Obesity Continues to Drive Costs, Despite Lower Rates

Obesity Showing Signs of Decline in U.S.



Sources:

1 Gallup National Health and Wellbeing Index

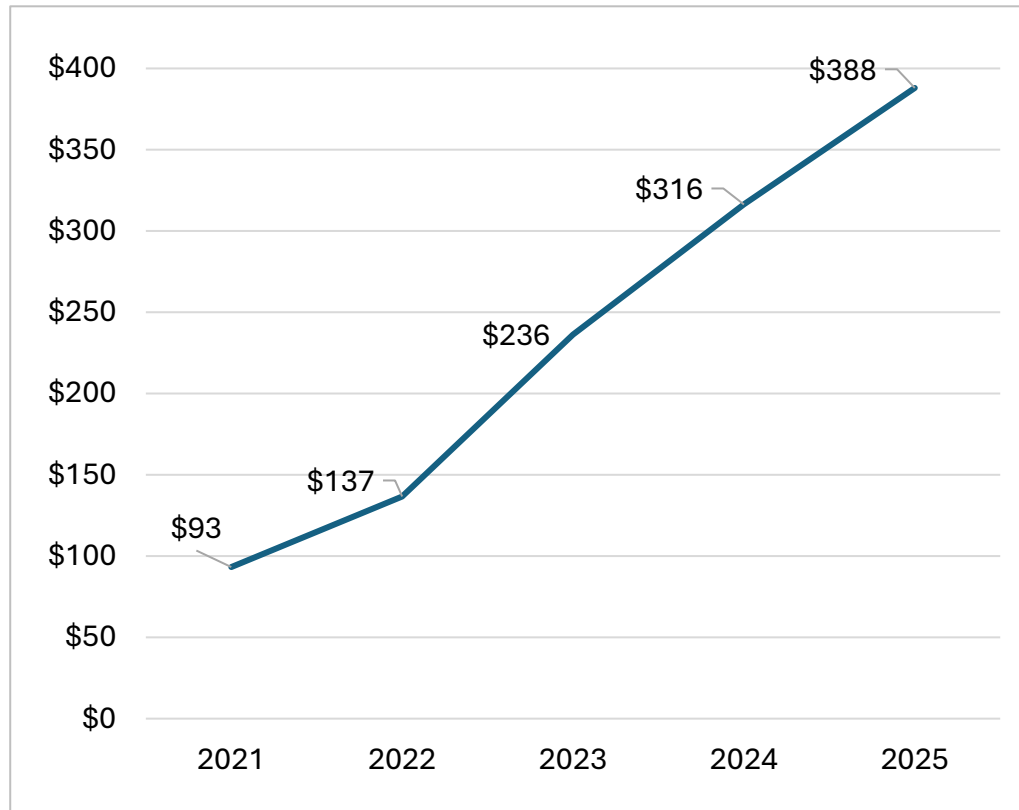
2 Centers for Disease Control and Prevention, Adult Obesity Facts

3 Centers for Disease Control and Prevention, Childhood Obesity Facts

- Obesity levels peaked in 2022 and have been steadily declining
- Over one third of American adults (37%) are affected by obesity — as well as one in five children — costing the healthcare system \$173 billion annually.^{1,2,3}
- Obesity has been linked to several other high-cost conditions, including heart disease, Type 2 diabetes and as many as 13 different types of cancers.
- The use of injectable GLP-1s for weight loss has more than doubled since 2024.
 - GLP-1s are being studied and approved for an expanding list of medical conditions.

Emerging Trends in GLP-1 Access and Affordability

PMPY Cost of GLP-1 Injectable Medications



Source: USI 3D Client Data

- Recent developments have made the outlook more complex.
 - U.S. obesity rates peaked in 2022 and have begun to decline.
 - The use of injectable GLP-1s for weight loss has more than doubled since 2024.
 - Direct to consumer models are growing in popularity as some patients are willing to pay out of pocket to access GLP-1s and other medications.
 - GLP-1s are being studied and approved for an expanding list of medical conditions like MACE, MASH and obstructive sleep apnea.
 - Several other areas of research include PCOS, inflammatory bowel disease and addiction.

Evolving Trends and Treatments to Improve Population Health



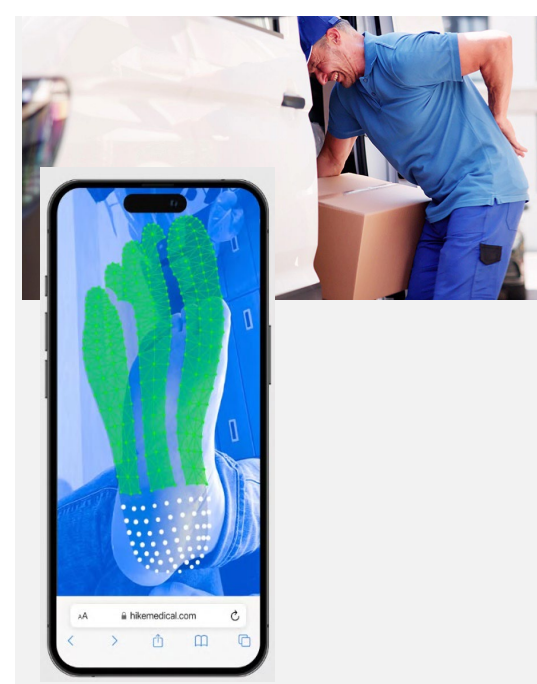
Cancer Care Management

New screening options for early detection and lowered ages for first mammogram and colon cancer screenings.



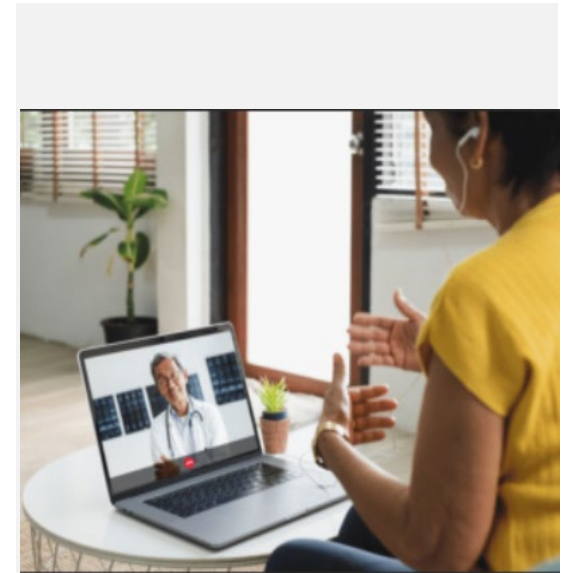
Advanced Glucose Control for Diabetes

Medication management, device technology and plan design recommendations.



Musculoskeletal Health

Industry specific solutions, virtual PT, pain management devices, and mobile foot scanning/3D printed custom orthotics.



Behavioral Health

End to end solutions, from education and assessment to counseling, medication management, and triage.



Looking ahead with AI

- AI continues to improve population health management through predictive analytics, personalized interventions, and efficient care coordination. Emerging trends focus on real-time stratification and health equity. Organizations should explore AI-driven approaches for better health outcomes.



Population Health Initiatives and Cost Containment Strategies

Compliance Guide to Wellness Programs

This summary highlights the major compliance issues related to wellness programs. Please consult USI's "Compliance Guide to Wellness Programs" for additional information. Note that the use of any incentives may be problematic if GINA or the ADA applies due to the lack of guidance from the EEOC.

HIPAA

An employer rewarding employees based on a health factor will need to comply with the 5 HIPAA requirements, including capping the reward at 30% of the cost of employee-only coverage (50% for programs designed to reduce or prevent tobacco use).

GINA

A group health plan and employer cannot discriminate on the basis of genetic information. This includes a prohibition of rewards associated with family history questions in health risk assessments. Employers should be aware that penalties or other incentives imposed on an employee for a spouse's completion of biometrics or other medical exam and/or a health risk assessment may be problematic under GINA

ADA

An employer may only require medical examinations and make disability-related inquiries when it is job related and consistent with business necessity. There is an exception for voluntary wellness programs. The EEOC may challenge incentive-based programs when connected to biometrics, annual doctor's visits, and/or health risk assessments. Effective December 31, 2018, the court vacated EEOC regulations that, in part, permitted an incentive of not more than 30% of the total cost of self-only coverage in the lowest cost plan option. At this time, the EEOC has not issued guidance to reflect the amount of an incentive, if any, that may be permissible for a wellness program to qualify as "voluntary."

The Bottom Line on Wellness Incentives

There can be no incentives related to family history. The most conservative approach is to remove incentives associated with employee medical exams and disability-related inquiries and with respect to a spouse's medical exam or providing the spouse's own health information.

Traditional Wellness Programs Have Not Delivered on Expectations

Standard Vendor Solutions	Challenges
On-site Biometric Screenings	Non-diagnostic tests that lead to no follow-up.
Stand Alone Health Risk Appraisal	Self-reported health information, no follow-up.
Unsustainable Lifestyle Challenges	Costly, with limited impact on health status and claims management .
Tobacco Cessation	While 70% of smokers want to quit, only about 6% of smokers successfully quit smoking.
Carrier disease management programs	Low engagement, inability demonstrate impact.



Wellness programs should promote health and address industry-specific concerns.

Population Health Management Strategies



Physician Engagement

Primary care is the most economical entry point to address conditions like cancer, diabetes, and heart disease.

Average savings of 3% to 5%



Cancer Care Management

Significantly improve health outcomes and reduce the impact of catastrophic claims on health plan spending.



Diabetes Management

Improve care and reduce the risk of costly complications by aligning plan design with recommended treatment strategies.

Average savings of \$3 per every \$1 spent

Strategies to Manage Rising Healthcare Costs



Incentivized Physician Choice

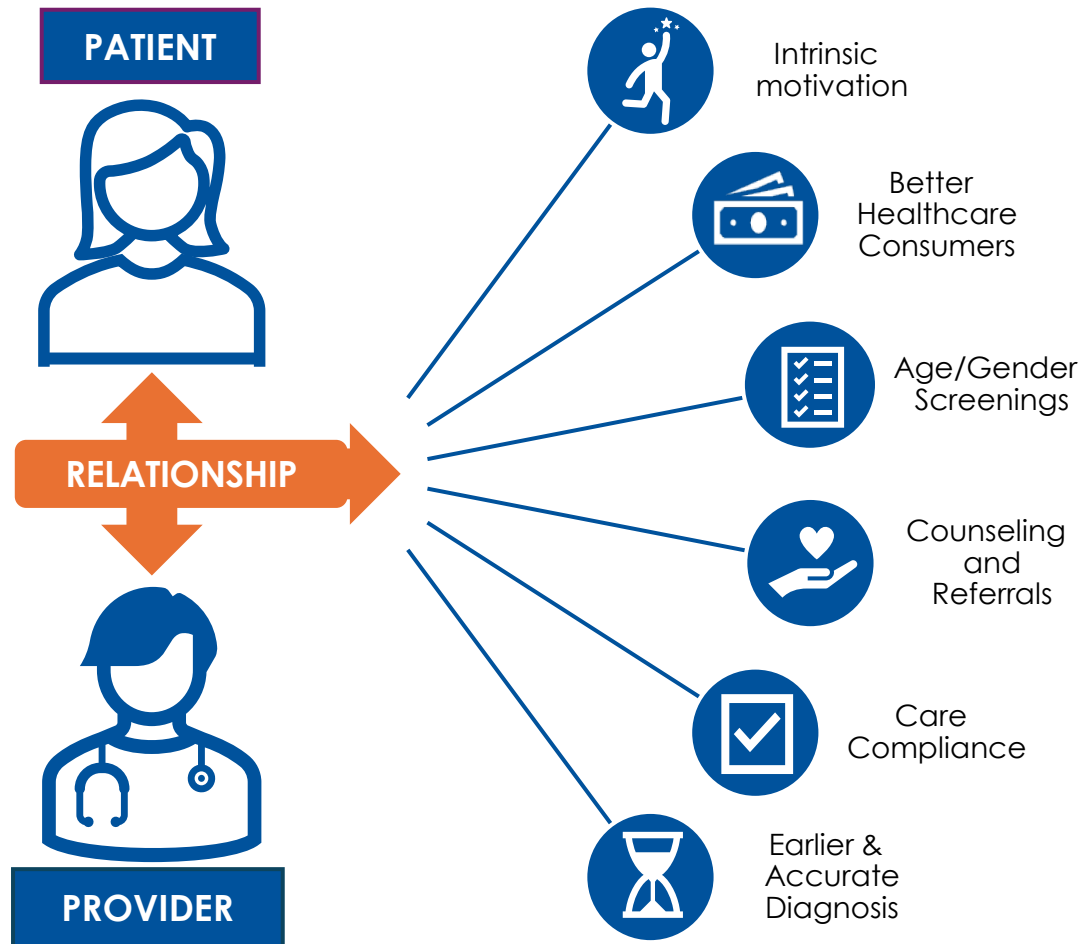
Reduce healthcare cost
by directing employees
to high quality, high
value providers.

- Direct employees to high quality, high value providers through digital tools and concierge support services.
 - Reduce unnecessary procedures and avoid costly complications.
 - Enhanced Care Coordination and Specialty Referral quality.
- Engage members to change behavior by leveraging financial incentives (e.g., through plan design and contribution strategy).
- Does not require a medical carrier change.



Physician Engagement | The Impact

Encouraging appropriate health plan utilization can often enhance health literacy and an increased value perception of their benefits program.

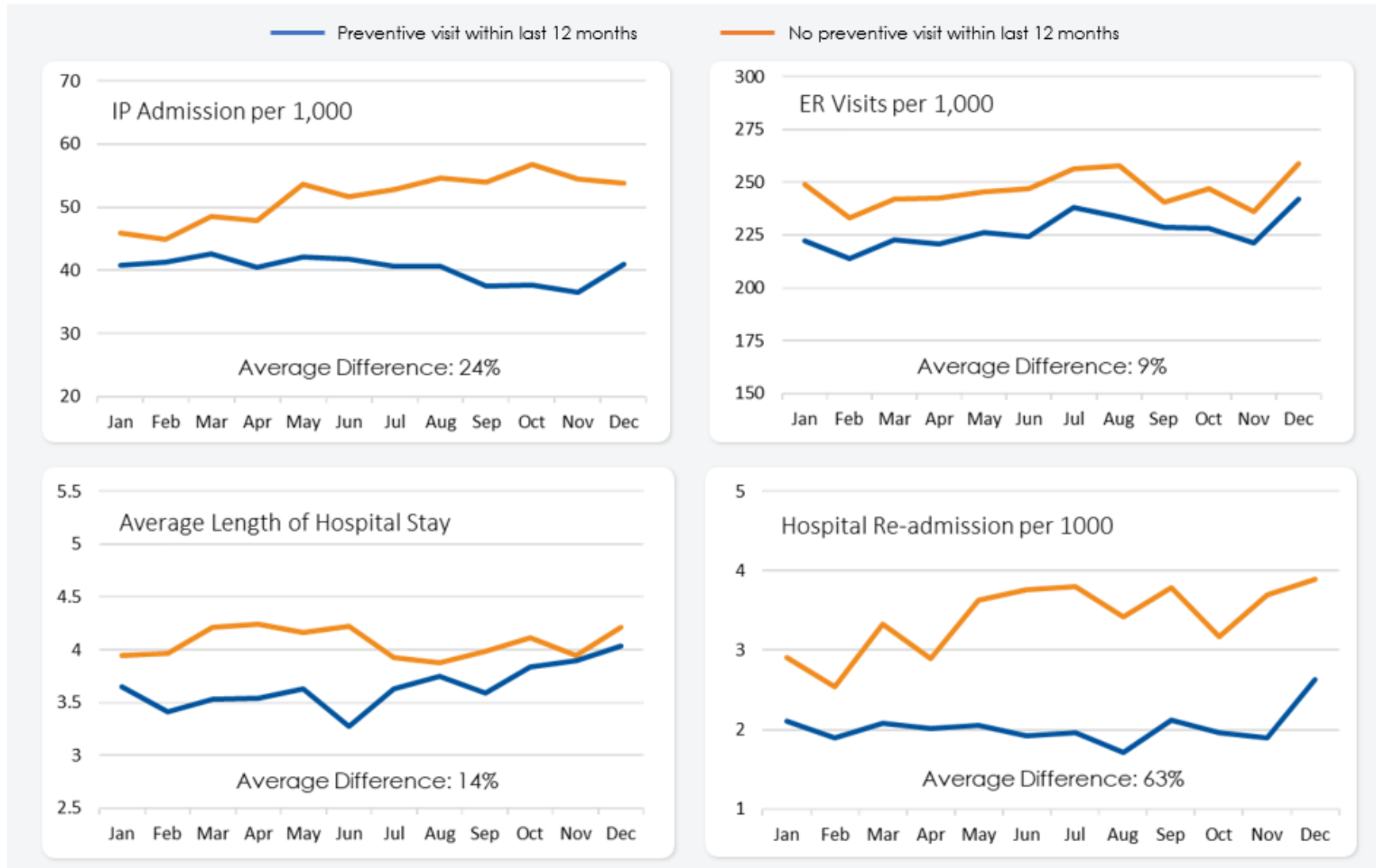


KEY TAKEAWAY

Establishing a patient-provider relationship results in lower health plan costs by exchanging higher-cost reactive care for lower-cost preventive care.

Evidence Supporting the Value of Preventive Care

A view of 1,166,000 individual adults



646,660 without preventive care visits; 519,120 with a preventive care visit in the previous 12 months: data ending December 2024

Replicating on individual client basis is not credible for small groups.

Cancer Care Management

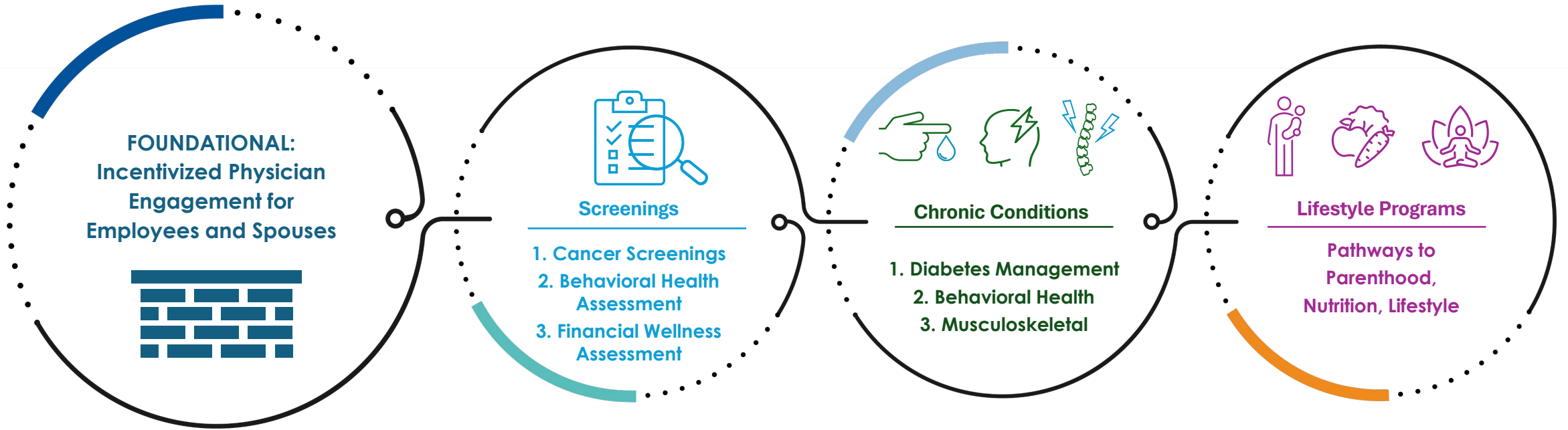
Early detection of cancers increases survival rates and costs less to treat than advanced staged cancers

Cancer Type & Screenings		Estimated Impact			
Cancer Type	Recommended Screenings & Cost of Screening	Avg. Cost to Treat Cancer		Approximate 5 – Year Survival Rates	
		Stage 1	Stage 4	Stage 1	Stage 4
Colon Cancer	Colorectal Screening: \$1,497	\$79,000	\$272,000	88%	16%
Prostate Cancer	Prostate-Specific Antigen (PSA): \$22	\$43,000	\$143,000	100%	32%
Cervical Cancer	Cervical Screening: \$33	\$49,000	\$197,000	92%	17%
Breast Cancer	Mammogram: \$340	\$69,000	\$260,000	98%	32%

- USI's *Incentivized Physician Engagement* solution promotes annual low-cost preventive care visits, including age and gender appropriate cancer screenings.

- This strategy cannot prevent cancer, however early detection and treatment of cancers is less costly and has higher survival rates.

Client Evolution of CORE (Physician Engagement)



- 70% of the US population does **not** have an active primary care relationship
- Promoting primary care physician relationships facilitates lower-cost interactions within the healthcare system and encourages proactive healthcare management
- Physician engagement helps to promote early detection of potential catastrophic claims
- USI assists with the design of compliant financial incentives for members to engage with their primary care physician

Impact and Benefits:

- Estimated cost avoidance can range from **3-5%** of annual premium and significantly reduce the long-term trend
- Cost-neutral incentive design
- Mitigate emergency room visits and inpatient days
- Early detection and avoidance of catastrophic claims



Questions?

Thank you!