

# Benefits Breakdown

October 2021

## 3 Strategies for Reducing Health Benefits Costs in 2022

According to a PricewaterhouseCoopers (PwC) report, medical costs are projected to increase 6.5% in 2022. That's why employers must think strategically but creatively about how they can lower their health benefits expenses. Here are three strategies to help.

### 1. Control Drug Spending

Employers can educate employees on the price differences between name-brand and generic medications. Doing so can help employees understand that they can save money while still receiving the same quality treatment. Additionally, employers may consider introducing varying levels of prescription drug coverage.

### 2. Encourage Active Benefits Participation

Employers can help limit overall health costs by making employees active participants in their health care. Price shopping, in particular, should be easier in 2022, given the new [hospital price transparency rule](#) that took effect on Jan. 1, 2021.

### 3. Embrace Virtual Health Options

There are countless telehealth services available these days. Individuals can connect with health professionals in just a few clicks—no waiting times or driving to a clinic. Additionally, individuals won't need to take large chunks of time off work, allowing for greater productivity.

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## Open Enrollment 2022: Benefit Notices

Employers that sponsor group health plans should provide certain benefit notices in connection with their plans' open enrollment periods. Some of these notices must be provided at open enrollment time, such as the summary of benefits and coverage (SBC). Other notices must be distributed annually.

Some benefit notices apply to all group health plans. Others only apply to certain group health plans, based on plan design and coverage.

### Specific notices (non-exhaustive):

|                        |                              |  |
|------------------------|------------------------------|--|
| Medicare Part D Notice | WHCRA Notice                 | Notice of Patient Protections          |
| SBC                    | CHIP Notice                  | Wellness Program Notices               |
| HIPAA Privacy Notice   | SPD (and SMM, if applicable) | Individual Coverage HRA (ICHRA) Notice |

In general, any plan design changes for 2022 should be communicated to plan participants either through an updated summary plan description (SPD) or a summary of material modifications (SMM). Reach out to your broker contact with any questions.



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