

## Higher Premiums, Deductibles and Copays Expected in 2024

Amid ongoing inflation pressures, employees can expect their health care costs to increase in 2024. Global professional services firm Aon previously reported that health care costs will grow by 8.5% in 2024 (to more than \$15,000 per employee), which is nearly double 2023's figure. As a result, a report by supplemental insurance company Aflac now found that employees' premiums, deductibles and copays will rise in the new year.

**“You've got employees who are already facing other financial challenges, so it really does have an impact on their ability to make ends meet. It creates additional stress, and impacts wellness and burnout.”**

- *Jeri Hawthorne, chief human resources officer, Aflac U.S.*

Many employees can't financially take on rising health care costs. Consider these Aflac findings:

- Half (50%) of employees could not pay more than \$1,000 in out-of-pocket (OOP) costs for an unexpected medical event.
- One-quarter (27%) of employees could not lose more than \$500 to cover OOP costs.
- Nearly one-third (30%) of employees had to make a difficult health care decision in the

past year. Often, they had to decide between being able to afford a treatment or prescription or paying a bill.

A troubling takeaway from the report is that there is much work to be done regarding benefits education with employees. While 79% of employers think their employees understand health care costs well, less than half of employees agreed.

### Employer Takeaway

Many employers focus on offering robust benefits packages for their employees. However, as workers face increased financial strain, it's critical for employers to focus on benefits education and communication with their employees. The goal is to help them understand their benefits and the best ways to utilize and maximize them. Many employees are looking for ways to stretch their hard-earned dollars further, and employers can step in to provide that much-needed guidance. Benefits have always been an essential attraction and retention tool, but employers can further highlight them in 2024.

With higher costs on the horizon, employers should begin identifying tools and resources to offset higher premiums, deductibles and copays. Contact us for more information.