



Five Factors Driving Higher Healthcare Costs

Q4 is undoubtedly busy with tasks like finalizing next year's health plan. One major trend affecting employers' decisions is **soaring healthcare costs**. Small businesses in particular are feeling the crunch.¹

While general inflation is a widely known culprit, **medical inflation** also influences healthcare costs. Here are five factors driving medical inflation that are challenging employers to **take the lead and make savvy health plan decisions for 2025**.

Factor 1: Increased labor costs

For Q1 alone this year, general labor costs across U.S. companies increased at the **fastest pace in 1.5 years**. In hospitals, **healthcare worker shortages** have increased labor costs, making patient care more expensive to provide.^{2,3}

Factor 2: Skyrocketing demand for expensive new GLP-1 drugs

Last year saw some of the **steepest drug cost hikes since 2011** for ~1,000 medications.⁴ This cost trend is driven by the popularity of GLP-1 drugs prescribed for Type 2 diabetes and weight loss.^{1,3}

Factor 3: Consolidation of providers and health systems

As our May 2024 *RAW Newsletter* reported, consolidation of providers and health systems is **driving costs up and competition down**. Nearly **70% of hospitals have merged** with health systems in recent years. These mergers have contributed to estimated **cost increases up to 65%**. The jury is still out on how consolidation affects quality and efficiency long term.⁵

Factor 4: Escalating insurance premiums

Insurers cite Factors 1-3 as key drivers of rising insurance premiums.⁶ A recent report also cites **high hospital prices** as a main driver.⁷

Factor 5: Pandemic-related deferred care

During the pandemic, many patients put their healthcare appointments on hold. Deferred care has resulted in higher-severity diagnoses and longer hospital stays. This, in turn, has **driven hospital labor, drug, and supply costs higher**.⁸

Multiple factors are driving higher healthcare costs.

How can employers make the most impact?

Provide employees with real healthcare solutions that offer real value—without compromising quality.

Learn More

Regenexx has innovated such a solution for musculoskeletal (MSK) issues

Take a look at findings from the Validation Institute **cost-savings analysis** on Regenexx procedures⁹:



Get the Report

Validation Institute Findings on Regenexx Procedures⁹

- Can reduce cost of individual orthopedic surgeries by **up to 70%**
- Demonstrated **50% lower expense** than surgery avoided
- On average, patients reported **60% improvement** one year after their procedure⁹

⁹Patient post-procedure evaluations based on the Single Assessment Numeric Evaluation (SANE) score, a single-question patient-reported outcome measure. The SANE score is both singular and comprehensive, as it provides a concise but valuable measure of the patient's perceived function, quality of life, and goals.¹⁰



What Is Regenexx®?

At Regenexx, we deliver an option in lieu of **70% of elective orthopedic surgeries**.⁹ Further, we strive to provide **cost savings for our self-funded employers**.

According to a Validation Institute cost-savings **analysis**, **Regenexx procedures were ~50% less expensive than the surgery avoided**.⁹ We continue to see traction among employers, brokers, and third-party administrators who have chosen to partner with us.

The Regenexx benefit is no cost to add and simple to include in any self-funded healthcare plan.

Our procedures:

- Are a **non-surgical option** for individuals who may be considering elective orthopedic surgery
- Use the world's most advanced interventional orthobiologics (blood platelets and stem cells from bone marrow concentrate) to treat orthopedic pain and injury

Learn how adding Regenexx can **reduce costs by up to 70%** on individual surgeries while offering members a new option in care.⁹

Contact your **Regenexx Corporate Sales Team Representative** today:

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Like all medical procedures, Regenexx® Procedures have a success and failure rate. Patient reviews and testimonials in this newsletter should not be interpreted as a statement on the effectiveness of our treatments for anyone else.

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