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



Multiple factors are driving nigner nealthcare costs.

How can employers make the most impact?

and health systems As our May 2024 RAW Newsletter reported,

Factor 3: Consolidation of providers

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

deferred care

Factor 5: Pandemic-related

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

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:



^aPatient 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

Validation Institute Findings on Regenexx Procedures⁹ Can reduce cost of





60% improvement one year after their procedure

50% lower expense

provides a concise but valuable measure of the patient's perceived function, quality of life, and goals.10



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.

Learn how adding Regenexx can reduce costs by up to 70% on

RegenexX?

for individuals who may be considering elective

Our procedures:

What Is

orthopedic surgery • Use the world's most advanced interventional

orthobiologics (blood

• Are a non-surgical option

platelets and stem cells from bone marrow concentrate) to treat orthopedic pain and injury

individual surgeries while offering members a new option in care.9

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

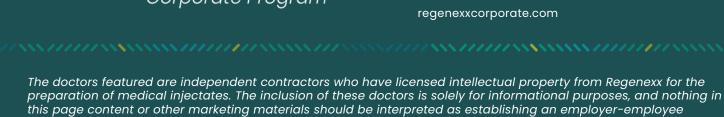
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relationship, partnership, or agency between Regenexx and the doctors. Likewise, these doctors are not professionally trained or licensed by Regenexx. Like all medical procedures, Regenexx® Procedures have a success and failure rate. Patient reviews and testimonials

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