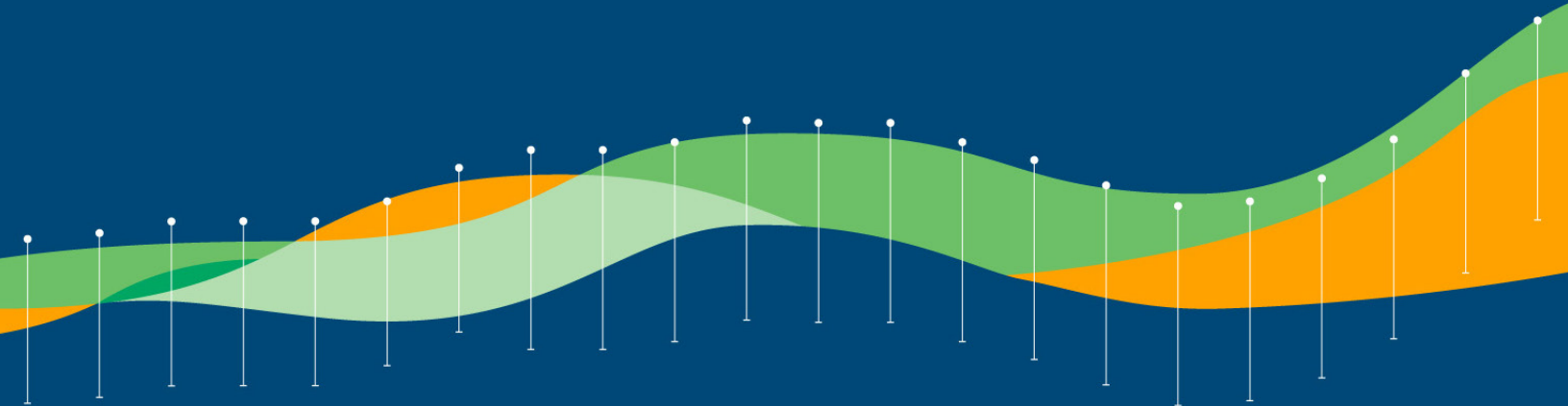


# Understanding your healthcare spend



## Milliman Employer Healthcare Plan Performance Benchmark Report

The Milliman Employer Healthcare Plan Performance Benchmark Report provides insights into key benchmarking information and market trends and is a valuable tool to guide healthcare strategy.

The report benchmarks your healthcare spend against Milliman's healthcare cost datasets, which are composed of more than 80 million lives. It evaluates your healthcare spend on a gross basis (before netting out paycheck contributions), which provides insights into **plan efficiency**. Healthcare spend is influenced by geography and the underlying **demographics** of the population.

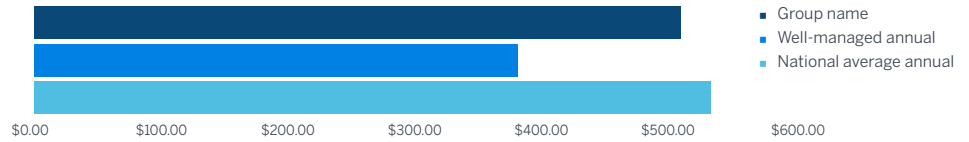
The Milliman report quantifies the difference between your healthcare spend and the benchmark that is attributable to those factors. Similarly, since the employer portion of healthcare spend is influenced by **plan design** and **employee contributions**, our report presents your plan design and employee contributions relative to benchmark.

## Plan efficiency

There are significant variations in the cost of health care; notably, efficient health plans are well-managed and have a lower per member, per month (PMPM) cost. The Milliman report provides the PMPM cost for a well-managed plan that reflects an employer's characteristics—the demographics of the employee population and where the population resides.

## Group vs average and well-managed populations (PMPM)

Potential savings (compared to well-managed population: \$10,100,000)



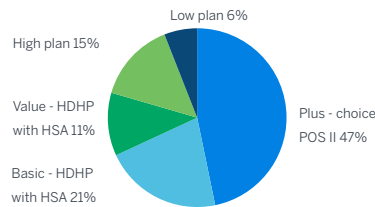
Savings are based on the differential between the group's claim budget rates and both the calibrated well-managed and calibrated national average of hypothetically performing groups.

## Demographics

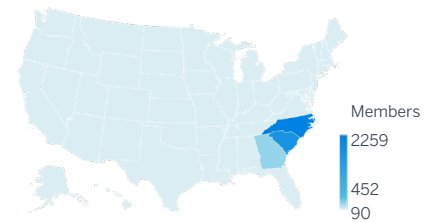
Healthcare cost is impacted by the underlying demographics of the covered population and their geographic residence. Our report benchmarks the demographics—age/sex risk factor, contract size—and the geography/area factors of employer-sponsored medical/Rx plans relative to market. Higher average contract size, age/sex factors, and area factors correlate to higher healthcare cost.

## Group name benchmark dashboard

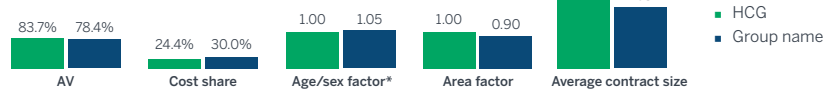
### Membership by plan



### Membership by state\*



### Group metric vs benchmark

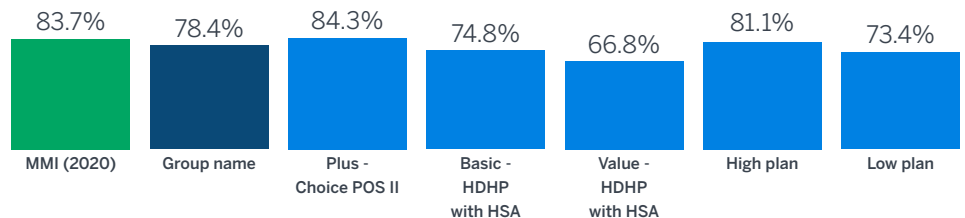


Membership above based on estimation of total dependents using employee counts by tier. All dependents are assumed to habitate the same area as the enrolled employee. AV and Cost Share Benchmarks (above) based on 2020 Milliman Medical Index, the remainder on the HCGs.

## Plan design

The cost of an employer-sponsored medical and Rx plan is influenced by the plan design. The Milliman report provides an **actuarial value**—the percentage of the healthcare cost covered by the plan—for each medical/Rx plan and benchmarks it against the market. A higher actuarial value correlates to higher healthcare cost.

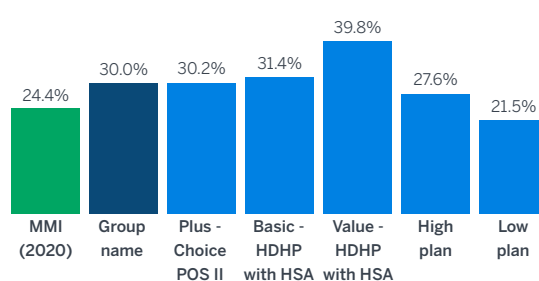
## Actuarial value



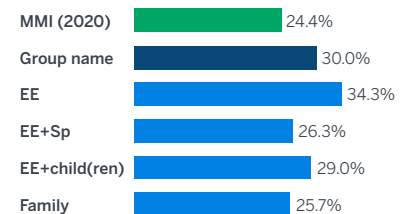
## Employee contributions

The contribution percentage is the portion of the cost of the plan paid by the employee via paycheck. The Milliman report benchmarks the contribution percentage for each medical/Rx plan against the market. The contribution percentage is also shown by tier of coverage relative to the market.

## Employee contribution percentage



## Contribution percentage by tier



Learn more:

[employerconsulting@milliman.com](mailto:employerconsulting@milliman.com)  
[milliman.com/employerbenchmarkreport](https://milliman.com/employerbenchmarkreport)

