



OCTOBER 2024 | VOLUME 26

## 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.<sup>1</sup>

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.<sup>2,3</sup>

### 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.<sup>4</sup> This cost trend is driven by the popularity of GLP-1 drugs prescribed for Type 2 diabetes and weight loss.<sup>1,3</sup>

### 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.<sup>5</sup>

### Factor 4: Escalating insurance premiums

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




Multiple factors are driving higher healthcare costs.

**How can employers make the most impact?**

### 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**.<sup>8</sup>



**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 procedures<sup>9</sup>:



**Get the Report**



### Validation Institute Findings on Regenexx Procedures<sup>9</sup>

- ✓ 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 procedure<sup>a</sup>

<sup>a</sup>Patient 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.<sup>10</sup>

What is the  
**Regenexx**<sup>®</sup>  
Corporate Program?

The Regenexx Corporate Program provides **MSK cost savings for self-funded employers**. According to a Validation Institute cost-savings analysis, **procedures using Regenexx injectates were ~50% less expensive than the surgery avoided.**<sup>9</sup>

The program continues 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 the Regenexx benefit can **reduce costs by up to 70%** on individual surgeries while offering members a new option in care.<sup>11</sup>



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*Cost avoidance estimates for individual groups are not reflective of the potential cost avoidance estimates for another group. Any estimate of cost avoidance for a group is specific to their employee population. To understand how your company's surgical experience may relate to the Regenexx approach, you can request a [Regenexx Corporate Program Impact Study](#).*

*Cost savings estimates: Physicians within the licensed Regenexx network indicate the surgical procedure for which Regenexx provider patients are a candidate. The Regenexx Corporate Program then measures the actual cost of the procedure using Regenexx lab processes against the cost of the surgical alternative. While the Regenexx Corporate Program does post service reviews and assess a percentage of Regenexx provider patients, not all these cases have been verified by a third party. Fair cost estimates based on Denver, CO ZIP code. In some cases, a generic "arthroscopy" cost estimate had to be used when a detailed condition-specific estimate was unavailable.*

*Like all medical interventions, procedures using Regenexx lab processes have a success and failure rate. Regenexx provider patient reviews and testimonials in this email should not be interpreted as a statement on the effectiveness of regenerative therapy for anyone else. Industry professional reviews and testimonials reflect the experience of that entity with the Regenexx Corporate Program. To discuss what a partnership with Regenexx could look like for your company or client, [contact our team](#).*

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