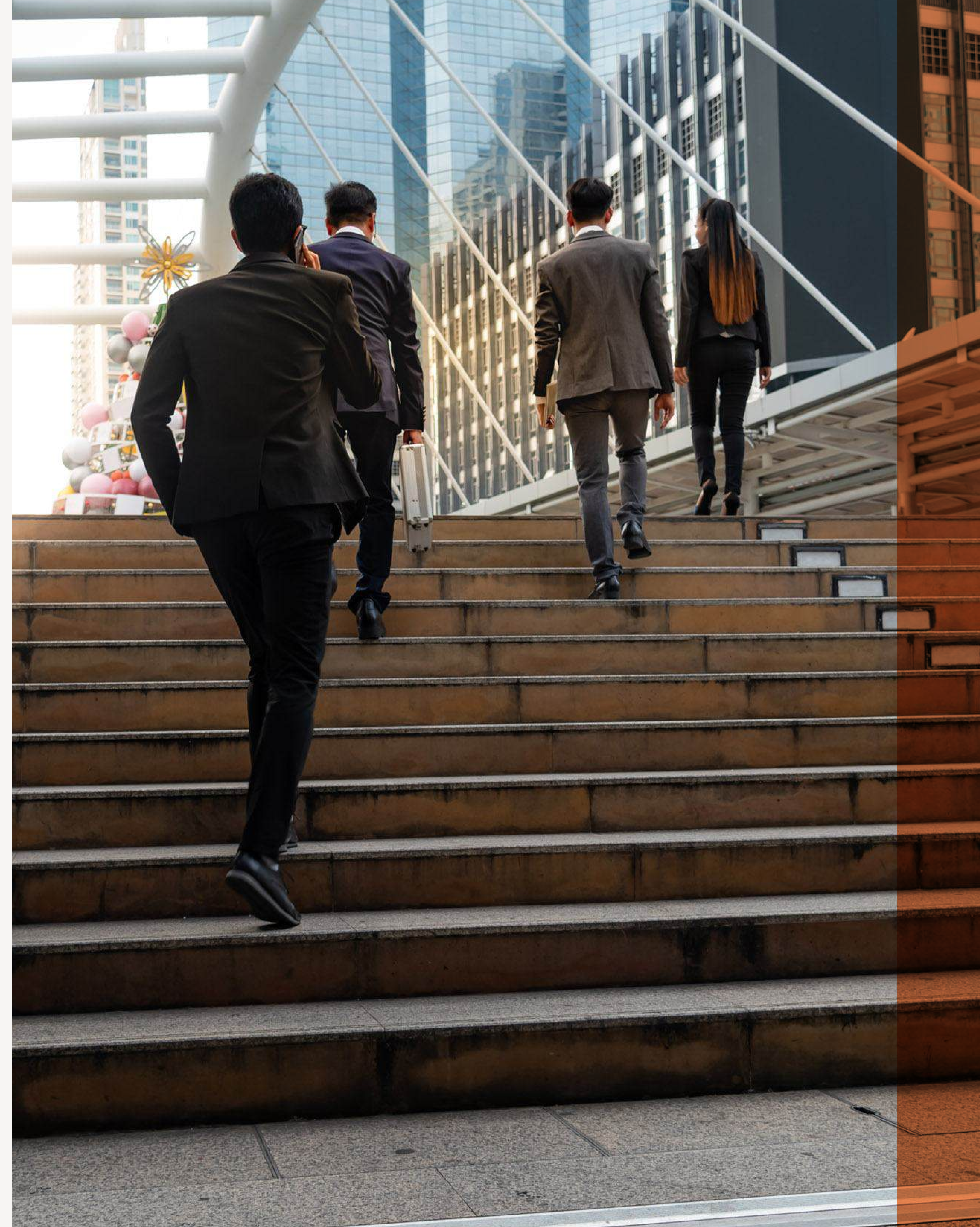




## MARKET BRIEF

**Upgrading your digital healthcare benefits is easier than you think – and it's worth it**

[dariohealth.com](https://dariohealth.com)



Today's employers are facing a challenge: They need to contain the ever-rising costs of employee healthcare benefits.

### Predictions for the rising costs of healthcare <sup>[1]</sup>

- 4X general inflation
- Nearly 3X wage increases
- > 2X the rate of retirement plan contributions

It makes sense that 89% of employers are taking one or more actions to lower their healthcare costs, according to a recent study from Quantum Health. <sup>[2]</sup>

Employees are feeling the pinch as well: one in five are spending more than 10% of their annual income on healthcare, including premiums and out-of-pocket expenses. <sup>[3]</sup>

# 63%

of employers reported that cost is among the most important factors in building their benefits packages <sup>[4]</sup>

While employers need to be cost conscious, outcomes matter! Companies are looking for solutions that their employees will use and that will deliver results. In fact, employee feedback is a major driver when it comes to the factors that drive employers to switch providers – even more important than cost, according to healthcare provider Lively. <sup>[5]</sup>

### ENGAGING MEMBERS IS A KEY CHALLENGE\*

Low member engagement **56%**

Lack of internal resources to manage solutions **48%**

Too many solutions/vendor partners **41%**

Lack of outcomes measurement to assess value **41%**

*\*Respondents selected at most three options*

Infographic: U.S. employers prioritize new and enhanced healthcare vendor solutions | WTW

## How did we get here?

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The pandemic brought a sea change. There was a mad scramble to add benefits in response to burgeoning mental health issues, increased caregiving responsibilities, and the Great Resignation.

A Paychex survey found a 22% increase in benefit offerings since the start of the pandemic <sup>[6]</sup>

The result? Some employers find themselves with a hodgepodge of point solutions that aren't bound by a cohesive strategy. Now they need to figure out what their employees really want and the best way to deliver that.

**90%** of employers that use utilization data to make benefits decisions trust this resource to provide information that serves the best interest of the company <sup>[7]</sup>



# Employers can't afford to stand still

Health and wellness benefits can't stagnate. New realities create new needs. There's a reason why 88% of employers are planning to make changes to their health and well-being vendor partnerships in the next two years. <sup>[8]</sup>

# 90%

of employers are using their vendor strategy to achieve organizational goals: <sup>[9]</sup>

- Reduced medical claim costs
- Enhanced employee experience
- Attraction and retention
- Improved workforce well-being



To get the right results at the right price, employers are revisiting their requirements and redefining their expectations.

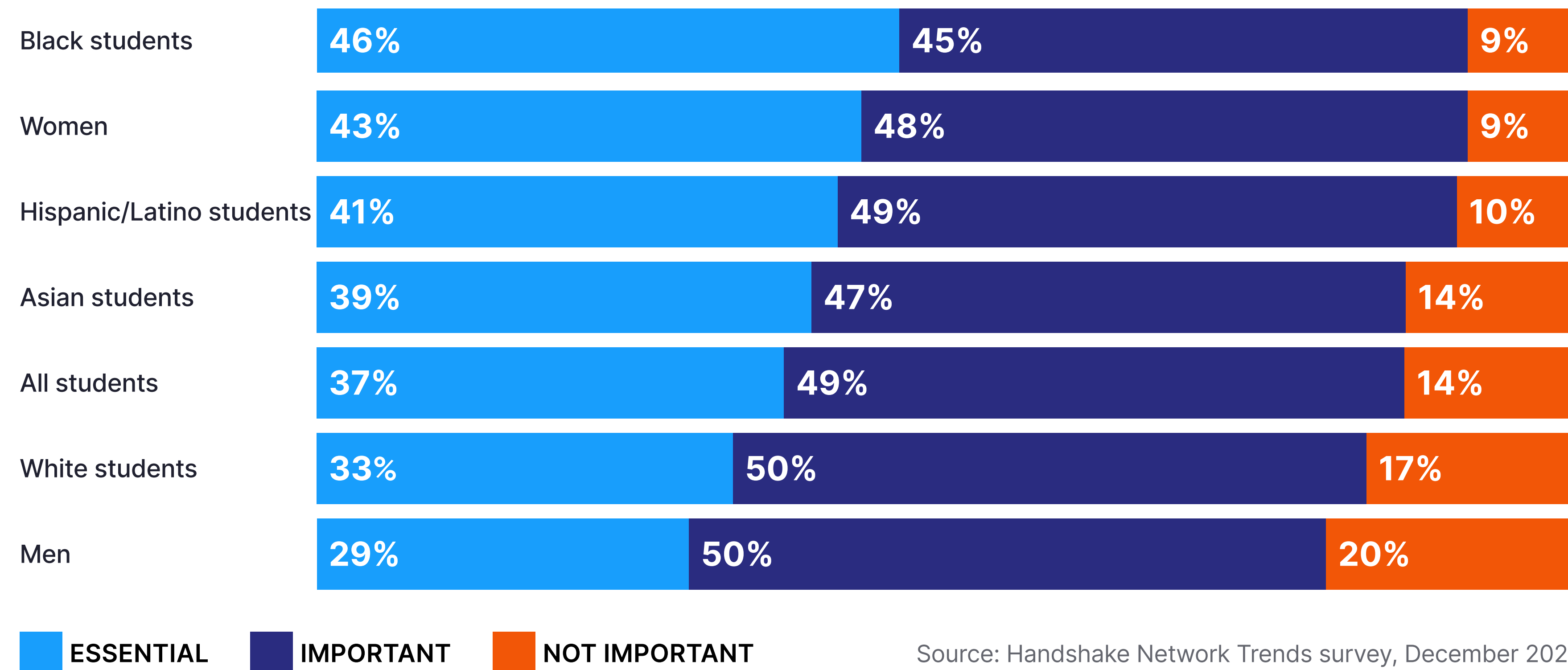
## MENTAL HEALTH: NOT OPTIONAL

The pandemic created a need for immediate mental health support that has transformed employee expectations. A Business Group on Health survey found that 77% of employers reported an increase in mental health issues in their workforce in 2023, up from 44% the previous year. <sup>[10]</sup>

## Employees are drawing a line in the sand

- 92% of employees say it is very or somewhat important to them to work for an organization that provides support for employee mental health <sup>[11]</sup>
- 81% of workers say that how employers support mental health will be an important consideration for them when they look for their next job <sup>[12]</sup>
- More than a third of current undergrads say it's essential that their employer provide mental health coverage as part of their healthcare plan <sup>[13]</sup>

## How important is it to you that your employer's healthcare plan includes mental health coverage?



## TECH-LED SOLUTIONS: MISSION CRITICAL FOR SUCCESS

We live in a digital-first world. Employees expect the convenience, speed, and reward of digital offerings. To move the needle for adoption and engagement, it's imperative to meet people where they are. Certain populations prefer digital health to in-person resources. Done right, these solutions increase agency and health literacy, leading to better outcomes. Additionally, employers get valuable and actionable insights about employee behavior and can adapt their offerings accordingly.

## ONE PARTNER, MULTIPLE SOLUTIONS

“Point solution fatigue” occurs when employers need to spend time and money managing multiple partners. With 50% of organizations managing between four and nine different digital point solutions,<sup>[14]</sup> there's an opportunity for increased efficiency and reduced costs via partner consolidation.

## Most sought-after capabilities of new vendor partners\*

Ability to address a broad range of needs **86%**

Access to innovative approaches and leading the market **84%**

Ability to integrate with existing vendors **86%**

Guaranteed return on investment **78%**

*\*Important or very important*

Infographic: U.S. employers prioritize new and enhanced healthcare vendor solutions | WTW

## 2022 Vendor Strategy Survey – WTW

**42%**

of respondents that offer point solutions for clinical conditions are planning to make changes over the next two years <sup>[15]</sup>

The existing model is less than ideal for helping employees manage their health. Americans are experiencing unprecedented and increasing rates of diabetes, hypertension, and excess weight – chronic conditions that often travel in packs. Data shows a high correlation between these cardiometabolic issues and behavioral health issues as well. Employees need a whole health approach that addresses the big picture.

# Don't be scared to rip and replace

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Of course, it's daunting to make a change – but it's worth it! Employers who embrace the opportunity to upgrade can enjoy a big payoff. Dario has extensive experience in successful transitions, as illustrated by our collaboration with a national financial services company. We help employees manage their chronic conditions with one solution: diabetes, hypertension, weight management, GLP-1s, MSK exercise therapy, mental health, and wellness.

Employers are replacing their existing partners with Dario because we check all the boxes for today's needs:



## TECH-BASED

Digitally driven solutions that meet people where they are for optimal satisfaction and results



## QUALITY

Demonstrated clinical outcomes and strong, consistent engagement



## FULL SERVICE

One implementation, one contract, one pricing model and one platform for employees



## VALUE

Proven to reduce cost of care and deliver ROI

To stay competitive without breaking the bank, it's time to think about making a change.

# Case study: Dario provides a national financial services company with high-impact digital health benefits

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## THE NEED

Prior to implementing Dario, the company worked with two different companies to manage weight loss and diabetes. They wanted one partner for chronic condition management and to add mental health to their offering.

## THE SOLUTION

Dario for diabetes, weight management, hypertension, musculoskeletal conditions, and behavioral health issues.

The company gets more data and insights while reducing their administrative burden. Their employees benefit from one integrated health journey.

## THE PROCESS

To ensure a smooth transition, Dario executed a warm transfer for existing members. They put together a thoughtful pre-launch and launch email campaign to notify members of the upcoming change and provided a clear path for getting started with Dario.

## RESULTS

**38%** of high-risk members experience clinically meaningful weight loss

**39%** of at-risk members move to a lower risk category in blood pressure

**20%** of high-risk members experience clinical improvements in blood glucose

**78%** ongoing monthly engagement rate after the first year with Dario



## About Dario

Founded in 2011 as a direct-to-consumer digital health provider, Dario perfected its solution with real users before selling to employers, health plans, and providers. Dario's proven and popular solution makes it easy for people to care for their health, with continuous and connected digital support that meets and anticipates individual needs, understands personal motivators, and facilitates engagement and behavior change.

Learn more at [dariohealth.com](https://dariohealth.com)

Contact us for more information or to schedule a demo