

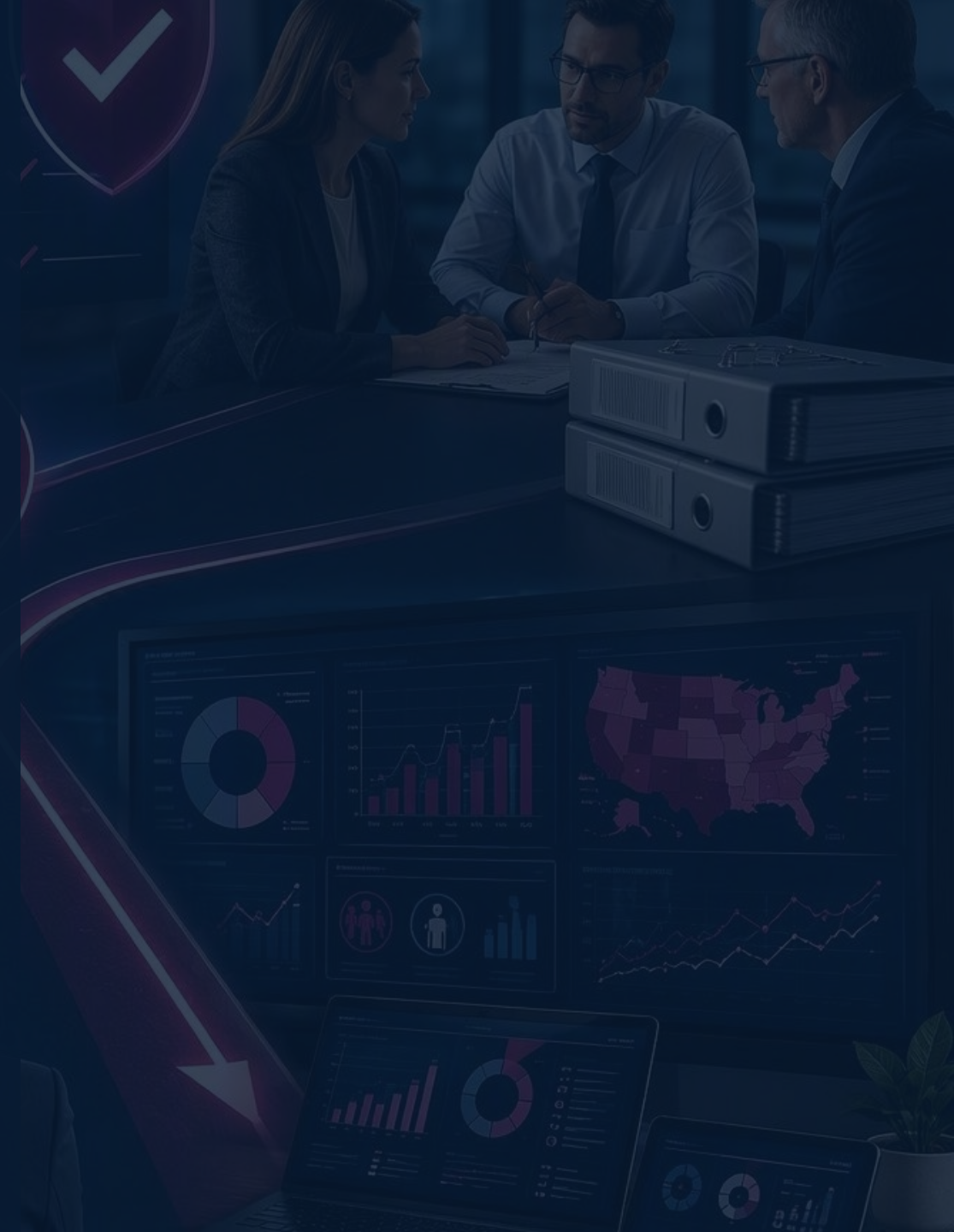


THE FUTURE OF HEALTHCARE BENEFITS

Trends every orthopedic leader should be watching

G. Scott Klein – SVP/Consulting Director (Mid-Market)

Larry Childress – SVP/Consulting Director (Healthcare Industry Vertical)
Lockton Companies





What orthopedic leaders are balancing

ACCESS

Can our people get to the right care quickly?

AFFORDABILITY

Can the organization and employees sustain the cost?

WORKFORCE

Do benefits strengthen retention, wellbeing and productivity?

OPERATIONS

Does the ecosystem reduce complexity or create more of it?

Leadership question

Are we buying benefits, or building an intentional health strategy?

Healthcare cost pressure is broad, persistent and compounding

~9%

Projected national medical trend

60%+

Cost growth (CAGR) since 2017

~25%

Approximate share of spend from pharmacy

The implication

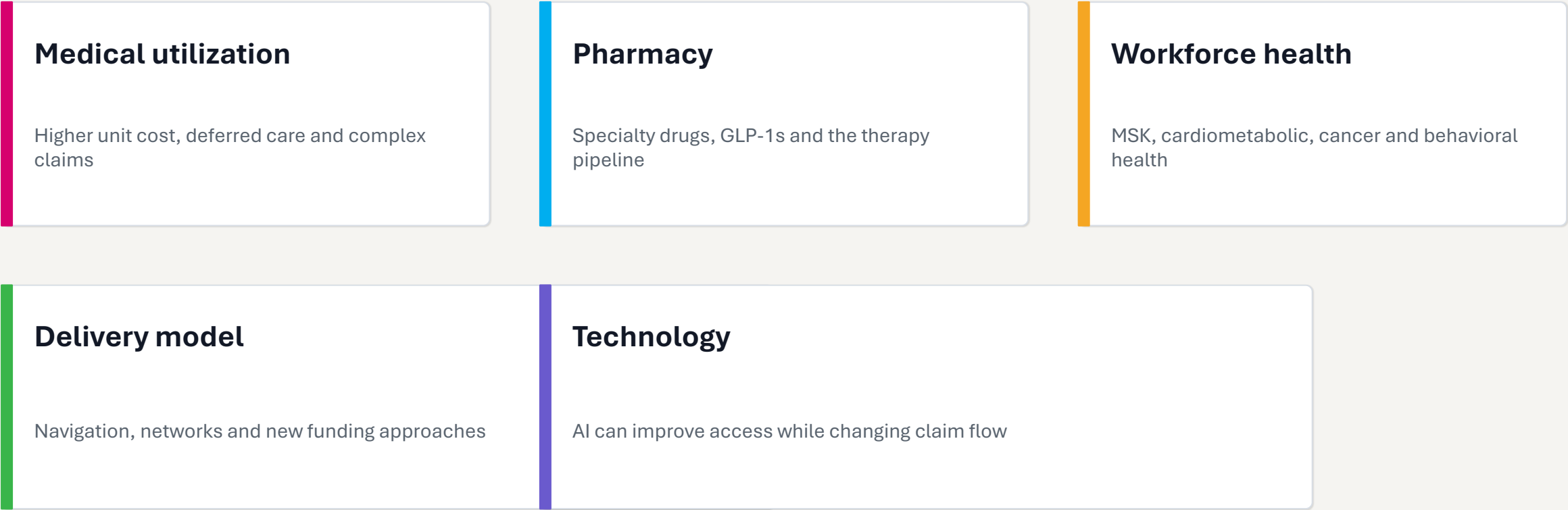
Waiting for renewal leaves fewer levers and less runway.





WHAT IS DRIVING THE CURVE

Five forces are changing the benefits equation



ORTHOPEDIC LEADER WATCHPOINT

Benefits strategy and care-delivery strategy are increasingly connected.

Pharmacy is moving from a line item to a strategic portfolio



ACCESS

What conditions and indications are covered?

GUARDRAILS

What clinical criteria, prior authorization and lifestyle support apply?

ECONOMICS

What is the net cost after discounts, rebates and program fees?

OUTCOMES

What evidence will determine whether the strategy is successful?



MSK strategy should reward the right care, not more care



Opportunity for orthopedic leaders

Distinguish volume, access and convenience from measurable quality and outcomes.



The benefits plan is part of the workforce operating model

Retention

Employees weigh access, affordability and simplicity

Productivity

Delayed care and fragmented navigation create time away

Wellbeing

Burnout, behavioral health and financial strain are connected

EMPLOYEE EXPERIENCE TEST

- ✓ Can employees find the right front door?
- ✓ Do they understand what the plan pays?
- ✓ Can they compare quality and cost?
- ✓ Do they feel supported when access to care is needed?

Modern benefits are judged at the moment of need.

More solutions do not automatically create a better ecosystem



A STRONG ECOSYSTEM

Single front door

Members know where to begin

Connected data

Vendors share enough information to coordinate

Clear ownership

Every handoff has an accountable party

Measured value

Utilization, outcomes and economics are reviewed and drive strategy



AI may improve access before it lowers employer cost

ACCESS

Triage, scheduling and prior authorization

DOCUMENT

Clinical documentation and coding

ADJUDICATE

Claims audit and payment integrity

NAVIGATE

Personalized support and closed-loop referrals

NEAR-TERM UPSIDE

Fewer delays, cleaner handoffs, better member experience

WATCHPOINT

Provider automation may accelerate complete claim flow before savings emerge



Funding strategy is a spectrum, not a binary choice

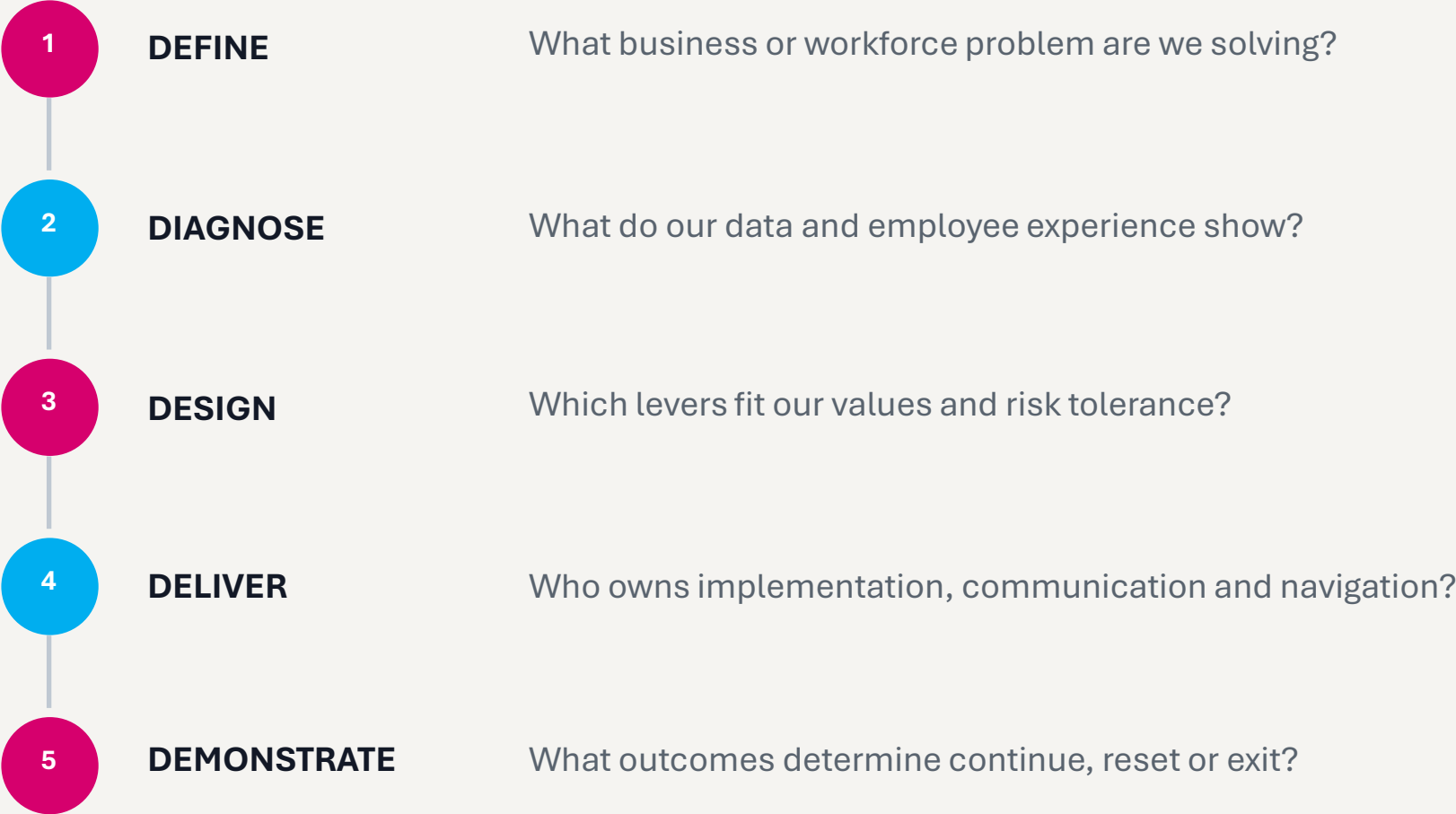


Evaluate every model through four metrics

Savings potential • risk tolerance • operational capacity • member disruption



A practical decision framework for every new trend



The goal is not to predict every trend. It is to build a repeatable way to respond.



Put the framework to work

Which of the following requires the most attention in your organization over the next 12 months?

Cost trend + funding mechanism

Pharmacy + GLP-1

MSK + care delivery

Workforce + experience

AI + navigation

What would success look like 12 months from now?

Three moves to make before the next renewal

01

CLARIFY

Set affordability, workforce and experience priorities.

02

CONNECT

Map vendors, data, handoffs and accountable owners.

03

CHALLENGE

Require vendor partners to show measurable value and transparent economics.



What we hope you remember

1 Cost pressure is structural

Start earlier and use multiple levers.

2 Pharmacy requires a multi-faceted strategy

Balance access, guardrails, economics and outcomes.

3 Member experience is critical

Simplify the front door and make handoffs accountable.

4 New models require governance

Funding, AI and vendors must fit your capacity and values.

Lead with intent. Measure what matters. Keep the member at the center.



QUESTIONS + DISCUSSION



Scott Klein | Larry Childress

Lockton Companies

Independence changes everything.