

Want to Be an **Employer of Choice?** **Meet Employees Where They Are**

If the last two years have shown us anything, it is that there are definite gaps in the traditional employer-sponsored benefits programs.

To compete in – and win – the war for talent, organizations have to deliver the supplemental health and lifestyle benefits that employees want and need and that drive growth and enhance overall well-being.

Kim Heald,
Vice President, Voluntary Benefits Practice Leader



If someone told you that 70% of employees are more likely to work for an employer who offers employee-paid voluntary benefits,¹ the action item seems obvious. Yet many employers don't take full advantage of this opportunity to meet employees where they are with supplemental health and lifestyle benefit programs that empower employees to customize their benefits to their needs.

Employees continue to be stressed by higher medical deductibles, the threat of an unforeseen medical event that would devastate what little savings they have, and myriad personal challenges such as student loan debt, legal issues, identity theft and pet-related costs.

These stressors are distractions that decrease productivity and overall well-being. Employee turnover is being driven by "comparison shopping" based on individual perceptions of the quality of a company's benefits program. Traditional medical benefits just aren't enough. Beyond that, containing costs while trying to build a program that meets the needs of a multi-generational workforce is a formidable challenge.

But there is a clear opportunity. A robust supplemental health and lifestyle benefits program can empower employees to overcome their challenges and achieve their goals while enhancing recruiting, retention, productivity and loyalty.

Aligning Problems with Solutions

All employees know they have challenges and goals. But many still feel helpless addressing either one.

That's where an employer can have a significant impact. First, think of how hard it is to retain employees in an environment where talent is driving the process. Offering an array of options designed for specific objectives gives employees one more reason to stay. Second, employees are more discerning than ever, looking holistically

at base pay, bonus, benefits, culture, community engagement and other factors before making a choice.

So what's standing in the way? For some employers it's cost, yet offering supplemental benefits only requires an investment of time. Employees select and pay for the offerings that align with their needs.

Don't know where to start (or why you should)? There is an array of resources – including advisors who take time to understand your objectives before making recommendations – available to help.

Not sure what to offer? Advisors can help provide data to inform decisions on what to include or help facilitate an employee survey to better understand how they're struggling and what they really want.

Problems uncovered. Solutions identified. Barriers removed. Time to move to the next step.

Solving the Enrollment Puzzle

Enrollment is a continual struggle for many employees. A recent study by Alegeus showed that less than half of employees rate their open enrollment experience as positive, largely due to insufficient support in making enrollment decisions. The Alegeus study found that 48% said their employer "didn't provide sufficient benefits education resources," leaving only 40% feeling "prepared to choose a health plan."² While this data focuses on traditional benefits, the same holds true for voluntary benefits.

Unfortunately, according to our survey results, employers can overestimate employee awareness



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of these benefits. While a significant proportion of employees feel unprepared for open enrollment, an impressive 80% of employers think that their people have a good or excellent understanding of the supplemental health and lifestyle benefits they offer.

This mismatch between how much support employees actually need and how much support employers *think* they need is the heart of the issue.

Many employers realize they could be offering a more supportive enrollment process. Our survey revealed that only 36% of employers offer an experience that's concierge level or at all close to it. Another 55% offer some support, and almost 1 in 10 (8%) leave employees entirely to their own devices. Limited understanding translates into low utilization, which limits the return on the time and energy an employer invests in building a robust benefits package.

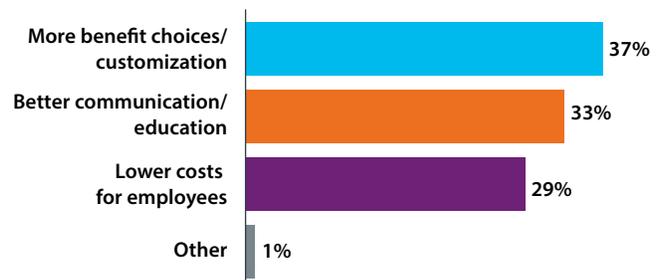
Setting the Stage for Enrollment Success

So what counts as success? Many employers see rich benefits as the goal when it comes to a successful benefits program, but that's only half the story.

When we asked employers what one action they thought would have the most impact on employee satisfaction, "more benefit choices and customization" came out on top with 37% selecting it. "Better communication and education" wasn't far behind, at 33%. This aligns with our guidance that pairing choice with communication is the key. The truth is that employee satisfaction can be

Perceived Impact of Certain Impacts on Employee Benefits Satisfaction

VB Figure 1:
Perceived Impact of Certain Changes on Employee Benefits Satisfaction



high even with not-so-great benefits, as long as employees understand the impact and can take full advantage of those benefits.

A successful open enrollment is one where employees understand and engage with the benefits package employers have invested time, money and effort into building.

One simple change to improve engagement is to switch from passive to active enrollment. Instead of just having last year's decisions carry over at open enrollment if no action is taken, force employees to take that 30 minutes once a year to review the current offerings.

When it comes to the enrollment process itself, there are a few enrollment support options employers can choose from:

- Self-service
- Decision support
- Call center
- Face-to-face benefit counselors

Investing in education can improve success with each of these enrollment options.

Self-Service

Self-service is easy for HR departments and inexpensive. It typically starts with an email announcing open enrollment and ends with a flurry of reminders that the enrollment deadline is almost here.

Unfortunately, while it streamlines a stressful time for HR, it's a missed opportunity to educate on best practices and empower good choices. Our survey discovered that 85% of employers spend at least \$5,000 per employee on medical (with a not insignificant number, 27%, in the \$10,000 to \$15,000 per employee range). To ensure that investment is used to the fullest, employees should have lots of information on hand to make informed decisions (not just a simple email or PowerPoint).

Decision Support

Virtual decision support platforms are another option. Employees answer questions and an algorithm provides insight into which benefits people like them buy (not unlike Spotify does with music and Amazon does with everything). It also enhances benefits literacy when they engage. The market has responded with a proliferation of decision support options.

Decision support platforms need the right upfront effort to work well. Fortunately, employers can simplify the process by working with a partner — then employers just need to test a few options and promote the tool. In subsequent enrollments, decision support-assisted enrollments require very little effort from employers.

Finally, there's live one-on-one decision support: call centers and face-to-face counselors. Live people answering questions and getting closer to (but not providing) advice. It's a high-touch resource and can be expensive. However, like with decision support, the investment can be worthwhile for those who are willing to make the effort, but for it to be successful and drive intended results, employers must be disciplined and follow prescribed best practices.

Informed Employees Are Satisfied Employees

The path you choose depends on your circumstances, but pure self-service generally leaves benefits underutilized and employees unsatisfied. It's reasonable to trust your employees to make solid benefits decisions based on their needs. But facilitating more understanding of the offerings — how they work, why they're important — improves satisfaction. It also supports the narrative that you, as an employer, are a partner in employee well-being. Employees are consumers. The smarter you make them, the better their choices will be.

Improving the experience doesn't have to be a strain on resources. Simple, practical changes can make an impact. After investing in the construction of the offerings, leaving it to chance isn't a winning strategy.

Whatever enrollment path you choose, and however rich or lean your benefits options, education is key to success. We can all agree that a more aware and informed employee will make better choices and drive better outcomes, and enrollment support is one element of progress. In addition, with benefits driving employees' employment decisions, the support you put around those offerings can only help recruiting and retention.

Employees Have to Benefit from What They Buy

One trend of note is the utilization of supplemental health and lifestyle benefits. Insurance commissioners are seeing more employees buying coverage, but claims are not increasing.

The possibility of forced price reductions is motivating some carriers to proactively pay benefits by cross referencing medical claims and life events and stepping in to pay a claim that may not have even been filed. For example, an employee is diagnosed with cancer and files a medical claim. If they have a critical illness policy with the same carrier, that carrier might preemptively notify an employee that they may have a claim to file.

We will continue to see how this trend evolves, how proactive carriers are willing to be and the role employers take to elevate utilization.

Education (again) is key. The more informed an employee is, the more they will value the coverage they have, and know when and how to use it. It should also come as no surprise that employee appreciation of the benefits an employer provides increases when understanding is higher, which should motivate all employers to up their education game.

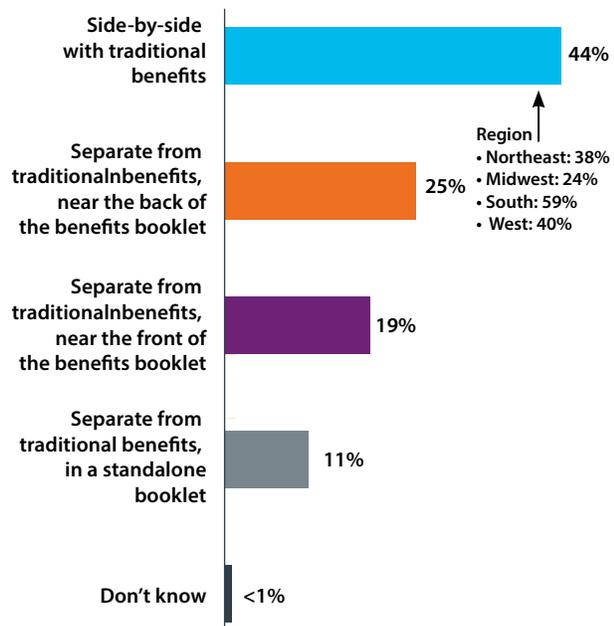
Formula for Success

Employers have to ask themselves a hard question. Is your benefits program working for you? If engagement is low, employee feedback isn't great and the well-being of your workforce isn't improving, it's worth exploring a change. Here's a high-level checklist to consider.

- **Customize** with benefit offerings that reflect your understanding of what employees want and need to enhance their well-being holistically.
- **Integrate** supplemental health and lifestyle benefits with traditional offerings and help employees understand how they work and interact.
- **Enroll** with intention that goes beyond the quantitative and advances the quality of the decisions employees make, starting with an active enrollment process.
- **Empower** utilization with when/why/how to guidance that helps people manage difficult situations and takes employee appreciation of what you provide to a new level.

VB Figure 2:

Communications of Supplemental Health and Lifestyle Benefits Options



According to NFP's survey, while a good number of employers place voluntary benefits information side by side with traditional benefits, the majority still do not. Simply integrating this information can improve employee awareness of the customization options you're providing.

The challenges are formidable but not insurmountable. Whatever direction you choose, be sure to commit, work with the right partner, and always be ready to learn, adapt and refine.

1 "Almost Three-Quarters of Benefit-Eligible Americans Are More Likely to Work for an Employer Offering Voluntary Benefits, According to New Voya Survey," Voya Financial, voya.com, 2022.

2 "Alegeus Reveals that Consumers Want More from Open Enrollment, Still Struggle to Understand Healthcare Costs," Alegeus, alegeus.com, 2021.