Employee Benefits Report

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Working Conditions October 2022 Volume 20 • Number 10

Could Looming Recession Endanger Remote Work?

The ability to work from home has been a lifeline for many during the COVID-19 pandemic, but some feel that a recession could jeopardize that perk.

The coronavirus pandemic forced millions of American workers to do their jobs from home. It was a challenging adjustment for some, but overall, working remote proved to be a lifesaver for many people who otherwise would have lost their jobs or had to take significant pay cuts.

It then evolved from something that needed to be done to something people wanted to do. A study from McKinsey found that 58% of respondents work from home at least one day per week,

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Time to Prepare for 2023 Benefits Open Enrollment Period

Now that remote work has become more common in the wake of the the pandemic, the options for open enrollment are to do it in person, remotely, or a combination of the two. In-person open enrollment meetings can be costly and time-consuming, but they allow employees to ask questions and get personalized help with benefits enrollments. And for some, it might be an excellent and highly desirable opportunity to meet with coworkers and leaders. For others, in-person meetings might not be possible or desirable, so remote open enrollment might be the best solution.

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while 35% stated they could work remotely five days per week. The study also proves it's a highly desirable benefit because 87% of the respondents would work flexibly if they could.

Unfortunately, some believe this perk could be in danger if the economy worsens and we enter a recession.

A Recession Would Give Employers Power

In a recession, employers have more power. They can be more selective with their hiring, and they can get away with offering lower salaries. This puts employees in a position where they have to take whatever job they can get, even if it doesn't allow them to work remotely.

As a result, employers could demand that employees return to the office full-time. For example, Elon Musk has already brought all Tesla employees back to the office, and other companies are sure to follow suit if the economy weakens.

According to Kastle Systems, in March 2022, US office occupancy rates reached their highest point since before the pandemic. Office occupancy rates hit 42% of pre-pandemic levels compared to 18% in December 2021. And this figure is likely to rise if the recession hits.

Whether or not the US is officially in a recession, companies are starting to tighten their belts. For example, as of early August, the US tech sector has laid off more than 37,000 employees, with companies like Shopify laying off 1,000 employees, Netflix around 450, and Coinbase 1,100. Other industries are following suit, with companies like Warner Bros Discovery, Tesla, and OneTrust announcing layoffs, while companies like Uber and Meta (Facebook) announced hiring freezes.

Despite all these layoffs and hiring freezes, the job market is still relatively strong. The unemployment rate in July was 3.5% which is still much lower than the historical average of 5.8%.

However, if the recession hits, this number will surely rise, and employers may take advantage. This could mean many employees will have to give up the ability to work remotely.

How Likely Are Employers to Require a Return to the Office En-Masse?

Some argue that flexible work arrangements have become too engrained in the workforce, especially among the younger generation, for remote work to be completely eliminated. It's also a free perk that companies can use to attract and retain talent while allowing them to save money on office space.

Requiring workers to return to the office is also considered the best way to lose younger employees. One study found that 70% of those aged 18 to 24 stated they would think about leaving their current jobs if they could no longer work remotely.

For this reason, experts believe most companies won't require their employees to return to the office full-time. They might need some in-person work, but not five days a week, especially since it would raise costs.

What's more, remote workers are more productive than their in-office counterparts. According to Stanford University, in the summer of 2020, remote workers were 5% more productive, and that figure rose to 9% by spring 2022 as companies adapted and streamlined their processes.

To accommodate both sides, some employers are offering a mix of in-person and remote open enrollment. Some are even offering the possibility of doing both.

Whatever option you choose, it's essential to ensure that communication is clear and concise and that employees understand the process and what they need to do. It's also important to issue reminders about the open enrollment period and deadlines.

Get Ready for Open Enrollment

Experts recommend employers begin to plan and strategize for January 1 effective date as early as June. At this stage, companies should set outreach goals and metrics, meet with employees to discover their needs, and develop a communication plan.

Then, starting in September, employers should send employees communications about benefits changes and coverage whether through emails, webcasts, or even postcards.

Finally, when open enrollment period begins, employers should be available to answer any questions employees might have.

Offering a mix of in-person and remote open enrollment can be an excellent way to accommodate employees' needs and maximize participation.

Another benefit companies would lose if they demanded that employees return to the office is the ability to hire from a larger talent pool. If companies are only willing to hire people who live near their offices, they're excluding a vast number of potential employees.

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Also, remote workers are often willing to accept lower salaries than their in-office counterparts because the ability to work from home is considered a valuable benefit. For example, a survey of 3,000 employees working at major companies such as Microsoft, Google, and Amazon discovered that 64% would opt to work remotely permanently instead of receiving a $30,000 pay increase to work in an office.

Remote work also improves retention rates, which even the government had to acknowledge. In March, President Biden insisted that most federal workers had to come back to the office. Only a few months later, the entire administration cited remote work as an excellent approach to improving recruitment, productivity, and retention.

So, while the recession might tempt some companies to demand that their employees return to the office, it's not likely to be a widespread practice. The benefits of remote work are simply too great for employers to give up.

Employers Look to Improve Health and Benefits Offerings Ahead of 2023 Open Enrollment

Despite the more challenging economic environment, employee turnover rates have not improved significantly. According to the US Bureau of Labor Statistics, 4.2 million people quit their jobs in June 2022, showing little change.

To attract and retain top talent, employers are increasingly offering improved health and benefits packages. A recent survey by Mercer found that more than two-thirds of employers plan to make changes to their health care and benefits offerings ahead of open enrollment for 2023.

One of the biggest challenges for employers is balancing the measures needed to attract and retain talent with the cost-saving strategies that a declining economy may require. Experts recommend that employers carefully adapt their health and benefits strategies to get the best possible return on their investment. Understanding what employees want, need, and value is key.

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Affording Healthcare

Many workers are highly concerned about their ability to afford healthcare, especially if they have a chronic medical issue or are low-wage earners. High-deductible health plans have gained popularity in recent years to help control costs, but they can be a deterrent for workers who feel they need more comprehensive coverage.

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And many companies have realized this. According to Mercer, for 2023, 41% of employers plan to offer a low-deductible or no-deductible medical plan option, while 11% will provide an option for free coverage for employees for at least one medical plan.

Smaller employers have traditionally offered free coverage for their employees. However, larger companies are increasingly starting to offer this benefit as well.

As part of the health benefits package, more and more companies are including options focused on supporting their employees' financial and emotional well-being. As a result, 52% of large employers will offer virtual health care. Additionally, most companies will provide employees with access to more virtual solutions than just telemedicine.

Starting a Family

Apart from affordable healthcare, family planning is another essential consideration for many workers. The cost of fertility treatments and adoption can be a significant financial burden for couples trying to start a family.

To help with this, almost 33% of large employers plan on offering access to coverage for fertility treatments and benefits to help with adoptions and surrogacy. Additionally, 37% of employers of all sizes plan on introducing at least one benefit or resource dedicated to reproductive health. This could mean anything from providing support for high-risk pregnancies to helping women going through menopause.

How to Better Understand Your Employees

Offering these types of benefits can be a significant investment for companies. Therefore, they must take the time to understand what their employees want and need.

Experts recommend employers talk to benefit providers to see how employees use their services. This will help identify which benefits are used most and if they meet employees' needs.

Additionally, they advise companies to survey employees regularly to get feedback on what types of benefits they value most. Finally, employers should talk to midlevel managers. These are the people who have daily contact with employees and are in an excellent position to understand their needs.

Let Employees Know What You Offer

Open enrollment is the perfect time for employers to inform employees about all the benefits and resources available. This is especially important for companies introducing new benefits or changing their existing ones. It's also important to show employees the value of the benefits being offered.

As a result, companies should ensure employees get all the information they need in plenty of time and in ways that work for them. This means sending out clear and concise communications that are easy to understand. It also means allowing employees to ask questions and get clarifications.

This approach will help employees feel more informed and empowered to make the best decisions for themselves and their families. It will also help ensure that they are taking advantage of all the benefits and resources available to them. Finally, it will also help employers gain their employees' trust and loyalty.

Fertility Treatments Could Be Affected by State Abortion Bans

In states where abortion has been banned, fertility treatments could also be affected, even if unintentionally. If the wording of the abortion bans is not careful, it could make some fertility treatments illegal and make it more difficult for people to access them.

How Abortion Bans Could Affect IVF

In-vitro fertilization (IVF) is a process where eggs are harvested from a woman's ovaries and fertilized with sperm in a laboratory. The resulting embryos are then implanted into the woman's uterus. It is often used when a woman has difficulty getting pregnant.

IVF can be expensive and emotional, and it is not always successful. But for some couples who have trouble conceiving, it is their best hope of having a child.

In states that have banned abortion, the wording of the bans could make IVF illegal. This is because the process of IVF often results in extra embryos, which are typically frozen for later use or discarded. If these extra embryos are considered "unborn human beings" under state law, then their destruction would be considered abortion and illegal.

For example, in Oklahoma and Louisiana, fertilized eggs cannot be terminated, though

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in the latter state, freezing them is permitted. Conversely, IVF has been specifically exempted from abortion bans in South Carolina and Alabama.

However, many bans in other states have not stated whether or not they would apply to IVF, which raises more questions. For example, one expert pointed out that state abortion laws might not apply to IVF because they refer to embryos in the context of pregnancy, while IVF takes place outside of the womb.

Another concern is multiple implantations. In many cases, more than one embryo is implanted into the uterus in the hopes that at least one will survive and result in a pregnancy. Sometimes, multiple embryos implant and the woman becomes pregnant with twins, triplets, or more. As a result, the doctor may have to remove some of the embryos, a process called "selective reduction," to reduce the risk of miscarriage and other complications.

If embryos are considered "unborn human beings" under state law, then selective reduction could be considered abortion and would be illegal. This could make IVF much riskier for women. Some have said that reducing the number of implantations might be a solution, but this would decrease the chances of IVF being successful.

Some experts expect to see some changes with fertility treatments in terms of available options and outcomes, as well as the patient experience and expectations. Depending on how abortion bans are worded, some fertility clinics might change their approach, while others might move to other states.

Employers and Fertility Benefits

According to a survey by the Society for Human Resource Management 24% of employers

provided IVF coverage in 2022 compared to 25% in 2018. Also in 2022, 24% offered support for other fertility treatments compared to 27% in 2018.

In other words, insurance companies and employers haven't gone out of their way to help women get the treatment they need. However, the slight decline cannot be attributed to the abortion bans since they have only been recently implemented.

Therefore, we may see a further decline in fertility benefits as more companies become aware of the potential implications of the bans, including an increase in the cost of these treatments. It could also lead to more high-risk pregnancies, which would be more expensive for employers to cover.

Employers may also experience higher turnover rates as employees leave to go to states where they can get the fertility treatments they need. This could be especially true for local companies that don't allow remote work.

Furthermore, many women may decide against fertility treatments like IVF if any intervention is restricted or if the process becomes even more challenging.

Experts believe that the next eighteen months will see a lot of legislation and litigation as the impact of these abortion bans is felt across the country. Therefore, it will be a while before we know how these bans will affect fertility treatments.

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Virtual Physical Therapy: The Rise of Telerehabilitation

Healthcare experts predict that virtual physical therapy of musculoskeletal conditions will become increasingly popular and will likely comprise a significant portion of telehealth services delivered in the future.

How Virtual Physical Therapy Can Help Reduce Costs for Employers

According to the 2022 Castlight Workforce Health Index, treatment and surgeries for musculoskeletal conditions account for over 15% of medical expenses companies cover yearly. However, only 11% of companies offer some form of treatment specifically for musculoskeletal disorders, which often leads to employees putting off seeking care and racking up higher costs down the road when their condition worsens.

While in-person visits should still be an option for employees, virtual physical therapy provides a convenient and cost-effective alternative to help more people get the care they need. Sessions may be available on weekends or after work hours, when most in-person therapy facilities are closed.

What Companies Should Consider

When companies are considering virtual physical therapy, they should consider various factors. For example, is a co-pay necessary, and how much would it be? Insurance companies frequently classify physical therapists as specialists, leading to more expensive visits.

Another key question is how easy is virtual physical therapy to access? Employees may be less likely to use it if it's not readily available. It's also important to determine how easily records can be integrated with those from other healthcare providers. Many patients do not attend all of their appointments and many give up after just a few sessions. At-home or virtual care allows for easier rescheduling of missed appointments.

Employers also should consider what devices will be used to deliver the therapy and if any financial incentives will be offered to engage employees.

The trend toward using virtual physical therapy is likely to continue to grow as more companies become aware of how debilitating musculoskeletal conditions can be and the high costs associated with its treatment. While it gets employees the help they need it also can avoid costly surgeries and other medical procedures.