



Employee Benefits Report

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New Benefits

Seven Strategies for Helping Employees Understand Their Benefits

A recent survey found that 81% of employees want more information about company-sponsored benefits throughout the year, yet 47% don't know enough to make informed choices during open enrollment. With open enrollment season approaching, human resources teams may want to look at some new strategies to close these communication gaps.

1. Use Multiple Communication Channels

Tailoring messaging and communication channels to different employee demographics is key. For instance, frequent text messages and social media suit millennial staffers, while printed materials and in-person meetings work better for older employees nearing retirement. Varying communication methods also reach those with different learning styles.

HR should utilize all available technologies, like email, text, snail mail, and live video meetings, with

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This Just In ...

Rethink Your Healthcare Offerings for Healthier, Longer-Lived Employees

In the wake of COVID-19, U.S. life expectancy has dropped to 76.4 years, the lowest in two decades. But employers can help add a dozen healthy years to their employees' lives by rethinking their approach to healthcare benefits.

The Benefits of Preventative Healthcare

The U.S. healthcare model is reactive and costly, focusing on treatment rather than prevention. However, a recent report found that emphasizing prevention over reaction could extend American health spans by 12 years on average. Ninety-five percent of those added years would be spent in good health. This preventative approach could also save the U.S. health system nearly \$4 trillion annually by reducing the need for treatment down the line.

Employers, who provide healthcare benefits to 155 million Americans, are in a unique position to drive this positive change. By tailoring offerings to address the social determinants impacting their workforce's health, companies can proactively improve outcomes. For example, if a community of employees is identified as having asthma due to poor air quality, the employer should provide them with air filters and AC units. Creative solutions like this can make a real difference.

Leveraging Advancements in Technology

Technological advancements such as telehealth and health monitoring apps further enable proactive



follow-up reminders from managers. Benefits education cannot be one-size-fits-all. HR must adapt to reach diverse workforces spanning different cultures, languages, and barriers to communication.

Surveys indicate that 31% of employees do not feel fully informed on voluntary benefits like critical illness insurance or identity theft protection. This massive gap shows HR cannot rely solely on open enrollment packets. Messaging should be tailored and delivered through mediums matching worker demographics and needs.

2. Communicate Year-Round

Tying benefits information to current events provides opportunities for year-round communication. For example, headlines about student loan forgiveness allow reminders about legal services benefits. Brief, nonpartisan explanations of hot topics like immigration policies or rising care costs reinforce the value of benefits packages outside of open enrollment.

This continual drip of bite-sized information means employees can make informed choices during open enrollment rather than guessing. Sending regular, targeted messages year-round is more effective than cramming information all at once.

Many employees spend minimal time reviewing benefits options during open enrollment. Bombarding workers with info in a short window can easily overwhelm rather than educate. Ongoing education through news ties and reminders will also build understanding over time.

3. Target Major Life Events

Proactively sharing benefits information during major life events allows HR to tailor messaging when employees need it most. For example, the birth of a child, marriage, divorce, or death of a spouse significantly impacts benefit needs and choices. HR should provide relevant info and reminders during these pivotal times.

Third-party content from government and vendor sources can supplement employer-created communications around life events. The focus should be on overall

health and well-being instead of just listing plan details.

Experts report many workers do not understand how key life milestones impact their benefit choices and needs. Targeting messaging around major events reaches people when they are focused on and open to guidance.

4. Leverage Employee Resource Groups

Employee resource groups centered around specific demographics like working parents or employees with disabilities often focus on issues tied to benefits. Encouraging these groups to share peer-to-peer benefits guidance tailored to their members' needs boosts understanding. Who better to explain the value of family leave policies than a working parents group?

5. Mind the Timing, Costs, and Tools

HR should provide benefits information early enough for employees to digest before open enrollment but not so far in advance that they forget details. Clearly communicating employee out-of-pocket costs for each plan also helps workers comparison shop options.

Decision support tools like online calculators and checklists further boost informed choices. Employees can input personal data to receive tailored plan recommendations and cost breakdowns.

Experts emphasize that personalized data on costs and comparisons leads to better plan selection and significant savings for employees. Tools should provide specific costs and plan comparisons, not just general information.

6. Track Metrics

HR teams should analyze open enrollment data like plan selection trends, website traffic, email open rates, form submissions, and call volume. Compare year-over-year metrics to see if new communication approaches improve engagement and informed choices.

Surveying employees provides direct feedback on their benefits understanding and education satisfaction. This identifies lingering communication gaps. Consider A/B testing different pieces to determine what content and for-

matoms resonate most.

Crunching the numbers allows HR to continually refine messaging based on results. Robust metrics identify gaps and which strategies close them. The focus should be driving understanding, not just distributing information. Tracking engagement data optimizes communication.

Thinking Outside the Doctor's Office

Factors outside of the workplace also affect employee health, so forward-thinking companies look beyond traditional benefits to creatively address external obstacles. An employer might notice many staffers lack access to fresh produce and provide grocery stipends. Or, if a high percentage of workers reside in unstable housing, a company could offer rental assistance.

Implementing Changes

Transitioning to prevention-focused benefits is a new concept and won't happen overnight. Employers can start with small pilot programs that target specific health barriers. The belief among many is that these efforts would improve health and could extend lifetimes significantly.

7. Make Communication Ongoing

Treating benefits education as a continuous, year-round process rather than a once-a-year event during open enrollment season is crucial. Employees can't absorb all plan details in a short timeframe when their focus is elsewhere.

Creating an environment of trust through relationship building also fosters benefits understanding. Employees will pay more attention to communications from an HR department they see as supportive.

Consistent messaging spread throughout the year is far more effective at educating workers than concentrated open enrollment info alone. Make benefits communication a 365-day strategy. ■



Preventative Health Helps Cut Costs without Cutting Care

With healthcare expenses only continuing to rise, employers are seeking innovative ways to curb costs while still providing quality care for their workforce. New data reveals strategic investments in preventative services and cutting-edge technologies can significantly reduce spending on serious medical interventions down the line.

Unnecessary Surgeries Draining Healthcare Budgets

Research from digital therapy firm Sword Health indicates that 36% of musculoskeletal (MSK) surgeries, common procedures like knee and hip replacements, are unnecessary. For employers providing health benefits, promoting alternative treatments like physical therapy as the default choice could help avoid up to \$90

billion per year in surgical costs.

Many factors drive patients toward surgery over other options, like financial incentives for physicians and ambiguity around appropriate care protocols. However, studies show that non-surgical interventions can effectively treat MSK conditions. Participants using Sword Health's virtual physical therapy platform gained three-quarters of a workday back per week and had 60% less pain. The platform uses AI to identify sur-





gery risks early and reduce intent for the procedure by up to 60%.

Skipping surgery also helps patients avoid risks like opioid prescriptions and missed work to recover. Sword Health found that 80% of unnecessary MSK surgeries were done without first attempting more conservative physical therapy. Employers can leverage patient stories to promote virtual therapy and other alternatives to invasive, expensive surgeries.

Early Cancer Detection Significantly Improves Survival

Nearly half of new cancer cases occur among working-age adults. While treatment is costly, early detection vastly improves outcomes. The American Cancer Society projects over 600,000 cancer deaths this year but says 45% could be prevented through increased preventative screening.

Employers are experiencing rising expenses from cancer care. It accounts for 12% of all healthcare costs despite comprising just 1% of claims, as treatment is complex and diagnoses often occur at later, deadlier stages. However, technologies like Color Health's mobile cancer screening programs provide easier access to potentially life-saving tests.

Their research revealed critical screening gaps: 29% of people are overdue for breast cancer checks, 36% for colon cancer, 61% for prostate cancer, and a staggering 95% for lung cancer, which causes 20% of cancer deaths. Catching lung cancer early means a 56% five-year survival rate versus just 5% after spreading. Through its platform, Color provides assessments, referrals, scheduling assistance, and navigation support to eliminate barriers to screening.

While cancer treatment costs will persist, employers can dramatically cut expenses through early detection. Preventative care also reduces worker productivity loss and disruption. By making thorough screenings easily accessible, employers ensure potentially terminal cases are caught at the most treatable point.

Subtle-But-Substantial: Small Changes, Big Savings

Employers are increasingly finding that "low-tech" solutions can have outsized impacts on bottom lines and employee health. Minor policy adjustments and added education lead to measurable gains.

Two prime examples are promoting conservative musculoskeletal treatment and enabling access to cancer screening. Cutting unnecessary musculoskeletal surgeries by just 36% could save \$90 billion annually. Reducing late-stage cancer diagnoses by 45% would substantially lower expenses and mortality. While high-cost interventions like surgery or chemotherapy cannot be avoided entirely, strategic preventative care keeps many employees from requiring them in the first place. The key is making beneficial programs easily available before costs escalate.

While comprehensive benefits will always be provided, small changes to how they are accessed and utilized can have big financial and medical impacts. Employers are wise to keep exploring subtle but substantial shifts to curb healthcare spending and empower employee health. ■

On-Demand Pay Reduces Employee Financial Stress

A recent surge in on-demand pay benefits offers employers a powerful tool to reduce employee financial stress. With workers increasingly squeezed by economic uncertainty and the rising cost of living, the ability to access wages immediately is becoming a highly sought-after benefit. Offering this perk can boost worker loyalty, motivation, and productivity.

For employers, these instant payout programs also provide tangible benefits like reduced absenteeism. As financial wellness becomes a greater factor in recruitment and retention, integrating on-demand wage access may soon become a necessity to stay competitive in the labor market.

Younger Workers Drive Demand

According to a 2022 survey by staffing firm Aquent, nearly 57% of U.S. workers rated instant pay benefits as important. Among millennials and Gen Z employees ages 18-24, that figure jumped to 83%.

Experts say this generational difference is due to an expectation of instant digital access. Where services like Venmo and Zelle enable quick peer-to-peer payments, younger workers now anticipate the same immediacy from employers.

Industry leaders point out that if a project is done successfully, why should workers have to wait to be paid? Fast-casual restaurant chain Hon-



eygrow began offering instant pay through DailyPay in 2022, and their payroll manager said the benefit helps attract and retain workers. Almost 65% of the company's 1,000 employees now use it.

Accessing Earned Wages Reduces Stress

For many workers living paycheck to paycheck, even a brief cash shortfall can trigger financial distress. According to the *Harvard Business Review*, 77% of employees say money problems negatively impact their mental health.

On-demand wage access allows workers to bridge small gaps and avoid deferred bills or late fees. For employers, reducing employee financial strain also decreases stress-related absences and improves focus.

A Ceridian survey found that 78% of millennial and Gen X workers said early wage access would increase loyalty. Fisher Phillips found that

89% of employees feel more motivated when they can access pay before payday. The same survey showed that 74% of workers have fewer unplanned absences when they worry less about finances.

Enhancing Recruitment and Retention

With today's tight labor market, offering on-demand pay demonstrates an employer is invested in supporting workers' financial well-being. For many, it provides a sense of security knowing funds are instantly available in an emergency.

Experts say that 62% of employees would feel more valued if they could access earned wages daily. As financial stress becomes more acute, such benefits are increasingly important for recruitment and retention.

Implementing instant pay does require updating legacy payroll systems in some cases. It also accelerates cash flow compared to traditional pay cycles. But

industry analysts say the advantages often outweigh the technical challenges for employers hoping to stand out.

In this competitive landscape, on-demand pay is seen as a value-add for any company that wants to be perceived as a top tier place to work.

On-Demand Access Seen as a Must-Have

Early adopters in retail and food service have offered on-demand pay for years. But intensifying economic pressures have made the benefit more urgent across sectors.

With savings depleted and credit card balances rising, employees are looking for ways to manage unpredictable expenses between paychecks. Experts say employers are recognizing their role in supporting workers' financial resilience.

As younger generations enter the workforce, they expect instant access as standard practice. Employers who provide on-demand wages can strengthen worker loyalty, well-being, and productivity.

With financial stress at historic levels, access to earned pay is becoming a must-have benefit. Integrating flexible, responsive pay solutions can help employers stand out while tangibly supporting their workforce. Reducing employee money worries mitigates turnover and directly benefits organizations' bottom lines. ■





Are Weight-Loss Drugs The Next Big Benefit?

With nearly half of American adults saying they would be interested in taking prescription weight-loss medications if covered by insurance, employers may soon face rising pressure to provide coverage for these drugs in their health plans. But concerns around safety, efficacy and costs are giving some employers pause.

Demand Driven by New Medications, But Interest Plummets with Caveats

According to a new survey from the Kaiser Family Foundation (KFF), 45% of adults reported being interested in using weight-loss prescription drugs if they were covered by insurance. This demand is being fueled in part by a new wave of medications like Wegovy, which promise significant weight loss in patients.

However, when told of potential drawbacks and uncertainties surrounding the drugs, interest dropped off sharply. Only 15% said they would take the drugs if insurance didn't cover the cost, while just 16% were interested if the Food and Drug Administration had not approved the medication specifically for weight loss purposes. Wegovy remains the only drug officially approved by the FDA for chronic weight management.

Employers Cautious Amid Safety Worries, But Pressure Building

Even with concerns around safety and long-term effects, employers are increasingly likely to hear requests from their workforce to cover weight-loss prescription medications in their health plans.

Most experts say more research is needed to fully understand the potential consequences of taking these drugs, especially for extended periods of time. Their high costs are certainly a factor, with Medicare currently not covering weight-loss drugs and some employers already reportedly limiting coverage.

In KFF's survey, 80% said insurers should cover the medications for individuals diagnosed as obese. But only 53% supported broad coverage for any adult looking to lose weight, signaling more limited worker interest in universal coverage by employers.

Strategies for Employers to Navigate Potential Minefield

As employers weigh how to respond to this emerging benefit demand, experts suggest a measured approach. Consulting physicians and researchers directly can help them assess the latest safety and efficacy data to make informed coverage choices.

Surveying employees about their desires may provide some valuable insights. Companies could consider initially offering limited coverage for employees with an obesity diagnosis, and after evaluating utilization and costs, consider expanding coverage.

Clear communication on why coverage is being provided or restricted is key to set appropriate expectations. And staying abreast of the latest studies will ensure decisions are based on current evidence.

Creative benefit design solutions could also help balance costs with worker interests. This may include requiring step-therapy approaches, restricting coverage to certain medication types or capping the duration of covered treatment. ■

