

Healthcare Benefit Plan Priorities for 2023

How Innovative Employers are Preparing for What's Next





Introduction

As leaders plan for the rest of 2023 and beyond, many are thinking about how to improve their benefits package, including their healthcare offering. To learn more, Embright connected with four human resources and benefits executives from across several different industries. In these conversations, the leaders shared their top healthcare benefit plan priorities for 2023, the challenges they're facing, and why partnering with the right healthcare solutions will be key to achieving their goals.

These leaders recognize that their healthcare plan can deliver significant value for employees and the organization, but only if it's affordable, high-quality, and accessible. They also know that amidst a challenging labor market, it's critical that they enhance their benefits programs to meet ever-changing employee expectations. Above all, they're focused on delivering the best care outcomes possible, by encouraging employees to take charge of their health, putting preventive care front-and-center, and relying on data analytics to support their decisions.

This report explores the top 5 healthcare benefit plan priorities the leaders identified, which include:

**1**

Keeping
healthcare costs
affordable

**2**

Enhancing
benefits
programs

**3**

Engaging
employees in
their healthcare

**4**

Elevating the
importance of
preventive care

**5**

Using data to
drive decision-
making

**Priority #1:****Keeping healthcare costs affordable**

According to professional services firm Aon, U.S. employer healthcare costs will increase 6.5% in 2023, largely due to economic inflation pressures.¹ Employee premium costs are also expected to slightly increase.



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It's not surprising, therefore, that all four leaders noted the importance of keeping costs reasonable for both their employees and their company — but not at the expense of quality.

As Ana Armas-Rullan, Senior Human Resources Director at Red Dot Corporation, shares, “What’s critical to us is that we’re able to continue to offer very high-quality benefits to our employees, but at an affordable rate. Finding that balance is our top priority in 2023.”

Jackie Knox, Human Resources Director at Oak Harbor Freight Lines, notes that their historical focus has been all about keeping employee premiums low so workers have more take home pay. “Our top priorities are going to be continued low premium plans with as rich benefits as possible, as well as focusing on expanding,” she says.

Offering affordable and high-quality benefits can go a long way toward keeping workers healthy, which in turn keeps long-term costs down for employers. In fact, it’s estimated that more than 75% of health care costs are due to chronic conditions such as heart disease, cancer, stroke, diabetes, and arthritis. These are also the most preventable health problems.²

Wade Larson, Chief Human Resources Officer at Wagstaff, describes how the link between employee well-being and healthcare costs informs his company’s priorities. “Our number one priority is to improve and maintain the health and well-being of our employees and their families. Number two is to save employees money on healthcare. And number three is to save the company money. We believe if we can achieve numbers one and two, number three is just going to happen.”

Pro Tip:

Consider adding health plan options tailored for a specific region. Sometimes known as a narrow network, these plans offer members high-quality care at fantastic health systems at a reasonable cost.



**Priority #2:****Enhancing benefits programs**

Savvy employers recognize that it's important to update your benefits programs to match the evolving needs of employees and/or changes in medical knowledge. This focus on innovation not only makes your benefits more appealing (and your company more attractive), but it can also improve care outcomes for your workforce.

PATH, for example, added fertility benefits to their medical plans last year and increased their parental leave. "This year, we likely will do some sort of DE&I initiative, whether that be adoption or maybe surrogacy, or we might increase our paid parental leave a little more," says Maria Parsons, PATH's U.S. Benefits Administrator.

Other ways that companies are enhancing their benefits include:³**Expanding family-friendly benefits**

- Parental leave
- Childcare or eldercare assistance
- Adoption or surrogacy support
- Fertility treatment benefits

Addressing health disparities

- Specialized health care support
- Targeted or multilingual communications
- Inclusive support for LGBTQ+ employees
- Benefits for people with disabilities

Increasing virtual care options

- Virtual behavioral health care
- Virtual primary care
- Virtual specialty care
- Virtual condition management

Improving behavioral health care

- EAP services
- Online resources
- Manager and employee training
- Communications campaigns

The leaders also described how they identify new ideas and solutions for their benefits programs. At Red Dot Corporation, seeking out employee feedback is key. “We do a survey a few times a year, where we ask people about their priorities, what they like and dislike about our offerings, and if they’d like us to add anything,” Armas-Rullan notes.

Knox says that at Oak Harbor Freight Lines, most of their ideas come from their broker. “We have a great relationship with our broker — they’re always looking for ways for us to save money, and offer something bigger, better, or easier to use for our employees.” She adds that they also look to trade organizations and other sources of thought leadership for ideas and inspiration. “We keep our ear to the ground through SHRM and other webinars,” she says.



Pro Tip:

Creating depth to your benefits package doesn’t always mean adding additional vendors or point solutions. Try reaching out to your health insurance, provider network, and health system partners to discover already-established programs.

When you tap into programs offered by your health system partners, an additional benefit to members is that their data, tests, appointments, and provider notes are connected to the electronic medical record (EMR) that their primary care doctor and other practitioners use.



**Priority #3:****Engaging employees in their healthcare**

Getting workers to take charge of their well-being and healthcare isn't easy. One of the biggest barriers to employee engagement is a lack of awareness around their benefits. Nearly half (49%) of employees don't understand their benefits, and 80% never open benefits communications, according to data from the International Foundation of Employee Benefit Plans.⁴

"Emails tend to get lost in employee's inboxes," notes Parsons. "That's why we created a Teams channel where I post updates, wellness events, and carrier information." Knox adds that companies may need to try a lot of different methods to reach their employees. "We use in-person meetings, electronic communication boards, an electronic newsletter, and even a print newsletter because some employees still like that. We've even tried mailing things home."

Armas-Rullan believes that connecting the dots around costs can go a long way toward engaging workers. "When people look at it in terms of dollars, that has more of an impact than anything," she says. "You can tell people to exercise, but what's more effective is showing them that if they're preventative and make some simple changes, they can save a lot of money and be healthy at the same time."

Larson compares this to how we think about auto insurance. "We all try to drive safely and avoid tickets because we know it will increase our insurance costs," he says. "The same thinking applies to health insurance — when we break our bodies and we go in for service, it increases our medical rates. When you teach that principle to your employees, they start to figure it out."

He adds that offering workers the right tools and incentives can motivate them to make better choices. "You have to form a partnership with your employees — that's the secret to success. We give them the ability to earn \$1,500 each year through wellness incentives, and their spouses can earn \$1,500 too. They can also earn additional incentives through our wellness platform. It's expensive, but so is the hospital."

Pro Tip:

People are more likely to trust and listen to their doctors and clinicians when it comes to the health of themselves and their families. Lean in on these relationships with the health systems and doctors delivering care to your employees. If you do not have an established relationship with the health system and/or doctors treating your employees — build one. One great way to do this is to contract directly with the health systems.



Priority #4:

Elevating the importance of preventive care

Preventive care is widely known to reduce the risk of diseases and disabilities and decrease mortality.⁵ However, many employees don't have a primary care provider and they may turn to alternative forms of care, which winds up costing more for them and their employers.

"A lot of our team members were accustomed to using the emergency room as their primary care," says Armas-Rullan. "This costs more out-of-pocket for them, and it also costs a lot more for us since we are a self-insured company. If they were to just see a regular physician or primary care provider, that appointment would be 100% covered. So it's vital that we push out the importance of preventive care, because it impacts our bottom line."

Knox agrees, but emphasizes that some workers may not understand how preventive care can impact their well-being. "Our biggest challenge right now is communicating to employees how important it is for their health. Part of our company culture is this idea that your health is what's most important. And in turn, it saves money down the road for the company and the employee."

However, leaders need to recognize that even the most health-savvy employees may struggle to find a provider amidst the ongoing primary care shortage.⁶ That's why PATH ensures that all of their medical plans have good options and availability for primary care, notes Parsons.



Pro Tip:

Center your benefit plan design around preventive care. Eliminate any deductibles, copayments, or coinsurance associated with preventive services from in-office visits, labs, and the like.

Also, encourage your employees to use urgent care clinics and ambulatory surgery centers versus the emergency room or hospital by updating the benefit design with little out-of-pocket costs when rendering these services.

**Priority #5:****Using data analytics to drive decision-making**

From our smartphones to our smart homes, most of us expect seamless data integration in our lives. But healthcare data integration often lags behind. Disparate data sources, messy data, different vendors/systems, different data standards, and ownership and sharing obstacles are just a few of the reasons behind this.

In order to improve healthcare and the patient experience, data integration is key. Without it, medical professionals and the teams that support them are flying blind and unaware of opportunities to improve care delivery.

Larson believes that anyone who isn't using data analytics is missing the boat. "You have to use data analytics," he says. "We have a variety of data sources that feed into our data analytics tool, and we run a quarterly report. But even monthly, we're checking out the data to identify any trends or high-usage individuals."

Armas-Rullan describes how Red Dot Corporation uses this data to inform their planning and decision-making. "Reviewing all of our data — our claims, common medications, and what costs us a lot of money — helps us plan for what's coming. For example, it allows us to determine if a person may have a high claim coming. It also helps up formulate what types of health education we should consider offering to our employees."

Pro Tip:

Find a solution that brings together multiple data sources, for example electronic medical records (EMR), claims, pharmacy, lab, and point solutions. Doing so will greatly impact your ability to evaluate trends, identify gaps, and devise a plan.



As they plan for what's next, companies are turning to their healthcare solution partners for support

To achieve the five priorities highlighted in this report, the leaders we spoke to emphasized that their companies rely heavily on their healthcare solution partners. Some of the most valuable features they look for in a partner include:

- ✓ Mindfulness around costs
- ✓ Strong relationships and customer service
- ✓ Easy integration with existing benefits platforms
- ✓ Control over plan design
- ✓ Adequate healthcare coverage

As Larson aptly notes, this last item should be the most important factor you consider. “If you can’t take care of the actual healthcare needs of your people, they won’t be healthy, they won’t come to work, and it’s going to cost you a lot more. If not on the medical side, it’s going to cost you on production, turnover, absenteeism, and morale. It’s going to cost you far more on those things.”

This is wise advice that all employers should heed as they strategize their own healthcare benefit plan priorities for 2023 and beyond. Not only is supporting employee well-being the right thing to do, but the success of your business could depend on it.

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– Wade Larson, Chief Human Resources Officer at Wagstaff

Embright extends its gratitude to the following leaders for sharing their perspectives:

Ana Armas-Rullan

Senior Human Resources Director at Red Dot Corporation

Jackie Knox

Human Resources Director at Oak Harbor Freight Lines

Wade Larson

Chief Human Resources Officer at Wagstaff

Maria Parsons

U.S. Benefits Administrator at PATH

About Embright

Embright is a clinically integrated network (CIN) that connects healthcare purchasers and providers in the design and delivery of healthcare to help members get care on their terms and stay healthy. We build custom value-based programs anchored to the Triple Aim to solve the big problems associated with quality, experience, and cost.



Our mission is to enable collaboration to improve the health of the members we serve.

Citations

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