



Top Benefit Challenges Confronting Employers in 2022

With Guidance for MBA Prospects and Clients



OVERVIEW

Business owners have faced numerous headwinds in nearly all aspects of their business in 2021. Although the worst of the pandemic is in all likelihood behind us, the scars left behind will take time and effort to fully heal. In terms of employee benefits, the 2022 plan year challenges employers to a “new normal,” requiring decision makers to rethink old methods and strategies and employ creative, new and in some instances, radically different solutions to address evolving workplace environments and employee expectations.

Specifically, COVID-19 and its aftermath have repositioned the work/life relationship, causing many individuals to rethink their priorities, job responsibilities, career path, compensation and benefits. The resultant labor shortage has left many employers desperately seeking talent, forcing them to reexamine and reshape all aspects of company practices that impact recruitment and retention.

○ **For many employers, this means their success in 2022 will be dependent on the strength and focus of their employee benefits program.**

In this paper, we will take a look at some of the challenges confronting business owners over the next 12 months along with guidance offered by your team at My Benefit Advisor.

Finding the Optimal Benefits Broker

When focusing on employee benefits, it's probably good to start with an obvious but often overlooked challenge facing most business owners today, finding the Benefits Broker that is best suited for their company. Many may take this for granted but with employee benefits budgets often sitting at 25-40% of payroll, it is the critical first step that can make or break any employer's benefit objectives.

Coming off a variety of unprecedented challenges over the past two years, employers have struggled in their efforts to maintain a solid benefit portfolio while balancing rising health care premiums with struggling profit margins. In spite of this, it remains that an effective benefit strategy provides employers with a competitive edge that permeates virtually all aspects of the organization, often meaning the difference between success and failure of the business model.

Most company owners don't have the experience, expertise or resources to craft and achieve these strategies on their own. This is where the benefits broker comes in.

The optimal benefits broker is one that is able to learn and understand the objectives and capabilities of the business owner, accurately analyze the demographics and needs of a company workforce, then design and implement an effective benefit strategy that provides a winning solution for both the employer and employees.

And in today's environment, that means the broker should possess the proper education, experience and resources to excel in the areas of cost control, employee services, wellness, compliance, HR administration systems and enrollment services.



MBA: Your Employee Benefits Broker for Changing Times

At My Benefit Advisor, we provide your business with a clear, concise path forward as the needs of your workforce evolve. As employers today are charged with finding new ways of engaging employees, our benefits consulting staff provides personalized, strategic solutions that are designed to fit the specific needs and benefit objectives of each client.

By looking beyond the present, we take pride in developing long-range strategies to not only address today's workforce challenges, but also to help you stay ahead of forecasted healthcare and insurance developments that may affect your company into the foreseeable future.

You can rely on us for the knowledge, resources and tools necessary to be the optimal benefits broker for your business.

Controlling Benefit Costs

Business owners are forced to confront the same challenge every year — how to manage health care costs while delivering a quality employee benefit portfolio. This is especially critical in this year's business environment as the quality and scope of a company's benefit portfolio can provide a distinct edge when it comes to recruitment and retention of talent.

The same inflationary pressures that are affecting the economy 2022 in general are also causing medical cost trends to rise. During the rest of this year, specifically affecting healthcare, companies can also expect to see continued higher utilization and costs due to:

- changing employee demographics
- lingering impacts from COVID-19
- increased prescription drug utilization
- greater use of expensive specialty drugs
- an expansion of telemedicine services
- increased levels of mental health and substance abuse health issues
- higher treatment costs resulting from delayed care
- new medical treatments and therapies, and
- updates in medical technology.

Although many strategies to combat these costs are company specific, some employers have found success incorporating strategies that incorporate a modification of prescription drug formularies and adding step therapy requirements, an expansion of virtual health options and educating employees on its proper use, employing targeted wellness programs to address company specific high utilization costs and focusing employee education on ways to improve wellbeing and reduce out-of-pocket costs.



MBA Develops Cost Control Strategies that Deliver Results

When it comes to benefits cost control, the staff at MBA are constantly looking for efficiencies that employers can integrate into their programs to allow them to manage the fine line between cutting costs and remaining competitive. With our in-depth understanding of the marketplace and strong emphasis on forward thinking strategies coupled with an understanding of your company demographics, budget, benefit objectives and cost drivers, MBA can help you develop a multi-year plan designed to achieve sustainable results while maximizing every dollar spent in your healthcare budget.

Our team will work with you to tailor a customized solution that incorporates proven strategies directed at the reduction and management of healthcare costs for your company with the goal of helping you develop a fluid plan that can flex as needed going forward.

Maintaining a Culture of Health with a Hybrid Workforce

As there does not appear an end in sight to the large numbers of employees working from home, employers this year will be challenged to either create or maintain a culture of health within this remote work environment. With traditional wellness programs, efforts have targeted specific employee health risks such as being overweight, smoking or lack of exercise. Currently, however, there is a fair amount of disagreement today over the effectiveness of these types of programs. Research has shown that wellness programs alone are simply not enough. There is much more that can be done to affect greater change.

○ **Establishing a culture of health in the workplace is the key changing employee health outcomes.**

To establish a culture of health in the workplace is to create an atmosphere that values health and supports health improvement among employees. And to do so requires a substantial effort from ownership and management which, if done properly, permeates throughout the organization from top to bottom. Developing a strategy to affect this change is critical and the overall process could take several months or more to implement.

When done properly, however, the results can be dramatic. By creating the proper environment and then carefully structuring wellness programs to complement the culture of health, meaningful change in employee behaviors can occur. This, of course, can have a significant impact on the organization's health care costs and improve the company's overall bottom line.

Many chronic diseases are lifestyle related — the result of poor health choices and less-than-desirable personal behaviors. The impact from these conditions cause a decline in a given population's well-being and, in regard to employees, increase the healthcare costs for both themselves and their employers.



Dramatic Wellness Results Possible with MBA's Strategic Planning

Since for many people, a majority of their day is spent at work, workplace wellness can play a significant role in the overall well-being of an individual. As a result, the employer is in a critical position to affect positive change. At MBA, our experts maintain that any business, regardless of size, can create a culture that encourages healthy lifestyles. By working with employers to develop programs that support healthier behaviors, educating their employees about health issues and making health-related objectives an integral focus of their corporate strategy, our clients can develop a culture of health based customized to the group's specific demographics, healthcare needs and employer goals and employee capabilities.

Navigating Evolving Compliance Requirements

As laws and regulations concerning the health care industry continue to change and update on an annual basis and modifications of the Affordable Care Act seem never ending, business owners are continually pressured to stay up-to-date in order to remain compliant. Whether on a federal, state or local level, regulations are complicated and mandate that companies dedicate sufficient resources, time and dollars in order to understand and meet all requirements.

The Department of Labor requires businesses to properly manage employee benefit plans by correctly applying plan provisions, conducting tests, filing proper reporting and providing employees with all required notices, disclosures and documents. In some circumstances, businesses are required to submit audited financial statements. And in 2022's remote work environment, it will be important for businesses to protect HIPAA data from breaches, especially on mobile devices, laptops and at-home computers.

Small to mid-size groups are especially at a disadvantage since many lack the ability to invest in the time, technology and resources necessary to wade through all of the regulations and jargon in order to correctly apply any necessary changes to any applicable business protocols. Although maintaining compliance can be a monumental task, penalties for non-compliance can be costly.



My Benefit Advisor's Compliance Team — You Can Rely on Us

The team at MBA provides timely and comprehensive assistance with compliance related matters, including employer reporting, insurance regulations and more. Our objective is to make complex issues more understandable, providing you and your staff with interpretation, education and guidance. With our in-house benefits counsel actively monitoring pending local and national legislation, we are able to quickly provide our clients with an ongoing interpretation of all legislative issues to help ensure that they are aware, educated and prepared to make sound, informed decisions.

Through use of our analytic tools and diagnostic technology, we can bring large group resources to small groups to help forecast the impact that reform regulations will have on a business and then develop and implement cost-effective strategies for building a tailored benefit program while meeting ACA requirements. In short, by taking on the lead role of helping our clients understand their business options and responsibilities concerning health care reform and legislative issues, we are able to provide the tools and resources needed to maintain compliance and avoid costly penalties.



Facilitating Benefit Administration and Enrollment in a Virtual Environment

The pandemic has drastically altered the mechanics of the traditional workplace, requiring a shift in many traditional workplace practices. With large numbers of employees permitted to work from home, employers have been challenged to find effective ways to engage with employees and manage their benefits. Among the chief areas of focus for human resource personnel has been centered around enrollment procedures.

The utilization of benefit administration platforms to create a virtual enrollment process has become much more common in many companies, with employees increasingly accepting and becoming comfortable with the practice. Many employers find that by taking a multi-channel approach to communication (such as live and recorded on-demand presentations, mobile apps, online platforms, mailers, internal memos or digital bulletin boards in addition to email, a more meaningful and accessible resource for workers is created. Then, by streamlining the enrollment process and utilizing a one-stop shopping experience for all benefit related functions (without having to leave the site, search for files, download videos, etc.), employees will often make more informed decisions and are more likely to embrace the experience.

Providing meaningful and accessible resources for employees and their dependents throughout the benefit administration process can help employers promote more widespread engagement and foster greater employee focus on their personal health and wellbeing.



Using MBA To Facilitate More Engaging Benefit Administration

The virtual enrollment process, when done properly, holds tremendous benefits for both the employer and employees. MBA's knowledgeable employee benefits and communications specialists work diligently to understand the specific engagement needs for each client's workforce. Then, by crafting a customized approach based on the objectives and capabilities of the employer and workforce, a strategy is developed to help employees get the most out of the benefits offered to them, while maximizing the employer's return on benefit dollars spent.



Choosing the Right Funding Model

If you are an employer facing a large renewal rate increase you may not be aware that reducing benefit levels is not the only effective strategy to lower healthcare costs. Alternative funding models, once only available to large groups, have become an increasingly favorable method of controlling costs for companies of all sizes. Additionally, various funding models can improve benefit flexibility, allowing the program to be tailored to fit the needs of each company's diverse workforce.

With the annual increases in medical care persistently outpacing general inflation, there appears to be no end in sight to unsustainable annual premium rate hikes for employers. And with the cost of employee health care programs typically ranking in the top three expenditures of an organization's overall budget, it should come as no surprise that alternative funding solutions have become popular. With options ranging from fully insured to true self-funding, including minimum premium, level funding, partially self-funded arrangements, and other hybrid versions, there exists a rating method to fit the needs and individual characteristics of every employer.

But the determination of which arrangement works best for a company is complex, requiring thorough planning and a long-term benefit strategy (typically 3-5 years). Selecting a broker with in-depth knowledge, comprehensive experience and adequate resources is critical to the success of this endeavor, as the brokerage firm will play a key role in the development and ongoing management of the overall process.



How MBA Can Help Your Company Choose the Right Funding Method

Your team at My Benefit Advisor will detail the spectrum of funding models available to your business, ascertain your readiness and create an action plan if a transition to a new rating model is right for your company. Possessing expertise in all aspects of alternative funding including stop loss, cost containment, employee engagement and education activities, and developing data-driven wellness programs, we are optimally suited to provide detailed and comprehensive insights into all funding models. By compiling employee demographic information, discussing your company's risk tolerance and performing a thorough analysis of claim utilization data, a cost projection can be developed, allowing for a better understanding of the financial impacts and resultant savings that might be expected.

Showing Employees You Care About More Than Just Their Health

The unprecedented series of events that have unfolded over the past two years has implanted a high level of doubt and uncertainty over the physical health and financial security most individuals will expect to attain in the near future. As a result, workers are increasingly seeking out employers that are demonstrably supporting their concerns. Specifically, some of the benefits they are looking for include:

Emergency Savings Accounts — The ability to tap into liquid assets to cover unexpected expenses instead of drawing from their retirement savings is an important element of an individual's financial security, yet many people are unprepared and unable to build such a reserve. As we move further into 2022, expect more employees to focus on securing emergency savings. Employers can help by establishing an Emergency Savings Account (ESA), whereby funds are deducted from an employee's paycheck and placed into an account that the employee can tap to assist with any immediate financial emergencies.

Employee Assistance Programs — Still dealing with the residual effects of the pandemic, the national employee population remains at a heightened level of stress and anxiety. And without the resources and ability to resolve the burdens these employees face, office morale and productivity is often impacted. Employers can help by either implementing or expanding existing their existing EAPs. Companies can also provide resources for employees to access such as information regarding local therapists and counselors, psychiatrists, suicide hotlines and substance abuse programs, meditation classes and yoga studios.

Student Loan Repayment Programs — Increasingly, individuals comprising today's workforce are straddled with significant levels of student loan debt. At the same time, these workers are often conflicted as to whether they should focus on paying off their debt or set aside funds to pay for retirement. As an employer, adding a student loan repayment program to your employee benefit portfolio not only helps them address this dilemma, but also represents a tremendous opportunity to help attract and retain key talent.



MBA Can Help You Support Your Employee's Financial Security

MBA is aware that in today's unique and competitive job market, it's not enough to simply offer the traditional benefit portfolios of the past. Showing prospective talent and valued current employees that you care about their health and financial future by providing programs and services that support these goals helps you stand out among your industry peers. And by structuring the program as a part of a voluntary benefits package, you have the ability to customize the program according to your workplace demographics and budgetary capabilities.



About My Benefit Advisor

My Benefit Advisor (MBA) is an employee benefits platform designed to guide employers through the complexity of planning, communicating and managing a successful employee benefits program.

To learn more about My Benefit Advisor, visit us online at

www.mybenefitadvisor.com

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