

The 2022 State of the Benefits Experience Report

HealthJoy[®]



EXECUTIVE SUMMARY

The 2022 State of the Benefits Experience Report explores forward-looking questions about the future of employee benefits. It's built on responses we gathered from a survey administered to hundreds of non-HealthJoy client HR professionals in July 2020. The job titles of respondents varied and included Senior Director of Global HR, Vice President of Human Resources, Director of Compensation and Benefits, and Director of HR Technology. They represent every business sector and employee populations from 500 to 50,000.



Their answers reveal the current state of employee benefits and illuminate the challenges we can expect in the years to come.



Virtual healthcare remains top-of-mind.

Nearly all the benefits professionals we surveyed reported placing a higher emphasis on virtual care due to the pandemic.



Despite the challenges of 2020, employers don't plan to add new benefits in 2021.

Rather than picking up a new solution, HR is leaning into their education and communication strategies to cut costs.



Consumerism is the way forward.

HR pros are strongly emphasizing consumerism as a cost-containment strategy in 2021. However, more than half of employers do not offer a tool or solution to make this strategy a reality.



HR is lukewarm on the success of their strategies.

Respondents averaged 3 out of 5 when asked to rate the success of their communication strategies. HR pros are already using all the tools in their belt—and still think they could do better.



Some things have changed, but more will stay the same.

By and large, the “unprecedented” changes of 2020 don't seem to herald shifts in benefits education, communication, or delivery. It's worth asking when benefits plans will catch up to the changes employees need to thrive in this new world.



THE STATE OF BENEFITS

This year our lives have shifted like never before, and there are small signs the benefits landscape reflects that shift. The industry is slow to adopt solutions, and the pandemic widened existing communications gaps. While some benefits like virtual healthcare see new recognition and emphasis, HR is still scrambling to meet the needs of the moment with fewer resources.

Meanwhile, they're juggling an increasing number of furloughed employees, declining morale, and new risks to employees' physical and mental health. They must contend with a virus that jeopardizes their workforce, and new rules and regulations frequently in flux. Record-high unemployment may place family coverage in jeopardy, making benefits more critical than ever. HR must work as a counselor, auditor, accountant, and benefits magician, with few plans to immediately expand benefits or change delivery.

We can see the pressure HR faces simply by examining the increasing number of remote employees. By some estimates, over two-thirds of employees worked remotely for a portion of the week during 2020. We've learned the hard way that remote work—once considered the ultimate mark of job freedom—comes with its challenges. As

more Americans than ever struggle with their mental health, employers sense a looming crisis. Benefits delivery and benefits communication will need to change to address this for a dispersed workforce. The old-school tools employers rely on likely won't offer the flexibility they need for effective communication, but as our survey revealed, they're still very much in play.

Employers are looking for mobile solutions as well. The effort to meet employee expectations while avoiding new tools makes a case for a "do it all" solution. Most employers don't plan to add new benefits in 2021, even those that make their benefits work better. Instead, their strategy is centered around employee education, which, like almost everything else, is more difficult in 2020.



ASKING HR TO DO MORE WITH LESS

In 2021, HR pros will once again be asked to achieve more without expanding their resources. They are stretched thin and bogged down by employee questions, which may constitute 40 hours of their weekly workload.

On average, HR spends 9 hours per week assisting employees with benefits questions. Some outliers reported spending between 20, 30, or even 40 hours per week on this task.

Those on the high end of the scale are almost solely focused on benefits, i.e., benefits managers. When you consider that a benefits manager's job must also include selecting, administering, and managing benefits, spending the entirety of a workweek juggling employee benefits questions is extreme.

When asked which type of benefits question they most frequently field, 41% of employers ranked "finding support contact information when they have employee benefit requests"

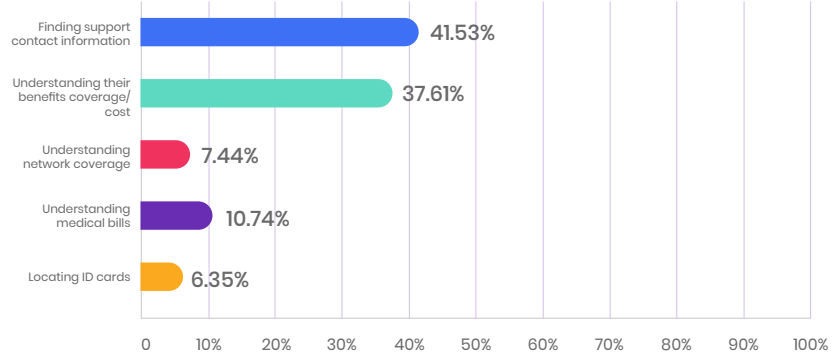
as the most commonly asked question, followed by "understanding their benefits coverage and cost" (37.6%).

These questions seem simple enough to answer. The answers might frequently be found in a benefits booklet. Yet employees are still turning to HR. With so much time invested in addressing questions related to existing benefits, it's not surprising HR is focused on educating and empowering employees.

Fifty-nine percent of HR pros reported their primary cost-containment strategy for 2021 was consumer education, or "creating better healthcare consumers."



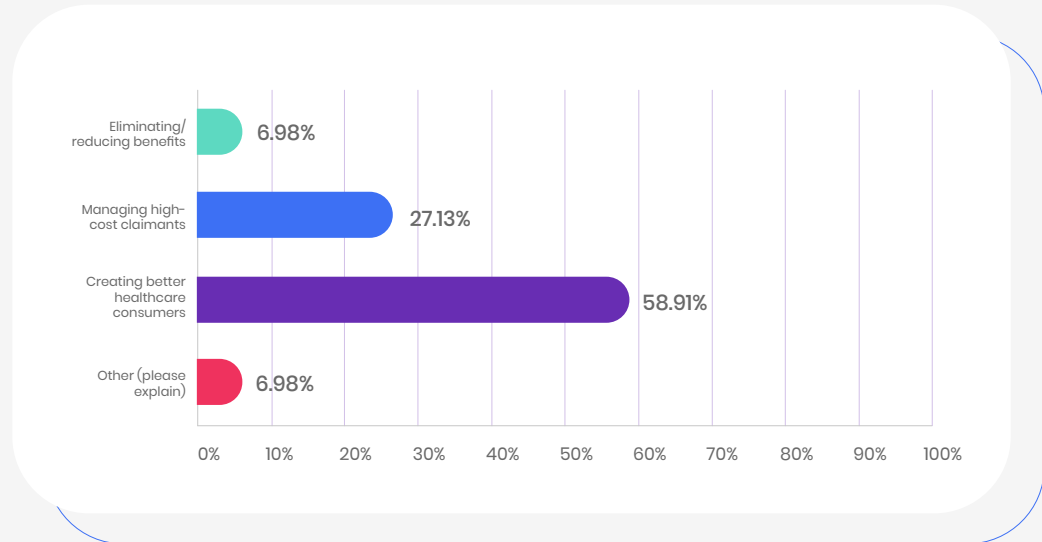
What is the #1 most frequently-asked employee question?



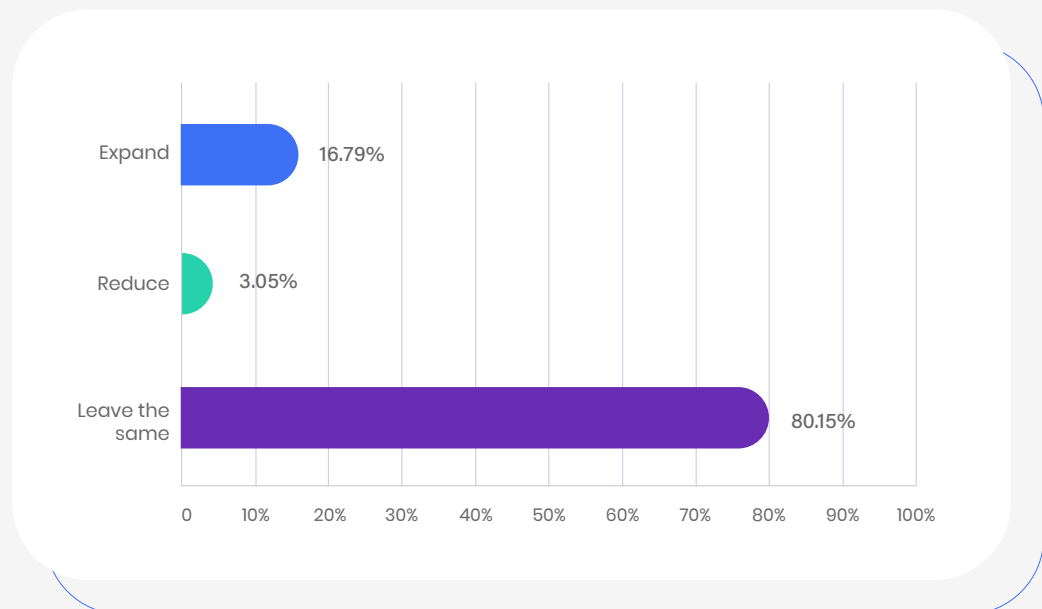
ASKING HR TO DO MORE WITH LESS CONT'D



Which of the following is your **PRIMARY** cost-containment strategy in 2021 and beyond?



In 2021, do you plan to expand your benefits offering, reduce your benefits offering, or leave your benefits offering the same?



ASKING HR TO DO MORE WITH LESS CONT'D

Secondary answers included managing high-cost claimants (27%). Only 7% reported they planned to reduce benefits to manage costs. At a time when employees need all the support they can get, companies aren't cutting back.

However, with so much time spent focused on educating about the benefits they do have, they seem to have little left to invest in uncovering new solutions. An overwhelming majority of respondents (80%) said they planned to leave their benefits offering the same this year - neither expanding nor reducing their offering. Only 17% reported plans to expand.

It seems that HR is expecting—or placed under the expectation of—achieving better results without the aid of new tools. This point also emphasizes the weight that HR seems to put on benefits communication strategy, education, and consumerism. These factors are at the heart of HR's 2021 benefits strategy.



EMPLOYEE COMMUNICATION CHALLENGES

Likewise, the challenges associated with communicating benefits to a newly-dispersed workforce are hard to overestimate. Without face-to-face meetings, the way we communicate in 2021 will look fundamentally different.

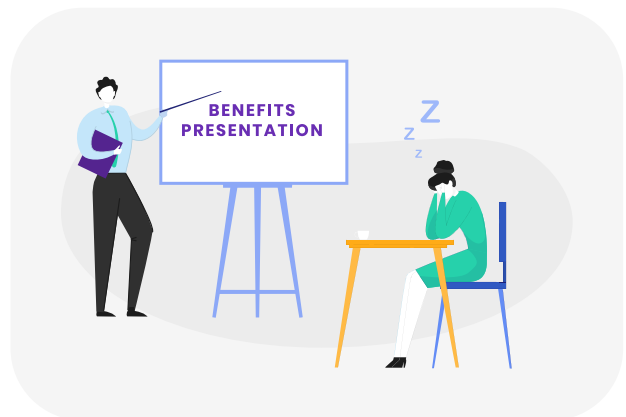
Video is the new normal. Employees who used to pop into their HR leader's office to chat must now ask questions on Microsoft Teams or Slack. They are spending more time than ever "at work,"¹ experiencing "Zoom fatigue" while on even more meetings, and struggling to focus. In other words, they are hardly in a position to absorb and retain benefits.

That's reflected in HR's estimation of employee understanding.

When asked how they would rate their benefits education strategy's success, HR pros responded with an average of 3 out of 5.

Employees do not seem to grasp the benefits information shared with them, as evidenced by their questions for HR. As we saw early in our survey, the questions employers field the most from employees involve the basics: finding more support and better understanding benefits coverage and costs. These aren't questions about specific health challenges or pandemic support, although HR is indeed fielding those. They

reflect long-standing gaps in fundamental knowledge that have always been present for employees.



In other words, benefits education strategies were not fully succeeding even before additional pandemic pressures made communication methods difficult. Individual benefits may suffer low utilization because of this lack of understanding, especially ancillary cost-containment strategies.

Most Employee Assistance Programs (EAPs) offer not only counseling but financial support, legal resources, substance abuse treatment, and other lifelines that may be critical for struggling employees. In 2021, it may be vital that employees understand their full EAP offering.



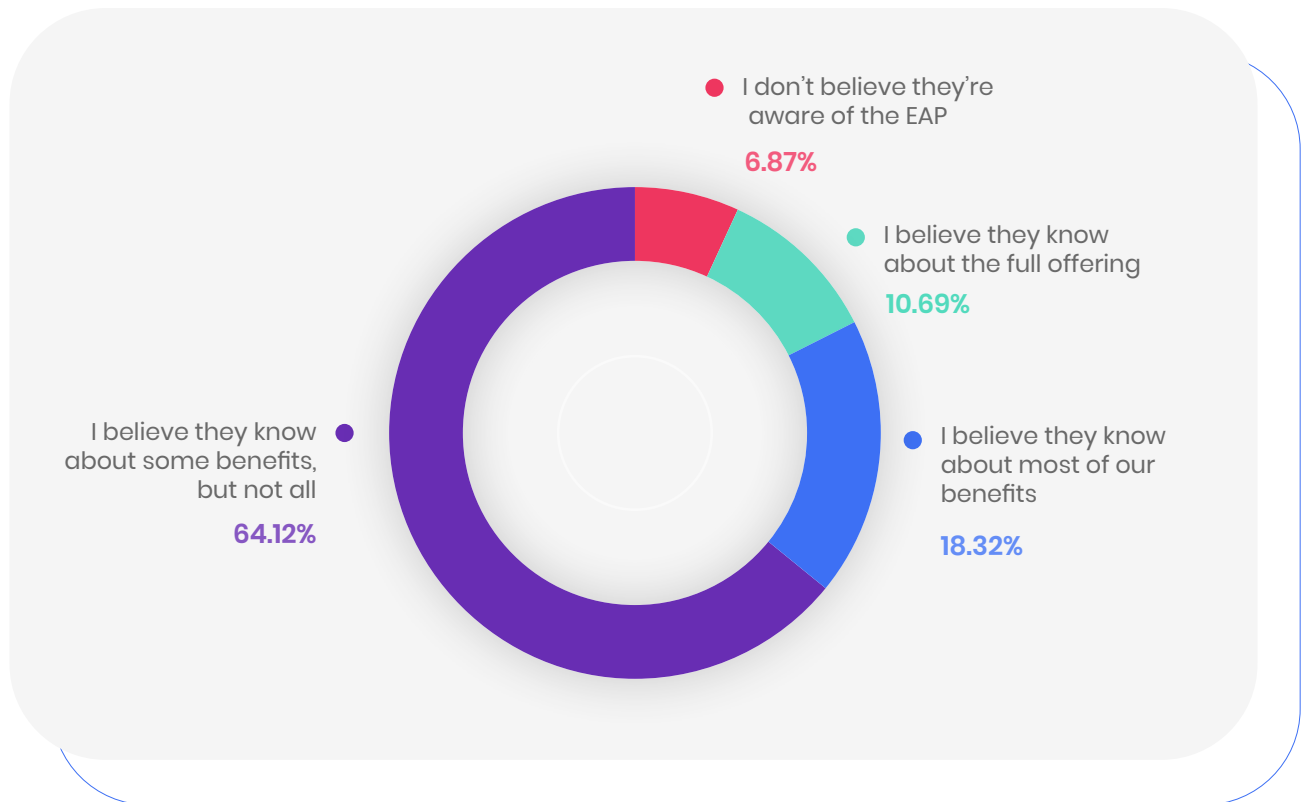
EMPLOYEE COMMUNICATION CHALLENGES CONT'D

As continued lockdowns, altered family pressures, and a deadly pandemic push employee mental health to the breaking point, mental health support is critical. In March, a Census Bureau household pulse survey² found that one in three Americans reported signs of anxiety, depression, or both.

Yet, less than 11% of HR pros said they believed employees were aware of everything offered in their EAP. While 64% said they believed employees knew about some of their benefits, and 18% reported employees know about most of their benefits, nearly 7% reported employees don't know about their EAP at all.



In your opinion, are your employees aware of all the resources offered in your EAP (i.e.: financial support, legal support, work issues, family matter support)?



EMPLOYEE COMMUNICATION CHALLENGES CONT'D

These are just a few factors in explaining the industry-wide trend of low EAP utilization.

Human resources pros are also facing difficulty reaching family members with benefits information.



Only 8% reported it's "easy" to reach employees' family members regarding their benefits. Fifty-two percent said neither easy nor difficult, 25% said it was somewhat difficult, and 5% said it was difficult. Ten percent reported it was "somewhat easy." In total, 82% faced some difficulty reaching family members about benefits.

This metric is troublesome given the fact that, according to the Department of Labor, women make an estimated 80% of healthcare decisions on behalf of children. When that woman is a family member, rather than an employee, her choice may rest on her understanding of her spouse's benefits coverage.

To meet its goals of creating better healthcare consumers, HR must reach the decision-makers. This, like other initiatives, seems to hinge on HR's education and communication strategies.



HR'S COMMUNICATION PLANS

The turn of a new decade and massive shifts in working conditions have not yielded significant changes in how HR pros communicate benefits to employees.

No one could have predicted what 2020 or 2021 would require of employers, and communication strategies may simply not have had time to shift. Given the communication challenges outlined in this report alone, though, it would appear that new solutions are necessary.

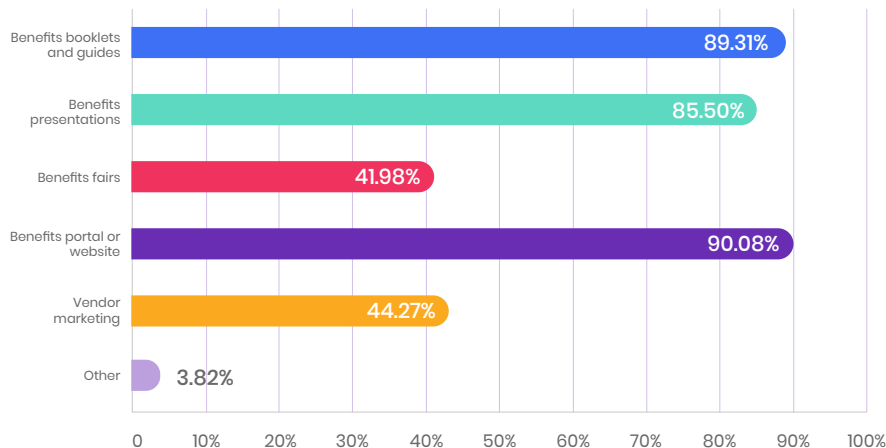
Though 2021 may look different in terms of working conditions, HR will rely on traditional benefits communication strategies to reach employees. Ninety-eight percent of our respondents said they will depend on paper enrollment materials. Ninety-seven percent will use email.

When asked about their benefits education strategy, the HR pros we surveyed also reported using benefits booklets (89%), benefits presentations (86%), and benefits fairs (42%).

Seventy-seven percent will do in-person meetings, lunch and learns, or fairs. If HR is dealing with a remote workforce, all these methods will require different delivery ahead of 2021 open enrollment. COVID-19 gathering restrictions may make it impossible to deliver in-person meetings for groups, even with employees on-site.



Which of the following are part of your benefits education strategy?



HR'S COMMUNICATION PLANS

While this may give rise to new “virtual” benefits fairs, digital booklets, and remote presentations, not everything will be solved by only “taking it online.” Without in-person meetings, HR will lose an important source of real-time feedback. In short, this may spell trouble for 2021. HR may anticipate fielding increased benefits questions, benefits confusion, and even lower utilization now that this crucial piece of the communications puzzle is gone.

Other communications tools that better reflect employee communication trends are not seeing widespread utilization for benefits communication. Only 7% of respondents are using SMS messages in benefits communications, and 21% use app push notifications.

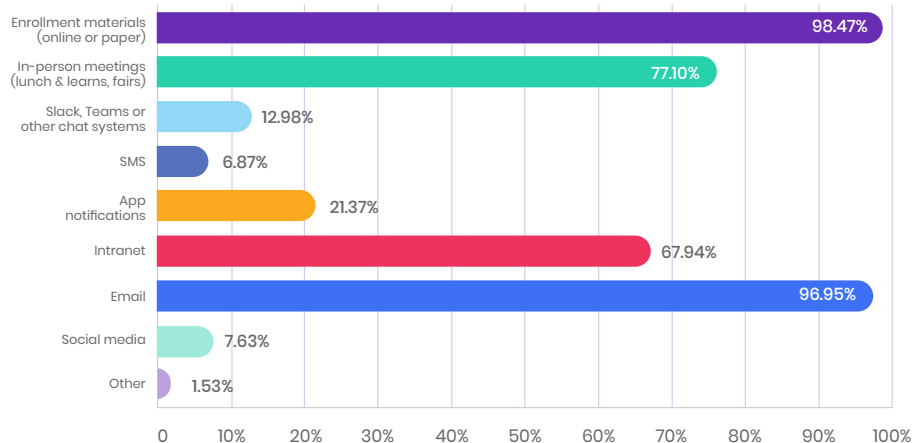
Only 13% of respondents said they were using

Slack, Microsoft Teams, or another chat tool to share benefits information. This relatively low number is particularly noteworthy given the massive shift to chat tools during the pandemic.

According to App Annie⁴, Zoom’s app topped download charts throughout February and March, and other apps like Google’s Meet and Microsoft’s Teams surged, too. Despite the new pervasiveness of these tools, HR hasn’t leaped to using them to deliver benefits information. This may be a matter of privacy concerns. However, it’s also easy to see how general announcements, like enrollment dates or company-wide plan change details, could be posted and pinned in these chat tools for easy referral. After all, most employees spend their days in and out of chat tools, and messages surface there far more quickly than in email.



How do you communicate benefits information?



HR'S COMMUNICATION PLANS

Finally, 90% of respondents reported using a portal or website. While the idea of centralizing benefits in a website may signal a shift toward digital-first attitudes, it does not necessarily meet the mobile demands of employees. Mobile devices in 2020 now generated 51.92 percent of global website traffic⁵, so a well designed mobile strategy is vital.

What's more, 40% of those we surveyed said accessing all the benefits in their package would require employees to visit five or more separate websites.

So, while specific information may be accessible inside a company's benefits portal, there is still a reliance on disparate vendor sites for access and utilization. This seems to undercut portals' purpose and only serves to put the employee experience in an outside party's hands. Ultimately, this may threaten HR's mission to drive employee benefits satisfaction.

2020 CHANGED EVERYTHING – BUT NOT BENEFITS DELIVERY

Given the unprecedented nature of 2020 and 2021, we might expect HR to alter plans, adopt new technologies, or rapidly pivot to deal with a smaller, more dispersed workforce. While HR leader’s attitudes toward specific benefits – namely virtual medicine – may have changed, their plans regarding benefits education and delivery haven’t.

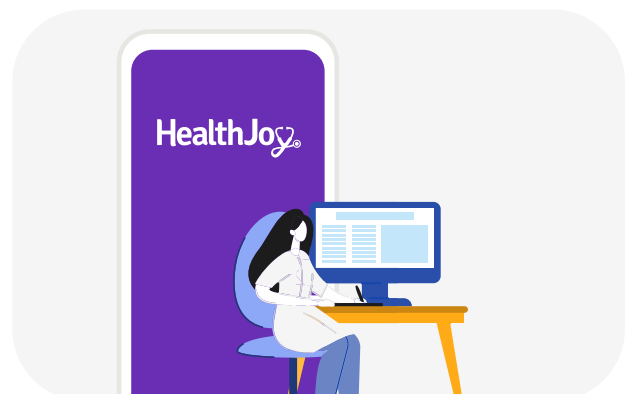
When asked how the pandemic affected their perception of virtual care, a whopping 88.6% responded that they now place greater emphasis on this solution. Only a single individual surveyed answered that they place less emphasis on virtual care, and 14 responded that their emphasis was unchanged.

This is a strong endorsement of the trend in virtual care adoption we see throughout our industry. The Business Group on Health’s Large Employers’ Health Care Strategy and Plan Design Survey⁶ showed nearly identical numbers, finding that “80% believed virtual care will have a significant impact on how care is delivered in the future.”

Our survey respondents aren’t planning to add benefits in 2021. Eighty percent responded that they planned not to change their benefits package this year. That means that employees who do not already have virtual care options or find them difficult to use will be left without a solution.

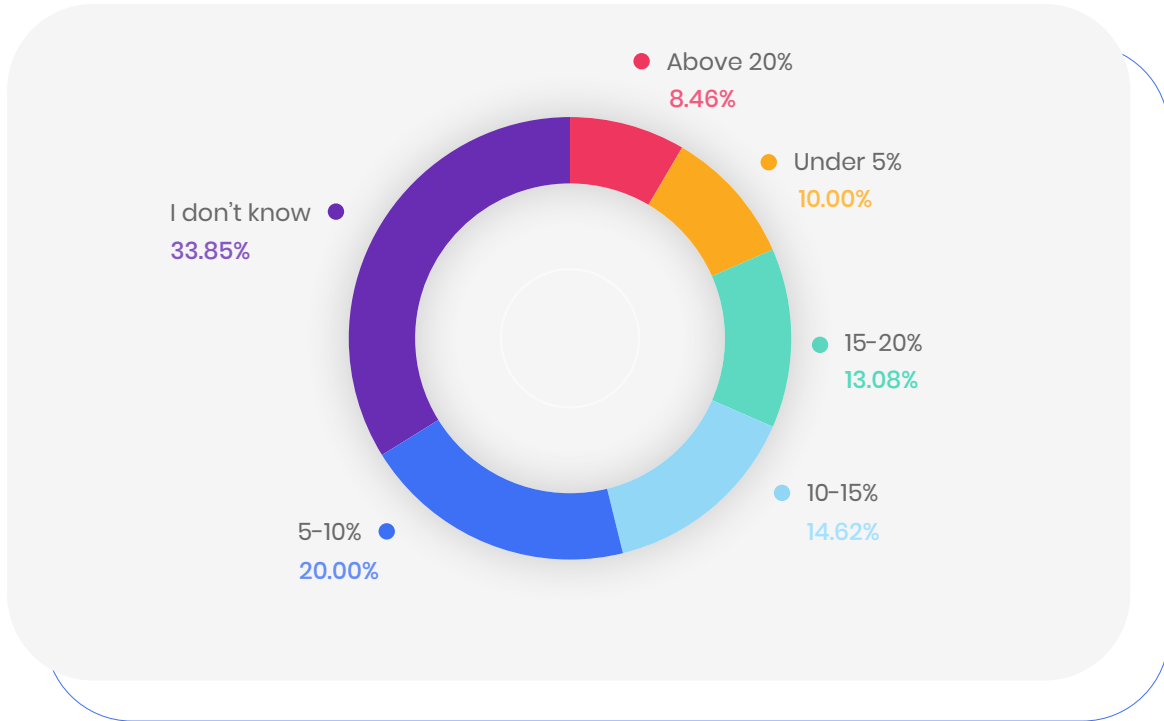
And unfortunately, we know that many employees do find virtual solutions unwieldy. We know that telemedicine, perhaps the most widely-offered virtual care benefit and one typically provided by most major carriers, suffers low utilization. This remains the case despite the sense that we’re in the middle of a virtual healthcare boom.

Among the respondents who knew their employee telemedicine utilization rate, most responded that it was between 5 and 10 percent. Only 8.5% of respondents reached over 20% utilization.





What is your current telemedicine utilization rate?



Though we can't predict what the rest of 2020 will bring, initial plans from tech giants like Twitter and Google⁷ indicate 2021 will likely be another year of increased remote work, dispersed schedules, and closed offices. Without a vaccine, experts believe it is also likely to be a year of increased strain

on our healthcare systems. Without virtual care, employees will have few options as the pandemic drags on. HR's estimates of current utilization rates indicate that most of those who already have this benefit aren't using it.



To support employee health through the virtual benefits they increasingly value, HR will need to focus not only on providing access but on making that access simple.



HOW WILL HR SOLVE BENEFITS PROBLEMS IN 2021?

For 2021, HR seems to be putting all its eggs in the consumerism basket.

When we asked HR pros what they planned in terms of cost-containment for the next year, 59% responded that “creating better healthcare consumers” was their top strategy.

The same number, 59%, said they did not offer a solution to help employees shop for healthcare options.



It's not clear how HR plans to achieve this cost-containment goal without a solution for navigation support and steerage.

This fundamental mismatch underscores a long-standing problem: employees are overexposed to increasing healthcare costs, but don't know how to find affordable care. Since we already know that HR does not plan to expand its benefits offering this year, we can also deduce that a little less than half of employees will be left to fend for themselves when searching for care in 2021.

Given the high volume of employee benefits questions, low utilization of cost-effective tools like telemedicine, and so-so estimation of benefits education success, this isn't a healthy strategy. We know that most employees do not understand their benefits, struggle to grasp the basics, and don't even know whom to contact with questions.

As HR fights a battle on every front, they simply can't afford to ill-equip employees for expensive decisions. There is a clear need for tools that support smart healthcare choices, centralize benefits delivery, and simplify communication.





CONCLUSIONS

HealthJoy's 2021 State of the Benefits Experience survey findings highlight the problems faced by HR pros in a genuinely unique year.

In 2021, HR pros will deal with the same old pressures, and with the added mountain of the pandemic, a rapidly-changing workforce, and threats to employee health. They're doing it all without planning to change benefits delivery or update their education strategies. In other words, they're doing more, with less, and have higher expectations than ever.

Their strategies for the cost-containment hinge on healthcare consumerism, but they plan to achieve that goal through education, not additional tools or solutions. This strategy centers on printed communication materials, in-person meetings, and benefits fairs, all of which will look drastically different, if not impossible, in 2021. There are indications these tools were ineffective before —

both in self-reported scoring of benefits communication strategy and in the volume and type of questions HR reported receiving. In a year when in-person meetings may be impossible, we can guess that success will be even harder to achieve.

While most HR pros are using some form of digital benefits communication, such as email, they aren't relying on chat tools, which have seen a jump in utilization in 2020. Similarly, though most reported using online tools like portals, that centralized experience is undercut by the need for employees to access multiple websites to utilize their benefits fully. This may explain why telemedicine utilization remains low and why employees aren't grasping their EAP programs' breadth.

CONCLUSION CONT'D

It's clear that HR pros are looking for solutions that centralize the benefits experience, drive utilization, and provide navigation and decision support. They are also seeking assistance with their benefits education strategies and may find value in tools that decrease the hours each week they spend addressing employee benefits questions.

Finally, they're looking for a way to create better healthcare consumers while keeping employee satisfaction high.



ABOUT THIS REPORT

The 2021 State of the Benefits Experience report is based on data gathered from a survey sent to 9,199 HR professionals across the country between July 5 and July 30, 2020. Survey respondents were invited to participate via email and came from nearly every industry, including manufacturing, broadcast media, government administration, higher education, consumer goods, etc. They received a \$10 gift card in return for their participation. A total of 131 participated. Company sizes ranged from 500 employees to 50,000 employees, with headquarters located across the United States. No HealthJoy clients were surveyed for this report.

FOOTNOTES

1. [Remote work really does mean longer days – and more meetings](#)

2. [CDC Mental Health](#)

3. [General Facts on Women and Job Based Health](#)

4. [Video Conferencing Apps Surge from Coronavirus Impact](#)

5. [Percentage of mobile device website traffic worldwide from 1st quarter 2015 to 2nd quarter 2020](#)

6. [2021 Plan Design Survey: Full Report](#)

7. [Google Employees Can Work From Home Until July 2021](#)

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