



Employee  
Benefits

# CREATIVE EMPLOYEE BENEFIT OPTIONS IN A POST- PANDEMIC WORLD



# About Ganim Benefits

## A Member of the Hilb Group

**1985**

Year Established

Group  
Medical



Group  
Dental



Group  
Life



Group  
Disability



Company  
Executive



Group  
Retirement

# WHAT'S CHANGED POST PANDEMIC?

**JUST ABOUT EVERYTHING!**

## EMPLOYERS ARE TAKING A HOLISTIC APPROACH TO EMPLOYEE BENEFITS POST-PANDEMIC



- Telecommuting
- Flexible Scheduling
- Increased Compensation
- Mental Health Resources
- Telemedicine
- Caregiving Benefits
- Robust Employee Assistance Programs
- More Open Dialogue with Managers about work/life balance
- Hybrid Work Model
- Vaccine Mandates

# Benefits Considerations for Employers

- **Remote work options**—Employees are often enticed by flexible work arrangements, including the opportunity to work remotely. While not all roles and responsibilities are perfect fits for telecommuting, employers can consider the feasibility of remote work in their respective workplaces.
- **Flexible scheduling**—Adapting to school and day care schedules, limited capacity and remote learning days, many employees are balancing caretaking and personal responsibilities with their careers. Flexible scheduling is considered an attractive benefit to many.
- **Paid sick leave**—Health, safety and flexibility are top of mind, and employees value benefits such as expanded paid sick leave more than ever.
- **Expanded PTO**—While many organizations struggle to commit to increased compensation, paid vacation remains a valuable perk.
- **Additional health benefits**—Employees increasingly value access to **virtual health** services such as telehealth visits and mental health support.

**Employee Assistance Programs (EAPs) can help employees adjust back into their post-pandemic routine**

Currently, employees are understandably experiencing significant stress, which can lead to lower productivity and morale, which increases their risk for health conditions, absenteeism and higher health care costs.

EAPs can help employees tend to their personal needs, leaving you with healthier, happier and more productive employees.

# AN EFFECTIVE EAP PROGRAM SHOULD INCLUDE THE FOLLOWING

**Counseling**—Counseling sessions with trained professionals to help employees address various issues. Formats should include phone, web and in person.

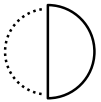
**Relevance**—Find out what employees really need help with, consider conducting an anonymous survey to crowdsource what elements should be covered in your EAP.

**AWARENESS**—Employees need to know it exists, how to use it, and that is completely **CONFIDENTIAL**. Promote it often.

# THE IMPORTANCE OF MENTAL HEALTH FOR WORKPLACE WELLNESS



Almost **44 MILLION** adult American experience a mental illness each year. **This means 1 in 5 Americans are affected.**



**Less than 50%** of those with a mental illness receive treatment.



**Depression** is the leading cause of disability worldwide.



**Suicide is the 10<sup>th</sup>** leading cause of death in the U.S. **90%** of those who die by suicide have an underlying mental illness

**10.2**

Approximately **10.2 million adults** have co-occurring mental health and addiction disorders.

- Employee mental health in the workplace has become a topic of increased focus and awareness in recent years.
- An employee's mental health includes how they think, feel and act, and includes their emotional and social **well-being**.
- Creating a culture that that supports employees' mental health may sound complicated, but it can be **easier than you think**.



# CREATING A CULTURE TO PROMOTE MENTAL HEALTH



## **Promote Mental Health Awareness in the Office**

When you openly talk about mental health, employees are more likely to feel comfortable about the concept, and reach out to managers or co-workers if they're struggling.



## **Address Workplace Stress**

Nearly 80% of Americans consider their jobs stressful. Common job stressors include a heavy workload, intense pressure to perform at high levels, job insecurity, long work hours, excessive travel, office politics and conflicts with co-workers. While it may not be possible to eliminate job stress altogether for your employees, you can help them learn how to manage it effectively.



## **Train Managers**

To ensure that no stigma surrounding mental health exists at your organization, it's important that you properly train management in recognizing the signs of mental illness, excessive workplace stress, workplace bullying and fatigue.

# Promote Telemedicine

## What is it?

Telemedicine is a form of technology-based communication that allows a doctor and patient to communicate without being in the same physical space.



## How does it work?

Through the use of technology, communication is facilitated either in a real-time or delayed setting. Usually a patient is able to communicate from his or her home with a doctor through a live video, audio or patient data transfer system. Doctors can see the patient and assess his or her symptoms, as well as obtain the patient's records and medical history from electronic medical records.



## Is telemedicine a substitute for in-person doctor's visits?

No. A virtual appointment is good for a number of mild conditions, but is not suitable for severe symptoms like a high fever or a debilitating cough. Additionally, you should **NOT** use a virtual appointment to seek treatment for situations like a chronic condition, complex conditions, life-threatening conditions, anything requiring a test or hands-on exam, or broken bones, sprains or other serious injuries.



# Covid 19 Vaccine

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Workplace Considerations

# Delta Air Lines Imposes \$200 Monthly Health Insurance Surcharge on Unvaccinated Workers

**MANDATE? SURCHARGE? INSCENTIVE REWARD?**



- Businesses are having to weigh the value of COVID-19 vaccines and uninterrupted operations against employee uncertainty and vaccine reluctance. The solution won't always be as easy as introducing a mandate, however.
- Organizations are recommended to evaluate vaccination policies and should seek legal counsel to discuss which course of action is best for their organization.

# COVID-19 VACCINES ARE NOT MANDATED BY THE FEDERAL GOVERNMENT

## **Employers CAN require employees to get vaccinated.**

- Employers that encourage or require vaccinations, however, must comply with the Americans with Disabilities Act (ADA), Title VII of the Civil Rights Act of 1964 and other workplace laws, according to the EEOC. Two exemptions can be implemented:
  - **Medical exemptions**  
Some people may be at risk for an adverse reaction because of an allergy to one of the vaccine components or a medical condition.
  - **Religious exemptions**  
Some people may decline vaccination because of a religious belief.

## **Employers CAN require employees to show proof that they have been vaccinated.**

- Employers cannot mandate that the employee provide any medical information as part of the proof.
- Employers offering vaccination to workers should **keep a record** of the offer to vaccinate and the employee's decision to accept or decline the vaccination.

# BOTTOM LINE

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Offering incentives or imposing surcharges that are tied to vaccination status brings up several compliance concerns that need to be addressed.

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Before implementing any type of policy, employers should first consult with employment law counsel to ensure they are compliant with applicable laws

# HEALTH CARE AND HEALTH INSURANCE POST-PANDEMIC

BOTH UTILIZATION AND COSTS ARE ON THE RISE



# HEALTHCARE POST-PANDEMIC

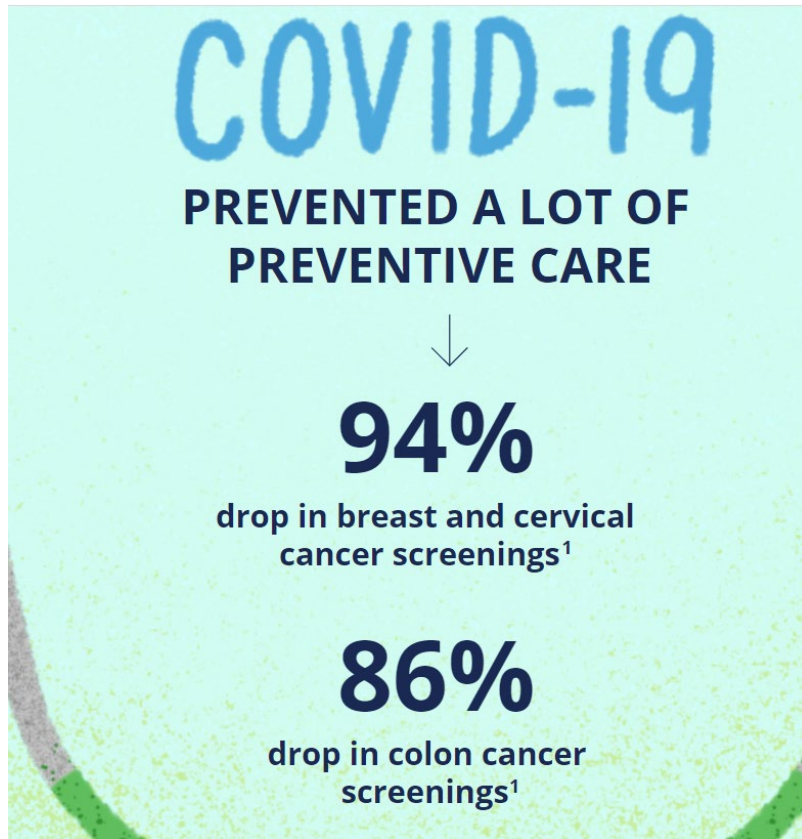


- Missed and delayed screenings are already having an impact in disease advancement, and costlier treatments.



# EMPLOYERS ARE OFFERING INCENTIVES TO THEIR EMPLOYEES TO SCHEDULE THEIR WELL VISITS AND SCREENINGS

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# EMPLOYER HEALTH COSTS ARE PROJECTED TO RISE TO 6.5% IN 2022 DUE IN PART TO COVID-19

15% of American consumers with employer-sponsored health insurance said they had deferred care between March and September 2020.

The rebound is expected to increase health spending, as is testing, treatment and vaccination costs for COVID-19.

The Northeast will see even higher increases

# EMPLOYER OPTIONS



**HOW TO MANAGE THE COST OF  
EMPLOYEE HEALTHCARE SPENDING**

# EMPLOYERS HAVE THREE WAYS TO PAY FOR GROUP HEALTH INSUARNCE

1. Fully Insured plans

2. Level Funded Plans

3. Partially Self-Funded  
Plans

# FULLY INSURED PLANS

- Employer pays fixed monthly premium to insurance company
- Insurance company manages the plan and takes on the risk
- **Insurance company keeps any profit**
- Renewal may or may not be based on group's claims experience depending on group size

- No opportunity to manage costs or care, as no data is provided
- Small Market-rates are the same for all regardless of health status

# LEVEL FUNDED PLANS

- Employer pays fixed monthly premium to insurance company
- Risk management through stop-loss insurance
- **Employer SHARES in any profit**
- Elimination of many state-mandated benefits and reduced premium taxes
- Group's claims experience will be marginally factored into renewal

- Some opportunity to manage costs and adjust benefits strategy
- Some insight into claim costs

# PARTIALLY SELF FUNDED PLANS

- Employer pays fixed monthly amount for administration, stop-loss insurance, network access
- Employer manages the plan with the help of a Third-Party Administrator
- Employer takes on some of the risk
- **Employer KEEPS any profit**
- Renewal will be partially based on group's claims experience

- Full transparency
- Opportunity to manage costs and care
- Full flexibility with coverage and plan design

# CONTROLLING COSTS



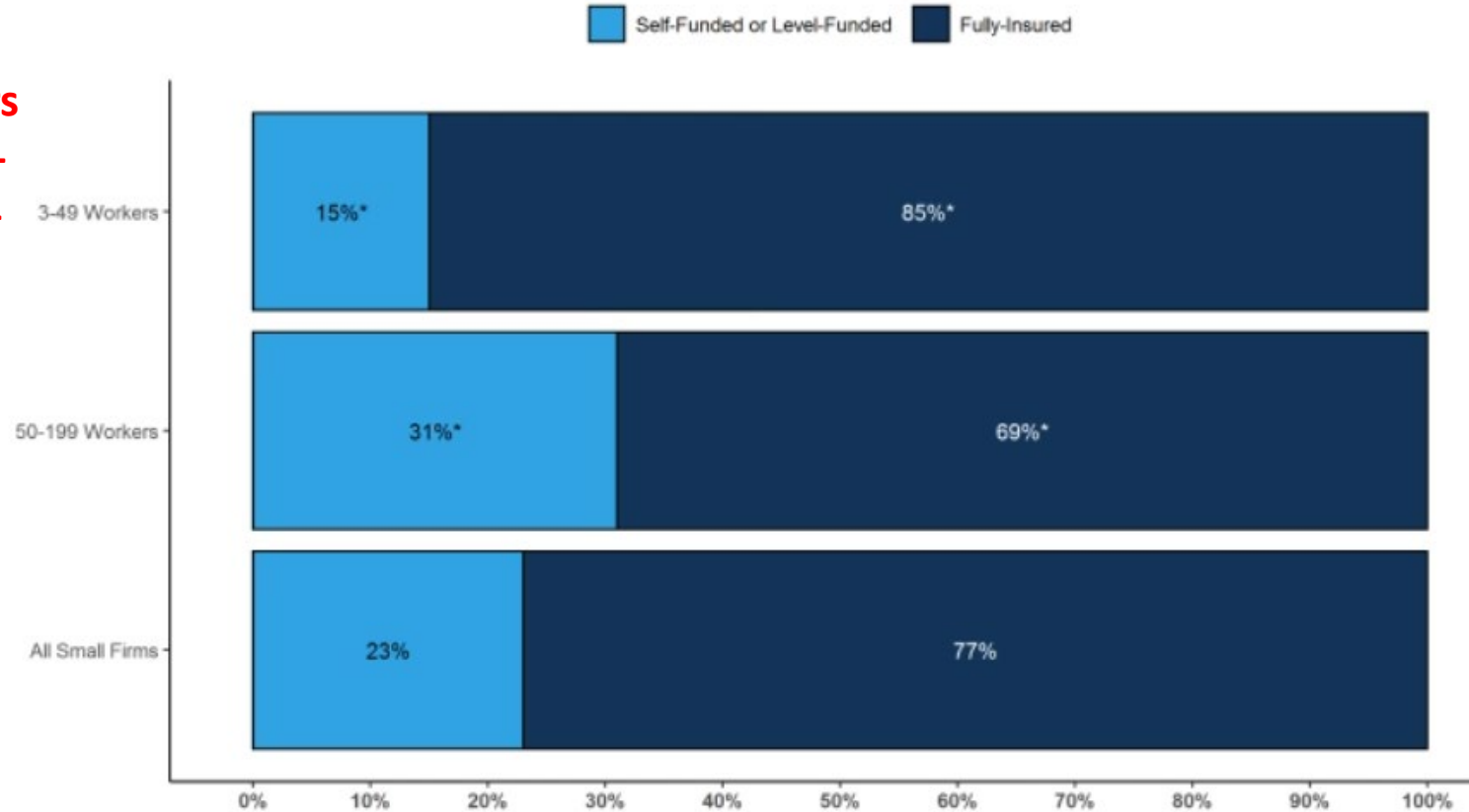
- To control costs, you must understand **WHERE** your spending is.
- You can use this data to implement **QUALITY COST CONTAINMENT** strategies.



Only 23% of  
small employers  
are using level-  
funded or self-  
funded  
platforms

Figure 10.8

Among Covered Workers at Small Firms, Percentage Enrolled in a Level-Funded or Self-Insured Plan, by Firm Size, 2020



\* Estimate is statistically different from estimate for all other firms not in the indicated size category ( $p < .05$ ).

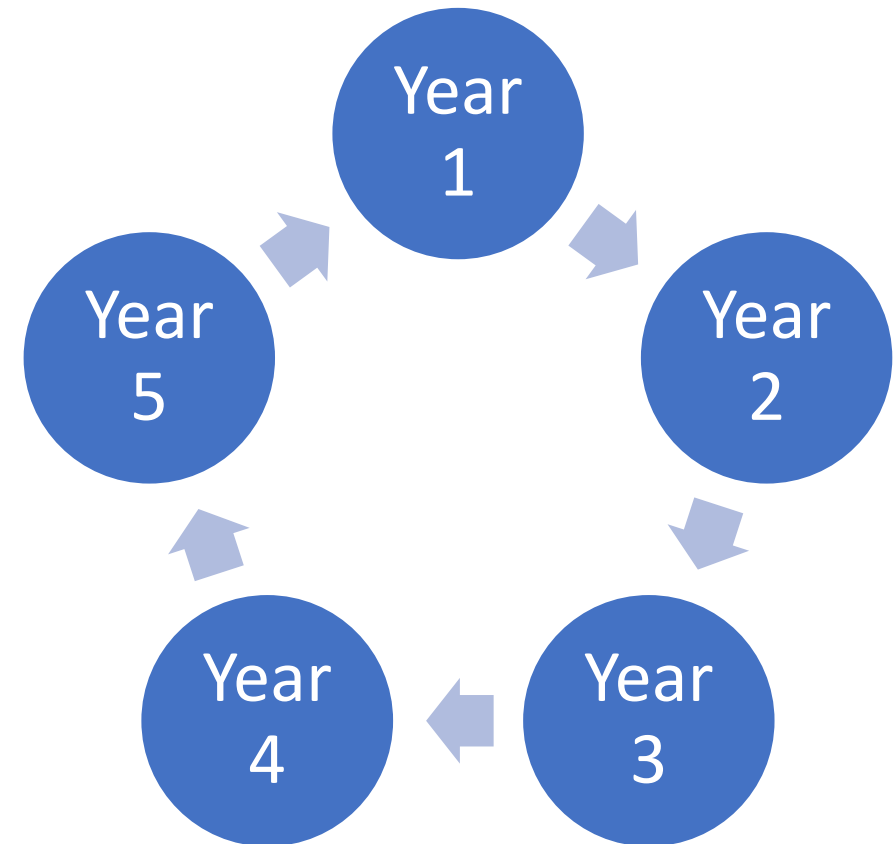
NOTE: See the glossary at the end of Section 10 for definitions of self-funded, fully-insured, and level-funded premium plans.

SOURCE: KFF Employer Health Benefits Survey, 2020

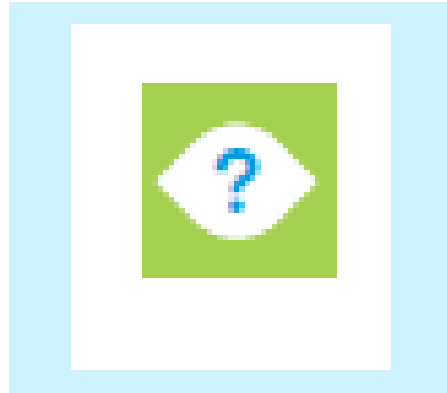
One in 5 years will be a great year;  
one in 5 years will be a bad year; the rest will be average years

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**77%** of small  
employers are  
missing out on 4  
years of  
potential profits

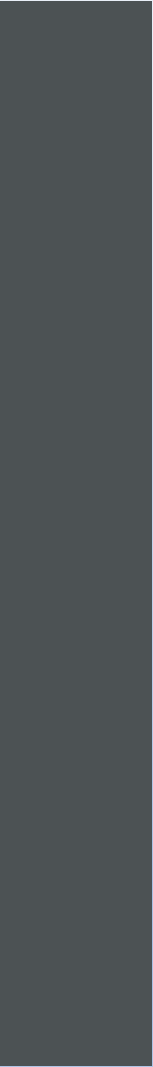


# IS PARTIALLY SELF- FUNDING RIGHT FOR YOU?



## Things to consider:

- Size of company
- Additional responsibility
- Risk tolerance
- Ability to deal with volatility
- Cash flow
- Getting in the weeds
- Willingness to allocate resources to wellness and improvements



# A FEW THOUGHTS ON OUR CURRENT HEALTH INSURANCE DISTRIBUTION SYSTEM

## EMPLOYER-BASED MARKET - HERE IS WHAT WE KNOW...

- It's the largest provider of coverage in the U.S., covering close to **60 MILLION PEOPLE\***
- It provides a **MASSIVE** distribution channel to affordable healthcare
- It provides **TAX EFFICIENCIES** for employers and employees

*\*Kaiser Family Foundation*



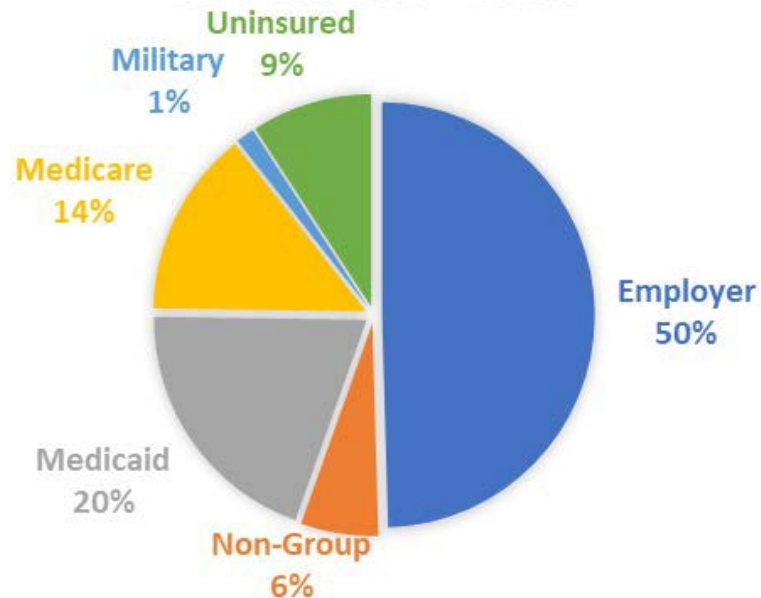
# EMPLOYER-BASED MARKET – HERE IS WHAT WE KNOW...

- Leads to greater competition among carriers and providers
- Reaches people in mass numbers to help them understand their coverage options and navigate the healthcare system
- Stimulates innovation to provide lower costs and better care outcomes

# PUBLIC OPTION AND MEDICARE AT 60

# WHERE AMERICANS GET HEALTH COVERAGE- 2019

WHERE AMERICANS GET HEALTH COVERAGE - 2019



What impact would Medicare at 60 or a public option have on the distribution channel of health insurance in this country?

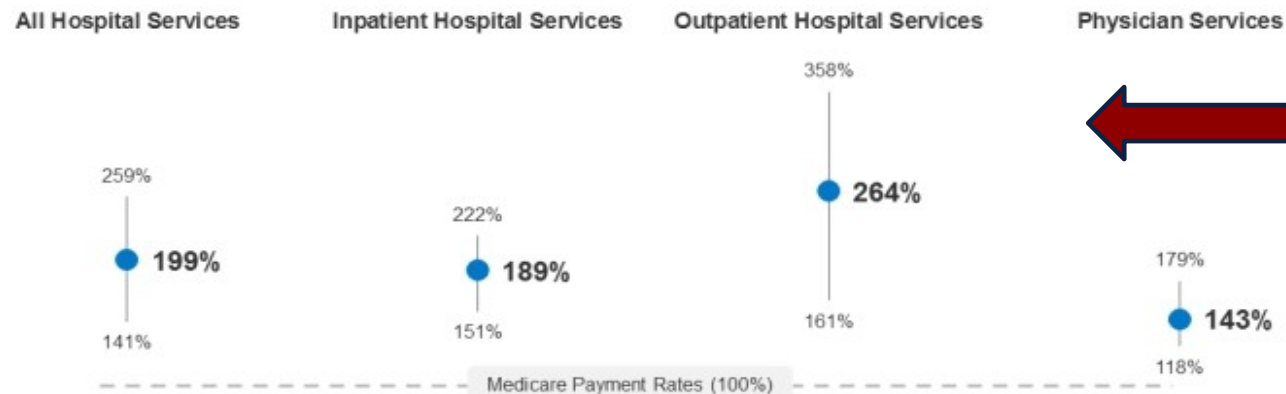


# UNDERSTANDING THE CURRENT PROVIDER REIMBURSEMENT MODEL

ES Figure 1

Private Payment Rates Are Higher Than Medicare Rates for Hospital and Physician Services

● Average Private Insurance Rates as a Percentage of Medicare Rates, Across Studies Using 2010-2017 Data



SOURCE: KFF analysis of 19 published studies comparing private insurance and Medicare payments to providers. Because some studies analyze payments to providers in multiple service categories, the number of studies across all categories is greater than 19.



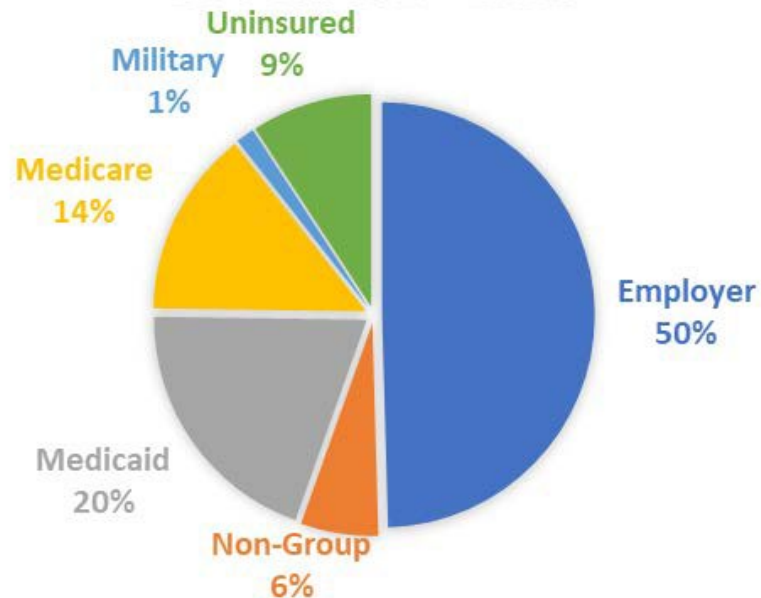
**Hospitals charge private payers 199% above Medicare rates**

- 189% Inpatient Care
- 264% Outpatient Services
- 143% Physician Services
- Medicaid pays even less

Figure 1: Private Payment Rates Are Higher Than Medicare Rates for Hospital and Physician Services

# HIGHER COMMERCIAL RATES OFFSET MEDICARE RATES

WHERE AMERICANS GET HEALTH  
COVERAGE - 2019



If providers are to accept Medicare rates for more patients, will this result in them **INCREASING EMPLOYER SPONSORED** contracted rates even more to make up for their shortfall?

# ISSUES THAT MUST BE CONSIDERED

Will the overall Medicare pricing and benefit structure change?

Will Medicare Parts B & D costs increase, keeping in mind the impacts of IRMAA?

Pre-tax premium benefits and employer subsidies will be lost

HSA contribution ability will be lost with Medicare buy-in

What options and costs will be available to dependents not eligible for Medicare?

What disruption will insurance carriers experience? Will competition dwindle?

Will access to quality care be disrupted due to fewer participating hospitals and physicians?

Will private innovation be lost?

# Questions? Comments?



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