

Employee Benefit Plan Review

Ask the Expert

BY ADAM J. PETITT, KEVIN WALKER AND CHRIS BARTNIK

Stradley Ronon partner Adam J. Petitt discusses the latest ERISA trends with Kevin Walker and Chris Bartnik from Lockton Companies.

Adam Petitt (AP): What are some innovative strategies employers are looking to adopt in an effort to attract and retain talent?

Chris Bartnik (CB): We complete a benefits strategy survey on an annual basis. Last year, we had about 1,350 respondents across all industries and all employer sizes – from five employees all the way up to 50,000 employees. Having that broad view gives us a better idea of what the market is looking for right now. The 2023 survey actually just closed, but when we look back to 2022, I expect the results will be relatively similar for this year. When we look at what types of innovative strategies and solutions employers are looking at, I think there are three criteria that the employers told us they wanted to focus on.

One is supportive benefits, so benefits to support their employee population. We believe those are more expected benefits today than they ever have been before. So, think about enhancing the traditional model to a more advanced telemedicine or telehealth-type medical solution that has coaching and other types of strategies involved.

The second is that the population in the workforce is more diverse than ever before. The types of innovative strategies that employers

are looking for need to address the diverse needs of their population and that can be based on social determinants of health, location or a variety of other demographics. Understanding the makeup of your group and then trying to address their needs is imperative.

Finally, employers are looking to save money. They are always looking to manage costs more proactively. Employers are looking for more innovative ways to manage costs within the plan itself versus shifting costs to employees. Now we are in an inflationary period, so that may shift a little bit. But when I say innovative, I mean they are looking for ways to improve the quality of care, whether it's through an advocacy-type solution or steering employees to the highest quality, lowest cost providers. The opportunity to drive meaningful change has never been greater than now.

AP: How do employers address the hybrid work environment, and have any found success in engaging and communicating with employees differently?

Kevin Walker (KW): Top employers have utilized the past few years as an opportunity to better understand who their employees are as a whole and how they best operate. Do their employees prefer a few days in the office and a few days at home? Do they have a particular growth need or maybe a family need? Employers want to understand where their employees are in their lives. We have seen a lot of success with those organizations that have

invested in growth, development, learning and mentorship opportunities for their employees that take advantage of being in the office and learning from their peers.

CB: Communication and benefits, too. That's an area where we can all improve on the employer and employee side. We take for granted, sometimes, how much we know about benefits when they are very complicated for the employee. So, employees really need to be in either environment, hybrid or in the office, in order to pay attention to the types of messages and, maybe more importantly, types of mediums that we use to communicate the benefits. Whether it's pushing more information to a smartphone app, using videos or a witty cartoon, communication helps educate employees on what the benefits are like and how they work. We continue to encourage our clients to think outside the box of the traditional enrollment guide. Everyone gets a booklet; here's your medical, dental, vision and life. We believe people seek out benefit information when they have a particular situation within their life that drives them to ask the question – my family's growing through natural birth or adoption, or I'm a high utilizer of claims as I've been diagnosed with a chronic condition or I'm about to retire. We have taken the approach of creating individual communication materials that are geared towards situations, in addition to the traditional guide, to help people with those different situations.

AP: As an adviser, how do you stay ahead of the curve with regard to innovation and care management?

CB: There are a couple of things there. The people solutions marketplace is extremely dynamic right now. The definition of what is a benefit is very different than what it used to be. Traditionally, we thought of medical, dental, vision and 401(k) as those types of benefits, but benefits can be anything you want them to be at this point. I use the example of a retailer that used a premium music service as

a benefit for all their employees. They did some research on the population that they were trying to attract, and that was something those individuals valued at no cost. So, when we approach innovation, we do it in a couple of different ways. I mentioned our annual survey before; we look at trends within the data to see how people's benefits philosophy has changed, the topics that impact their decision-making each year and how they have adopted certain trends. That gives us a really good idea of where the market's headed.

We have an innovation lab comprised of a team of professionals whose entire job is to review solutions in the marketplace and vet them to make sure we know who's going to be around and who's not going to be around. Some of our partners, like Kevin, are involved daily with our venture capital partners so that we can continue to remain ahead of the curve.

We also do a real-time innovation program. Every other week, we bring in three vendors across all types of people solutions-related topics, and we give them 20 minutes to pitch their value proposition to our team. That gives us real-time ideas and the ability to pick up the phone and call a client to say, "I heard about something today that I thought might be of interest to you." We are not waiting until the next strategy meeting or the next face-to-face meeting to convey an idea. We have the ability to bring real-time ideas to our clients on the fly, which adds a lot of value for the employer as the war for talent continues to rage on.

AP: What kinds of vendors do you invite to participate in this program?

CB: I probably talk to maybe five to 10 vendors every two weeks. The vendors are on the frontline hearing about what's going on in the marketplace, so I go out of my way to get them in front of our teams. Some of its basic stuff like mental health, diabetes, lifestyle account vendors or emergency fund vendors where an employer can help an employee set

up an emergency fund by matching the money that the employee has set aside in the fund, which is something that is growing. All these options are out there that employers may or may not be aware of, and it's my job to make sure that our people are aware of it and bring it to their clients on a daily basis.

AP: A constant theme here has been that more and more employers are looking to better align with each individual employee and ascertain what's important to them. What additional benefit trends are you bringing to the forefront for your clients?

CB: It's funny you say that because I have a slide titled aligning benefits with an employee experience that I use with my clients and prospects. When you start thinking about aligning benefits, you have to understand the employees within your population. A couple of things that we do to help our clients in that process is a demographic analysis to better understand some of the basic attributes of the population. It could be age, gender, average salary or location. We also look at a tool that uses national survey data to understand certain populations based on where they are located, what tier of medical they are enrolled in, their gender, what types of health, personal and financial issues they may be dealing with. Using this data, we can align solutions with the employer's particular workforce needs. Finally, we look at the social determinants of health within a population. Understanding what percentage of the population may live in a location where they don't have access to healthy food alternatives or where they live in a location where they don't have access to a wide array of healthcare services. When we combine all that information together, we can sit down with the employer and have a real honest dialogue about here's what your population looks like. Does this align with what you believe or some of the things you're hearing from

your workforce? We can then come up with unique benefits that align with the employees' needs. It could be something like a meal service kit service that is sent to the employee three nights a week so that they and their family can have healthy food. It could create an opportunity for a more advanced telemedicine solution if they live somewhere where they don't have access to primary care. I think that it all comes down to understanding your population. It could be a lifestyle account; maybe you have a population that would value some money in an account to help make ends meet and pay for a cell phone, a gym membership, Netflix or whatever it happens to be. I think you can do all that within the confines of what we would define as a benefit today.

AP: Can you share any solutions that have worked particularly well and maybe something that hasn't worked as well? And why does one solution appear to work better than another?

CB: I think given the hybrid work environment and the difficulties some employees have had as a result of the pandemic, there are a number of mental health solutions support services that have really helped across our book of business. Claims for people needing those services increased dramatically, and it's still elevated. I think that's been positive. Across our accounts, we could point

to a number of point solutions for clients that have been used to manage diabetics. Some of the well-being strategies we have put in place are to help people get engaged. I think those things have all been successful based on the employer. I say based on the employer because one solution can work in one place and not so much in another place. A lot of that comes down to the commitment of leadership. Everyone has to buy into the solution if it is something that the employer is going to do, and it has to be communicated effectively. I've been in a situation where you propose a wellness strategy, and leadership says this is awesome. They are the first ones that are going to sign up for the walking challenge, and then it never happens, and the walking challenge fails.

AP: So, was the walking challenge's failure due to the offering or the organization? How do you broach that discussion with the client?

CB: Sometimes I think it's easier to just point to the vendor and say, hey, we picked the wrong vendor, and that's understandable. But to your point, it is a delicate conversation. There are a couple of ways to better understand why some solutions work better than others. We have a data analytics tool, so when we overlay a well-being strategy, say a diabetes management strategy, we can look at the cohort of data that participated

in the program and the cohort that did not, and we can actually compare and contrast and see whether this tool actually increased or decreased the cost for the diabetics that used the strategy. For instance, did more of those diabetics get their hemoglobin tests or foot exams? We can do that anecdotally for any type of health-care strategy we put in the data analytics tool, which tells us right away whether it is the right strategy or not. When we develop a strategy, we look to infuse innovation into it, but everybody has to be aligned so that it's successful. Ultimately, if the communication strategy isn't there and you can't get people to participate, then, unfortunately, everything looks like a failure in those scenarios. 🌟

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