



# Employee Benefits Report



Solutions on Demand

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## New Benefits

# Improving Employee Satisfaction by Moving Beyond Workplace Flexibility and Hybrid Schedules

**W**orkplace flexibility in the modern business landscape has evolved beyond mere hybrid schedules. A significant paradigm shift is occurring, with employees placing a premium on flexibility. Contrary to some corporate beliefs, this doesn't simply mean the capacity to work from home. In fact, a Gitnux survey reveals that 96% of the workforce demands flexibility, and 80% see it as a critical component in job evaluation.

### Unpacking the Real Meaning of Flexibility

Experts in the field suggest that flexibility has various implications for employees. For 28% of workers, it signifies adaptability — the ability to adjust work pace or schedules according to personal commitments. Another 15 percent view flexibility as a performance focus, emphasizing trust in their ability to fulfill job duties without constant oversight.

*continued on next page - 2*



## This Just In ...

### Four Strategies Radically Transforming Employee Well-Being

In the aftermath of a global pandemic, employers face a new array of employee needs, particularly regarding mental health. Four strategies are emerging that could radically transform the dynamics of employee well-being.

#### 1. Meeting the Needs of New Parents

Employers are grappling with fallout from the pandemic, including postpartum depression, which increased 30 percent during the pandemic years. Employees transitioning into parenthood require robust support. During the pandemic, 46.5% of women experiencing postpartum depression received no treatment, highlighting a gap in mental health care that requires urgent attention.

#### 2. Promoting Time Off to Recharge

Employers are reassessing time-off policies to ensure employees fully recharge. While Americans average 17 days off annually, those with unlimited PTO only take 10 to 13 days off. This suggests that having unlimited PTO doesn't necessarily lead to well-rested



Interestingly, only 10% of respondents associate flexibility with location. Therefore, the notion that flexibility means hybrid work schedules is hardly the employees' complete perspective.

### Employee Backlash Against Strict Return-to-Office Policies

Several notable companies have recently faced backlash from their employees due to rigid return-to-office policies. The following examples provide a clear signal to employers about the importance of understanding and implementing the true meaning of workplace flexibility.

#### Farmers Group's Reversal Sparks Outrage

Farmers Group Inc. previously permitted its workforce to work remotely indefinitely. However, a recent reversal of this policy requires workers to be in-office at least three days a week. The policy shift, affecting about 60% of the company's U.S. workforce, was met with significant disapproval. Employees expressed frustration on the company's internal social media platforms, with some stating they moved cities under the assumption of permanent remote work. This case highlights the deep impact of workplace policies on the lives of employees and the potential ramifications of drastic changes.

#### Amazon Employees Rally Against New Policies

Amazon recently updated its policies to mandate corporate workers spend at least three days a week in offices. The company's workforce has been vocal about their opposition, with employees organizing protests and walkouts against the policy. The reversal from Amazon's previous flexibility and the company's decision to impose a return-to-office policy met substantial resistance, reflecting employees' desire for greater control over their work arrangements.

#### Disney's Return-to-Office Mandate Meets Resistance

The Walt Disney Co. is another corporate giant that experienced employee pushback after announcing a new return-to-office policy. Thousands of Disney em-

ployees signed a petition asking the CEO to reconsider the policy, expressing concern over potential long-term harm to the company. The policy was seen as reducing productivity and efficiency while potentially causing a loss of valuable talent.

### Adopting True Flexibility in the Workplace

This pivot in employee expectations necessitates a corresponding shift in employers' strategies. Focusing on job outcomes and performance, rather than location or rigid work hours, can facilitate a more conducive work environment. Employers need to trust their employees' abilities to manage their own productivity, a move that aligns with the evolving definition of flexibility.

Creating more types of flexibility within the workplace and prioritizing employee output helps build a culture that puts the welfare of the workforce first. Successful implementation of these strategies can result in higher productivity, improved employee well-being, and positively impact the organization's bottom line.

### Strategies for Promoting Flexibility

Enhancing workplace flexibility requires clear expectations, projected workloads, and a keen focus on employee output. Transparency regarding work expectations helps employees plan their schedules and stay focused. When employees are engaged, they adopt a sense of ownership in the organization's mission, stepping up when the business needs them the most.

Moreover, facilitating an environment where employees can communicate their needs fosters a more positive work culture. Organizations can thus gain a better understanding of how to tailor their policies and initiatives to match their workforce's needs.

### The Advantages of a Flexibility-Focused Culture

Allstate, a major insurance firm, recently illustrated the benefits of a flexible work culture by allowing employees to choose between remote or office work. The results were telling: 83% opted for full remote

employees. To address this, employers are rethinking their strategies and promoting policies encouraging employees to disconnect fully during their time off.

### 3. Leveraging Technology for Personalization

Digital tools, including artificial intelligence, are revolutionizing how employees access and understand their benefits. A rising trend among employers is creating comprehensive global websites that break down benefits and Employee Assistance Programs (EAPs), making these accessible and understandable to all employees and their families.

### 4. Creating Inclusive Mental Health Benefits

Despite growing awareness and support, the LGBTQ community remains at a higher risk for mental health disorders, including depression, anxiety, PTSD, and substance use disorders. Despite their best intentions, many employer-sponsored mental health programs fall short of meeting the unique needs of these employees. The key is inclusivity, creating mental health programs that reflect the distinct and nuanced needs of LGBTQ employees.

work. This policy shift also led to a 60% increase in job applications and a 30% surge in candidates from underrepresented demographics.

These figures emphasize how an approach that focuses on flexibility can attract a more diverse talent pool, fostering creativity and innovation within the organization. ■



# How to Motivate Employees to Seek Healthcare When Needed and Encourage Well-Being

**T**he modern workplace has come to recognize the importance of employee health and well-being. Yet, there is a concerning trend of employees delaying their own healthcare. A recent Integrated Benefits Institute (IBI) analysis revealed that 58% of adults have postponed medical services due to personal and professional constraints. This pattern raises serious concerns, both at individual and organizational levels.

## The Phenomenon of Employee-Induced Healthcare Delays

Delays in healthcare are often accompanied by exacerbated health issues, and what could have been a minor, manageable health hiccup can quickly morph into a serious and costly condition. Employee-induced healthcare delays could be attributed to several factors, including the prospect of high medical costs, the

perceived inability to take time off work for appointments, and the increasing complexity of navigating the healthcare system.

## The Cost to Businesses

The implications of such delays are far-reaching. According to IBI, employee health issues lead to a loss of productivity that costs U.S. employers a staggering \$530 billion annually. Additionally, frequent





employee absences due to health problems disrupt workflow and can dampen team morale, indirectly affecting overall business output.

### Empowering Employees: The Role of Employers

Yet, employers are far from powerless. Advocating for telemedicine can offer employees a convenient alternative to traditional health services. According to KFF's 2022 Employer Health Benefits Survey, among companies with at least 50 employees that offered health benefits, 87% of small businesses and 96% of large companies integrated telemedicine into their benefits package, signaling the growing acceptance of this technology.

### The Intersection of Healthcare Delays and Employee Well-Being

Delays in care ripple across the spectrum of employee well-being. When employees delay healthcare, they experience elevated stress and anxiety levels, impairing their mental health and job performance. Gallup's State of the Global Workplace report highlighted that employees struggling with health and well-being are seven times more likely to be disengaged at work.

### Integrating Well-Being Initiatives to Counter Healthcare Delays

This is where comprehensive well-being initiatives can become a game-changer. Employers can foster a culture of health consciousness by offering regular health screenings, mental health support, fitness programs, and preventive care. Ipsos found that 75% of global companies consider employee well-being to be important at their firm. Furthermore, 87% of employers have already implemented a well-being initiative, and 83% also have a well-being strategy.

### An Integrated Approach: The Way Forward

As employee-induced healthcare delays persist, the path to resolution is not through isolated interventions but rather by taking an integrated approach that

intertwines proactive healthcare services and holistic well-being initiatives. This multi-pronged strategy combines prevention, timely care, and mental health support, offering employees a comprehensive health safety net.

The foundation of this integrated approach lies in prevention and timely care. On-site or virtual health screenings can effectively detect potential health issues, thereby reducing the chances of employees deferring critical healthcare. Similarly, facilitating telehealth services can address time-constraint concerns, allowing employees to attend to their health without disrupting their work schedules.

The other facet of this approach targets holistic well-being. Stress and anxiety often underpin many physical health issues. As such, mental health programs, wellness activities, and flexible work policies can alleviate workplace stress, indirectly improving physical health and minimizing the need for employees to delay healthcare.

This transition to an integrated approach requires a fundamental shift in perspective. Instead of viewing healthcare and well-being separately, employers should consider them as two sides of the same coin, each influencing and reinforcing the other. To this end, collaboration across departments is essential to effectively implementing and managing this holistic strategy. ■

# Parents Win Big: The Surprising Shift in 2023 Employee Benefits

The modern business landscape is shifting, propelled by fundamental transformations in employee benefits, according to the 2023 Society for Human Resource Management (SHRM) Employee Benefits Survey.

One of the highlights of this transformation is a significant surge in parental leave benefits, indicating that employers recognize the value of supporting their employees' family lives alongside their professional commitments.

### Parental Leave Programs Make Strides

From last year, both paid maternity and paternity leave programs witnessed a 5-percentage-point surge. Now, according to the findings of the expansive survey involving 4,217 HR professionals across various industries and organization sizes, these benefits are offered by 40% and 32% of employers, respectively. Parallel to this, paid parental leave saw a 6-point leap, now being offered by approximately four out of ten employers.

### The Role of the Pandemic in Shaping Parental Leave Policies

The COVID-19 pandemic played a dramatic role in reshaping the structure and scope of employee



benefits. The crisis highlighted the need for a more holistic approach to employee well-being, which has led to moving family leave and flexible work options from the periphery to the center of benefits discussions.

Complementing the rise in maternity and paternity leaves, there has been a 6-point increase in paid adoption leave, now offered by about a third of employers. Similarly, paid foster child leave saw a 3-percentage-point increase, now provided by 25% of employers. This shift underscores an expanding understanding and accommodation of diverse family structures and needs in the workplace.

### Companies Pioneering Enhanced Parental Leave

Some organizations have emerged as leaders in this shift toward enhanced parental leave benefits. For example, the global media firm Thomson Reuters recently announced a generous 16-week paid parental leave program. This new benefit, available to all eligible employees regardless of gender, sexual orientation, or marital status, positions Thomson Reuters at the forefront of employee welfare.

Likewise, consumer healthcare company Haleon has made strides in this area, implementing an impressive 26-week paid parental leave policy for all employees.

### Employee Perspective on the Value of Parental Leave

From the employee's viewpoint, paid parental leave is more than a benefit. It's a necessity. Recent surveys from insurance provider Unum and online insurance broker Breeze underscored this fact, revealing that workers value the availability of paid parental leave more than a variety of other benefits, including fitness, mental health benefits, vision insurance, or student loan repayment assistance. This prioritization highlights the incredible value of parental leave in employees' lives when they need it the most.

### Parental Leave: Looking Ahead

Considering current trends and the emerging emphasis on work-life balance, parental leave programs are predicted to see even further enhancements and increased adoption. Expanding such benefits signifies a radical shift in employer attitudes toward employee welfare, with ripple effects that may reach well beyond the office walls.

### Other Evolving Trends in Employee Benefits

While parental leave takes center stage, it isn't the only player in the benefits game. Pet insurance, a comparatively unconventional benefit, is finding a footing, with nearly 1 in 5 employers now including it in their benefits package.

Traditional benefits haven't lost their luster, though. Healthcare and retirement benefits continue to hold their place in employers' priority lists. In fact, 89% of HR leaders identified health coverage as being extremely important, with virtually all employers providing health coverage to their employees.

In a job market increasingly driven by employees, financial incentives such as bonuses and awards are seeing a noticeable uptick. For instance, nearly a quarter of employers now offer retention bonuses, reflecting a drive to retain top talent in a competitive landscape. ■





# Should Employers Cover Employee Weight Loss Medications?

Originally prescribed for diabetes management, GLP-1 drugs like Ozempic and Wegovy have shown significant potential as weight loss tools. A rising demand underscores their effectiveness, and their off-label use for weight loss has added another layer of complexity for employers deliberating their health plan coverage.

## A Financial Balancing Act for Employers

Providing coverage for these weight loss drugs comes with substantial financial implications. For example, on average, Ozempic costs over \$1,000 per month, a steep price point that could significantly impact an organization's healthcare budget. Multiply this by the number of employees opting for the medication,

and the costs quickly escalate. Furthermore, the medications are not designed for short-term use, indicating a long-term financial commitment for employers.

## Employers at a Crossroads

Between increasing healthcare costs and needing to attract and retain talent, employers find themselves in a quandary. Data from the International Foundation of Employee Benefit Plans (IFEBP) reveals that fewer than a quarter of employers (22 percent) cover any prescription drug specifically for weight loss.

In response to these challenges, employers are considering implementing restrictions and policies for GLP-1 drug coverage. Potential strategies include requiring special authorization from doctors and insurers, limiting drug quantities, or allowing the drug for employees meeting specific criteria, such as a body mass index of at least 30.

## Weighing Long-term Implications

While the short-term impact is a crucial concern, the long-term implications of drug coverage are prompting pause among employers. The weight loss associated with these medications appears to persist only with continuous use, which is an on-going expense for employers. Thus, many organizations are taking a wait and see approach to allow more time to assess the drugs' long-term effectiveness.

## A Larger Conversation on Workplace Wellness

The GLP-1 drug coverage question is part of a larger dialogue about weight loss coverage in the workplace. There is the growing recognition of obesity as a disease, and employers are re-evaluating traditional weight management approaches and considering more comprehensive solutions, such as covering weight loss drugs or bariatric surgery.

Moreover, combating obesity has potential benefits beyond individual health. By helping employees lose weight, conditions such as high blood pressure or Type 2 diabetes may be better managed. This could lead to increased productivity and decreased healthcare costs for employers. Indeed, 2022 data from IFEBP shows that a quarter of U.S. employers identify obesity as having the most significant impact on overall healthcare costs. ■

