

## 1.9: READ- Employers are Getting More Creative on Benefits



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### Employers are Getting More Creative on Benefits

Employers bracing for a major hike in health care costs are retooling their benefits, aiming to provide perks better targeted to workers' needs as they closely mind the bottom line.

**Why it matters:** Employer health costs are expected to see their largest jump in a decade, but many companies facing an ongoing workforce crunch are hesitant to pass along those costs or cut back benefits.

Rather than adding on a host of new benefits, employers are trying to shore up gaps in coverage of areas like mental health and women's health while also keeping a lid on costs, experts say.

What they're saying: "In the past, especially with COVID, there may have been a proliferation of, 'Let's offer all of these services,'" said Ashok Subramanian, CEO of health plan administrator Centivo.

- "Now employers are asking: How do we avoid having to change our 401(k) match because of health care?"
- At the same time, employers are doing what they can to stand out in a shallow labor pool, said Kevin Robertson, chief revenue officer for HSA Bank.
- "Right now, the name of the game for employers is differentiation, right? It's a dog-eat-dog labor market right now," he said.

### Here's what experts are watching for during this fall's benefits season:

**Better mental health options:** In a recent Mercer survey of large employers, most identified mental health resources as one of their most valued benefits — perhaps unsurprisingly, given increasing demand and expectations from workers.

But recognizing the shortage of mental health professionals, employers have added supplemental provider networks, often through virtual offerings like Ginger or Teladoc, said Mercer researcher Beth Umland.

**Menopause support:** While there's been a lot of focus on supporting reproductive-age women through fertility, pregnancy and lactation services, there's growing recognition around menopause.

- "I've never heard so much conversation on that," said Michael Thompson, CEO of the National Alliance of Healthcare Purchaser Coalitions.
- In many cases, the support offered isn't complicated or expensive — it may be more days off or ensuring access to specialists. But there's greater focus on removing stigma and barriers for those seeking care.

**Inclusive benefits:** Employers have placed greater emphasis on addressing equity. For instance, employers are taking a closer look at provider networks to ensure they reach underserved populations and neighborhoods.

They are also investing more in products that help LGBTQ employees or employees of color find providers that more effectively meet their health needs, said Robin Glass, president of virtual care company Included Health.

**Health-adjacent perks:** A newer addition to the benefits toolbox is what is known as a lifestyle spending account, or LSA, said Robertson of HSA Bank.

- These are typically used to help employees pay for a gym membership or buy home workout equipment like a new Peloton. Employers can use these accounts to support non-health-related benefits such as home office renovations, tax preparation services or tuition reimbursement, he said.
- "These would be taxable benefits to an employee but allow for reimbursement in, really, practically an unlimited manner by an employer," he said.

**Free care:** Employers are getting more intentional about steering workers to certain care, which ultimately saves money by preventing a person from needing costlier services.

- "We're moving away from what I would call the Amazon model, which is kind of a laissez-faire consumerism to more of a Costco model, which is more guided choice, getting people in where everything is better value if you just follow the yellow brick road," Thompson said.
- Some companies have begun offering almost all care — from primary care to surgery — for free while employees are expected to pick up the tab for urgent and emergency care, Subramanian told Axios.

Source: "[Employers are getting more creative on benefits](#)" Axios, September 26, 2023.

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