



2021 Healthcare Perks and Benefits Survey

Executive Summary



Inside

3
Introduction

4
Demographics

5
Challenges

6
Teams and
Technology

7
Trends

12
Medical

17
Other Core
Benefits

21
Retirement

22
Generational
Programs

23
Wellbeing

24
Time Off

25
Executive
Benefits

Introduction

We are pleased to present Alliant's 2021 Healthcare Perks and Benefits Survey. Our intent is to provide healthcare organizations of all sizes with comprehensive benefits benchmarking data to evaluate and gain a deeper understanding of leading issues challenging the industry. Our inaugural survey summarizes employee benefits information provided by over 50 firms (as well as over 230 providing plan design data).

Even more so than other industries, many healthcare organizations continue to see their business impacted during COVID. Healthcare organizations felt the impact of reduced elective surgeries (squeezing profits) and experienced more intensive care stays due to COVID. In addition, healthcare organizations experienced losses in their property casualty business due to COVID, which caused insurers to re-underwrite policies or resulted in significant increases. All of this added to the organizations' feeling of cost pressures not experienced in the last 10 years.

With healthcare utilization disrupted, employers are prioritizing behavioral health support, virtual healthcare, and more family planning options. Controlling healthcare costs was identified as the leading challenge for healthcare organizations; most are considering adjusting plan design or reducing subsidy as the primary method to combat increasing costs. Progressive organizations are looking towards network alternatives, cost containment and management programs, and point solutions to drive costs down.

This executive summary is a brief overview of the more than 200 attributes tracked in the 2021 Healthcare Perks and Benefits survey. For insights or specific information on any of these points contact Alliant. Full survey results, including more detailed data cuts, are always made available to survey respondents at no charge. We welcome non-participating healthcare organizations to contact us at eb.benchmarksupport@alliant.com to learn more about how their benefits compare to the benchmark.

Average Participating Company

Respondents vary from large complex hospital systems to regional centers of excellence and smaller local clinics and facilities, with slightly over half representing organizations over 1,000 employees.

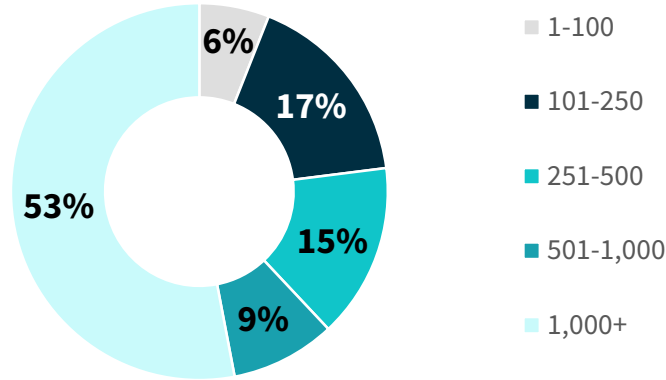
Average Age

41

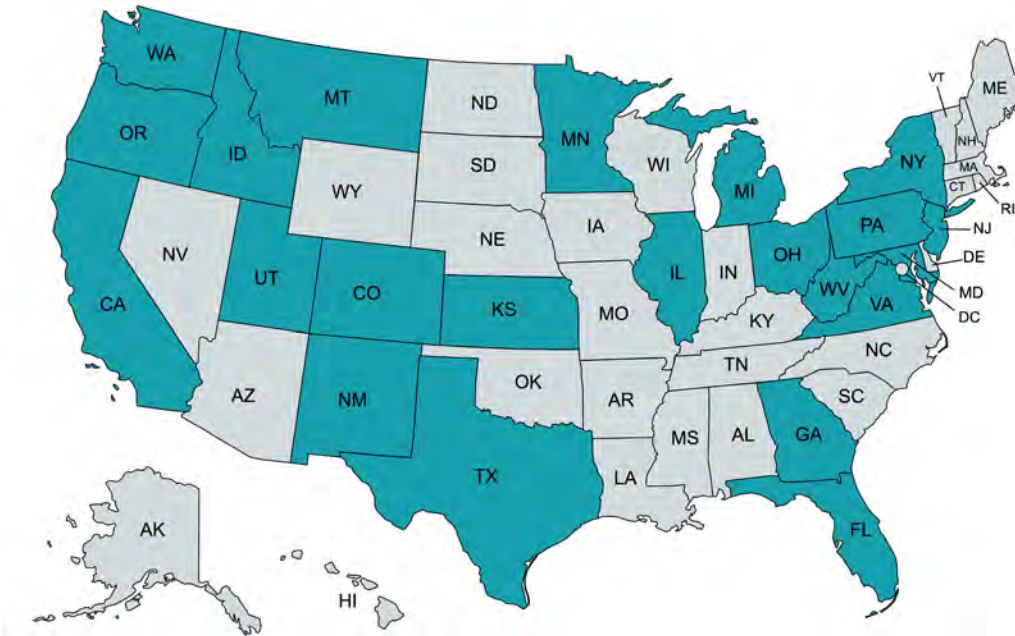
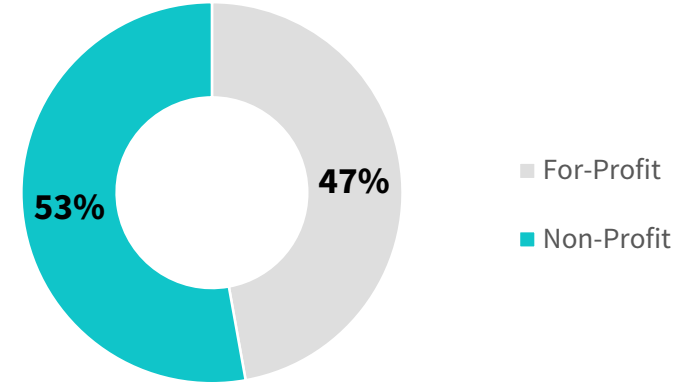
Average Turnover

15%

Headcount



Profit Status

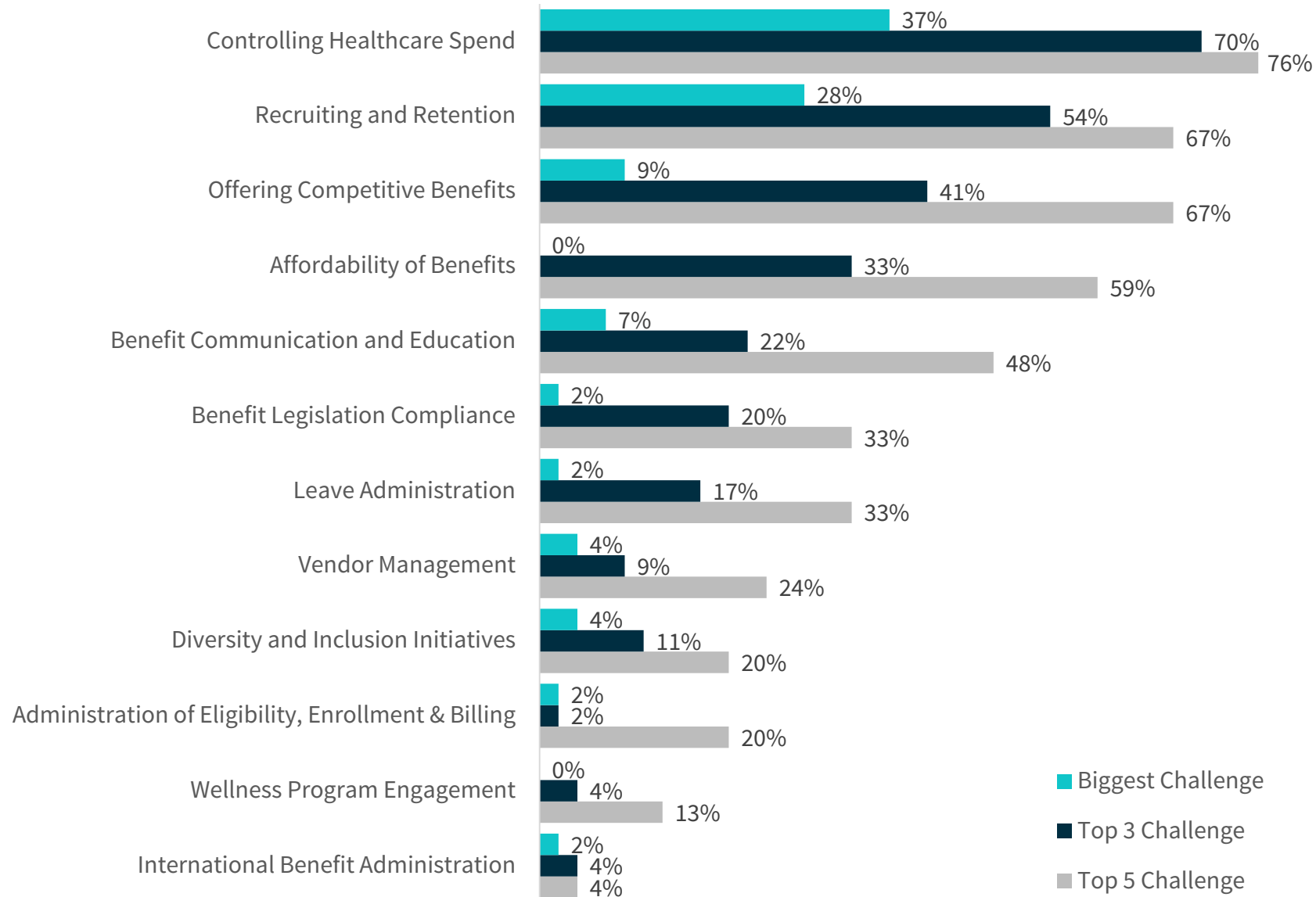


Organizations are headquartered in 23 different states, with Pennsylvania and Illinois having the largest representation.

HR Concerns and Benefit Challenges

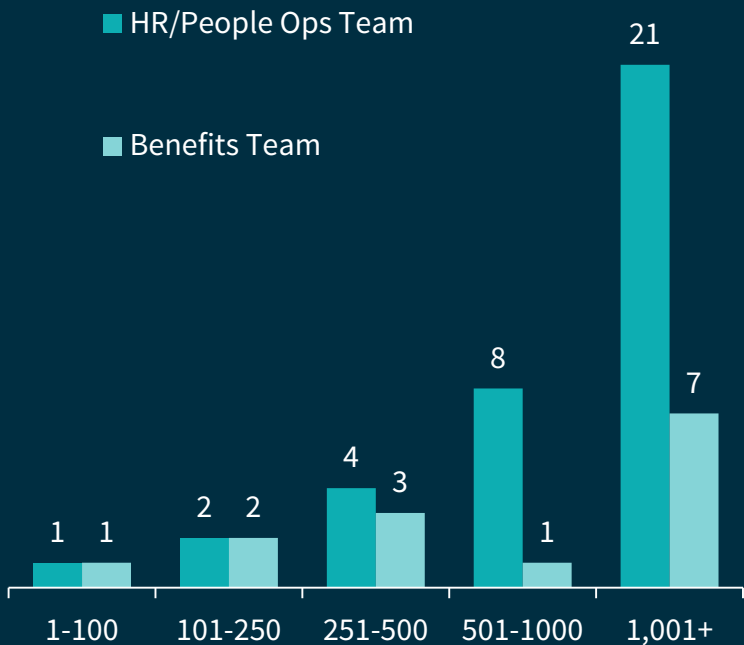
Controlling healthcare spend is the biggest identified challenge for the industry.

Recruiting and retention and offering competitive benefits round out the top three challenges when asked to rank various considerations.



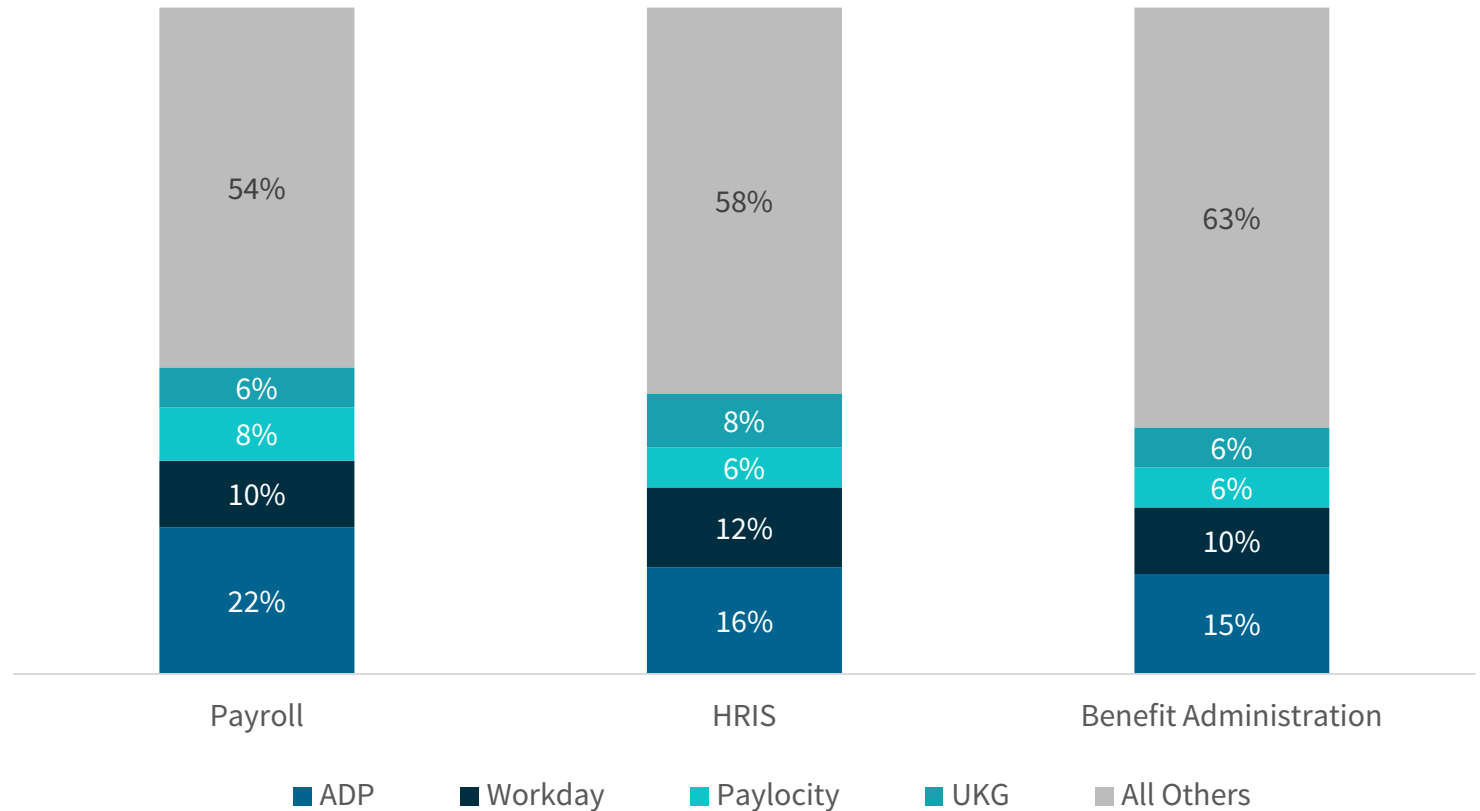
Team

As organizations grow overall headcount, HR headcount increases. To keep up with demand, organizations are turning to technology and external resources.



Integrated Platforms

A majority of companies employ integrated HRIS and benefits administration platforms—led by ADP, Workday and UKG—in order to offset the limited capacity of HR and Benefit teams to take on additional responsibilities.



2020 was inexplicable and 2021 is continuing the trend—the global COVID-19 pandemic has caused significant disruption to workforces, economic insecurity, and questions about the future of work. Healthcare organizations are adapting by re-thinking how employee benefits need to evolve to support this future.



COVID-19 is accelerating trends towards more remote and geographically diverse workforces

Critical areas to address:

- Mental health
- Childcare
- Diversity and Inclusion
- Wellbeing and Community

Health coverage	National, 50-state coverage to support remote workforces Digital and telemedicine Importance of mental health support
Childcare	Critical to productivity of workforce Digital platforms vs. onsite/near-site strategies
Time off	Adoption of more lenient leave policies Support for managers to manage teams in a work-from-home environment
Perks strategy	Transition from office-based strategy (food, community, wellbeing) to fully remote or hybrid strategy
Wellbeing	More digital, more remote Community-building is more important for disbursed workforce
Diversity and Inclusion	Enhance policies that support everyone Prioritize listening to Employee Resource Groups and historically marginalized populations

COVID-19 Pandemic: Return to Work

Program Design and Performance

53%

Surveyed workforce regarding WFH/RTW actions

5%

Will require vaccines to return to the office

38%

Have at least 20% of the workforce working remotely

None

Reduced compensation if employee moved to less expensive area

74%

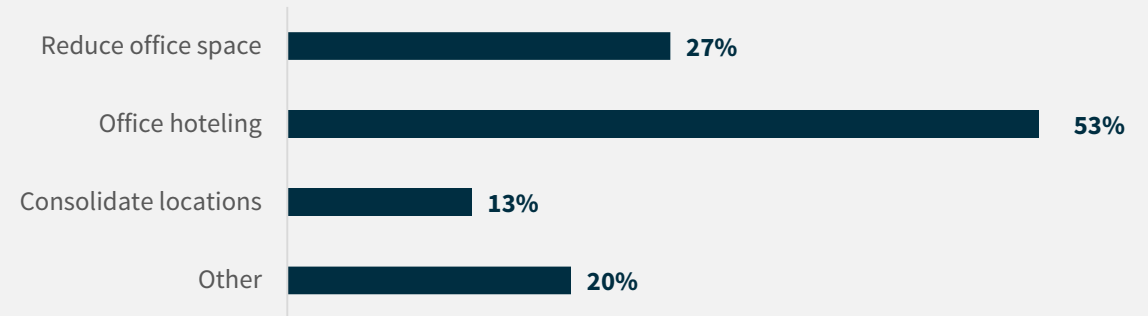
Vary how often an employee can work remotely by position

22%

Have employees always or usually working remotely

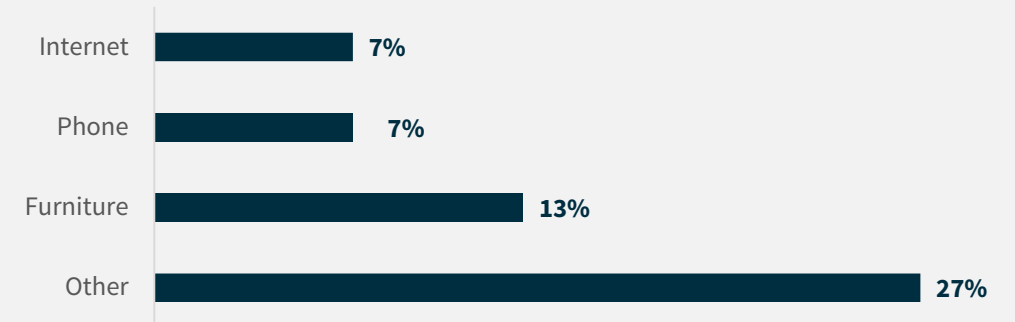
Office Adjustments

While hospitals have not made significant adjustments, other healthcare organizations have made changes in the office experience to account for the shift in the workforce working from home.



Employee Accommodations

Employers have provided financial assistance for employees working remotely.

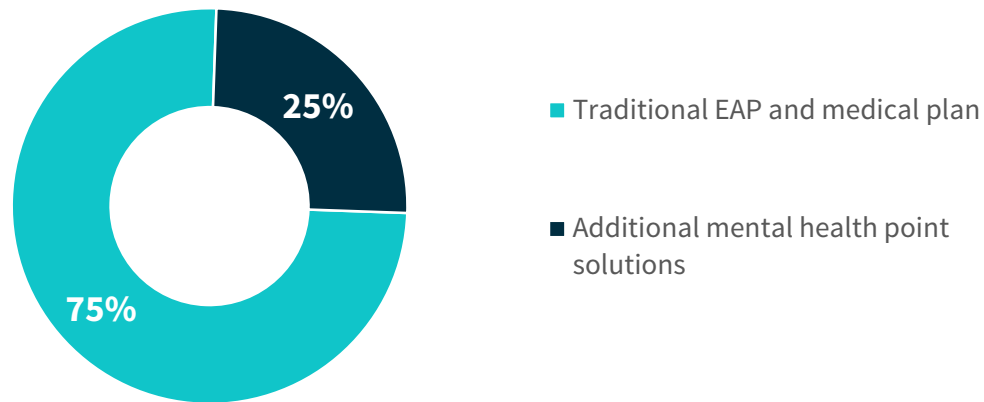


Trends: Mental/Behavioral Health

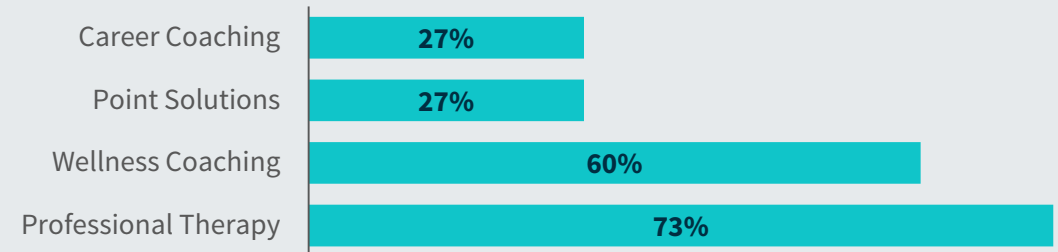
Mental health is a serious issue for employers



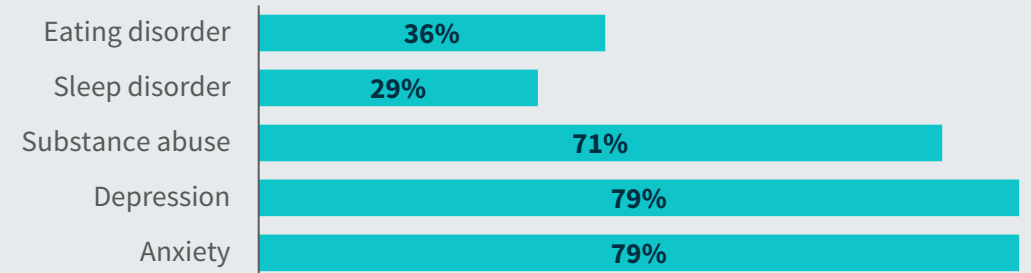
How are employers addressing mental health support?



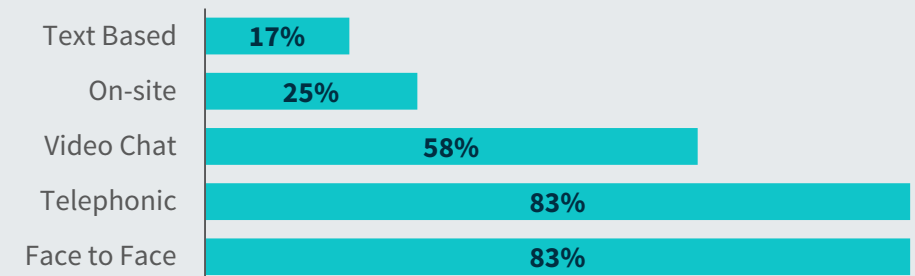
What additional mental health resources are provided



What area are addressed with these resources



How care is accessed



Trends: Caregiving

Even Pre-COVID, employees and employers report childcare (and adult care) impacts productivity

52%

of employers do not track data on their employees' caregiving responsibilities

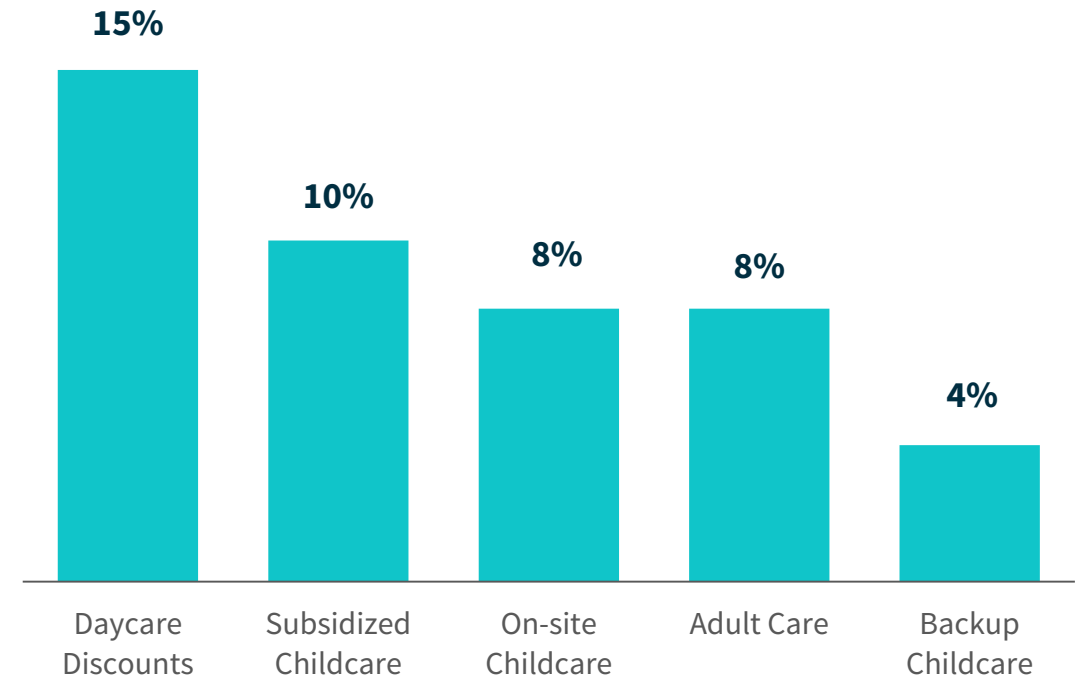
73%

of employees reported having some type of current caregiving responsibility

80%

of employees with caregiving responsibilities admitted caregiving affected their productivity

But most employers historically haven't offered substantial childcare benefits



Post-COVID, employers are painfully aware of how caregiving responsibilities impact productivity. Leading healthcare employers are actively expanding solutions to support employees with a broad range of care responsibilities, from day care to educational support to elder care.

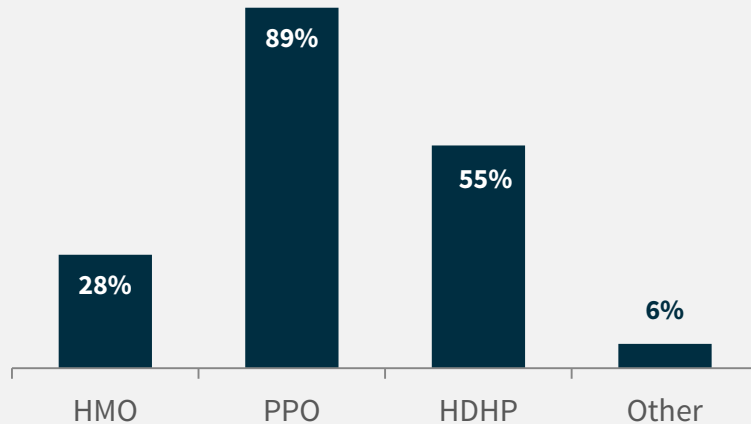
As both a driver and passenger in the healthcare industry, organizations are trying to determine the best plan of action to control costs while retaining and recruiting talent.



Medical/Pharmacy Plans









Plans Offered

- The healthcare industry is dominated by traditional PPO plans
- There is a significant lag in the number of HSA-qualified HDHPs
- HMOs tend to be isolated to the West Coast as these types of programs continue to diminish in availability



	HMO	PPO	HSA-qualified HDHP
Individual Network Provisions (median)			
Deductible	\$0	\$1,000	\$2,700
Coinsurance	0%	20%	20%
Out of Pocket Maximum	\$3,000	\$4,000	\$4,500
PCP Office Visit	\$20 Copay	\$25 Copay	D&C
Emergency Room Visit	\$150 Copay	\$150 Copay	D&C
Retail Pharmacy Provisions (median)			
Generic	\$10 Copay	\$10 Copay	Pharmacy benefits subject to medical plan deductible and coinsurance
Brand, Preferred	\$30 Copay	\$35 Copay	
Brand, Non-Preferred	\$50 Copay	\$60 Copay	
Specialty	\$200 Copay	\$300 Copay	
Average Employee Only Monthly Costs			
Gross Cost	\$610	\$726	\$627
Contributions	\$105	\$152	\$110

Medical Plan Programs (Not Always on the Spread)

Network Alternatives	Solutions designed at limiting the network size, the reimbursement or payment structure, or utilizing lower-cost / better-outcome facilities	 Narrow networks: 26% Pharmacy carve-out: 26%
Plan Designs	Design features driving utilization and member engagement	 HSA-qualified HDHPs: 63%
Spousal Strategies	Strategies designed to limit or exclude spouses to reduce or eliminate cost	 Spousal Surcharges: 10%
Administrative Actions	Primarily reviews and audits of claims, eligibility or processes to identify overpayment, inappropriate charges, waste or abuse	 Dependent Eligible Audits: 46% Medical Claim Audits: 33%
Pharmacy Clinical Programs	Programs designed to put checks and balances in place prior to higher cost prescriptions being dispensed	 Prior Authorization: 45%
Pharmacy Cost-Sharing	Shifting of costs between employer and employee dependent on cost and tier of drug (formulary design and tiering)	 Specialty (4 th) Tier: 30%
Condition Management	Virtual and telephonic coaching and remote monitoring of various health conditions including cancer, diabetes and mental health	 Diabetes: 27% Mental Health: 22%
Advocacy	Providing tools and support for members to make more educated decisions regarding their healthcare	 Telemedicine: 72%

Actions Considering

Given controlling costs is a top challenge, employers have a variety of options to help manage spend.

Assuming a 10%+ increase in plan costs year over year,

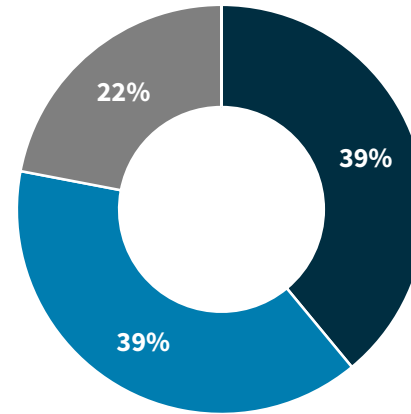
78%

of employers are considering or likely to reduce employer subsidy as the first line of defense.

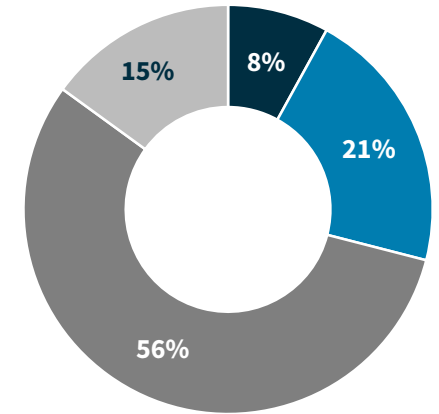
Employer/Employee Cost Sharing

■ Likely
 ■ Considering
 ■ Unlikely
 ■ Not Applicable

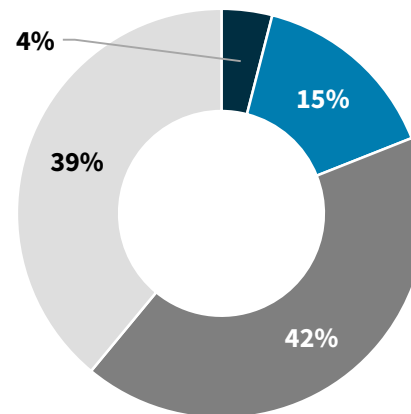
Reduce Employer Subsidy



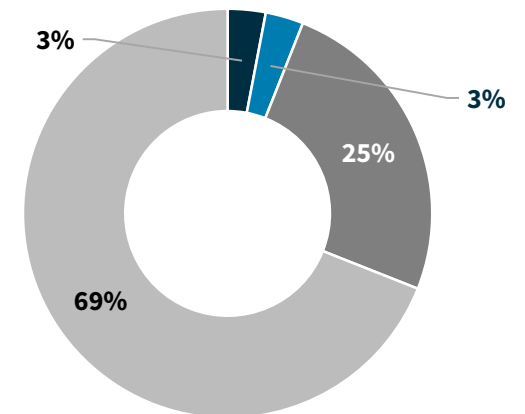
Implement Spousal Surcharge



Reduce ER-Funded HSA



Eliminate Free Option



Actions Considering

Given controlling costs is a top challenge, employers have a variety of options to help manage spend.

Assuming a 10%+ increase in plan costs year over year,

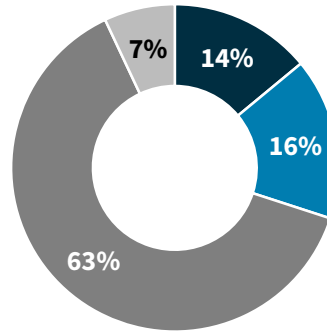
82%

of employers are considering or likely to alter plan designs as the first line of defense.

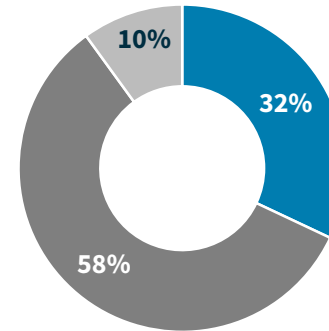
Funding and Plan Design

■ Likely ■ Considering ■ Unlikely ■ Not Applicable

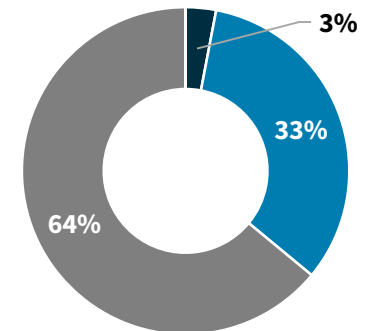
Defined Contribution Arrangement



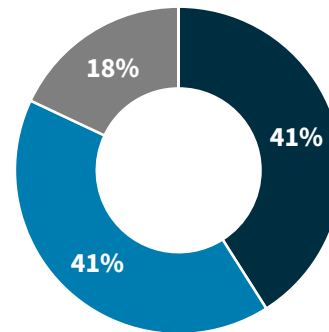
Change Funding Method



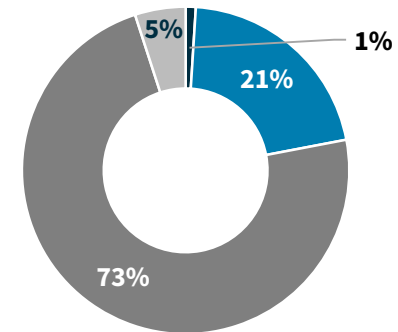
Implement New Class



Alter Plan Design



Implement Narrow Network



While medical benefits make up the majority of the cost of a benefits package, healthcare organizations offer a variety of benefits, programs and perks to recruit and retain talent. Some of these programs are now considered mainstream (dental, vision, life and disability) while others vary tremendously based on the size, location and demographic makeup of the organization.



Dental and Vision Benefits

Dental and vision benefits have remained relatively stable over the last several years. Most employers offer at least one Dental PPO. DHMOs, while significantly less costly, have limited availability and are offered less frequently.

From a vision perspective, more and more employers are carving out this benefit and many are making it a voluntary offering. Exams, contacts and lenses are all offered annually.

Dental

73%

Offer a dental program

\$38

Average monthly cost for employee only coverage

68%

Subsidize the benefit

\$1,500

Median annual maximum

67%

Cover orthodontia

\$1,500

Lifetime orthodontia maximum

Vision

69%

Offer a stand alone program

\$8

Average monthly cost for employee only coverage

43%

Subsidize the benefit

\$10/\$25

Exam/materials copay

24 months

Median frame frequency

\$130/\$130

Frame/contact allowance

Disability Benefits

Many individuals underestimate their chances of becoming disabled. One in three working Americans will become disabled for 90 days or more before age 65 and about one in four 20 year-olds will become disabled before they retire. Further, almost all disabilities (90%) are caused by illness, not accidents.

	Short Term Disability	Long Term Disability
% Offered	57%	74%
Elimination Period	7 Days	90 Days
Benefit as % of Earnings	60%	60%
Maximum Benefit		
<ul style="list-style-type: none"> • Staff • Management • Executives/Physicians 	\$1,500/week \$2,500/week \$2,500/week	\$9,000/month \$10,000/month \$15,000/month
Payment Period	13 weeks	To SSNRA

Life Insurance

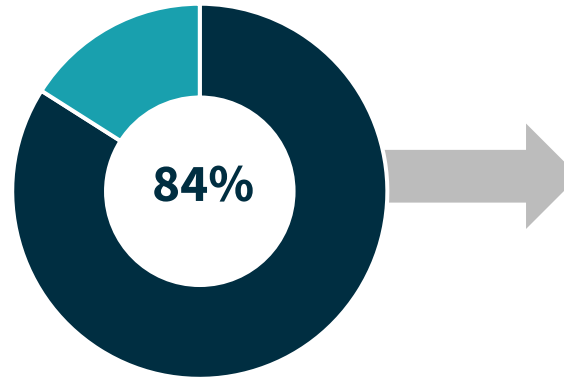
While there is a significant difference in the levels of basic (employer-paid) life insurance offered to healthcare professionals, voluntary (employee-paid) life insurance, when offered, is typically consistent across all classes. Surprisingly, only about 50% of the employers surveyed currently offer voluntary life to their staff.

	% Offered	Median Maximum
Basic Life <ul style="list-style-type: none">• Staff• Management• Executives/Physicians	75%	\$100,000 \$260,000 \$500,000
Voluntary Employee	43%	\$500,000
Voluntary Spouse	40%	\$250,000
Voluntary Child	54%	\$10,000

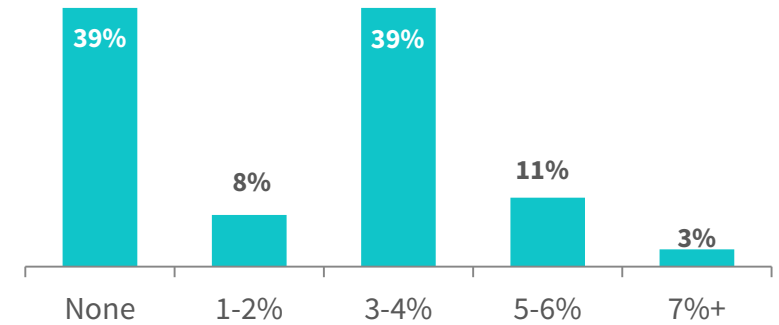
Retirement

Three firms surveyed indicated a suspension of match during 2020, while two indicated a plan to reinstate it during 2021.

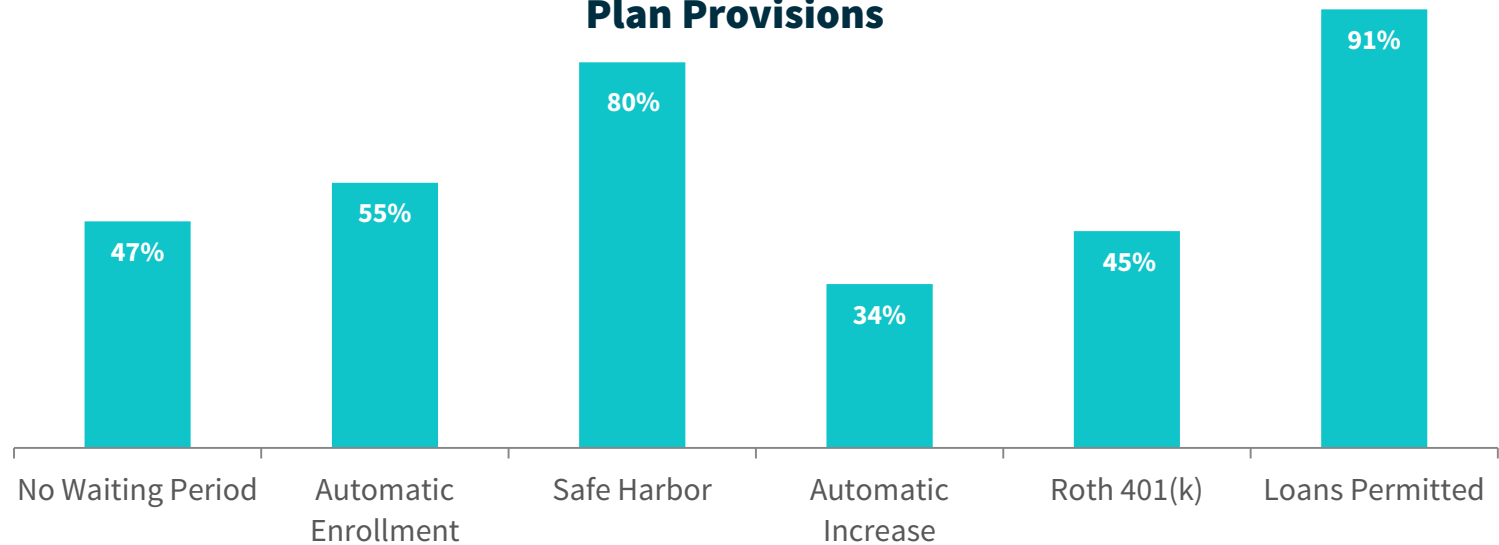
Offer a 401(k) plan



Annual maximum employer match percentage



Plan Provisions



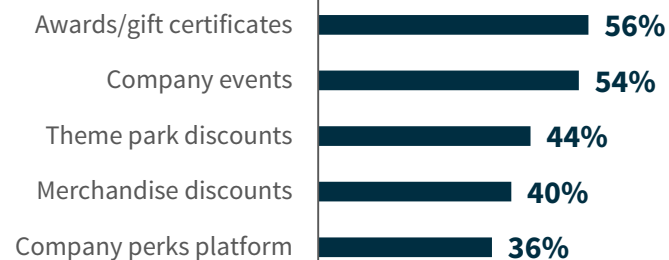
Holistic Programs

Employers offer programs targeted toward or a variety of needs and life stages. Charts show the percent of participating organizations that offer the programs listed.

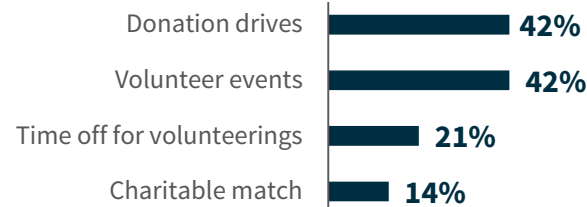
FINANCIAL PLANNING



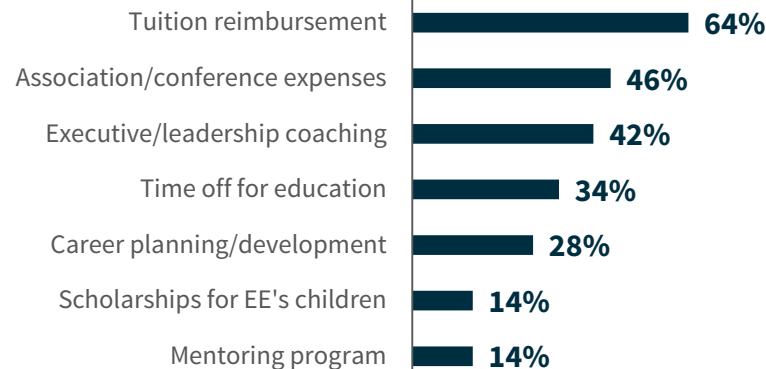
ENTERTAINMENT



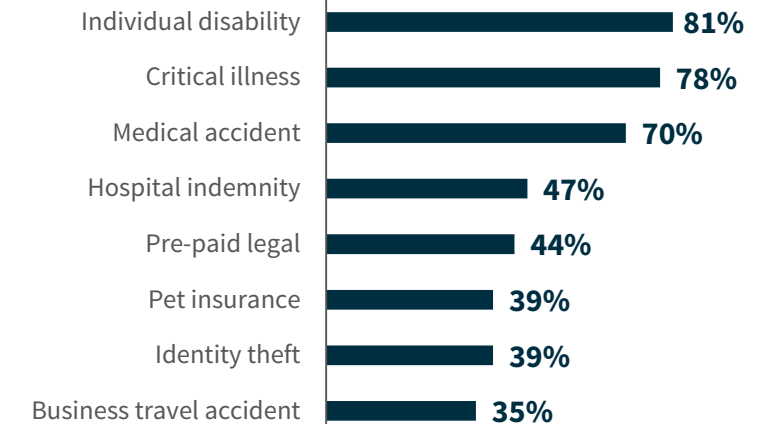
COMMUNITY



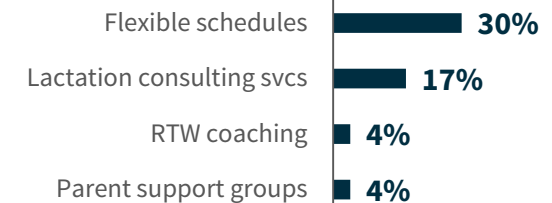
CAREER



INSURANCE



NEW PARENTS



Workforce by Generation



Wellbeing

Program Design and Performance

55%

Offer a wellness program

48%

Rate their program effective or very effective

42%

Offer to reduce healthcare costs

4%

Rate their program ineffective

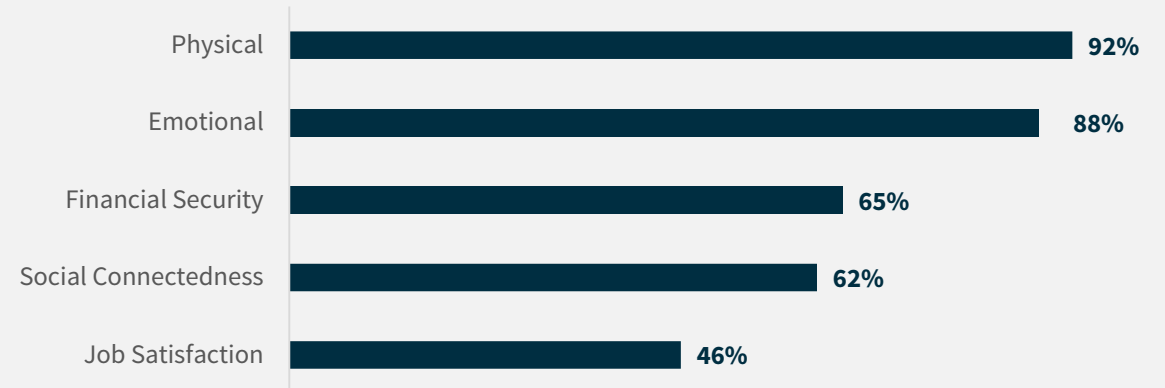
19%

Offer to recruit and retain talent

35%

Identify insufficient time as the biggest barrier to success

Holistic Programs Remain Prevalent



Why Not Wellness? Employee Experience Over Cost

62%

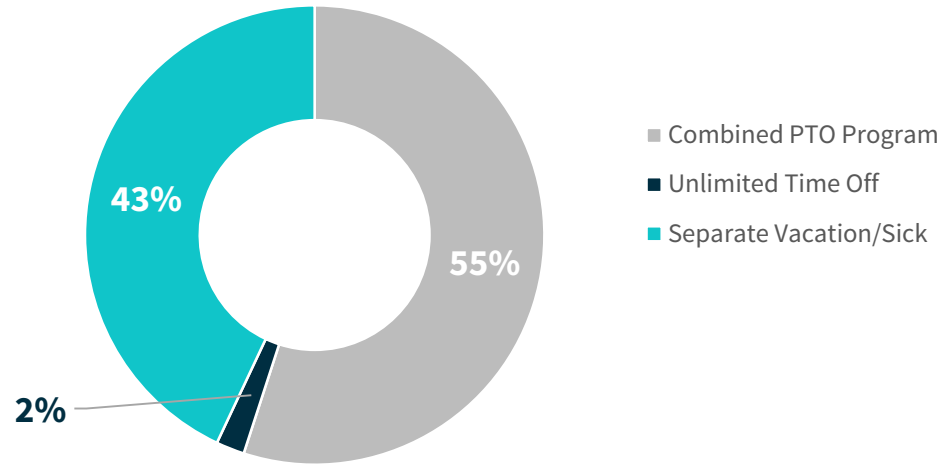
Cite **Lack of Budget** as a primary reason to not offer a wellness program

38%

Are **Likely or Very Likely** to implement wellness initiatives in the next year

Time Off

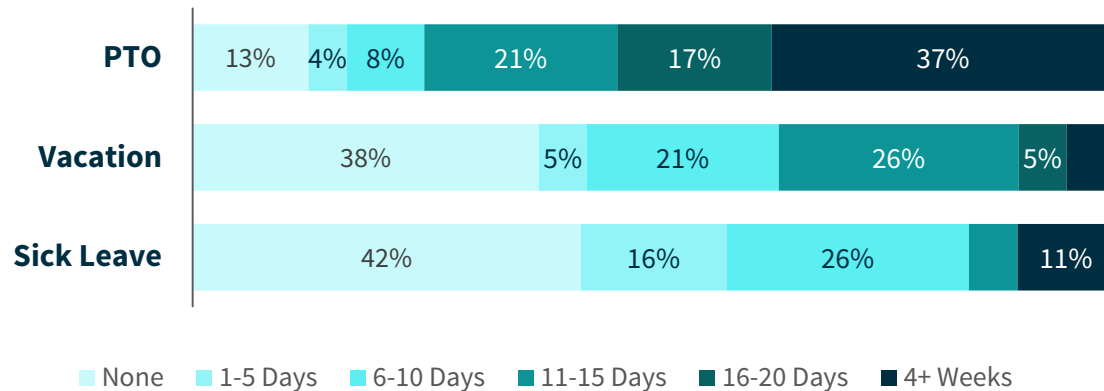
Program Structure



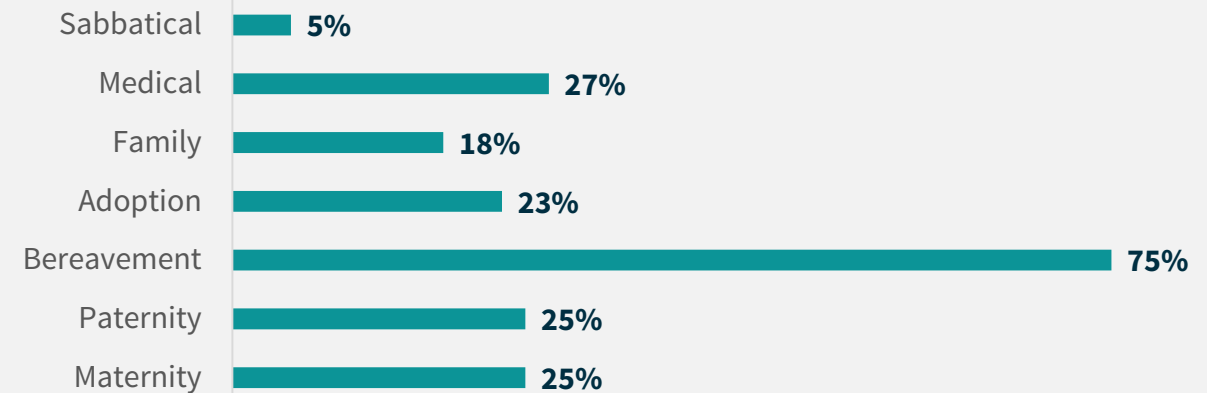
While most companies offer a separate bereavement program, very few organizations reported other family-type leave programs. In other industries, these programs have become increasingly popular as a recruiting and retention tool, especially for millennials looking for work/life balance or starting a family.

Vacation and Sick Leave

(For new hires, if not unlimited)



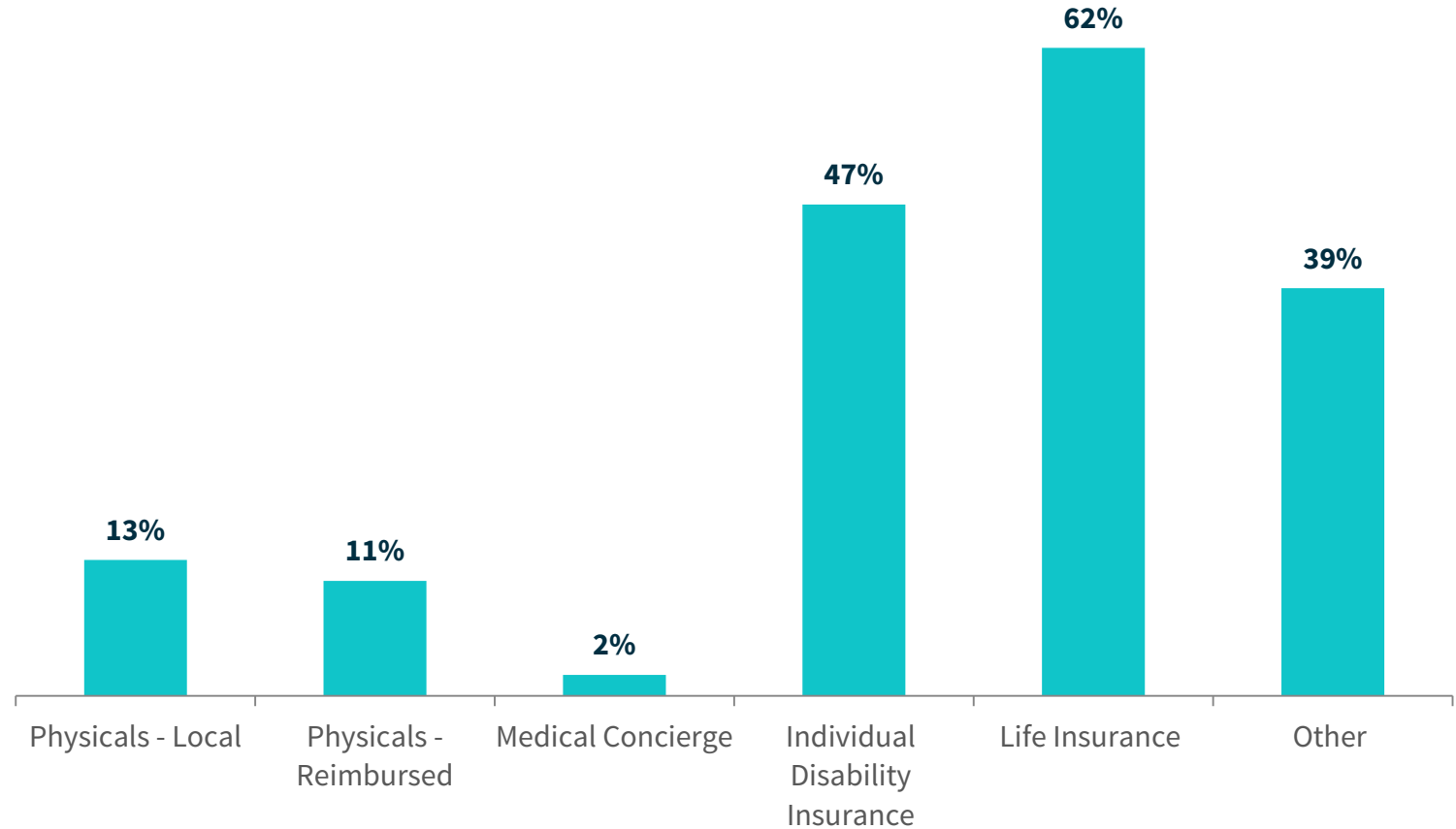
Leave Programs Offered



Executive Benefits

Within the healthcare industry, both individual disability insurance and additional basic life insurance are benefits afforded the Executive class and Physicians.

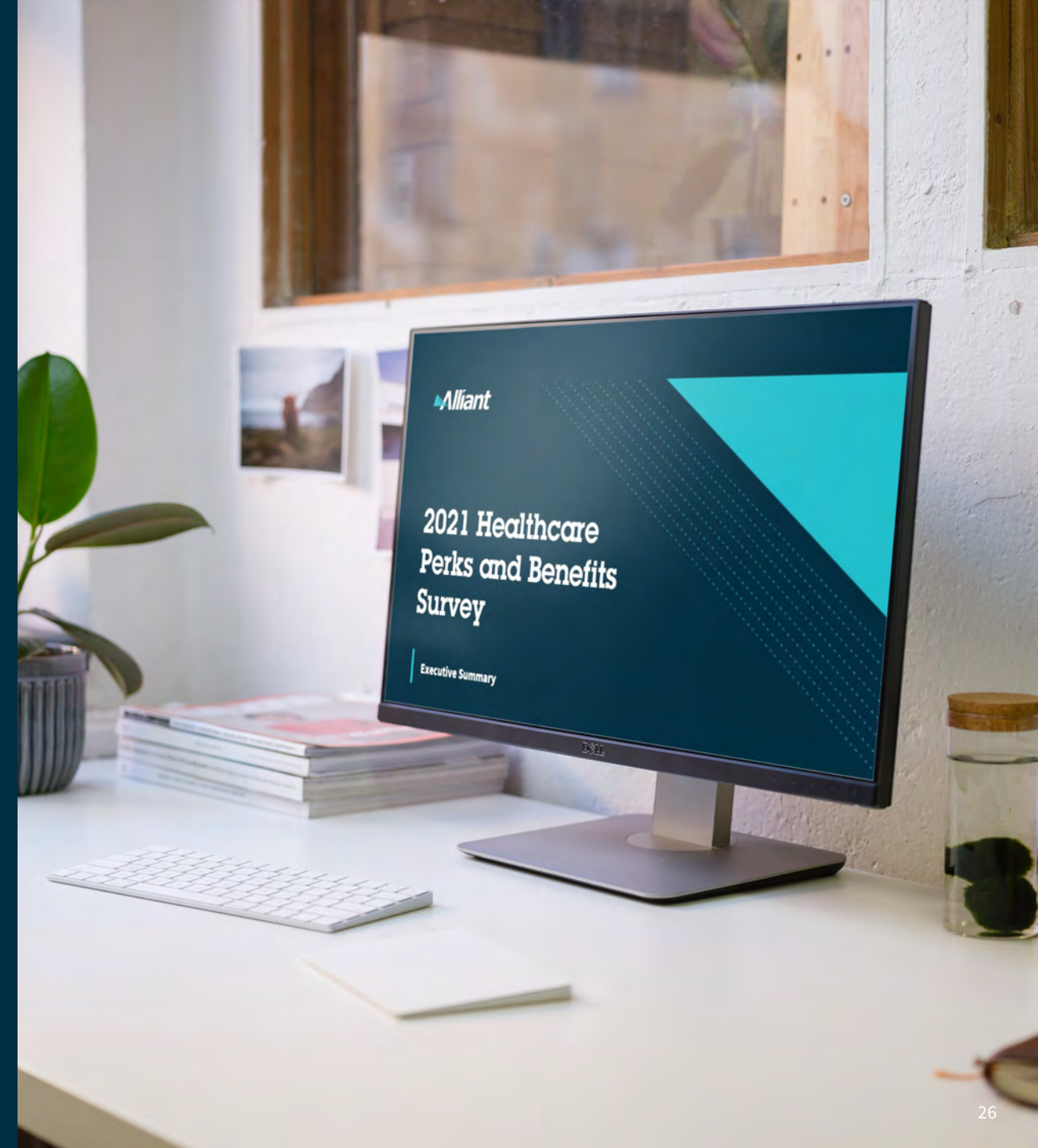
Plans or Increased Limits Only Available to Executives or Senior Leadership



The Healthcare Perks and Benefits Executive Summary reports on data provided by Benefits and HR teams from around the country.

Conducted in the spring of 2021, the survey focuses on trending topics, including company demographics, eligibility and enrollment, benefits offered, HRIS and Benefits Administration technology, and popular perks. The survey also examines how companies are scaling for growth in terms of health and productivity, employee engagement and global emergence.

For more details on these topics and survey results please contact your Alliant representative.



Alliant Overview

Company



National

Leverage & Buying Power



\$1.6 Billion

Total Revenue



4,000+

Employees

People



Professional

Expertise

Skills Aligner with Client Needs



Consultancy

Full spectrum of employee benefits delivery and administration



Innovative

Creative solutions to complex challenges



Strategic

Analysis and insight



Tailored

Programs built around best outcomes for employees

