



Beyond Current Realities: Leveraging Data Analytics to Create Better Benefits Programs and More Competitive Organizations

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About the survey

Recent research commissioned by Artemis Health and conducted by SourceMedia Research/Employee Benefit News set out to better understand the benefits program landscape. The research explored trends, practices and perceptions surrounding employee benefits and the role that employer data-driven solutions can potentially play in driving engaging and cost-effective health and wellness benefits programs. More specifically, the online survey of more than 200 HR professionals who work at large, self-insured organizations, answered questions such as: What benefits are employers currently offering? Are there differences in benefit offerings by industry or region? What benefits trends are on the rise? What challenges are employers facing? How can data analytics programs help bring benefits programs to the next level?

By addressing these questions, the research sheds light on where companies stand today with respect to benefits offerings, where they want to land in the future, and how they can get there with the help of data analytics. More specifically, the online study provides detailed insight on current employee benefit practices and perceptions. Findings from the study can help employers better understand how to leverage data analytics to produce more engaging, effective and cost-efficient benefits programs in the future. In short: What current and future benefits programs are actual solutions that truly work for both employers and their employees?



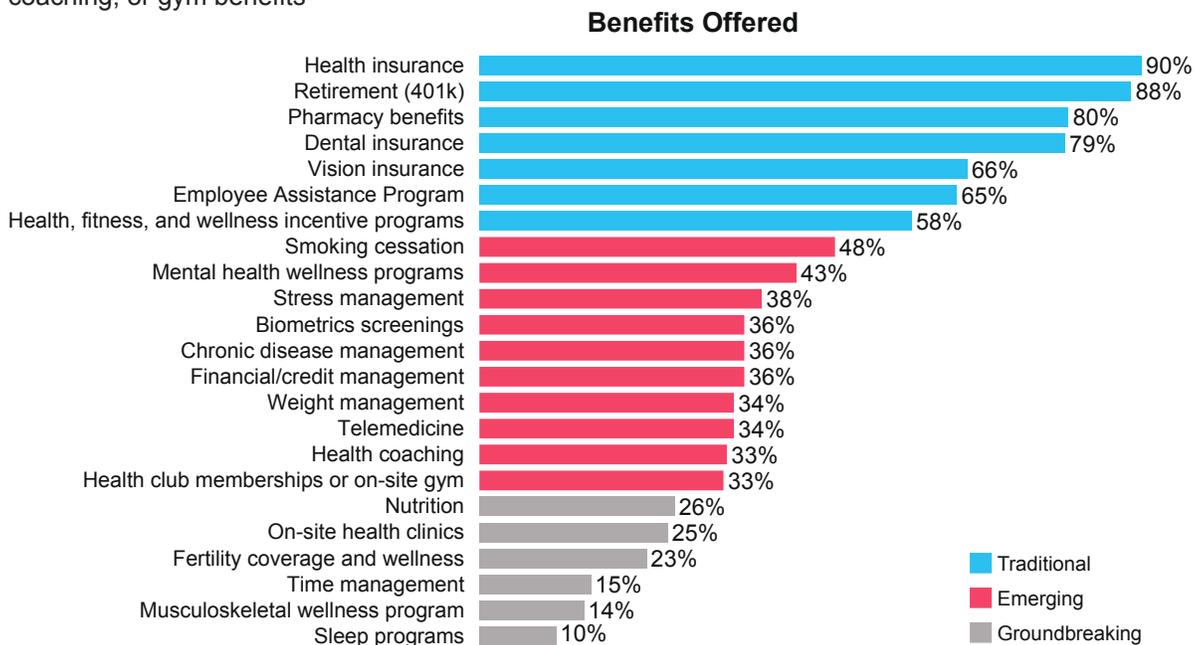
The current state of employee benefits

Today's workforce expects more from their employers than core, traditional benefit offerings. The rising cost of care, coupled with the evolving need to attract and retain talent, has brought new focus on benefits programs. Employers are becoming less reactive in their benefits design, using data and analytics to push their employee benefit programs forward.

The overwhelming majority of large employers already offer a host of traditional employee benefits, but many now are adding other, more innovative offerings into the mix. Consider the following: While most employers offer health insurance, retirement/401K, pharmacy benefits and dental insurance, a substantial number also offer nontraditional benefits such as smoking cessation, mental health programs and stress management (see figure 1). What's more, at least one-third of employers currently provide biometrics screenings, chronic disease management, financial credit management, weight management, telemedicine and health coaching.

Figure 1 – Current Benefits Offered to Employees

At least one third of organizations offer smoking cessation, mental health, stress management, biometric screening, chronic disease management, financial management, telemedicine, health coaching, or gym benefits



Q10 - Which of the following benefits does your organization offer to employees? Please select all that apply. n=212

Source: SourceMedia Research/Employee Benefit News, August 2018

Many employers are moving toward innovative offerings like these in an effort to make their organizations more competitive.

Emilie DeBaie, Solutions Engineer at Artemis Health, provided some context:

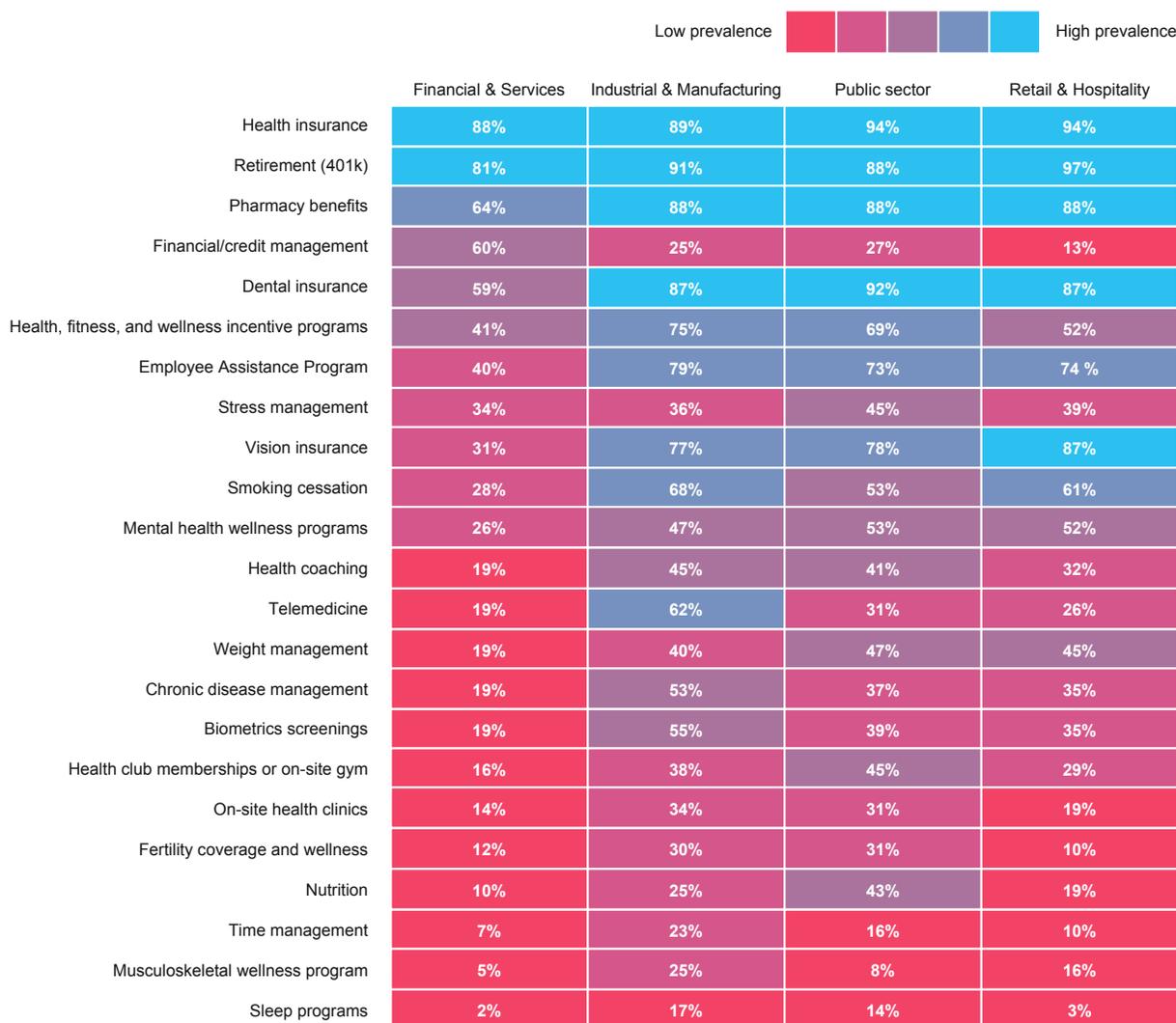
“Employers are trying to build benefits programs that both retain the talent they already have and attract new talent. So, we are starting to see the market shifting from traditional benefits design where employees get medical, dental and vision, into more specific and tailored programs that address overall well-being including financial and emotional health.”

It's interesting to note that not all industries are moving toward progressive benefits at the same pace. In fact, the financial and services industry is trailing behind other sectors in many benefit offering categories. Consider the following: Just 28% of financial and services companies offer smoking cessation, while 68% of industrial and manufacturing, 53% of public sector and 61% of retail and hospitality organizations offer this benefit.

Similarly, just 26% of financial and services companies offer mental health wellness programs, compared to 47% of industrial and manufacturing, 53% of public sector and 52% of retail and hospitality organizations (see figure 2).

Figure 2 – Current Benefits Offered to Employees by Industry

Benefits offered by industry



Q: Which of the following benefits does your organization offer to employees?

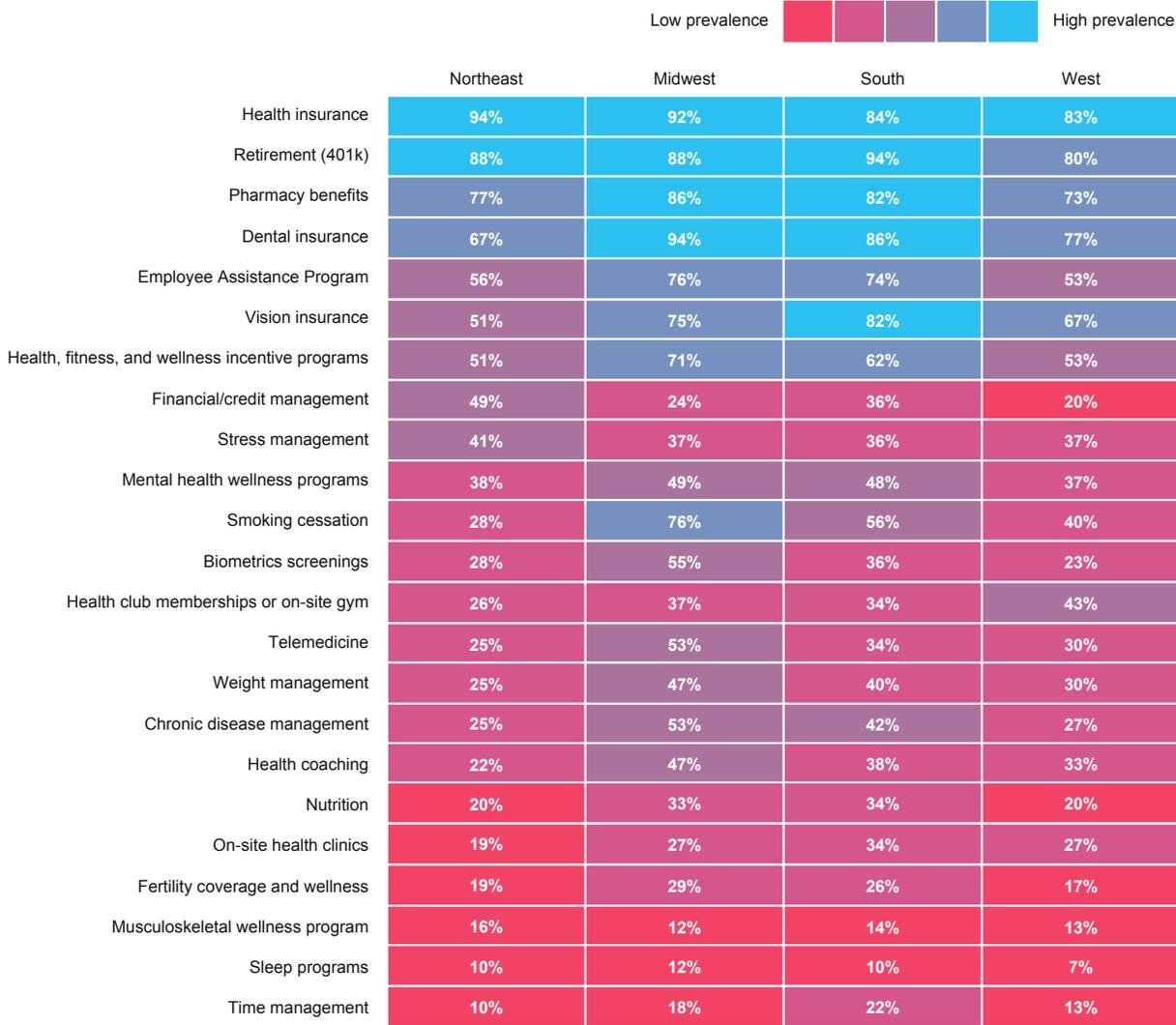
Financial & Services= 58; Industrial & Manufacturing = 53; Public sector = 49; Retail & Hospitality = 31

Source: SourceMedia Research/Employee Benefit News, August 2018

Location can also affect benefit packages, as offerings seem to vary by region, with the Midwest leading the pack in several categories. For example, 55% of Midwest organizations provide biometrics screenings, compared to just 28% of companies in the Northeast and 23% in the West. And, 71% of Midwest respondents offer health, fitness and wellness incentive programs, compared to just 51% of Northeast organizations (see figure 3).

Figure 3 – Current Benefits Offered to Employees by Geographic Region

Benefits Offered by Region



Q: Which of the following benefits does your organization offer to employees?

Northeast = 81; Midwest = 51; South = 50; West = 30

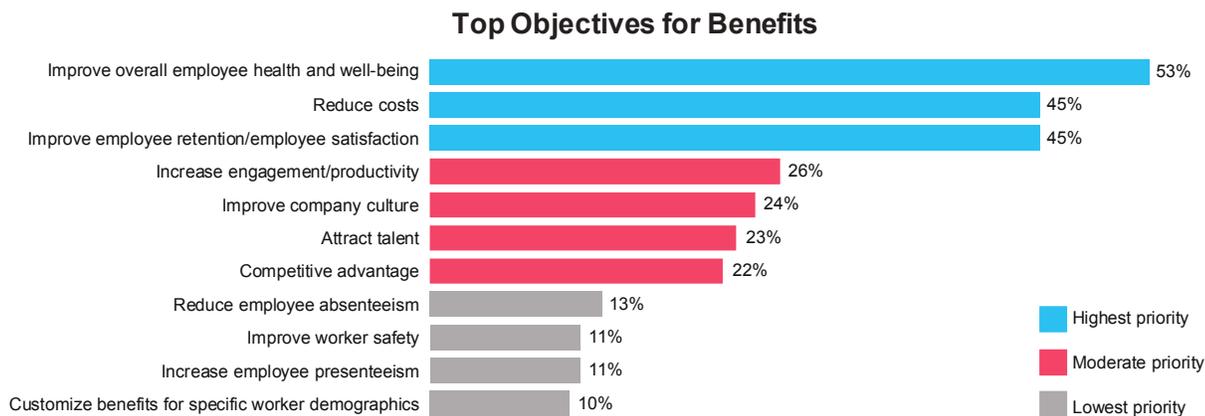
Source: SourceMedia Research/Employee Benefit News, August 2018

Altruistic and practical motivations prevail

The move toward nontraditional benefits is not surprising when considering that employers are now trying to achieve more through their benefits initiatives. In fact, “Improving overall employee health and well-being” emerged as the top goal associated with benefits programs, with 53% of human resources professionals citing this as a top three objective (see figure 4).

Figure 4 – Top Employer Objectives When Considering Employee Benefit Packages

Improving employee health and well-being, cost reduction, and employee retention/satisfaction are top objectives when considering employee benefits packages

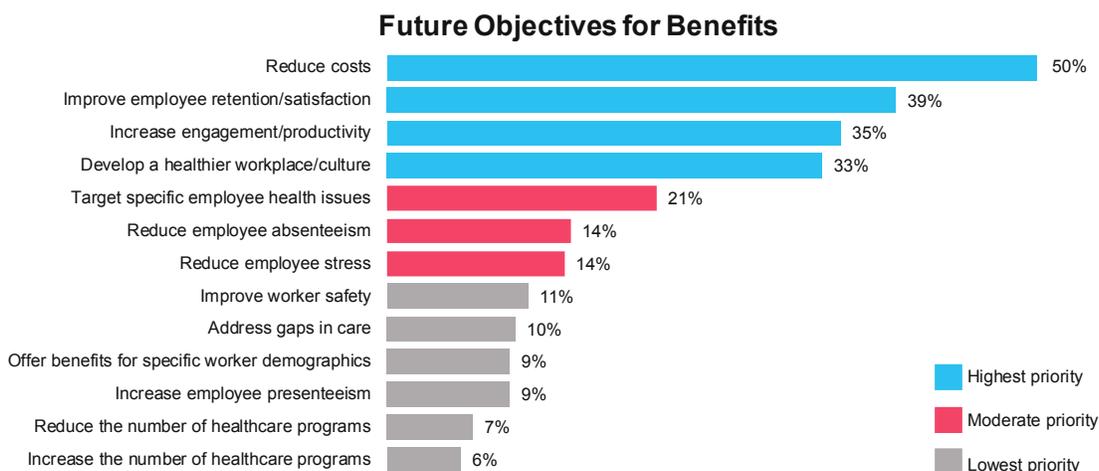


Q11 - What are your organization's top objectives when considering which benefits packages to offer employees? Please select up to three. n=212
Source: SourceMedia Research/Employee Benefit News, August 2018

However, this doesn't mean that employers aren't focused on bottom-line concerns. Indeed, when looking to the next 12 months, 50% of respondents cite reducing cost as a top three objective, 39% point to improving employee retention/satisfaction, 35% to increasing engagement/productivity and 33% to developing a healthier workplace/culture (see figure 5).

Figure 5 – Future Employer Objectives When Considering Employee Benefit Packages

Cost reduction, employee retention/satisfaction, engagement, and healthy workforce/culture are top benefit objectives in the next 12 months



Q12 - What will be your organization's top objectives in the next 12 months in providing benefits to employees? Please select up to three. n=212
Source: SourceMedia Research/Employee Benefit News, August 2018

This continued focus on cost is understandable. When it comes to health benefits, employers want to ensure they are getting what they pay for, as healthcare spending has come under intense scrutiny in recent years. According to a 2015 Bloomberg report, the United States is the third most expensive country for medical care, surpassed only by Norway and Switzerland. Yet when the report ranked 55 developed nations in terms of healthcare efficiency, the United States fell to number 50.¹ And, an oft-cited Journal of the American Medical Association paper estimates that healthcare waste, which includes unnecessary and overpriced drugs and procedures, accounts for 34% of U.S. healthcare spending.²

Indeed, this statistic tracks closely with what Artemis Health finds when analyzing client benefits data. On average, Artemis clients discover 20% or more of their spending on health and wellness benefits is inefficient.

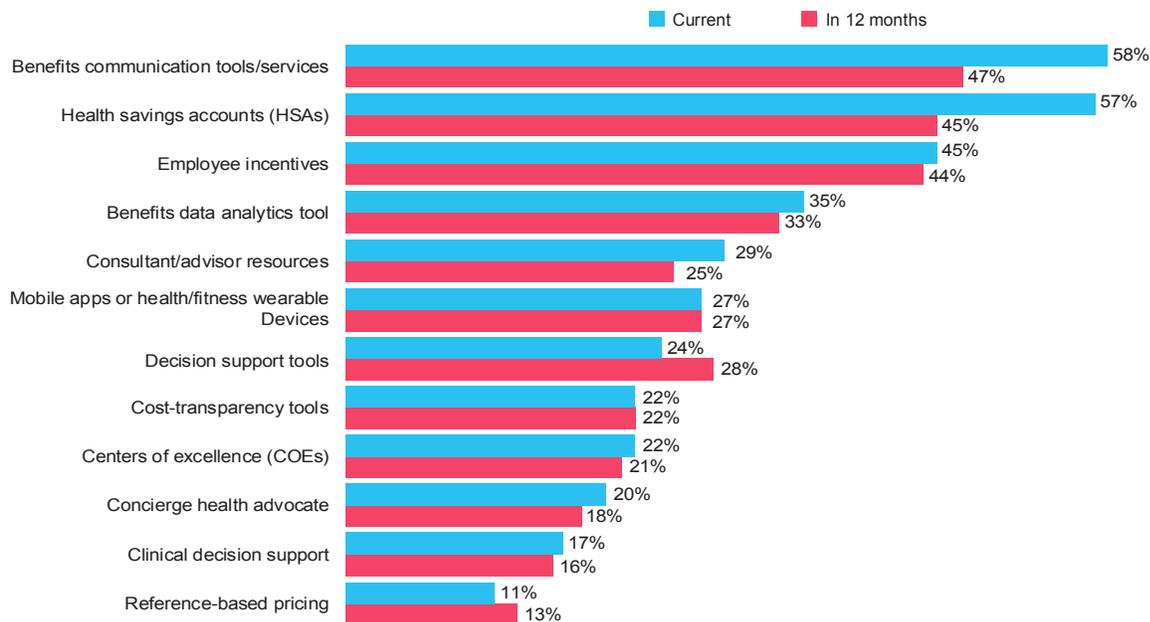
Taking benefits to a higher echelon

Fortunately, the benefits study provides data on how organizations are tackling their biggest challenges. For example, the survey:

- Pinpoints where there is room for improvement, highlighting that employers are currently least effective in providing targeted interventions, changing behaviors, predicting healthcare spending, engaging employees and using benefits data for decisions.
- Identifies managing costs, employee health behaviors and predicting future costs as top challenges.
- Recognizes pharmacy spending, maintaining current benefits and partnering with the right providers as the most important success factors.
- Shows that employers are currently optimizing employee benefits programs via communications tools, health savings accounts, employee incentives, etc (see figure 6).

Figure 6 – How Organizations Are Optimizing Employee Healthcare Benefits Programs

Benefits communications tools/services, HSAs, and employee incentives are top methods for optimizing employee healthcare benefits programs



Q13a/13b - Which of the following does your organization currently use to optimize its employee healthcare benefits program?
Please select all that apply for each time period: a) Current; b) In 12 months
n=212

Maximizing the potential of data

Perhaps most importantly, the survey helps emphasize the value of benefits data analytics. Specifically, 83% of respondents say that benefits data could be effective in improving health outcomes at their organizations while 79% of respondents believe benefits data analytics is an effective tool in reducing healthcare costs.

Indeed, one benefits administrator who participated in the survey pointed to the fact that his/her organization is frustrated by the fact that they don't have access to the accurate and timely information that can move the organization forward:

“We have to wait way too long to get information and by that time it feels old and cold. Furthermore, since it is coming from many sources I worry about it being correct.”

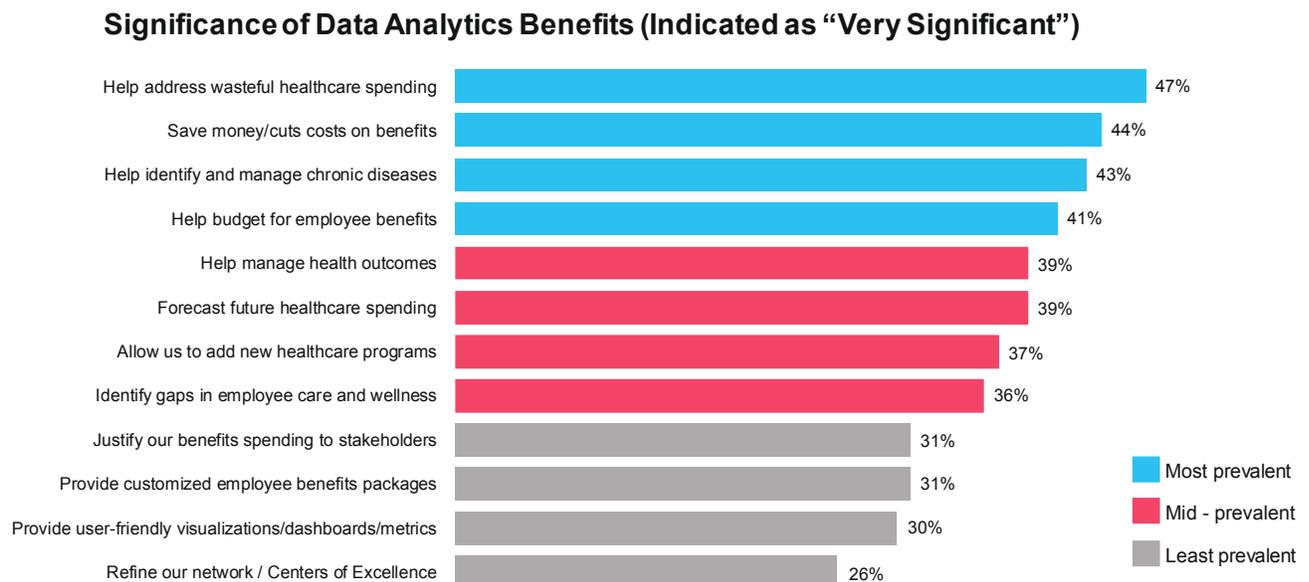
Not surprisingly, then, other survey respondents note that they are turning to data analytics solutions because their organizations are:

- “Always looking for ways to control costs while still providing great options to our associates.”
- Seeking to provide “quick insights about where employers can save money, identify gaps in care, find solutions and measure results to ensure that employees get the best possible care for the best possible price.”

The survey shows that respondents are starting to rely on data analytics to help address wasteful healthcare spending, save money/cut costs on benefits, identify and manage chronic diseases, budget for employee benefits and manage health outcomes (see figure 7).

Figure 7 – The Value of Benefits Data

Addressing wasteful healthcare spending, cutting costs, identifying/managing chronic disease, and benefits budgeting are cited as very significant advantages by many



Q19 - How significant do you think each of the following advantages of using benefits data analytics is, or could be, for your organization? Please select one for each.
n=variable (“Don't know” responses excluded.)



The value of data analytics are emerging:

“With the shift toward employer-sponsored health plans, employers are more motivated to explore the details and understand costs. They want to understand which population or subpopulation of their members is spending the most. And, data is so powerful in enabling them to do so,” DeBaie said.

“Determine the part(s) of the country where additional resources/programs are needed to enable employees to get the healthcare help they need for prominent illnesses,” says one survey respondent, a benefits director.

Indeed, many employers are already experiencing the benefits of data analytics: For example, 51% of respondents from the West and 40% from the Northeast are analyzing benefits data, while 24% of those in the South and 18% in the Midwest are doing so. And, the rush toward greater adoption is on. In fact, 86% of respondents say they are somewhat likely or very likely to use benefits data analytics in the next 12 to 18 months. However, the adoption of benefits data analytics is still not universal, as some employers indicate that they could leave data analytics on the backburner due to concerns over costs, resources, budget or technology.

Seizing the data analytics reins

Exactly how employers are using data analytics is beginning to shift, as these tools are helping them realize strategic objectives. Instead of relying on advisers or consultants to crunch the data, employers are becoming more likely to use data themselves. In fact, 49% of employers are taking an active role in driving delivery system change, according to the 2018 National Business Group on Health Study.³

As this shift reaches more self-insured employers, partnering with the right data technology provider is more important than ever. When asked what they want from a data analytics provider, benefits professionals say they are looking to work with established partners that offer integration, fast data feeds, accuracy, return on investment and industry understanding.

“It’s important to work with a vendor who is able to connect all your silos of data into one platform in one area. If an employer has all the data in one place, they don’t have to go to different sources to piece it all together. And, that reduces their time to insight,” DeBaie says.

As one survey respondent notes, his/her organization would want to work with a vendor that provides “user friendly tools” that make it possible for employees to “construct a health care plan [and] review their costs [while] addressing specific needs.” In short, they want self-serve tools with high functionality for custom analytics as well.

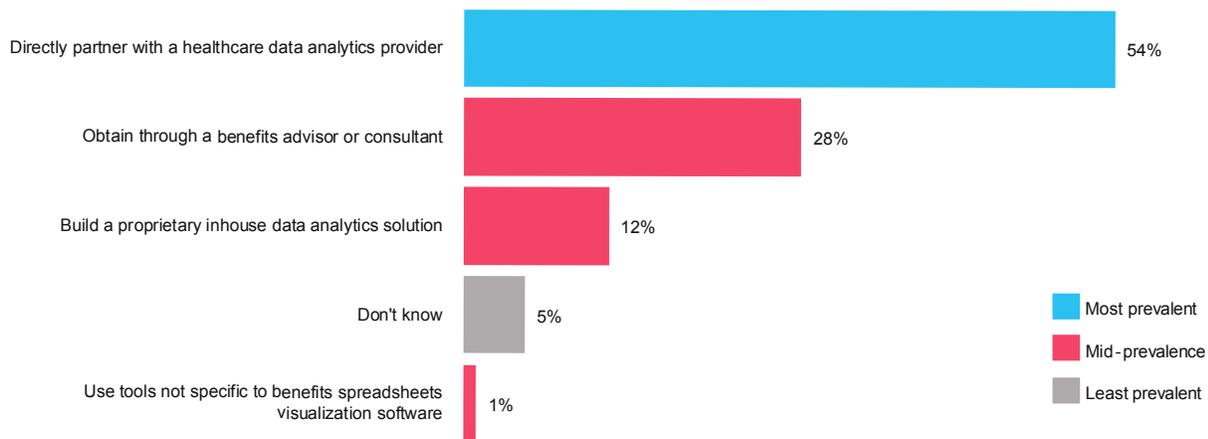
With the right data platform, for example, it could be possible to redirect care from the emergency department to lower cost community-based or telemedicine providers, in some situations. Data analytics could also be used to take more proactive steps to keep populations healthy. For example, the analytics might show an employer that they have a large percentage of employees with diabetes. The employer could then develop and implement targeted diabetes care management programs designed to elicit better health outcomes, reduce costs and help employees manage their conditions.

Getting the right platform in place could be a challenge, though, as more than two-thirds of employers currently have no more than a moderate level of knowledge about benefits data analytics, according to the study. Therefore, working with a benefits adviser or consultant to select technology solutions – something that just 28% of respondents are currently doing – could become a key to success (see Figure 8).

Figure 8 – Acquiring a Benefits Data Analytics Solution

More than half of respondents indicate they would be likely to partner with a healthcare data analytics provider to acquire this solution

Most Likely Method to Acquire a Benefits Data Analytics Solution



Q29 - Which of the following would your organization most likely use to acquire a benefits data analytics solution? Please select one.
 n=167
 (Base = Respondents likely to use benefits data analytics.)

Source: SourceMedia Research/Employee Benefit News, August 2018

Additionally, many benefits teams work closely with benefit advisers and consultants to make decisions not just about data vendors, but about other benefit programs. These advisers are often on the front lines of employee benefits, helping their clients understand the landscape, find and evaluate vendors, and ensure their programs are delivering a return on investment.

“Employers might want to work with benefits advisers and consultants because they are truly the subject matter experts in the field. The consultant typically has more knowledge in this space than their employer client, so they know what questions to ask to ensure that that platform is able to do what they need it to do,” DeBaie says.

Getting the right data analytics platform in place could help employers more strategically develop benefits initiatives that can help to attract and retain the talent that will make their organizations stronger in the years to come.



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Methodology

Online study conducted by SourceMedia Research/Employee Benefit News in August of 2018 among 212 HR and benefits professionals at organizations with 5,000 or more employees whose health plans are self-funded. Respondents work in a variety of industries including finance, healthcare, manufacturing and retail and had at least some involvement in providing healthcare benefits to employees.

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About Artemis Health

Artemis Health makes it easy for employers to put their benefits data to work. The Artemis Platform is more than just another data warehouse. It's a set of tools (we call them "apps") that helps employers and advisers identify opportunities, build business cases, and measure results in their benefit programs. Based in Salt Lake City, UT, Artemis works with clients nationwide to help them find insights in their benefits data.