

RESEARCH PAPER:

How 2020 Has Changed Employee Benefits



The Headlines

2020 is a year none of us will soon forget. Industries and individuals have all been forced to adapt, grow, and compromise. The NBA played their season locked away from the world [in a “bubble.”](#) Kids and parents learned how to [go to school over Zoom](#) (and they all hated it). [Michelin-star restaurants](#) installed takeout windows. And yes, the employee benefits industry had to shift their strategy to keep employees safe from a brand-new disease.

Artemis Health conducted a research study surveying over 300 benefits leaders at companies with 5,000 or more employees to see exactly how their goals, motivations, and challenges have changed in 2020. Our questions were based on those from our [2019 research](#), and we found many remarkable results compared to the previous year. We'll dive deep into each finding, but here are a few headlines that surprised us.

COVID-19 has changed everything for benefits leaders.

Our research revealed that 78% of benefits professionals see employee health and well-being as a higher priority than last year. In 2019, most respondents were focused on employee productivity, but now health and well-being is their top concern. Many attribute this change directly to the COVID-19 pandemic. One respondent shared:

“We have had to step our initiatives back a bit with COVID-19, but at our heart remains the health of our employees. That doesn't seem to be the case with some companies.”

Even in times of economic hardship, benefits leaders are focused on the “human” element of human resource management.



Is corporate America becoming more caring?

It isn't just the benefits team that is focused on employee well-being. In fact, the survey revealed total alignment between organizations, top-level HR executives, and on-the-ground benefits managers. At every level, HR and benefits teams marked "improving employee health and well-being" as their top goal. This renewed focus on doing what's best for employee health is reflected across entire organizations, which made us wonder, "Is corporate America becoming more caring?" In our previous year's survey, "improving employee productivity" ranked as the top organizational goal. Perhaps remote work success stories have boosted organizational confidence in employee productivity. Or perhaps the worldwide devastation of COVID-19 has forced companies to consider what really matters to them.

Mental well-being is on every HR leaders' mind for 2021.

Your employer wants you to see a therapist. Or, at least, they want you to know how to access mental health help as you struggle with isolation, sleep disruptions, and stress due to the pandemic. As one survey respondent put it:

"We want our broker to aid us with data analytics surrounding mental health because of our change to virtual mode. We have programs in place to help people, but we need to identify exactly who needs help and how to make sure they get it."

Many respondents shared similar concerns, and they are determined to provide the right programs and coverage to help employees cope with behavioral health issues.



Two-thirds of organizations expect to invest in benefits data analytics next year.

Healthcare analytics is going to be big in 2021. Last year, we found that benefits teams who felt they were “ahead of the curve” in terms of their offerings were the most likely to use a benefits analytics solution. This year, more employers are looking for data to help them create better employee benefits. 65% told us that they intend to moderately to significantly increase their investment in data analytics.

78%

Benefits leaders are prioritizing **well-being**



Corporate America is becoming more **caring**



Mental health: A key 2021 priority

2/3

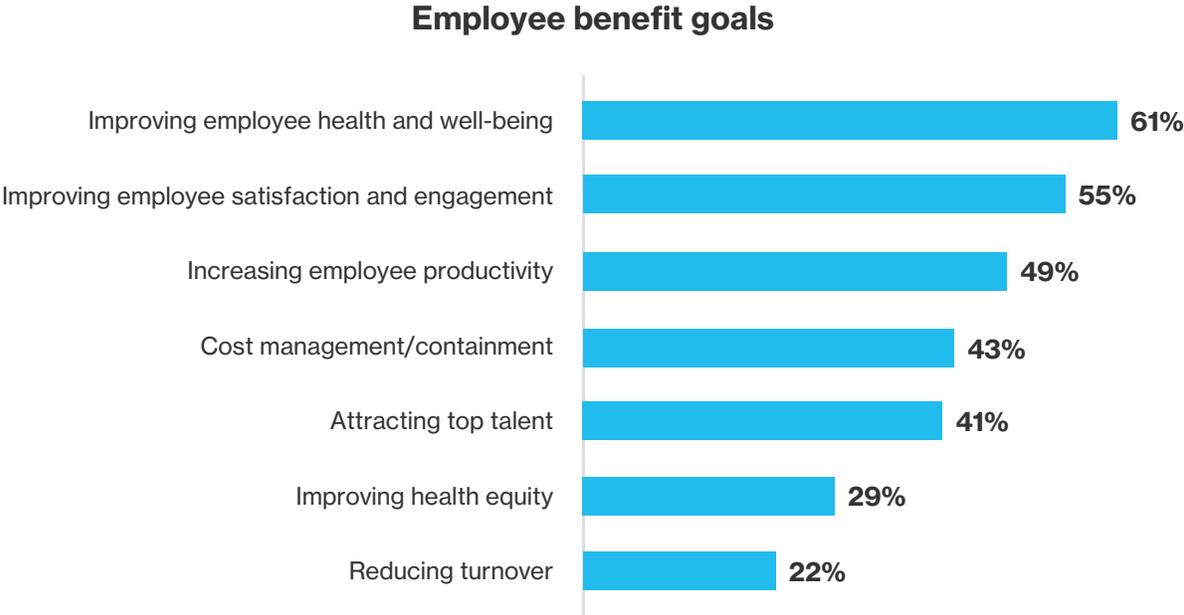
Organizations investing in **benefits data**

These are some of the highlights from the survey that stood out, and we'll explore each one and more further in this research paper. Ready to dive into the full results? Let's start with what motivates and energizes benefits leaders.



Benefits Leaders' Goals and Motivations

The survey asked benefits leaders, “What are your organization’s top benefits goals?” They are laser-focused on employee health.



For 61% of respondents, their company is most concerned with improving employee health and well-being. Other high-ranking organizational goals included improving employee satisfaction/engagement (55%), and increasing employee productivity (49%).

While productivity was of highest importance in 2019, this shift to well-being is a surprising one in a year when many employees found themselves struggling to be productive while juggling childcare, working from home, and the distractions of a stressful time. Employers clearly understand and sympathize with the difficulties of boosting productivity



in an uncertain year, and they have adjusted their goals to match the conditions in the wider world.

The fact that employee well-being is increasingly important to benefits leaders this year is no surprise to Hassan Azar, benefits leader. He told us,

“The topic of employee stress has become a constant theme in conversations with my peers at other companies, my co-workers and senior leaders. Corporate leaders are worried about the impact of the pandemic on employees who may be isolated, under stress, struggling with anxiety or coping with the new pressures of parenting and remote schooling.”

What are the implications for on-the-ground benefits leaders when nearly all organizational goals are of higher importance this year? It's simple.

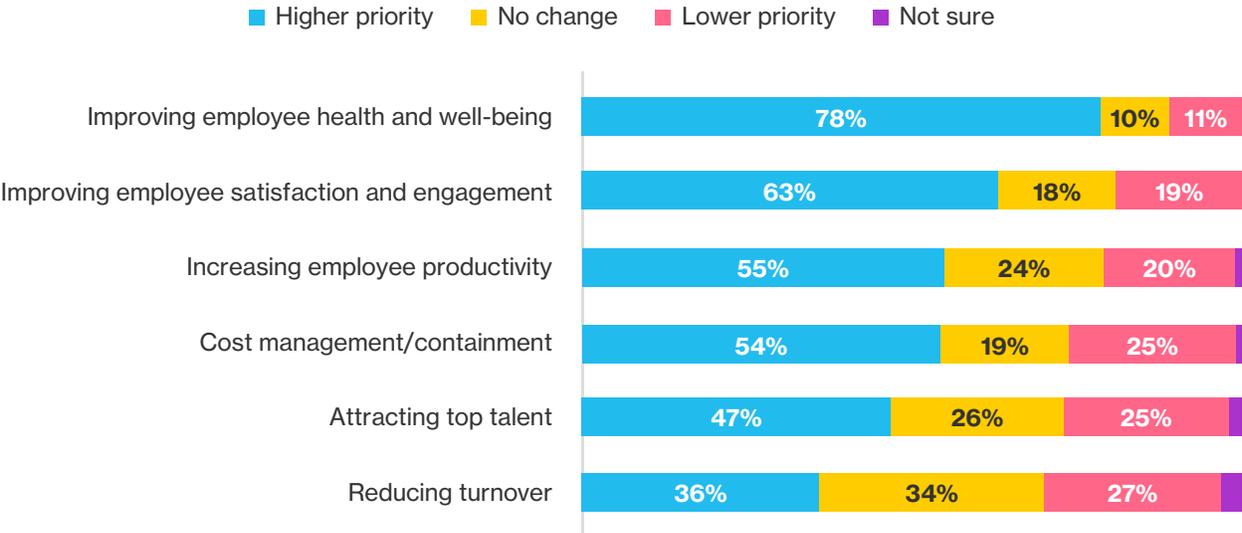
Benefits teams are being asked to do more and more.



There were just two industries where this focus on employee health and well-being didn't hold: retail and the tech sector. Respondents from these industries reported that their organizations were more focused on improving employee productivity and satisfaction. Tech industry respondents also highlighted the competitive nature of their industry with a much bigger focus on reducing turnover than other sectors.

Employee benefits professionals also believe these priorities will continue to grow in scope over the course of 2021. Most believe employee health and well-being will continue to be a top priority for their organizations, with employee satisfaction and productivity close on its heels.

Shifting of benefits priorities over next 12 months



A renewed focus on employee health and well-being in 2021 is directly linked to the pandemic. Both benefits leaders and their organizations believe it is their **primary responsibility** to safeguard employee health.

These findings illustrate something we've known all along: HR and Benefits leaders truly care about employees and their families. You've heard the old adage that the most important asset of any organization is its people, its "human resources." Benefits teams believe this wholeheartedly, and their roles are uniquely focused on the human side of what makes a company successful. This caring is stronger than ever in the wake of the COVID-19 pandemic. The safety and health of employees is what keeps them up at night and what motivates them (along with a strong cup of coffee) in the morning.

Even organizations that have suffered financial losses, uncertainty, or reductions in workforce due to the pandemic have renewed their focus on employee health. One respondent shared:

"We have had to step our initiatives back a bit with COVID, but at our heart remains the health of our employees."

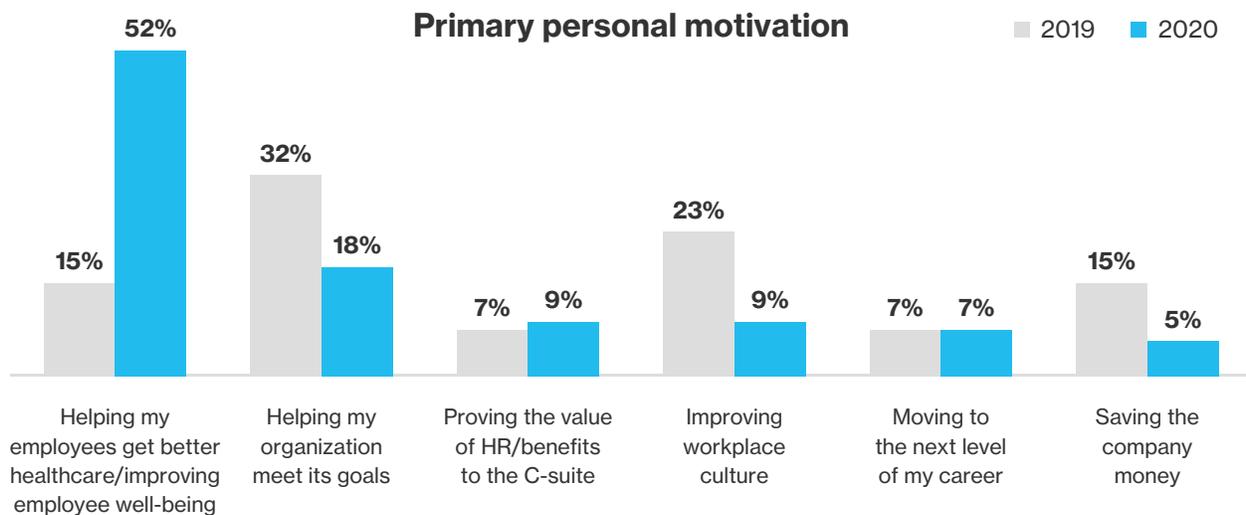
Benefits leaders are concerned not just with employees who have been infected with COVID-19, but also those who aren't getting other needed care during the pandemic. The CDC shared that as of June 2020, [an estimated 41% of U.S. adults](#) had delayed or avoided needed health-care due to the pandemic. Employers are concerned about these members in their populations, and they have stepped up their efforts to provide alternative points of care as a result. One option seeing gains in 2020 is the long-underutilized telemedicine program.

According to [national consulting firm Mercer](#), employers are taking this opportunity to educate members on their virtual visit options.



“Responses to a poll on Mercer’s US Health News website suggests that many companies (69% of respondents) have communicated directly with employees about using telemedicine specifically to limit trips to healthcare providers during this pandemic, and another 15% say that they have not communicated this, but the health plan/telemedicine vendor has done so.”

Another key headline from our research: benefits cost savings and cost management isn’t as big a focus for individual respondents. When asked about what’s important to their company, 54% said cost management would be a higher priority this coming year. However, when asked about their personal motivations at work, just 5% said saving the company money was important to them (compared to 15% in 2019).



This suggests that while benefits professionals are well-aligned with their organizations on the importance of employee health, they don’t see eye-to-eye on the need to control rising benefits costs.





With just 5% of benefits leaders feeling motivated to save their company money on employee health benefits, it begs the question: how are employers going to continue paying the rising cost of coverage, now estimated at nearly \$20,000 per employee?

You can see that compared to other personal goals and motivations, employee health and well-being once again reigns supreme at 52%. This response was seen from survey respondents at all levels of their organizations, from C-suite executives and top leadership to regional benefit managers. ***Once again, we see the human side of human resources is really driving employee benefits goals and strategies.***

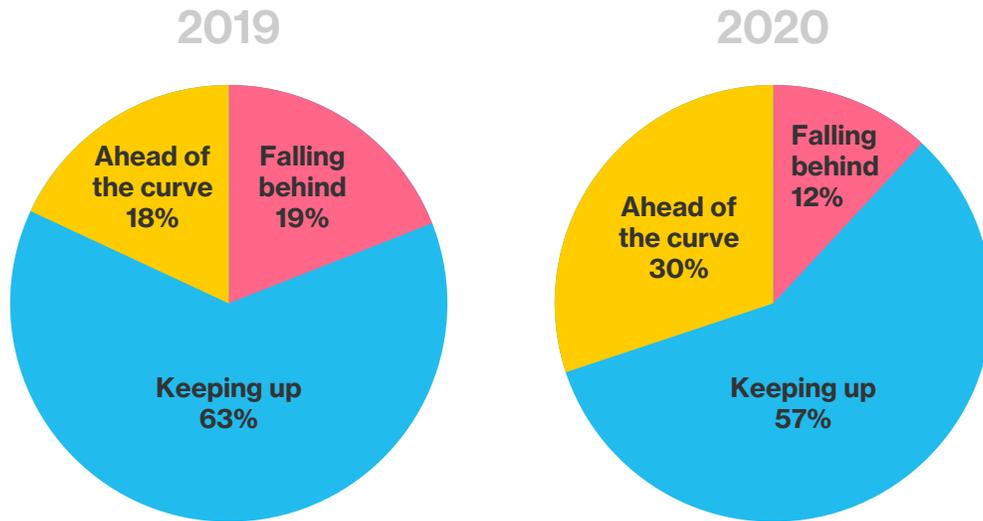
How Do You Compare?

30% of benefits leaders feel they are ahead of the curve.

Wow, what a difference a year makes. When we asked benefits leaders, “How would you describe your organization’s benefits offerings in comparison to your peers or competitors?” many of them told us they were falling behind in 2019. However, the challenges and pressure tests of 2020 seems to have given benefits teams more confidence in their ability to offer innovative, comprehensive benefits.



Organization's benefits program



Benefits leaders gave us a number of reasons they felt they were ahead of the curve:

- **Offering more choice of health plans for employees**
- **Their quick, decisive response to COVID-19**
- **A focus on new, innovative benefits programs**
- **Their ability to attract top talent**
- **Expanding affordable care for employees and their families**



Here are some illuminating quotes from survey respondents.

Ahead of the curve:

“Our medical/RX trend has consistently been 2.5% points below our peers. Our program offerings are also leading edge compared to our peers.”

– Employer with 10,000 to 24,999 employees

Keeping up:

“We carefully monitor our competitor’s benefits to make sure we are taking care of our employees. We want our best employees to stay.”

– Employer with 50,000+ employees

Falling behind:

“Due to lack of motivation from upper management and not having a clear path due to [the] COVID situation.”

– Employer with 5,000 to 9,999 employees

When we look closely at which types of organizations feel they’re ahead of the curve, we notice some trends. Larger organizations with 50,000 or more employees are the most likely to say they are “ahead of the curve.” This will come as no surprise to most benefits leaders. Larger companies mean more people on the benefits team and more resources at their disposal. On the other hand, smaller companies were the most likely to report that they are “falling behind” peers and competitors when it comes to employee benefits.





In conference presentations and webinars, Artemis Health has asked benefits leaders, “How many people are on your benefits team?” Up to 30% of people answer, “Ha! What team? It’s just me.” It’s no wonder smaller companies with fewer experts focused on benefits feel they are falling behind.

COVID-19 responses have also contributed to the boosted confidence we’re seeing among benefits professionals. There’s nothing quite like a crisis to bring people together, clarify priorities, and galvanize action. In open-ended responses, a number of survey participants touted their COVID-19 strategies, measurement, and planning as one reason they felt confident they were offering great benefits for employees.

Shifting Organizational Goals due to COVID-19

Companies are invested in employee health and well-being in 2020, because of (and despite) the COVID-19 pandemic.

It seems that corporate America is undergoing a “caring revolution.” Employees and their families are under tremendous strain this year, and their employers are responding by offering better health benefits and well-being solutions.



Last year’s research paper revealed the top organizational goal to be employee productivity, while benefits professionals said “helping my organization meet its goals” was their primary motivator. This year, however, companies and HR leaders are fully aligned on “improving the health and well-being of employees.”



of benefits leaders are motivated to help employees get **better healthcare**



of companies cite improving employee **health/well-being** as their top priority

Essentially, we’re seeing that both top HR leaders and their larger organizations are “rowing in the same direction” in 2020 and beyond. The COVID-19 pandemic has brought focus and alignment to their employee benefits strategies. ***Does this mean corporate America is becoming more caring?***

Let’s look at some of the open-ended responses to see what benefit leaders are saying.

“During this turbulent time, more than ever, I need to figure out how to take care of our employees.”

– Director/Senior Director at organization with 50,000+ employees

“We care about our employees more than any company and always strive to offer the best benefits to them.”

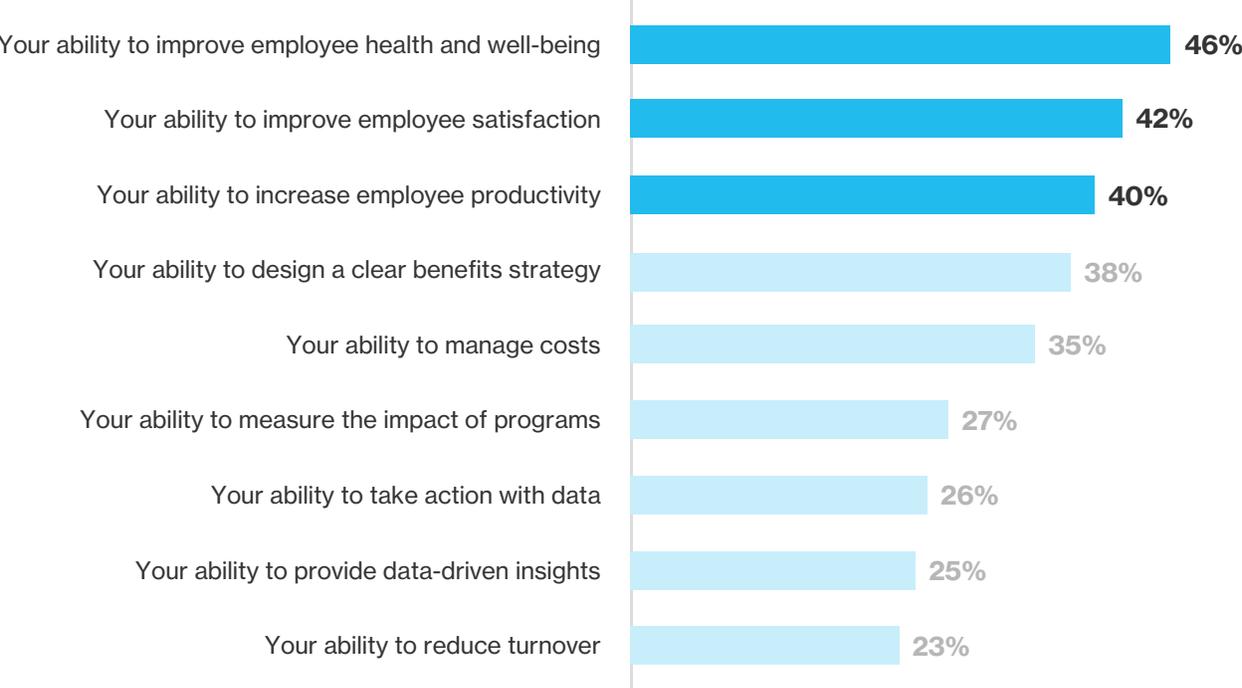
– Director/Senior Director at organization with 5,000 to 9,999 employees



Employee benefits leaders, much like the physicians and healthcare workers providing on-the-ground care for their employees, are in a “caring profession.” They are genuinely concerned about employee health and safety. This year, their desire to care for employees is reflected throughout their organizations, and their benefits priorities have shifted accordingly. Many are newly focused on [employee stress](#), [depression and anxiety](#), and other behavioral health concerns that have cropped up during the pandemic.

However, employee productivity is still a top success measure for benefits teams. When asked to select their top three answers, benefits leaders told us this is how their success is measured.

Measures of success (top three)



In 2019, 24% of benefits leaders said their success was measured by their ability to increase employee productivity. In 2020, 40% of them now believe they are measured this way. For many of them, this is likely tied to the remote work policies that swept the nation in March.

A number of states asked businesses to close and allow employees to work from home. Tech companies like [Google](#) and [Microsoft](#) have extended their remote work policies to keep employees safe, with Microsoft even allowing employees to do so on a permanent basis.

Remote work always raises questions of employee productivity. Traditional organizations and supervisors often believe that productivity will drop if employees work from home. However, [recent research](#) suggests just the opposite:

“Ninety-four percent of 800 employers surveyed by Mercer, an HR and workplace benefits consulting firm, said that productivity was the same as or higher than it was before the pandemic, even with their employees working remotely.”

This is good news for HR leaders being measured on employee productivity. They were instrumental in writing and implementing remote work policies, with some adapting over the course of one weekend in March. Their efforts to balance health and safety with productivity seem to be paying off. 83% of employers say they [plan to extend or modify work from home policies](#) even after the pandemic.



For many organizations, remote work isn't a possibility. Large employers in retail, manufacturing, utilities, transportation, and hospitality don't have the luxury of sending employees home with extra computer monitors and office chairs. For those employers, employee health and well-being is safeguarded with personal protective equipment, physical distancing where possible, pods and A/B schedules, and deep cleaning procedures.

When we asked survey respondents how their success is measured, there was one notable standout. While they are still concerned with managing the cost of employee benefits, its growth was far outpaced by measures of employee health and well-being.

Survey respondents believe their success is now tied more closely to employee health and well-being than to benefits efficiency. Respondents also reported that they weren't measured as much on providing data-driven insights or measuring program performance as they are on employee well-being and satisfaction.

Benefits leaders being measured on their ability to improve employee health jumped by

29%

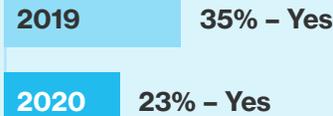
51%

of respondents are motivated by helping employees get better healthcare

94%

think employee productivity hasn't suffered due to the COVID-19 pandemic

Is your success measured on your ability to manage costs?



A number of key success measures are up significantly this year, and that requires a lot of extra work for our survey respondents. Benefits teams are being asked to do more, period. They are facing mounting pressure from their C-suites to improve every aspect of employee benefits, from health to costs to employee satisfaction. **It must be exhausting!**

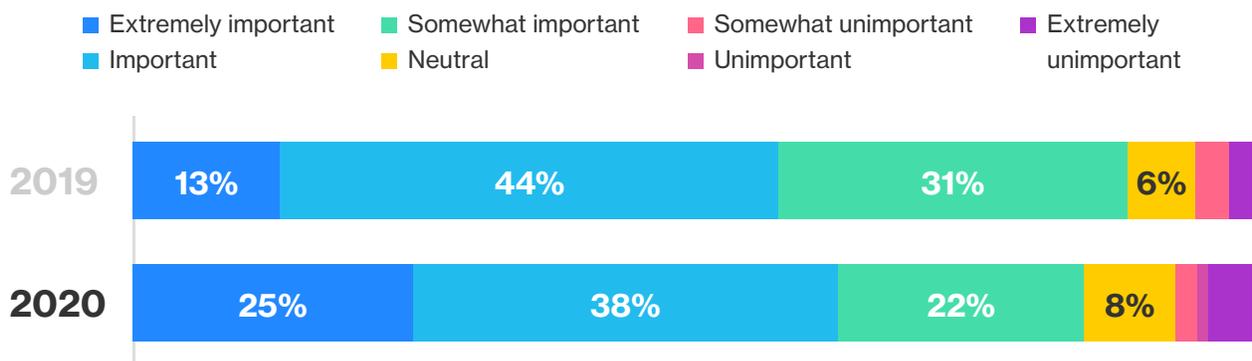


The Role of Data

85% of employers said their benefits data is extremely important, very important, or somewhat important to how they craft an employee benefits strategy.

More than ever before, benefits leaders think employee benefits data is the key to rolling out successful programs for employees and their families. The survey found a 12% increase in those who think data is “extremely important” compared to last year. Just 7% think it’s “unimportant.”

Importance of benefits data to design and management of an effective benefits program



We are seeing a clear move towards data-driven decision making in the employee benefits space. However, there are still a number of other ways that benefits teams are gathering input. We asked, “When it comes to making major decisions about your organization’s benefits program, which of the following resources do you rely on most?” The answer surprised us.

Resources relied on most when making employee benefits decisions



Employers once again are gathering information from employees in order to craft better healthcare benefits for their members.

- **In 2019, the top resource was employee feedback (41%)**
- **In 2020, employee satisfaction/engagement data ranked #1 (57%)**
- **Internal data analysis saw big gains (+18% compared to 2019)**

Benefits teams clearly prioritize the employee experience when planning and implementing new benefits programs and solutions. They continue to rely on employees to provide input and feedback on what works for them. Even so, the continued importance of healthcare analytics is clear in this response. The role of data is growing, with 44% of respondents now reporting that internal data analysis is driving their benefits decisions.



35%

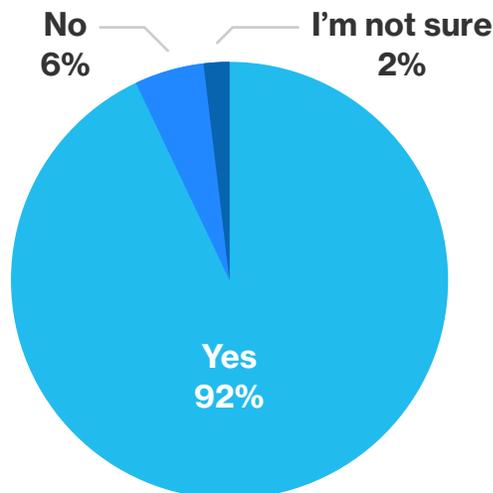
of employers now say they rely on advisors for decision making, up from 20% in 2019.



Advisors were listed at the bottom of the resources relied upon for benefits strategy. While you can clearly see advisor importance is growing compared to 2019, this result still shows a tremendous opportunity for benefits consultants and brokers. They have an incentive to make themselves indispensable to their employer clients with great recommendations, access to benefits data, and help with new program evaluation.

Did agreement on the importance of data point to more benefits teams actually using it? It certainly did.

Use benefits data 2020



92% of employers also report that they are using benefits data to make decisions for their organizations. 35% of respondents rely on a data warehouse solution for decisions, but nearly everyone in this industry is gathering data from their benefits programs. That data can come in the form of carrier reports, PBM data, risk scores, health assessments, and feeds provided by point solutions and programs. Benefits data comes with its fair share of challenges for HR leaders, especially if they aren't using a technology solution or consultant/broker to help them analyze and find insights.

Respondents reported that they face the following challenges with their benefits data:

- **Analyzing the data to draw meaningful conclusions** (64%)
- **Taking action based on the data** (55%)
- **Trusting data quality/accuracy** (52%)
- **Accessing the right data** (50%)
- **Running reports quickly enough** (41%)
- **Connecting disjointed data sources** (33%)

Essentially, it comes down to this:

Employers know data is important and most of them have access to some benefits data feeds, but they don't know what to do with it.

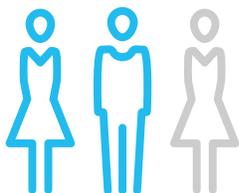




Benefits leader & consultant Hassan Azar shared his perspective on this finding:

“When looking at disjointed sources of benefits data, it is challenging to piece together a story from the bits of information our vendors give us. Benefits leaders need consistent, thorough and robust data that is easy to access and analyze. With the disconnected bits of data most vendors give us, we run the risk of missing a key insight. Benefits leaders aren’t willing to act on a hunch—they need access to best-in-class analytical support to make data-driven decisions.”

Artemis Health also hears about these challenges from large employers. They struggle to take action with the insights they find in the data. They live in fear of that off-hand question from a CEO where the answer should take two minutes to find, but it somehow takes two weeks. They don’t trust the data they receive from health plans or vendors because it can be confusing and doesn’t provide a holistic view of employee well-being. Most of all, they don’t want to make benefits changes that will negatively affect members on the plan.



This leads us to another not-so-surprising finding from the research: fully 2/3rds of benefits leaders are expecting to invest more in healthcare data analytics in 2021.



Employers realize they have a better chance of finding meaningful insights, taking action, and accessing the right benefits data when they work with a data partner. Whether it’s a data warehouse vendor, a broker, or a consultant, employers are willing to spend some of their budget on data partnerships in order to improve their benefits strategies. They need help with data, and there are tremendous opportunities for advisors and data warehouse vendors in 2021.

Change in benefits analytics and technology spend over next 12 months

- Increasing significantly (15% or more)
- Moderately increasing (5% to 14%)
- No change or slight change (-4% to 4% change)
- Moderately decreasing (-5% to -14% change)
- Significantly decreasing (-15% or more)
- Not sure



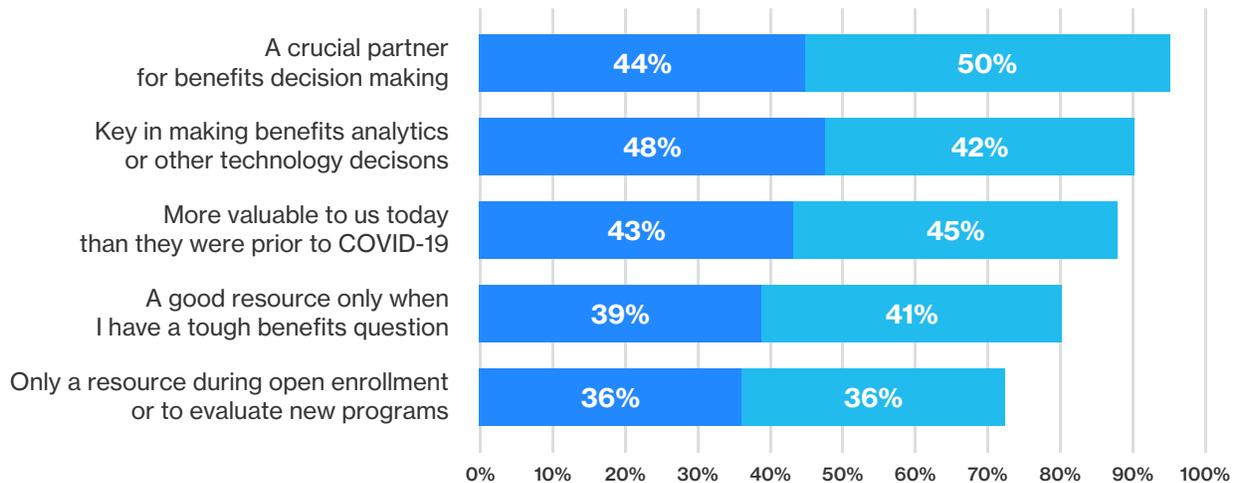
The Role of Advisors

Employers who describe themselves as “ahead of the curve” are more likely to report that brokers/consultants are crucial partners for decision making.



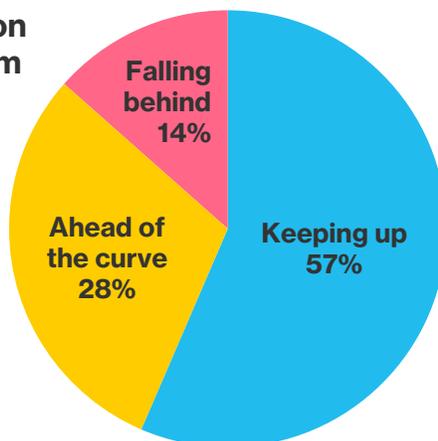
Benefit advisor importance

■ Strongly agree ■ Somewhat agree

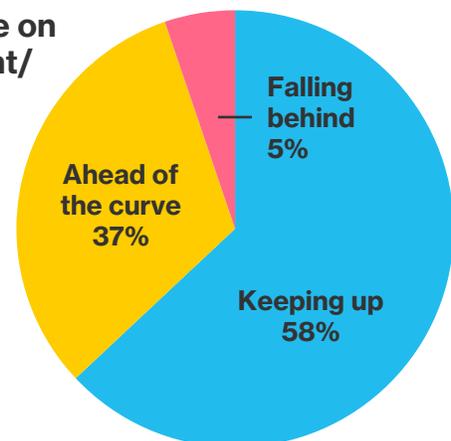


The survey explored a number of questions to reveal the role of benefits advisors (i.e. brokers and consultants) to employers. While the vast majority (94%) agreed that advisors are crucial partners for decision making, 72% reported that they only tap advisor expertise during open enrollment or to evaluate new benefits programs. There was a clear correlation between respondents who felt they were “falling behind” their peers and those who only use broker or consultant expertise during these key moments. ***Essentially, those who rely more on their advisors are more likely to be innovative and confident in their benefit offerings.***

Rely more on myself/team



Rely more on consultant/broker



90%

see their brokers as key when making benefits analytics or tech investments, and we know from the survey that many employers expect to evaluate tech and data solutions in 2021. Advisors have the opportunity to increase their trust with clients by educating themselves on the data analytics options and providing data insights.

Here are some of the insights survey takers shared around what specific things they want their consultants and brokers to do for them:

Ahead of the curve:

“We want our broker to aid us with data analytics surrounding mental health because of our change to virtual mode. We have programs in place to help people, but we need to identify exactly who needs help and how to make sure they get it.”

– Employer with 5,000 to 9,999 employees working in education

Ahead of the curve:

“I think helping with data extrapolation, [and] providing resources with data entry to determine the accuracy of results. Moreover, cost effective ideas or approaches to save the company a reasonable amount of money.”

– Employer with 5,000 to 9,999 employees at a healthcare company

Falling behind:

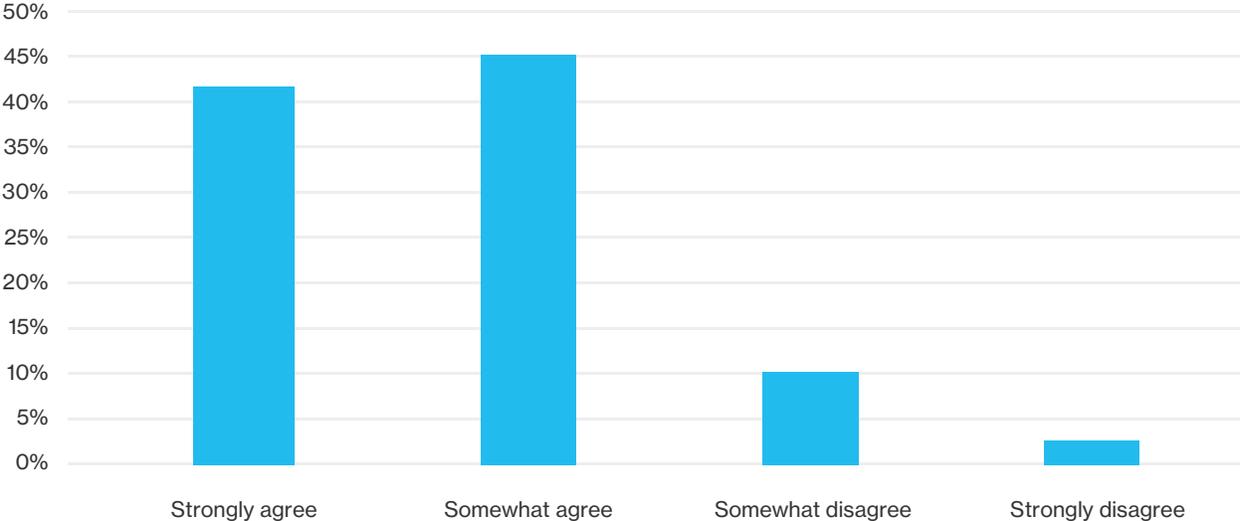
“Support us by gathering and interpreting data; pressuring vendors to provide prompt, accurate and comprehensive data. Negotiate fees. Provide market input on prices, vendor services and competitive information.”

– Employer with 50,000+ employees at a healthcare company



One other key highlight from the study: most employee benefits leaders agree that their advisors are more important than ever because of the COVID-19 pandemic.

My advisor is more valuable to me today than they were prior to COVID-19



More than 80% either strongly agree or somewhat agree that COVID-19 has shown the value of advisor/employer relationships. This public health crisis has revealed the need for experts, armed with data, to help with employee benefits decision-making.

It's clear from these and other responses that employers want their advisors to step up on data analytics. This is a key area of need for employers, and whether they are on the cutting edge, just keeping up, or struggling, they would like to rely on brokers and consultants for data help.

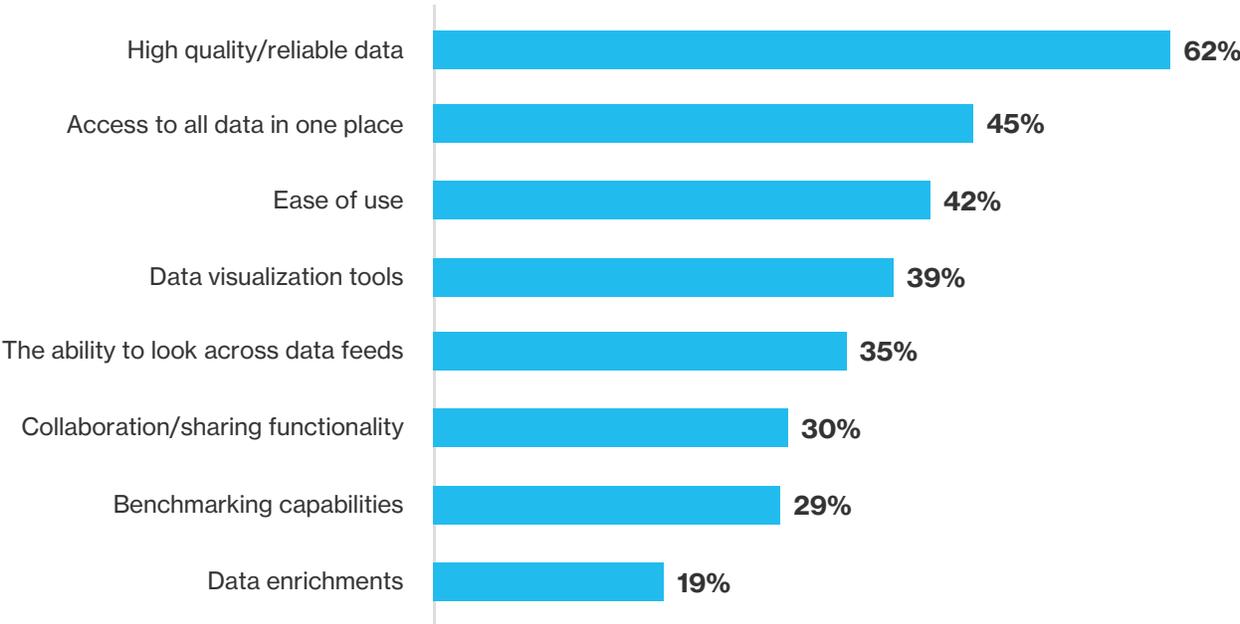


Data Analytics Needs

Employers want meaningful conclusions, not just raw data, from their analytics solutions.

Survey responses indicated a need for data interpretation and action, not just warehousing or aggregation. While we know they want more meaningful conclusions (64%) and an action plan (55%), they also provided specific answers on how data tools would ideally function. Here's what they said when asked what features and functionality employers need from their data analytics tools.

Most important benefits data analytics/warehouse solution features



High quality data ranked number one at 62%. Employers are seeing a disconnect between the answers they're getting from different data sources (for example, a carrier report and a care management program data feed). They need their data warehouse solution to help sort out these inconsistencies and provide reliable data.



Additionally, employers want to see all their benefits data in one place (45%). A useful data tool will allow the benefits team to “cross-walk” and compare data from each of their plans, point solutions, prescription claims, eligibility, and more. They would prefer to work in one tool to gather benefits data insights. Many have shared the need for a holistic look at employee health and well-being, and only by looking across many data feeds can benefits teams get a view of population health, total well-being, and employee engagement.

While data enrichments garnered just 19% of the responses, the employers who chose this feature are more likely to have fewer than 25,000 employees. Smaller companies are more likely to need data enrichments and models to help them calculate actionable overspending, high cost claims, risk scores, and other more complex analyses.

Other important features include:

- **Ease of use** (42%)
- **Data visualization tools** (39%)
- **The ability to look across data feeds** (35%)
- **Collaboration/sharing functionality** (30%)
- **Benchmarking capabilities** (29%)



Open-ended responses reiterated the need for brokers and consultants to provide data analytics help. One employer wrote, “[I want my advisor to] **break down the data specifically** so that we are well-informed before trying to implement new strategies.”



Conclusions

What did we learn about 2020 and 2021 from this research study? Here are our top takeaways.

The survey asked benefits leaders about their organizational goals and their own personal motivations. They are aligned and laser-focused on employee well-being.

Both individuals and organizations are now focused on employee health and well-being above everything else. They are motivated to help employees lead healthier lives and are aligned on this strategic goal.



A growing number of benefits leaders feel they are ahead of the curve.

Employers are more likely to view themselves as innovative and cutting-edge than last year. COVID-19 has forced many to pivot and find creative solutions to benefits problems, and they are feeling confident in their ability to meet employee needs.



Companies are more concerned with employee well-being than ever before.

The COVID-19 pandemic may have caused a “caring revolution” for large employers, who are now prioritizing employee health over productivity or reducing turnover. Mental health, quality of care, and employee well-being are more important to them than ever.



85% of employers said their benefits data is key for creating a sound benefits program.

The importance of employee benefits data is clear in 2020 and into the future. The majority of employers report that it’s now part of their benefits planning and decision-making process. 2/3rds plan to invest in data solutions in the coming year.



Brokers and consultants play a key role in getting their clients “ahead of the curve.”

The most innovative employers are also the most likely to rely on their benefits advisors for decision making. They see advisors as crucial partners, not just a resource to tap during busy times like open enrollment. They also expect data analytics from advisors.



Employers want meaningful conclusions and trustworthy data from their data analytics solutions.

“Data warehousing” isn’t enough for benefits leaders. They need help interpreting the data, finding insights, and taking action. They want both advisors and data analytics tools to step up and provide more value.

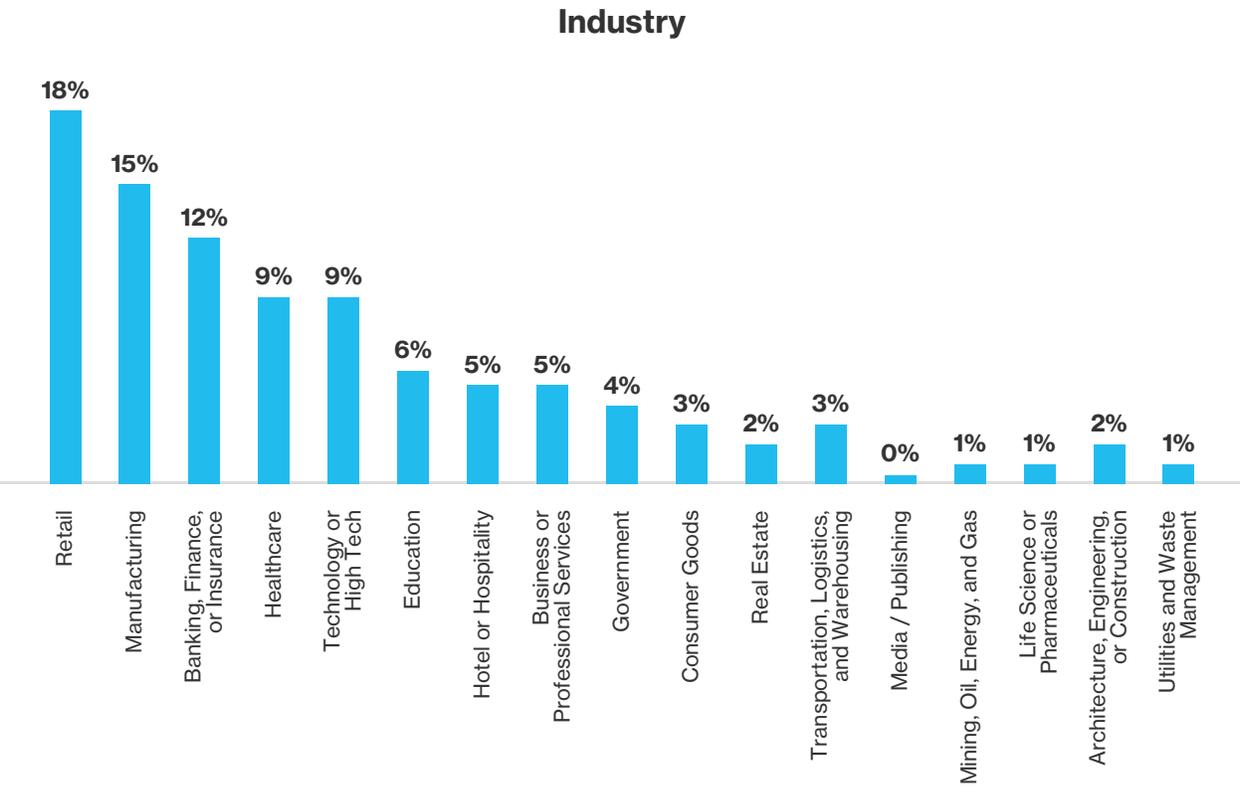


This research illuminates the distinct opportunities available to both benefits advisors and data analytics solutions in 2021. Employers are demanding support, insights, and measurement strategies to help them balance their growing list of priorities. They are busy, and the COVID-19 pandemic just added to their already-full plates. Brokers, consultants, and data analytics tools are poised to provide the solutions employers need to improve employee health/well-being, engagement, and satisfaction.



About the Research

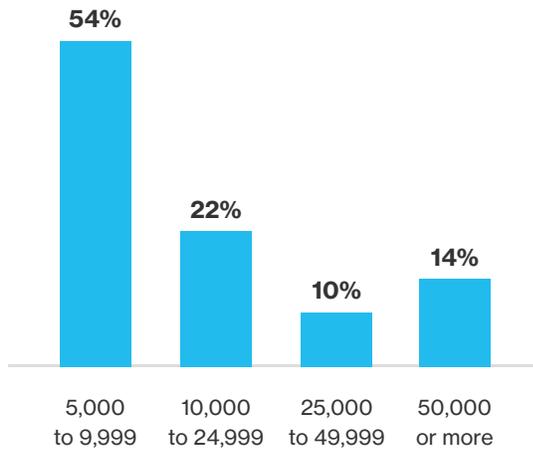
This research study was commissioned by Artemis Health, conducted in partnership with Arizent/Employee Benefit News. It focused on HR and Benefits leaders at self-insured employers with at least 5,000 employees. Responses were collected from 301 benefit leaders from retail, manufacturing, banking/finance/insurance, healthcare, technology, and other industries.



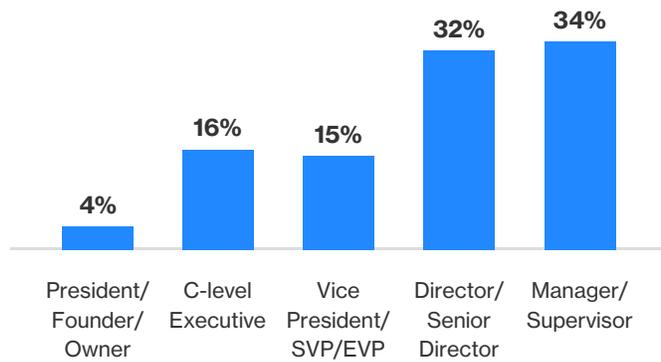
Responses ranged from manager/supervisor level benefits leaders to C-suite and above. The majority of survey participants represented firms in the 5,000 to 9,999 size range.



Size of organization



Position



The study was conducted in October 2020. Wherever possible, the survey data was compared to [Artemis Health's 2019 survey data](#) to show year-over-year changes and trends.

Want to learn more about Artemis Health's benefits data solution?

Get in touch with our team.