

2023 National Benefit Trends Survey

April 2023



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About McGriff

McGriff is a subsidiary of Truist Insurance Holdings, the seventh largest insurance broker in the world*. Truist Insurance Holdings is a subsidiary of Truist Financial Corporation, one of the nation's largest and best managed financial institutions. McGriff provides a full suite of employee benefits programs, consulting, brokerage services, and risk management solutions. The firm's offerings also include commercial property and casualty, corporate bonding and surety services, cyber, management liability, captives and alternative risk transfer programs, small business, title insurance and personal lines.

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About Our Survey

This is McGriff's third annual National Benefit Trends Survey, and this year we continue to focus on the strategies and benefits at the forefront for employers as we navigate the later stages of the COVID-19 pandemic. We heard from 780 employers in all major industries and geographies. 19% of respondents have 500 or more employees, and 35% are self-funded. Key findings from this year's survey include employers investing in professional development opportunities, enhancing benefit offerings, and navigating the right return-to-office strategy for their workforce.

*Source: Business Insurance, July 2022

Key Findings

1

Employee retention again ranks as the top priority of employers in 2023 – but an increased focus on employee engagement (38%), employee learning (38%) and leadership development (39%) are gaining prominence as related strategies to keep talent in house and attract new hires with additional career development resources.

2

Flexible work arrangements remain important and will be a key aspect of employee engagement, productivity, and workplace happiness. 44% of employers have continued with their flexible work policies, with another 24% increasing or planning on increasing work schedule flexibility.

3

The impact of economic conditions on hiring and benefits strategies is important to most employers. When asked about combating future cost increases and/or the expected impact of medical inflation, 64% of companies said they're considering strategies to address it in the next 12 months. Despite these economic headwinds, 74% are either not changing or accelerating their talent acquisition strategy. In addition, 74% of employers are also reporting increased compensation as a key part of their recruitment efforts this year, up from 70% in 2022 who said the same.

4

Remote and hybrid work arrangements vary among employers in different industries, but a sizeable portion of employers report having more remote employees than before the pandemic. Employers are looking for the right combination of remote and in-office work to maintain their company culture and maximize employee productivity and happiness. 40% of all employers reported implementing a hybrid work strategy, with 84% requiring two or more days in the office per week.

5

Telemedicine/Virtual Health remains an important component in employer's health plan strategy. 78% of employers now include it in their offerings, an increase of 2% from 2022. In addition, 24% either increased benefits in this area in the last 12 months or plan to do so soon.

6

Support for employee mental health is another area of increased interest for employers of all sizes. Similar to 2022, 34% of employers have recently increased or plan to increase their offerings in this space. It is not a one-size-fits-all solution, so it is critical that employers provide access to a range of mental health-related resources.

7

Voluntary Benefits are an increasingly important piece of the benefits puzzle for employers. Offering a broad selection of voluntary benefits allows employers to meet the needs of a multi-generational workforce. For the third consecutive year, a double-digit percentage of employers have either increased or are planning to increase benefits in this area. More employers are offering traditional voluntary products such as accident (63%) and critical illness benefits (50%) than last year. And the same is true for emerging benefits like pet insurance (10%) and tuition assistance (36%).



Top HR Concerns and Initiatives

How important are the following items to your organization?

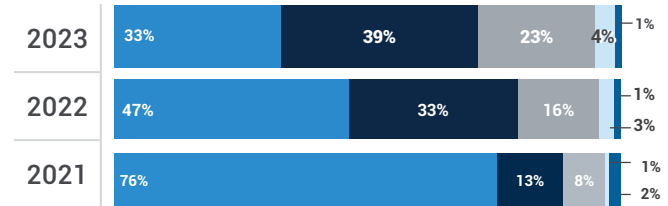
Employee retention, medical benefit costs, and compliance with current regulations are the top issues for employers.

● Very Important
 ● Important
 ● Neither Important or Unimportant
 ● Unimportant
 ● Very Unimportant

Compliance With Current Regulations



Managing Pharmacy Costs



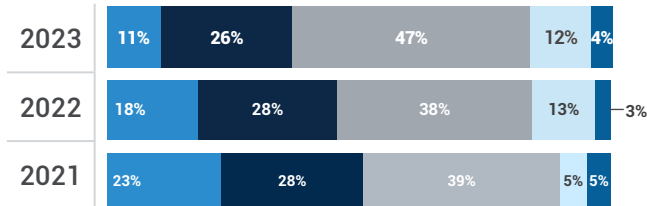
Controlling Medical Costs



Recruiting Employees



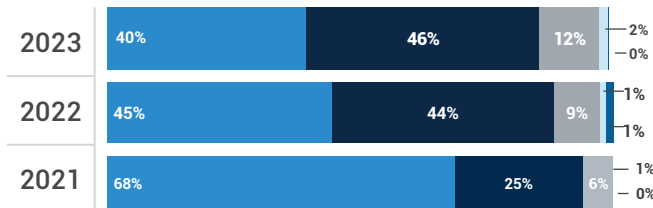
Low Participation in Benefits



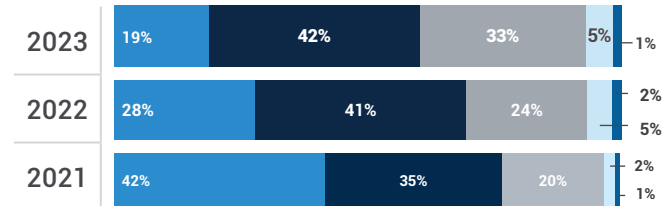
Retaining Employees



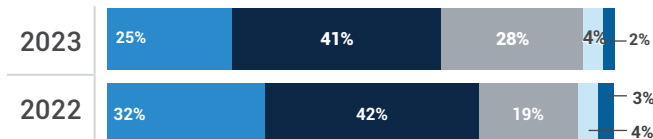
Effective Communication and Education of Benefits



Technology Systems Related to Benefits



Cost Effectiveness of Retirement Benefits



McGriff uses a proprietary program to create metrics to better quantify benefit plan performance. **McGriff MORE Insights™** is designed to transform a company's employee benefits program from a corporate expense to a competitive advantage by improving selection, design, management and engagement.



Recruitment and Retention



Leadership Development



Employee Engagement and Learning & Development

Recruiting (51%) and retention (59%) remain the top two areas of focus for HR teams across the country. But, after several years with an intense focus in these areas, HR teams are now increasing their efforts to engage and develop their workforce. The proportion of employers indicating that **leadership development** is one of the three most important initiatives this year has increased from 30% in 2022 to 39% this year. This is closely followed by 38% of employers who cite **employee engagement** as a top-three initiative, and another 38% who include **employee learning and development** in their top-three ranking. All three areas will ultimately lead to better retention.

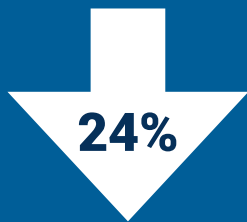
As a part of Truist Financial Corporation, McGriff and our customers have access to the **Truist Leadership Institute**. The Truist Leadership Institute combines expert insight with lessons learned throughout its 60-year history of leadership development. To learn more, visit www.truistleadershipinstitute.com.

Recruitment and Retention Strategies

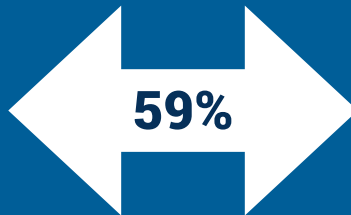
This is the second consecutive year we've asked for more specifics on how organizations are attacking their recruitment and retention goals with compensation, perks, and benefits strategies.

High inflation can have a significant impact on a company's hiring strategy because it can increase labor costs, making it more expensive for companies to hire and retain employees. Despite these recent headwinds, 74% of employers are either not changing or accelerating their hiring strategies.

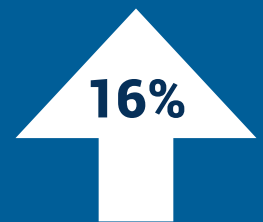
Have recent economic conditions led to a change in your organization's hiring strategy?



Yes, we have
slowed our hiring



No, we have not had a
material change in our
talent acquisition strategy



Yes, we have
accelerated our hiring

Recruitment

The levers employers are using to attract new talent are similar to last year, but almost all of the strategies below are now more widely utilized.

What strategies have you used in the past 12 months to help recruit employees?

Strategies	2022	2023
Increased Compensation	70%	74%
Improved the employee on-boarding process	39%	39%
Additional perks or benefits	31%	35%
Sign-on bonuses	28%	29%
Additional PTO or vacation	22%	25%
Adjustment to the traditional 40-hour work week	22%	19%
Enhanced retirement benefits	N/A	9%

Retention

What strategies have you used in the past 12 months to help retain employees?

By investing in initiatives to improve employee retention, human resources departments can help ensure that the organization retains its top talent and maintains a competitive edge in the marketplace. Retaining employees also helps to create a positive workplace culture and foster employee engagement, which can increase productivity and job satisfaction. Like recruitment, retention strategies are similar to last year, but with a greater focus on professional development opportunities and resources. This coincides with what employers said about their overall workforce strategy for 2023.

Strategies	2022	2023
Committed to ongoing flexible work arrangements and policies	46%	44%
Increased focus on professional development opportunities and career paths	32%	40%
Additional perks or benefits	35%	39%
Off-cycle salary increases	39%	38%
Investing in employee professional development	23%	28%
Additional PTO or vacation	22%	26%
Adjustment to the traditional 40-hour work week	25%	20%
Offered retention bonuses	13%	19%
Formalized boundaries around work/life balance and working hours	13%	14%



The Future of Remote Work

Certain industries such as manufacturing, healthcare, or construction require employees to be physically present to do the job. But for many employers with an office-based workforce, return to office has been a closely watched societal trend in the past few years. It's all led to the emergence of an increasingly popular strategy – the hybrid workplace. A hybrid work arrangement is typically described as the flexibility to work in the office some days and remotely on other days. The application and implementation of hybrid workplaces varies widely among employers. With 25% of all employers and 35% of large employers (over 500 employees) expecting to have more remote or hybrid workers now than before the pandemic, many are wondering what the optimal strategy for their organization should be.

Do you expect that your organization will have more employees working remotely in 2023 than before the pandemic (i.e. 2019)?

● All Employers ● Large Employers

Yes, we expect to have more remote or hybrid workers now than before the pandemic

25% **35%**

No, we expect to have the same number or fewer remote workers now than before the pandemic

75% **65%**

Would you consider your remote workforce strategy to be hybrid, or full-time remote work?

Our remote workers have a hybrid working arrangement

40%

Our remote workers are full-time remote

16%

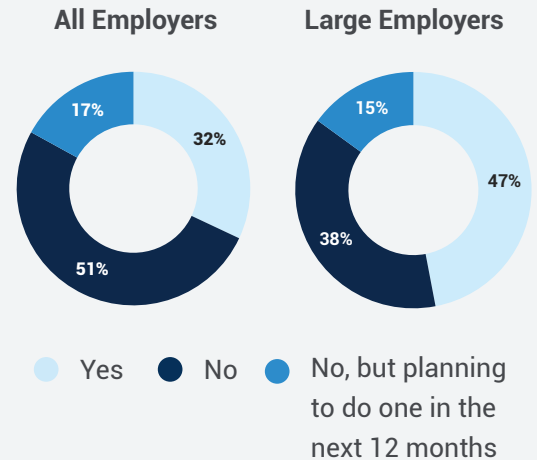
We do not have a remote workforce

44%

Employee Engagement

To address the needs of an ever-changing workplace environment, many employers have turned to the engagement survey as a tool to help with these efforts. The survey can gather insights on employee attitudes, opinions, and perceptions regarding various aspects of their job, such as workplace culture, leadership, communication, and work-life balance. These insights can be crucial in designing a benefits program that is valued by employees. With 32% of all employers saying that they administer an employee engagement survey, and another 17% planning to do so in the next 12 months, more employers are listening to the needs of their employees so that they can place value on the things that will mean the most.

Does your organization administer an employee engagement survey?



For employers who have a hybrid work arrangement, 84% said they expect workers to be in the office more than one day per week. Employers are using a variety of strategies to determine which days these hybrid workers are in the office, with 37% setting the expectation for specific days each week and 40% allowing hybrid employees to choose their in-office days. About a quarter of responses indicate that hybrid schedules are determined by specific department needs or at the discretion of local managers.

Staying connected and maintaining a sense of company/organizational culture is essential to the success of any company, and those with a remote workforce must be intentional when thinking about these goals. Most companies with a remote or hybrid workforce use a combination of strategies to aid in these efforts. Some of the most common approaches include regular virtual check-ins that require staff to be on camera (47%) and using a hybrid work environment to help promote the connection among staff on the days when they're in the office (48%).

Is your organization doing anything specific to build and maintain culture and connectivity with your remote workforce?



48% have a hybrid work environment where employees are expected to be in the office a certain number of days per week



47% have regular virtual team check-ins that require staff to be on camera



39% require periodic in-person gatherings (e.g., quarterly all-employee meetings)



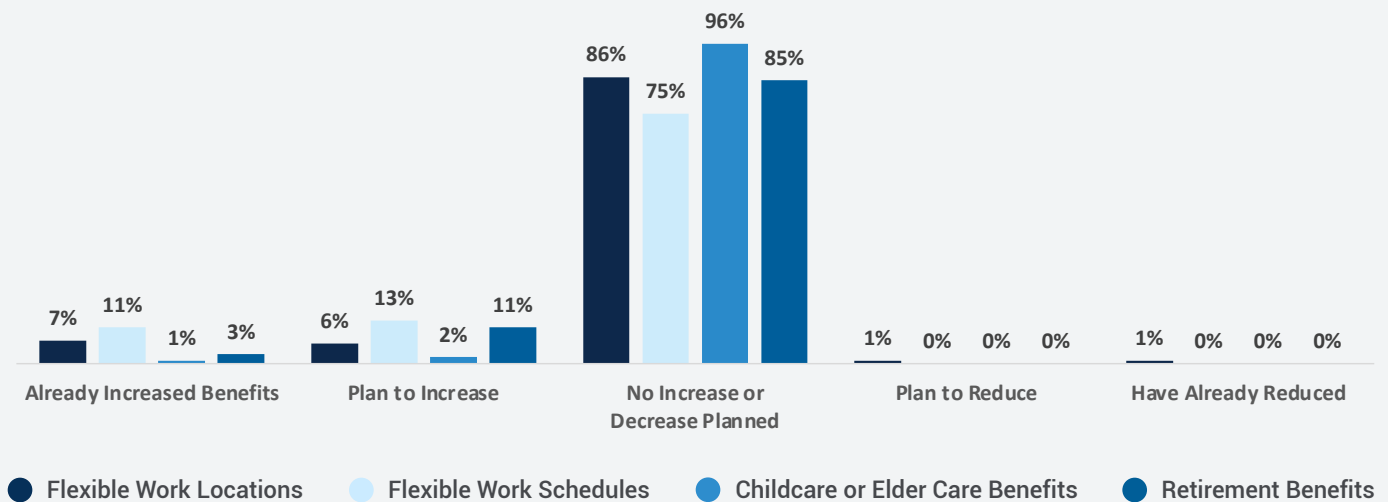
32% have manager led in-person team gatherings



2023 Benefits Landscape

Benefit Changes in 2023

It's clear that as we move into the fourth year of living with COVID-19 and its after effects – workplace and work schedule flexibility is going to be an integral part of how employers achieve their human capital goals in 2023 and beyond. As we saw previously, for many employers this means a drastic increase in remote workers compared to the same time in 2019. Naturally, it follows that very few employers are thinking about reducing benefits in these areas in 2023.



What benefits do you have in place to help employees with childcare?

Category	
Flexible work hours or schedule	39%
Sponsoring a dependent care FSA	19%
Additional sick time (family sick leave)	9%
Access to back-up childcare benefits	2%
Direct financial support for childcare	1%
Offering tutoring support/benefits for school-age children	1%
Offering a caregiver pay benefit	0%
Other	12%

Results show that although employers are not increasing childcare benefits specifically, many see work schedule flexibility as the best way to meet the needs of their workforce in this area. Of the 56% of employers who said they have at least a portion of their workforce in a remote or hybrid environment, many said this work schedule flexibility also helps address unexpected childcare needs.

Economic Impact on Medical Benefits

The high inflationary environment in the United States during the latter half of 2022 and into 2023 has had far-reaching impacts, including healthcare. In contrast to the labor market, healthcare costs tend to increase at a faster rate than overall inflation. However, the complex nature of healthcare pricing, provider contracting, and reimbursement would suggest that inflation's full effects have not yet been felt by the healthcare consumer and employer-sponsored health plans. There are several things that an employer can do to mitigate expected cost increases, and 63% said they were considering one or more of these strategies in the next 12 months.

80%

of employers offer more than one medical plan option for their employees

45%

of employers either self-fund or level-fund their medical plan

38%

of employers are self-funded and carve-out their pharmacy benefits

Have you implemented or are you considering any of the following strategies to combat expected future cost increases and/or in anticipation of medical inflation in the next 12 months?

28% are changing medical carriers

28% implemented new targeted programs to control costs

13% are requiring high out-of-pocket costs for certain low-value service or sites of care

21% shifted more costs to employees via increased medical plan contributions

18% shifted more costs to employees via plan design changes

When asked for more specifics, the most common strategies cited were increasing employee cost shares and copays. But even with these responses, 96% of employers were either maintaining current benefits or planning to increase medical benefits.

What plan design changes are you considering in the next 12 months?

Category	
Implementing or promoting a consumer driven health plan (CDHP)	39%
Increasing deductible, coinsurance or maximum out-of-pocket	9%
Increasing copays	2%
Implementing or promoting a narrow network plan	1%
Other	0%

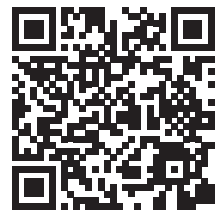
96%

of employers were either **maintaining** current benefits or **planning to increase** medical benefits.

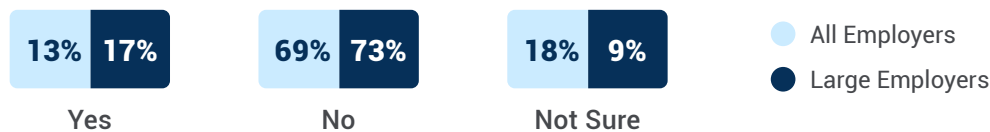
Pharmacy Trends

Employers can promote meaningful change in their employees' lives and pockets with the right strategies surrounding pharmacy benefits. One simple way to do this is to help employees and their family members at the point of sale – oftentimes at a lower cost than a traditional pharmacy plan. Drug discount card sponsors will often negotiate aggressive pricing that is much better than typical coverage through insurance on certain medications, so it can be advantageous for members to shop around for the price on their particular medication. Patients should be aware, however, that claims processed through a drug discount card do not typically count toward their deductible and should balance that against any savings they may receive versus using their employer provided prescription coverage.

McGriff's Drug Discount Card is available to consumers at no cost. Scan the QR code to download your card. [Click here](#) to read more details.



Do you offer your employees a discount card for point-of-sale prescription drug discounts?



Specialty Rx Trends and Strategies

The rising cost of specialty medications, which typically constitute 1-2% of all prescriptions, but drive over 50% of the total cost, has increased the focus on carving out specialty drugs and employing other strategies to lower costs. Some emerging strategies include working with a specialty carve-out vendor, leveraging manufacturer assistance programs, international procurement, and foundation support. As these tactics become more common and, when combined with preference for lower cost biosimilars and ensuring prior authorizations between pharmacy and medical benefits are aligned, employers can effectively control specialty drug spend.

Which of the following methods is your organization currently using to manage specialty pharmaceuticals?

Methods	All Employers	Large Employers
Prior authorization for specialty medications billed under the pharmacy benefit	36%	53%
Prior authorization for specialty medications billed under the medical benefit	23%	35%
Carved out specialty pharmacy program	22%	22%
Case management or medication coaching programs	22%	29%
Approval for only a limited supply	18%	23%
Lower cost tier for biosimilars	9%	17%
Requiring a biosimilar to be attempted first when it is available	9%	14%
Excluding specialty drugs from your formulary	8%	10%
Site of care management	5%	9%
International procurement strategies	4%	3%
Direct contracting with manufacturers	3%	3%

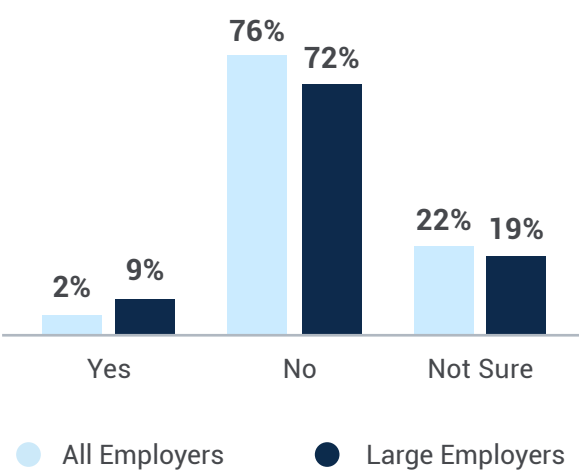
Gene therapies, which allow patient-specific targeting for their disease state, are a growing focus for pharmaceutical companies. Unlike traditional drugs, gene therapies modify a patient's cells to replace or repair damaged or missing genes. Treatments have been released or are under development for cystic fibrosis, hemophilia, muscular dystrophy and a rare genetic disorder that causes blindness if untreated, among others. Due to the complexity of developing and delivering these medications, they can be outrageously expensive with prices over \$1 million not being atypical. Despite their cost, however, some gene therapies are proving to be almost miraculous in their ability to cure diseases for which no previous therapy was available. We do not see the focus on gene therapies slowing down and, in fact, will likely accelerate, making it imperative that self-funded insurance plans have adequate stop-loss protection when considering coverage options.



Does your organization currently cover, or are you considering gene therapy coverage?

Responses	All Employers	Large Employers
Yes, under the medical benefit	4%	10%
Yes, under the pharmacy benefit	0%	0%
Yes, under both our medical and pharmacy benefit	1%	3%
Yes, as a capitated benefit	0%	2%
No, but we are considering coverage for gene therapy in the next 12 months	5%	12%
No, and it is not under consideration	89%	74%

Does your organization purchase additional stop-loss coverage specifically for gene therapies?

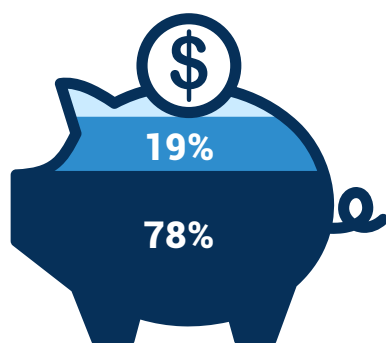


Many employers are also keenly aware of the fact that medical benefits are a key part of the value proposition to their entire workforce, including lower wage workers.

More than **one in five** employers either already provide or are considering providing lower-cost medical plan employee contributions for these lower wage workers.

Does your organization provide lower cost medical plan employee contributions for lower wage workers?

● Yes
 ● No
 ● No, but we're considering it in the next 12 months

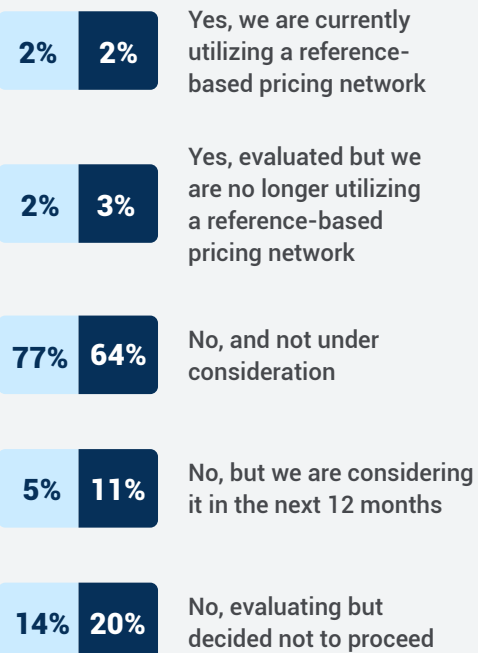


Reference-based Pricing

The most common reference-based pricing strategies employ a network-based cost control approach where reimbursement limits are set on certain “shoppable” procedures or services. Proponents of the strategy tout the potential for lower healthcare expenses and higher employee engagement in healthcare decisions. Detractors refer to the complexity of administration, provider disruption, and the potential for balance billing. This year’s responses indicate a similar percentage currently using a RBP approach, but **14% of all employers** said they evaluated a program and decided not to proceed. This is up from the 8% last year who said the same.

Have you ever participated in a reference-based pricing network arrangement?

● All Employers
 ● Large Employers



Alternative Funding

Among self-funded respondents, we asked if they too have explored additional medical funding strategies.

Do you participate in a captive for your organization's medical plan?

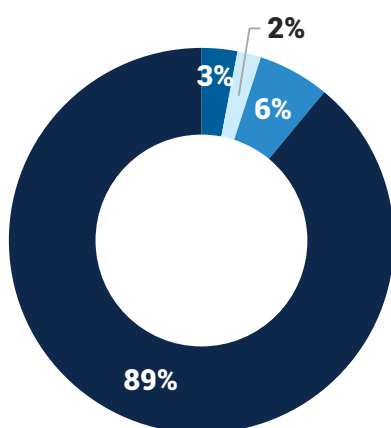
Responses	All Employers	Large Employers
Yes, we are currently in a captive arrangement	7%	6%
Yes, but we are no longer in a captive arrangement	2%	3%
No, but we are considering it in the next 12 months	1%	0%
No, and not currently under consideration	22%	27%
No, evaluated but decided not to proceed	14%	17%
No, I'm not familiar with captives	53%	47%

Individual Coverage HRAs

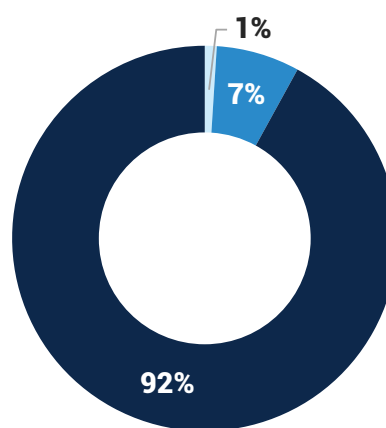
Another alternative funding strategy that has been around for the past few years is something called an Individual Coverages Health Reimbursement Arrangement (ICHRA). We asked employers in this year's survey if they have looked into this strategy for their employer's healthcare procurement. While not widely adopted, 10% say they either currently utilize an ICHRA or are considering doing so in the next 12 months. Results indicate that this strategy is more likely to be used by employers with fewer than 500 employees.

Do you currently, or are you considering an individual coverage HRA (ICHRA) for your medical plan funding strategy?

All Employers



Large Employers



- Yes, we currently fund an ICHRA for all employees
- No, but we are considering it in the next 12 months
- Yes, we currently have one for a limited segment of the population
- No, it is not under consideration



Virtual Health and Telemedicine

Virtual health and telemedicine offerings continue to be at the forefront of post-pandemic benefit offerings for employers. 78% of employers say they include virtual health/telemedicine, a 2% increase from 2022. In addition, 24% either increased benefits in this area in the last 12 months or plan to do so in the near future.

Benefits	Already Increased Benefits	Plan on Increasing	No Increase or Decrease Planned	Plan to Reduce	Have Already Reduced
Virtual Health/Telemedicine Benefits	12%	12%	76%	0%	0%



Our virtual health/telemedicine program is only for primary care and minor, acute services

All Employers: 63% | Large Employers: 74%



Our organization does not offer a virtual health/telemedicine benefit

All Employers: 22% | Large Employers: 5%



In addition to primary care, our virtual health/telemedicine program includes some specialty services

All Employers: 15% | Large Employers: 21%

Are any of the following specialty services offered through your organization's virtual health/telemedicine offering?



Behavioral/Mental Health

All Employers: 73% | Large Employers: 78%



Cardiology

All Employers: 17% | Large Employers: 13%



Dermatology

All Employers: 27% | Large Employers: 43%



Endocrinology

All Employers: 11% | Large Employers: 13%



General Wellness

All Employers: 61% | Large Employers: 57%



Nutrition Counseling

All Employers: 37% | Large Employers: 30%



Physical Therapy

All Employers: 17% | Large Employers: 22%



Pulmonology

All Employers: 8% | Large Employers: 9%



Sleep Management

All Employers: 17% | Large Employers: 17%

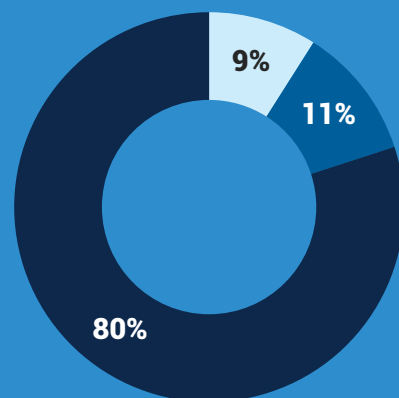
Among those that offer specialty services, the most popular are virtual programs for behavioral/mental health (73%) and general wellness (61%).



Voluntary Benefits

Unlike core benefits such as health insurance and retirement plans, voluntary benefits are typically offered at no cost to the employer and allow employees to choose from a range of options that can include everything from pet insurance to critical illness coverage. By offering voluntary benefits, employers can demonstrate their commitment to their employees' well-being and provide a more comprehensive benefits package that can help attract and retain top talent. Additionally, voluntary benefits can help employees offset the cost of unexpected expenses or healthcare services not covered by their core benefits, which can improve overall job satisfaction and engagement. The results of this year's survey are consistent with last year, with 19% of employers telling us in 2022 that they either already increased or will be increasing voluntary benefits.

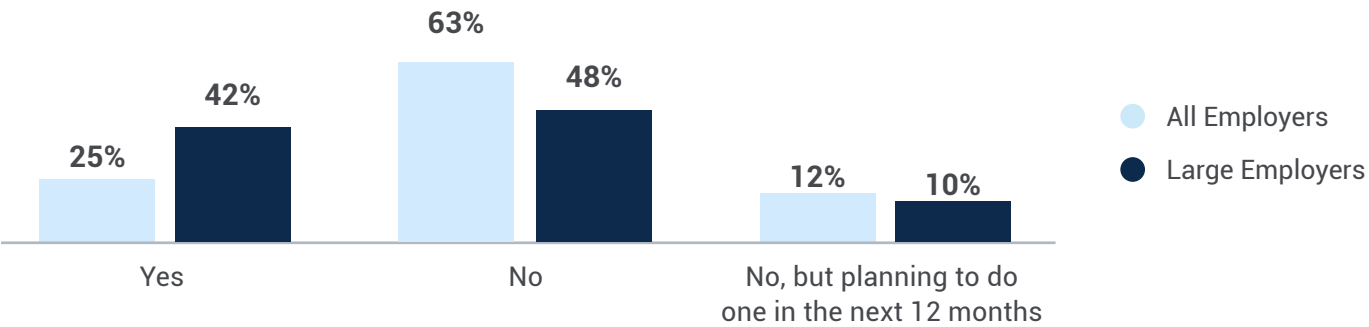
Has your organization made changes or are you planning to make changes to benefit offerings in the following areas?



- Already Increased Benefits
- Plan on Increasing
- No Increase or Decrease Planned

Diversity, Equity & Inclusion

DEI policies continue to evolve at companies of all sizes, with large employers leading the way in terms of meaningful actions. One quarter of all employers in our survey have a formal Diversity, Equity and Inclusion policy, up from 21% last year. An additional 12% are looking to add one in the next 12 months. These numbers are dramatically higher among large employers, with 42% reporting that they have a program, up from 34% in 2022. This includes 73% of employers with 5,000 or more employees.



Medical Travel Reimbursement

In June of 2022 the landmark U.S. Supreme Court ruling in *Dobbs v. Jackson Women’s Health Organization* returned the decision on whether to allow or restrict abortion to the states. As a result many employers started to think about their own policies for such procedures. McGriff ran an instant insights survey later that month to gain insight into how employers were reacting in the moment to the implications of the *Dobbs* decision on their benefit plan offerings. Now that we are several months removed from the decision, we circled back in this year’s survey to get an update on what employers are doing.

Is your organization considering covering the cost of travel expenses for employee access to medical care that is not available in their geographic location?

Responses	All Employers	Large Employers
Yes, we currently have such a policy	4%	11%
Yes, we are considering implementing such a policy	4%	7%
No, and it is not under consideration	92%	82%

It is much more likely for larger employers to have considered or implemented such a policy, perhaps due to the likelihood that they have employees in multiple states.

126 miles

Average distance an employee would have to travel in order to receive benefits

\$5,000

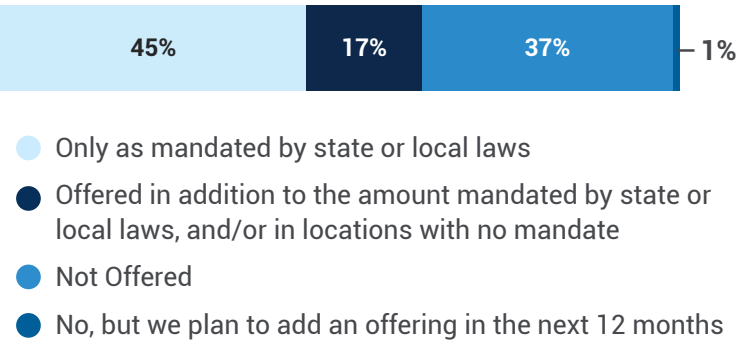
Average maximum dollar amount eligible for reimbursement

Employee Leave

One thing that employers can do to enhance DEI efforts as well as the overall employee experience is to **'meet employees where they are'**. This can mean any number of things, such as meaningful benefits, employee-friendly policies, and targeted communication strategies.

Related to this sentiment, there has been an increased focus recently in family leave plans and policies.

Does your organization offer paid family leave?



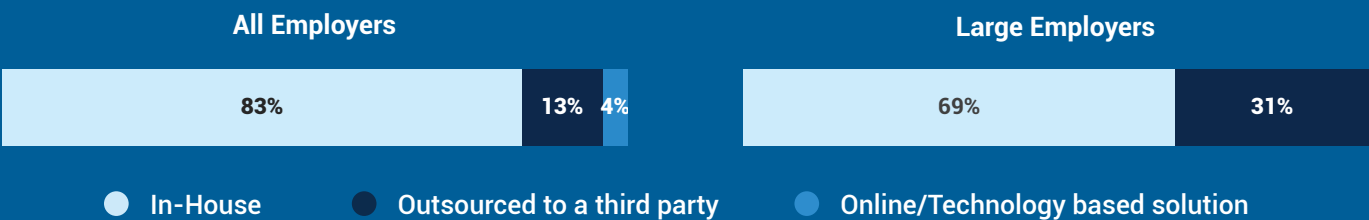
Maximum amount of paid leave given out (not state/local mandated)



Benefits	Already Increased Benefits	Plan on Increasing	No Increase or Decrease Planned	Plan to Reduce	Have Already Reduced
Sick Leave	3%	6%	91%	0%	0%
Vacation or Paid Time Off	7%	11%	81%	0%	0%

As employers increasingly look outside their own geographic area for the talent they need to perform certain job functions, leave policies have become more complex.

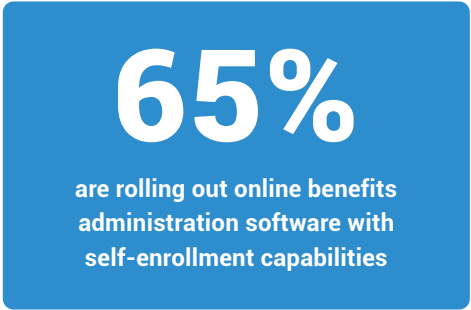
How does your organization administer your leave plan?



With the varying complexities and requirements from different state and local municipalities, it can be difficult for internal teams to manage themselves and stay in compliance with these regulations. The results of our survey indicate that the larger the employer, the more likely they are to enlist outside experts to help with this process – with 31% of large employers outsourcing leave administration compared to 13% of companies overall.

Employee Benefits Communication and Technology

The way that employees engage with their benefits can make or break the perception of their value. Continuing the theme of meeting employees where they are, both physically and technologically, a sound and well-connected benefits administration strategy in tune with the needs of your workforce is essential. Many employers are rolling out online benefits administration software with self-enrollment capabilities (65%) and offering decision support tools (24%) to help employees make their elections.



Mobile apps are also becoming more popular – with 58% of all employers offering an app for at least one function (69% of large employers).



Accessing and understanding the healthcare system in the United States can be challenging. To address healthcare illiteracy and provide an additional layer of support to employees, many employers are offering health navigation and health advocacy services as a supplemental benefit. When we asked employers about this, 41% said they have an offering or are considering it, with this proportion increasing to 56% among large employers. By providing access to these services, employers can help their employees navigate the complex healthcare system, make informed decisions about their care, and ultimately improve their health outcomes.

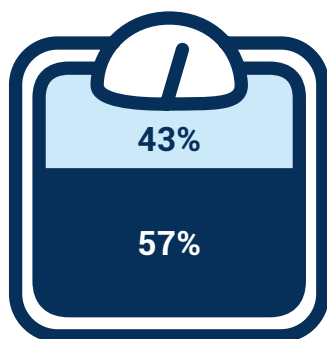
Does your organization offer a health navigation or advocacy service for your employees beyond the health plan's standard offerings?

Responses	All Employers	Large Employers
Yes, digital service	1%	0%
Yes, telephonic service	12%	19%
Yes, both telephonic and digital service	14%	24%
No, but we are considering it	14%	14%
No, and we are not currently considering it	59%	44%

Wellness and Well-being

Reduced healthcare spend is not the only potential cost-savings benefit from comprehensive health promotion programs. Wellness programs can offer an excellent value proposition for employees to actively engage in their health and well-being as a primary means to a healthier and happier life. Savings can also result from decreases in absenteeism and improved productivity, retention, and recruitment.

Do you offer a wellness program for your employees?



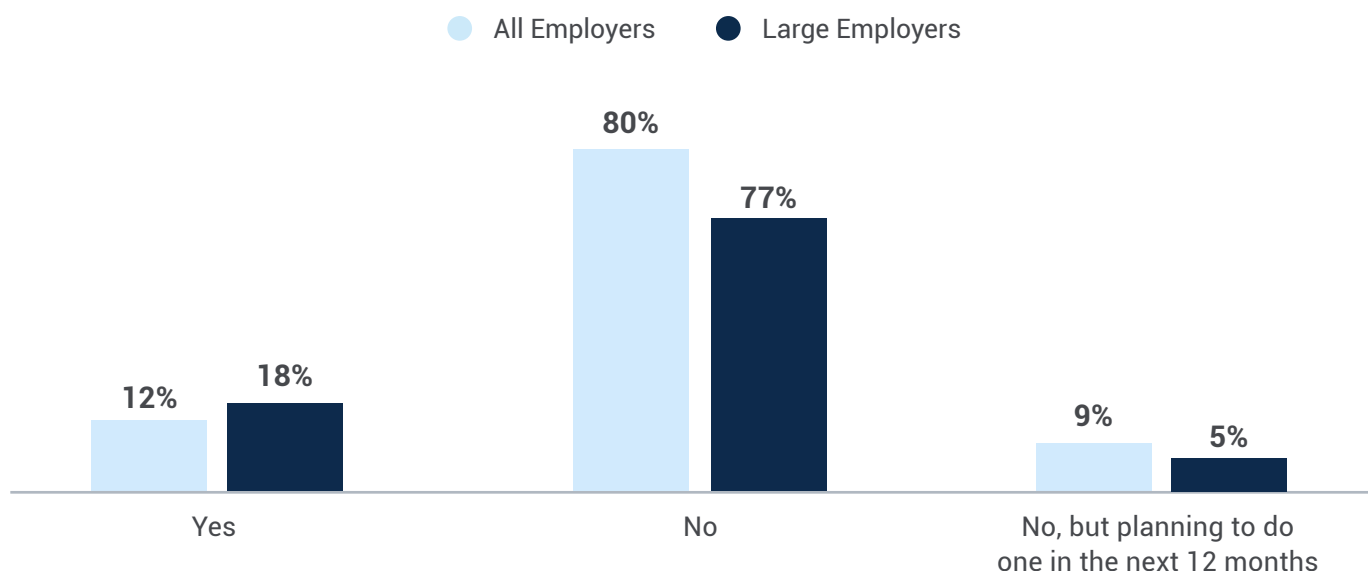
43% say they offer a wellness program for their employees; 57% do not offer one for all employees.

One of the easiest ways for an employer to “dip their toe” into wellness is providing an incentive for employees to get an annual physical, or using a surcharge for members who use tobacco products.

34% ↑

Thirty-four percent of all employers say they provide an incentive to employees – and sometimes spouses – for getting this done, an increase of 4% from last year.

Does your organization have a tobacco surcharge for employees on the medical plan?



What are the key components of your organization's wellness plan?

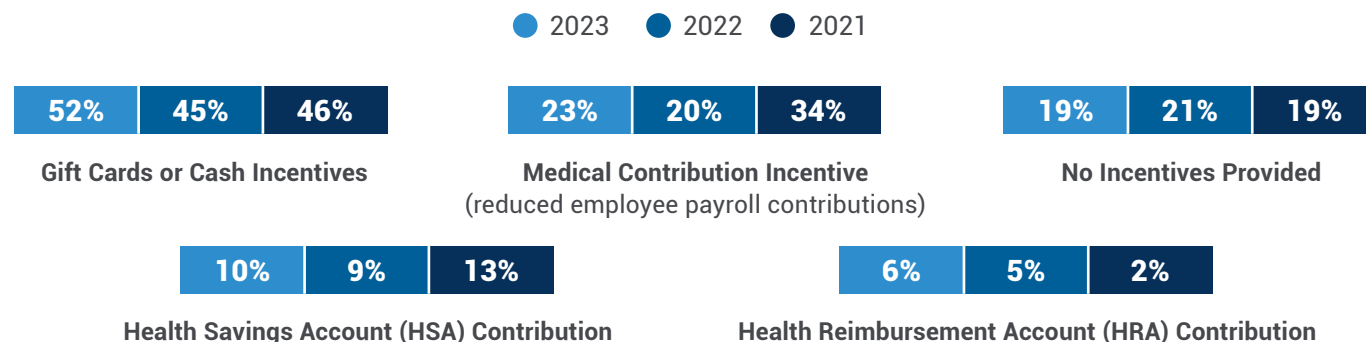


McGriff has a unique wellness offering through **Peak Health**, intended to help employers gain better control of their wellness costs and benefits by helping employees make health improvements that decrease risks, reduce costs, and improve outcomes. Peak Health is a health behavior change program which blends the clinical power of on-site registered nurses with data-driven insights to provide risk assessments, coaching, and wellness navigation. To learn more about a real-life success story, download this [Peak Health Case Study](#).

81%[↑] offer some sort of incentive to participate in their wellness offering.

Gift cards, cash incentives or other rewards are again the top choice for rewarding wellness participation and progress and account for 52% of plans this year, an increase of 7% from 2022. The number of employers with no incentive attached to their wellness plan remains at around 1 in 5 – the same as last year.

How are employees incentivized to participate in your organization's wellness plan?



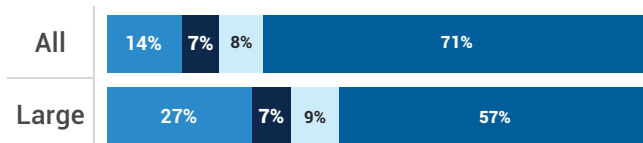
Mental Health and Well-being

In addition to physical health, employers can play a considerable role in supporting the mental health of their employees. Poor mental health can have a far-reaching impact on overall engagement and productivity and ultimately the success of a business. In recent years, employers have taken notice and are enhancing their offerings in this area. It is not a one-size-fits-all solution, so it is critical that employers provide access to a range of resources that employees can utilize to improve their mental health. If done right, investing in these resources and enacting the right policies can support a positive workplace culture, allowing employees to thrive in their personal and professional lives and promoting a happier and more productive workforce.

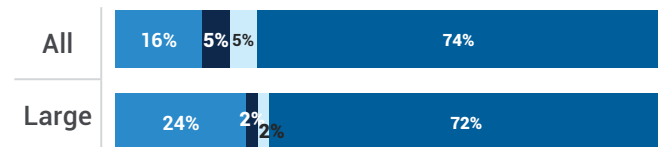
Benefits	Already Increased Benefits	Plan on Increasing	No Increase or Decrease Planned	Plan to Reduce	Have Already Reduced
Emotional Health or well-being programs	10%	24%	66%	0%	0%

● Already in place
 ● Planning to add in 2023/2024
 ● Considering for 2025
 ● Not Currently Considering

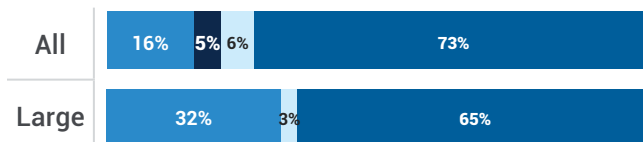
Offering free access to a well-being mobile app (Headspace, Unmind, Calm, etc...)



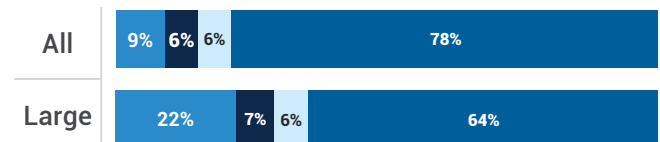
Adding a specific network for mental health providers



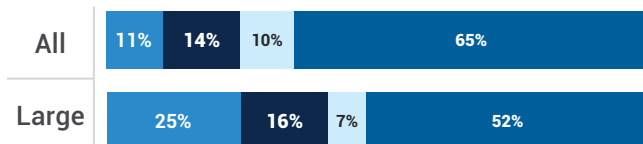
Providing digital health coaching for mental health conditions



Implementing a company-wide mental health anti-stigma campaign



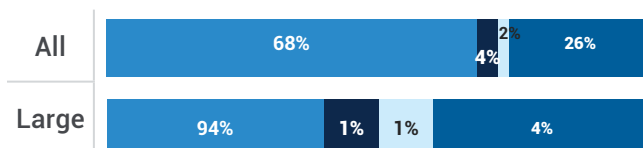
Providing managers/supervisors with training on mental health/substance abuse issues in the workforce



Implementing well-being leave allowances



Offering an Employee Assistance Program (EAP)



Offering lower copays for medications treating mental health conditions



Trends in Consumerism for Healthcare

Promoting healthcare consumerism in the workforce is not only about cost containment. It can aid in healthcare transparency by encouraging employees to take a more active role in their healthcare decisions, ultimately leading to better outcomes. Among our survey respondents, more employers are focused on healthcare consumerism – evidenced by new tools and strategies – than last year.

23%↑

have decision support tools available to employees

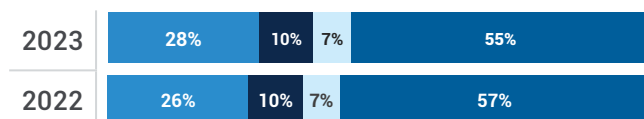
28%↑

provide employees access to cost transparency tools

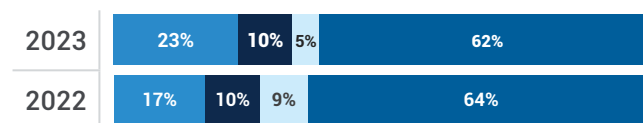
Have you implemented any of the following strategies to encourage greater employee consumerism?

● Already in place ● Planning to add in 2023/2024 ● Considering for 2025 ● Not Currently Considering

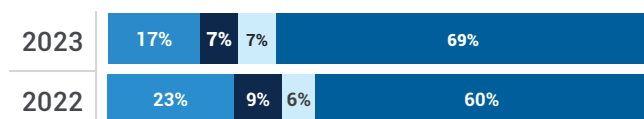
Providing employees access to cost transparency tools to become better healthcare shoppers



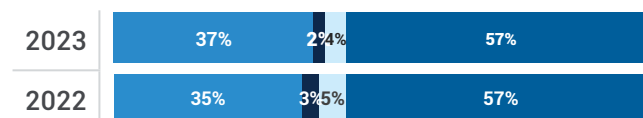
Enhancing decision support tools available for employees



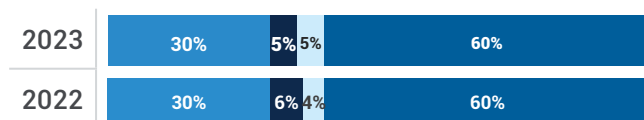
Utilizing programs to encourage employees to access lower cost sites of care



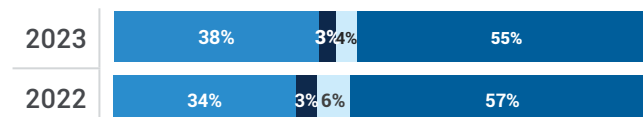
Adding a consumer-driven health plan option



Incentivizing employees to enroll in a High Deductible Health Plan (HDHP)



Providing employer contributions to an HSA



Additionally, 38% of all employers are providing employer contributions to a Health Savings Account, compared with 34% in 2022.

The average employer HSA contribution for employee-only coverage is **\$821**; family coverage is **\$1,378**.

Primary Care Solutions

Primary care providers serve as the first point of contact for patients and are equipped to address a wide range of health concerns, including preventive care, acute illnesses, chronic conditions, and mental health needs. By focusing on prevention and early intervention, primary care can help individuals avoid more costly and complex health issues later on. Additionally, strong primary care systems are associated with better health outcomes, lower healthcare costs, and greater equity in access to care. It makes sense then that employers are looking for ways to make primary care more accessible to their employees. This year our results are similar to those from 2022.

Does your organization utilize any of the following advanced primary care solutions or do you plan to in the next 24 months?



On-site/Near Site Clinics

2023: 17% | 2022:18%



Narrow Network for Primary Care

2023: 9% | 2022:13%



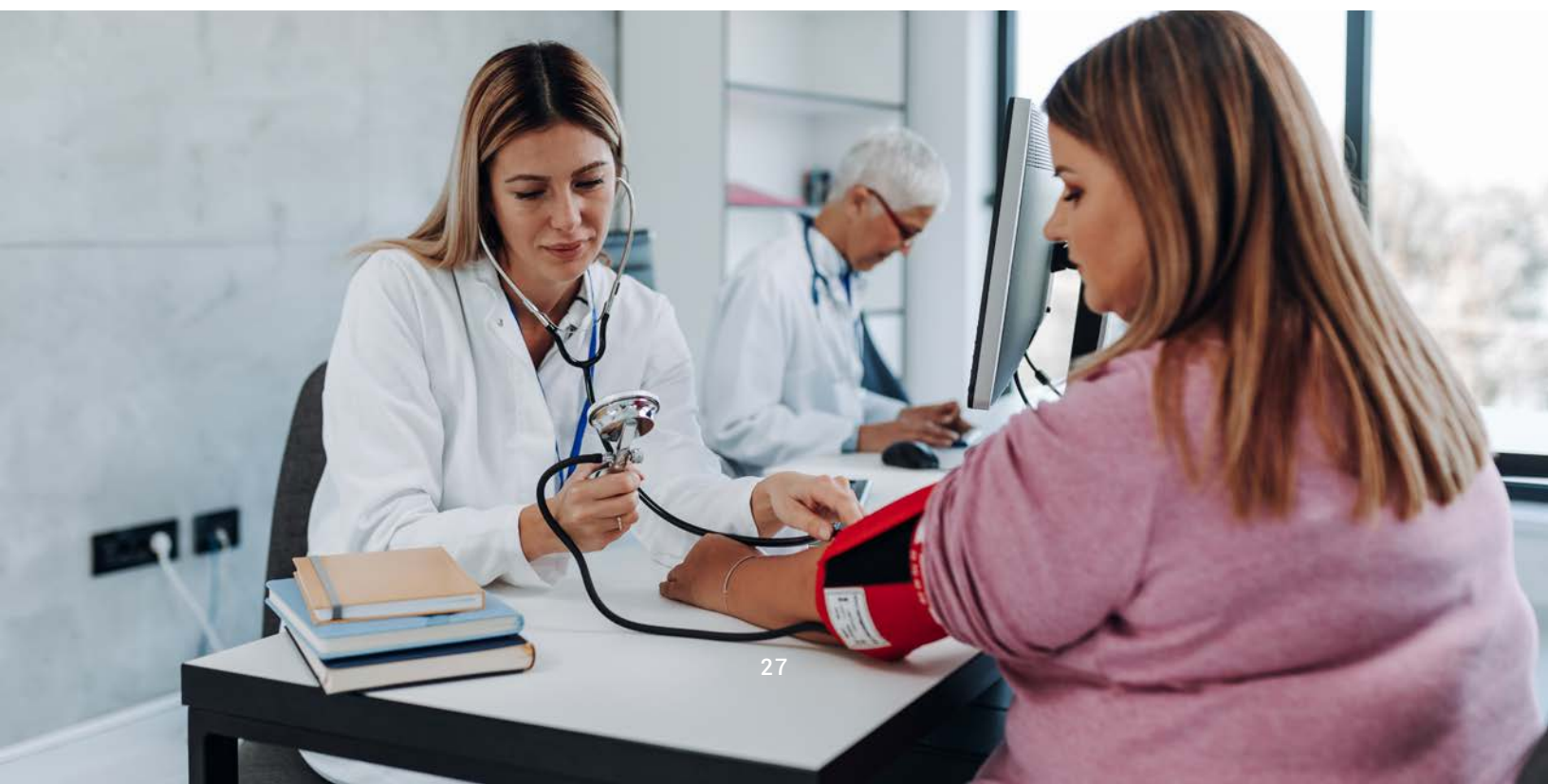
Virtual Primary Care

2023: 53% | 2022: 56%

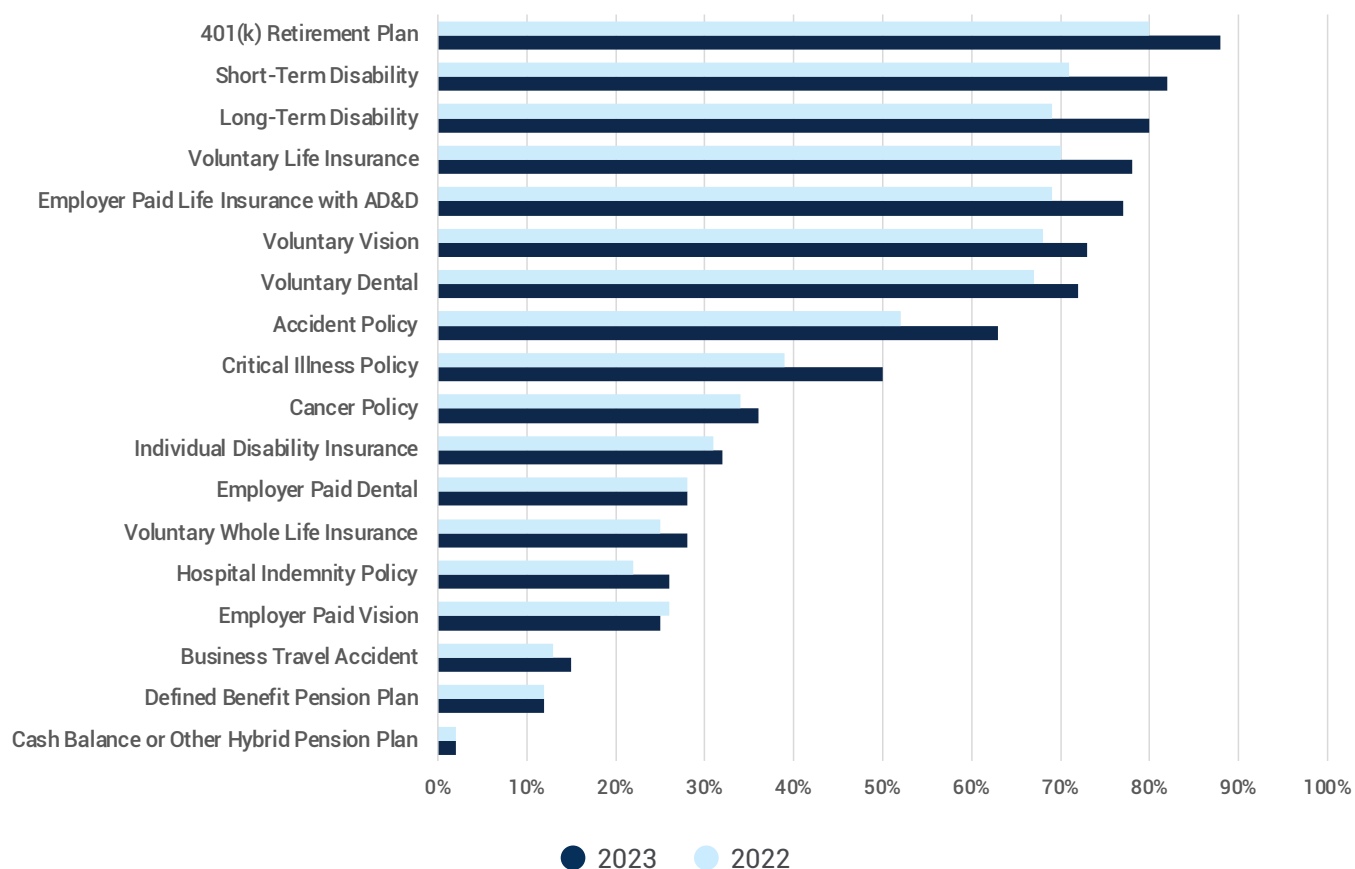


Direct Provider Contracting

2023: 9% | 2022:10%



Which of the following benefit programs does your organization offer?



Does your organization offer any of the following benefits?

Benefits	2023	2022
Tuition Assistance	36%	34%
Management or Leadership Training Program	25%	-
Identity Theft Protection	18%	13%
Workplace Financial Wellness Program	17%	-
Prepaid Legal Services	14%	13%
Pet Insurance	10%	8%
Vacation Purchase	6%	5%
Adoption Assistance	5%	4%
Fertility and Family Planning Benefits	5%	4%
Student Loan Repayment Program	4%	3%
Gender Affirmation Surgery	3%	-
Subsidized Childcare	1%	2%
Lifestyle Savings Account (LSA)	0%	0%

Notes

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