



How employers can maximize employee engagement with benefits in the hybrid work era





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Remote work was a nice-to-have perk for a privileged few until working from home became the only option—the "new normal"—for many employees and companies in 2020. With the aim of safely maintaining productivity, millions began to telecommute to their jobs.

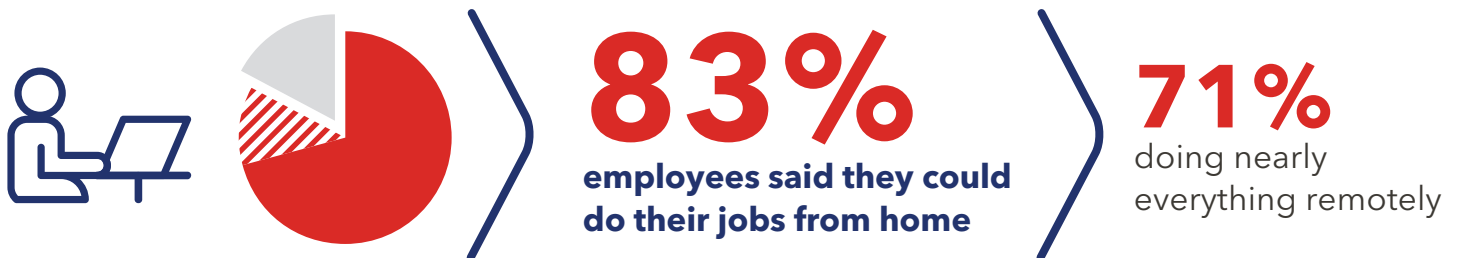
Now, hybrid/remote work has grown from a rare exception to an expectation. And with less time spent personally interacting with employees, employers are facing new challenges in managing hybrid and remote workforces.

The busy season of annual enrollment for healthcare is one area Human Resources (HR) departments and professionals must rethink, especially since benefits have become more complex and employee understanding of those benefits has continued to decline. New strategies and technology solutions must be geared for the hybrid era, including those that provide year-round support with or without face-to-face interaction.

As companies navigate enrollment for this year and beyond, the following insights can help all organizations and employees get more out of the process.

Current State of the Workforce and Employee Engagement

In October 2020, 83% of employees who said they could do their jobs from home were working at least partly at home, with 71% doing nearly everything remotely, according to the Pew Research Center.¹



Today, workplaces have reopened, but remote work remains popular. While fewer employees work entirely from home, there has been a substantial rise in hybrid work, where employees spend some days in the office or worksite and some at home. While only 20% of U.S. knowledge workers—persons whose jobs involve handling or using information—are fully remote in 2023, 51% have hybrid work situations, Gartner reported.²

Remote work enables employees to have more time to care for family and increased schedule flexibility, as lengthy daily commutes to and from the office are no longer required. In a Deloitte survey of financial services employees, 66% of those working remotely at least part of the week noted they would consider quitting if forced to return to the office full time.³ Caregivers, in particular, said they would be willing to leave.

Employers who try forcing a total return to the office could have a steep hiring and retention disadvantage. Most organizations can't afford that, with unemployment recently hitting its lowest point since 1969. Yet hybrid work can have disadvantages for both employees and employers who don't adjust their project management, training and benefits planning processes.

How Hybrid Work Impacts Employees

While many remote workers report improved work-life balance, less burnout and higher productivity (51%), they also report a range of challenges, such as reduced access to work resources and equipment, less connection to an organization's culture, decreased team collaboration and disrupted processes⁴.

These challenges are apparent in employee engagement with their benefits, as employees have fewer opportunities to ask questions about their options and coverage from benefits experts. With limited in-person access to the office and fewer opportunities for group meetings, there has been a steady decrease in employees who report learning about health insurance terms and processes from a member of their company's HR team since 2021.⁵

Your company might offer classes and training, especially during the annual enrollment period, but there are fewer opportunities for an employee to casually drop by and ask questions during the year.

Instead, most employees are turning to friends, family and coworkers or are self-educating via the internet, despite reporting that these approaches are less helpful. The result? Fewer employees feel very or extremely confident about their healthcare benefits than in 2021.⁵





How Hybrid Work Impacts Employers

After several years of remote and hybrid work, many employers are pushing employees to return to the office at least in some capacity. Given the challenges, it's fair to wonder whether hybrid work is as effective as on-site work. A Stanford research paper estimated that fully remote workers are 10% less productive than those working full time in person.⁶ Even if employers wanted their staff to return full time, that's not entirely feasible in the tight labor market.

Still, hybrid and remote work offer several advantages to employers, such as happier, more engaged employees, especially among those who might be too far away to commute daily. Those work models can also result in reduced operational costs, thanks to less use of office space, electricity and company resources. In fact, 56% of executives expect hybrid work will help them reduce expenses, according to a Microsoft report.⁷

The key isn't to stop hybrid work but to figure out how to solve employee productivity issues, such as disrupted processes and reduced access to work resources and training. A company's annual enrollment planning session is an opportunity to address these issues for both remote and on-site workers.

Healthcare Benefits In Today's Workplace

The current labor market gives employees more options than in previous decades, a top reason employers continue to offer hybrid work.

Besides workplace flexibility, benefits are among the top reasons employees stay on or leave a job. About 67% of employees who changed jobs in 2023 said healthcare benefits were extremely important or very important for their decision to change.⁵

The benefits at a new job employees found most appealing were:

71%

The value of the basic health coverage

44%

Family-friendly pricing

29%

The ability to buy up extra coverages at group rates

Other voluntary benefits like: accident insurance (**27%**), cancer/critical illness (**16%**), fertility benefits (**15%**) and LGBTQ-related offerings (**9%**)

The Value of Benefits Education

Despite the importance of benefits to employees, many don't fully understand what they receive from their company or appreciate the range of options offered. Just 26% of employees said they're only somewhat confident that they understand how their health plan works, and 6% said they only feel slightly confident or not confident at all.⁵

Plan understanding and satisfaction often go hand in hand. The majority (90%) of those who said they were extremely confident in understanding their health plan also reported being extremely or very satisfied. In comparison, only 13% of those who felt slightly confident reported the same level of satisfaction.⁵

Your organization could be offering competitive, top-quality benefits. However, if your employees don't understand the value, they might mistakenly go elsewhere for a "better" plan. The annual enrollment period is your chance to show employees what your organization offers. Investing in ongoing benefits education and support throughout the year could also improve employee job satisfaction and retention.

Employee Benefits Management During Open Enrollment

A concerning number of employees adopt a "set-it-and-forget-it" approach to their benefits—research shows that 24% of employees kept the same health insurance plan for three years or longer without making any changes or additions, for example.⁵ As a result, some employees may not be using the best plan for their situation. They might not realize this mistake until after a significant, costly health incident; by then, it's too late.

Around 85% of these employees reported they kept their same elections because they were satisfied with their plan.⁵ However, 12% reported issues their organization could potentially solve with better communications efforts during the open enrollment period, including:

5%

I received materials about open enrollment, but I didn't review them, or I'm not interested enough to make a change.

4%

I'm too confused by the process and/or choices, so I stick with what I have.

2%

I never know when open enrollment season is.

1%

I'm unhappy with my insurance but don't know how to go about making a change.

That said, the current economy and high inflation could force even the most disengaged workers to focus on benefits planning. About 72% of employees said they'll spend more time reviewing their benefits this year than in the past as they look for ways to save money, according to a Voya Financial study.⁸

There has been a noticeable increase in employees changing plans, too: 48% reported changing plans for 2023, versus 34% who made changes in 2022.⁵ With this increased focus on plan options, employers must ensure their materials, presentations and technology solutions meet - and exceed - the expectations of both in-person and remote workers.

How HR Can Increase Engagement During Enrollment

Annual open enrollment is an opportunity to improve employee engagement and help team members make better choices around their benefits. But that's easier said than done in the current hybrid work environment. The following tips can help companies and employees get the most out of the upcoming season, and enrollment periods to come.

Prioritize Top Employee Educational Topics

When educating employees about their benefits, some topics have more weight than others. If employers have limited time for training sessions, here are the topics employees said they wanted to learn about more⁵:

- 1** How out-of-pocket costs work and what they mean for an employee's wallet **(33%)**
- 2** How to review an Explanation of Benefits and medical bills for errors **(30%)**
- 3** Researching healthcare costs and why it matters **(29%)**
- 4** How to choose where to get care **(22%)**
- 5** How to choose a plan **(22%)**

The overarching theme?

Employees want to know how to reduce their healthcare costs.

Show Employees How to Manage Their Healthcare Costs

There isn't one set cost for healthcare products and services. In reality, the cost for any given service, supply or procedure can vary dramatically within the same city or even the same network. The actual cost for an organization's plan and employees depends on what the provider usually charges (the "rack rate"), and the discount the insurer negotiates with that particular provider and the cost-sharing structure of the plan. The amount the employee ends up paying depends on whether they've met their deductible and the out-of-pocket maximum.

Almost two-thirds (64%) of employees don't realize they can compare drug costs before filling a prescription.⁵ Unless employees know they can shop for their health care, it's likely they'll pay more than they need to for their care—resulting in a hit to their wallets and to their employer's bottom line.

Explaining the hows and whys of shopping for care, showing concrete examples of potential savings and sharing online resources like ScriptSave for prescriptions or the Fair Health Consumer tool for researching medical costs can motivate employees to investigate how to reduce their health care costs—and result in improved satisfaction with their benefits.

Promote Your Entire Benefits Menu

Health insurance is typically the top focus during open enrollment, but it's important employees understand the full range of plans, programs, and point solutions available to them—as well as the resources the employer is providing to help them maximize their coverage. Be sure to emphasize the programs the employer is providing at no charge—such as an EAP, enrollment support, advocacy and transparency services, short-term disability coverage, etc.—whatever is applicable.

Stress your plan's mental health benefits as well. Post-pandemic, this is a top priority for many, especially for Generation Z and millennial employees. Discuss other voluntary plans the employer makes available on an employee-pay-all, but group rate basis, such as hospital indemnity, critical illness, accident coverage, dental and vision. Employees need to know what's available to them now and as their needs change.



Consider active versus passive enrollment

One way to encourage employees to engage in their benefits is to implement an active open enrollment process. With active enrollment, employees must affirmatively elect their options—even if they're keeping the same coverages as before—to continue coverage.

In passive benefits enrollment, employees can automatically keep all or most of their previous elections. While convenient, some workers might not realize if a better package is available.



If you switch to active enrollment, be sure to explain the reasons why employees must re-elect, and the benefits. Ask employees about the last time they truly reviewed their benefits package. You should point out any new programs you've added over the past few years that employees may have overlooked. You should also ask employees if their personal situations have changed at all by experiencing life events such as getting married (or divorced) or having children. These variables impact what they need for health insurance.

Active enrollment could make more sense in the hybrid work era as you have fewer opportunities to remind employees about changes to the benefits package.

They might need this extra prompt to do their research during the annual enrollment period. Some employers go a step further and offer the support of—or require employees to enroll through—a trained benefits educator who can answer questions and prompt the employee to do some thinking about what's right for them.

Push for the personal touch

Employees prefer to learn about their benefits through one-on-one conversations with benefits experts.⁵ This could be the most significant drawback for understanding healthcare benefits during the hybrid age, as employees can't easily access group meetings or benefits fairs or snag their HR person in the hall to ask a question.

With most HR teams already short on bandwidth and resources, outsourcing your benefits education efforts may be the solution. Whether it's bringing in your broker to conduct multiple onsite meetings at hours that fit your hybrid workforce's schedule, setting up telephonic or videochat enrollment sessions with an outside firm or arranging for a call center—employees appreciate the opportunity to talk with an expert. Employees rated one-on-one conversations with outside benefits experts almost as helpful as talking to someone from HR.⁵

Offer year-round solutions

Helping employees choose the right benefits for them is part of the challenge, but helping them actually use their benefits is just as important. Decision support tools and advocacy services for covered members means employees may have access to advocates who can use their expertise to make the most of their healthcare benefits throughout the year.

Hybrid and remote work aren't going anywhere. Still, employees will need personal support to understand their healthcare benefits. With solutions that help your employees actually use their benefits, combined with voluntary benefits, enrollment support and education to help them choose what's best for them, a strong benefits partners can bridge the engagement gap in the hybrid work era, while teaching employees how to get the most out of their benefits package.

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