

Fact Sheet

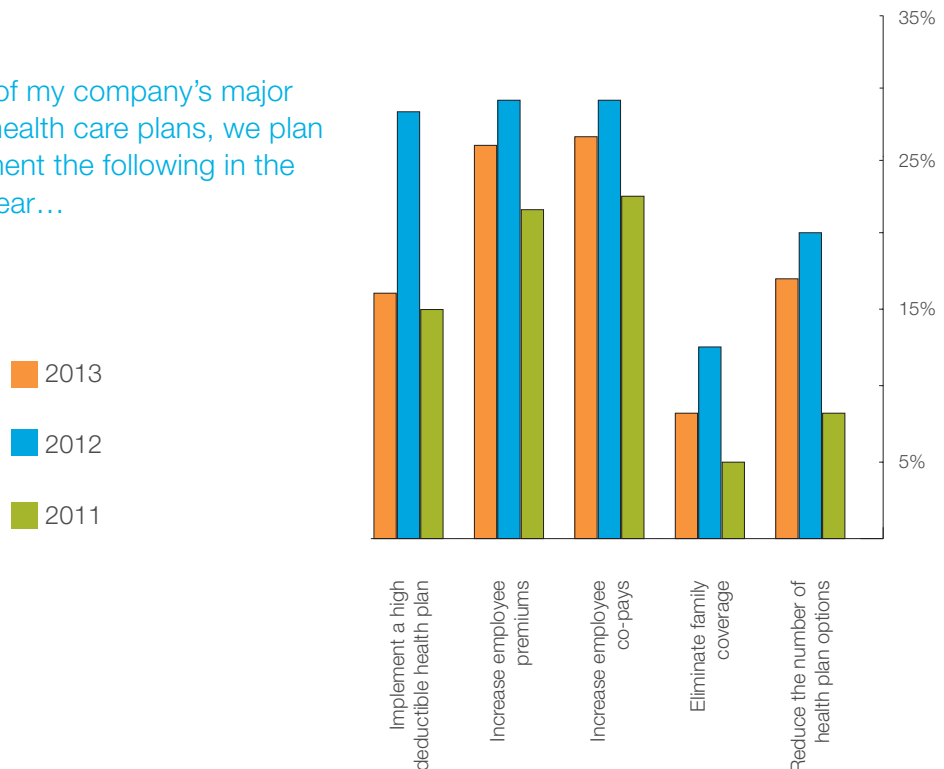
Health Care Company Benefit Trends

As part of the 2013 Aflac WorkForces Report, 151 health care employers and 512 health care employees were surveyed.

Key findings are:

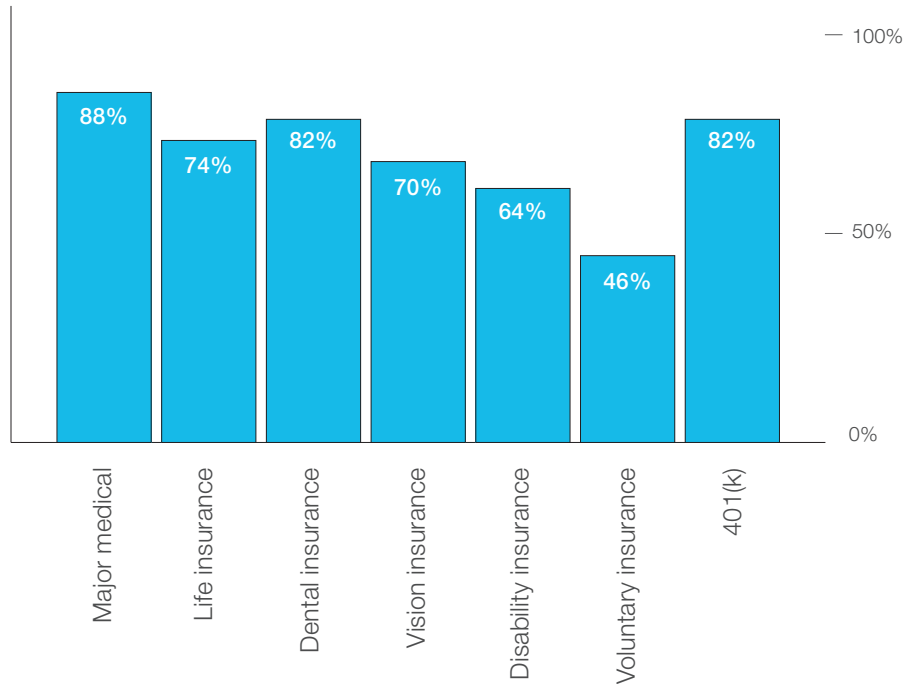
- » Offering robust benefits while staying within budget/cost constraints is a top benefits challenge for 42% of health care businesses. Understanding the changing health care landscape is second-largest benefits challenge for 15% of health care businesses.
- » 51% think it is extremely/very important to tailor benefits offerings to employees at different levels or life stages, yet only 40% of health care businesses do so.
- » 48% of health care company employees at least somewhat agree that, “I would prefer not to be more in control over my health care expenses and options because I will not have the time or knowledge to do so effectively.”
- » Another 50% agree “I believe I may not adequately manage my health insurance coverage, leaving my family less protected than we currently are.”
- » 64% of health care businesses use a broker or benefits consultant to help determine benefits options.

Thinking of my company's major medical/health care plans, we plan to implement the following in the coming year...



Health Care Company Benefits Offerings At-A-Glance

Which of the following benefits does your company offer?



The Role of Benefits in Key HR Outcomes

Talent Attraction

- » 57% of health care employees say they are likely to accept a job offer with slightly lower compensation, but better benefits.
- » 88% of workers say a benefits package is important to their willingness to refer a friend to their organization.

Satisfaction

- » Only 55% of workers at health care companies say they are extremely/very satisfied with their overall benefits package.
- » When employees are offered voluntary insurance they are much more likely to say their current benefits package meets their needs extremely/very well (60%), compared to those not offered voluntary insurance options (45%).

Employee Well-being

- » 30% of workers say their current benefits package only meets their family's needs somewhat, and 10% say their benefits package does not meet their needs.
- » When asked if they feel fully protected by their current insurance coverage, 45% of employees at health care employers say they only somewhat agree, and 21% say they strongly/completely disagree.

Retention

- » 27% of employees at health care employers are very/extremely likely to look for a new job in the next 12 months.
- » Nearly half of employees (44%) say that improving their benefits package is one thing their employer could do to keep them in their job.
- » 82% of employees agree that a well-communicated benefits program would make them less likely to leave their jobs.

Disconnects on Key Benefit Issues

Employers respond that:

59% of employers strongly/somewhat agree that "Our workers are taking full advantage of the benefits we offer."

Believes benefits are extremely or very influential on:

- » Job satisfaction – 51%
- » Loyalty to employer – 50%
- » Willingness to refer friends – 36%
- » Work productivity – 29%
- » Decision to leave company - 33%

29% of companies strongly/somewhat agree with the statement "our workers are not adequately informed about their benefit choices."

83% of companies strongly/somewhat agree they effectively communicate the value their benefits to employees.

Only 6% of companies named "educating our employees about health care reform" is an important issue for their organization.

28% of companies named "having employees interested in purchasing voluntary insurance as top challenge in offering voluntary insurance."

Employees say:

70% of employees strongly/somewhat agree with the statement "I am taking full advantage of the benefits I am offered."

Believes benefits are extremely or very important to:

- » Job satisfaction – 81%
- » Loyalty to employer – 70%
- » Willingness to refer a friend – 59%
- » Productivity – 65%
- » Decision to leave company – 56%

79% of workers at least somewhat agree with the statement, "I would be more informed about my benefits choices if I sat with an insurance consultant."

46% of workers say their HR department communicates extremely/very effectively about benefits offered by their employer.

76% of workers agree, "I believe my employer will educate me about changes to my health care coverage as a result of the health care reform."

63% would be likely to purchase voluntary insurance if offered.

Conclusions

While many businesses faced employment declines during the last recession, the U.S. health care industry was a beacon of hope for the struggling economy. Though the growth was not as significant as in past years, according to the US Bureau of Labor and Statistics the health care industry stood out as one of the few that continued to add jobs. Still, the industry faces concerns associated with skyrocketing health care costs alongside other sectors.

When it comes to benefits offerings, health care employers are calling for greater employee engagement, but they may not be using the most effective strategies. Many health care employees want to receive information about benefits from their HR departments, yet 4-in-10 (43%) say their HR departments communicate too little about employee benefits. A clearly communicated benefits program can have a significant effect on employee retention and the bottom line, especially when nearly half of employees (44%) say that a well-communicated benefits program would make them less likely to leave their job.

With the majority of employees (90%) at least somewhat agreeing that they would be more likely to take advantage of a benefits package tailored to their personal situation, health care employers may also benefit from gaining critical feedback from employees regarding their benefits solutions. While health care organizations tend to be more in tune than other industries with regards to using employee surveys, still only 19 percent of health care employers say they are asking employees about their preferences or needs when it comes to benefits offerings.

Recommendations

Consider benefits options:

There is strong evidence that a companies' benefit program significantly influences employee attraction, engagement and retention. Many small companies are looking to self-funded benefits options, as well as supplemental insurance as low-cost solutions.

Consider comprehensive wellness programs:

Wellness programs are a useful tool to help curb escalating expenses. Particularly considering that at least one-quarter of the health care costs incurred by working adults are attributed to modifiable health risks such as tobacco use, diet, and lack of exercise.

Don't underestimate the power of well-communicated benefits offerings:

Taking advantage of the benefits your business offers with effective communication may influence workforce retention.