

# Employer involvement in benefits education continues to decrease, creating a void

*Employers are missing opportunities to reduce costs through education*



## » KEY FINDINGS

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Today's employers have an important—and growing—opportunity to educate their workforce about how to choose, and use, their healthcare coverage effectively.

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Clear knowledge gaps exist in certain industries, including education, manufacturing, and retail, as well as among younger employees and those who earn under \$50,000.

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HR's direct involvement in benefits education continues to decline, replaced by employers' increased use of digital tools and social media. Unfortunately, employees don't perceive these tools to be as helpful as one-on-one, personalized guidance. This results in many employees, especially those who are younger, reaching out to friends and family for guidance.

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More employees report being only slightly or not at all satisfied with their benefits. Fewer report being confident in understanding how their plan works, and fewer are taking the time to compare the costs of medical services or prescription drugs before incurring expenses.



## » INTRODUCTION

# 2022 saw several trends affecting how consumers work, how they choose whether—and why—to change jobs, and how they access healthcare.

*We saw employers begin to shift away from the hybrid or work-from-home model: More than twice as many Fortune 100 companies returned to the office<sup>1</sup> in 2022 as in 2021. In fact, 49% of remote employees have returned to the office full-time as of 2022.<sup>2</sup>*

Economic uncertainty threatened the financial security of both employers and employees. The possibility of recession caused many employers to pull back on hiring or even lay off workers. As a result, fewer employees changed jobs, and more appear to be prioritizing work-from-home flexibility over benefits when evaluating a new employer.

Finally, healthcare providers are leaving<sup>3</sup> or considering leaving their clinical practice in record numbers, while some 20 hospitals closed<sup>4</sup> or filed for bankruptcy. This all makes it harder for consumers to get the care they need on a timely basis.

To understand how these changes may have impacted healthcare literacy levels in the past year, Optavise surveyed 1,061 U.S. employees with employer-sponsored health plans who do not work in the insurance industry. Our survey found that employees still are not getting the information they need to make informed choices about their healthcare coverage or how to use that coverage effectively.

<sup>1</sup><https://buildremote.co/companies/return-to-office/>

<sup>2</sup><https://www.zippia.com/advice/return-to-work-statistics/>

<sup>3</sup><https://www.businesswire.com/news/home/20230130005216/en/More-Than-Half-55-of-US-Doctors-Know-a-Colleague-Who-has-Left-Clinical-Care-and-Nearly-30-have-Considered-Leaving-Themselves-as-US-Physician-Burnout-Rises-Significantly-Since-2021-Says-InCrowd-2022-Burnout-Report>

<sup>4</sup><https://www.beckershospitalreview.com/finance/19-hospital-closures-bankruptcies-in-2022.html>



### Healthcare literacy

Healthcare literacy means the capacity to obtain, process and understand the basic health information needed to make appropriate health decisions.



## » THE STATE OF HEALTHCARE LITERACY

Compared to 2022, consumers are now more familiar with key healthcare terms and concepts, with more employees understanding six out of nine insurance terms (premium, deductible, copay, out-of-pocket maximum, and in- and out-of-network).

However, about the same percentage of respondents as last year don't know the meaning of coinsurance, allowed amount, or precertification/prior authorization—or may know what these terms mean but don't understand how they apply to their coverage.

***I know what this term is and understand how it relates to my coverage:***

	2022	2023
<b>Premium</b>	66%	70%
<b>Deductible</b>	80%	85%
<b>Copay</b>	83%	90%
<b>Coinsurance</b>	54%	55%
<b>Out-of-Pocket Maximum</b>	70%	77%
<b>Allowed Amount</b>	51%	50%
<b>In-Network</b>	78%	86%
<b>Out-of-Network</b>	77%	84%
<b>Precertification or Prior Authorization</b>	64%	64%

**35%** Taught themselves about terms and processes by going online or reading other materials

**46%** Reached out to friends, family and coworkers for information on benefits

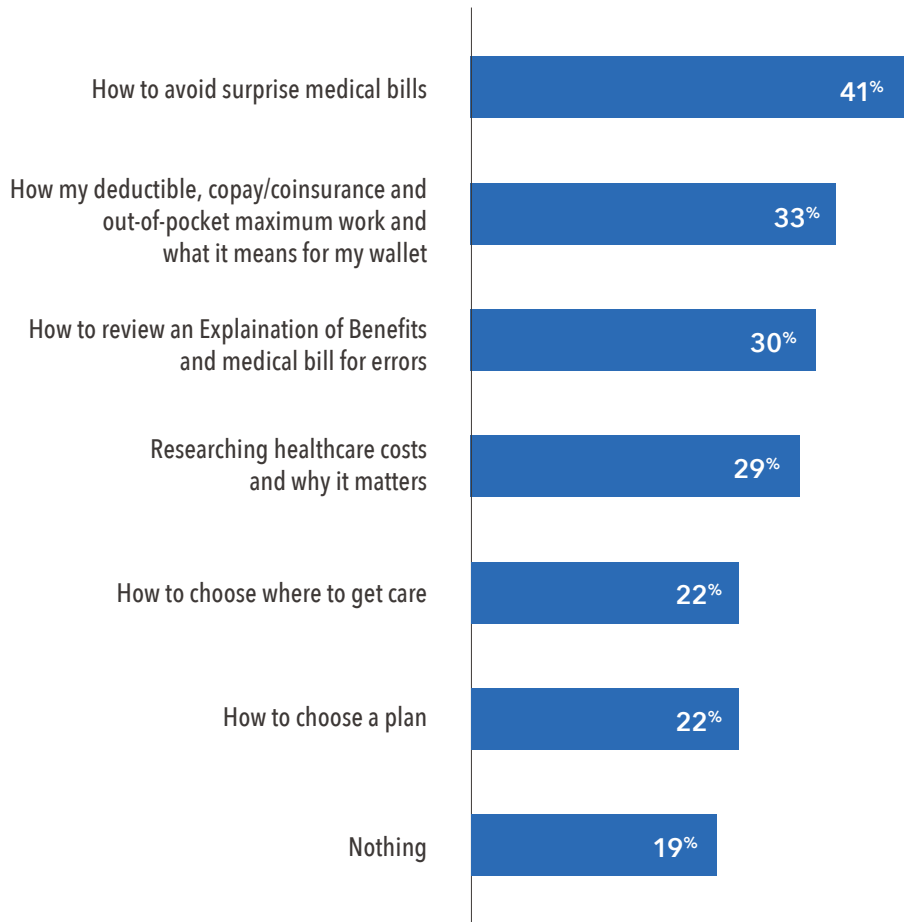
**27%** Received information from their employer's HR team

Employees are, in general, still relying on less-than-ideal resources for information about their benefits. More than one-third (35%) taught themselves about terms and processes by going online or reading other materials. And almost half (46%) reached out to friends, family, and coworkers—who are unlikely to be benefits experts. Additionally, 18% reported they received information from a representative of their insurance carrier. Only 27% received their information from their employer's HR team, which is down from 30% in 2022, and the lowest percentage reported in the past four years, and only 15% were educated by outside benefits experts.

Not surprisingly, age definitely correlates to greater understanding of benefits. Given their longer tenure in the workforce—and concurrent experience with choosing and using benefits—on average, 80% of Baby Boomers reported knowing each healthcare term and how it relates to their coverage compared to 76% of Gen X, 68% of Millennials, and 60% of Gen Z. Half of Gen Z respondents said they turned to family for benefits information, as this group is more likely to be moving from their parents' plans to their own coverage for the first time.

Education, manufacturing, and retail industries have the largest benefits education gap. This is likely due to the nature of their jobs. It is difficult, if not impossible, for employers to pull these employees off the worksite for group or one-on-one meetings, and most of these workers do not have the option of viewing benefits information on computers at their desks during the workday.

**Employees remain consistent in the healthcare topics they would like to learn more about:**



## » EMPLOYEE OFFERINGS AND EMPLOYEE BENEFITS ENGAGEMENT

Despite the return of many workers to the workplace, employers continue to rely on digital tools to reach their employees. Both online resources and email saw substantial increases from last year, while the use of texts and presentations/conversations with HR continued to decline. Around half of employers make printed materials available, consistent with last year's results.

### *Which, if any, of the following resources has your employer made available to help teach you what you need to know about your health benefits?*

	2021	2022	2023
<b>Presentations/group sessions with HR</b>	39%	31%	30%
<b>Presentation/group sessions with benefits educators and outside experts</b>	22%	26%	28%
<b>One on one conversations with HR</b>	28%	28%	26%
<b>One on one conversations with benefits educators and outside experts</b>	17%	24%	23%
<b>Emails</b>	41%	38%	44%
<b>Texts</b>	11%	10%	7%
<b>Social media</b>	11%	13%	10%
<b>Webinars</b>	20%	23%	25%
<b>Printed materials</b>	39%	48%	49%
<b>Online resources</b>	41%	53%	63%
<b>None of the above</b>	7%	6%	4%

Despite the use of a variety of channels to communicate about benefits, employees made the most use of online tools, print materials, and email. However, employees did not find these channels particularly useful: Only **68%** of employees reported online resources to be very or extremely helpful, **compared to more than 80% for one-on-one conversations**. Only **49%** reported email to be very or extremely helpful, a significant decrease from 59% in 2022. Helpfulness of printed materials has remained steady (with around two-thirds of respondents rating them very or extremely helpful).

Group or one-on-one sessions with HR or benefits experts were generally well-received by employees, even though employers offered fewer opportunities compared to last year, likely due to the logistical challenges inherent in a hybrid work environment. Of the employees surveyed, **84%** reported they found such sessions very or extremely useful. **In fact, employees who participated in such meetings were far more likely to supplement their employer-sponsored coverage with voluntary or buy-up coverage (46% vs. 33% of those who did not speak with an expert).**



## » CONSUMER BEHAVIORS: SELECTING HEALTH PLANS

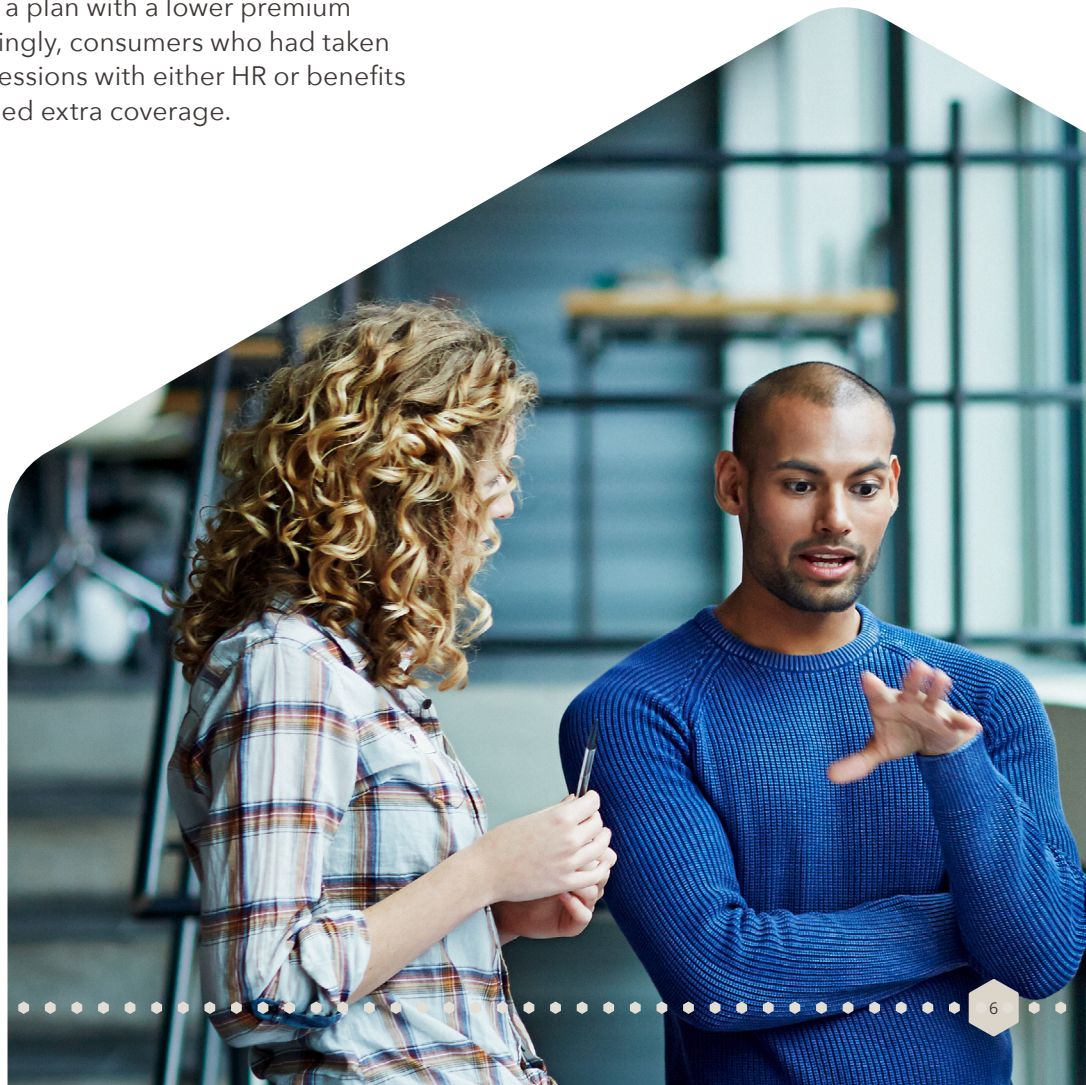
This year saw a substantial jump in employees changing their health plan election (48% in 2023, compared to 34% in 2022), as well as a corresponding increase in those who've changed elections in the past two years (66% vs. 53%).

For many, these changes were driven by their employers, as 31% reported making changes because their employers required them to make an affirmative election in order to maintain coverage. Nearly a quarter (24%) said they made changes because their healthcare needs had changed, and 18% changed elections because their financial situation had changed. Just 16% attributed a change to their employers' updated (and improved) plan offerings. This could indicate that employers did not make substantive changes to their plans for 2023, or that consumers either were not aware of such changes or did not view them as an improvement.

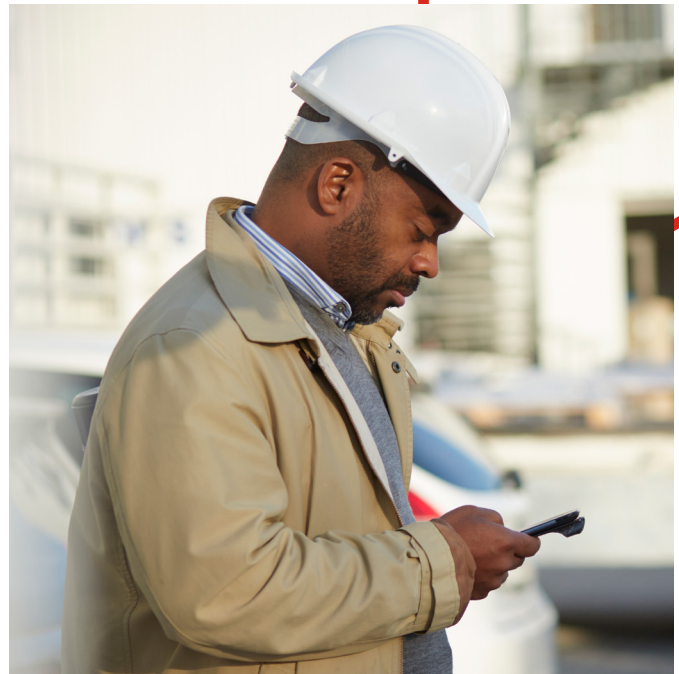
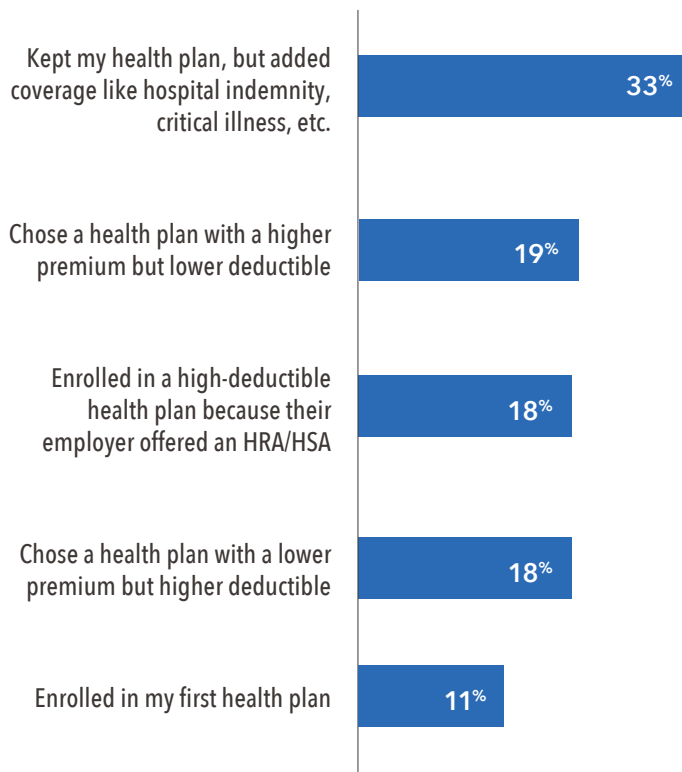
Of those who made healthcare benefits changes, 33% (up from 28% last year) kept their existing medical plan and added supplemental or buy-up coverage. About the same percentage either enrolled in a high-deductible health plan (18%), chose a health plan with higher premium but lower deductible (19%), or chose a plan with a lower premium but higher deductible (18%). Interestingly, consumers who had taken advantage of group or one-on-one sessions with either HR or benefits experts were more likely to have added extra coverage.



Employers who require active enrollment and offer group or one-on-one sessions with HR or outside benefits experts are **more likely to see employees engage in the enrollment process and make changes to their coverage.**



**If you changed your elections, what was the most recent change/addition?**



Encouragingly, far more employees seem to be satisfied with their employers' coverage offerings. Of those who have not changed their plan in the past three years, **85% stated they were satisfied with their coverage** (up from 76%, and the highest level in four years).

About the same percentage (18% vs. 17% last year) of survey respondents reported switching jobs in the past year. Among this group, however, fewer reported that benefits played an important role in their decision to change jobs (67%, down from 78% in 2022).

For those who changed jobs, **74% considered basic health coverage to be an appealing benefit**, followed by family-friendly pricing (44%), buy-up opportunities (29%), accident insurance (27%), cancer/critical illness coverage (16%), fertility benefits (15%), and LGBTQ offerings (9%).



## » CONSUMER BEHAVIORS: USING HEALTH PLANS

Consumers are showing some concerning trends in how they are using their health plans.

One key trend is that fewer are very or extremely confident that they understand how their plans work.

### *How confident are you that you understand how your health plan works?*

	2021	2022	2023
Extremely + Very confident	70%	71%	68%
Extremely confident	30%	28%	29%
Very confident	40%	43%	39%
Somewhat confident	23%	23%	26%
Slightly confident	6%	4%	5%
Not at all confident	1%	2%	1%
Slightly + Not at all confident	7%	6%	6%

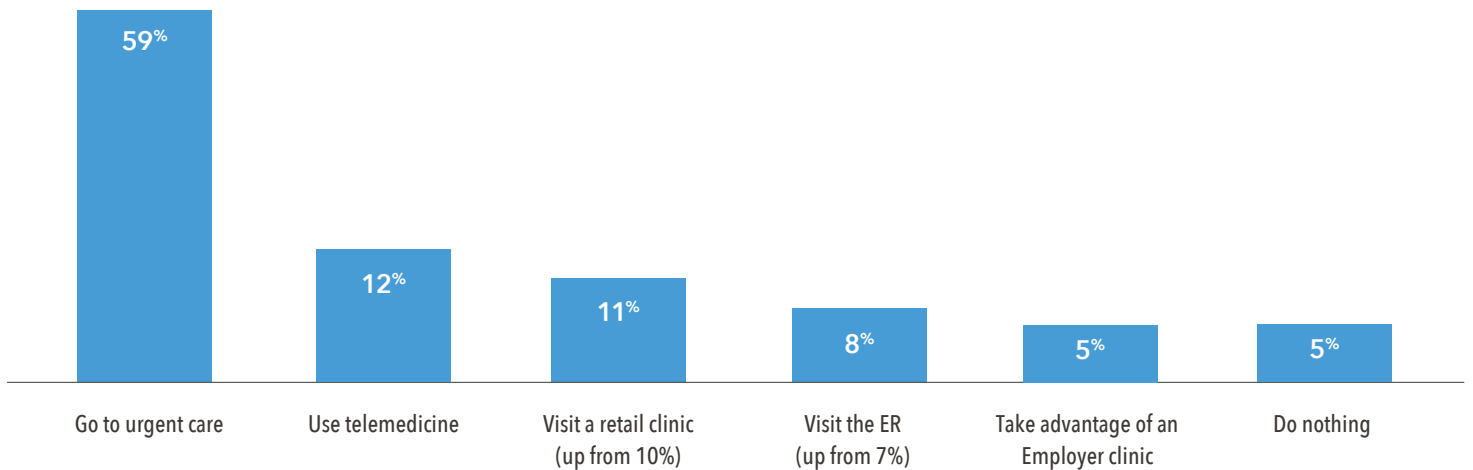
Importantly, confidence is closely associated with employee satisfaction: 90% of those who said they are extremely confident in understanding their plan are extremely or very satisfied with their plan, compared to 13%-14% of those who are slightly or not at all confident.



When their doctor is not available, respondents are increasingly turning to urgent care facilities when they need medical care. **While these facilities can be more convenient, their cost relative to a typical doctor's visit depends on their network status.**

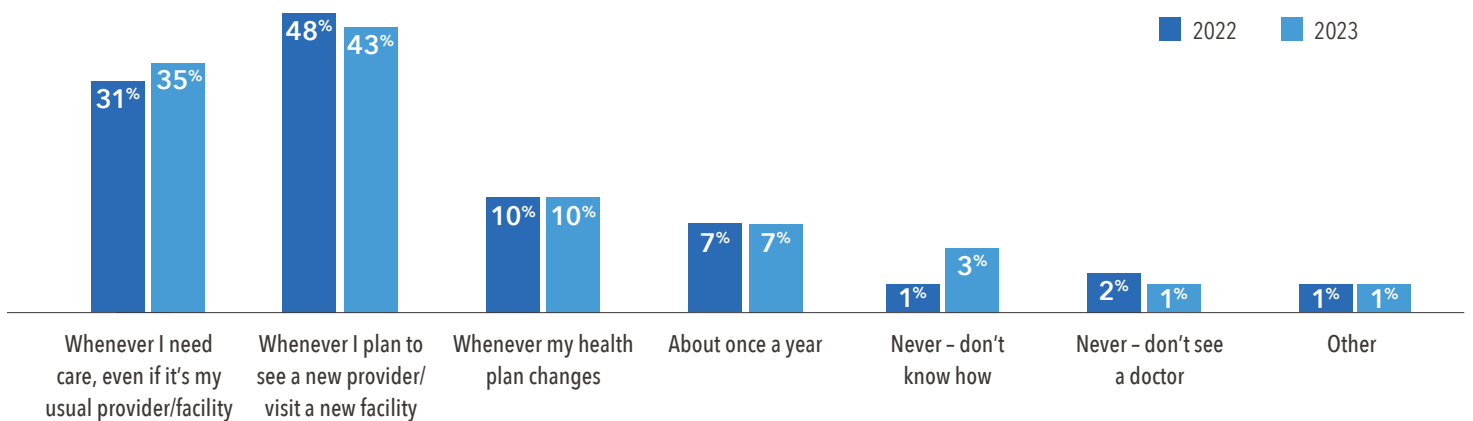
While 88% know whether their plan has a network, fewer are checking network status of their providers. Only about one-third of respondents check whenever they need care, and 43% (down from 48%) check when they are going to see a new provider. Eighty-five percent (down slightly from 87%) of employees report having a primary care physician. But anecdotal reports indicate it can take weeks or even months to get an appointment, even for existing patients.

***If your regular doctor is unavailable, where are you most likely to go for treatment?***



Consumers are also overlooking an important cost-saving step: confirming whether providers are in network. Only one third report confirming with their usual provider/facility, and more than half don't confirm network with a new provider at all.

***How often do you check whether a provider or facility is in network?***



**Despite the recent push for greater healthcare price transparency and broader public access to such costs, fewer employees are comparing costs for medical service** before receiving treatment or comparing drug costs before filling their prescriptions.

Further, fewer were aware that they could compare costs.

Interestingly, about 46% of those who work for companies with between 500 and 999 employees check costs before receiving care, versus 30% of those who work for large employers (10,000+ employees). This may be because employees of smaller companies are, on average, paid less than those in large companies, or because their plans are not as rich.

***How often do you check costs before receiving care?***

	2021	2022	2023
<b>Always + Often</b>	40%	38%	35%
<b>Always</b>	17%	15%	15%
<b>Often</b>	23%	23%	20%
<b>Sometimes</b>	24%	27%	24%
<b>Rarely</b>	24%	22%	26%
<b>Never</b>	12%	13%	15%

While 34% of respondents reported always or often comparing prescription drug costs before filling their prescription (down from 37%), only about one-third (36%, down from 48%) of consumers who hadn't compared costs indicated they were aware they could check drug costs.

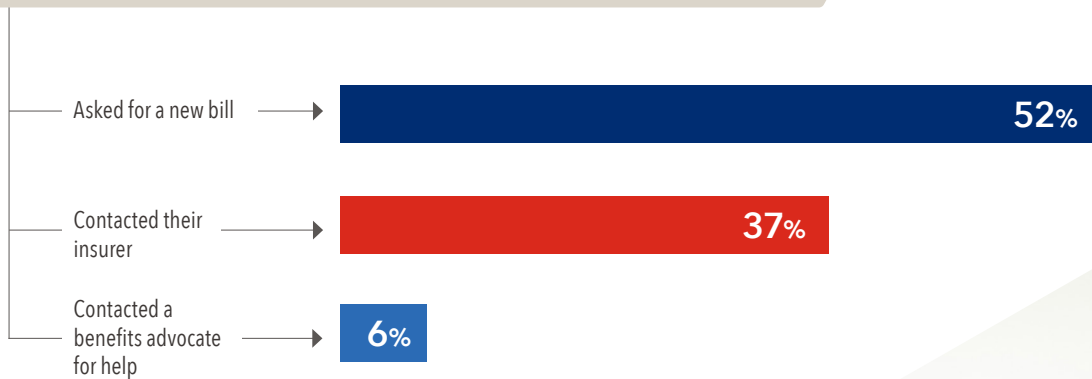


## » RESPONDING TO SURPRISE MEDICAL BILLS

Thirty percent of respondents reported having received an inaccurate bill within the past three years, up from 28% last year (with 22% of consumers indicating they weren't sure if they have received an inaccurate bill).

While the percentage of respondents reporting inaccurate bills has remained at about one-third for the past three years, far more—95%, up from 87% last year—are taking action and requesting correct bills when they notice an inaccuracy.

*What steps did you take when you learned you received an inaccurate medical bill?*



Only 3% admitted to paying the bill even though they knew it was incorrect, which is down from 10% last year.

Employees seem to be taking action after the fact to ensure they are not being overcharged for their healthcare—but clearly could be doing more on the front end (whether by choosing the most effective site for care, checking network status or shopping for the best price for prescriptions and medical services) to manage their out-of-pocket costs.

