

INSIDE: SHEDDING LIGHT ON ANNUITIES • UNDERSTANDING MEDICARE PRESCRIPTION DRUGS • DEI & VOLUNTARY BENEFITS

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VOLUME 39, NUMBER 8

Serving California's Life/Health Professionals & Financial Planners

MAY 2021

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## Insight on Life Settlements Market

Cal Broker contributor Lisa Rehburg of Rehburg Life Insurance Settlements recently attended the Institutional Investor Conference organized by the Life Insurance Settlements Association (LISA). Rehburg says the bottomline for life settlements is that the market is great for investors, which means it is great for clients. A few of her key takeaways from the conference:

### Investor Perspective:

- The market is good with projected growth in the next 3 - 7 years, and the future is bright.
- Coming out of the COVID-19 crisis, capital influx into the market will increase.
- According to new research commissioned by Managing Partners Group (MPG), more than half (51%) of institutional investors globally plan to reduce their exposure to bonds this year. The research shows that, of those planning to switch, 52% plan to redirect their investments into life settlements.

### Client Perspective:

- Clients put the sale of their life insurance policies on hold during the COVID-19 virus spikes, creating pent up transaction volume. That changed during the 2nd half of 2020 and continues to increase in 2021.
- The face value of policies sold was down in 2020 v. 2019, meaning investors are buying lower face value policies.
- Increased consumer demand for new life insurance policies - up over 7% in 2020 v. 2019 - results in an increased future life settlement pool.

## COVID update

The United States reported a record-high 4.6 million doses of COVID vaccines administered in one day, according to data published by the Centers for Disease Control and Prevention. However, vaccination hesitancy haunts us: more than 75% of the US population isn't fully vaccinated, according to CDC data. Because of this, new cases and hospitalizations are increasing, according to CDC Director Dr. Rochelle Walensky. Young people and those not vaccinated account for most of these new COVID cases.

## MediKeeper Launches COVID Navigator



Here's an interesting twist as we contemplate our brave, new post-COVID-19 world. MediKeeper announced a major upgrade to its COVID Navigator mobile app. The app now enables employers to digitally identify and track which employees are vaccinated. Once info is input, a report is sent to the employer to show an individual's vaccination status. "MediKeeper's COVID Navigator reduces the administrative burden of reporting and follow-up and makes it easier for HR to manage the vaccination, screening,

tracking, documentation and reporting of cleared and not cleared employees," says David Ashworth, CEO of MediKeeper. "It's a quick and easy way for employees to submit their vaccination status and for HR administrators to be notified when an employee has been cleared or enters vaccine information." The COVID Navigator is integrated with a case management solution. The app is both HIPAA compliant and HiTrust certified in order to protect privacy and security. COVID Navigator is available for companies to access from the Apple Store or Google Play.





# HIGH LIMIT DISABILITY

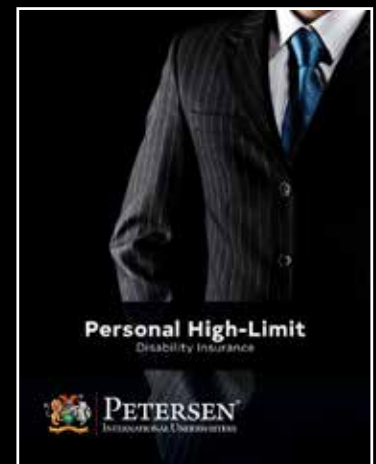
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**Cal Broker 2021 Reader Survey**

Thank you for sharing your insight with Cal Broker. Unless you choose to give us your name and email to be entered in the Visa gift card drawing at the end of this short survey, your answers will remain anonymous. Thank you again for taking the time to weigh in.

How long have you been active in the insurance, financial planning or employee benefits industry?

☐ Less than 5 years  
☐ 6-10 years  
☐ 11-15 years  
☐ 16-20 years  
☐ 21 or more years

Which types of license(s) do you hold? Please select all that apply.

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**you haven't had a chance to answer the super quick Cal Broker survey, there's still time! You can find the survey at <https://tinyurl.com/CalBrokerSurvey>. And guess what? Answer the survey and you can enter to win a \$500 Visa gift card. The gift card drawing will coincide with Cal Broker's 40th anniversary issue later this year.**

## Välenz Announces Acquisition of Kozani Health

Välenz announced it has acquired Kozani Health, a company that provides a comprehensive bill review solution primarily for self-funded employers and the self-insured community. Kozani Health joins the ever-expanding Välenz ecosystem of data and solutions as Valenz ProteKHt. The new solution offers detailed line-by-line bill reviews performed by nurses, certified coders and practicing specialists to uncover inappropriate billing.

## EVENTS

### NAHU Power Hour

4th Wednesday of the month from 4-5p.m. Pacific. Members and nonmembers welcome. Register at [NAHU.org](http://NAHU.org).

### LAAHU DEI Book Club,

discussing Miles McPherson's book, *The Third Option*, goes through September, Register at [LAAHU.org](http://LAAHU.org).

### CAHU Women's Leadership Summit

POSTPONED Email questions to [info@cahu.org](mailto:info@cahu.org).

### San Diego Association of Health Underwriters Sales Expo

Virtual, May 6. More at [SDAHU.org](http://SDAHU.org).

### Los Angeles Association of Health Underwriters Annual Symposium,

Virtual, May 13-14. More at [LAAHU.org](http://LAAHU.org).

### IICF International Inclusion in Insurance Forum

June 15-17, This action-oriented program will have a focus on an inclusive future for the industry. Register at [IICF.org](http://IICF.org).

### BenefitsPro Broker Expo

virtual one day May 18 AND in person in San Diego, August 16-18. Save 15% off with promo code RIGHTPLAN. Info at [BenefitsPro.com](http://BenefitsPro.com).

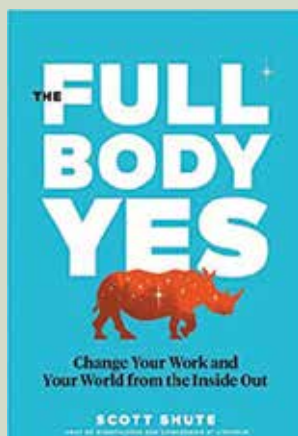
### American Association for Medicare Supplement Insurance

National Medicare Supplement Insurance Industry Summit, Sept 8-10, Schaumburg Convention Center, Chicago area, info at [medicaresupp.org](http://medicaresupp.org).



## GOOD READ: The Full Body Yes by Scott Shute

**W**e recently received "The Full Body Yes: Change Your Work and Your World from the Inside Out" by LinkedIn's Scott Shute. Shute is a kid from a wheat farm in Kansas who eventually snagged a job as head of mindfulness and compassion at LinkedIn. In itself that seems an epic feat. Which segues nicely to the premise of the book. The concept of the book is that work shouldn't be a burden that takes place outside of your "real life." Furthermore, Shute says work can be



a source of happiness and meaning. Sounds good, right? The book offers a four-step plan to make that happen, yet it's couched in a memoir-like read. If you know any highschool or college grads, this is an ideal book to give as a gift. But it's also really great read for those who want to know more about how meditation and mindfulness work for business and tech-oriented people.

Have anything good you're reading? Drop us a line and tell us what you're reading and what you love about it!

**Editor@calbrokermag.com**

### Cigna + Oscar Expands Small Businesses' Access to Affordable Health Plans in California

There's a new collaboration between Cigna and Oscar for small business health insurance in the Bay Area, Central Coast, Greater Sacramento, Inland Empire, Los Angeles, Orange County, North Bay and San Diego regions. The companies will share risk equally under a reinsurance agreement for solutions offered through this strategic partnership and plan to expand the partnership over time.

### WLS Offering Refund Options

**CAHU Women's Leadership Summit (WLS) was postponed to an undetermined date in 2022. If you registered and need to request a refund or discuss other options, please contact Natalie Sinclair at [natalie@caladmanagement.com](mailto:natalie@caladmanagement.com).**



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# Deepak Chopra Shares Wisdom at CapCon

BY NAAMA O. POZNIAK

*"In the midst of movement and chaos, keep stillness inside of you."*

— Deepak Chopra

**F**or over ten years, I had the pleasure of attending the Capital Conference (CapCon) in Washington, D.C. Last year, the last flight I took before the pandemic began was to CapCon. This is the National Association of Health Underwriter's (NAHU) annual conference and one of the largest and most influential healthcare industry events. Beyond hosting it virtually for the first time, this year we were honored to have Dr. Deepak Chopra as the keynote speaker.

The manifestation of this collaboration with Chopra and his team was weaving for more than 10 years. His vision, knowledge, energy, and expertise are critical in our industry. This unique appearance and sharing is certain to have a ripple effect, especially with those of us who write the policies, lobby for and deliver the American healthcare system.

Here is a recap of Dr. Chopra's CapCon presentation: Excitement crackled across cyberspace as the session was broadcast through Zoom to many corners of the country. Chopra invited the audience to "connect from the heart" when he spoke of the challenges brought forth by the coronavirus pandemic. "We all, including me, observed first-hand the pain, anger, grief, and fear experienced by the populace. So much taken for granted — friends, family, employment, good health — lost instantly. People felt helpless in the throes of the disease and, tragically, many people died and continue to die still.

"But notwithstanding variants, it is the usual course of viruses to become less contagious and virulent eventually. It may take time, but this too shall pass, and 2021 will be the year of recovery. We must ask ourselves what we have learned and gained from this experience. It is essential to let go of the past to change our future and find peace.



When peace is found, so is meaning and purpose.

"Directly or indirectly, stress is the number one killer in our society. By itself, stress produces loss of immune function. Stress is the number one pandemic of our civilization. COVID-19 doesn't even come close. Many people have chronic illnesses, anxiety, depression and inflammation. Ninety-five percent of all chronic diseases are related to lifestyle. We can foresee these illnesses, and therefore they are preventable."

Chopra sees the future of wellbeing as "personalized and predictive — we can predict what's going to happen." But it is a process, not an overnight cure.

Most people don't give much importance to sleep, but lack of sleep is considered to be one of the most significant contributors to premature death because of the inflammatory consequences. Sleep is the window to our soul and spiritual experiences. Humans need seven to eight hours of sleep to minimize risk of Alzheimer's disease, inflammation, cardiovascular disease, anxiety and depression. When you wake up after a good night's sleep, you should feel refreshed, joyful and energetic. Toxins have been released, and the body has had a chance to self-regulate. You have returned to homeostasis.

Meditation is the best way to manage stress through self-inquiry, reflection and mindfulness. Incorporating art into our lives in the form of music and poetry is very healing. Never underestimate the power of laughter. Laughter brings joy, and joy illuminates our lives.

The body must move, and movement links to good health. Any form of exercise that coordinates the mind and body is beneficial and healing. Recommended practices include strength-building yoga combined with breathing techniques



or other mind-body integrative techniques, such as Tai Chi, Chi Gong or martial arts. Data shows that exercise incorporating mind-body coordination, deep breathing, meditation, singing and chanting stimulates the vagus nerve, calms the body, and decreases inflammation, allowing the body to self-heal.

How we fuel our bodies makes a clear difference. Avoiding processed chemicals, hormones and steroids in our food is a key to wellness. Cardiovascular disease and so many others can be avoided by following a plant-based diet with maximum diversity. Damage can be reversed quickly by a change of diet and nutritional intake.

Our bodies have a biological rhythm. We are affected by circadian rhythms — the internal processes that control our sleep cycles and seasonal rhythms, lunar rhythms and gravitational rhythms. Our bodies are part of the symphony of the whole universe. When your feet touch grass, dirt, or sand, or when you touch a tree, you get what is called “grounded.” You can return to self-regulation, self-healing, and equilibrium.

Career wellbeing is fundamental as our work gives us purpose in life. Ask yourself: are you happy at your job? Are your talents being recognized? Are you part of a team that complements each other's strengths? Ideally, a work environment incorporates a shared vision where there is an emotional and spiritual bonding and where each person brings an added benefit to the team, as in sports. It's essential to find a career that fulfills your spirit. It is a critical factor in long-term happiness.

Social wellbeing means having people in your life who care about you. It would help if you strived to surround yourself with friends and family who support you and that you support in return. You are available to them and them to you through attention, affection and acceptance. Community wellbeing refers to your home. Ideally, this should be a space of comfort and safety.

During the quarantine, people found themselves at home more than ever before. Therefore, it became critical to live in a comfortable home “in which solace could be found, day after day.”

Financial wellbeing refers to feeling safe about your money. The pandemic has thrown many people into financial distress. Suddenly, many cannot afford

adequate healthcare or nutrition. Financial distress, whether you are rich or poor, can cause significant stress and biological havoc. The extremely poor and the extremely rich worry about money all the time and often confuse their self-worth with their net worth. Net worth is not self-worth. Financial security doesn't come from the amount of money you have, but how you feel about money. What is your relationship with money? How do you use it? Do you have enough money to retire? If you get sick, do you have insurance? Do you spend money on experiences, or do you spend it on possessions? Do you have default systems? Do you pay your taxes? Do you know how to give? All of these factors make up a person's financial well-being.

Spiritual wellbeing is being in touch with the true self. When we get in touch with our true self through meditation, we access a field of infinite possibilities, incorporating values like truth, goodness, beauty, harmony, love, compassion and joy. Once you are in touch with your spiritual core, it influences everything else in your life positively. Spiritual enlightenment

shines a light on the purity of your true nature and, in turn, affects your emotions, behavior and life.

In the next few years, we will see technical expertise extended to handheld devices, like Fitbit, with whom Chopra is working, allowing a person to reap the benefits of meditation. Such technology aims to enable the user to experience a joyful, energetic body, a compassionate heart and lightness of being — and to inspire us all to walk the pathway to total health.

We can minimize disease and illness as we get older, but we do age. Nothing is going to prevent old age or death. Everybody gets old if they are healthy. However, we can mitigate the suffering that comes from old age and the fear of death. With a sense of spiritual connection, we can learn not to fear death but embrace it as a natural part of life.

Every spiritual tradition teaches that the soul is timeless, immortal and boundless, and infinite. If we can assume that, we embrace self-realization, and fear evaporates. **CB**



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# 2021

## MENTAL **HEALTH** BENEFITS

# SURVEY

California Broker reached out to several industry experts to weigh in on mental health benefits. There's never been a time where mental health services were more important. Find out what these industry pros had to say...

**COMPILED BY THORA MADDEN**



## DESCRIBE YOUR COMPANY'S ROLE OR PRODUCTS IN THE BEHAVIORAL HEALTH SPACE.



**Stephanie Shields, SVP of Broker Sales at Aflac:**

Mental and emotional health has long been an important topic, but employers

got a closer look at how employees are doing and the challenges they face in light of the pandemic. As a result, they want to enhance their benefits offerings to support wellness in this area. In fact, the 2020-2021 Aflac WorkForces Report showed that 26% of employers said employee mental health issues had an effect on their company in the past year, and 26% of employees said they expect their employer to offer mental health assistance benefits to make them feel more comfortable going to a physical worksite.

Aflac examined the journey an employee experiences when seeking treatment for mental health symptoms. As a result, we have enhanced our products to make sure we not only react to an event like hospitalization or disability by providing cash to help with expenses health insurance doesn't cover, but also to focus on well-being. Our group short-term disability product provides mental illness coverage, and as a means to help support early diagnosis and treatment. Aflac considers a mental health screening a covered condition for group supplemental wellness or health screening benefits. In addition, we provide employers with access to value-added services such as an employee assistance program and telehealth, including meeting with a counselor or psychiatrist virtually. This can help provide support for treatment and round out their strategy to support mental health, stress management and overall wellness.



**Behavioral Health, Blue Shield of California:**

We are living in unprecedented times, the likes of which our society has not experienced in more than 100 years. For more than a year now, COVID-19 has caused worldwide disruptions in our work lives, family relations, job security and economic activity. In addition, social distancing has led to feelings of separation, loss of community, stress and anxiety.

Now, more than ever, Blue Shield recognizes the need to address the behavioral health needs of our members, including the biological, psychological and social factors that impact their behavioral health. Our whole-person approach to health and well-being, collaborative-care philosophy, and relentless innovation are what set us apart. These are the drivers that enable us to deliver a high-quality, personalized experience to our members.

Together with our behavioral health partners, Blue Shield is scaling an integrated medical and behavioral health program that seeks to ensure coordination between primary care physicians, specialty medical practice clinicians, and behavioral health professionals with the goal of providing a more holistic care experience. We aspire to ensure members have timely access to behavioral health care and that their cultural, ethnic, gender and language preferences are taken into consideration when finding the right provider.

**Jennifer Christian-Herman, Ph.D., executive director, Mind Body Medicine –**

As part of our commitment to transforming health care, we offer a comprehensive program of industry-leading behavioral health services. Blue Shield health plans provide a sophisticated approach to managing both inpatient and outpatient behavioral health services, employing specially trained behavioral health clinicians to assess members' situations and direct them to the most appropriate care setting. We ensure a seamless coordination process for the care of members with significant behavioral health needs through co-located care managers and a collaborative approach that promotes

integrated care coordination. This simplifies the member experience and enables personalized, relevant and responsive care, while still leveraging cutting-edge technology to expand access to these services. We provide additional flexibility through a variety of member access points (e.g., telebehavioral health and tech-enabled hybrid applications).

In addition to our legacy partnership with our behavioral health partner, Magellan Health® (Magellan), we have expanded our network with innovative provider partners and solutions.

Telebehavioral health services. BlueShield offers 24/7/365 telemedicine and telebehavioral health services to members through Teladoc. This includes a national network of physicians and experienced psychiatrists, psychologists, therapists and social workers to address a broad range of common illnesses and provide relief for issues like addiction, depression, stress or anxiety, domestic abuse, grief counseling and more.

Telebehavioral health sessions conducted during the COVID-19 period are covered in the same way in-person visits are covered. All credentialed

**We have enhanced our products to make sure we not only react to an event like hospitalization or disability by providing cash to help with expenses health insurance doesn't cover, but also to focus on well-being.**

**— Stephanie Shields, Aflac**

and contracted behavioral healthcare providers are now permitted to conduct telehealth video sessions for all routine services and certain advanced behavioral analysis, intensive outpatient treatment programs, and partial hospitalization program services. If a member is unable to participate in a face-to-face telehealth video session, outpatient providers may also conduct sessions via telephone. So, if members need care, they can call their provider to see how to receive services via their phone or video conference.

**Wellvolution:** Blue Shield's award-winning lifestyle medicine program, Wellvolution®, combines best-in-class digital therapeutics, evidence-based therapies, and member-centric design to ensure members have access to personalized, flexible tools that work within their existing routines and address their unique problems.

To help members with social distancing during the current COVID-19 outbreak, we adapted our Wellvolution diet and lifestyle programs to support members during this uncertain time. These 100% virtual programs are customized to meet current challenges, supporting members to take better care of their physical and emotional health while they remain at home. We also expanded the platform to include on-demand exercise videos and a recipe library of healthy recipes for all dietary needs to increase well-being support for our members during the pandemic.

Bright Heart Health. We are also employing technology to address behavioral health concerns through our partnership with Bright Heart Health. They provide expert care and support to adults through two-way

video conferencing via phone, tablet, or computer. Bright Heart works with over 150 hospitals, specializing in opioid disorders, substance abuse treatment, chronic pain/opioid dependency and eating disorders. Bright Heart Health is equipped to complete intakes within 24 hours of receiving a patient self-referral or provider referral, offering members on-demand care and minimal wait times.

**Value-added services:** Blue Shield's value-added services provide our clients with game-changing opportunities that offer a broader clinical value story through seamless integration and improved competitive positioning through innovation and improved costs.

Our newest cutting-edge solutions focus on technology, medical/behavioral integration, early intervention. We work to break down the stigma of mental health needs while promoting awareness, through these behavioral health programs and services:

**Behavioral health condition management services:** Our integrated care

management model leverages a behavioral health condition management component designed to help members overcome depression so they can effectively manage their chronic conditions. Behavioral health coaches, who are master's-level clinicians, engage members using motivational coaching techniques and cognitive skill-building exercises, and they support members in developing their own self-management plans.

**Pain management services:** We also offer, as part of our integrated care management model, a comprehensive and collaborative approach to pain management, including pain interventions that provide support for

members who may be at risk for opioid overuse or substance abuse. Various outreach strategies are leveraged to prevent unnecessary surgery, inappropriate medication use, and expensive emergency-room visits. Strategies include telephonic coaching by medical and behavioral health clinicians, medication reconciliation by a licensed pharmacist, 24/7 access to tailored, evidence-based digital programming, and self-guided modules.

**Complex case management services:** Magellan's complex case management services expedite and support access to treatment facilities and care for more acute behavioral health conditions. We partner with Magellan to offer an integrated medical and behavioral health model that helps ensure coordination between primary care physicians (PCPs), specialty medical practice clinicians, and behavioral health professionals, with the goal of providing a more holistic care experience.

**Autism and applied behavior analysis services:** The Magellan Autism Connections® program helps families navigate the complex healthcare system, obtain access to quality providers, and receive support within their communities. The program combines the expertise of fully credentialed providers who meet applied behavior analysis requirements with targeted efforts to engage and serve children diagnosed with autism and their caregivers to ensure everyone impacted receives the care, guidance, and support they need.

**Maternal mental health services:** Members experiencing maternal behavioral health conditions such as depression (including postpartum) and anxiety either before, during, or after pregnancy receive an additional layer of support via our Prenatal Program. Members are provided access to behavioral health specialists who can offer help and guidance with stress management, coping mechanisms, managing depression or anxiety, and more.

**LifeReferrals 24/7:** Members can get in-person and telephonic support

**Blue Shield has extensive experience supporting transgender benefits and providing patient advocacy services for members diagnosed with gender dysphoria through our integrated care management model.**

**— Jennifer Christian-Herman,  
Blue Shield of CA**



for all areas of their lives — from relationships and child and elder care, to financial and legal issues — with LifeReferrals 24/7™. This employee-assistance-program-like offering includes three face-to-face counseling sessions with licensed therapists in each six-month period at no extra charge.

**Transgender patient advocacy services:** Blue Shield has extensive experience supporting transgender benefits and providing patient advocacy services for members diagnosed with gender dysphoria through our integrated care management model. We offer personalized advocacy and health education services by dedicated nurse case managers to address the complex medical and psychosocial implications of gender transition, and our comprehensive medical policy follows internationally recognized standards of care from the World Professional Association of Transgender Health.

**Community health advocates:** As part of our Health Reimagined program, we are piloting the use of community health advocates in select regions to work directly with, or on behalf of, patients to navigate the health system and connect them with community resources that address their behavioral health and social needs while aiming to reduce health inequities. Community health advocates act as navigators and liaisons with local stakeholders and provide the empathetic support and real-time problem solving necessary to enable whole-person health and wellness.

**Workplace support services:** Managers and supervisors receive telephonic support to assist with employee issues, such as substance abuse or personal and family problems, that could be impacting job performance. Workplace Support consultants are master's level, trained clinicians who assist with the development of corrective action plans and a proper return to work, as appropriate, for the employee. Workplace Support consultants partner with managers and supervisors

to ensure services are done in accordance with a client's human resources and legal policies.



**Unum Spokesperson Pam Jenkins, Assistant Vice President, Product & Market Development, Colonial Life:**

Various programs proved their value last year during the pandemic. Colonial Life provides an Employee Assistance Program (EAP) within our Group Term Life product. Workers have free access to confidential counseling and resources such as securing local childcare options and finding alternative elder care solutions. In most states, employers may choose to offer our disability plans with psychiatric or psychological condition benefits.



**Brian T. Sullivan, RHU, REBC, FLMI, MHP, CHRS, Market Vice President, Humana:**

Humana's wellness programs, Humana Employee Assistance Program (EAP) and Go365, offer a variety of resources to provide mental health support. With Humana EAP, employers have the option to offer the traditional EAP offerings, including professionals who can connect employees to a network of licensed counselors. But it also offers other components, such as life coaching, a legal/financial benefit, and a website. Go365 offers digital mental health resources, Unwinding Anxiety and MyLife, as well as a SelfHelpWork's stress course called Living Easy: Stress & Resiliency.

**Yener Balan, M.D., DFAPA, Kaiser Permanente:**

Along with our expansive mental health offerings, collaborative approach, and responsive care, our integrated system—which offers care



and coverage together—is uniquely built to meet our members' needs during this difficult moment in time. We draw from a full spectrum of proven care.

From primary care to specialty mental health care to emergency care and everything in between, our providers coordinate and manage care delivery across an expansive mental health care ecosystem. That gives our members many options—including options for getting care remotely—and they can work with their provider to select the care that's right for them.

At the center of all of this is our electronic health record system, which allows members to manage their care online and gives us the ability to coordinate their care. Our doctors know what they need to do, and the ecosystem enables us to provide care based on what works and helps us make sure the patient experience is as seamless as possible. The ability to maintain clear communication across our care teams is particularly critical during a crisis, which can affect how and where care is delivered.

We also always try to spot concerns early, which is why providers across our network have the knowledge, training, and resources to address mental health concerns. Patients and their providers develop care plans tailored to their challenges and goals, including frequency and duration of visits. Adjustments are made as needed. Ongoing feedback from members helps us understand what tools, therapies, and self-care techniques are helping, identify additional things to work on, and decide on a path forward after achieving treatment goals.

The result is a fluid care experience that evolves with our members' needs.



**Mary Langowski, CEO, Solera Health:**

We have several programs that

serve behavioral health through our all-encompassing Solera Connect platform. This matches consumers to their best-fit, health community-based and digital solutions while creating a single touchpoint for condition management and streamlined engagement. Moreover, people are matched to their level of acuity by condition with the ability to move up or down as needed based upon ongoing data monitoring of how consumers are progressing. This ensures that people are getting the right level of support that they need. With the platform and a single agreement, we simplify the difficult tasks in getting programs launched, including claims processing, consumer engagement, eligibility screening and vendor management, thereby speeding up rollout of solutions and saving costs. Specifically, we offer both a Diabetes Prevention and Weight Management Program and have recently launched a bundled suite of programs called Solera True Strength which combines Stress, Sleep & Resilience with Tobacco Cessation and Social Isolation.

#### **HOW HAS COVID CHANGED WHAT YOU DO? FOR EXAMPLE, ARE PEOPLE ACCESSING YOUR SERVICE IN A DIFFERENT WAY? HAVE YOU SEEN AN UPTICK IN USE?**

##### **Stephanie Shields, AFLAC:**

Many changes have taken place in the insurance industry because of COVID-19, especially the acceleration of digital initiatives for American businesses. Aflac is constantly evolving to enhance the customer experience, from benefits enrollment and education to policy management and filing a claim. Our efforts to expand and reach more people were in place before the

pandemic. We continually work on ways we can better respond to customer needs by being easier to use, to obtain and to be more accessible to a greater number of consumers.

**All credentialed and contracted behavioral healthcare providers are now permitted to conduct telehealth video sessions for all routine services and certain advanced behavioral analysis, intensive outpatient treatment programs, and partial hospitalization program services.**

**— Jennifer Christian-Herman, Blue Shield of CA**

Aflac has digital tools in place to provide solutions for businesses that have had to shift to operating remotely. We partner with many third-party platforms that offer benefits administration solutions to employers and a seamless digital experience for their employees. In addition, we have updated customer-facing technology capabilities, changing the way we engage and service our customers and support brokers.

##### **Jennifer Christian-Herman, Ph.D., Blue Shield of CA:**

A silver lining to the COVID-19 pandemic crisis has been the capacity to rapidly expand telebehavioral health services. Blue Shield, in partnership with Magellan and Teladoc Health, Inc. has dramatically expanded these services, and as a result, provider/member utilization has risen significantly.

During the COVID-19 public health emergency, telehealth services have expanded to ensure patients continue receiving care in a timely fashion in a safe manner that mitigates risks to both members and providers. We have made several adaptations to our telehealth approach to support this expansion, including temporary changes to our levels of care.

#### **PANDEMIC OBSERVATIONS**

Members have exhibited a greater willingness to access treatment through telehealth modalities. For the periods of April to September, 2020, Blue Shield and Magellan experienced a reduced need to look outside the network to accommodate geographic needs and

specialty requests to meet appointment standards due to increased telehealth utilization.

This decrease was partially offset by the need to accommodate social-distancing restrictions and heightened safety measures for members and employees, increasing wait times for some patients and facilities. Some specialized in-person services have also been limited due to the pandemic, resulting in the need to utilize out-of-network services.

#### **PANDEMIC ADAPTATIONS**

The following list outlines various program adaptations Blue Shield and Magellan have implemented or supported providers in implementing over the course of the pandemic:

We adopted the best practice to allow providers the freedom to select the Health Insurance Portability and Accountability Act (HIPAA) compliant telehealth platform of their choice for delivering care.

We expanded support for providers, making it easy for them to onboard for telehealth. Through Blue Shield and MagellanProvider.com, we offer a free webinar, "Telehealth 101: What You Need to Know and How to Get Started"; lists of telehealth payable services and billing instructions; "10 Steps to Getting Started as a Telehealth Provider"; and answers to frequently asked questions about telehealth.

Some partial hospital programs (PHP) moved to a telehealth format, offering group and individual therapy, psycho-pharmacological management, and assessment via two-way video. Patients have participated in these programs from home or other suitable locations outside the traditional structured PHP setting.

For intensive outpatient program (IOP) services, we have seen two models emerge that incorporate telehealth modalities:

(1) video visits or telehealth-based IOP, during which the member attends only from an offsite/home setting via a telehealth connection

(2) a hybrid model that combines in-person and video visit-based care and requires evaluation of the treatment plan and therapeutic program components to ensure clinical validity.



Prior to COVID-19, Applied Behavior Analysis (ABA) historically allowed very limited telehealth opportunities. As of March 2020, in response to requests by state regulatory bodies, Blue Shield and Magellan began allowing telehealth accessibility for all ABA codes. This was warmly received by the ABA provider community, as it enabled them to see their members and remain compliant with shelter-in-place directives. Early feedback from providers has indicated patient satisfaction scores have remained the same for both types of visits.

Blue Shield and Magellan have continued to receive and review requests for psychological and neuropsychological testing throughout the pandemic.

Some providers have been using telehealth in their testing, and our internal

psychological testing team has compiled a list of testing measures that are conducive to telehealth services. We use this list, as well as the American Psychological Association's principles, as guidelines for telehealth testing during the COVID-19 crisis.

## POST-PANDEMIC PLANS

While Blue Shield specifically and the nation in general have made great strides in combating the COVID-19 pandemic, the crisis is far from over. Together with our partner Magellan, we have quickly responded to the public health emergency, making needed changes to support timely access to care and patient safety. We recognize, however, that the changes we've made during this critical time require further evaluation before we commit to making them permanent. We are currently documenting specific plans for this evaluation and recommended actions based on observations during the pandemic period.

We expect to assess whether some of our expanded telehealth services deliver an optimal level and quality of care outside of these extenuating

circumstances. For some levels of care, we do not believe telehealth to be a best practice and will likely revert to pre-pandemic policies. In other cases, through adapting our policies, we have determined that defining a new level of care to account for telehealth access may be appropriate.

### Pam Jenkins, Colonial Life:

The pandemic increased the risk of mental and behavioral health issues and made people more financially

fragile. In this environment, benefits to help protect people from the financial costs of illness, injury or loss of life are more important than ever. Unfortunately, the pandemic has made benefits enrollment — and learning which benefits are best for you — harder, too.

We've always focused on meeting our customers where they are — making sure they understand and choose the right benefits — regardless of whether it's in-person or virtual. When offices began to close in the U.S. last year, we already had a virtual meeting platform for benefit counselors, but we expanded our number of virtual counselors. Our Employee Assistance Program (EAP) also provides phone and online chat solutions for a variety of personal and work issues.

The ability for customers to connect with benefits counselors during off-hours is also paramount. If 10 p.m. on a Wednesday is the best time, Colonial Life can make it happen. Virtual makes it possible.

### Brian Sullivan, Humana:

Go365 rewards points to members for working out, but we verify their activities before doing so. Since gyms and other fitness facilities had shut down or otherwise experienced a drop in attendance, we added functions to our program where members could earn points for exercising along with virtual fitness programs

like Classpass or Echelon. They also have the ability to submit a selfie to our Go365 app as proof for working out. We also expanded our eligible activities for earning points to make it easier for members to be rewarded for being healthy. In addition, we offered webinars, new content and communications to help members with stress, exercise and prevention. With EAP, we added text-based and video counseling options to our network, to make it easier to get help virtually, as well as adding new website content and promotional flyers addressing mental health issues related to the pandemic.

### Dr. Balan, Kaiser Permanente:

The toll the pandemic is taking on us all is undeniable, and there's no question that COVID-19 will continue to affect people's mental health around the world. Early on, the Journal of the American Medical Association projected a nationwide increase in depression, anxiety and post-traumatic stress due to COVID-19. (This is according to Sandro Galea, M.D., et al., "The Mental Health Consequences of COVID-19 and Physical Distancing: The Need for Prevention and Early Intervention," Journal of the American Medical Association Internal Medicine, April 10, 2020.)

Sadly, that is proving true with more recent data suggesting that signs and symptoms of mental health conditions continue to rise, particularly among young people and caregivers. As people search for ways to cope with increasing stress and anxiety, we're seeing startling increases in substance use and addiction. Unfortunately, the national opioid crisis has only worsened during the coronavirus pandemic.

In June, four out of 10 adults said they've dealt with mental health or substance use issues, while more than one out of 10 said they've either started using substances or increased their use. (Mark E. Czeisler et al., "Mental Health, Substance Use, and Suicidal Ideation During the COVID-19 Pandemic—United States, June 24–30, 2020," Morbidity and Mortality Weekly Report, August 14, 2020.)

People who already struggled with addiction are suffering in isolation, creating dangerous and potentially life-threatening situations. A recent

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**— Dr. Balan, Kaiser Permanente**

study ("June Brings Some Mental Health Relief for U.S. Workers, but Risk for Mental Health Conditions Remains High," Total Brain, accessed Sept. 23, 2020) found that:

- 54% of employees are at increased risk of a depressive disorder, 49% have a higher risk of post-traumatic stress disorder
- 41% have a higher risk of a general anxiety disorder
- 11% have a higher risk for addiction.

This confluence of problems contributes heavily to deaths due to drugs, alcohol, or suicide, also known as "deaths of despair." These deaths have been on the rise the last decade and projections for the coming months are grim. However, we know they're preventable.

#### **Mary Langowski, Solera Health:**

With COVID-19 we have seen more demand for all of our programs. A recent American Psychological Association survey showed 42% of respondents reporting undesired weight gain, due to the pandemic, which is a high contributing factor for the onset of diabetes, so both payers and employers are moving to help consumers stem the tide. Moreover, COVID-19 has brought increased stress upon Americans, with a Gallup poll showing that 55% of people are experiencing stress "a lot of the day", which is why we launched the True Strength Bundle to help address this combination of conditions.

Our programs are traditionally accessed both in-person and digitally. To adapt for COVID-19, our community-based organizations successfully and quickly moved to offer virtual classes, but digital options continue to remain extremely popular.

#### **WHAT SHOULD BROKERS AND BENEFITS PEOPLE KNOW AND DO TO HELP CLIENTS BETTER UNDERSTAND AND UTILIZE THEIR BEHAVIORAL HEALTH BENEFITS?**

#### **Stephanie Shields, AFLAC:**

Maintaining ongoing, authentic relationships with clients is vital. Check in with them regularly to listen and provide counsel, both generally and about emotional health benefits.

This could include helping employers construct a benefits education strategy to help workers learn about and take advantage of all the offerings available to them. With employees continuing to operate remotely, it's important for employers to see how their workers are dealing with the extraordinary challenges of pandemic conditions.

Aside from a mental health issue, many people are struggling with extended periods of isolation, facing stress and anxiety about health concerns, or juggling a variety of responsibilities personally and professionally while working from home. In particular, women are a demographic bearing many burdens. Research shows that, compared with men, they complete more household chores and provide more child care and caregiving for older adults. Yet, they have less leisure time, which can affect their ability to get much-needed rest and self-care. And that data predates COVID-19, which put many women in a position to have to choose between work and child care. Brokers have an opportunity to lend a listening ear and offer solutions to help workers set their employees up for success.

On the topic of emotional health, a non-benefits consideration is informing businesses about national programs they can promote to employees such as Crisis Text Line, which Aflac supported during COVID-19 with a \$1 million donation to assist frontline workers. The not-for-profit organization responds to thousands of texts each day from individuals

experiencing mental or emotional distress. They reported an increase in communication with frontline workers and their family members impacted by the pandemic. Individuals seeking crisis counseling who text FRONTLINE

to 741741 are connected to trained counselors who provide support in dealing with issues such as anxiety, stress, fear, and isolation and help them identify coping strategies and other resources.

#### **Jennifer Christian-Herman, Ph.D., Blue Shield of CA:**

To help ensure employers, employees and individuals have comprehensive knowledge of Blue Shield's behavioral health benefits and know how to access them, we encourage brokers and benefits professionals to partner with their Blue Shield sales representatives, who can provide them with the current layout of Blue Shield's offerings.

At Blue Shield, we know that behavioral health is more than just a provider network, covered benefits, and tech-enabled care. Our members need to:

- *Recognize early signs and symptoms*
- *Understand what programs are available and appropriate for them*
- *Quickly access care across all acuity levels*

By realizing our vision of an improved healthcare delivery system, we believe that future members will actually have less need for behavioral healthcare services, because problems that lie in social and behavioral circumstances—which can progress into medical issues—will be lessened.

This is key to emphasizing not only Blue Shield's behavioral health and wellness benefits, but

to communicating the importance of addressing mental health and helping members find clinicians they can trust.

#### **Pam Jenkins, Colonial Life:**

Brokers should:

**COVID-19 has brought increased stress upon Americans, with a Gallup poll showing that 55% of people are experiencing stress "a lot of the day", which is why we launched the True Strength Bundle to help address this combination of conditions.**

**— Mary Langowski, Solera Health**



- *Continue to talk about the importance of dealing with any mental concern as a health issue.*
- *Contribute to the process of destigmatizing mental health.*
- *Recognize the impact to an employer's bottom line if employees are struggling to find help with personal issues. This can result in higher absenteeism, poor job performance, and impact coworkers.*

#### **Brian Sullivan, Humana:**

We believe that intervening early can help reduce the rate at which employees present with more advanced complications, such as depression and chronic stress. Behavioral health solutions should address a wide range of severity and diversity of mental health issues. Humana EAP, for example, could be seen as an offering only for "serious" situations like fitness for duty evaluations, but they can also offer more preventive, everyday resources to help people cope. Those under-utilized aspects of EAPs should be explored and promoted more. And wellness programs should be more holistic in nature, not just addressing nutrition and exercise, but also stress and anxiety—two major drivers of poor health in general.

#### **Dr. Balan, Kaiser Permanente:**

Our goal is to always be available for our members, especially when they need us most. We moved fast to shift delivery of nearly 100% of our scheduled mental health services to telehealth options, including group visits. This helped ensure our members could receive high-quality mental health care without delay and without risking exposure to COVID-19. We were able to quickly ramp up our telehealth offerings because we already had a robust, highly efficient telehealth system. We also accelerated investments that have enabled us to collect reported patient outcomes remotely, without patients having to come into the office.

These things make it easy for members to get care remotely through video visits, phone appointments, e-visits, email consultations, mail-order pharmacy, and a host of other virtual support options on kp.org and the Kaiser Permanente app found

at kp.org/getcare. In addition, our emotional wellness support resources have been essential during the pandemic. Whether it's to help with sleep, stress, or relationships, we offer many digital resources for our members' mental health and wellness, including popular wellness apps like myStrength and Calm. The myStrength app (a wholly owned subsidiary of Livongo Health, Inc.) offers a personalized program with interactive activities, in-the-moment coping tools, inspirational resources, and community support. Calm is a meditation and sleep app designed to help lower stress and reduce anxiety.

#### **Mary Langowski, Solera Health:**

Both brokers and benefits professionals should know that the two keys to maximizing behavioral health benefits for consumers are awareness and choice. Many people do not even know that there are behavioral health benefits available to them, so clients should be encouraged to outreach to their member population. More importantly, clients need to understand that different people learn differently, so offering just a single point solution provider for a behavioral health condition will not work for everyone. This is not a case where one size fits all, which is why Solera curates networks of providers offering a range of learning methodologies and algorithmically matches members to the best fitting solution for them.

#### **WHAT IS YOUR COMPANY'S MAJOR FOCUS OR CONCERN IN THE NEXT YEAR OR TWO?**

#### **Stephanie Shields, AFLAC:**

Aflac, along with the world, will continue to navigate the global pandemic's effects in 2021. This year we continue to secure our financial

position, align our workforce, and reinforce and accelerate our digital roadmap. Looking ahead to 2022, Aflac will hone in on our growth initiatives, including building a coordinated value proposition and experience for our newly acquired businesses and

expanding our distribution through new channels. In addition, we are also continuing to look at how we can leverage automation and digital solutions to create efficiencies for our customers.

#### **Jennifer Christian-Herman, Ph.D., Blue Shield of CA:**

We are focused on further integration of medical and behavioral health

care. Together with our behavioral health partners, Blue Shield offers an integrated medical and behavioral health program that seeks to ensure coordination between PCPs, specialty medical practice clinicians, and behavioral health professionals, with the goal of providing a more holistic care experience.

Our behavioral health vision for 2021–2024 is focused on further integrating medical and behavioral health care by leveraging the collaborative care model and existing accountable care organization (ACO) partnerships to:

- *Implement a value-based care model*
- *Integrate primary care behavioral health*
- *Base decisions on data-driven stratified medical behavioral integration*

Members and providers will also have improved access to digital self-help tools that provide evidence-based treatment options and care navigation. In-flight initiatives to improve medical/behavioral health integration include:

**Our goal is to always be available for our members, especially when they need us most. We moved fast to shift delivery of nearly 100% of our scheduled mental health services to telehealth options, including group visits.**

**— Dr. Balan, Kaiser Permanente**

- Integrated efforts to streamline primary care/behavioral health referrals
- Telebehavioral health and in-home services to improve access to care
- Initiatives focusing on post-inpatient admission follow-up requirements and attention deficit hyperactivity disorder medication follow-up
- Licensed liaison clinicians coordinating care between medical case management and providers
- Overall management of healthcare costs, including behavioral health, through the proper application of medical necessity criteria and minimizing unnecessary emergency-room visits, potential medication interactions, and hospitalizations
- Monthly joint clinical rounds to ensure a smooth transition process for members with significant and complicated comorbid health issues
- Dedicated nurse case managers who provide services for chronic behavioral health and medical issues
- A PCP hotline available to doctors and medical staff for consultations
- An online PCP Toolkit with resources and tools to support the coordination of care between primary care and behavioral health professionals
- An ACO liaison coordinating care between the medical group, Blue Shield, Magellan, and behavioral health providers
- Community transition coordinators to assist members transitioning from high-volume facilities
- Use of technology to transform

**We believe that intervening early can help reduce the rate at which employees present with more advanced complications, such as depression and chronic stress.**

**— Brian Sullivan, Humana**

*the healthcare industry through innovation. We believe technology is a strategic differentiator. Our goal is to bring health care to*

*the digital age through the right technology capabilities to build a meaningful digital experience for our users.*

Over the course of the next few years, our focus will be on accelerating the development of digital tools for members. In addition, we will be expanding upon our health and wellness and treatment cost tools to provide

integrated care guidance and give members more control and options to engage in their care in a self-service manner.

We will also focus on expanded personalization, more targeted content and messaging, and leveraging artificial intelligence to make the member experience highly relevant and drive better engagement. In addition, we are evaluating other ways to get members to the right care at the right time, such as channeling and incentive strategies.

Our vision is to build a relationship with our members in which we become their trusted advisor for their healthcare needs at an exceptional service level. We want them to know that we are not just a health plan provider—we are an integrated solutions platform actively supporting their health through a multi-faceted, 360° approach. We are taking bold steps to reimagine health care by using technology to put members at the center, help providers focus on delivering the best clinical care, and improve the health and wellbeing of individuals and their communities.

Our ongoing digital strategy roadmap is built upon one of our key strategic pillars — high-tech, high-touch support. This roadmap also aligns with our customer-focused goals of becoming trusted advisors to all our

members by providing an experience that is simple, human and intelligent, and by meeting their healthcare needs at an exceptional service level. Our efforts are not only focused on digital solutions; we are taking an omni-channel view to ensure integration of all touchpoints, with interactions tailored to member preferences and needs.

We are already making inroads through the following technological initiatives:

**Connect and EngagementPoint.** In 2020, we launched the omni-channel member engagement systems Connect and EngagementPoint exclusively for our self-funded clients. The Connect and EngagementPoint ecosystem includes all digital programs and services in one place—including preferred vendor partners—to drive member engagement. This digital ecosystem leverages claims data, individual preferences, and user activity data to deliver personalized recommendations and empower members to improve their health. We are so confident in their efficacy that these programs come with a performance guarantee as a standard.

**Virtual care:** We believe that a variety of member access points (e.g., telehealth and tech-enabled hybrid applications) that complement traditional in-person care are necessary to ensure timely, affordable access to medical and behavioral health care. We continue to expand virtual care through collaborations with Teladoc, myStrength by Livongo Health, and innovative provider partners like Bright Heart Health to help members obtain the highest quality care at the lowest cost for conditions that are eligible for treatment via virtual care.

**Holistic health platform:** We are helping to improve the health and wellbeing of the population by addressing social determinants of health such as food insecurity, homelessness, and social connectedness. Current initiatives include a new holistic-health platform that leverages our Wellvolution platform, community health advocates to engage members in their local communities, and data intelligence from mySidewalk and Unite Us to enhance community understanding.

## COMMITMENT TO INNOVATION

Blue Shield is all in on innovation. We are rebuilding health care from the ground up by leveraging innovative clinical research, analytics and collaborations with our network providers and other healthcare partners to transform the way health care is delivered. Following are just a few examples of how we are achieving this.

### Health

**Reimagined:** Our Health Reimagined program is an innovative plan to transform the healthcare system by combining industry-leading care models with a simplified, personalized member experience to deliver high-quality, sustainably affordable care. We are piloting programs for Health Reimagined in four distinctly different regions throughout the state: Butte, Los Angeles, Monterey, and Sacramento counties. Each county has unique qualities that help us understand which approaches are most effective.

**Altais:** Blue Shield recognizes that the healthcare system is contributing to physician burnout and fatigue due to mounting administrative burdens. To address these challenges, Blue Shield has invested in a new company, Altais, that empowers doctors to focus on what they do best: connect with and treat patients. Altais helps medical and clinical professionals seamlessly leverage technology so they can focus more time on the health and well-being of their patients, reduce cumbersome administrative burdens, strengthen the vibrancy of their practice, and enjoy a sense of professional satisfaction.

**BlueSky mental health initiative for youths:** Blue Shield recognizes the essential role mental and emotional health play in a person's overall well-being, starting in childhood. No one is immune to adversity, yet

each person's future depends on their ability to cope through life's challenges. Enter BlueSky, a multi-year initiative that brings together leading community organizations to provide mental health resources for middle- and high-school students. BlueSky initially launched in 19 middle and high schools in

Alameda and San Diego counties, supporting a total student body of more than 20,000. As more elements of the program roll out and it expands in geography, tens of thousands more students will be able to access these additional mental health support services.

**Colonial Workers have free access to confidential counseling and resources such as securing local childcare options and finding alternative elder care solutions.**

— Pam Jenkins, Colonial Life

### Pam Jenkins, Colonial Life:

With so many people absent from their normal workplaces, the

normal enrollment methods — like benefit fairs, in-person group meetings and live one-to-one benefits counseling — might not be the “norm” for the foreseeable future. We will continue to expand our various enrollment methods, with a strong focus on virtual enrollment and how we can leverage technology to help our customers make critical benefits decisions.

We also plan to continue to grow and expand our benefit offerings — making sure they're modern, current, and reflective of a multi-generational workforce.

### Brian Sullivan, Humana:

In the next year or two, we have two major focuses:

1) Help companies establish a culture of well-being amidst the long-term effects of the pandemic, which will be far-reaching and unprecedented, and

2) Expand the definition and expectations of “well-being” so that employees are not just incurring lower healthcare costs, but also feel supported, resilient and productive.

## Dr. Balan, Kaiser Permanente:

Kaiser Permanente is at the forefront of mental health and wellness, fueling the global conversation and engaging with diverse partners to make mental health and wellness a reality for all. We're fostering open and honest conversations with people of all ages, including with our “Find Your Words” campaign, which is designed to make it easier for people to support themselves and others, and our innovative Presence of Mind initiative, which focuses on helping youth and young adults prioritize their well-being in collaboration with the esports and gaming community.

These are just a few examples of how we're cultivating health for our members and making a positive difference in homes, workplaces, and communities.

In addition to the acceleration of telehealth and digital self-care, we can also report investments in key areas, including hiring more than 500 mental health clinicians in California in the last 5 years, committing \$11 million toward technology, and \$700 million in expanding and enhancing mental health care facilities. This is reported by Kaiser Permanente's internal data. We're continuing to expand our rapid intake and assessment center to expedite care for our members. And we're working in our communities to reduce stigma, address homelessness, and reduce the barriers that prevent people from seeking the mental health support they need.

## Mary Langowski, Solera Health:

Solera's main focus is continuing to partner with forward-thinking payers and employers to roll out the best behavioral health programs in the industry and help as many people as possible. Working with us, payers and employers can be comforted knowing that they will always have the latest and greatest programs available for their audience. **CB**





## Is Protecting Mental Health Possible During the COVID-19 Pandemic?

The real mental health burden is usually felt after 'disasters'

BY DR. TYLER AMELL

**A**s the COVID-19 pandemic continues to disrupt our work lives, home lives and everything in between, our health has taken center stage. This has not always been the case. Many of us take our health for granted, until a scare forces some of us back to reality. Then we focus on the lifestyle choices we make that have serious implications for our current and future health. Behaviors and choices we consciously or unconsciously make have the single largest impact on our health.

During the first three months of the pandemic, it became very clear that healthcare seeking behaviors were changing. According to a study published in 2020 in the peer-reviewed journal JAMA Network Open, preventive care such as mammograms and colonoscopies, and to a lesser extent hemoglobin A1C visits and vaccinations decreased dramatically in spring 2020. These delays in care will have far reaching consequences as we emerge from the next phase of the pandemic. In many instances, we are in much worse health than when it began. Fortunately, there was a significant increase of telehealth and telemedicine appointments, long part of benefit plans, but infrequently used in comparison to in-person visits. This is just the tip of the digital solutions available to employers and plan sponsors when it comes to health assessment and solutioning.

### ACCELERATED MENTAL HEALTH CHALLENGES LEAD TO INCREASED DRUG AND ALCOHOL USE

Nowhere is this more apparent than in our mental health state. A 2021 study published in the Journal of Occupational Rehabilitation, losing a job during the pandemic has been associated with mental and physical health problems, which can be moderated by social interactions and financial resources. For those who did not lose work, and where there was not a requirement to be at a specific worksite, working from home became an instant reality.

### VIRTUAL WORKING ARRANGEMENTS

required people to set up home offices, sometimes at the kitchen table, and blend work and personal time together as childcare needs collided with work needs for many. Pets were confused, but not complaining. Without the need to commute, and in response to many social activities being curtailed or closed, people spent much more time at home. As a result, when stay-at-home orders were implemented to reduce SARS-CoV-2 viral transmission, alcohol use increased substantially, according to the JAMA Network Open study. Online alcohol sales increased 262% over 2019 levels during the first phase of

the pandemic and have remained high ever since.

There are well known negative physical health problems associated with excessive alcohol use. Continued use may lead to, or exacerbate, existing mental health problems, such as stress, burnout, anxiety or depression. Several studies have found that these mental health conditions are increasing in incidence during the pandemic as well due to a variety of reasons. The increases in alcohol consumption for women, younger workers, and non-Hispanic White individuals highlight that employers and health systems may need to educate employees or plan members about increased alcohol use during the pandemic and into the next phase and identify factors associated with susceptibility and resilience.

Alcohol use is not the only indicator of potential risk to mental health. Numerous other substances are also being used in increasing frequency. In one study that looked at drug test results for 150,000 U.S. residents in the period immediately before and immediately after the pandemic began, positive tests for cocaine, fentanyl, heroin and methamphetamine increased between 0.8% to 3.8%. The increase in use of fentanyl and methamphetamine was more significant than cocaine and heroin.

## BURNOUT ABOUNDS

The stress on people caused by the pandemic is evident all around us, from economic concerns, decreased socialization, relationship strain and decreased physical activity. COVID-19 fatigue is real, and some people have given up in some respects, according to a 2020 New England Journal of Medicine study. Burnout, a significant risk to nurses and other healthcare practitioners on the front lines of treating the sick, is not confined to workers in the healthcare space. Essential workers and everyone else can be impacted as well.

From MediKeeper's standardized Health Risk Assessment data from a wide cross-section of employees, those self-reporting they have sought professional help for anxiety or depression has increased 105% in the past year. Stress levels have increased by as much as 12% and those worried about their health has increased 18%. This brings forward a question: given all the evidence concerning the declining mental health state during the pandemic, is protecting mental health possible during the pandemic?

Yes, it surely is! The 80 plus year longitudinal Grant & Glueck Harvard study, interestingly which began a decade after the last global pandemic, demonstrated that meaningful connections and relationships between people are the key to health and wellbeing. When you cannot easily meet face-to-face in person, there

are a myriad of reliable options for people to meet using technology to continue the connection.

## STRATEGIES TO MANAGE STRESS

We know that physical exercise, which does not necessarily need to take place indoors in a fitness facility, is crucial to support your wellbeing, and has a tremendous impact on mental health. The same goes for diet and nutrition from a prevention and treatment perspective. Digital Cognitive Behavioral Therapy (CBT) strategies are effective strategies at reprogramming thought patterns that can lead to meaningful, sustainable behavior change.

Together, these are the pillars of wellbeing that support your psychological state and help build resiliency. This is critical in the coming months because although the focus right now is on getting through the pandemic, which does bring out the best response in many people, the real mental health burden is usually felt after 'disasters' have subsided. This is when the surge in mental health cases and real breakdowns occur for the vast majority of those who managed to keep things together during the most stressful period.

Aside from these non-pharmaceutical strategies to help people manage their mental health, there are pharmaceutical strategies. Effective anxiolytic (anti-anxiety) and anti-depressants are also available through benefit plans. One common concern is the amount of time that some of these medications take to be effective, or the trial and error that may go along with finding one that will work best for you. This is where new tests such as pharmacogenomic tests help determine which drugs are safest and most efficacious for the person, based upon their liver's ability to metabolize the drug. This helps keep mental health treatment costs down, and delivers quicker, more sustainable results to supplement any wellbeing strategy.

At this point, as we consider eventual return to the office transition, many people will question is it safe to do so? Will this place additional stress? Yes, it can, but we do know that mental health can be protected during these times and should long be a focus of employers and plan sponsors during the foreseeable future. **CB**



**DR. TYLER AMELL** is an internationally recognized thought leader on the topic of workplace health and productivity and chief health officer at MediKeeper. He also serves on the executive board of directors of the Work Wellness Institute and the National Wellness Institute. In the past, he served on the executive board of directors of the Integrated Benefits Institute (IBI) and the Canadian Association for Research on Work and Health. He is a past partner and vice president at a global HR Consulting and Technology company, CEO of an HR technology company and vice president of Canada's largest independent health care, occupational rehabilitation and return-to-work company. Dr. Amell holds an adjunct faculty position at Pacific Coast University for Workplace Health Sciences. He has given seminars and presentations at more than 200 events globally.

# Shedding Some Light on



## Why Are Fixed Annuity Sales Surpassing Variable Annuity Sales?

BY ALVIN PARRA

**In today's instant** information-rich world, annuities have a reputation as one of the most misunderstood investment products out there. Annuities are still a mystery to many of my clients, and frankly still with too many insurance agents.

Why? First, I believe many agents and advisors still have not taken the time to understand annuities to fully explain them to their clients correctly. And, second, annuities are easy targets for bashing by companies with ulterior motives like Fisher Investments with their simplistic catchy slogan "I Hate Annuities and You Should Too."

As a fiduciary investment advisor and also a licensed insurance agent, I have the great opportunity to see a range of clients and have been able to see which clients are best suited for variable investments or fixed products. I am a huge fan of annuities, for the

right client and the right scenario. Like every industry, some bad apples have made anti-annuity bashing easy. In this article, I am hoping to shed some light on the different types to help you feel more comfortable about annuities, how they can better fit in your practice and how to help make more suitable recommendations for your client.

According to LIMRA, in the year 2000, total annuity sales reached \$190 billion with \$137 billion of that in variable annuities and \$53 billion for all fixed annuity sales. Nineteen years later, and despite the low-rate environment, total annuity sales increased by 27% to \$242 billion in 2019. However, the roles slowly reversed. Fixed annuity sales nearly tripled to \$140 billion and variable sales dropped 25% to \$102 billion. No surprise—total annuity sales dipped about 10% in 2020 mainly due to the pandemic.

### FIXED ANNUITIES

Although variable annuities continue to be a huge part of the annuity market, fixed annuity products will be my focus as they have been on a steady rise for decades and don't have as many advocates as the variable annuity.

Fixed Annuities are contracts that offer principal protection and better upside return than a bank. I like to tell my clients, "if you know what a bank certificate of deposit (CD) is, then I can more easily explain what a fixed annuity is. A fixed annuity is like a CD on steroids."

A CD is a contract with a bank, usually with a 6-month to a 5-year contract, a fixed rate and comes with penalties for early withdrawal. The fixed annuity is a contract with an insurance company, not a bank. Unlike a CD, where clients pay taxes on the interest gained annually, taxes on gains in



annuities are deferred until withdrawn. The danger for younger clients placed in non-qualified annuities is that gains are subject to taxes for early withdrawals, but also be subject to a 10% IRS penalty of the gains, if taken prior to age 59 1/2.

There are up to 5 different types of fixed annuities and knowing them will help you recommend the most suitable one for your client.

#### **TRADITIONAL FIXED ANNUITIES (TFA):**

Although the contract could be for several years, the rate can change up or down each year. Today's 5-year plan rates are starting at 1.9%.

**Multi-year Guaranteed Annuities (MYGA):** These function a lot like a CD's in that they lock in the advertised rate for the duration of the term. Today's lock in rate for a 5-year plan is averaging about 2.6%.

#### **Single Premium Immediate**

**Annuity (SPIA):** This is a single deposit that starts a monthly income to last 10, 20 years or lifetime—creating a potential lifetime income stream. Although SPIA's account for 6% of fixed sales, the annuity bashers love talking about how annuities “lock up your money” forever, and the bad old insurance company will keep your remaining money if you die. It's rare that agents would offer a SPIA, but some unique cases will require a SPIA.

#### **Deferred Income Annuities (DIA):**

Also known as longevity annuities, DIA's in essence are like a SPIA but you can postpone turning on a lifetime income to a date in the future.

**Fixed Indexed Annuities (FIA):** This is one of the fastest growing of all of the fixed annuity options, but frankly the most confusing. An FIA is like a hybrid between a bank CD and a mutual fund. Like a CD, the principal is protected in a downward market after an anniversary period. However in a good market year, if the index has a positive gain for that period, your client's credit for that period would match some or all of those index gains. Every insurance company has different “crediting” strategies, but the good news is that clients have the

ability to earn more, over time than a regular fixed rate annuity.

Fisher Investments and other naysayers would have you believe that all annuities have “fees.” While variable annuities do charge asset fees, mortality expense and other fees, the above fixed annuities have ZERO management fees.

#### **WHY OFFER RIDERS**

An agent can offer a “rider” with a fee to a fixed indexed annuity or a variable annuity for about 1-1.5%. The more popular rider is the “income for life” rider which if added on, can create a single or joint lifetime income stream with a fixed payment, without the need to a lifetime annuitization.

For example, a 55-year-old client with a \$100,000 IRA rollover who is planning to retire in 10 years, can add a lifetime rider. They will know exactly what the future predetermined “guaranteed” income stream will be, without any worries about stock market or index future performance. Similar to delaying Social Security, the clients “monthly income” value grows each year it's delayed. I just ran this illustration, and one top A rated carrier would guarantee this client \$10,021 a year for life starting at age 65. Can a Fisher advisor guarantee this?

#### **There are at least six reasons why I believe fixed annuities growth has outpaced variable sales:**

1. Fixed annuity contracts have become more popular with retirees in the last 20 years. Baby Boomers are retiring in large numbers, which means that they're not sure whether to buy stocks left and right like they did before, or take a smaller return of 3-5% over time knowing their principal is safe from market volatility.

2. The dramatic decrease of pensions plans in the private sector is increasing American's reliance on Social Security. The concept of a principal protected account that can create a monthly “guaranteed” income stream makes sense to plan for the future.

3. Insurance companies are becoming more creative with new features, new crediting strategies and hybrids that are filling in gaps in

the market place like Long Term Care hybrid annuities.

4. Many younger and older conservative investors are open to “contracts” of five, seven or 10 years, knowing that they will be saving up to 2% a year that would have gone to a broker for management and asset-based fees.

5. Clients liked that they have up to 10% penalty-free withdrawal access to their account value per year. If retirees are still in the annuity contract, they still can follow the 4% rule and make systematic withdrawals without the fear of a withdrawal penalty.

6. And finally, over the last ten years, I have seen more agents taking an active interest in learning more about annuities, turning to mentors, contacting their IMO's or agencies for assistance in helping them be better prepared to educate their clients on a great option they may have never heard of before.

Although some variable annuities carriers are able to offer plans with contracts, fixed annuities do have contracts with sliding surrender fees. Any client that has risk a profile of aggressive or has short time horizon liquidity needs is likely not a good candidate for an annuity.

Fixed annuities have been around since the Roman Empire, and it seems like they are finally getting the respect they deserve. I only foresee increased sales as more clients and agents understand that fixed annuities may actually fit in the financial portfolio they have had for decades. Fixed annuities give agents and client guarantees and predictabilities that other products can't offer. **CB**



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# Helping Your Medicare Clients Understand and Utilize their Prescription Drug Benefits

BY MARGARET STEDT

**T**he most challenging part of coverage for Medicare beneficiaries is their prescription drug coverage. It is such a change from what they had experienced for many years under their group health or individual plans that it makes it difficult for the Medicare beneficiary to understand their benefits and options. They need to know how the plans actually work, whether they are enrolling in a Medicare Advantage Plan with Prescription Drug coverage (MAPDs) or Stand-Alone Prescription Drug Plans. In addition, prescription drug coverage varies so much between plans and copays, depending on their pharmacy that beneficiaries find it difficult to make a comfortable choice.

The Medicare focused agent is one of the best resources to help the Medicare beneficiary to understand their options for coverage and how it works. It does require that the agent review and understand the prescription drug coverage under the MAPD and stand-alone plans, and are able to understand and effectively communicate the terms and how the coverage functions under the plans. We have many tools offered by Medicare and the MAPD and the Stand-Alone Drug companies to help Medicare beneficiaries both at time of enrollment and throughout the year with on-going service issues and concerns. Remember, before you begin working with prospects you must obtain a signed Scope of Appointment to provide information about the MAPD and Stand-Alone Drug Plans.



## CMS RESOURCES

Many agents and Medicare beneficiaries utilize the CMS Medicare website ([www.medicare.gov](http://www.medicare.gov)) to input prescriptions with the drug name, dosage, frequency the drug is taken, their pharmacies and mail order options. It is important that you print out and save your work to share with the client and to document your files. While it is a good tool, there are many challenges as the site no longer maintains the data that you input unless the client has established a mymedicare.gov account on the website. The client would need to share their id and passcode with the agent to give access to the account. Because we are considered "Trusted Advisors" by CMS clients are able to share that confidential information.

I always use this site as a starting point to see the various plans and options. The plans vary in deductibles, waiver of the deductible for the plan tiers, number of tiers, formularies and for the Stand-Alone drug plans and monthly premiums. It is also important to review and disclose the Star Rating for the plans.

To take the next step of reviewing the plans with the clients I always access the potential plans' websites for their most up to date formularies to

determine if there are any changes or additions. We have experienced some errors at the beginning of each Annual Open Enrollment period for some of the plans on the Medicare site. Also, bear in mind that formularies may change during the year.

There are other sites that you can use and most Field Marketing Organizations (FMOs) offer these to their contracted agents. They have the advantage of saving the prescription drug information that you had input for later access and changes.

## OTHER REQUIREMENTS TO NOTE

Agents need to cover additional important information with their

prospects and clients when presenting MAPD or Stand-Alone Drug plans. Review the Income Related Adjusted Amount (IRMAA) charts found on the [www.medicare.gov](http://www.medicare.gov) website with your prospects and clients. Since 2011, high-income Medicare beneficiaries' Part D premiums include an additional charge based on their modified adjusted gross income. (It is a two year look back).

Many beneficiaries are not aware that they may appeal the increased amounts if they have a life changing event. The Medicare beneficiary may call Social Security for the appeal form to complete and submit the completed form to Social Security. Some examples of life changing events are:

- the death of a spouse
- marriage, divorce or annulment
- the beneficiary or their spouse stop working or reduce the number of hours worked
- the involuntary loss of income-producing property due to a natural disaster, disease, fraud, or other circumstances
- the loss of pension benefits
- the receipt of settlement payment from a current or former employer due to the employer's closure or bankruptcy.

## THE PART D LATE ENROLLMENT PENALTY

Review and understand how the Part D penalty works. The penalty does not apply if someone enrolls when they are first eligible or they have creditable drug coverage after their Initial Enrollment Period.

Medicare has a minimum coverage requirement. Creditable means that the drug coverage was equal to or greater than the required Medicare coverage with a \$445 deductible and coinsurance split of 75/25% coverage. Individual plans are not creditable. Companies may offer increased benefits but must offer the minimum coverage.

Medicare calculates the penalty by multiplying 1% of the "national base beneficiary premium" (\$33.06 in 2021) times the number of full, uncovered months the beneficiary didn't have Part D coverage or creditable coverage. The monthly premium is rounded to the nearest \$.10 and added to the monthly

**Another great way to assist your clients is to see if they may be eligible for the Extra Help program for prescription drugs.**

Part D monthly premium. Note that it is not prorated per each year when there is no coverage but is calculated based on the current year's penalty by total number of months not covered. The member is not responsible for calculating their own penalty.

Members may appeal the Part D penalty, such as when a member has Veterans coverage. No late enrollment penalties are assessed on those with Low Income Subsidy (Extra Help) or on full MediCal benefits.

## KNOW THE TERMS AND PART D COMPONENT

You need to be able to explain the tiers (preferred generic, generic, preferred brand, non-preferred brand and specialty) and the applicable copayments and coinsurance amounts. When reviewing the formularies, make sure that you note the drugs that have step therapy or pre-authorization or quantity limits. These also vary by plan.

Review the Part D Coverage Stages—Initial, Coverage Gap and Catastrophic—and the differences on the copayments and coinsurance amounts. It is important to note that the actual price of the drugs does affect the overall cost to the beneficiary, so they really need to use the preferred pharmacies to help save costs.

## MAXIMIZING DRUG COST OPTIONS

Help the beneficiary to identify preferred and standard pharmacies for each plan as Preferred Pharmacies usually offer preferred cost-sharing. Most plans offer a mail-order service that may provide greater savings. Discuss that cost-sharing or cost of drugs may change during the year. Long Term Care Facilities are typically treated as standard pharmacies. Some plans do not allow the use of non-network pharmacies unless out of area (call Member Services!)

Review the formularies for alternative prescriptions that they may discuss with their physicians. Most formularies are by the classification of the drugs so they can see the alternative drugs that are covered in the drug classification.

## EXTRA HELP (LOW INCOME SUBSIDY)

Another great way to assist your clients is to see if they may be eligible for the Extra Help program for prescription drugs. Information and the application may be accessed on the [www.socialsecurity.gov](http://www.socialsecurity.gov) website. "Medicare beneficiaries can qualify for Extra Help with their Medicare prescription drug plan costs. The Extra Help is estimated to be worth about \$5,000 per year. To qualify for the Extra Help, a person must be receiving Medicare, have limited resources and income, and reside in one of the 50 States or the District of Columbia."

For one of my clients this program made the difference for him to be able to afford his much needed prescription drugs and to buy groceries to feed him and his cat and put gas into his car. It was life changing.

## PRESCRIPTIONS NOT COVERED ON THEIR PLAN

It can be a challenge for Medicare beneficiaries to afford drugs that are not on their plan's formulary. The beneficiary may want to ask their physician to submit an Appeal to have the drug covered. This is important for the drug to be covered under the plan and be subject to the cost sharing in the three stages in prescription drug coverage. If the drug is not covered the beneficiary may also consider using Pharmacy Discount Programs/cards such as Good RX or discount cards. Some people use Canadian Pharmacies although this is not a legal option at this time unless it is a pharmacy program approved in the United States.

## OTHER IDEAS FOR SAVINGS

There are some additional ways that the beneficiary may utilize to help save on their drug costs. Consider splitting pills (under supervision of the physician). They should work with Physicians for prescription alternatives. It is important to remind your client that they need to bring their plan formulary to discuss with their physicians as the physicians do not have access to all the plans! Individuals could ask for free samples. I recommend that they do so in the 1st or 2nd quarter of the year.

Individuals should always shop around and compare prices for their

prescription drug costs. And, by using Preventive Care benefits and staying healthy it will help them better manage their prescription drugs needs. Some manufacturers offer special drug programs and cost savings for specific drugs. There are usually income requirements and forms and applications to complete. You can assist your client to identify these programs.

I firmly believe that the agent specializing in Medicare plans can offer real value and assistance to their clients to help them understand and use their prescription drug coverage.

> As the servicing agent, speak with or meet with your clients at least annually.

> Help them use **[www.medicare.gov](http://www.medicare.gov)** and most importantly their plan's drug formulary.

> Always review both the **[www.medicare.gov](http://www.medicare.gov)** or your drug calculator of choice AND the plan's formulary online.

> Always print out "Your Plan Results" and document the client's file with review of prescriptions (dosage, frequency and pharmacies).

> Remind your client to review their monthly TROOP (True Out of Pocket) Report and to review the plan formulary for drugs with their physician.

> Always be ready to support and provide service.

You can make a difference for your client. There are many ways to help! **CB**



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# The California Long Term Care Insurance Task Force

An LTC insider offers an update

BY LOUIS H. BROWNSTONE

**T**here is new momentum in California to solve the many social and financial problems of long-term care services and support. This momentum has been encouraged by California Governor Newsom, who is passionate about these issues because he endured a family long-term care event. With his encouragement, AB 567 (Calderon) “established the Long Term Care Insurance Task Force in the California Department of Insurance to explore

the feasibility of developing and implementing a culturally competent statewide insurance program for long-term care services and support.”

Its objectives were broad and included exploring:

- A. Whether a program could be included as a benefit in state disability insurance
- B. Designing a program for working adults with payroll



- deductions
- C. Requiring mandatory enrollment with a voluntary opt-out option
- D. Providing a basic insurance benefit to those who develop functional limitations
- E. Helping individuals with functional or cognitive limitations remain in their communities
- F. Helping offset costs by adults with chronic and disabling conditions
- G. Evaluating how benefits would be coordinated with private insurance
- H. Evaluating how caregivers can be assisted to fill the need
- I. Considering a joint public and private system
- J. Enabling the public to access future long-term care insurance programs.

Wow! That's a great deal to consider. It will be difficult to utilize the varied types of expertise needed to develop such a broad program. The task force recommendations are to be made to the insurance commissioner, the governor and the legislature by January 1, 2023, and an actuarial report is to be completed by January 1, 2024.

The task force consists of 15 voting members, either in government or representing various care providers. Only one of the 15 members is to be appointed from the long-term care insurance industry.

Recent public opinion surveys in California have shown that most citizens could not afford more than three months of nursing home care at an average cost of \$6,000 per month. About four in 10 citizens could not afford a single month of care at that rate. This demonstrates the need for a comprehensive solution to these problems.

The task force had its first meeting on March 9 and plans to meet at least once every two months. This first meeting was mainly organizational. A great deal of time was spent dissecting a draft chart with seven main headings: structure options, financing, administrative considerations, workforce, services, coordination/interaction and access. Some members wanted to expand these headings from seven to at least nine.

The need for a comprehensive program keeps growing as our population ages and more people need substantial caregiving. Current long-term care insurance, whether traditional or hybrid, is only being sold to people with high income and assets. The industry has not provided an acceptable solution to the long-term care conundrum for everyone else.

We have compromised the plans we are selling to only partially cover even current costs. In addition, the costs of care keep rising faster than the rate of inflation and this trend is likely to continue for many years. This means that we can't further reduce benefits to lower the price and still have a meaningful policy.

## HOW CAN AN INSURANCE PROGRAM BE EXPANDED TO POTENTIALLY COVER THE MAJORITY OF CALIFORNIANS?

**First**, the task force is very interested in the new State of Washington Long-Term Care Trust Act, the first of its kind at the state level. Funded by a .58% payroll deduction, it

provides for a benefit of \$36,500 which will be indexed for inflation by the Consumer Price Index. Its big advantages are that it is a mandatory program and will include a younger pool of insureds. This plan has some major weaknesses and may need to be substantially altered to succeed. The benefit is a small one, but it's the beginning of a long-term care solution which could grow and become important.

**Second**, the California Partnership for Long-Term Care is nearing the end of a death spiral and desperately needs reviving. Partnership policies were originally intended to attract people with moderate income and assets. Some states have revised their plans to again appeal to this target market, but not California. A previous Partnership Task Force recommended daily benefits as low as \$100/day, a benefit limit as low as \$73,000, and 3% compound inflation. If these changes were legislated, Partnership policies would be a fine example of a joint public and private system which could work for the middle class. It could be a mandatory plan with an opt-out for long-term care insurance policyholders.

**Third**, worksite programs, possibly extensions of disability insurance, could be the answer the Task Force is seeking. It would be an easy transition to combine long-term care insurance with long-term disability insurance. However, this is an expensive solution, combining two products in one, and would expand and exceed the purpose of the task force. The same would be true of utilizing a life insurance product to include a long-term care rider.

**Fourth**, a state Medicare for All program is projected to cost \$400 billion—too much to pass at this time. A few years ago, an attempt at a long-term care plan at the federal level failed for lack of adequate funding. However, I envision some support for such a plan building over a 10 to 12 year period as health care costs continue to rise faster than the inflation rate. At some point, there will be considerable savings if America enacts such a plan.

**Fifth**, the repricing of traditional long-term care insurance could create lower initial premiums which rise slowly every year, similar to health insurance. This concept would better fit the needs of younger prospects who don't want to spend much money initially in a long-term care solution. The rate of increase could be variable based on actuarial experience as well as increases in age. Furthermore, the costs would mainly be borne by older employees with potentially higher income.

Finally, there may be designs in the works that I don't know of. I bet these new solutions are already on the drawing boards for the task force to discover. The people to whom we are selling long-term care protection now are not the ones who need it most. It's everyone else, and a solution for them is the main purpose of the task force efforts. **CB**



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**K**aiser Permanente has a deeply rooted commitment to diversity. **Dr. Ronald L. Copeland, MD, F.A.C.S.**, senior vice president of National Equity, Inclusion and Diversity strategy and policy for Kaiser explains what this means to the organization.

**Q: Could you explain Kaiser's history in diversity?**

**A:** Our organization started in the Kaiser shipyards, with women and men, including those of historically underrepresented groups and individuals with disabilities, working as equal members of industry-leading teams. In the 1940s, Dr. Sidney Garfield and Henry Kaiser committed to building a unique health care system that would deliver the highest standard of care and be accessible to everyone without discrimination. This was a bold approach at a time of rampant racial segregation and gender inequities in America. When many other hospitals were segregated, we had integrated wards, built diverse teams of employees and physicians, and treated all our patients equally, regardless of race.

During the Civil Rights movement of the 1960s, Kaiser Permanente modeled racially integrated hospitals and an ethnically diverse workforce. In 1989, Kaiser Permanente created a Minority Recruitment and Promotion Task Force to add impetus to efforts to recruit, develop and retain minority managers. Since 2001, Kaiser Permanente has

been an industry leader in coverage for gender-affirming surgeries/treatments for transgender individuals.

Our organization continues to reflect the diversity of the communities we serve, with representation across all categories of race, ethnicity, age, gender identity, sexual orientation, disabilities, veteran status, and religion working together for a shared mission. In 2020, nearly 67% of our total workforce were members of underrepresented and historically marginalized groups, and 75% were women. Research shows that highly diverse teams in inclusive environments optimize productivity, innovation and business results.

We know that having a diverse and inclusive workforce reflective of the communities we serve also builds trust and makes Kaiser Permanente a better place to receive health care, and the data supports that. Forty percent of our members are from historically underrepresented groups, underlining the trust they have in our care.

Our work in this area is ongoing. We know it is essential to ensuring equity, inclusion and diversity are woven into the fabric of everything we do — something we recommit to every day.

**Q: How have the health disparities exposed by COVID-19 affected Kaiser Permanente's commitment in this area?**

**A:** COVID-19 has been felt more deeply in underrepresented communities,

underlining the longstanding health disparities in this country. Equity has long been a priority of Kaiser Permanente, and we are committed to providing high quality, culturally responsive care to fully address the needs of all populations we serve. We continually look for ways to address the social drivers of health that lead to poorer health outcomes for our most vulnerable populations.

The pandemic has demonstrated, however, that we all must do more. The social gap present even before the pandemic has widened still further, underlining disparities in health and healthcare in underrepresented communities. Kaiser Permanente is expanding our work to address health disparities and inequities and their root causes, including the history of systemic racism in health care and the resulting mistrust that some members of underrepresented and historically marginalized communities have for the health care system. This includes acknowledging and addressing access issues related to geographical barriers and ensuring that telehealth and new virtual access solutions are deployed equitably.

In 2020, we reaffirmed our commitment to advance equity and address systemic racism through a series of actions across our communities, our care delivery and our workforce. This included investments and grants to address systemic racism and lack of economic

opportunities in communities of color. And we established a health equity advisory council to expand our identification of care disparities beyond our current quality measures, to ensure all performance measures will be viewed through an equity lens. This council is researching COVID-19 health outcomes and vaccination data by race and ethnicity to design solutions for improving member and community health equity.

**Q: Could you tell us more about how Kaiser Permanente is addressing bias in the workplace?**

**A:** We are continuously working to maintain a highly inclusive, engaged and psychologically safe workplace so that our people can contribute at their highest level to support Kaiser Permanente's mission to provide high-quality, affordable health care services and to improve the health of our members and the communities we serve.

We are ensuring equitable and inclusive practices across the employee life cycle with the intention of identifying, recruiting, developing, mentoring, retaining and advancing diverse talent. Last year, we introduced an enterprise-wide training program that helps us recognize bias and racism in our own thinking and actions and gives us tools to think and act more inclusively.

That program, *Belong@KP*, is designed to foster inclusion and social justice in everything we do. It was built on foundational principles, habits, and a common language that support an anti-bias, anti-racist work environment. We believe all our employees and physicians have the right to a fair and equitable career experience in an inclusive, safe, respectful environment. And we want to ensure we all feel we matter and are valued — that we are recognized for our unique perspectives, lived experiences, and there is personal accountability to disrupt bias and racism.

**Q: How is Kaiser Permanente addressing health disparities in its care delivery?**

**A:** We believe in equity, inclusion and diversity in all aspects of our mission — among our staff, in our exam rooms, emergency departments, operating rooms, hospitals, partnerships and communities. We institutionalize

practices to identify and eliminate inequities contributing to health disparities.

Kaiser Permanente has used quality of care data, broken down by race, gender and ethnicity, for over 10 years to drive health care innovation and priorities. When data indicates a disparity in care, we strive to create and implement comprehensive plans to address those disparities. We have made great strides, for example, in addressing health disparities and inequities since we implemented tracking measures more than 10 years ago. We have used that quality data to drive health care innovation and priorities, and, in doing so, have eliminated care gaps in many areas — most significantly in the areas of colorectal cancer screening and controlling high blood pressure (hypertension).

From 2010 to 2020, the gap between colorectal cancer screening for Latinx members and Whites was reduced more than 75%, from a high of 5.9 percentage points to 1.4 points. From 2009 to 2020, the gap between controlling high blood pressure for Black or African American members and Whites was reduced more than 80%, from a high of 8.6 percentage points to 1.5 points.

We are committed to looking at all our care from an experience, outcomes and equity perspective, and systematically working to improve our performance. This includes ensuring that all clinical performance data and measures will be viewed through an equity lens, incorporating the need to address social predictors of health, and systemic and structural racism in outcomes.

**Q: Why is Kaiser Permanente focused on the health of its communities?**

**A:** Not only is it core to our mission to contribute to the health of the communities we serve, but we believe the health of the community in which one lives contributes to the health of its residents. And the health of a community stems primarily from economic and environmental conditions. In other words, economic opportunity is foundational to healthy communities; it supports housing stability and food security, as well as physical, mental and social health. We know that support for under-resourced business owners

of color, for example, can change the trajectory for individuals, families and entire communities.

Kaiser Permanente invests in programs that create equitable economic opportunity for underrepresented communities and works to dismantle racist systems that create barriers to success. We promote these shifts to help close the racial wealth gap. Accordingly, we are using our purchasing power to build healthy, equitable and sustainable economies. This includes providing support to more than 2,000 businesses owned by people from underrepresented communities.

This work builds upon our longstanding commitment to support the social needs of our communities, with programs providing access to housing, food and healthy living. We also ensure diversity among suppliers. And we provide good jobs to individuals facing barriers to employment through high impact hiring efforts. **CB**



**RONALD L. COPELAND, M.D., F.A.C.S.,** is senior vice president of National Equity, Inclusion, and Diversity strategy and policy and chief equity, inclusion and diversity officer for Kaiser Permanente. He

leads Kaiser Permanente's efforts to ensure our strategic vision for equity, inclusion, and diversity is successfully implemented to drive strategic business and mission outcomes and results in all Kaiser Permanente members achieving health and health care outcomes that are high quality, equitable, and increasingly more affordable.

A recently retired board-certified general surgeon, Dr. Copeland joined Kaiser Permanente in 1988 after a six-year honorable tour of duty in the United States Air Force Medical Corps. Dr. Copeland served as president and executive medical director of the Ohio Permanente Medical Group prior to assuming his current role in 2012.

He earned his bachelor's degree from Dartmouth College and medical degree from University of Cincinnati Medical College. In the fall of 2016, Dr. Copeland was appointed to the board of Kaiser Permanente's School of Medicine (opened in 2020).



# Fostering Diversity, Equity and Inclusion with Voluntary Benefits

BY DENNIS HEALY



**M**ore companies are elevating Diversity, Equity and Inclusion (DEI) programs to critical business strategies—and consider them vital to improving the culture and creating a sense of belonging for all employees. As such, that will be reflected in a company's hiring practices, retention efforts, professional development and mentoring programs as well as its compensation and benefits.

There's no question that DEI is high on the agenda of the C-suite and HR leaders. McKinsey reports that nine of ten CEOs surveyed say that “even with the pressures of the COVID-19 crisis, DEI remains a priority.” Similarly, ARAG's 2020 customer survey found that 94% of HR respondents had “active DEI programs in place promoting or supporting employee diversity” in their organizations.

Along with their moral and social impact, there's a strong business case for DEI. Studies show that a commitment to these initiatives can significantly improve employee engagement and satisfaction, productivity and business performance. According to *Harvard Business Review*, the most-diverse enterprises were also the most innovative, which in turn, drives competitive advantage. And McKinsey shows that gender and ethnic diversity in executive management translates to better than average profitability, 25% and 36% higher respectively.

With all its potential, however, executing on DEI programs can be challenging. As business leaders strive to move from discussions to action, a robust voluntary benefits portfolio can be a tangible way to demonstrate their commitment to building a more diverse and inclusive environment.

## EXPANDED ROLE OF VOLUNTARY BENEFITS

With the crises of 2020—the global pandemic, social unrest and economic downturn, voluntary benefits took on an expanded role to help employees facing financial insecurity, added caregiving responsibilities, and uncertainty around their physical and mental well-being. While these crises had global impact, not everyone was affected equally. Consider this:

- **Slower recovery.** Black women and men, Hispanic men, Asian Americans, mothers of school-age children, younger Americans, and those without college degrees are recovering more slowly than the nation overall.
- **Women experience disproportionate stress.** Female employees (age 35-44) struggle with stress and anxiety far more than other colleagues. More than a third say their productivity has been adversely affected by “an unmanageable workload and lack of workplace flexibility.”
- **People of color face greater financial issues.** Americans of color have lower savings, investments, and home equity than white Americans—suggesting a need to review pay practices and provide financial wellness resources.
- **LGBTQ+ community members fear isolation.** This community misses the social and work interactions with other LGBTQ colleagues as an important source of belonging. Two of three LGBTQ employees report challenges with mental health.

Gaps like these have employers taking a hard look at their benefits and how they can better support their diverse workforce. Over the past year, we've seen some employers stepping up with enhanced benefits to help their teams recover and move forward. These range from greater workplace

flexibility that promotes better work-life balance to more inclusive family leave policies that support families, “however they become parents” —recognizing adoption, surrogacy and same-sex parents.

One of employers’ biggest wellbeing challenges are rising stress and burnout, and higher mental-health-related claims. Willis Towers Watson (WTW) research finds that employers consider addressing behavioral health issues to be a major priority for their organizations over the next three years. Many are expanding mental health benefits to address this issue, one that’s been growing precipitously since well before 2020.

On the voluntary benefits side, financial wellness and caregiving support are much in demand. Clearly, providing financial literacy training, resources and tools can go a long way in helping the hardest hit segments in the workforce—women, people of color, and younger employees, to name a few—get back on the road to financial security.

While caregiving impacts one in five employees (most of them women) and is a major driver of mental health concerns, there’s still a gap between the benefits being offered and what’s needed. “Sandwich generation” employees, in particular, struggle to balance work with caring for their children as well as their parents or grandparents.

WTW also reports increased interest in insurance products that provide added protection and peace of mind for legal issues, identity theft, and family pets.

Legal insurance plans can often complement other benefits. As my colleague Brian Billings, Director of Client Management at ARAG points out, “There are clear synergies between legal insurance and other benefits in the mix. Looking at adoption, there could be significant legal engagement needed along the way. For example, a lawyer could secure second-parent adoption rights so both partners in a same-sex couple are recognized as parents.

“Similarly,” he continues, “legal counsel plus specialized services, like those provided to ARAG plan members through CareScout, help caregivers and their families navigate important issues like medical care, financial limitations, estate planning, assisted living and long-term care options.”

## **BETTER COMMUNICATIONS CAN HELP EMPLOYEE DECISION-MAKING**

With so many options, how do you ensure that employees understand the breadth of your benefits offerings?

To start, employers need to improve their benefits communications considerably. The goal: to better educate employees on what’s available so they can make well-informed decisions and get value from their plans. Today, over two-thirds of employers (68%) prioritize communication of benefits and wellbeing programs.

Messaging needs to be employee-centric. In an effort to

‘meet them where they are,’ companies are using multiple formats and channels to reach the different generations in its workforce on their media of choice—whether that’s email, a self-serve web portal, events—live or on demand, text or social channels.

They’re also increasing the frequency of outreach, rather than concentrating the bulk of the efforts around open enrollment. The challenge is finding the right number of touchpoints to be informative but not intrusive.


Some organizations are also working with Employee

Resource Groups (ERGs) to strengthen connections with members of those communities and provide communications that are customized to their needs. ERGs have a shared interest or common goal, or they center on identity characteristics, such as race, gender, or orientation. These affinity groups often serve as the voice of the community to the organization, sharing their specific needs, concerns, and experiences.

“Recently, at the request of one of their large LGBTQ+ ERGs, a pharmaceutical company client asked us to do a 30-minute interactive session that explained the benefits of legal insurance and answered questions about how it can help with this group’s specific needs,” said Billings. “This really speaks to this employer being an advocate for the diverse needs of their team.”

Microsoft and the University of California system are also examples of organizations that actively assess their benefits, identifying what their employees might need, and then driving strategic communications around benefits that address those needs. The result is participation rates that are well above the norm.

## **MOVING FORWARD**

With social justice in the spotlight and calls for businesses to do more, chief human resource officers are stepping up efforts to create more diverse and inclusive cultures and empower employees to make a difference. Accent on “do more.” DEI initiatives are moving well beyond corporate social responsibility statements and rhetoric to effect real and positive change in policies, work practices and benefits. As providers, we’re equally challenged to ensure our offerings can be part of the solution. 



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**Along with their moral and social impact, there’s a strong business case for DEI. Studies show that a commitment to these initiatives can significantly improve employee engagement and satisfaction, productivity and business performance.**

# Benefits Technology Solutions for Today's Workforce

BY SARAH OLIVER

**One year later and there is no question** that the pandemic has not only changed how we work remotely, but how we can do so seamlessly and smarter as a result of the technology that's available to us. In the insurance industry, COVID-19 disrupted many aspects of our business, while at the same time, fast-tracking the adoption of technology to help create exceptional customer experiences and service. For brokers and employers, the pandemic put front and center the need to further expand the use of technology to help improve operational efficiencies, as well as create workflows and processes to support a remote workforce.

Over the last several years, we have seen employers increasingly turning to technology for their benefits administration as an efficient and compliant solution to manage the ever-changing world of employee benefits. According to our Guardian Workplace Benefits Study Digital Overdrive (pre-COVID), a majority of employers had increased their spending on benefits-related technology in the past five years. More than 50% expect further increases in the next three years to address their top benefits challenges, including controlling costs, increasing efficiency, ensuring legal compliance, and improving workforce engagement. We anticipate that this trend will stay on track given that the pandemic identified technological gaps for many employers.

For example, last year's open enrollment season was unlike any other. Employers who may have relied on in-person benefit fairs or printed handouts to educate employees about their benefit offerings were forced to change their approach and pivot toward virtual options. On our end, we moved quickly to meet the needs of employers who were seeking alternatives like webinars, virtual benefit fairs, and email communications.

Our research continues to validate what we are seeing in the marketplace—digital improves the overall administrative and benefits experience. Employers that are more digital than paper-based in managing their benefits programs report higher levels of employee satisfaction with their benefits. In addition, workers who have a more digital experience when learning about, enrolling in, and using their benefits, tend to have more favorable attitudes toward the value of their employee benefits package.

With the latest discussions around the future of work and the likelihood that employers will lean toward hybrid working models, having access to benefit information via an online portal is imperative. Providing employees with a repository to not only view and understand benefits, but to complete election changes can be a very important aspect of supporting remote work.

Great news is that API (Application Programming Interface) and AI machine-learning technology is driving the innovation with benefits technology platforms. Take for example



Nayya, which leverages AI and data science, to simplify the benefits enrollment experience by arming employees with a decision-making tool that gives them the confidence to select the appropriate benefits. Other benefits solutions allow employers to experience improved data communications, including increased utilization of real-time API data exchange, streamlined operating experiences such as benefits invoicing and payments, enhanced evidence of insurability support, and other services. This is a win-win for any employer seeking cost-savings solutions and increased efficiencies, especially when our research showed that managing nonmedical benefits plans can consume more than one week per month.

The shift to digitizing employee benefits increasingly seems to be much less of an “if” and more of a “when.” So, what should brokers be thinking about to best prepare their clients who are making the transition to an online benefits administration platform or enhancing their current one?

### Here are some useful tips:

#### 1. ESTABLISH EMPLOYER’S OBJECTIVES

Before getting started, work with your client to clearly identify their organization’s primary motivation for re-assessing its benefits strategy. Is it to move away from paper and convert all administration to digital platforms? Are they dissatisfied with their current benefit technology platform, capabilities, service, or cost structure? Or perhaps you are scanning the market for new technology to help ensure their current platform is still the best fit for the organization.

While doing your due diligence and researching which solution would be most appropriate for the business, it is important to know that not all platforms are equal. A platform’s ability to support different types of benefits and eligibility rules will widely vary. Clearly defining their objectives will help to narrow down options and parse out any solutions that will not be the right match.

#### 2. DECIDE WHAT SERVICES YOUR CLIENT NEEDS

Once the objectives are established, deciding what services your client needs is the next step in the transition. In addition to providing enrollment software, employee benefits technology platforms often offer wraparound services like spending accounts, COBRA administration, ACA reporting, and call center support. Adding these types of services can be both cost-efficient and an administrative win for your client’s organization, depending on their needs. Thanks to new cloud-based applications, employers of all sizes have more access to platforms that handle many aspects of human capital management (HCM), including benefits administration.

#### 3. DETERMINE THEIR IN-HOUSE BENEFITS TECHNOLOGY MANAGEMENT

Employers say that managing benefits is becoming increasingly complicated, with 59% in 2019 claiming that they are challenged by complexity, up from 47% in 2012. When considering benefit technology platforms, make sure to understand the levels of service the provider offers. This will help you and your client prepare for the commitment required

of them to manage a new employee benefits technology solution.

Employers that are most challenged with the complexity of managing benefits are twice as likely to digitize their benefits processes. Avoiding platforms that seem to require more internal bandwidth than your team can handle will help to prevent administrative bottlenecks. The right human capital management solution for your organization will serve to streamline benefits administration, help to establish greater efficiencies, and lighten the workload for employees.

#### 4. EDUCATE YOURSELF ABOUT COST STRUCTURE

Investments in workplace benefits technology continue to grow, with nearly half of employers allocating financial commitments to the digitalization process since 2017. In addition, 52% expect to increase their benefit technology budget over the next three years. Although your clients’ organization may be prepared to make an investment or increase its current commitment, business models, ecosystems, and pricing structures will vary across providers.

Here are five questions that will help in understanding cost structure while making the necessary evaluations.

1. What is the per employee per month (PEPM) fee? Are there minimums, and what services are included in the fee?
2. Are there fees to build out or update electronic data interchange (EDI) feeds?
3. Are fees charged at renewals?
4. How much experience do they have exchanging data with their current payroll provider, insurance carriers, and/or third-party administrator vendors?
5. How are they embracing new and emerging technologies like APIs and artificial intelligence to improve their platform?

Familiarizing yourself with the workplace benefit technology trends and becoming a subject matter expert will also be a big help in understanding what emerging technologies to look for in a provider. Additionally, it will be important for you to partner with the right carrier who can help you navigate the process.

Once the necessary research is complete, implementing the new employee benefits technology platform can help to improve your client’s employee’s experience, ease administrative strain, and streamline processes in the ever-increasing digitized workplace. **CB**



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# Digital Marketing Strategies Every Insurance Company Should Implement in 2021

BY KAITLYN WILCOXSON

**A**ccording to marketing experts at CoSchedule, companies that document their marketing strategy are 313% more likely to report success. But what should be included in your marketing strategy? What type of content should you create? And what platforms are worth the investment?

Marketing is not a quick-hit, one-and-done activity. In fact, it takes roughly nine to 13 touches to get through to your audience. But even then, it's not enough to simply generate leads; you need to follow your leads through your funnel and keep them engaged. Ultimately, the goal of your marketing program is to

drive leads into the pipeline for the sales team to nurture and close. It sounds simple enough on paper, but how exactly do you do that? With a multi-pronged strategy that spans various channels to keep you top of mind with customers and prospects. Think: social media, advertising, email marketing, content marketing, etc.

Fortunately, this isn't as hard as it sounds—particularly with the vast pool of digital tools and proven marketing tactics available at our fingertips today. Here are some simple but highly effective ways you can reinvigorate your digital marketing strategy in 2021.

## EDUCATE WITH CONTENT

Today's consumer is hungry for information. They want to learn as much as they can before making an important decision—particularly when it comes to choosing an insurance agent. That's where content marketing comes in. By offering valuable content that is easily digestible, non-intrusive and non-promotional (e.g., blogs, webinars, checklists, etc.) before asking for the business, you make your prospect feel valued, position yourself as an expert and, ultimately, build trust.

Content marketing is a long game, but it works. The average conversion

rate for companies that use content marketing is 2.9%, compared to 0.5% for companies that do not. That's a 6x-higher conversion rate.

Coming up with content doesn't have to be complicated. Remember, you're the expert in your field, and you have insights that others would find valuable. Why not share it?

Here's a good reference for you: Neil Patel's "38 Content Marketing Stats That Every Marketer Needs to Know."

To get your creative juices flowing, ask yourself:

- **What are common misconceptions people have about insurance?**
- **What are the biggest mistakes people make when choosing their policy?**
- **What questions do you frequently get from clients and prospects?**
- **What items are often overlooked when crafting a policy?**
- **Are there specific types of insurance that certain demographics or businesses in particular industries should have?**

As you come up with your content calendar, try to include a mix of timely and evergreen content. In other words, stay current, but reuse where possible. Be sure to optimize your content with keywords that your target audience is searching and use multiple channels to share your content with your audience. You can even use some of your content as lead magnets—that is: high-value content that you give away in exchange for their contact information. Webinars and checklists are ideal lead magnets.

## MAKE PRICE QUOTES SIMPLE

"That coverage sounds great, but what is it going to cost me?" Sound familiar? How often do you get asked that question?

Price plays a vital role in the insurance decision-making process—so shouldn't you make it as painless as possible to give prospective clients the answer they seek? By making it easy, you'll remove a critical barrier to entry, generate more leads and save yourself the headache of repeatedly answering the same question. =

There are a few effective ways to do this. First, get a quote tool on your website where individuals can plug in their information and get a quote. Falling under the category of 'lead magnet,' a quote tool is a great way to ask for users' information for later follow-up. Offer a range, with the option to speak to you for an individualized quote. If price is not a differentiator for your business, you'll need a strong follow-up strategy to ensure you keep the prospect engaged despite a price they believe may be too high.

A website live chat is another excellent but highly underleveraged tool. Make yourself available for quick questions about insurance coverage. Here, they'll get the answers they need, when they need it, without having to wait for an email or phone call back. Because, let's face it, by then, they may have moved on to a competitor.

## CONNECT REGULARLY WITH CUSTOMERS

Keeping your existing customers engaged is one of the most powerful ways to drive revenue. Sending a monthly or quarterly newsletter with industry news, company news and company-generated content is a great way to stay top of mind—and boost your chance of renewals. And don't forget about social media. The more you engage across social platforms, the stronger your relationships become.

Look at your cross-sell and upsell opportunities. The fact is you stand a much greater chance of selling to an existing customer (60–70%) vs. selling to a new prospect (5–20%). For example, if you're working with a small business owner on commercial insurance, consider cross-selling him or her into personal insurance.

Finally, tap your happy customers for some positive reviews. According to a Podium survey, 93% of respondents say that online reviews impact their purchasing decisions. Use that stat to your advantage. Get a Google My Business page and create a link for customers to write reviews. Then share those reviews across your social platforms and on your site. Or even better—ask a customer to take part in a video testimonial. After all, a picture is

worth a thousand words, but a video is worth millions!

## ANALYZE AND ADJUST

You don't have to nail it all on your first try. In fact, the best marketers are constantly evaluating, measuring and adjusting along the way. The truth is, the tools and strategies mentioned here are only as good as your ability to measure their success.

Technology has made it increasingly easier to measure marketing progress. For example, Google Analytics lets you track goal conversions (e.g., form submissions, live chats and content downloads), while social tools like Sprout Social offer insights into what's driving engagement. Plus, with a good CRM system that's integrated into your site, you can quickly and easily calculate ROI on your marketing initiatives to see which campaigns are the most effective. Always be looking for what's working, what's not and what needs some tweaking.

With 2020 behind us and a fresh new year ahead, now is the time to optimize your marketing approach with the latest digital tools and trends. **CB**



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and executing marketing plans and initiatives for both clients and the firm. She works closely alongside clients to help them identify objectives and ensure goals are met.

To learn more about digital marketing or get more out of the digital tools you already have in place, contact Paradigm Marketing and Design to schedule a strategy session. Find them online at: **[paradigmmarketinganddesign.com](https://paradigmmarketinganddesign.com)**.



# TIME TO BE FLEXIBLE

What to Expect in VB as a Pandemic-Weary Workforce Faces New Realities

BY MIKE WILBERT

**T**he COVID-19 pandemic disrupted our lives and our workplaces over the past year. As more Americans receive the COVID-19 vaccine, the pandemic will wind down. But much of what changed in our world won't go back to normal. Rather, it will be our "new normal."

All of us have had to master Zoom skills. Employees have adapted to working remotely, learned how to juggle the needs of the kids and the dog while getting their job done as well, and figured out ways to connect with co-workers. Employers have realized that remote work can be productive and that work teams don't have to be sitting around a conference table to accomplish goals.

The employee benefits landscape has changed as well. Employees have different priorities as a result of the pandemic and their perspective on benefit choices has shifted, focusing for the most part around financial well-being. They are dealing with new economic realities at home after a spouse was laid off, unexpected expenses derailed their budgets or any number of challenges arose in an unprecedented year. For employers, this means that benefits previously

thought of as "nice to have" are now a "must have" in the benefits package.

Voluntary benefits have always been about offering more flexibility and more resources—things employees need now more than ever. During the pandemic, as employers have seen their employees struggling and sought out ways to help them cope, voluntary benefits have shined. Virtual care, mental health services, critical illness coverage, childcare and financial well-being are among the needs and priorities for employees as they deal with pandemic reality.

Last fall in the midst of the pandemic, Purchasing Power conducted an informal survey of 93 HR professionals to assess the impact that both COVID-19 and financial stress is having in their workforces. The survey asked about the financial challenges their employees were facing. Employers reported the following circumstances:

- **81% said employees had a spouse or partner laid off or furloughed during the pandemic, so money is tighter than ever**
- **49% said employees had family or household members who contracted COVID-19**

**and there were unexpected medical expenses involved**

- **48% said employees had college-age children return home from school**
- **34% said employees had extended family members out of work who needed financial support.**

## THE VALUE OF VOLUNTARY BENEFITS

Because they can address many of the specific needs that employees have as they continue to struggle with and overcome pandemic challenges, voluntary benefits have taken on a significantly more important role now.

In recent years voluntary benefits have seen more popularity as the products themselves have become more diversified and appealing to the multiple generations in the workplace. But then, voluntary benefits have always been a win-win for employers and employees. For employers they are an excellent recruiting and retention tool while employees see voluntary benefits as an opportunity to choose benefits that they need or want.

The impact of COVID-19 on employees' lives and their finances



**In recent years  
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workplace.**

really put the spotlight on the value of voluntary benefits, which have given employers a way to meet the shifting needs and priorities of their workforce during this critical time.

It will be no different this year. Employers will continue to seek ways to expand the voluntary benefit offerings in their employee benefit packages. It's a way to provide more customized options to meet workforce needs, whether targeting traditional voluntary benefits or non-traditional ones for lifestyle, personal wellness and financial health.

What should we expect to see in the voluntary benefit industry this year?

### **1. A growth spurt for the voluntary benefits industry.**

Over the past decade, voluntary benefit sales have grown at a compounded annual growth rate of 5% a year, as employer-paid benefits declined, according to a Moody's Investors Report last October.

In the voluntary benefits space, traditional insurance-related products such as supplemental life insurance, disability income, and dental account for over 60% of total 2019 sales. However, non-traditional voluntary benefits, like pet insurance, elder care, and student loan services programs have gained traction, particularly with younger buyers, who prefer the increased choice and customizable options.

Look for a jump in the growth rate this year as employers expand their offerings and as employees are choosing voluntary benefit options as a 'go-to' to help them face financial challenges as a result of COVID-19. (Pull quote possibility)

### **2. All voluntary benefits that address employees' financial well-being will likely take top billing.**

One critical piece of pandemic disruption that employers can't overlook is their employees' financial situation. For many employees, COVID-19 certainly drew attention to their fragile financial condition. In a September 2020 Harris Poll, 84% of Americans reported that the COVID-19 outbreak was causing stress on their

personal finances. And 39% said they will feel "very/somewhat worried" about their financial situation 12 months from now.

As a result of the impact the pandemic is having on their finances, a SoFi survey found that 50% of people feel it is more important now that employers offer financial wellness benefits. When asked what their employer could do to have the most significant impact on their personal financial situation, they said, "make a contribution to my rainy-day fund/emergency savings account."

As employees continue to look for ways to stretch their paycheck and recover from the financial hardship of the pandemic, voluntary benefits like employee purchase programs, bill payment programs, medical deductible financing, financial counseling and student loan repayment benefit programs will get more attention (and participation). It's also likely we will see more financial wellness and well-being products introduced this year.

### **3. Even more customization of benefits will be of interest to employees.**

Being able to pick and choose benefits that are important to them has always been the attraction of voluntary benefits for employees. Because of the pandemic, many voluntary benefits will stand out as options for these times.

We'll see employees paying more attention to benefits that they might not otherwise have found as important or needed pre-pandemic, such as pet insurance, identity theft protection, legal insurance and employee purchase programs. With more people working from home, an increase in pet adoptions is making pet insurance a highly requested voluntary benefit. Because cash and credit are not always readily available, the ability to purchase home office and exercise equipment or needed appliances through the convenient payroll deduction system of an employee purchase program can be an invaluable benefit.

As a result of the pandemic, we can also expect more interest in critical illness insurance and mental health benefits. A recent Mercer survey revealed that 22% of employers are

enhancing voluntary benefits like critical illness insurance and 20% are adding or improving behavioral healthcare benefits.

### **4. Employees will continue to look more closely at voluntary benefits available to them.**

The pandemic has forced many employees to look for resources and assistance they may never have thought about previously. Pre-pandemic, when open enrollment time rolled around and the entire employee benefits package needed review, it was often easy for employees to ignore or overlook some benefits.

Kiplinger's Consumer News Service reported that for the last enrollment season, nearly 7 in 10 employees (71%) planned to spend more time reviewing their voluntary benefits as a result of COVID-19 than they did for 2020 and more than half (53%) planned to make changes to their benefits coverages.

Now that employees have begun to pay more attention to voluntary benefits, we'll see that trend continue. Additionally, we'll see employers scheduling more off-cycle benefit enrollments, especially for new voluntary benefits, in order to provide employees additional options that help with parts of their lives affected by the pandemic.

This year, voluntary benefits will become an even more personal choice for employees as they continue to navigate the effect the pandemic has had on their financial situation. Being able to pick and choose products that will meet their individual needs is going to be a lifeline for many who are still recovering. **CB**



**MIKE WILBERT** is chief revenue officer at Purchasing Power, a voluntary benefit provider. He has 30 years of experience in the insurance and voluntary benefits industry.



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# VIRTUAL CAPITOL SUMMIT

May 17 - 19, 2021



## **AGENDA**

### **Monday, May 17**

CAHU Board Meeting

8:30 - 10:30

Opening Session

11:00 - 12:30

### **Tuesday, May 18**

General Session

8:00 - 9:45

LIVE Networking Break

9:45 - 10:15

House of Delegates

10:30 - 12:30

Networking Happy Hour

5:30 - 6:30

### **Wednesday, May 19**

Closing Session

8:00 - 10:00

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YOU**

## **Member Early Bird \$79**

- LEGISLATOR MEETINGS
- INDUSTRY SOUGHT SPEAKERS
- FEDERAL AND STATE  
LEGISLATIVE UPDATES
- NETWORKING

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