As well as can be expected

Voluntary carriers are well on the way to making wellness benefits table-stakes

Workplace wellness may seem like a fairly recent buzzword, but the idea actually has been buzzing around corporate America for more than a century. National Cash Register employees met for pre-work horseback rides in the 1880s and enjoyed twice-daily exercise breaks, according to Corporate Wellness Magazine. Hershey Foods built a recreation complex for employees in the 1930s, and business leaders in the wake of World War II saw the value of their employees staying fit, at least at the executive level. It only makes sense that healthy workers are more productive, and some research shows they also may be more likely to stay in their jobs, as the focus on employee wellbeing makes them feel valued and leads to higher morale.

Workplace wellness has expanded far beyond those early beginnings to become an essential part of employee benefit programs. In fact, virtually all carriers surveyed for Eastbridge's recent "Voluntary Wellness Benefits" Frontline™ Report offer a wellness benefit with at least one voluntary product. Nearly all offer a wellness benefit with their accident product, 88% include it with their critical illness product and 83% provide it with hospital indemnity/supplemental medical coverage. Some carriers (40%) also offer a wellness benefit with cancer coverage. Carriers typically offer wellness benefits as optional coverage rather than building them into their plans.

These benefits include family members, too: Nearly all carriers we surveyed offer wellness benefits for spouses and dependents, and most plans allow everyone covered to collect wellness benefits on each product they're enrolled in, usually without imposing family maximum limits other than the maximum number of benefits for each insured.

Expanding coverage

That's not to say all wellness benefits are created equal. The number of tests and screenings carriers' plans cover varies widely from nine to 68, averaging 37. Some of the most common are blood tests for cholesterol and triglycerides, mammograms, chest x-rays, colonoscopies, Pap smears, prostate cancer screenings and stress tests, and some plans cover dental and vision exams, immunizations, smoking cessation and weight control programs, skin cancer screenings and other preventive tests.

And the list is growing. About a third of carriers surveyed have added more wellness tests in the last two or three years, including annual physical exams, COVID-19 screenings, genetic testing, mental health screenings and well-child exams. Clearly, carriers see the value in catching problems earlier while they're easier to treat, more likely to have positive outcomes — and yes, claims are less costly.

Improving utilization

If there's one aspect of wellness benefits carriers seem less than pleased with, it's utilization. Many carriers don't track the number of insureds with wellness benefits who file claims, and the numbers vary widely from just 2% to 66% for those that do, but on average only about 20% of employees and family members with wellness benefits actually use them. Most carriers say utilization doesn't vary by product, but those who do cite differences say utilization is highest for wellness benefits on critical illness or accident products.

Low utilization could be tied to low awareness. Several carriers remind employees about their wellness benefits primarily during the enrollment process, but about half of carriers continue to promote wellness benefits after the enrollment. Others offer customizable communication campaigns to all customers or on a case-by-case basis. Communication tools can include digital postcard campaigns, quarterly wellness reminders, text reminders, account management staff reminders during service calls, mailings, and dedicated marketing fliers.

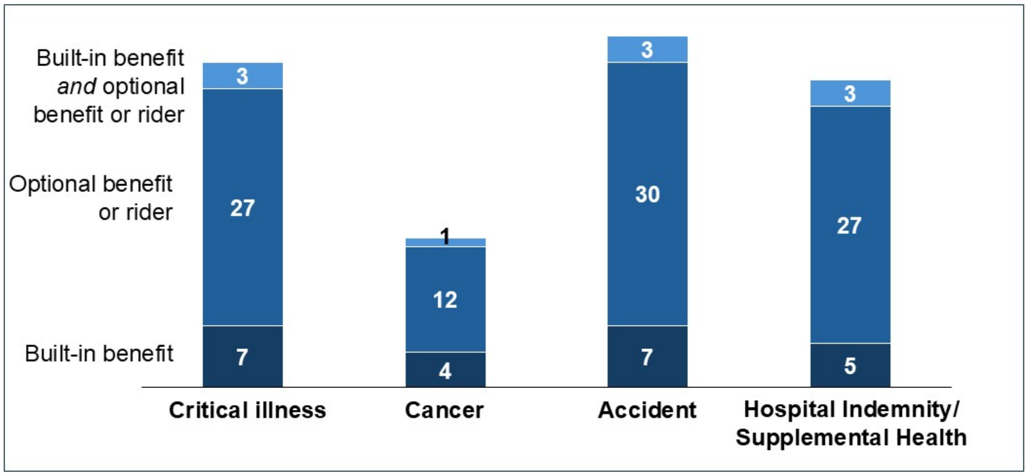
Other challenges

Low utilization is just one challenge carriers say they face with wellness benefits, alongside regulatory inconsistencies and claims handling. They also list increased regulatory scrutiny of wellness benefits on voluntary products, market expectations to continue expanding coverage, and claims automation as other concerns they expect to face in the next two years.

Not on the list: higher loss ratios. Despite carriers' efforts to remind employees of their valuable wellness benefits, the majority of carriers providing information about loss ratios say they're as expected, and about another 40% say they're lower than expected. No carriers report loss ratios are higher than expected.

With apparently little financial downside to offering wellness benefits with voluntary products, it won't be surprising if carriers continue to build on the century-old trend of helping employers focus on employee wellbeing. And for employees taking advantage of these coverages, that's a healthy dose of good news.

Number of Carriers Offering Wellness Benefits with Voluntary Products



Wellness Tests Carriers Offer