



December 2022

Benefits Breakdown

ECBM EFFECTIVE
COST
BASED
MANAGEMENT
INSURANCE BROKERS & CONSULTANTS



The Trendiest Benefits for 2023

For 2023, employers are uniquely positioned to offer their employees more than just a health care plan. They can offer benefits to meet evolving worker needs shaped by lingering effects of the COVID-19 pandemic, a tight labor market and rising inflation, including holistic benefits, resources and perks that today's workers most need.

Organizations should consider the following popular benefits employers are offering:

- **Hospital indemnity insurance**—Health care affordability is top of mind for employers and employees alike. Hospital indemnity insurance can provide value to employees without raising an employer's costs, making it a powerful tool for attracting and retaining top workers.
- **Health savings account contribution**—Many employees are feeling financially strained due to record-high inflation. Financial wellness benefits, such as health savings account contributions, can ease employees' financial stress and boost an organization's attraction to today's workers.
- **Family-friendly benefits**—These benefits support the unique and complex ways individuals and couples build their families, such as parental leave and adoption and surrogacy benefits.
- **Health care full premium coverage**—This type of benefit is more common in small organizations and helps employees with rising health care costs.



Organizations can start optimizing benefits packages by evaluating employee preferences and thinking about ways to improve offerings or tailor them for their workforce. To ensure offerings and investments will resonate with employees, organizations should consider surveying them first. It's important to keep a pulse on employees and see what they find most valuable and necessary for their overall well-being.



A Primer on Medical Trend

Medical trend is the projected percentage increase in the cost to treat patients from one year to the next, assuming benefits remain the same. Insurance companies use these projections to calculate health plan premiums for the upcoming year. The leading cause for medical trend rising is the price increase at points of care. Other factors impacting medical trend include health care utilization, impact of fixed deductibles and copays, health care cost shifts from uninsured individuals to insurance companies, government-mandated benefits, technological advancements and high-cost medical treatments and prescription drugs.



For many workers in the United States, their health care costs outpace their wages, and coverage is becoming less affordable. Understanding medical trend can help employers better design benefits plans that meet the needs of their organization and employees. Increased medical trend often equates to higher medical costs for employers. As a result, many employers are searching for cost-effective solutions to manage growing health care costs and keep benefits affordable for employees. These solutions may include directing employees to cost-effective care, improving employee health literacy, incorporating health care technology and adjusting plan design. Savvy employers can use their understanding of medical trend to monitor health care costs and implement strategies to ensure their benefits plans are sustainable and beneficial to employees.

