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Employee Benefit News

HEADS IN THE CLOUD

EBN's 2018 DIGITAL INNOVATORS

Sony SungChu and his team created Businessolver's Sofia, an AI-enabled personal benefits assistant • Anna Steffeney founded LeaveLogic, a platform that helps HR managers and employees manage leave and return-to-work plans

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SLIDESHOW

22 health benefits on the rise
Telemedicine, employee assistance programs and smoking-cessation support are among the offerings increasing in popularity, according to a new report.
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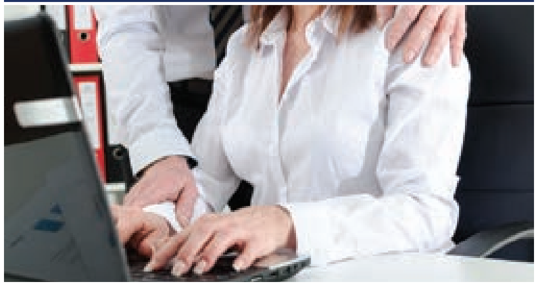
DigHR



Tech tools for reporting sexual harassment won't solve the problem
Digital reporting tools may help HR identify problems, but experts say tech alone isn't going to rid workplaces of sexual harassment.
https://bit.ly/2xlThu4

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5 myths about employee benefits packages
No, not all workers want a free gym membership. Here are some misconceptions employers should address to provide added value to their offerings.
https://bit.ly/2sfU2ju

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Empowering employees with tech solutions

Employers, take note: If you don't embrace digital benefit offerings, you might not only lose out on savings, but on helping your employees live better, healthier lives.

An AI benefits assistant that answers employees' benefits questions. A financial wellness app that provides automatic budget planning and savings tips. Platforms that help employees and HR professionals manage paid leave and student debt repayment programs. These are among the innovations that are transforming HR and benefits right now. As *EBN* and *EBA* editors pored through dozens of nominations for our annual list of Digital Innovators, I have to say, I was overwhelmed by the innovation that's happening in our industry.

With each passing year that we recognize these visionaries — this is our third year — I am less overwhelmed by the technology behind new digital solutions and more excited by the possibilities they offer.

Though I'm admittedly old-fashioned when it comes to technology (buying new gadgets and downloading apps has never really been my bag), if tech is making benefits and healthcare easier, more digestible — and daresay, more fun — then I'm all for it.

The thing I like most about some of these digital solutions? That they empower employees to better understand their health and their benefits.

In today's healthcare environment, employees often are at a loss when it comes to understanding their health data and biometric numbers. Many don't have immediate access to their own health records. That's where technology can help. Take, for instance, Hello Heart, an app-driven platform designed to help employees manage hypertension, heart rate and cardiovascular health. The service also includes tools that help improve medication adherence, import clinical lab results and deliver personalized prompts to drive healthy behavior changes.

Its creator, Maayan Cohen, who is among the 20 innovators featured starting on p. 10, said her own personal and frustrating experience with healthcare was the reason she started the app in the first place.

"Eight years ago, my boyfriend at the time was diagnosed with a brain tumor. Overnight, I found myself collecting medical records and vital signs at home on a piece of paper and spending hours online every day trying to figure out what was going on and figuring out if he was better or worse," she recently told me. "From that scary, personal experience with the healthcare system, I realized that we as patients don't have any tools to understand or improve our own health between doctors' visits. I decided that's what I wanted to do."

Of course, these kinds of solutions aren't just helping employees; they're helping employers, too. Hello Heart, which employers are now offering as a benefit to employees, targets heart disease, which is both the leading cause of death and the leading health cost driver for employers.

Employers, take note: If you don't embrace some of these offerings, you might not only lose out on savings, but on helping your employees live better, healthier lives.

"Everything is becoming technology-oriented. People prefer to learn about their health and communicate on their phones," Cohen told me. "Just like you wouldn't want to call your bank to understand what your balance is — you'd rather just quickly see that online or on your app — you want to get an explanation as to what just happened in your blood pressure reading. It's convenient, it's important and it helps employees take action, because they might not be comfortable talking to someone about these very personal details."

Innovation in health and benefits solutions is here. So, employers, what are you doing to embrace it?

Send letter, queries and story ideas to Editor-in-Chief Kathryn Mayer at kathryn.mayer@sourcemedia.com

— Kathryn Mayer

ADOBE STOCK

New benefits

SurveyMonkey offering contract workers full benefits

Spurred on by full-time employees, the Silicon Valley firm is now offering rich perks to non-staffers

By Phil Albinus

SurveyMonkey is now offering improved benefits to the contract workers and third-party food service and janitorial staff that work in its San Mateo, California, headquarters as it offers to its full-time workforce.

Since January, but announced recently, the polling company has been providing what it calls "gold standard" medical, dental and vision benefits, extensive paid time off and transportation subsidies for approximately 50 freelance workers from Clean & Green, Bon Appétit Management Co., and Eastridge Workforce Solutions. The benefits kicked in Jan. 1.

(The exact number of contract workers fluctuates for some short-term project workers.)

SurveyMonkey and its benefit broker partner drafted benefit benchmarks for their vendors that are "extremely competitive and similar" to those healthcare, PTO and transportation subsidies offered to its full-time employees,

Under the medical plan, 80% of claim costs are paid by its insurance carrier and the third-party employer pays 85% of employee premium and 50% of dependent premium. Contract and third-party employees are entitled to 80 hours of vacation and 40 hours of paid sick leave per year, including seven paid holidays, 12 weeks of paid parental leave per year and 12 weeks of paid medical leave per year. These workers also can receive a monthly subsidy of up to $260 for public transit expenses.

Starting late last year, SurveyMonkey worked with its benefit broker, i2i Benefits and Insurance Services, to develop standards for the benefits offered to Clean & Green, Bon Appétit and Eastridge. SurveyMonkey and i2i will work with the third-party service providers it uses for its Seattle, Portland and Ottawa offices.

The idea for extending employee benefits to the support staff came from workers at SurveyMonkey. According to Chief People Officer Becky Cantieri, the company conducted an internal survey before last fall's open enrollment season, and in it employees suggested that the janitorial and catering staff receive the same benefits as full-time employees.

"Our employees pointed it out and wanted us to get involved in helping set a better standard, so we did just that. These onsite employees were offered benefits through their employers, but they just weren't to a standard that was directly comparable to our own employees, and that's the gap we sought to close," says Cantieri, who was *EBN*'s Judges' Choice Benny Award winner in 2017.

"This was really driven by what you might call an embarrassment of riches on the part of our own employees," she adds. "We have the luxury of generous benefits, but our partner teams didn't have that luxury."

Such generosity is in SurveyMonkey's DNA, says Dan Maass, president of employee benefits at i2i Benefits, the Redwood City, California, based brokerage that has overseen employee benefits for the polling firm for the past decade.

"This is the type of company that [SurveyMonkey] has been from the start, but it's very unique in the marketplace to have a company focused on contractors and vendor partners," he says. "We would love to see other companies look at this population and really focus on where their benefits are."

While Cantieri admits that it might have been easier to hire these workers outright, she says that running a catering and janitorial firm is not in SurveyMonkey's core competency.

"Rossi Vargas [CEO of Clean & Green] and her team are experts in what they do, and it doesn't always make sense to hire these resources in-house," she says. "It's not always just about cost; it's about who has the best expertise to do the work. It's not just a cost equation."

Cantieri believes this offering — she says Microsoft has a similar plan in place for its contract workers — could become standard as the gig economy gains ground in the U.S. workplace.

"The world of work is changing, and we're all going to be challenged to respond to it in a way that meets the needs of the business and the talent that we all desire to hire," she says.

"I think it will continue to evolve, but we are certainly learning a lot and thinking differently about the world of work based on these changes," Cantieri adds. "We have to." **EBN**

Mobile health

Walmart partners with health app Sharecare to engage workforce

The retail giant is rolling out the tool to its 1.5 million employees in an effort to boost wellness by "increasing engagement, improving health awareness and reinforcing healthy habits every day"

By Kathryn Mayer

Already known for being at the forefront of wellness initiatives for employees, Walmart is turning to a digital health platform to take its efforts even further.

Walmart in May announced it has partnered with mobile health management platform Sharecare in an effort to improve access to care for the retailer's 1.5 million U.S. employees. Sharecare provides a centralized hub for health information, as well as ways to access health data, find evidence-based programs or connect to health professionals.

By offering Sharecare, Walmart aims to "provide associates additional tools to inspire them on their wellness journey and help our programs continue to grow," says Jacqui Canney, executive vice president of global people at Walmart. Walmart is sponsoring the cost of the platform, so there is no cost to employees. The companies declined to disclose the cost of the partnership.

Users will get access to Sharecare services including RealAge assessment, which gives people the age of their body instead of their calendar age; the AskMD symptom checker feature; biometric data; and medical and pharmacy claims.

"The primary purpose is to improve the overall wellbeing of Walmart's associates and communities by increasing engagement, improving health awareness and reinforcing healthy habits every day," says Sharecare president Dawn Whaley.

"Given the current state of health in the United States, large employers, in particular, must be willing to deliver their employees relevant and personalized experiences."

The partnership builds on Walmart's already comprehensive wellbeing strategy, Whaley says, which includes the company's ZP Challenge, a series of 21-day programs that encourages and rewards associates and their families for making better choices regarding fitness, family, food and money.

The Sharecare platform will first be available to employees who are enrolled in the ZP Challenge before being rolled out to other workers throughout the next few years, Whaley says.

"We'll start there, and then steadily scale over the next three years to engage more than 1 million users across the Walmart community," she says.

Walmart also plans to provide Sharecare access to its employees' families and the community at large to "help them better understand, track and improve their health," the companies say.

The news comes at a time when more employers are offering innovative healthcare solutions — including digital tools — in an effort to get their employees healthier while reducing their own costs.

"Given the current state of health in the United States, large employers, in particular, must be willing to deliver their employees relevant and personalized experiences," says Jeff Arnold, Sharecare's cofounder and CEO. "And when it comes to making good on that commitment, Walmart bears the gold standard." **EBN**

Meet *EBN*'s 2018 Digital Innovators

By Kathryn Mayer

From new all-in-one online HR platforms to health management and financial wellness apps, it's clear that the world of HR and benefits is changing rapidly — and technology is driving much of that transformation. The last year alone saw the introduction of Businessolver's Sofia, an AI-enabled personal benefits assistant, and SHRM's Broker Finder, an online platform that provides a national, searchable marketplace of broker candidates — and a myriad of new tech solutions in between.

Meanwhile, HR professionals, benefits managers and brokers are working smarter by using leading-edge tech to increase engagement, help employees understand their benefits and drive down healthcare costs.

Employee Benefit News and *Employee Benefit Adviser's* Digital Innovator Awards recognize the individuals who are driving such technologies and making these innovations possible. After poring through dozens of nominations from *EBN* and *EBA* readers, editors consulted with industry experts and called on their own field of knowledge to choose this year's award recipients.

Anna Steffeney, who founded a leave management platform, and Sony SungChu, who helped create a virtual personal benefits assistant, are among the visionaries who are disrupting the benefits industry.

RON WURZER

RAJ BHAVSAR

Chief Technology Officer, ConnectYourCare

His innovation: Since Bhavsar joined ConnectYourCare a year ago, he's overhauled the consumer-directed healthcare account company's digital operations. Enhancements included: embellishing the company's mobile strategy with gaming technology; launching myCYC, which allows consumers to quickly access their tax-advantaged health account funds; building the BrokerCommand center, which allows brokers to manage the complete lifecycle of a client's benefit plan; and engineering CYC Insights, a set of tools that aim to provide transparency and control over HSAs, FSAs and HRAs.

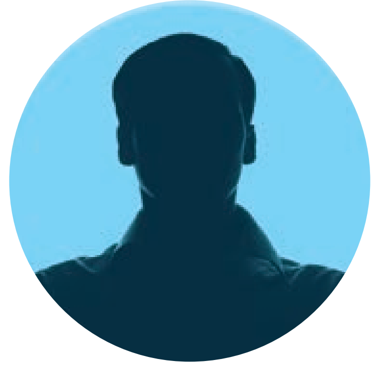
Why it matters: Bhavsar's digital strategies are aimed at making it easier for employers, brokers, employees and providers to leverage tax-advantaged accounts. It's an important mission, industry insiders say: Although health savings accounts are valuable for saving for medical expenses, about 80% of employees don't understand them, according to statistics.

MINDY BRADLEY

Co-Founder, CIO and Lead Analyst, Scripta

Her innovation: Bradley, along with her husband, Dr. Paul Bradley, in 2008 founded Scripta, a technology platform that aims to help self-funded companies better understand — and save on — their pharmacy benefits spending. Scripta's software analyzes every client's PBM transactions, monitoring pharmacy benefits spending on an ongoing basis. The proprietary Scripta software is monitored by a panel of more than 60 physicians and pharmacists who provide clinical and industry insights to keep the Scripta database and software rules current with the market and up to date on new drugs, formulary changes and shifting usage patterns.

Why it matters: Prescription drug costs continue to rise — and are among employers' biggest problems. Scripta takes aim at the issue with its cost-containment program, which the company claims can reduce prescription and specialty drug spend by 10-15% and improve medical outcomes for employees.



MICHAEL CALHOUN

Director of Benefit Plan Governance, AT&T

His innovation: Calhoun overhauled AT&T's summary plan descriptions by partnering with benefits communications firm DirectPath. AT&T moved its SPD into an interactive document format, which made benefits information accessible on any device. Using this format, the information can be continually updated in real time, allowing HR to send benefits information and tips to employees. AT&T's interactive SPD collects a wealth of data that can be used to create or modify communications.

Why it matters: Previously, AT&T's HR team would spend hours updating SPDs to maintain compliance. Despite the time and resources invested, traditional SPDs did little to provide employees with useful, actionable information about their healthcare benefits. The electronic SPD has not only boosted engagement, AT&T says, but saved the telecommunications giant more than $1 million.

HELEN CALVIN

Chief Revenue Officer and Head of Customer Success, Jellyvision

Her innovation: After hearing feedback from employers and brokers, Calvin recognized that HDHP adoption was no longer the huge priority it was a few years ago. So last year, she helped overhaul Jellyvision's ALEX — the firm's popular employee communication platform — to focus more on health savings account education and behavior change.

Why it matters: Employees often don't take advantage of HSAs, and employers often struggle with educating them on the savings vehicles. By focusing Alex on HSA education and behavior change, Calvin hopes to change this trend. Since ALEX was overhauled last year, users said they would contribute $1,153 more to their HSA than the national average (for $483 million in total contributions).

DAVE CHURCHILL

Co-founder of Elevate Benefits and Creator of SHRM Broker Finder

His innovation: Churchill is the brains behind SHRM's Broker Finder, announced by the Society for Human Resource Management earlier this year. The online platform provides a national, searchable marketplace of broker candidates and a request for proposal so companies can score and assess candidate responses as part of their evaluation process.

Why it matters: SHRM Broker Finder allows employers to find and vet broker candidates in an effort to help them maximize the ROI on their benefits expenditures. HR solution providers can also be searched in the system, with more than 300 partners building profiles on the site thus far.

MAAYAN COHEN

CEO and Founder, Hello Heart

Her innovation: Cohen founded Hello Heart, an app-driven platform designed to help employees manage hypertension, heart rate and cardiovascular health. The service also includes tools that help improve medication adherence, import clinical lab results and deliver personalized prompts to drive healthy behavior changes. In May, Hello Heart added diabetes management and activity tracker apps to its platform.

Why it matters: Though Hello Heart began as a consumer product, the company has been in the employer market for the last couple of years. Companies including General Mills, Delta Airlines and Macy's offer Hello Heart to employees in an effort to combat heart disease, which is both the leading cause of death and the leading health cost driver for employers. The app helps employers in two ways, Cohen says: Helping them save money and helping them save employee lives. The digital health company says it can save up to $2,072 per participant per year.

ALI DIAB

CEO and Co-founder, Collective Health

His innovation: Collective Health is a web-based platform that connects and administers the benefits ecosystem — health plans, benefits programs, spending accounts and employee support. Collective Health covers 120,000 people across 30 employers, up from 30,000 people two years ago. This past year, Collective Health launched a series of mobile features that aim to address some of employers' biggest pain points, such as submitting out-of-network claims and easy cost and quality guidance.

Why it matters: Collective Health's technology helps employers cut through the tangle of different benefits they typically administer, while also saving them money by offering tools to monitor spending and results in real time. Collective Health says a recent book of business trend analysis reviewed by a third party actuarial firm revealed that Collective Health has helped companies save millions by maintaining a medical trend of 0.1% compared to the industry average of 5%.

TOM DUGAN

Vice President of Product Management, Benefitfocus

His innovation: Dugan is responsible for product management at Benefitfocus, which handles benefits for nearly 1,000 of America's largest employers, meaning its software is used by 20 million people. In March, the benefit management software provider launched BenefitsPlace, a platform aimed at integrating benefits for a wide swath of U.S. employees .

Why it matters: BenefitsPlace has the potential to serve as a one-stop benefits shop for employees. It strives to connect them with brokers, employers and carriers on a single platform, giving them access to the widest possible range of benefits products, while catering to security and individual well-being.

JUSTIN HOLLAND

CEO and Co-Founder, HealthJoy

His innovation: Holland in 2014 helped found HealthJoy, an all-in-one healthcare guidance and engagement platform that aims to empower employees to make better healthcare decisions. At the center of the application experience is JOY, an artificial-intelligence-powered virtual assistant that routes members to appropriate care. The platform also brings online doctors, healthcare advocacy, prescription savings and other cost containment strategies together into an easy-to-use mobile app.

Why it matters: HealthJoy merges traditional service (hand-holding guidance) with new technologies, including AI, in an effort to help employees better understand their healthcare. HealthJoy says it not only helps workers, but employers can benefit as well: The platform and app easily integrate with an employer's existing benefits package, and companies that use the app, on average, have seen an ROI of 4.5X.

LISA FORMAN JOHNSON

Vice President, Human Resources, MVM

Her innovation: To combat a "strikingly low" benefits participation rate among MVM employees, Johnson developed a digital communication campaign to inform the privately owned federal government contractor's 2,500-person workforceabout their benefit offerings.

Why it matters: MVM had almost zero participation in its employee assistance program and was below 20% enrollment in health benefits. Johnson helped create an innovative communication strategy that combined a 45-day multi-channel, multi-touch marketing campaign with an interactive digital experience where employees could learn more and immediately select benefits using MVM's online HRIS. The result: 78% of employees reached by the campaign took action, and benefits enrollment increased by 50%.

AVI KARNANI
Cofounder & CEO, Alice

His innovation: Karnani is co-founder and CEO of Alice, software that helps employees keep more of what they earn while reducing employer payroll taxes. Alice does this by automating pre-tax spending on commuting (such as transit passes and parking) healthcare (such as glasses, contact and copays) and dependent care (such as daycare, summer camps and senior care). Alice connects to an employers' payroll system, and employees are invited by text message or email to connect their own credit or debit cards.

Why it matters: Karnani started Alice to help employees, particularly hourly workers who don't have access to high-value benefits, keep more of what they earn without having to do anything different. The software is paying off, the company contends: Employees that use Alice keep, on average, about $600 more per year of what they earned. Meanwhile, employers are reducing their payroll taxes by as much as 12%.

KEITH KITANI
Co-founder and CEO, GuideSpark

His innovation: In an effort to help employees better understand and take advantage of their benefit offerings, Kitani created the GuideSpark Communicate Cloud, which offers multi-channel, multi-touch benefits communications tools, including short smart phone-friendly videos and other interactive content experiences.

Why it matters: Guidespark is working with 600 employers to help workers better understand and take advantage of their benefits — helping to solve a major problem for employers. GuideSpark claims its customers are seeing measurable results. Optical manufacturer Essilor, for example, saw employee engagement with benefits material reach 96% after working with GuideSpark to deliver a four-week communication campaign.

NIR LEIBOVICH
Co-Founder and CEO, GoCo

His innovation: GoCo is an all-in-one HR platform that balances all aspects of internal HR: hiring, onboarding, tax forms, document management, paid time off tracking and benefits management. It also syncs with an employer's existing payroll for a seamless experience.

Why it matters: The GoCo platform can help companies embrace tech solutions, even if they don't have much human resources support. The GoCo platform is used by employers with up to 1,500 employees, but its sweet spot is smaller to medium-sized businesses with a limited HR department, Leibovich says. It streamlines routine HR processes like employee onboarding through the use of electronic signatures and automated document management.

RICK LINDQUIST
CEO of PeopleKeep

His innovation: In January 2017, Lindquist launched PeopleKeep's personalized benefits automation software for small businesses.

Why it matters: Though benefits are a top reason for employees to remain at a job, many small businesses struggle with offering traditional group benefits due to cost and complexity. PeopleKeep hopes to tackle that problem. More than 3,000 small businesses hire and keep their workers through PeopleKeep software.

PETER MARCIA
CEO, YouDecide

His innovation: Under Marcia's leadership, YouDecide launched its voluntary benefit outsourcing solution that provides a suite of consulting services and technology solutions to support large employers in the design, integration, communication, deployment and administration of voluntary benefit programs. The web-based platform provides a portal to communicate and deliver voluntary benefits and consumer discount programs to employees, retirees and family members alike.

Why it matters: YouDecide's biggest selling point for employers is perhaps that it significantly reduces human resources, technology, communications, payroll and administrative costs of managing such voluntary programs. YouDecide manages nearly 50 active VBO platform installations for Fortune 1000 employers representing approximately 1 million eligible employees.

JON SCHLOSSBERG

CEO, Even

His innovation: Schlossberg founded Even, a financial wellness app offered as a benefit for hourly and mid-level employees. Even provides automatic budget planning, savings and Instapay — the ability to withdraw up to 50% of earned wages ahead of payday to help with short-term cash needs.

Why it matters: Many workers live paycheck to paycheck — and nearly half of Americans don't have enough cash available to cover a $400 emergency, according to the Federal Reserve. That's causing many to bridge short-term cash needs with payday loans and bank overdrafts, which drive them deeper in debt. Even addresses this problem and is catching the attention of big employers. In December, Walmart pioneered the deployment of Even as a benefit nationally to its 1.4 million employees.

RAJ SINGH

CEO and Co-Founder, Flock

His innovation: Singh co-founded Flock, which provides a mobile-optimized, broker-backed online HR platform. The technology was developed, in part, to help brokers combat Zenefits, Namely and various other technology brokers.

Why it matters: Brokers were struggling as Zenefits and other technology brokers entered the marketplace. But Flock aimed to help them defend their business by helping them compete in the new world. In the two-plus years since launch, Flock has signed up a lot of small brokers but a lot of larger ones as well, including Marsh & McLennan Agency and United Healthcare. Meanwhile, Flock's partnership with ADP enables integration with ADP's payroll systems.

ANNA STEFFENEY

President and Founder, LeaveLogic

His innovation: Steffeney founded LeaveLogic, a platform that allows employees to create a leave plan that consolidates all leave benefits and lists the tasks needed to ensure proper planning and a successful return to work. It also educates HR managers by training them on supporting the employee through their leave. Insurer Unum acquired LeaveLogic earlier this year.

Why it matters: Leave policies have become an increasingly popular way for companies to attract and retain employees. But the policies can be time-intensive to manage. The LeaveLogic platform aims to simplify this while also saving employers money. LeaveLogic contends that an employer of 20,000, averaging 1,000 leaves per year with an annual LeaveLogic contract, would average a savings of more than $2 million.

SONY SUNGCHU

Head of Applied Data Science, Businessolver

His innovation: SungChu and his team built Businessolver's Sofia, the industry's first virtual personal benefits assistant. Launched in October 2017, Sofia makes use of machine learning to provide users with important information about their benefits, including what plans they are enrolled in, how to enroll, what tasks are required of them and more.

Why it matters: Unlike many existing decision-support tools, Sofia is an AI solution that builds capabilities and knowledge over time. The program responds to the user's emotions and learns how to elicit positive responses by adjusting the way it services a user based on their current state. Sofia's aim is to provide real-time support to employees using Businessolver's benefits platform, while giving HR professionals more time to handle more complex questions. Clients can use it as a standalone service, even if they don't make use of Businessolver's service center.

SCOTT THOMPSON

CEO, Tuition.io

His innovation: Under Thompson's leadership over the past year and a half, Tuition.io — the student debt assistance platform — has added over 100 new employers to its platform, helping thousands of employees pay down millions in student debt. Tuition.io works with a variety of employers, from Fortune 500 companies such as Live Nation, Estee Lauder Companies and Staples, to public entities such as the city of Memphis, the first city in the country to offer a student loan debt reduction program for its employees.

Why it matters: The market for student loan help is huge: There are around 44 million people in the U.S. with outstanding student loans. In 2015, graduates who took out student loans finished with an average of $34,000 in debt. Employers are increasingly adding student loan repayment benefits as a way to not only attract and retain talent, but also to help ease their financial stress. Although only 4% of employers currently offer student loan repayment benefits, according to the Society of Human Resource Management, that number is poised to grow quickly. Companies like Tuition.io make it easy for employers to administer the benefits.

Northwell Health struggled with PTO policy — then NY's family leave law upped the stakes

The largest healthcare provider in New York struggled to avoid disrupting patient care when its employees took time off, so it turned to predictive cost modeling and benchmarking to solve the problem.

By Amanda Eisenberg

ADOBE STOCK

Northwell Health already struggled with how to avoid disrupting patient care when its employees took paid time off. Like most health systems with a talent shortage problem, Northwell was worried about how health outcomes were affected when employees took vacation and other paid leave.

But when New York's mandated paid family leave — which gives full- and part-time employees eight weeks of paid time off to care for a sick relative or bond with a new child after birth or placement for adoption or foster care — went into effect Jan. 1, it furthered the concern even more for the largest healthcare provider in New York state.

"At the core, we think it's a good thing for people to spend time [together] in these circumstances, specifically with caring for family members," says Gregg Nevola, vice president and chief rewards officer of HR at Northwell Health, which has 21 hospitals and about 450 outpatient practices across the state. "[But] there are some challenges."

Northwell Health knew it needed to create a comprehensive paid family leave plan for its 65,000 employees — so it turned to its group insurance provider, Prudential, and its consultant, American Benefit Consulting, to craft a policy that would work for a wide variety of workers, from nurses with union contracts to corporate clients. Eligible employees under Northwell Health's new policy must regularly work 20 or more hours per week for at least 26 consecutive work weeks, or regularly work less than 20 hours per week for at least 175 days, according to the policy.

Northwell Health's paid family leave policy lengthens incrementally each year over the next four years, from eight weeks of 50% pay — awarded from an employee's payroll contributions — in 2018 to 12 weeks of 67% pay in 2021.

In accordance with state law, the 2018 payroll contribution is 0.126% of an employee's weekly wage; employees making more than the state average weekly wage of $1,305.92 cannot contribute more.

Paid family leave may overlap with FMLA, but employees cannot take the leave for their own medical condition or receive short-term disability or workers' compensation during the same time frame, according to Northwell Health's policy. Employees can also not take more than 26 combined weeks of short-term disability and paid family leave in a 52-week period, according to the policy.

Spouses or other family members employed by Northwell Health cannot take paid family leave simultaneously to care for the same relative or bond with the same child, according to the policy.

The organization's workforce is 70% female, which warrants a number of maternity leave requests for the health system, Nevola says.

About 1,200 women went on maternity leave in 2017, and the health system expects that number to potentially double in 2018. At least 700 workers requested paid family leave from Jan. 1 through April. Meanwhile, 1,750 employees take a leave of absence on any given day.

"There are a lot of different systems running at the same time," says Anna Cunningham, team lead of the Leave of Absence Case Management at Northwell Health. "Some of the union employees have different structures and different rules. It's very complex."

Bringing out the big guns — models and benchmarks

To create its policy, Northwell Health enlisted Prudential to run predictive cost modeling and benchmarking while also creating a task force of 25 to 30 representatives from various departments to analyze "every single impact point," Cunningham says.

Prudential used Northwell Health's historical FMLA utilization to "take data they had and assume there would be similar absence patterns," says Matthew Bahl, vice president of financial wellness customer strategies at Prudential Financial Workplace Solutions Group.

Bahl and his team ran various customized models for Northwell Health, then layered those on top of forecasting and benefit models. The cost analysis also compared

6 tips to tracking, administering paid sick leave

Paid sick leave has grown over the past few years across states, cities and localities, yet benefits managers often struggle with compliance and administration. To help them better track and manage such policies, here are six tips from Sherri Bartels, HCM product strategy director at Oracle.

1. Keep abreast of regulatory changes.

With paid sick leave laws changing frequently and irregularly and varying by state, city and locality, HR professionals oftentimes struggle to keep up with the changes. Bartels suggests looking to the Department of Labor, state labor offices and local municipalities to discover what rules your company needs to comply with.

2. Pay close attention to particular classes of employees.

Although contract workers are generally included under paid sick leave policies, HR departments should also be conscientious of telecommuters and mobile workers.

"It becomes more complicated. Those workers are going in and out of jurisdictions," Bartels said, adding that HR departments should track when those employees are working in areas covered under paid sick leave and use that data to determine eligibility.

3. Consider how unions come into play.

Companies that have unions should make sure to communicate how paid sick leave will be applied internally, Bartels said.

"Some paid sick leave laws will allow unions to waive this particular law, but the rule needs to be clearly stated in collective bargaining law," she said.

4. Keep employees updated on policies.

Companies need to post their paid sick leave policies to ensure they are compliant with the law while also informing workers of their rights in order to avoid being fined. Updating the company handbook, sending a quarterly mailer to employees with their paid sick leave policy clearly outlined and providing available sick time on employees' pay stubs are good strategies.

5. Understand different "family member" definitions.

For workers in Emeryville, California, taking care of a sick guide or seeing eye dog qualifies for paid sick leave, Bartels said. Other paid sick leave policies will define who qualifies as a family member — most don't include pets — and create guidelines for using the leave, which may include family medical leave, public health emergencies and safe leave.

6. Use technology to track leave policies.

Bartels said that some technologies, such as the Oracle HCM Cloud, allow for HR professionals to track work hours and policies.

—Amanda Eisenberg

potential policies to those at peer institutions such as NewYork–Presbyterian Hospital.

"Industry nuance matters, or at least it matters with the benchmarking we have done," Bahl says. "Healthcare organizations don't provide as many paid parental leave policies as do the finance and tech sectors. There are staffing and other practical human capital management impacts."

Health systems like Northwell Health need to consider the expectations of newer nurses and millennial and Gen Z workers when crafting paid-time-off policies if they want to retain those workers, Bahl says.

"The impact of having another bucket of time for people to be out of work was really important for Northwell," he says. "Northwell wasn't thinking about this in terms of staffing, but also retention."

Only 14% of large employers provided a paid parental leave policy in 2016, with 70% of those companies offering six weeks or less of paid parental leave, Bahl says. The Society of Human Resource Management reported that 17% of companies in 2016 offered paid parental leave, with 18% of companies offering paid family leave. Those numbers are likely to increase as states like New York mandate a paid family or parental leave policy.

"Unfortunately, the state didn't take into consideration that employers may have already had plans that covered more generously," says Jeffrey Jones, principal and lead consultant at American Benefits Consulting. "Hopefully a national plan is in the works. If we have 35 or 40 other states put their plans in, it's going to be very difficult for large corporations to manage that many mandated leave laws — almost impossible."

During the first six months of Northwell Health's policy creation, the task force had weekly, and sometimes daily, meetings and phone calls to assess the policy, particularly when the state made tweaks to the law.

"We're lucky," Cunningham says. "The majority of our employees are in New York."

Northwell Health's task force didn't receive "a tremendous amount of guidance" from Albany, leaving the health system to determine whether it could stack benefits, who was eligible for the paid time off and how to administer the payouts.

The HR department leveraged tools such as Kronos, MyTime and PeopleSoft — with help from Prudential — to achieve a fully functioning paid family leave platform, Cunningham says.

Now, three third-party administrators help with the distribution of paid family leave, Nevola says.

Once paid family leave rolled out on Jan. 1, the health system was pleasantly surprised: It over-prepared for the number of requests it expected to field.

"We didn't know how many people were asking for leave on Jan. 1. We were fine," Nevola says. "We were able to staff the hospital during one of the busiest flu seasons ever."

Northwell Health and its partners declined to share how much it spent on administrative efforts, human capital, legal fees and HR technology — Nevola says he's not sure if that number can be quantified — but say the ROI is nonexistent thus far.

The health system, however, hopes the administrative burden will be worth it in the long run.

"I think it will help people stay at work," Jones says. "I think it will help retention." **EBN**

ADOBE STOCK

Wellness

The next frontier in employee wellness: disease management

Rather than focus attention — and dollars — on getting workers fit, employers are now zeroing in on helping them manage chronic illness

By Stephanie Ward

There's no question it's in everyone's best interest to have healthy, engaged employees. Employees who avoid illness see lower healthcare costs, while employers see lower absenteeism rates.

But there's a problem with the quest for healthy workers: Over the last decade, employers have largely focused on wellness programs to help their employees get and stay healthy, rather than looking at chronic conditions. That's resulted in mixed results for wellness programs. Sure, there are some success stories, but more often than not, employers are finding that their wellness programs don't move the needle on rising healthcare costs.

Rather than focus attention — and dollars — on getting people well and having minimal impact, employers are beginning to zero in on helping employees manage chronic disease.

It's a smart decision: About 86% of healthcare dollars are spent on chronic and mental health conditions, and 59% of Americans have at least one chronic health condition, according to the CDC. And there's a lot of evidence that shows chronic disease management programs work. They can improve outcomes in people with diabetes, heart failure, COPD, high blood pressure, anxiety and depression.

But the way an employer runs a disease management program varies greatly depending on the funding mechanism. Self-funded employers are at an advantage because they can carefully review claims data to see how to track chronic conditions and measure ROI.

On the other hand, fully insured employers have less access to data and likely would turn to their insurance carrier's program, which is already embedded into the coverage. Here's how it works: Carrier programs typically focus on employees with asthma, COPD, breast cancer, diabetes, heart disease, arthritis, depression, end-stage renal disease or women with high-risk pregnancies.

When a condition is diagnosed, the health insurance carrier works closely with the employee, providing tools and support to manage the illness. The carrier may provide access to counseling, nurse on-call resources and other high-touch services. The goal is to help the employee:

1. Understand the condition and health risks
2. Understand the doctor's instructions, test results and course of treatment
3. Stay motivated in the treatment
4. Maintain compliance with taking prescribed medication.

Unfortunately, a carrier can't provide detailed information to the employer, such as diagnoses or prognoses, about who is participating in any program. Employers are hard-pressed to gain any more than the percentage of employees participating in disease management programs.

If participation rates are low, employers can offer incentives; this is normally a cash award, a decrease in the required employee premium contribution, or reduced copays and deductibles. Some employers also use on-site coaching, which requires a commitment from the company to allow employees time away from work to participate. A few companies are even limiting plan design options based on participation in the program.

Other important components of a successful disease management program include:

1. Clearly communicating the benefits of the program often
2. Gaining support for the program from senior management
3. Creating a culture of health
4. Providing employees with the ability to participate in workplace health programs.

In addition to carrier programs, some larger employers with fully-insured plans may outsource certain disease management needs to further manage healthcare costs. For example, a company with a large population of younger workers may want to provide a more intensive maternity-focused program to prevent hospitalizations and other complications that would impact claims.

It's worth noting that disease management has been proven to help employees get healthier, which could impact engagement and absenteeism. This is an important metric for fully insured employers that are considering whether to move to a self-insured model. EBN

Stephanie Ward is senior regional vice president of Corporate Synergies, a benefits consulting firm.

Q&A

You call that 401(k) diversification? Take a closer look

By Richard Stolz

What constitutes a truly diversified portfolio might be in the eye of the beholder. But most 401(k) plan offerings beheld by Drew Carrington, a senior vice president of Franklin Templeton Investments and head of the investment management company's DC plans division, don't meet the test. He believes that occasional plan sponsor reluctance to try something new, as well as an incomplete appreciation of the diversity of plan participant financial needs, could be problematic. *Employee Benefit News* recently explored these topics with Carrington; edited excerpts of that conversation follow.

Employee Benefit News: **Are many DC plans insufficiently diversified, in your view?**

Carrington: Yes, most DC plans today continue to be under-invested outside the U.S. While there is access to non-U.S. investments in most plans on the equity side, there's much less on the fixed income side. Both matter. And if you think about the typical DC plan today, it's largely U.S. equity beta and U.S. fixed income duration. It's important to have exposures to those two risk factors and return generators, but there are a lot of others.

EBN: **What accounts for this lack of diversification?**

Carrington: In the large plan space, you might see a target date fund series, eight to 10 equity options, two fixed income options, and a capital preservation solution. And that's it.

EBN: **Isn't there a problem with overloading participants with investment choices and causing them to freeze?**

Carrington: If there are 10 equity options and two fixed income options, you're

FINANCIAL WELLNESS

FINANCIAL WELLNESS PROGRAMS ON THE RISE

More employers are offering the programs, according to Prudential research.

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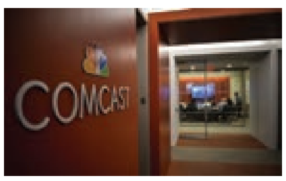
CASE STUDY



COMCAST COULDN'T FIND A FINANCIAL PLATFORM IT LIKED — SO IT BUILT ITS OWN

The cable giant launched Brightside, which is now available to other employers.

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signaling to participants that's kind of how your own portfolio ought to be weighted, skewed too heavily toward equities. Also, you're limiting participants' ability, as they get closer to retirement and want to get more conservative, to have much diversification on the fixed income side.

***EBN:* What do you think accounts for this pattern?**

Carrington: When we talk about global fixed income investing, there is sort of a generalized assumption out there that DC plan participants don't understand investing. That assumption may be appropriate for young participants who haven't accumulated significant balances, but it is significantly less true for participants closer to retirement who may really understand investing and want less volatility in their portfolio. As you get closer to retirement and the time horizon gets shorter, the sequence of returns really matters.

***EBN:* Many plan sponsors seem to be confident that target date funds, used as a QDIA, take care of that problem automatically, right?**

Carrington: People sometimes think of 401(k) investors as monolithic, all equally suited to target date funds.

But research shows that even participants who were defaulted into a target date fund, by the time their balance gets to $100,000, about 80% of those participants have added something else to their target date fund position. So they've intervened, in effect, and said, "I'm going to drive."

***EBN:* What's the lesson there?**

Carrington: That we can't make simple assumptions about what kind of portfolio design is best for people just based on their age. That's why you're seeing developments like dynamic QDIAs, where you're in the target date fund until your balance gets to a certain point, or you get to a certain age, and you're switched over to a managed account or solutions that are more personalized.

***EBN:* Can you expand a bit on the added diversification potential of using non-U.S. bonds?**

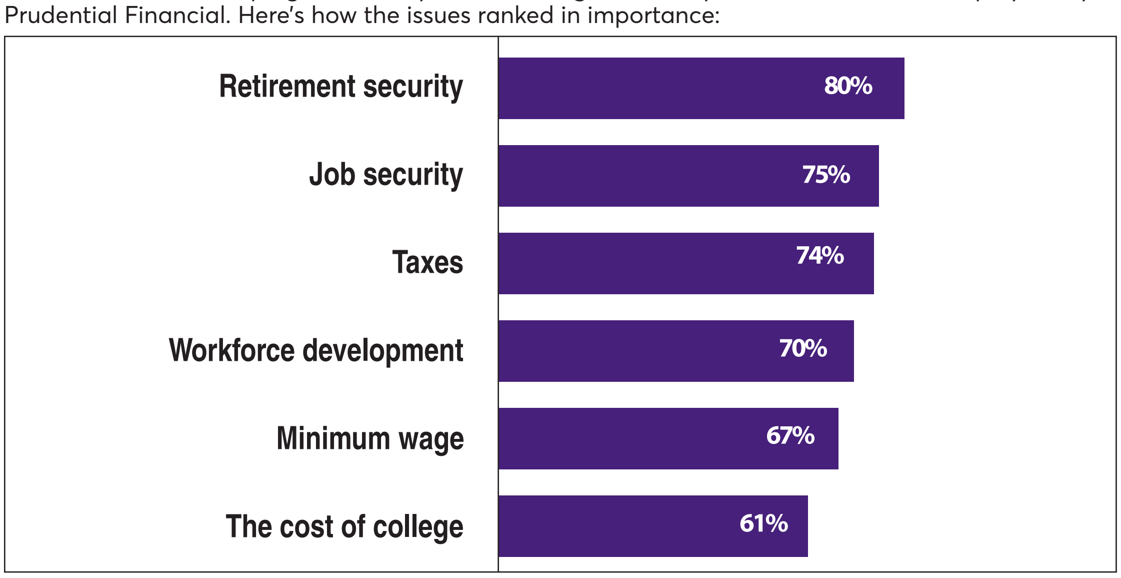
Carrington: There are multiple variables in play when you incorporate non-U.S. fixed income. Different countries and economic blocks often are on different economic cycles. That has implications for not only interest rates relative to the U.S., but also the direction of interest rates, the rate of change of interest rates, the shape of the yield curve in those other markets, the implications of changes in currency exchange rates, and credit spreads. All of those become additional potential diversifying variables.

***EBN:* What other diversifiers do you think are important that might be underutilized in DC portfolios?**

Carrington: Inflation protection solutions. The usual suspects would be things like Treasury inflation-protected securities, real estate related investments, commodities or commodity type companies or sectors, as well as direct investments and commodities. EBN

A BIG VOTE FOR RETIREMENT SECURITY

American workers rank retirement security as the top issue they want congressional candidates to talk about on the campaign trail this year, according to a survey of more than 2,000 employees by Prudential Financial. Here's how the issues ranked in importance:



Source: Prudential Financial

FINANCIAL WELLNESS


ADOBE STOCK

Financial wellness programs on the rise

By Nick Otto

The number of financial wellness programs offered by employers is skyrocketing, as workers clamor for help in increasing financial literacy and improving their financial wellness.

The percentage of employers offering financial wellness programs rose to 83%, up from 20% two years earlier, according to new research from Prudential. And an additional 14% of employers say they plan to offer these programs in the next one or two years.

On average, employers offer seven programs, and plan to offer another four within the next two years, Prudential notes. The most common programs include tools and calculators to help workers gauge their financial wellness, retiree planning (e.g. Social Security optimization) and access to financial advice/advisers.

"Our survey reveals that employers and employees report higher satisfaction with their benefit plans when financial wellness programs are offered," says Vishal Jain, financial wellness officer for Prudential's workplace solutions group. "Employees increasingly look to their employers to help them achieve financial security, and employers are seeking data and insights on how to respond and influence better outcomes."

Employers are also more frequently measuring the impact of their financial wellness programs — 49% measure quarterly, 20% measure monthly — and are relying on data analysis. Employers measure success in a number of ways, with employee satisfaction as the most commonly used, the study notes. EBN

Financially stressed workers likely to draw on retirement plans

By Nick Otto

Financial stress is taking its toll on employees, causing them to partake in rather risky money behavior: tapping into their 401(k) or other retirement savings in an attempt to get back on track.

More than half of workers (54%) who identify as being financially stressed say they will likely use their retirement funds for expenses other than retirement, according to PwC's 2018 Employee Financial Wellness Survey. That's compared to 33% of their colleagues who say they're not stressed about finances.

"Our survey indicates that the main reason people invade their retirement plans is due to an unexpected expense, emergency and/or to defray medical expenses," Kent Allison, national leader, employee financial education and wellness practice at PwC, tells *EBN*. "Not having enough set aside for an unexpected expense has been the No. 1 cause of financial stress since we started our survey."

Overall, PwC found 47% of all workers say they are stressed about finances. Though that's a slight improvement from previous years (53% said they were stressed in 2017; 52% in 2016), the survey results are still alarming. Allison says smart employers will step in to address their employees' financial worries.

"Employers can make inroads on both the retirement plan leakage issue and the stress issue with more of a focus on setting aside some funds as an emergency fund, in addition to putting money away for retirement," Allison says. "This requires not only the communication and education to reinforce the message but the mechanism to do so, such as payroll deductions into a savings account."

According to the survey results, just 31% of stressed workers say they'd be able to meet basic expenses if they were out of work for an extended amount of time. Employees say they are stressed over uncertainty regarding healthcare. Many are pressed to support both aging parents and adult children. EBN

CASE STUDY

Comcast couldn't find a financial health platform it liked – so it built its own

By Kathryn Mayer

Add Comcast to the growing list of employers that are cutting out the middleman when it comes to helping employees. The cable giant isn't starting its own independent healthcare company for its U.S. employees, a la Amazon, Berkshire Hathaway and JPMorgan Chase; rather Comcast is taking a direct route to easing its workers' financial stress with a new platform.

"[Financial stress] was a really challenging issue," says Shawn Leavitt, senior vice president of total rewards at Comcast. "How do we make employees' money go further, and how do we make them less stressed, not just during the workweek but at home on the weekends?"

The company looked for a financial wellness platform that would help its workers manage expenses, save money and pay off loans, Leavitt says, but it came up short on finding meaningful solutions. That's when it turned to its venture capital arm, Comcast Ventures, to look into creating its own platform.

The result was Brightside, which officially launched in May at the HLTH conference in Las Vegas. The new platform has secured $4 million in seed funding from Comcast Ventures and Trinity Ventures, the company announced, and it is now looking to win over more employers looking to ease financial stress through a combination of human and technological help.

It's the first financial wellness solution aimed specifically at employers, the company said in an interview.

"The point solutions that are popping up for [financial wellness] … if employers wanted to embrace this, they would end up with 20 vendors and they wouldn't be able to manage them," said Christine Tozzi, chief strategy officer and co-founder of Brightside. "But with Brightside, we manage all these point solutions that are needed, and we customize them for the employees. This is a new benefit that we expect employers to adopt so that they can help employees more holistically than they've been able to in the past."

Brightside aims to offer support for each employee's unique financial situation with a mobile app and financial assistants, both backed by a proprietary financial methodology, along with modern behavioral science and access to financial products curated personally to save them money.

Introduced to some of Comcast's 160,000 employees a month ago, the platform still is in the process of being rolled out to other employees across the nation. But early indications are strong, Comcast says. Though the company declined to say how many employees have signed up, engagement is two times what Comcast's benefits team expected.

"We've saved people thousands of dollars on credit card interest with refinancing; we've helped people think about student loans; and helped them build an emergency savings account such that if their taillight goes out, they don't need a loan for that," said Callum King, co-founder of Brightside, noting that the product is free for Comcast employees. "Having a champion by your side for that can massively reduce financial stress, which has a major effect on employees and their families. That stress is just a massive productivity killer." EBN

BLOOMBERG

HEALTHY RETIREMENT

401(k) participants saving more than ever

By Paula Aven Gladych

Employees are socking away a record amount of money in their 401(k) accounts.

The average 401(k) contribution reached a record 13.2% of pay in the first quarter of 2018, according to new research out by Fidelity Investments. Over the past year, 30% of 401(k) savers increased their contribution rates, with millennials leading the charge at 36%.

Meanwhile, investors also increased their IRA contributions: The average first quarter contribution was $3,180, a 3% increase over the average contribution amount in the first quarter of 2017. The percentage of people contributing to their IRA in the first quarter increased 14% from a year ago.

Those statistics show that "retirement savers stayed on track and continued to contribute to their IRAs and workplace savings plans" despite market volatility at the beginning of 2018, says Kevin Barry, president of workplace investing at Fidelity Investments.

"In addition, an increasing number of savers are contributing to both their IRA and workplace savings plan. Combining the benefits of these two savings vehicles helps build a diversified retirement savings strategy and can provide a significant boost to an individual's retirement savings efforts."

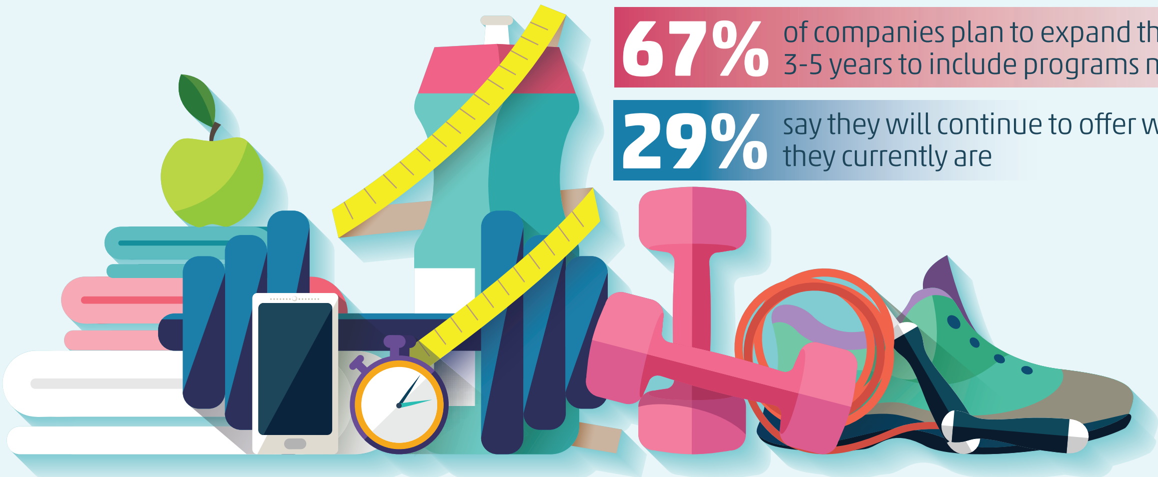
People who save money in both an IRA and a workplace savings account saw their account balances jump 9% in the first quarter of 2018 compared with the first quarter of 2017. Account balances rose to $299,600 from $275,700 in the past year.

People who have been saving for retirement for at least 10 years saw their 401(k) balances reach a record high $290,100 at the end of the first quarter, compared to an average of $250,500 a year ago. For those who have saved in their 401(k) for 15 years, account balances rose to $379,600 at the end of the first quarter compared with an average $330,200 a year ago.

Fidelity found that the number of 401(k) millionaires increased to 157,000 at the end of the first quarter, a 45% increase from the first quarter of 2017. Most of the 401(k) millionaires identified by Fidelity had been saving for about 30 years. EBN

BY THE NUMB3RS: Wellness: Not just about physical health anymore

Within the next five years, the bulk of employers plan to expand corporate well-being programs beyond a focus on physical health to include emotional and financial components, according to a survey of 162 employers from Fidelity Investments and the National Business Group on Health



67% of companies plan to expand their well-being initiatives over the next 3-5 years to include programs not specifically focused on physical health

29% say they will continue to offer well-being initiatives at the same level they currently are

The most popular wellness initiatives

Here's what employers are currently offering — and what they're considering for the future:

Initiative	Currently offer	Considering for the future
Physical health	98% currently offer	1% considering for the future
Emotional health	92% currently offer	7% considering for the future
Financial security	90% currently offer	10% considering for the future
Job satisfaction	77% currently offer	17% considering for the future
Community involement	72% currently offer	21% considering for the future
Social connectedness	60% currently offer	25% considering for the future
Purpose/spiritual contentment	28% currently offer	31% considering for the future

Source: Fidelity Investments and the National Business Group on Health