ebn

Employee Benefit News

March 2018 | benefitnews.com

BIGGER BETTER BENEFITS

Spurred by corporate tax cuts and a tight labor market, a flock of firms are enhancing perks for their employees

Adoption Assistance

Walmart will give employees who adopt a child $5,000 to help with related fees and costs

Cash bonuses

Retirement planning

401(k) contributions

Expanded parental leave

Chipotle, CVS and Unum will give employees more time off to bond with a new child

Free snacks

Hostess offers employees year's supply of products

Fertility benefits

State Street will reimburse employees up to $20,000 for non-traditional medical expenses, such as surrogacy

Cancer benefits

AutoNation launches new program to help employees and their families who are diagnosed with the disease

GOP TAX BILL

Contents

March 2018 | VOL. 32 | NO. 1

CREDIT: ADOBE STOCK

Contents

March 2018 | VOL. 32 | NO. 1

RE:INVENT RETIREMENT

In Every Issue

REPRINTS AND LICENSING CONTENT

For more information about reprints and licensing content from EBN, please visit www.SourceMediaReprints.com or contact PARS International Corp. (212) 221-9595.

CUSTOMER SERVICE

help@sourcemedia.com or (212) 803-8500

Employee Benefit News, ISSN#1044-6265 Vol. 32 No 1, is published 6 times a year; March, May, June, September, October and November by SourceMedia, Inc., One State Street Plaza, 27th Floor, New York, NY 10004, 212/803-8200. Periodicals postage paid in New York, NY, and additional offices. Subscription Rates: $119 for one year in U.S.; $165 for one year in other countries. Single copies and back issues $8.00 domestic, $18 international. Change of Address: Notice should include both old and new address including ZIP code. Postmaster: Please send all address changes to EBN/SourceMedia, Inc., 1 State Street Plaza, New York, NY 10004. For subscriptions, renewals, address changes and delivery service issues contact our Customer Service department at (212) 803-8500 or email: help@sourcemedia.com. Printed in U.S.A. EBN is intended only for employee benefits professionals. The publisher does not perform due diligence on the companies or products discussed or advertised in EBN.

ebn Employee Benefit News

benefitnews.com

EDITORIAL HEADQUARTERS
One State Street Plaza,
New York, NY 10014

Editor-in-Chief
Kathryn Mayer
kathryn.mayer@sourcemedia.com

Executive Editor
Phil Albinus
philip.albinus@sourcemedia.com

Associate Editor
Amanda Eisenberg
amanda.eisenberg@sourcemedia.com

Senior Online Editor
Nicholas Otto
nicholas.otto@sourcemedia.com

Contributing Editors
Nathan Golia, Fred Bazzoli, David Weldon

Contributing Writers
Cort Olsen, Joe Goedert, Paula Aven Gladych, Richard Stolz, Bruce Shutan, Sheryl Smolkin

Columnists
Robert C. Lawton, Zack Pace

Editorial Director, Professional Services and Technology Groups
John McCormick

VP, Content Operations and Creative Services
Paul Vogel

Director of Creative Operations
Michael Chu

Senior Art Director
Nick Perkins

Director of Content Operations
Theresa Hambel
theresa.hambel@sourcemedia.com

VP, Research
Dana Jackson

Editorial Advisers

Kay R. Curling,
SPHR, Senior Vice President,
Human Resources,
Salient Federal Solutions, Inc.

Keven Haggerty,
Human Resources Manager,
CRV Electronics Corporation

Mike Hauer,
Benefits Manager,
Cincinnati Board of Education
(Cincinnati Public Schools), 1993-2002

John Powers,
Senior Vice President,
Human Resources,
Equity Residential, Chicago, IL

Doug Reys,
Manager of Compensation & Benefits,
Franklin International

Paul Wong,
Staff Salary and Benefits Manager,
International Mission Board

ADVERTISING HEADQUARTERS
3340 Peachtree Road NE suite 1010
Atlanta GA 30326

Vice President & Group Publisher
Jim Callan, 770/325-7521
james.callan@sourcemedia.com

Publisher Mid Atlantic/Southeast
Michael Pirro, 770/325-7525
michael.pirro@sourcemedia.com

Midwest
Thomas Cahill, 847/682-5622
thomas.cahill@sourcemedia.com

Northeast
Michelle Yosslowitz, 770/325-7526
michelle.yosslowitz@sourcemedia.com

Southwest/Western
Kurt Kriebel, 770/325-7523
kurt.kriebel@sourcemedia.com

Senior Marketing Manager
Amy Metcalfe, 212/803-8267
amy.metcalfe@sourcemedia.com

Circulation
One State Street Plaza, 27th floor,
New York, NY 10004
212-803-8200 Fax 800/235-5552

List Rental
Michael Pirro, 770/935-0231
michael.pirro@sourcemedia.com

Fulfillment Director
Christopher Onyekaba

CONFERENCES
Benefits Forum & Expo
National Account Executive, Conference and Exhibitions Group
Michael Flynn, 480/754-9049
michael.flynn@sourcemedia.com

SourceMedia, Inc.
One State Street Plaza,
New York, NY 10004

SourceMedia

Chief Executive Officer
Douglas J. Manoni

Chief Financial Officer
Robert Dennen

Chief Revenue Officer
Marianne Collins

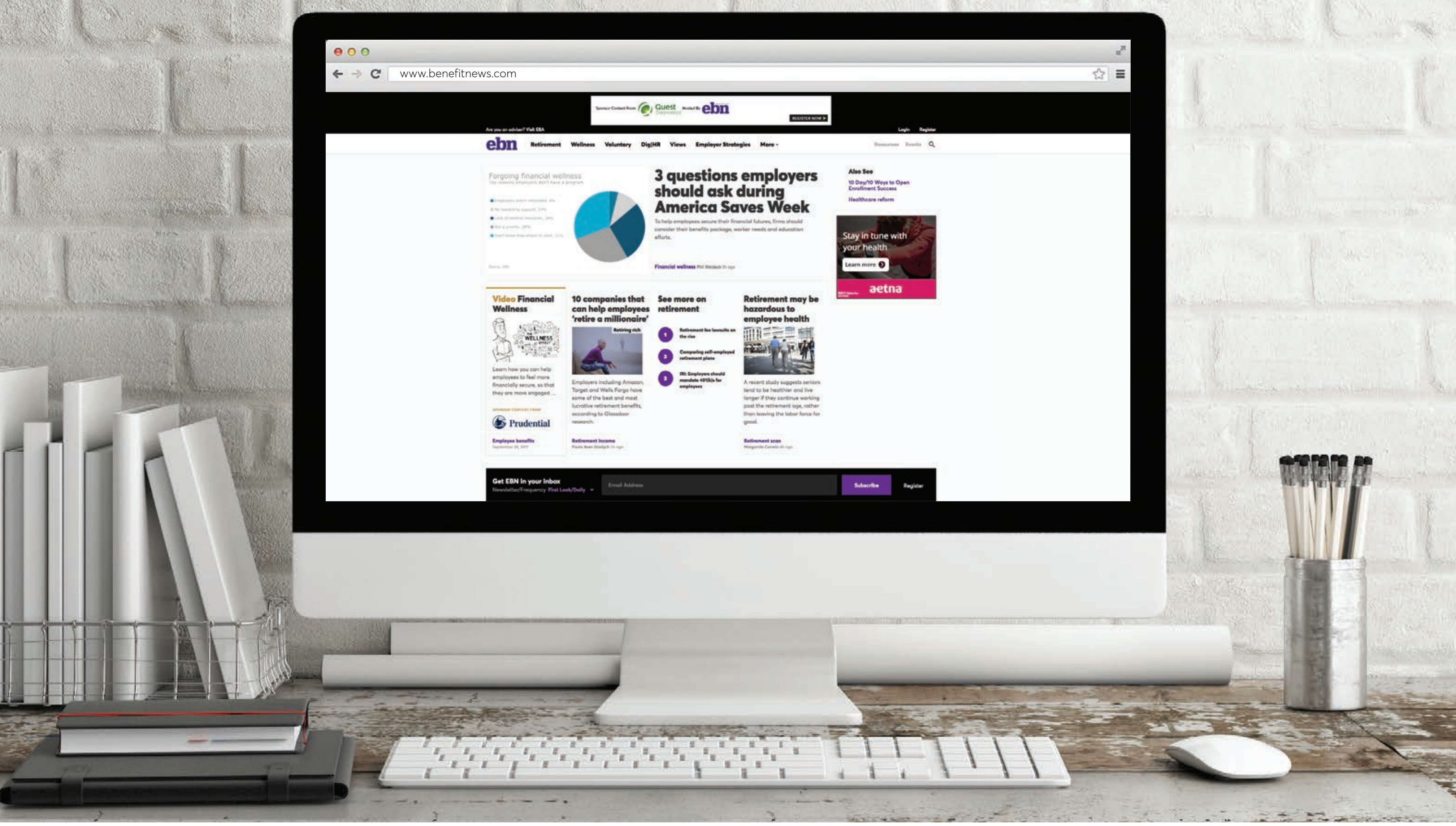
EVP & Chief Content Officer
David Longobardi

Chief Marketing Officer
Matthew Yorke

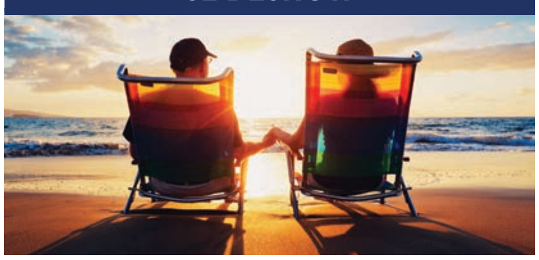
SVP, Conferences & Events
John DelMauro

SVP, Human Resources
Ying Wong

What’s going on @benefitnews.com



SLIDESHOW



10 companies that are trying to help employees ‘retire a millionaire’
Employers including Amazon, Target and Wells Fargo have some of the best and most lucrative retirement benefits, according to Glassdoor research. http://bit.ly/2Fcu6xC

IN-DEPTH

HR failed on sexual harassment. Now what?
A flood of recent allegations indicate human resources has let down the employees it ostensibly is there to serve. As a result, departments must prepare for a major shift in how they handle the issue. http://bit.ly/2BF0PoE

VIEWS

What employers need to know about unplugging from a PEO
Unwinding from a professional employer organization relationship takes a significant amount of planning and organization as well as a keen understanding of what a company might endure during the transition period. http://bit.ly/2DqfHc9

Forget the raises, bring on the benefits

In light of tax reform savings, big-name employers are enhancing leave policies, adding student loan repayment programs and increasing 401(k) matches — smart moves that will keep workers happy and more financially sound.

During *EBN* story meetings, we often use the phrase "real companies doing real things." Sure, we like to be in the know and inform our readers about the latest regulatory news, industry trends and reports, but it's often the employers — led by benefits managers — that inspire us. They are the ones coming up with ways to make employees' lives better.

There certainly has been no shortage of those story ideas so far this year.

One after the other, a number of big-name employers — including AutoNation, Chipotle Mexican Grill, Disney, Lowe's and Visa — have announced a slew of enhancements to their employee benefit offerings. These come primarily as a result of savings from the Tax Cuts and Jobs Act, which was signed into law in late December and slashed the corporate tax rate from 35% to 21%. Other factors — including a war for talent and a tightened labor market — are behind the moves as well.

No matter the reasoning, it's refreshing to see the movement grow. Too often, company benefits packages stay static — offering up the same PPOs, few voluntary products and retirement plans with little or no match. Just as workplace culture, policies and corporate strategies evolve, so should benefits packages. And innovative employers are not only recognizing that, but offering up a number of perks that employees are clamoring for. Benefits to help pay off student debt? Check. More paid time off? Check. Bigger and better parental leave policies? Increased retirement plan match? Adoption assistance? Check, check, check.

Innovative employers are offering up a number of perks that employees are clamoring for. Benefits to help pay off student debt? Check. More paid time off? Check. Bigger and better parental leave policies? Increased retirement plan match? Adoption assistance? Check, check, check.

While increasing wages and handing out bonuses have been among some of employer moves lately — and certainly appreciated by workers — it's interesting to see more investments being made into these larger benefit initiatives. And it's a smart move by employers.

Enhancements to employee benefits can be even more advantageous to workers than a monetary reward, Julie Stich, associate vice president of content at the International Foundation of Employee Benefit Plans, recently told me.

"While a one-time bonus can certainly be exciting and beneficial to an employee, employee benefit enhancements such as increasing the 401(k) match can be much more valuable in the long run because deferrals to a retirement plan can increase dramatically over the years through the power of compounding investment earnings — helping the employee to earn much more than a one-time bonus might be," she said.

Check out our cover story on p. 18, which highlights a handful of employers who have made big benefits changes in the last several months.

Will your company follow in the footsteps of these innovators and enhance benefits this year? Let us know. We'd love to hear from you.

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

— Kathryn Mayer

CREDIT: ADOBE STOCK

Benefits technology

Artificial intelligence poised to transform open enrollment

Signing up for new benefits will be powered by AI in the very near future, says Richard Silberstein of SIG

By Phil Albinus

Although artificial intelligence has transformed the retail and entertainment habits of consumers, AI has yet to enter the employee benefit landscape in a meaningful way. But that time is coming, says Richard Silberstein, president of benefits consultancy and brokerage SIG, an Alera Group Company.

Not only will employees use apps to access their benefits in greater numbers, he says, but open enrollment will also be conducted using AI services such as Ask Alexa, the application portion of Amazon's Alexa offering. Silberstein spoke with *Employee Benefit News* about what role AI will play in open enrollments and how it will change how employees find out about their medical coverage. What follows is an edited version of that conversation.

Employee Benefit News: **Will employers use AI apps like Amazon's Ask Alexa for open enrollments? Are we near to this becoming a reality?**

Richard Silberstein: We have open enrollment portals now, and there are sort of "Ask Alexa" things that are trying to get people to be more self-sufficient and educated as to what they can do and how to get information as easily as possible. A company like [benefits technology provider] HealthJoy is looking into how to use an app or chat with a live person to get people the information they need from a benefits education standpoint, for example.

We just finished our annual offsite meeting with their team where we talk about what's working, what's not working and what should we be thinking about. AI is three years from becoming a widespread benefits reality.

EBN**: How will AI help during open enrollment?**

Silberstein: People are going to get information on how they can make open enrollment easier. How do we help people understand what is a deductible, how to fill out a form, when do you go to a doctor? People are going to be able to call or say, "Hi Alexa, [and give their details like] my name is Richard Silberstein, my Social Security number is XYZ [and ask], what amount of my deductible have I met? What's my maximum out-of-pocket payment?" It's not going to be as far off as we think.

EBN**: How far?**

Silberstein: I recently attended a conference for the Maryland Association of CPAs, which also works with CPAs around the country. I sat next to the guy from IBM who works on the Watson supercomputer team. The AICPA is working with Watson to put the tax codes in and do audits in four minutes, instead of two months. I believe that with the amount of money that is being invested in HR technology from private equity, there will be technology coming out with artificial intelligence sooner than we think it is.

AI is three years from becoming a widespread benefits reality.

EBN**: Why doesn't it exist now? Is healthcare too complex? Are they still working out the bugs?**

Silberstein: When artificial intelligence came out, it was beta tested on tasks that were easier to do. Healthcare is complex, and there's a longer implementation time for these solutions because it's more regulated. I heard UnitedHealthcare spends [more than] $2 billion a year on technology and has investments in 200 technology startups. When they go well, they buy it.

Look at what's going on in Silicon Valley and all the disruption that is happening. Amazon is getting into the pharmacy business and CVS is buying Aetna, so there's this "Amazon effect" going on in healthcare that happened in retail. It's going to be where you search "sore throat" and the next thing you know, "Here's the cure for that and would you like your drone to deliver it to you?" When you go to a CVS to get a prescription for diabetes medication, your phone could ding to say, "Did you know there's a cookbook in aisle two?"

EBN**: Are the days of the in-person employee benefit seminar in the conference room over?**

Silberstein: It depends. I think clients want the personal touch. They want to have an app and 24/7 access to information, and then they want to have it where if somebody has a claim, their question gets a response quickly. The firms that have been able to deliver on that will excel in this. **EBN**


maestro health™
BREAK
THE RULES.
CHANGE
THE GAME.
If the healthcare system is rigged, why play by their rules?
The game is designed to skyrocket employer costs, year after year. Meanwhile, employees struggle to make it through the maze of healthcare without the support and education they need.
It's time to change the game.
GameChangerHR.com
#GameChangerHR
© Maestro Health 2018 m3310

CREDIT: ADOBE STOCK

Strategy

Employer healthcare group making progress

Large U.S. businesses, including American Express and Verizon, came together two years ago to form the Health Transformation Alliance

By Jeri Clausing

When Amazon, Berkshire Hathaway and JPMorgan announced plans in February to create a new company that will take charge of healthcare delivery to their more than 1 million combined workers, it created a lot of buzz, both because of the high-profile players and the scant details offered.

But it's not the first time big companies have banded together in recent years to take proactive action against the dysfunction and high prices in the American healthcare system.

Two years ago, 20 of America's largest companies — including American Express, Verizon, Caterpillar and Marriott International — formed the not-for-profit Health Transformation Alliance, with the stated goal to "improve the way healthcare benefits will be purchased for employees in an effort to create better healthcare outcomes" and to "break with existing marketplace practices that are costly, wasteful and inefficient, all of which have resulted in employees paying higher premiums, copayments and deductibles every year."

Today, the group's membership has doubled in size, and it has become a formidable force in what HTA CEO Rob Andrews calls the tug-of-war between the "fee for value and the fee for service" models of healthcare.

"We believe that the future of American healthcare largely depends on shifting the payment systems to reward people [for] good outcomes," says Andrews, a former Democratic congressman from New Jersey.

Sally Pipes, president and CEO of the Pacific Research Institute, a San Francisco-based think tank, agrees. "There are a lot of disruptions going on in the healthcare space right now," she says.

One of the biggest problem is that America is a wealthy country and Americans are willing to pay for what they want.

"I think there is a big discussion on value-based, but as I said, we do spend a lot," she says. "And as with HMOs, people will be upset if they think their employers are forcing them into 'value.'

"They still want the spending, so they can get the very best," she adds.

HTA's first big act was a partnership launched last year with CVS Health and OptumRx to change how companies provide prescription drug benefits through prescription plan management companies, known as pharmacy benefit managers, rather than have individual companies contract with these PBMs.

At the heart of that partnership, as well as other initiatives underway, is transparency, which Andrews says has resulted in 15% across-the-board drug savings.

There are a lot of disruptions going on in the healthcare space right now.

It's a path-breaking approach for the way companies deliver prescription drug benefits to their workers, he says.

In addition, the HTA will work with its PBM partners to create better formularies, which list the prescription drugs commonly agreed to be used by the medical profession and the insurance industry. Perhaps their strongest weapon, however, comes from their IBM Watson-powered database.

Shared data

The members are all large companies that self-insure, using health insurance companies as administrators, rather than underwriters.

Each member agrees to share its health insurance data under the secure platform, which analyzes pricing, so companies can see, for instance, if someone else is paying $45,000 for a knee replacement versus their $60,000.

"They are able to see what the others are paying," Andrews says. "Think about what that does to your market leverage. In many ways, we think that is the most important [of our initiatives]."

The group also has three tests ongoing in Dallas, Phoenix and Chicago where it is working with medical providers to make payment based on patient outcomes rather than traditional flat rates for services.

Some insurance companies are also experimenting in this area.

United Healthcare, for instance, has launched a value-based fee structure for spine and joint surgeries with 65 companies at 46 participating healthcare facilities.

The company says it has helped reduce hospital readmissions by 22% and led to 17% fewer complications for joint replacement surgeries, as compared to nonparticipating facilities. For spine surgeries, hospital readmissions were reduced by 10% and there were 3.4% fewer complications, compared to nonparticipating facilities.

Since the program's introduction, participating employers have realized an average savings of $18,000 per operation when compared with median costs in the same metropolitan area, United Healthcare said.

Eligible employees saved more than $3,000 in out-of-pocket costs per procedure when accessing a participating facility rather than another in-network medical facility, with possible incentives including cash, gift cards, additional vacation days for recovery, and health savings account contributions.

Top goals

The HTA's top goals this year, Andrews says, are to grow its network, and develop a toolkit with better databases on the many different drugs and which ones are best for individual patients in order to reduce emergency room visits and return doctor visits.

He says studies have shown that about 30% of the money spent in healthcare goes back to issues with drugs that don't work for some patients or cause problems.

"It's not fraud. It's not malpractice. It really flows from a lack of information in front of the physician at the moment," Andrews says.

Another key goal, he says, is to reduce incidents like heart attacks and strokes through preventive care, and give doctors better information on which drugs are best for individual patients.

Although few details were released about the Amazon/Berkshire/JPMorgan agreement, Andrews hopes they will be on HTA's side of the tug-of-war, as JPMorgan and Burlington Northern, a Berkshire subsidiary, are already members of HTA. **EBN**

CREDIT: ADOBE STOCK

Financial planning

5 ways to boost retirement plan participation

Employers should embrace auto-enrollment, automatically increase employee contributions each year and continually educate workers

By Mark Lamoriello

The case for helping employees with financial education is compelling. American workers believe that their employers should care about their financial well-being, and creating financial education programs can help reduce employee stress and make a difference in a company's bottom line.

However, when it comes to establishing a financial program that helps workers make better decisions, many companies overlook one of the most basic tools: the employer-sponsored retirement plan. By educating and encouraging workers to participate in a retirement plan, employers can boost worker satisfaction while helping employees prepare for the future. Here are a few strategies that can improve 401(k) employee participation.

1. Auto-enroll employees

There is nothing more effective than auto-enrolling employees. An increasing number of companies are taking this step. A survey from Alight Solutions found that 68% of large U.S. employers now auto-enroll their employees.

Auto-enrolling workers after 90 days of employment, and requiring them to opt out if they don't want to participate, can be an easy way to ensure that most workers save for retirement. Most auto-enrollment plans enroll employees at 3% or 4%. The average "opt out" rate for a plan with auto-enrollment at 3% is just 6%. This means that over time, this plan's participation rate will approach 94%.

2. Offer an employer match

In the years following the 2008 financial crisis, fewer employers offered matching contributions to their workers. Now, though, more employers are boosting their matching contributions. Companies that offer matches have the chance to provide free money (and get a tax break in the process) to employees. Not only can a match inspire employees to contribute to a retirement plan, but it also can encourage them to be more loyal, reducing inefficiencies due to turnover.

3. Stretch your match dollar

The most common employer match program, according to Vanguard, is one in which an employer offers 50 cents for each dollar a worker contributes, up to 6% of pay. For a worker earning $50,000 a year, it results in a $1,500 free contribution from the employer.

Many companies still use a dollar for dollar match formula however. While they still encourage participation, they aren't the most effective at getting participants to save more. This is because most employees tend to defer the amount they need to in order to get the maximum matching contribution. By understanding this behavior, employers can "trick" participants into saving more.

4. Automatically increase employee contributions

Another strategy is to boost employee contributions each year. Auto-escalation, the cousin to auto-enrollment, automatically increases a participant's defer rate 1% every year until they reach a predetermined cap (usually 10%).

This helps employees gradually save more. This option can be voluntary on the part of the participant, or it can be mandated by your plan. Many workers plan to increase their contributions, but never get around to it. By offering this simple perk, it's possible for companies to encourage greater deferral rates.

5. Offer employee retirement plan education throughout the year

Simply offering a pamphlet or human resources presentation upon hiring isn't enough to adequately educate employees about their retirement options. Companies should incorporate retirement plan education into their year-round financial wellness program.

Provide information about the benefits of the retirement plan, as well as information and help picking funds for the plan. Companies that offer a yearly meeting with a financial planner, or some other access to regular planning help can increase plan participation because better-informed employees are more likely to take steps to secure their retirement. **EBN**

Mark Lamoriello is president and chief investment officer of Lamco Advisory Services.

CREDIT: ADOBE STOCK

Engagement

How SurveyMonkey's new chief people officer engages workers

Becky Cantieri sounds off on why the firm polls employees and how it plans to "push the envelope" on family-friendly benefits

By Phil Albinus

As the first chief people officer for SurveyMonkey, Becky Cantieri's recent promotion from her role as senior vice president of human resources shows how seriously the firm is taking employee engagement and retention. Last October, Cantieri was named one of *EBN*'s Benny Award winners. The HR veteran, who before joining SurveyMonkey in 2011 worked at Yahoo, spoke with *EBN* about her new role, how she connects with employees and why offering great benefits helps the industry outside the walls of SurveyMonkey. Edited excerpts of that interview follow.

***Employee Benefit News:* After serving as senior vice president of human resources, you are now SurveyMonkey's first ever chief people officer. Is this a new title? Do you have a new mandate?**

Becky Cantieri: There has not been a chief people officer [here at SurveyMonkey]. More than this being a new job or a new role, it's about the importance of people, talent and building strong people operations that help deliver great business outcomes.

I remain responsible for what I like to think as the candidate and employee experience at SurveyMonkey. It spans all of your traditional HR functions as well as facilities and physical office space experience that we create, our diversity and inclusion initiatives and [our efforts to] drive culture.

***EBN*: Do you have any plans to implement new benefits?**

Cantieri: We will continue to push the envelope in this space. We'll continue to think about what will have a strong impact on our industry, so it's not enough just to have a great impact on our employees' experiences but management wants us to set a really good example in our industry, too. Whether it's around leave benefits, parents and the integration of work and life, we are doing everything we can to ensure a sense of belonging and genuine growth for our employees. We'll partner with other companies in our space, but we really do want to try to push the needle forward on these types of things.

***EBN:* What kind of benefits do you think are important?**

Cantieri: We've found the benefits that matter most across the board are benefits that allow people to integrate work with life outside of work. These include extended parental leave programs to ease the transition back to work, holidays, sabbaticals and bereavement pay. As a result, we've been introducing new, industry-leading employee policies in the last few years, including unlimited personal time off, 16 weeks of paid parental leave for both mothers and fathers, extended bereavement leave and more. These policies have been tremendously well-received and will help employees focus on family when it's a priority.

***EBN:* Why is it important for SurveyMonkey to be an example within the HR and benefits community?**

Cantieri: We would love to broaden our impact outside the technology industry, and I think it's important for a couple of reasons. Our mission at SurveyMonkey is to empower the curious. Everything that we do is focused on interacting with our employees and thinking about employee engagement. Culture, belonging and inclusion start out with this underlying curiosity and the idea of using people-powered data, and our people happen to be our employees, who help shape our agenda.

In the D&I space, for example, we've been thoughtful and creative with our [new] belonging and inclusion survey [which asks employees questions about furthering their career or if they feel comfortable expressing their opinions at work in an effort to gauge if employees want to stay at SurveyMonkey]. It's part of an ongoing dialogue with our employees to understand the experience they are having here and how we can continue to improve the experience over time.

***EBN*: How do you address retaining SurveyMonkey employees in a growing economy?**

Cantieri: Attracting and retaining great talent at SurveyMonkey is an ongoing effort. It's not something that we would do simply as a response to a tax cut or to a market that is heating up. We want to create great employee experiences. **EBN**

CVS Health targets rheumatoid arthritis costs for PBM customers

By Bruce Shutan

Rheumatoid arthritis costs the U.S. more than $19 billion annually, accounting for nearly half of the overall specialty drug trend for the first half of 2017 for CVS Health's pharmacy benefit management clients.

In response to the growing cost and utilization of RA drugs, the company introduced a program to help better manage the care and cost of this condition. Transform Rheumatoid Arthritis Care is the latest addition to the company's suite of condition-specific and highly personalized interventions designed to help PBM members manage chronic conditions more effectively. The objective is to improve clinical outcomes, as well as reduce hospitalization, emergency care and overall costs.

The combination of clinical and cost management strategies, including value-based contracting from the RA program, can produce up to 5% savings for PBM clients, reports Troyen Brennan, M.D., executive vice president and chief medical officer of CVS Health. Those savings can quickly add up. An employer with 100,000 lives, for example, could save $500,000 a year.

Transform RA Care also includes a trend guarantee for PBM clients based on the program's ability to improve both clinical care and cost management for RA, as well as predictability in cost for employers.

As the second most common form of arthritis, RA affects more than 1.5 million Americans, Characterized by chronic inflammation of the joints, over time it can lead to bone deformation. "RA is a very complex disease to manage," Brennan explains. "Patients often struggle to stay on medication and need help managing their symptoms, side effects and the condition." He describes adverse events, including disease-related complications and hospitalizations, as can "very costly for payers."

Incremental savings

Nevertheless, there are cost-saving opportunities. Less expensive, disease-modifying anti-rheumatic drugs known as DMARDs "are often very effective and a good first line of defense for treating patients with RA," according to Brennan.

While biologic therapies are increasingly popular for treating RA, they come with a higher price tag. Under Transform RA Care, CVS Health negotiates several outcomes-based contracts for autoimmune agents, which he says help deliver incremental savings while enabling better patient outcomes. These contracts tie reimbursement for a drug to achieving a specific target or goal.

When a drug does not effectively treat a condition or is not well tolerated, most patients will discontinue therapy. For certain RA drugs, he says "outcomes-based contracts ensure that if the member discontinues therapy, the manufacturer will be required to provide additional value."

Formulary management is also a cornerstone of cost control for payers and key to managing spend across traditional and specialty therapies, he adds.

Transform RA Care provides clinical support from specialty nurses and pharmacists at CVS Health's Accordant subsidiary who offer disease management support. RA CareTeam services include an initial clinical assessment, benefits verification, care coordination and medication dispensing and distribution options.

The national drugstore chain's Specialty Connect program allows RA patients to pick up their medication at their local CVS pharmacy or through a home delivery mail-order option for greater convenience. Brennan says 18.5% of new autoimmune patients prefer the former over the latter to pick-up their prescriptions. In addition, he cites "innovative digital tools" that can help members start and stay on therapy, which can lead to better medication adherence and clinical outcomes.

As part of Transform RA Care, CVS Health also is expanding its indication-based management offering to include autoimmune conditions. The effort determines formulary placement for specific drugs rather than the therapy class.

"By providing preferred placement for clinically appropriate, cost-effective drugs to treat specific indications, we can negotiate better pricing and rebates with manufacturers on behalf of our clients," Brennan explains. **EBN**

CREDIT: ADOBE STOCK

Student loans

Older employees increasingly interested in tuition benefits

Parents of college-aged students looking to pay off kids' loans are the fastest-growing category of workers signing up for payment benefits

By Phil Albinus

There's a surprising new audience for benefits that pay off student loans: Older workers with children still in college.

Due to the rising cost of college — where the average person with a four-year undergraduate degree graduates with $70,000 in debt — benefit experts say workers are signing up for tuition payment programs to help pay the student loans of their college-aged children.

Scott Thompson, CEO of student loan payback platform Tuition.io, is seeing this firsthand. He says employers are hearing from their employees about this benefit, and more employers are asking for a service that allows them to match monthly tuition payments.

"More parents of young people are taking on the student loans of their children," he says. "Some do it because they want to, and some do it because they have to."

Older workers are finding that their children are reaching the limits of their college loans much more quickly than they did two or three years ago because of the rising cost of higher education.

"If your daughter is … in her third year and she can't borrow anymore to go to school, she has to go to mom and dad to finance her education," Thompson says. "And that turns into a parent loan."

Some of Tuition.io's clients — which include Fidelity Investments, International Paper, Staples and The City of Memphis — have noticed that the older populations of their workforce are now accumulating significant student debt decades after they have graduated from college in the 1980s and 1990s, Thompson points out.

"Employers are trying to help that portion of their workforce. It's almost a universal problem," says Thompson, whose research says that 25% to 35% of U.S. employees are dealing with a student loan.

Laurel Taylor, founder and CEO of student debt relief and refinancing firm FutureFuel.io, agrees that more U.S. employers are seeing their older workers sign up for this benefit.

Employers are realizing that there are essentially three populations within the workforce that have student debt issues: Generation Y, millennials and now Generation Xers, she explains.

"The fastest-growing is the parent segment of the workforce, and that's a result of either the parents taking out a Parent PLUS loan or because they're co-signers on their children's loans," she says.

"The benefit helps them to either directly pay down the debt because the loan that their son or daughter took out didn't cover the full amount, or they're a co-signer and they want to be able to essentially point that money toward the loan," she says.

Taylor says that she presents data to employers that show as baby boomers retire and millennials become the majority workers in their workforce, as is predicted for 2025, their needs will be different than the older generation of workers.

While some employees on her SaaS platform have as much as $60,000 in debt from 22 different loan administrators, Taylor says these debt-ridden workers "have a mortgage, but they have no home."

Offering benefits to pay off student loans is more equitable to the workforce, Taylor says, adding that a worker under the age of 35 with a sizeable student loan is most likely not saving up for a home or their retirement.

Taylor says that retirement benefits employers offer are most relevant to employees who are financially well off and have the ability to save for the future, she says.

"Financial health and wellness, 401(k)s and many other benefits are unleveraged by those who are not in a position of financial health and wellness, and employers are awakening to the fact that the benefits they give their staff today is actually fairly biased," she says.

Thompson estimates that 4% to 5% of U.S. employers offer debt-matching services to their employees, and adds that he expects this number to grow in 2018. Some employers have plans to offer this benefit either starting July 1, 2018 or Jan. 1, 2019.

"We're starting to hear that employers are implementing this long-term benefit, thanks to tax cuts," he says. **EBN**

Family perks

Fertility benefits becoming hot retention tool for employers

More firms are expected to provide family-friendly perks to employees, including IVF coverage, in the coming years

By Nick Otto

A roughly 10% spike in employer-offered fertility benefits is expected in the next two years as more companies evaluate and prioritize family-friendly benefits in an effort to attract and retain top talent.

New research out by consulting firm Willis Towers Watson reveals the percentage of employers offering fertility benefits to employees is expected to grow from 55% in 2017 to 66% by 2019. And, of employers already offering financial assistance, 81% said the benefits would apply to same-sex couples next year, compared with 65% in 2017.

"Employers are evolving their healthcare programs to reflect that fertility benefits are becoming more important to many employees, including same-sex couples," says Jeff Levin-Scherz, North American co-leader, health management practice at Willis Towers Watson. "The additional coverage is often a win-win proposition. It allows employers to provide a valued employee benefit while improving their ability to attract and retain top talent and support diversity initiatives."

A number of employers have added or increased fertility benefits in the last year. State Street, the financial services firm, in early February announced $20,000 in reimbursement for expenses related to certain fertility expenses, such as surrogacy, beyond what is offered through the firm's medical plans. American Express bumped its fertility coverage from $20,000 to $35,000 last year while Pinterest increased its fertility coverage from $5,000 to $20,000.

Meanwhile, Willis Towers Watson recently announced its plan to partner with digital-first vendors Ovia Health and Progyny on a new package of family and fertility benefits that educate employees on various stages in pregnancy and walk workers through the planning, pregnancy and early child caring stages, as well as offering advice about returning to work.

The additional coverage is often a win-win proposition. It allows employers to provide a valued employee benefit while improving their ability to attract and retain top talent and support diversity initiatives.

The service also aims to help employers develop a strategy and choose benefits to aid employees seeking to become parents through natural conception, artificial reproductive technology, adoption and surrogacy, as well as those looking to preserve their fertility, according to Willis Towers Watson.

As more employers boost these fertility benefits, they also are coming up with innovative solutions to personalize the benefits. For example, 21% of employers surveyed by Willis Towers Watson offer an app-based mobile phone fertility or maternity program, with 16% offering it through the health plan and 5% through other vendors.

Fertility benefits are among the family-friendly benefits employers have their eyes on. Paid leave is another big initiative for firms. Big names like Walmart, Cisco and TIAA have recently beefed up paid leave policies, and research suggests more will do so.

According to Willis Towers Watson, just over half of employers offer paid leave to both mothers and fathers. But by 2019, Willis Towers Watson finds, those numbers could rise to as much as 75% for fathers and 80% for mothers.

Along with padding PTO policies, employers say they are supporting parents via flexible work locations or schedules (offered by 61% of employers surveyed), offering additional unpaid leave (34%), parent support groups (15%), coaching and returning to work after parental leave (13%), overnight breast milk delivery for mothers who travel for work (9%) and concierge services for new parents (7%). EBN

Tax reform, tight labor market bust open the lid on benefits

CVS Health, Estée Lauder Companies and Lowe's are among hundreds of companies adding enhanced perks to address the growing concerns of today's workforce.

By Amanda Eisenberg

Of all the challenges employers are facing, talent acquisition and retention are at the top of the list.

That's why companies such as Chipotle Mexican Grill and Lowe's, with their emphasis on education and training, and Walmart and State Street Corporation, with their adoption benefits, are enriching perks in an effort to keep and attract talent.

The push is being driven by low unemployment, which the U.S. Bureau of Labor Statistics reports is around 4.1%, and employee expectations within the past year.

Granted, wages draw in talent and are starting to tick up to 2% to 3%, says Diane Lim, principal economist at The Conference Board, but companies feel pressured to keep salary increases in check.

Slow productivity growth, automation, changing profit models and pressure from stockholders for profits are among the reasons companies do not — or cannot — raise wages.

Rather, employers are using their benefits packages to give job seekers a better sense of what makes their company unique while also retaining current employees, she says.

"Companies don't just want to compete on wages. The benefit of competing with benefits is that you get greater buy-in and loyalty to your company because benefits are wrapped up in the company's culture. It's not just a monetary benefit — something you can put a dollar value on — it's something that is part of what benefit leaders call the value proposition," Lim says. "By presenting compensation through a benefits package, it's a little bit more nuanced and detailed and something that can attract a particular type of worker who's going to be a more productive worker, and a more loyal worker, for your company in the long term."

Not only are employers boosting bonuses and retirement plans, but they're also coming up with new and innovative benefits to retain employees and lure workers away from competitors.

In fact, benefits like pet insurance, critical illness insurance, ID theft insurance and a comprehensive student loan aid program have not only grown more popular among employers, but also have transitioned from voluntary to employer sponsored, says Amy Hollis, national leader of voluntary benefits at

BENEFITS BOOM
ADOPTION ASSISTANCE
CASH BONUSES
EXPANDED PARENTAL LEAVE
RETIREMENT PLANNING
401(K) CONTRIBUTIONS
CANCER BENEFITS
FREE SNACKS
FERTILITY BENEFITS
GOP TAX BILL

Willis Towers Watson.

Within the past four months, companies including MetLife and financial services firm Baird changed their legal services and identity theft protection benefit, respectively, from voluntary to employer-paid.

That trend, along with sweeping tax reform ushered in by President Donald Trump and the GOP in December, has created a climate where companies are becoming increasingly strategic and creative about the benefits they offer.

Under the new corporate rate, which taxes companies 21%, down from 35%, employers have taken to their intranets and social media accounts in droves to announce the ways they are reinvesting those savings, from one-time bonuses to benefits enhancements and new job training.

What follows is a look at 10 companies offering substantially enhanced, new or innovative benefits.

AutoNation

AutoNation introduced an employer-paid cancer benefit for employees, spouses and children up to age 26 as a result of the expected $70 million to $100 million annual benefit it expects from the tax reform law.

The benefit, which was purchased through MetLife and includes a cash payment up to $5,000 for cancer diagnoses, with no limitations on how the money is spent, will apply to AutoNation employees starting on their first day of employment. It went into effect on Feb. 1.

AutoNation's cancer benefit is unique because only a small number of employer-sponsored cancer and critical illness insurance plans are fully paid by the employer.

In 2017, MetLife had more than 1,500 employer-sponsored cancer and critical illness plans and fewer than 5% were employer-paid, the carrier says.

Chipotle Mexican Grill

The Denver-based fast food chain is doubling down on its education benefits with an accelerated training program.

Prior to the Tax Cuts and Jobs Act, the company offered $5,250 in tuition reimbursement and reduced-cost courses and degree programs at a number of colleges and universities through Guild Education.

With the anticipated savings from tax law, Chipotle will additionally give employees access to an accelerated training program, which will be conducted internally in both the restaurant space and in a classroom at the company's Denver headquarters, says Mike Ferguson, director of people support at Chipotle.

"The aim of this program is to better equip our restaurant and staff teams for success in all they have to do," he says.

The Society for Human Resource Management found that companies with training benefits and upskilling opportunities are more likely to retain employees than those that do not.

"Organizations aiming to attract younger generations may want to enhance career development and advancement opportunities because these benefits are more important to millennials, who are earlier in their careers, than to older generations," according to SHRM's 2017 employee benefits survey.

"Companies don't just want to compete on wages. The benefit of competing with benefits is that you get greater buy-in and loyalty to your company because benefits are wrapped up in the company's culture."

In addition to the accelerated training program, more than 71,000 employees will be eligible for cash and stock bonuses, paid parental leave, life insurance and short-term disability, according to Chipotle.

CVS Health

CVS Health is expanding its benefits suite amid tax reform to include paid parental leave to full-time employees. It also will maintain employee premium rates.

The drugstore retailer, which has 240,000 employees across the country, will offer four weeks of fully paid parental leave to hourly and salaried full-time employees, regardless of gender.

Previously, women received partially paid leave while men received unpaid parental leave, according to the company.

CVS Health also will keep employee premiums at the same rate for the 2018-19 plan year and will absorb any additional costs for the 100,000 workers enrolled in the company-sponsored health plan.

The company says its medical and prescription costs increased by 5% year-over-year. More than 50% of the prescriptions filled by CVS employees and their family members are available at zero copay.

Estée Lauder Companies

Beauty empire Estée Lauder Companies added a student loan repayment contribution to its benefits package in September 2017 to better capture the needs of its millennial-heavy workforce.

The New York City-based conglomerate, which owns brands such as Clinique, MAC Cosmetics and Origins, partnered with student loan payback platform Tuition.io to administer a monthly $100 contribution to an employee's student loans. The contribution caps at $10,000.

"[We] want to help people where they are in their lives," says Latricia Parker, executive director of global benefits for Estée Lauder. "Those who have student debt, they value it tremendously."

Estée Lauder joins the 4% of employers that offer company-provided student loan repayment benefits, including PwC, Fidelity and Aetna. Parker notes that the company is one of the only luxury brands to offer the benefit.

Thanks to tax reform, more companies are beginning to inquire about how they can reinvest their tax savings into student loan repayment benefits, says Jane Kwon, total rewards practice leader at Aon.

"With tax reform, we're putting some bets that that number [of employers offering student loan benefits] will double," she says.

Kwon says that most companies interested in offering a student loan repayment benefit want to dole out monthly contributions over a five-year period, which can help with retention rates.

The decision to add a student loan repayment program to the company's benefits package occurred before the passage of the Tax Cuts and Jobs Act, Parker says.

The company will continue to look at how the new tax savings can be funneled back into the workplace, she says.

Hostess Brands

Hostess Brands isn't the first employer to dole out new employee benefits in wake of tax reform — but its offer may be the sweetest. The bakery

With a Bank of America health savings account, you can help your employees make the most of their savings for the future. We provide a more holistic understanding of their full financial picture through our comprehensive benefits solutions, combined with ongoing education and personalized guidance.

Together, we can help them make financial wellness a way of life.

To learn more:

Visit **SaveitUseit.com**

Call **1.800.992.3200**
M-F, 9 a.m. to 6 p.m. Eastern

Email **hsaforlife@bankofamerica.com**

Bank of America Merrill Lynch

company, which is known for its Twinkies and Ding Dongs, will offer employees a year's supply of Hostess products, along with $750 cash bonuses and $500 toward 401(k) contributions.

The free snacks will vary; Hostess says it will select a "product of the week" that it will give to each employee in a multi-pack.

"Adding the product piece was a fun way to bring all of our facilities together," says Matt Hall, Hostess' vice president of human resources. "We do not make everything in every plant, so having the opportunity to provide new and different products for folks to try seemed to be the right direction to go. We hope to continue building passion around our company."

Although many retailers, including Macy's and REI, offer employees a discount on the company's merchandise, few companies hand out free products.

Lowe's

The home improvement retailer has made three significant benefit and training announcements in the past few months, and the company has hinted that there are more to come.

Lowe's has expanded its concierge service benefit with Accolade to help employees through healthcare benefits navigation, enhanced its maternity and paid parental leave policies, offered $5,000 in reimbursement for adoption assistance and rolled out a new workforce development benefit with Guild Education to help its workers pursue a skilled trade like carpentry or plumbing.

The company's investment in strategic partnerships with Accolade and Guild Education to enhance its employee benefits is likely to yield better utilization rates.

Likewise, the three major changes to the company's benefits indicate that Lowe's understands its workforce, the majority of whom are hourly workers.

MetLife

Insurance giant MetLife is using part of its $1.2 billion tax savings from the fourth quarter of the 2017 fiscal year to boost employee retirement plans.

The company will increase the minimum contribution to its defined benefit pension plan, auto-enroll its 401(k) plan participants and offer employer-paid legal services. MetLife says the changes were accelerated due to the Tax Cuts and Jobs Act. All full-time, salaried employees in the United States will be eligible for the newly enhanced benefits.

"When you look at the overall focus of what we did, we took the time to step back and reflect on who we are as a company. We started with our values," says Susan Podlogar, the company's executive vice president and chief human resources officer. "We're focusing on the long term [and] preparing for the future. We really opted to invest in the long term rather than one-time bonuses."

More than 7,000 U.S. employees will see a 5% benefit to the cash balance formula of MetLife's defined benefit pension plan, as the company set a minimum credit to $300 per month. Previously, the company did not have a minimum credit.

Likewise, auto-enrollment and auto-escalation for the company's 401(k) plan, along with immediate company-match eligibility and vesting, will take place at the beginning of 2019, says Andy Bernstein, vice president of MetLife's global compensation and benefits department.

"With tax reform, we're putting some bets that that number [of employers offering student loan benefits] will double."

The level at which employees are auto-enrolled and whether auto-escalation will be offered and, if so, at what levels have yet to be finalized, he says.

For 7,000 of the company's U.S. employees who earn less than $75,000 a year, they will see an increase in the amount of their group life insurance coverage as MetLife set the minimum amount of coverage at $75,000 a year.

MetLife previously offered all of its U.S. employees group life coverage in an amount equal to their annual pay.

MetLife also changed its legal services offering from voluntary to employer-paid, a move that experts say will become popular in 2018 and beyond.

State Street Corp.

In February, State Street added $40,000 worth of fertility benefits and increased adoption assistance for workers looking to start or expand their families.

The financial services firm consulted with its employees in an effort to make a meaningful expansion to its benefits package, which now includes four weeks of fully paid leave for employees who are primary caregivers to a child born via surrogacy; $20,000 in reimbursement for fertility-related expenses beyond the firm's medical plans, such as surrogacy; and $20,000 in reimbursement for adoption assistance (up from its previous reimbursement of $5,000).

The company says the benefits can be used once per calendar year, and employees are allowed up to $40,000 in lifetime financial support for these benefits combined.

State Street's push toward employer-offered fertility benefits is part of a growing industry trend, which consulting firm Willis Towers Watson expects to grow to 66% by 2019, up from 55% in 2017.

Likewise, credit card giant American Express increased its fertility coverage from $20,000 to $35,000 last year, as did social media platform Pinterest, which quadrupled its fertility coverage to $20,000 from $5,000.

Willis Towers Watson also partnered with two digital-first vendors, Ovia Health and Progyny, to add family and fertility benefits that educate employees on various stages of pregnancy and to walk workers through the planning, pregnancy and early child caring stages.

TIAA

Financial services firm TIAA expanded its paid parental leave to 16 weeks, up from 12 weeks of partial paid leave, and broadened it to include secondary caregivers.

The policy became effective Jan. 1, giving all new parents at the New York-based firm — regardless of gender, who physically births the child or who the primary or secondary caregiver is — access to 16 weeks of paid leave.

"TIAA recognizes that in today's times, there is such a prevalence of two working parents," says Bob Weinman, vice president of benefits and HR operations at TIAA. "By acknowledging that primary and secondary caregivers are important in the equation, we're setting a new standard for ourselves and the industry."

The company expects 350 to 400 of its 12,000 eligible employees to use these benefits in any given year, he says.

"We routinely look at our total benefits package relative to what's going on in the market and our competitors," Weinman says. "There is a movement toward improving or increasing the amount of paid time that companies were providing to employees. This was the right time."

Paid parental leave is on a five-year upward trend, with more employers each year adding paid maternity, paternity, adoption and parental leave, according to the Society for Human Resource Management. Unum is another one of those firms. New moms and dads employed at the insurance company will be eligible for six weeks of paid time off to care for a newborn, or a child placed through adoption or foster care, at any time during the 12 months following birth, adoption or fostering, the firm recently announced. Previously, Unum had no formal paid parental leave policy.

Between 20% and 30% of employers offer some form of the aforementioned leave policies, according to the report.

As the number of weeks in paid parental leave increases, traditional companies still struggle to provide those benefits, Aon's Kwon says.

"A number of companies have been trying to keep up with it," she says, noting the norm is somewhere between eight to 12 weeks of paid leave.

Walmart

Walmart announced a slew of changes in January to its employee benefits package, including a new adoption benefit.

The adoption benefit, available to both full-time hourly and salaried associates, will total $5,000 per child and may be used for expenses such as adoption agency fees, translation fees and legal or court costs.

In a blog posted on the company's website, Walmart's president and CEO Doug McMillion explained he wanted the new benefits to address employees' concerns over what they called a "limited" adoption policy.

"I recently heard from two associates on this topic — one through an open door note and one at a town hall," he wrote. "Both pointed out how limited our policy was for adoptive parents, so we're happy to be addressing that concern now. Families are a priority to us, and connecting with and caring for a new family member is obviously important."

The retailer also expanded its U.S. leave policy to 10 weeks of paid maternity leave and six weeks of paid parental leave. Salaried associates also will receive six weeks of paid parental leave.

Previously, full-time hourly workers were eligible for up to eight weeks of paid maternity leave and two weeks of paid parental leave, while hourly workers received half pay during family leave.

The benefit also applies to parents who adopt, Walmart says. The changes will benefit more than 1 million employees.

With additional reporting by Kathryn Mayer. **EBN**

2018 RISING STARS IN ADVISING

Twenty standout advisers age 35 and younger are taking charge of employee benefits, determined to reduce costs and improve outcomes.

BY ELIZABETH GALENTINE AND RANDY BARRETT

This year's group of standout advisers is tackling the employee benefit supply chain with a determination to bend the healthcare cost curve and improve client experience. They're creating employer coalitions. They're negotiating with stop-loss carriers. They're streamlining technology. They're owning employee engagement. And that extends to their internal employees as well. The 2018 Rising Stars in Advising — chosen by the editorial team at *Employee Benefit Adviser* and *Employee Benefit News* after a month-long online nomination process — are compassionate leaders who practice what they preach, allowing flexible work hours and seamlessly integrating cultures as brokerages merge. Listed in alphabetical order, these 20 leaders are active community and industry mentors who are taking the field of advising to new heights.

PHOTO: JORDAN HOLLENDER

1 John Sbrocco, 34
Healthcare strategist,
Questige

John Sbrocco likes winning. That was his goal as a professional poker player earlier in life, and he's still at it as CEO of Questige Consulting.

But now, "running over the table" means besting insurance companies and pharmacy benefit managers and lowering healthcare costs for his customers, most of which are partially or fully self-insured.

"By focusing on a strategy that drives immediate impact to the supply chain, it allows us to produce a negative trend for clients," Sbrocco says. "Our top goal is for them to pay less now than they did five years ago."

The Questige sell is a bit counterintuitive: Save money by enhancing benefits to workers. "No employer wants to believe this when I tell them," Sbrocco says. That boost comes in the form of improved health outcomes, he adds.

And it means he has to do his homework. For medical procedures, Sbrocco's company researches the highest rated doctors based on readmission rates, board certifications and cost. The best ones are included in the covered network and often practice in outpatient settings that are much cheaper than hospitals.

Employees have a choice. They can make a phone call and get guidance on choosing the best physician in the network and receive care for free with no deductible or co-pay. Or they can go with their own provider and pay the usual freight.

"Bring your checkbook," says Sbrocco. Ninety-five percent of his clients' employees choose the network.

Another key to the model is lowering the cost of health claims. Those bills tend to fall into four parts: 30% hospital charges, 20% ambulatory surgery fees, 27% prescription costs and 23% physician invoices, according to Milliman. The strategy is to concentrate on the outliers, says Sbrocco: "Seven percent of members generate 80% of claims." Those tend to be what insurers call "super utilizers" who suffer from complex health problems. "If we can focus on those members, that creates immediate impact," he says.

For these patients, Madison, N.J.-based Questige contracts with national centers of excellence, such as Edison Health in Westlake, Ohio, for a second opinion. These doctors tend to be more conservative and often choose less invasive therapies if possible, Sbrocco says. "They are specialists and they're incentivized in the right manner. They do everything they cannot to do surgery."

"By focusing on a strategy that drives immediate impact to the supply chain, it allows us to produce negative trend for clients."

While that may sound refreshing, Sbrocco contends that a third of medical procedures done in America are unnecessary. That figure dovetails with a 2012 Institute of Medicine study that estimated the wasted efforts cost the healthcare system $750 billion. To further save money, Questige provides high-dollar medications for 25 to 30 cents on the dollar. Some of that comes from foreign sourcing, but Sbrocco declined to supply further details. For fully self-funded clients, there is no copay for any medications.

Questige currently serves 75 clients. The company delivers average savings of 25% over standard insurance. For some level-funded, self-insured clients, that can mean receiving a sizable refund check at the end of the year for unused premiums paid out by the company. Jersey Strand & Cable in Phillipsburg, N.J., received $85,935.00.

"I know the quality of insurance we have has gone up, and we've got cost containment at the same time," says JS&C owner Al Pratt.

New Jersey Door Works in Hillside, N.J., has worked with Sbrocco for three years and is partially self-funded. About half of the company's 100 employees are part of the health plan. "It's been good so far, but you need to be committed to it," says co-owner Glenn Serillo.

The company had lived with standard third-party insurance increases until it simply became too expensive. After discussing options with Questige, Serillo and his brother, also a co-owner, decided to jump in.

"There wasn't much of a downside," Serillo says. "The worst that could happen is we get booted back into the general insurance pool."

New Jersey Door Works has been able to avoid that fate while holding insurance premiums flat and improving co-pays and deductibles. Serillo admits, however, "It takes management time."

The company has an in-house HIPAA representative who works with employees to find the best care in-network. "We don't mandate anything," Serillo says.

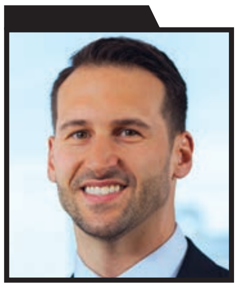
"If you stick with the program, it becomes very cost effective. We suggest who we think you should use."

2.

ADAM BERKOWITZ, 32

Founder & President, Simpara

With a decade of experience, Adam Berkowitz launched his own firm in the fall of 2016. Within a year, he brought in 28 new clients with the philosophy of turning the typical brokerage model upside down through a focus on engaging employers with better benefits. As a testament to this commitment, he has been accepted as a Charter Member of the Health Rosetta Institute, whose mission is to drive down healthcare costs by aligning employer and adviser incentives, value-based care, transparency and more.



3.

TOM BREW JR., 32

Senior Wellness Consultant, ERChealth and Oswald Companies

Tom Brew is a leader in health risk management, overseeing the entire book of business for the wellness coaching platform of ERChealth, a division of Oswald Companies. Under his leadership, the program has more than 87% of enrollees seeing a wellness coach and brings in more than $3 million in annual revenue. Brew is also the founder and chair of OswaldCLIMBS, an internal association at Oswald that he established to attract, recruit and retain young professionals in the industry.

4.

NIKO CAPARISOS, 33

Health and Welfare Consultant, Prosperity Benefits LLC

As the founder of Prosperity Benefits, one of Niko Caparisos' driving motivations is to "deliver solutions, not spreadsheets." For example, he brought more than 50% savings, worth $95,000, to a new client in the first year working with him. Caparisos works with clients to define and manage risks to control costs with a forward-looking perspective, bringing Fortune 500-level benefit programs to small- to mid-sized organizations.

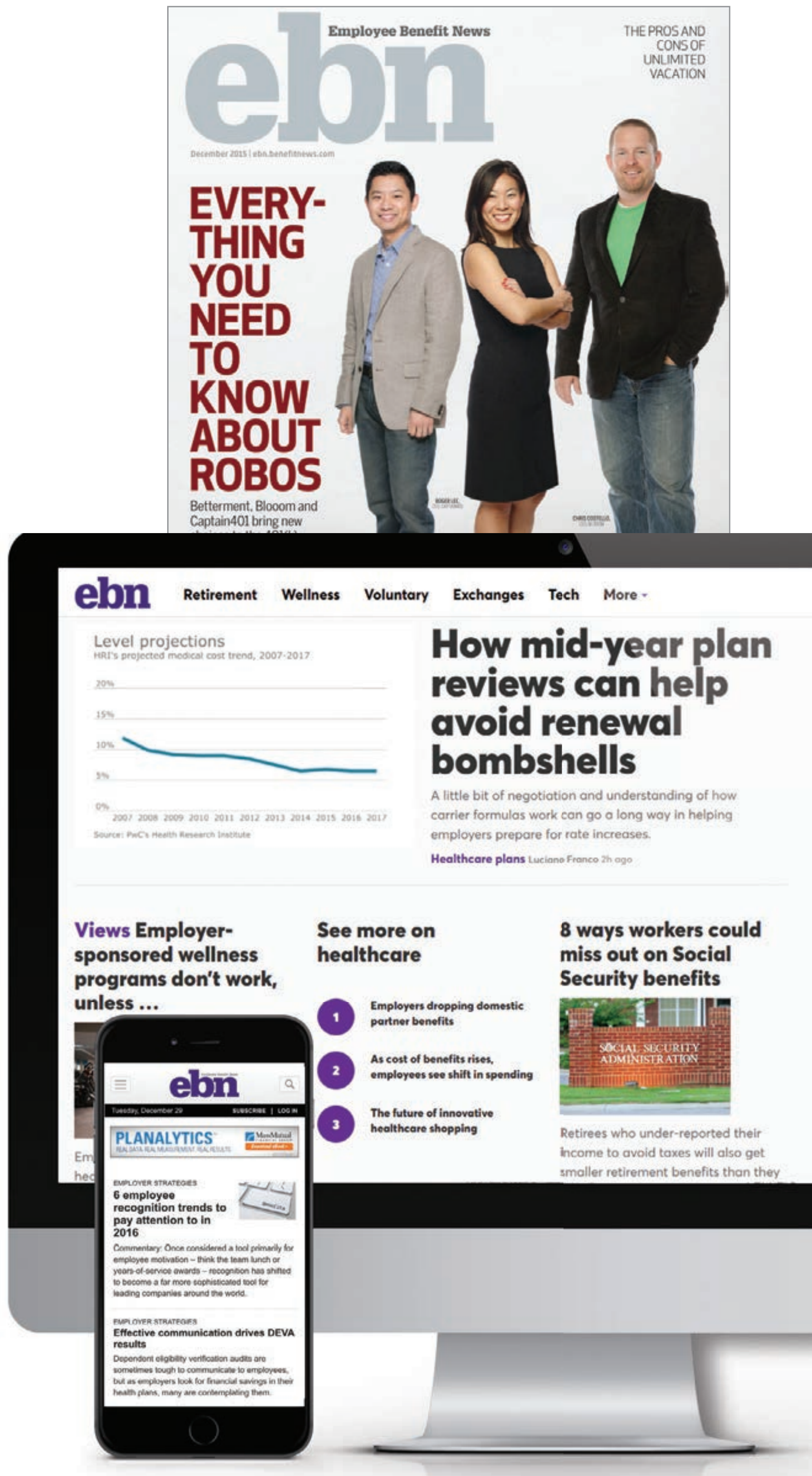
Employee Benefit News

ebn

SUBSCRIBE TODAY

www.benefitnews.com

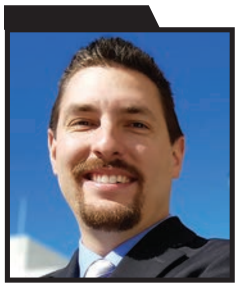
As the dynamics of healthcare spending continue to shift, and benefit plans grow more complex, ***Employee Benefit News*** is there with the current awareness and insight benefit managers need to select, communicate and manage benefit programs to their employees.



REGISTER TODAY AND ENJOY THESE MEMBER BENEFITS:

- Unlimited access to thousands of searchable, archived articles
- Engaging newsletters, delivered by areas of interest with a diverse selection of white papers, web seminars, podcasts, and blog discussions
- Discounts to attend industry conferences and events
- Your registration good for both *Employee Benefit News* and *Employee Benefit Adviser*

For more information please contact Customer Service at 212-803-8500 or help@sourcemedia.com



5.

MARK FOX, 30

Vice President,
Collateral Benefits Group and Collateral Educator Services

Backed by leadership at the National Association of Health Underwriters — including NAHU's president — Mark Fox is known as a leader and influencer. He spearheaded research to develop a NAHU playbook for its national chapters and helped build internship programs for agency growth. He built his book of business at Benefits Negotiator with a transparent commission structure.

6.

CORY FRIEDMAN, 29

Vice President,
Benefits Consulting, Alera Group | GCG Financial LLC

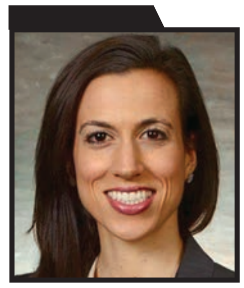
A second-time honoree, Cory Friedman continues to build on his success by developing a self-funded employer health insurance captive focused on the veterinary industry. By identifying cost and risk-management strategies such as care coordination and cost-based reimbursements, he is changing the way plan members purchase healthcare services. He is growing his team and mentoring young advisers.

7.

BOB GEARHART JR., 31

Partner,
DCW Group

A third-generation partner at his family's firm, Bob Gearhart Jr., is the driving force behind DCW Group's new business. He has transformed his practice into a cutting-edge creative operation. Clients applaud his proactive approach to digital benefits management, having moved into offering full benefits administration. So confident in his ability to save clients' money, he is not afraid to put part of his compensation on the line as a guarantee.



8.

SUZANNAH GILL, 34

Benefits Strategy Consultant,
EPIC Insurance Brokers & Consultants

Although the youngest producer when she joined EPIC two years ago, Suzannah Gill quickly became known as an industry thought leader. She uses her background as an ERISA attorney to deliver unique expertise as a consultant. She is driving down employers' costs and guaranteeing that her incentives are aligned with theirs by offering to work on a fee-basis.

9.

MATT GILROY, 33

Employee Benefits Consultant,
HUB International Northwest

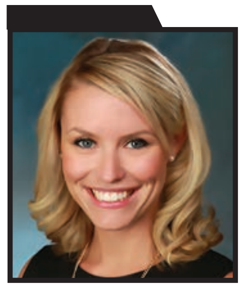
Along with his partner Melissa Koontz, Matt Gilroy serves two niche audiences, public school districts and cannabis companies. He takes the lead with cannabis clients, using his background in real estate and sales to develop client strategy. The pair — who split their sales, book of business and responsibilities evenly — have brought nearly $900,000 into their book in the past two years.

10.

ERIK HANSEN, 30

President,
Vita Companies

Erik Hansen contributes to the success of Vita Companies by owning user experience at all levels of the organization. Regardless of size, all clients have access to compliant paperless benefits workflows and cutting-edge tools that deliver strategic modeling abilities. His efforts contribute to Vita's Net Promoter Score of 84 and were a factor in his promotion to president in November 2017.



11.

MELISSA KOONTZ, 28

Senior Employee Benefits Consultant,
HUB International Northwest

Along with her partner Matt Gilroy, Melissa Koontz serves two niche audiences, public school districts and cannabis companies. She takes the lead with public school clients, using her background in HR and accounting to focus on compliance and financial analytics. The pair have brought nearly $900,000 into their book in just the past two years.

12.

TAYLOR LINDSEY, 29

Partner,
Employee Benefit Consultants Inc.

A fourth-generation partner at Employee Benefits Consultants, Taylor Lindsey is taking over a large amount of business in his market by focusing on client transparency and innovative self-funding strategies. It is his goal to help employers and plan participants to be smarter purchasers and consumers of healthcare by designing effective and efficient benefit programs.

DIG | HR

Delivering content around the digital transformation of HR

As the HR technology market reinvents itself, companies are looking to new software to transform the way they are doing business including workforce automation, employee engagement and retention, performance evaluation and much more.

The DIG|HR content channel and weekly newsletter includes analysis, insight, commentary and research including:

- This evolving technology set
- Implementation challenges
- The need to justify the cost of deployment of these technologies

From the publishers of ebn Employee Benefit News

DISCOVER AND EXPLORE:
www.benefitnews.com/dig-hr

13.

RACHEL MINER, 32

Employee Benefit Strategist,
Employee Benefit Advisors of the Carolinas

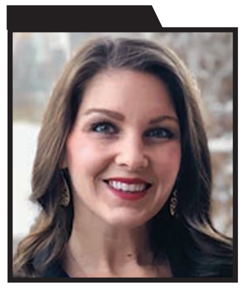
Rachel Miner is a quick learner who became an adviser in the summer of 2016 after working in benefits technology sales. The incoming president of the Charlotte Association of Health Underwriters, she is committed to providing expert guidance to clients through cutting-edge plan design and technology. In less than 18 months, she built up a book of more than $250,000 while maintaining a commitment to proactive, transparency-driven service.

14.

BRADEN MONACO, 35

Co-Founder and Managing Partner,
Blue Horizon Benefits

Over the last decade, Braden Monaco has turned his firm from the traditional sales-centric approach to benefits toward a new business model, driven by working in partnership with clients. Using a concierge service platform, he adapts to individual client needs by combining proactive management and communication with state-of-the-art technology tools. It is his goal to become an integral part of each client's business operations.



15.

COURTNEY NELSON, 30

Vice President, Employee Benefits Leader,
Brown & Brown of Tennessee

Quickly rising through the ranks at Brown & Brown's Florida headquarters, Courtney Nelson was promoted to run the company's Tennessee operation, where she's since led a once-declining division to achieve steady, solid growth. She is a thought leader who participates in MetLife's Broker Advisory Council and is a board member of the Middle Tennessee Association of Health Underwriters. Colleagues describe her as motivated and devoted.

16.

BETHANY RADLOFF, 29

Assistant Vice President,
HUB International Midwest

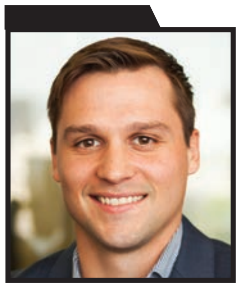
Bethany Radloff has a unique ability to meet client objectives while maximizing their return on healthcare spend. Through strong leadership and willingness to go above and beyond for clients, she is continuing to expand her book of business at a rapid pace, even as she works toward her CEBS designation. Clients and colleagues alike provide "amazing feedback" on Radloff's performance, emphasizing her technical competence and ability to make the complex simple.

17.

DEREK RINE, 28

Vice President,
David Rine Insurance

Determined to change the benefits conversation, Derek Rine isn't afraid to speak with a prospective client's CFO to explain how his approach to the business will benefit the company's bottom line. After explaining his philosophy, he's been known to have a broker of record letter signed on the spot. Beyond meeting clients' needs, he works with them to implement long-term strategies that will eliminate compound rate increases.



18.

JOSH SAILAR, 28

Investment Advisor,
Miracle Mile Advisors

Josh Sailar personally manages more than $51 million in high-net-worth assets, developing corporate and employee benefit plans for the majority of his business owner clients. He is dedicated to the financial empowerment of employees and has single-handedly driven his firm's retirement and benefits practice far beyond expectations, becoming a go-to financial resource for plan participants in the process.

19.

TYLER SPEARS, 31

Managing Partner,
BKCW Insurance, Risk Management & Benefits

In the eight years Tyler Spears has been with BKCW, he's led the charge in tripling the size of the agency and integrating three different company cultures after major acquisitions. Nominated by multiple employees, his appreciation for them shines through in the family-friendly environment he has created, including flex time and a scholarship for employees' children.

20.

WALTER WINTER, 32

Vice President and Technology Practice Leader,
Parker, Smith & Feek

Walter Winter specializes in companies with 100 to 1,000 employees, managing his firm's technology practice to create innovative solutions to drive down the cost of benefits without diminishing their value. He helps clients design a multiyear strategy through alternative funding, best-in-class vendors and targeted incentive programs.

RE:INVENT | RETIREMENT

Q&A

How to best understand target date fund options

By Richard Stolz

Thanks to the overwhelming popularity of target-date funds as a 401(k) qualified default investment alternative, competition among retirement plan asset managers for TDF dollars has been stiff. But as the Department of Labor emphasized in guidance issued way back in 2013, plan sponsors need to ask a lot of questions to be sure they understand how a TDF family is managed, so they know whether it's appropriate for their participants across the entire age spectrum. To gain an update on TDF choices and assessment, *Employee Benefit News* spoke to Jake Gilliam, a senior multi-asset portfolio strategist for Charles Schwab. Highlights of that conversation follow.

Employee Benefit News: **How carefully are plan sponsors looking "under the hood" today to understand the inner-workings of target-date funds?**

Jake Gilliam: There has been an increase in plan sponsors' efforts to better understand their target fund. They know it's something that requires ongoing review and reevaluation to make sure that their original choice is appropriate for their participant demographics. The guidance from the Department of Labor back in 2013 helped to focus attention.

EBN: **How are they evaluating performance?**

Gilliam: Many sponsors are looking carefully at the actual drivers of performance, as opposed to seeing the numbers by themselves. So that's led to conversations about the glide path, the actual components used to implement the glide path, ranging from the underlying strategies of the funds, the types of risk exposures, how asset allocation changes over time and more.

EBN: **Are you referring to basic stocks/bonds/cash allocation, or sub-allocations?**

Gilliam: The asset allocation nuances now that are part of conversations are

HEALTHY RETIREMENT

HOW TO HELP EMPLOYEES THINK ABOUT RETIREMENT INCOME

Employers should provide workers education and access to lifetime income products

P. 32

FINANCIAL WELLNESS

EMPLOYERS TACKLE LOW FINANCIAL PROGRAM PARTICIPATION

Executives must create plans that address employees' money worries

P. 33

MORE ONLINE

- Estée Lauder launches student loan contribution benefit
- More employers are offering Roth 401(k)s
- Fidelity, Vanguard fee arrangement causes stir in the 401(k) industry
- Peoples Bank bumps up 401(k) match

For these stories and more, go to benefitnews.com

IMAGE: ADOBESTOCK

within stocks and within bonds. Questions that come up: What are the actual components being used, how do those change over time, are they a static allocation, or are they truly matching risk tolerance, not just at the stock/bond level, but within stocks?

***EBN:* So what are sponsors asking for, or what are you doing in that regard?**

Gilliam: [The focus is on] things like increasing large cap exposure for people nearing retirement to help limit their overall volatility and really protect the accumulation they worked so hard for during their working years. These asset allocation differences, and what may seem like small nuances during the selection process, can really lead to significantly different outcomes over time.

***EBN:* Can you expand on what kind of nuances you are referring to?**

Gilliam: It's more than nuances, and these assets have very wide variances in performance. Variances in the U.S./international stock allocation ratios can lead to double-digit performance differences in any given year. That can directly influence the ultimate result for the portfolio, but its impact on volatility is also important from a participant perspective. It's important for the asset mix to be appropriately aligned with the risk tolerance of an investor, to support good behaviors by participants.

***EBN:* Good behaviors?**

Gilliam: By that I mean remaining invested, not fleeing the market after dramatic volatility, and ultimately not accumulating enough by retirement.

***EBN:* Obviously there's a lot for sponsors to think about. How much should they try to dictate all the parameters of performance when shopping for a TDF family?**

Gilliam: There is a practical limit. Most plan sponsors are using a target fund that was designed by a target fund family. One of the parameters that sponsors also need to keep in mind is cost. But generally they are using a target fund provider's existing TDF, and they're selecting the one that best matches their participant demographics.

***EBN:* How do sponsors assess the impact of the higher costs inherent in active management of equity portfolios?**

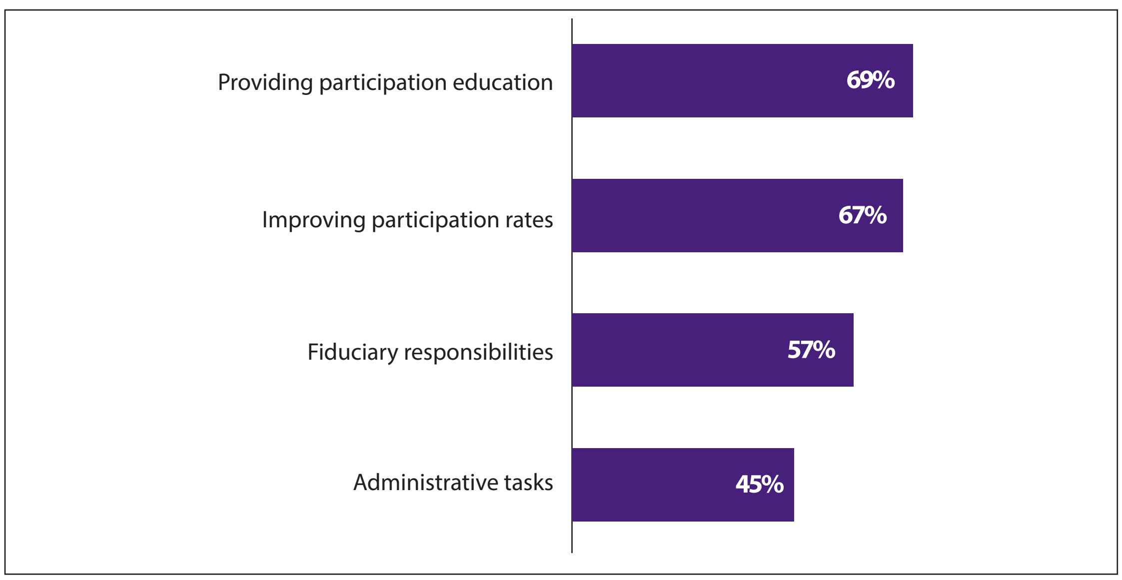
Gilliam: We want sponsors to clearly understand the differences in how investment strategies are implemented, and to know that performance comes in cycles. Sometimes passive strategies outperform active, and vice versa. So for some sponsors a blended approach can make sense.

***EBN:* How practical or affordable is it for smaller plan sponsors to get customized TDF portfolios?**

Gilliam: No matter the size of a plan, having these discussions and making that active choice between going with a traditionally considered passive, active or blended option, or considering custom, that conversation is vitally important. All participant dollars are incredibly important. **EBN**

TOP PRIORITIES FOR 401(K) PLAN SPONSORS

Between an ever-changing regulatory environment and ongoing cost concerns, retirement plan sponsors have a lot on their plate. Their biggest priorities:



Source: OneAmerica, 2018

HEALTHY RETIREMENT

CREDIT: ADOBE STOCK

Employers prioritize retirement income

By Paula Aven Gladych

Employers may want to make helping employees save enough to have a secure retirement their biggest priority this year.

Retirement plan sponsors need to turn their focus on three things, says David Ray, senior managing director and head of institutional retirement sales at TIAA: how to help employees reframe their thinking on retirement savings and guaranteed income streams, how to evaluate employee engagement strategies and ways to manage their plan's success, and how to encourage younger workers to think about retirement now.

"The most important part of a retirement plan is making sure employees can retire on their terms, if they can afford to do so," Ray says.

A big part of that discussion, and what has changed the retirement conversation the past few years, is helping employees move from the accumulation phase of retirement savings to turning that savings into a retirement income. Employers can help by providing education and access to lifetime income products, Ray says.

"We're seeing more interest in this from many different generations, particularly millennials, who are far less likely to rely on Social Security to finance their retirement vs. GenXers and baby boomers," he says.

More retirement plans need to put tools in place to help plan participants measure income replacement, he says. TIAA has a plan outcome assessment that measures the income replacement rate for employees. Once an employee takes the assessment, the plan sponsor can use those results to better target communications based on the person's goals for their retirement **EBN**

CASE STUDY

CREDIT: ADOBE STOCK

Why Counter Culture Coffee brewed up a financial education plan

By Paula Aven Gladych

Since Brett Smith started Counter Culture Coffee 22 years ago in Durham, N.C., the business has grown to 110 employees in 14 different markets across the country, including Atlanta, Los Angeles, San Francisco, Seattle and Washington.

As the wholesale coffee company has grown, it has offered numerous benefits to help attract and retain employees, including paying 90% of employee medical benefits, offering a 401(k) matching contribution and providing a membership to a health club.

But the one benefit that went underutilized was the 401(k) plan. That concerned Smith, who felt the 100% match on the employee's first 3% contribution and 50% match from 3-5% employee contribution was free money all employees should be taking advantage of.

Smith decided to do something about it. In 2016, he contacted an old friend from graduate school who had started a financial wellness company called BrightDime, which aims to change employee financial behavior through budget help and coaching.

"We are trying to make financial wellness a lifelong journey and the important way to make that a lifelong journey is to get people to take action and sustain that action," explains BrightDime's CEO David Stedman.

BrightDime's platform can create a budget for users and show them where they are spending their money. One of its unique coaching features is a chat window in each user's platform; when a user has a financial question, the BrightDime coach can access the employee's account information to decide the best way to answer their inquiry.

Counter Culture Coffee has been working with BrightDime for just over a year and is already seeing results. Since the program began, Counter Culture Coffee has achieved 55% engagement from its employees. In November, which is the latest month the company has statistics for, 18% of the company's engaged employees had reduced their debt, and 36% said they saved more than they spent.

The company also is getting higher participation in its 401(k) plan.

"I feel like our participation rate is extremely high," Smith says. "I think [the BrightDime program] has helped people who don't have a financial background connect the dots. We offered a lot in the past that fell completely flat, or clearly people didn't need it or appreciate it like we thought they might." EBN

FINANCIAL WELLNESS

Employers work to up interest in financial programs

By Paula Aven Gladych

The financial stability of U.S. employees slid backward for the first time since the Great Recession, according to a survey of employees by Willis Towers Watson.

Only 35% of workers surveyed say they are satisfied with their financial situation now, a sharp drop from 48% two years ago.

The consulting firm's Global Benefits Attitudes Survey, a biennial survey that gauges how workers around the world are feeling financially, found that more than one-third of U.S. workers believe their current financial concerns are negatively affecting their lives, compared with just 21% two years ago; and 59% worry about their future finances. In 2015 that figure was just under half at 49%.

The finding has big implications for employers: Workers who struggle financially tend to have lower job performance and aren't engaged in their work, says Vincent Antonelli, a senior consultant in Willis Towers Watson's New York office. That's why more employers are coming up with solutions for the problem, including working to tackle low participation rates in financial stability programs.

To combat low levels of engagement and participation of these programs, plan sponsors need to do a better job of finding out what different groups are searching for when it comes to financial stability. That could mean differentiating between generations, like millennials vs. baby boomers, or seeing how different genders approach the topic.

"To get engaged, you have to personalize messaging and programming around where people are in their life," Antonelli says. "A millennial may or may not be dealing with student loan debt and rising home costs. Someone mid-career is looking to build wealth and send their kids to college. Financial wellness means something different to them."

Meanwhile, those who are further along in their careers often are balancing retirement planning with eldercare. Plan sponsors need to take an approach that is "very nuanced to where people are in their particular life stage or career," Antonelli says. "You need different interventions to reach the broadest segment of your population," he says. EBN

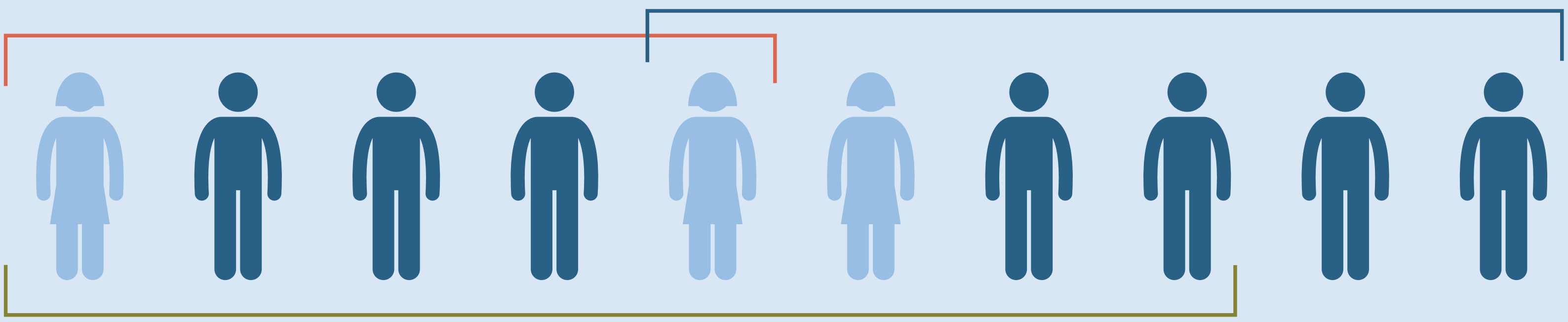
BY THE
NUMBERS

The rise of fertility benefits

Employers are increasingly looking at a suite of fertility and pregnancy-related benefits and services to meet changing employee needs.

53% of employers that offer fertility benefits plan to extend these to same-sex couples by 2019 (up from 65% in 2017)

66% of employers expect to offer fertility benefits by 2019 (up from 55% in 2017)



81% of employers that offer fertility benefits plan to extend these to same-sex couples by 2019 (up from 65% in 2017)

Factors driving enhanced fertility benefits:

71% To support workplace inclusion and diversity goals

59% To recruit and retain top talent

49% To be recognized as a "best place to work"

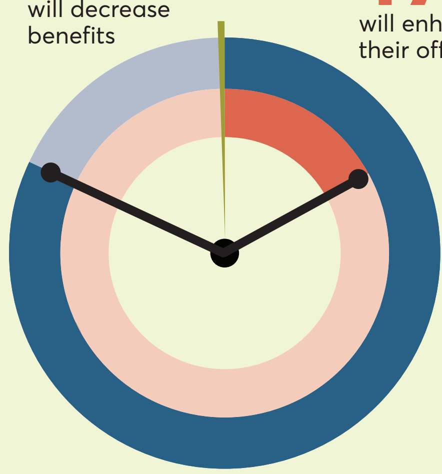
49% To support the organization as a "women-friendly workplace"

Changes ahead?

1% will decrease benefits

17% will enhance their offerings

82% of employers will continue coverage without changes in 2018



Source: Willis Towers Watson

INCENTIVES 2.0:
A better approach to engaging employees in wellness programs

You've tried gamification, motivational interviewing, rewards such as discounts, rebates and prizes for engaging in wellness behaviors, even wearable fitness trackers… and as soon as the incentive program is over, employees go right back to their old ways.

How can you use incentives to create lasting change? Is it even possible to do so, or do employers need to reconsider their markers of success — and goals — for incentive-driven wellness programs? Are they even worth engaging in anymore? This web seminar will look at the psychology of incentives and explore what it means for employers who want to support their employees in improving their wellness.

View On-Demand Now!

https://www.employeebenefitadviser.com/wellnessprograms

Sponsor Content From

ActiveHealth MANAGEMENT.

Hosted by

ebn Employee Benefit News | Employee Benefit Adviser