

Employer-based Health Coverage Remains Strong, With Concerns about Affordability

Mental health employee benefits are important for U.S. employers

LOS ANGELES – December 3, 2019 – Ninety-six percent of employers believe improving mental health in the workplace is good for their business, but only 65% indicate their company provides adequate mental health services, according to findings from a new survey released today by national nonprofit Transamerica Center for Health Studies® (TCHS).

“There is awareness of employee physical health impacts in the workplace in terms of absenteeism and productivity,” said Hector De La Torre, executive director of Transamerica Center for Health Studies (TCHS). “But the near-unanimous acknowledgement of what was formerly a taboo subject in the workplace shows that mental health is growing in importance for American employers.”

This seventh annual comprehensive view of employer-sponsored health benefit offerings in the U.S., ***Employer-based Health Coverage Remains Strong but Affordability a Major Concern***, surveyed 1,379 employer decision makers showing that companies recognize the value and business imperative of offering mental health benefits to their employees.

While almost all employers believe improving mental health in the workplace is good for their business, 17% of employers acknowledge not offering any resources at all. The most common mental health resources offered by employers are stress management classes (39%) and mental health awareness training (39%).

Current State of Employer-based Health Benefits

Employers are confident: 88% feel their company’s current financial situation is good or excellent. In light of their financial position and the health coverage mandate for employers with 50 or more employees, nearly 100% of large and midsize employers report offering health insurance to full time employees, and 25% of all employers offering health insurance to part-time employees. Employers that provide coverage expect to continue to provide health insurance and other healthcare benefits to their employees, with only 4% expecting their company to reduce coverage as much as possible, according to the survey conducted in September 2019. The survey also found that in the next one to two years, over three in five employers (62%) expect their company to make positive changes and additions to health benefits for employees, while only 27% expect negative changes to those benefits.

“Employers are focused on the bottom line and believe healthcare benefits are important to attract and retain skilled workers, which in turn can yield better productivity and results,” said De La Torre. “In fact, employers are remaining consistent in their health plan offerings which lessens disruption for their administration and for their employees.” More than three in four of all employers (76%) made no changes to health benefits in the past 12 months, continuing a slight increasing trend since 2017.

Majority of Employers Cite Affordability as a Concern

Cost and affordability remain a high priority for employers when managing their employee health benefits. Over seven in 10 employers (71%) overall (those that offer health coverage and those that do not) say their company is concerned about affordability. These employers want to address this challenge jointly with employees, with a strong majority of employers (78%) reporting they are taking action to manage healthcare costs and almost the same number (79%) wanting employees to take more action to minimize healthcare costs. What are they doing to reduce costs? Nearly two in five concerned employers (39%) are finding ways to reduce health insurance premiums, while others are comparison shopping for the best options (37%) or talking to benefit advisors about how to reduce costs (37%).

Employers and Employees Have Different Perceptions

There are notable differences between all employers and employees when it comes to workplace wellness programs. Almost two-thirds of employers (63%) say they offer a workplace wellness program, but only 43% of employed consumers say their employer offers such benefits according to the 2019 TCHS Consumer Survey. Among employers offering a wellness program, more than four in five say it positively impacts performance and productivity (84%), workers' health (83%), and workers' job satisfaction (81%). But the 2019 TCHS Consumer Survey showed only 59% of employed consumers agree they would have greater commitment to their company if they offered programs to improve their health and well-being.

Further discrepancies are seen in the overall employer perception of somewhat or very important attributes to attract and retain employees: flexibility for caregivers, 79%; maternity leave/benefits, 77%; paternity leave/benefits, 72%. Again, by comparison, the TCHS 2019 Consumer Survey showed employed consumers believe the following are somewhat/very important: 66% for flexibility for caregivers; 52% for maternity leave/benefits; and 72% for paternity leave/benefits.

“With some uncertainty about healthcare policy in Washington, D.C., employers remain focused on maintaining employee health benefits and holding down healthcare costs – and in some cases, are optimistic about increasing their benefit offerings in the future,” said De La Torre. “At the same time, employers are attuned to the physical and mental health and wellness of their employees and are willing to support those needs through workplace wellness programs – sometimes rating their success at odds with their employees' views.”

ABOUT THE TRANSAMERICA CENTER FOR HEALTH STUDIES

Transamerica Center for Health Studies® (TCHS) – a division of Transamerica Institute®, – is a national nonprofit focused on empowering consumers and employers to achieve the best value and protection from their health coverage, as well as the best outcomes in their personal health and wellness. TCHS engages with the American public through national surveys, its website, research findings and consumer guidance. TCHS also collaborates with healthcare experts and organizations that are equally focused on health coverage and personal health and wellness.

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About the Seventh Annual TCHS Employer Healthcare Survey

The study was conducted by The Harris Poll on behalf of TCHS via a self-administered online survey of 1,379 U.S. business decision makers (ages 18+), from September 16 to October 2, 2019. Business decision makers are: owner, CEO/chairman, director of human resources, benefits manager, other HR professional responsible for employee benefits, or other professional responsible for employee benefits. This represents the seventh annual survey from Transamerica Center for Health Studies where sub-samples of businesses with 1-49 full-time employees, businesses with 50-499 full-time employees, and businesses with 500 or more full-time employees were created and weighted based on employer size to be nationally representative of U.S. businesses. A full methodology is available in the report.

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