BenefitHelp™

Retention & Recruiting

Solving Employers' #1 Problem with NextGen Benefits

NEXTGEN BENEFITS | PARTNER FIRM

An Executive Briefing

EXECUTIVE SUMMARY

Fallout from the COVID-19 Pandemic was not only a severe economic recession but also an unprecedented level of worker dissatisfaction with their jobs, leading to a record number of employees quitting their jobs. Dubbed the "Great Resignation," this disruption in the workforce has created a massive challenge for employers, as turnover has spiked and the number of unfilled job openings has soared.

While larger companies are offering cash and other incentives to retain and attract quality employees, owners and CEOs of small and mid-size businesses (SMBs) – 50 - 1,000 employees – often lack the available cash to offer these incentives, making them vulnerable to crippling levels of employee turnover and unable to recruit quality employees to fill vacant positions.

This hiring crisis presents a huge opportunity to solve employers' #1 business problem with an "Integrated Retention & Recruitment Program" that has zero impact on their balance sheet. This program leverages the disruptive NextGen Benefits model for employer health plans to help the business:

- dramatically reduce employee turnover;
- gain a serious competitive edge in recruiting top talent; and
- receive a $2,000 per employee cash windfall to fund incentives for employee retention and attraction.

This massive competitive advantage will go to the first movers who act now to capitalize on this remarkable opportunity.

*The time for employers to act is **NOW**.*

None of us were prepared...

THE U.S. HIRING CRISIS

Our economy is experiencing a massive disruption known variously as the Great Resignation and the Big Quit, the ongoing trend of employees voluntarily leaving their jobs, beginning in spring 2021 and continuing to the present.

According to the U.S. Bureau of Labor Statistics, in April 2021 a record 4.0 million Americans quit their job, 2.7% of the total workforce.[1]

August 2021 saw a new record set, as 4.3 million workers quit, 2.9% of the workforce.[1]

A month later, workers set a new record, as 4.4 million Americans – a full 3% of the workforce – gave their two-week notice in September 2021.[1]

To put this into historical perspective, in the last 20 years up to the start of the COVID-19 pandemic in 2020, the monthly resignation rate in the U.S. was never higher than 2.4% of the total workforce.[2] The number of workers who are quitting their jobs is unprecedented.

Expert opinion is mixed as to the cause of this rash of resignations, but for our purposes the reasons are irrelevant. Our concern is *the impact on employers* from workers quitting in record numbers...a trend that looks to continue and grow.

88%

of executives say their company is experiencing higher turnover than normal.

Source: "PwC US Pulse Survey: Next in work". PricewaterhouseCoopers.

[1] "Table 4. Quits levels and rates by industry and region". www.bls.com. U.S. Bureau of Labor Statistics. Retrieved 2021-11-11.
[2] "JOLTS". Economic Policy Institute. Retrieved 2021-11-12.

According to a PricewaterhouseCoopers survey conducted in early August 2021, 65% of employees said they are looking for a new job.[3] Microsoft's 2021 ***Work Trend Index*** reports that more than 40% of the workforce are considering quitting their job in 2021 and "46% say they're likely to move because they can now work remotely."[4]

In terms of workers, think of the economy today as a giant game of musical chairs...but with more chairs than workers and more chairs being added, with employees leaving their chair (job) because they know there are lots of empty chairs (jobs) that they perceive as more comfortable (better pay and/or working conditions).

More pay and better benefits

These dissatisfied workers know that many employers, struggling to keep their employees in their seats and to fill their company's empty chairs, are raising wages and offering other financial incentives.

But retaining and attracting employees isn't just about money. Throwing cash indiscriminately at the problem, in the form of hiring bonuses or increased pay, doesn't address employees' bigger need for safety and security. According to a Deloitte study of Fortune 1000 companies published in the October 2021 issue of Fortune magazine, 35% of CEOs already have expanded benefits to improve employee retention.[5]

It's well established that employees value benefits over pay. According to a Glassdoor survey, nearly half of job seekers cited attractive benefits and perks as a major factor driving them to apply for a job while 80% of employees said they prefer additional benefits over a pay increase.[6]

Many workers are looking for the job that offers not just better pay also but better benefits that provide real value and that feeling of safety and security.

Your pain point

While employees are jumping from one job to another, the stress and chaos that business owners and CEOs are experiencing is unimaginable.

According to the previously cited PricewaterhouseCoopers survey, 88% of executives said their company is experiencing higher turnover than normal.[3] And CEOs expect the problem to continue.

The Deloitte study found that among Fortune 1000 companies, 73% of CEOs anticipate the work shortage will disrupt their businesses over the next 12 months.[5]

The problem, of course, isn't just turnover, but also recruiting quality employees to replace those that quit. The Deloitte study also found that 57% of CEOs believe attracting talent is among their company's biggest challenges.[6]

Success in recruiting requires a company to be, at the least, highly competitive in pay and benefits. But in a red-hot talent market where job openings abound, recruiting success requires a company to have a competitive advantage in pay and/or benefits to attract the best candidates.

With 10.4 million job vacancies in September[1], many positions are going unfilled for months. Running a company requires the right people in the right seats. With people quitting and replacements hard to come by, owners and CEOs are facing a huge dilemma.

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[3] "PwC US Pulse Survey: Next in work". PwC.com. PricewaterhouseCoopers. Retrieved 2021-10-20.
[4] "The Work Trend Index: The Next Great Disruption Is Hybrid Work—Are We Ready?". Microsoft.com. Microsoft Corporation. 2021. Retrieved 2021-10-22.
[5] Lambert, Lance (October 21, 2021). "The Great Resignation is no joke". Fortune. Retrieved 2021-10-25.
[6] "Glassdoor's 5 Job Trends to Watch in 2016". Glassdoor.com. Glassdoor. Retrieved 2021-10-19.

PERKS

The high price of retention

Desperate to keep and attract employees, many of these executives are offering higher wages and other types of incentives, dangling employee perks ranging from hiring bonuses, to free tuition, to student loan relief, to free daycare.

But, currently, any expansion of benefits or added perks negatively impacts the company's balance sheet, since they're being funded out of free cash flow or profits. Executives who decide to provide these incentives are forced to reduce profit margins and EBITDA.

Notice that the CEOs in the Deloitte study who have expanded benefits for better retention run Fortune 1000 firms. These large companies can afford to pay the price to increase retention and improve their recruiting. Small and mid-size businesses (SMBs), however, often lack the financial resources or capacity to take a hit on margins or their bottom line to make the investments necessary to boost retention and make their jobs more attractive to quality candidates.

SMB owners and CEOs, with 50 to 1,000 employees, are struggling with retention and recruitment, faced with no good options. Either they attempt to retain and attract with their current pay and benefits – giving them, at best, no competitive advantage – or they enhance their pay and benefits but at the cost of margin and profits...if they are, in fact, operating with a profit.

Once you understand the Great Resignation and the tremendous challenge it poses for owners and CEOs in this unprecedented labor market, you realize why these business leaders would find tremendous value in a real and comprehensive solution you bring to their retention and recruitment problem.

INTEGRATED RETENTION & RECRUITMENT PROGRAM

What if you could help executives solve their company's retention and recruiting problem – regardless of size... without paying any price, with zero impact to their balance sheet?

If we can show you how to reduce turnover and become an employer of choice with no new expense to the company, wouldn't that give you an almost unbeatable competitive advantage in your market?

An elite group of benefits advisers across the country are doing exactly that right now by leveraging the **NextGen Benefits** model for employer health plans.

$2,000
PER EMPLOYEE WINDFALL

Here's exactly what we are doing:

- Work with you to develope an "**Integrated Retention & Recruitment Program**"
- Gain undestanding of how a NextGen-style health plan can achieve your business objectives of high retention and a highly competitive edge in recruiting top-quality candidates
- Demonstrate how NextGen Benefits strategies make the program ***self-funding***, with zero budgetary impact
- Show the specific results of a NextGen-style health plan

NextGen Benefits solves companies' talent problems by empowering you to produce three remarkable results:

- **High-Quality Health Care**: Measurably improve the quality of health care for employees;
- **Zero Out-of-Pocket Costs**: Eliminate employees' out-of-pocket health care expenses...***no more deductibles or co-insurance***; and
- **$2,000 per Employee Windfall**: Provide the owner or CEO with $2,000 in cash per employee from health plan savings to fund a pay raise, a premium holiday, additional benefits, and other valuable perks.

NEXTGEN RESULT: High-Quality Health Care

Employers and most brokers and advisers believe that employees want health insurance. But employees ***don't*** want health insurance, although they might think they do. What they really want is ***access to high-quality health care***...that they can ***afford*** (more about that in a moment).

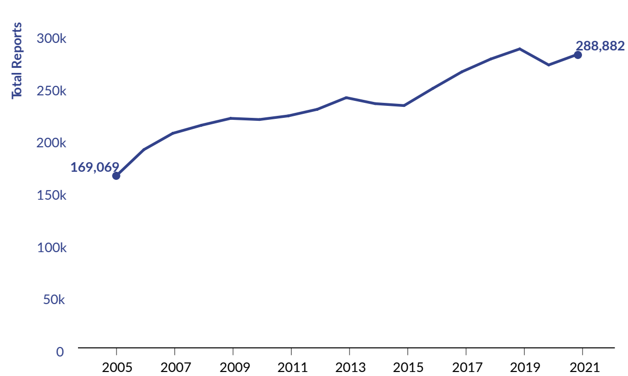
The emphasis here is on "high-quality" care. While the industry has been focused on the cost of health care, everyone can agree that there is no good price for bad health care.

However, physicians and medical facilities – hospitals and ambulatory surgery centers – are not created equal. A bad, even deadly, surgeon often shares the same medical office as a world-class surgeon. A dangerous hospital is often right down the road from a safe hospital.

These low-quality health care providers are responsible for preventable medical errors being the third leading cause of death in the U.S., resulting in 400,000 deaths each year.[7] Low-quality doctors are responsible for the 21% of patient diagnoses that are 100% incorrect – that's one in every five that's totally wrong![8]

Patient and Safety Trends 2021

Figure 1. Total Reports, Serious Events, and High Harm Events Submitted to PA-PSRS



[7] "James, John T. PhD. "A New, Evidence-based Estimate of Patient Harms Associated with Hospital Care".
[8] Mayo Clinic. "Extent of diagnostic agreement among medical referrals". Journal of Evaluation in Clinical Practice. Retrieved 2021-11-11.

56%

of Americans have$5,000 or less in savings.

Source: "Study: Average American's Savings Account Balance is $3,500". The Ascent.

But how is a patient supposed to tell the difference between the bad doctor and the great one, the dangerous hospital and the safe one?

A neighbor's recommendation, "Oh, he's a wonderful doctor!" may speak to a winning bedside manner but says nothing about the quality of his work and his results. Similarly, high ratings and positive reviews on sites like Google and Yelp rarely reflect a doctor's expertise or actual medical outcomes.

A hospital's world-class facilities or world-class marketing is no guarantee of world-class medical outcomes.

Imagine if patients had access to objective quality data to make educated, fact-based decisions on their health care providers.

Health care quality metrics

The insurance companies have reliable and proven quality metrics on both doctors and health care facilities that can remove the guesswork from these important and sometimes life-or-death choices.

Except...the insurance companies refuse to share this critical information with their members. Actually, the carriers are prohibited by their network contracts from revealing any information, good or bad, about their network providers. Since they wrote these contracts, the insurance companies clearly are more concerned about protecting the providers from their bad quality scores than protecting their members from bad, even dangerous providers.

When patients' select their doctor from the carrier's Provider Director with no guidance on quality, they're playing Russian Roulette with their health.

Data-driven decisions

NextGen health plans, however, have the same quality data as the carriers but provide employees with this information, guiding patients to high-quality providers and avoiding the dangerous ones. High-quality providers reduce the incidence of unnecessary treatments & procedures, complications, and hospital readmissions while improving medical outcomes and recovery times, so patients get healthy and back to work faster.

In a Nextgen plan, patients no longer have to fear putting their health – and sometimes their life – at risk due to choosing a bad doctor or a dangerous hospital. Patients get what they really want: access to high-quality health care...that they can afford.

Isn't that what we all want from our health care plan?

NEXTGEN IMPACT ON RETENTION & RECRUITING

Imagine how employees and job candidates would respond to a NextGen health plan that empowers them to choose doctors and facilities based on objective quality data, resulting in better medical outcomes and faster recuperation.

Wouldn't that help the employer – even a small or mid-size business – retain and recruit great employees?

ZERO
Out-of-Pocket Costs

NEXTGEN RESULT:

Employees' cost of health insurance continues to rise, with employees contributing almost $6,000 toward the cost of family coverage, according to the Kaiser Family Foundation's ***2021 Employer Health Benefits Survey***. The report also notes that family premiums have increased 47% since 2011.[9]

Kaiser also reports an average annual deductible of $1,945 for single coverage and $3,722 for family coverage.[7] The single deductible has increased 13% over the last five years and 68% over the last ten years.[10]

Now, consider that 56% of Americans have $5,000 or less in savings[11]. 36% of adult Americans would not be able to cover a $400 emergency expense, according to a report from the Federal Reserve.[12]

The "underinsured"

Because of high out-of-pocket costs and deductibles, many employees cannot afford to use their insurance, deferring care until their physical condition deteriorates to the point that they're forced to get care. Fully half of adults report putting off health care because of the cost.[13] The term "underinsured" is used to describe individuals with health insurance who can't afford care due to high out-of-pocket costs.

The Commonwealth Fund reports that 43.4% of U.S. adults ages 19 to 64 were underinsured, defined as having "out-of-pocket costs, excluding premiums, equal to 10% or more of household income; ...or a deductible equal to 5% or more of household income."[14]

Skyrocketing premiums. Unaffordable out-of-pocket expenses. At some point, isn't it fair to ask, "When does a benefit cease to be a benefit?"

While it will come as a shock to the status quo elements of the benefits industry, affordable health plans don't require high employee out-of-pocket costs. In fact, deductibles, co-payments, and co-insurance are not even *necessary* for an employer to afford a quality health plan.

Eliminating out-of-pocket expenses

Innovative NextGen Benefits plan designs greatly reduce or, in most cases, totally eliminate employee out-of-pocket costs.

Before you shout, "That's not possible!", you should read this feature article on three CEOs and their NextGen Benefits advisers in ***Chief Executive*** magazine, the top publication in the C-Suite. You also should read this piece in ***CFO*** magazine about making health care a controllable cost.

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[9] "2021 Employer Health Benefits Survey". KFF.org. Kaiser Family Foundation. Retrieved 2021-11-12.
[10] "Average Annual Deductible per Enrolled Employee in Employer-Based Health Insurance for Single and Family Coverage". KFF.org. Kaiser Family Foundation. Retrieved 2021-11-11.
[11] "Study: Average American's Savings Account Balance is $3,500". fool.com. The Ascent. Retrieved 2021-11-9.
[12] "Report on the Economic Well-Being of U.S. Households in 2020 - May 2021". federalreserve.gov. U.S. Federal Reserve. Retrieved 2021-11-10.
[13] "Data Note: Americans' Challenges with Health Care Costs". KFF.org. Kaiser Family Foundation. Retrieved 2021-11-9.
[14] "U.S. Health Insurance Coverage in 2020: A Looming Crisis in Affordability". commonwealthfund.org. The Commonwealth Fund. Retrieved 2021-11-8.

51%

of adults report putting off health care because of the cost.

Source: “Data Note: Americans’ Challenges with Health Care Costs”. Kaiser Family Foundation.

So how can a company afford to waive the employee’s deductibles, co-payments, and co-insurance...without driving up the employer’s cost for the health plan?

High-quality care, lower cost

When employees follow a NextGen health plan’s guidance to high-quality doctors and facilities, the plan achieves remarkable savings. This is due to the dirty little secret in health care: The *inverse* relationship between quality and cost. Although it’s counterintuitive, the path to lower cost health care is high-quality health care providers.

Put another way, you pay *less* for the highest quality providers that deliver better outcomes. For many reasons, the doctors, hospitals, and surgery centers that produce the best medical outcomes almost always charge much less than their lower-quality competitors.

Eliminating out-of-pocket costs also changes employee behavior around health care. When they have to pay thousands of dollars out of their own pocket for their health care, many employees delay seeking medical care. These delays often result in much more costly episodes of care, as their conditions worsen over time until they can no longer avoid care. This deferred care not only increases the cost to the employer, but unnecessarily risks the health of employees.

NextGen-style health plans allow employees to access care when first needed, at no out-of-pocket cost as long as they follow the guidance of the plan’s medical concierge team that screens for high-quality providers.

Since every patient wants high-quality, affordable health care and every employer wants an affordable and sustainable health care plan, this is a phenomenal win-win.

Free health care

A manufacturing firm in Ohio is in a fiercely competitive employee market, with its top competitor just 30 miles down the road. Employees were known to quit for an additional 50 cents an hour offered by their competitor. Faced with such a tight labor market, this company implemented a NextGen health plan that eliminated their employees’ out-of-pocket costs. The company then posted billboards around their area touting “Free Healthcare.”

Figure 1 – Ohio manufacturing rm’s “Free Healthcare” recruitment billboard

The result? Job candidates lined up out the front door and down the sidewalk waiting to apply. Not surprisingly, the company also experienced a dramatic decline in employee turnover.

NEXTGEN IMPACT ON RETENTION & RECRUITING

Imagine how employees and job candidates would respond to a NextGen health plan that provides "free health care." No doubt similarly to the Ohio firm's employees and job candidates.

Pay your monthly insurance premiums and, when you need health care, it's ***free***… no deductibles, co-payments, or co-insurance. What company ***does*** that anymore?

Wouldn't that help **you** the employer – even a small or mid-size business – retain and recruit great employees?

NEXTGEN RESULT: $2,000 Per Employee Windfall

Remember that employers who currently offer cash incentives and expanded benefits are taking a hit on their bottom line, paying for these retention and recruitment initiatives from profits. Employers' new opportunity, with **our** help, is to radically improve their pay and benefits package to retain their employees and attract quality job candidates, but without having to spend any new dollars.

Because most NextGen health plan designs guide employees to high-quality care that produces better medical outcomes at a substantially lower cost, the employer pays less, with year-over-year savings of $2,000 or more per employee. In other words, this program to improve employee retention and recruitment pays for itself with plan savings. Those dollars can then be redirected to the company's retention and recruiting initiative. Employers can use this reclaimed capital to fund higher wages, performance bonuses, additional PTO, a premium holiday, additional benefits, a benefits shopping spree, and other valuable perks. There is no shortage of ideas to retain and attract quality employees. And with a NextGen health plan, there is no shortage of funds to pay for these benefits.

NEXTGEN IMPACT ON RETENTION & RECRUITING

Imagine how employees and job candidates would respond to a company – and a job – that pays more than similar employers, provides a year-end premium holiday, and/or offers other valuable benefits and perks…all funded out of savings from the NextGen health plan.

Wouldn't that help **you** the employer – even a small or mid-size business – retain and recruit great employees?

THE TIME IS NOW

Driving in downtown Nashville during a heavy rainstorm, Scott saw a man walking down the sidewalk with a large umbrella.

But even with the rain coming down hard, he was holding his umbrella by his side, closed. Scott watched in dismay as the torrential downpour soaked the man, while he held his furled umbrella useless at his side. Scott wryly commented, "Now would be the time."
You have to wonder about this guy, walking in a fierce rainstorm with an umbrella, but never using it.

Employers today find themselves stumbling through a perfect storm, struggling to keep their employees as the Great Resignation rages and to fill the open positions while every other employer is working to do the same. But, again, most small and mid-size businesses cannot afford to offer the incentives needed to succeed during this talent tempest. These SMB owners and CEOs need **our** help and they need it now.

About Us!

About the Author

NELSON GRISWOLD

Chairman, NextGen Benefits Network

Author and speaker Nelson Griswold is Founder and Chairman of the NextGen Benefits Network, a national alliance of leading independent employee benefits consulting firms. He is the chief architect of the NextGen Benefits movement that is revolutionizing employee benefits and lowering the cost of healthcare by 20-40 percent for companies across the U.S.

Griswold is a growth strategist to many of the leading employee benefits advisers in the country, including three who have been honored as "Employee Benefit Adviser of the Year" one as "Broker of the Year," and four as "Broker of the Year Finalist."

NextGen Benefits Advisor

MARK HOLLAND

CEO, BenefitHelp, Inc.

Mark Holland is regularly recognized in national press and trade journals. He has been featured on CNBC and Bravo's World Business Review, Benefit News, Benefit and Compensation, as well as others.

Mark's newest venture, BenefitHelp™ is centered around an innovative approach in using the latest technologies to improve the healthcare and benefits industry.

BenefitHelp™ has brought on several national clients and introduced new technologies the marketplace.

BenefitHelp™

Located in Germantown, Tennessee, BenefitHelp™ is an industry leader with over 75 years of combined experience in delivering innovative and effective turn-key benefits advising and consulting services, compliance resources, communication, enrollment, and administration solutions.

Our mission is to enhance the value of businesses by providing innovative solutions that bring cost savings, education, and benefit enrichment. Our goal is to make a positive impact on the lives to whom we come in contact within our business and community. We, at BenefitHelp™, strive to create a great business for a greater purpose.

NextGen Benefits
For Your Employees

Lowers and controls health care costs by paying only for the health care that employees use.

Manages the quality and cost of the health care that employees purchase by using a variety of innovative strategies and techniques.

All without a negative impact on operations or your workforce.

NextGen Benefits Adviser Firms

NextGen Benefits Consultants are located throughout the country to drive solutions that reduce controllable costs while improving the quality and access of care for your employees.

BenefitHelp™

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