

2023 State of Employee Health Benefits



INTRODUCTION

Great employers understand top-tier talent is their business' lifeblood. So investing in a benefit plan that attracts and retains them is crucial, especially in [today's competitive labor market](#). SureCo interviewed hundreds of HR professionals to find out how they're navigating the complex health insurance landscape.

Our 2023 State of Employee Health Benefits Report offers insights into how [mid-market and large employers](#) across the nation are responding to rising healthcare costs—and the demand for better benefits. The [data](#) on the pages that follow will give you a look into what your competitors are offering, so you can see how your company measures up. Armed with this knowledge, you'll be able to bolster your recruitment, retention, and employee health efforts and emerge as an industry leader.

TABLE OF CONTENTS

[Benefit Trends & Data: See How You Compare](#) 

[Top 5 Benefit Challenges Employers Face](#) 

[Use Health Benefits to Your Advantage](#) 



BENEFIT TRENDS & DATA

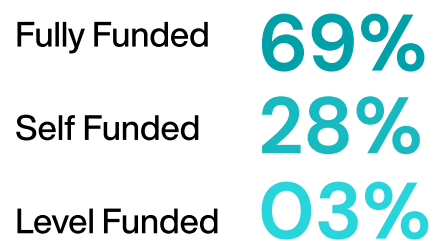
Managing a health benefits program isn't just about keeping up with change, it's about being a step ahead. The leaders we spoke with explained how they turned their benefits program into a [competitive corporate advantage](#). From plan types and costs to average employer contributions and voluntary perks, see how your benefits stack up to [industry benchmarks](#) below.

What Companies Are Offering

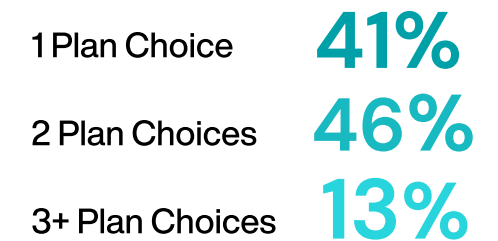
Plans Offered²



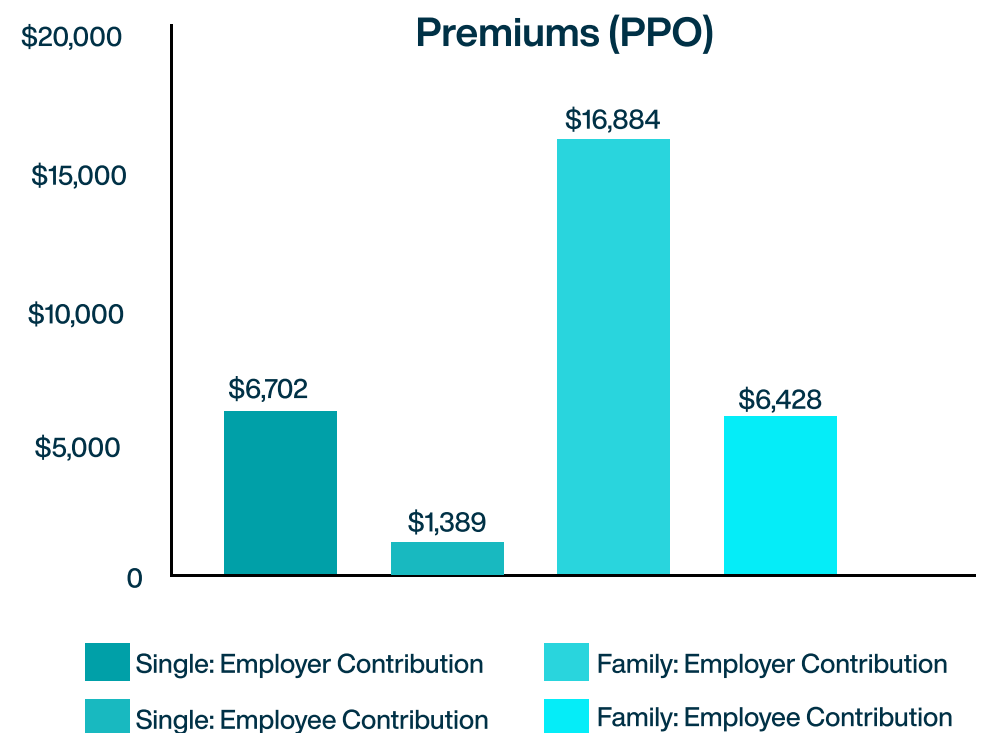
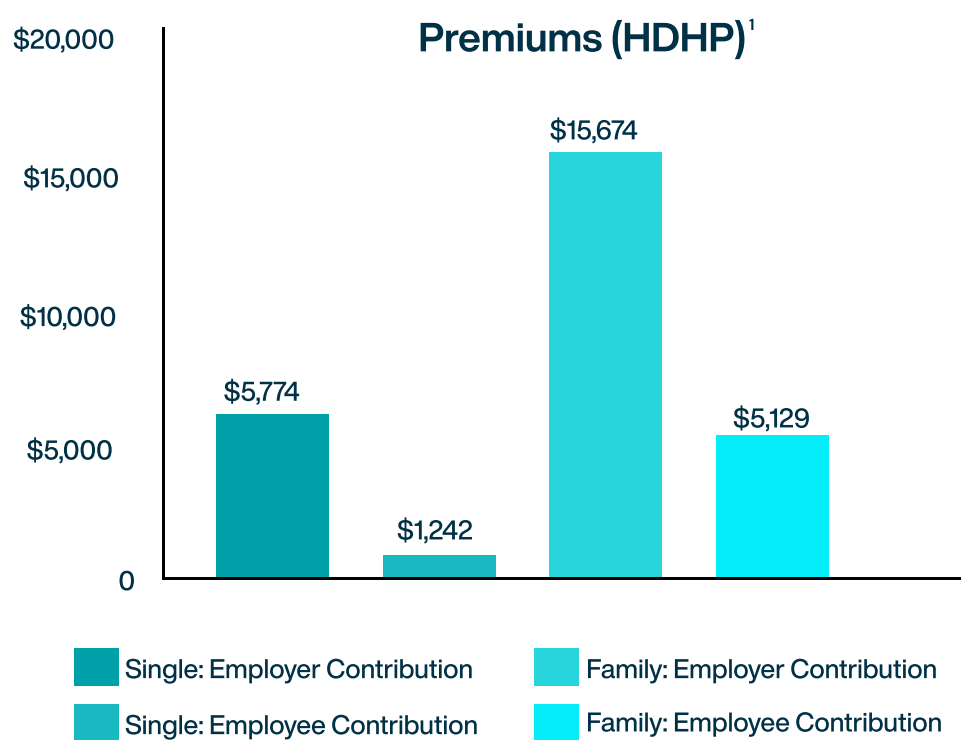
Plan Funding



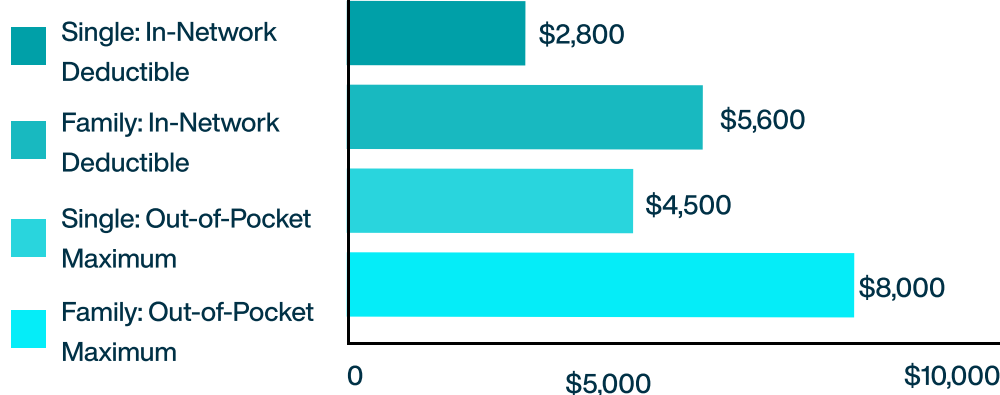
Plan Options¹



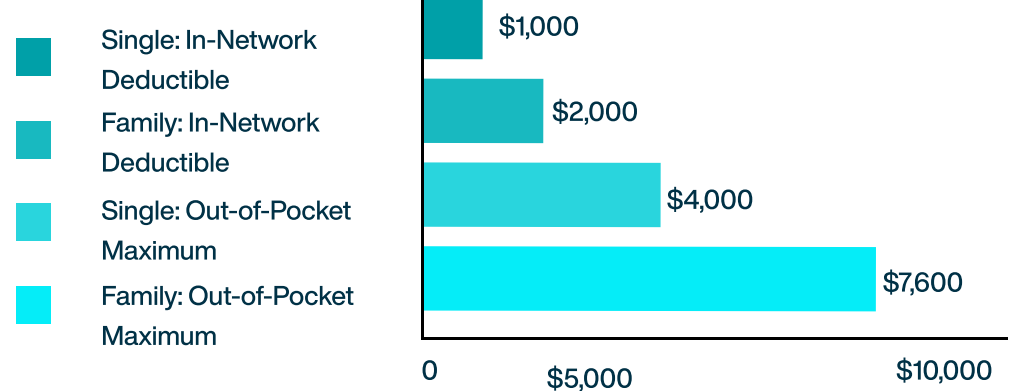
Annual Plan Costs



HDHP



PPO





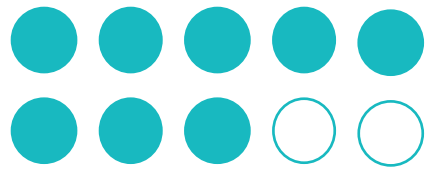
Employee & Employer Contributions

76%
Employer
Contribution

Our data found that **employers contributed, on average, 76%** of the premium for employee-only coverage and 50% of the premium for family coverage. According to a Kaiser Family Foundation poll², nearly 9 in 10 employers said they believed that in the next five to 10 years, the cost of providing group health benefits would be “unsustainable.”

Broker Relationships

Importance of
the Broker



8 out of 10

96% of companies SureCo polled work with a broker for their health insurance —and 85% have used the same broker for at least 2 years.

70% rated the importance of their broker relationship at least an 8 on a scale of 1-10 (with 10 being the highest³). This tells us that brokers are essential in helping companies understand the market and negotiate for strong options and better rates on their behalf.

SureCo knows that broker relationships are **invaluable**.
That’s why we work with your broker to improve the benefits process for everyone!

Beyond Medical Plans

Voluntary Benefits Offered

Outside of medical, dental, and vision benefits, companies we talked to also provide:

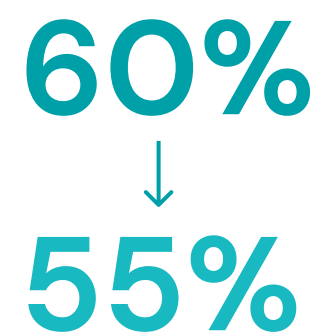
- Mental Health
- HSA Meditation/ Wellness Apps
- Wellness Stipends FSA Gym Membership
- Employee Assistance Program
- Telehealth Parental Leave

TOP 5 HEALTH BENEFIT CHALLENGES EMPLOYERS FACE

Challenges arise for any employer when it comes to providing an employee healthcare plan. Here, we break down five of the biggest benefit obstacles HR professionals said they are navigating now, including employee satisfaction, unexpected renewal increases, and more.

Challenge 1: Employee Satisfaction

The HR pros SureCo talked to told us their employees would rate their satisfaction with their health insurance options a 7 out of 10. But according to the Employee Benefit Research Institute, the percentage of workers reporting they were extremely or very satisfied with health benefits fell from 60% in 2021 to 55% in 2022⁴. This suggests there is a mismatch between how satisfied employers think their employees are and how satisfied they really are.



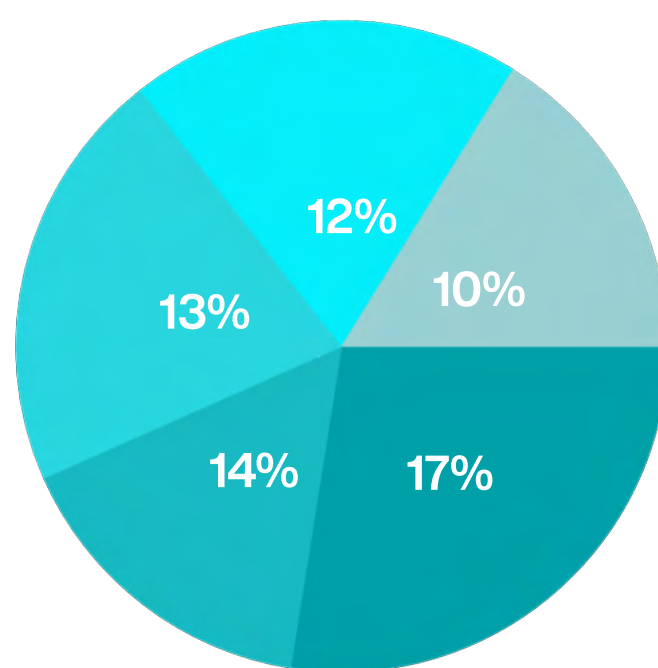
Our recommendation? Poll your employees often.

Challenge 2: Rising Healthcare Costs

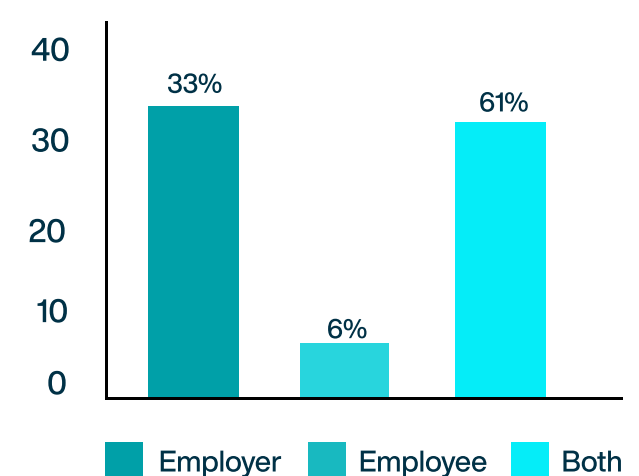
Healthcare premiums on the group market rose an average of 6.5% in 2023⁵, but SureCo's benefits advisors have seen increases of more than 40% in certain states and industries. And over 50% of large and mid-size employers reported that rising health insurance costs are preventing them from increasing workers' wages¹.

Employers said the top reason for rising health benefits costs was⁶:

- Catastrophic claims
- Medical provider costs
- Utilization due to chronic health conditions
- Utilization due to delayed preventive and elective care during the pandemic
- Specialty/costly prescription drugs



When premiums increase, who takes on the additional cost?



Challenge 3: Remote Workforce

Employee benefits satisfaction is going down due, in part, to today's remote work environment. The big group plans that used to work for companies with employees in a single location are no longer viable for a dispersed workforce. Employees want in-network coverage, accessible to them wherever they live.



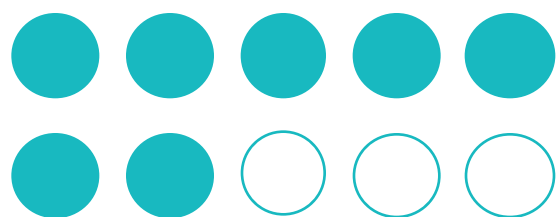
Challenge 4: Talent Attraction & Retention

HR leaders understand the high cost of talent attrition, acquisition, and onboarding. That explains why, even in today's belt-tightening economy, employers with 500+ workers said enhancing benefits to improve employee attraction and retention was their top priority. They ranked it even higher than managing high-cost claims⁷.

Benefits are a **critical factor for job seekers** and employees alike.

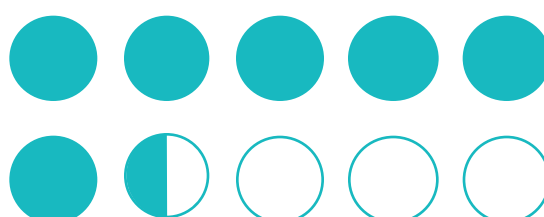
On a **scale of 1-10** (with 10 being highest), HR professionals rated the average impact of benefits on:

Job Selection



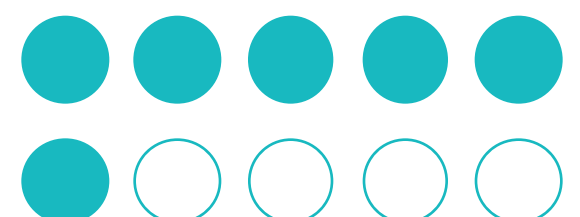
7 out of 10

Engagement & Loyalty



6.5 out of 10

Retention

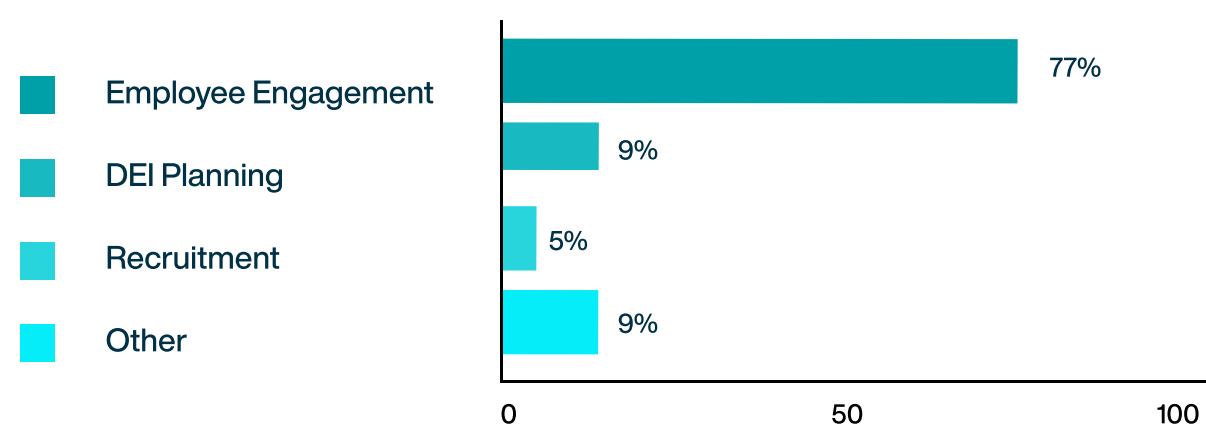


6 out of 10

Challenge 5: Administration Tasks

As layoffs continue at alarming rates, HR teams are being asked to do more with less. Benefits administration and compliance top of the list of concerns for HR professionals. The professionals we talked to cited prepping for and managing open enrollment and ensuring ACA and COBRA compliance as some of their biggest pain points.

Employers said if administration tasks were alleviated, they would spend their extra time on:



Did you know?

SureCo saves companies an average of 20% on yearly premiums!

USE HEALTH BENEFITS TO YOUR ADVANTAGE

As an employer, you're looking for innovative ways to offer health benefits to your employees—while keeping quality coverage and costs under control. Acting early is important. Researching and [exploring alternatives](#) far ahead of open enrollment will help you identify the best platform and plans for your employees.

Take It From Your Employees...

56% said benefits quality was a top factor in choosing a new position⁸

20% would take a pay cut in exchange for more benefits customization⁴

Reasons Benefits Matter to Employers, Ranked:

- | | |
|--------------------------------|--|
| 1 Employee satisfaction | 4 Ease of benefits administration |
| 2 Cost to the employer | 5 Ease of enrollment process |
| 3 Cost to the employee | 6 Overall risk |

An option that addresses all six priorities is an ICHRA. An ICHRA, or individual coverage health reimbursement arrangement, is an alternative to traditional group health insurance. It allows companies to contribute tax-free dollars to their employees for the health plan of their choice on the individual market.

Employees choose the coverage that works best for their needs, budget, and location. The company controls costs by eliminating claims risk. SureCo's turnkey Enrollment Platform makes benefits administration and enrollment easier than ever, and our white-glove customer service team ensures all your employees' questions will be answered.

800,000
employers will offer an ICHRA

The U.S. Departments of Treasury, Labor and Health and Human Services estimate 800,000 employers will offer an ICHRA by the end of the year 2025, insuring 11 million individuals.

SureCo lobbied for the regulatory changes that allowed companies of all sizes to offer ICHRAs in 2020!

CONCLUSION

SureCo is helping democratize access to employee benefit information by sharing the latest data, trends, and priorities in the industry. Our goal is to empower HR and corporate teams to make effective and efficient decisions about employee health coverage. Together, we can improve the future of administering and managing employee benefits and stay ahead of the curve in this rapidly evolving landscape.

We want to give a [special thanks to all of the HR professionals](#) who provided their valuable time and insight to help us bring this to life!

If you're interested in learning more about ICHRAs and our Enrollment Platform, our expert benefits advisors would love to chat. Get in touch at sureco.com/lets-meet-up.

About SureCo

SureCo is reimagining the traditional group benefits experience. We believe that custom health coverage ensures better healthcare—and that shouldn't come at a higher price tag for anyone. That's why we lobbied for regulatory changes that allow employers to tap into the individual market. Then, we created a refreshingly simple Enrollment Platform that makes it easy for employees to find coverage that meets their specific needs from major carriers in their area. The new paradigm eliminates claims risk for employers, but our platform gives them the same pre-tax contribution model they're used to. Through seamless integrations with HRIS systems, we ensure compliance, provide reporting, and relieve administrative burden. SureCo is the benefits solution that makes everyone happy.



Sources

¹CBIZ (2022) Employee Benefits Benchmark Report; ²KFF (2022) Employer Health Benefits Survey; ³SureCo Employer Survey (Conducted via Pollfish, 2021); ⁴Employee Benefit Research Institute (2022) Workplace Wellness Survey; ⁵Aon (2022) "U.S. Employer Health Care Costs Projected To Increase 6.5 Percent Next Year"; ⁶International Foundation of Employee Benefit Plans (2023) Employee Benefits Survey: 2022 Results; ⁷Mercer (2020). National Survey of Employer-Sponsored Health Plans; ⁸America's Health Insurance Plans (2018) Survey