

2020 Emerging Trends in Health Care Survey

Executive summary

Fielded January 2020 (pre-pandemic in United States)



Employers prioritize family-friendly benefits

Few employers indicate that they are well positioned to meet the health benefit needs of their diverse workforce today (57%) and in the future (49%). Family-friendly benefits can help employers support a more inclusive and diverse workplace critical to attracting and retaining talent today and tomorrow.

As companies look to foster a diverse, inclusive and equitable workplace, family-friendly benefits are becoming an increasingly critical component of their talent strategy. While nearly six in 10 employers (59%) say that family-friendly benefits have been important to their talent strategy over the past three years to a great or very great extent, this number is expected to grow to 77% in the next three years.

What do we mean by family-friendly benefits? These are benefits that support employees across all life stages in balancing and integrating work and family responsibilities. Family-friendly benefits can include not only parental leave and adoption benefits but also broader caregiving leave (e.g., caring for a spouse or a domestic partner) as well as childcare benefits and paid bereavement leave. Family-friendly benefits can help companies improve gender diversity and demonstrate that they value women's contributions in the workplace.

What's behind the uptick?

Almost three-quarters (72%) of employers cite the competitive pressure to attract and retain talent as the primary reason to offer family-friendly benefits.

Also factoring into the decision-making process is how these benefits can help support broader organizational goals, many of which are connected. Almost two-thirds of employers (65%) indicate that they provide family-friendly benefits because they align with their corporate strategy and mission. And a similar percentage offer these benefits to support their organization's inclusion and diversity goals and objectives. Also cited were the goal of achieving external recognition (44%) and support for environmental, social and governance (ESG) commitments (30%). These reasons are all linked to supporting a sustainable human capital strategy, critical to company strategy and business performance.

As a result, a diverse group of stakeholders beyond benefit professionals, both within HR and across business leadership, have a shared interest in ensuring that employees have access to family-friendly benefits.

Willis Towers Watson employee research also shows that, in addition to their core benefits, employees are looking for a broader set of benefits that allow them to better manage their work/life balance or integration. According to the Global Benefits Attitude Survey, half of U.S. employees indicated that they would prefer enhanced benefits or paid leave over more pay or a higher bonus.¹

Figure 1: Why employers offer family-friendly benefits



Note: Percentage indicates "To a great extent" or "To a very great extent"

¹ Based on a probability sample of 8,000 employees of large private sector companies in the U.S. conducted in the fall of 2019

What do employees want?



40%

prefer family-related assistance and perks

If their employer offered family-related assistance and perks, employees would prefer expanded family leave (47%), bereavement leave or assistance (42%), and additional maternity leave (33%).

Fertility and family-building benefits

Employers are prioritizing benefits that provide employees with a range of family-building options.

- Fertility services.** By 2021, half of employers expect to cover fertility services beyond the diagnosis of infertility. This number is expected to rise to 63% by 2022. Many are covering fertility services to support individuals having children later in life and facing age-related decline in fertility as well as in consideration of the fertility needs of LGBT+ employees.

Among those offering these benefits, four in five have coverage limits. These include caps on medical and pharmacy benefits or the number of treatment cycles. Before covering fertility services, some employers require demonstration of infertility among different populations: opposite-sex couples (55%) and single parents by choice (45%). Given that this requirement could be viewed as exclusionary for same-sex couples (47% of employers require it today for these individuals), some companies are revisiting the gatekeeper step to access infertility benefits and eliminating this requirement for all individuals.

One in eight employers plans to enhance its fertility and family-building benefits offering in 2021.

35% Increasing lifetime limits on medical benefits

29% Adding or enhancing surrogacy reimbursement

26% Adding or enhancing the adoption assistance program

23% Increasing the lifetime limits on pharmacy benefits

As employers have evaluated their fertility benefits and family-building strategies, some have looked to optimize the individual experience and financial commitment by looking beyond access to these benefits and into supportive programs and resources (as the vendor market has expanded in recent years).

Figure 2: Coverage of fertility services

Does your organization cover fertility services beyond diagnosis of infertility (e.g., coverage of artificial reproductive technology, including in vitro fertilization)?

Offer in 2020	Planning for 2021	Considering for 2022	Neither offer nor planning
47%	3%	13%	38%

Does your organization include any of the following limits on the coverage of fertility services?

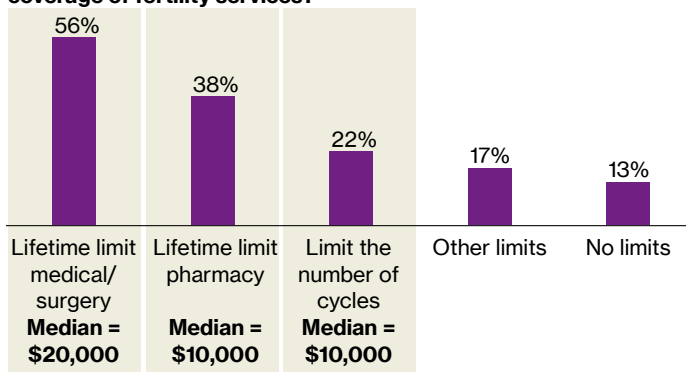
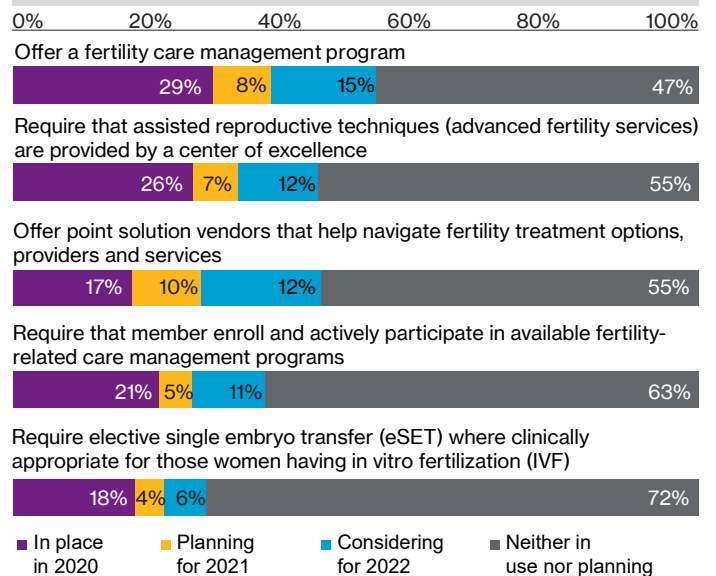


Figure 3: Employer approaches to managing fertility benefits

Which of the following requirements or supporting programs does your organization have in place or plan to have in place as part of your fertility benefits?



Note: Based on respondents covering or planning to cover fertility services

Nearly a third (29%) offer a fertility care management program, a number expected to rise to 52% by 2022. At the same time, slightly over a quarter (26%) require that a center of excellence provide assisted reproductive techniques. By 2022, almost half (45%) anticipate establishing such a requirement.

Employers with higher dollar limits (i.e., greater than \$20,000) offer more fertility management programs, with the objective of optimizing the member experience, outcomes and efficient use of financial support. Among organizations with a lifetime limit greater than \$20,000, 48% offer a fertility care management program and half require that advanced fertility services be provided by a center of excellence.

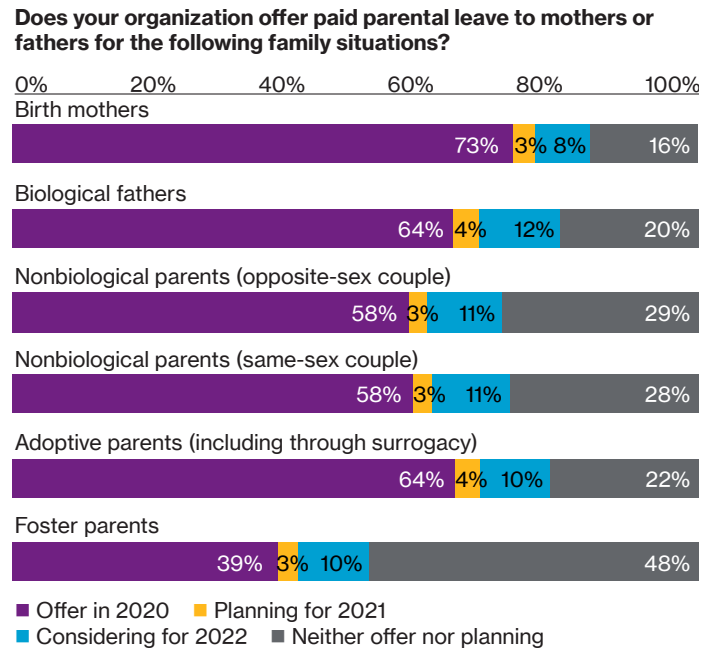
- Adoption reimbursement program.** At present, 45% of employers offer a reimbursement program for adoption. Among these organizations, almost four-fifths (79%) report setting a reimbursement limit per child with a median of \$5,000, and 23% set a lifetime limit with a median of \$10,000. This benefit has a low utilization rate. The vast majority (86%) of these programs are administered directly by the employer.
- Surrogacy benefits.** Nine percent of employers currently provide a surrogacy reimbursement program, and another 3% anticipate offering such a program by 2021. Over two-thirds (70%) of these organizations set a reimbursement limit per child with a median of \$10,000, and almost a third (30%) set a lifetime limit with a median of \$20,000. Almost three-quarters of these reimbursement programs (71%) are administered directly by the employer. This benefit also has a low utilization rate.
- Cryopreservation.** Almost all employers (97%) cover cryopreservation for cancer treatment that could cause infertility, and over two-fifths (44%) support fertility preservation for those transitioning gender. At present, 15% of employers cover elective egg or sperm freezing. Close to half of these organizations (47%) limit coverage to a certain time period.

Paid leave benefits

To address the needs of the whole person and support improved work and family life balance and integration, employers are also investing in a varied range of paid leave benefits.

- Paid parental leave.** This refers to leave after the birth or placement of a child via adoption or fostering. Issues around parental leave, including eligibility, duration and overall support, are becoming critical inclusion and diversity topics. Almost three-quarters of employers (73%) offer paid parental leave to birth mothers, a figure expected to rise to 84% by 2022. While fewer organizations (64%) currently offer parental leave for biological fathers, they expect to catch up quickly. Four-fifths of employers (80%) anticipate that they will have this leave benefit in place in the next two years.
- Over half of employers also provide parental leave for nonbiological parents (opposite-sex and same-sex couples) (58%) and adoptive parents (64%).

Figure 4: Provisions of paid parental leave





Paid parental leave is available to nearly all full-time employees (96%) and almost half of part-time employees (47%). Over two-fifths (44%) of employers require that this leave be taken all at once while slightly over one-fifth (22%) allow employees to take leave as needed. The median length of paid parental leave excluding disability and other leave is six weeks at 100% of salary. Only 12% differentiate between primary and secondary caregiver to determine the number of eligible weeks.

- **Paid caregiving leave.** Employers are recognizing that caregiving needs extend far beyond caring for a new child in the family. They are starting to view caregiving through a broader lens that considers the diverse needs of their workforce of today and tomorrow. As result, organizations are offering or plan to offer paid leave covering an expanded set of caregiving relationships.



Paid caregiving leave through a broader lens

Employers offer paid leave to employees caring for a spouse (20%), a child (not including bonding leave) (19%), a parent (19%), a same-sex domestic partner (16%) and an opposite-sex domestic partner (15%).

In the next two years, the percentage of employers offering caregiving leave for each of these different caregiving relationships is expected to at least double.

The median length of leave varies depending on the caregiving relationship: spouse and child (3.6 weeks), domestic partner (same- and opposite-sex couples) (4.0 weeks) and parent (3.0 weeks), all at 100% of salary.

Employers also offer a range of other benefits or resources to assist caregivers:

- **Childcare.** Beyond the dependent care flexible spending account, over a third of employers (34%) provide access to referral services for finding childcare and about a fifth (19%) provide emergency or backup childcare services. Although our survey included organizations with at least 100 employees, these findings are consistent with those of larger organizations with at least 5,000 employees. The average amount paid annually for the childcare benefit (other than dependent care spending account) is \$1,600.
- **Elder care.** Over a third of organizations (36%) offer referral services for finding elder care; less than a fifth (16%) offer emergency or backup elder care services.
- **Legal and other support services.** These services include legal assistance (69%), financial help (45%) (understanding and planning for the most effective use of assets and financial sources), and mental health support services for caregivers (44%).
- **Paid bereavement leave.** Over 90% of employers provide paid bereavement leave for the death of a spouse, child, parent, grandparent or sibling. Just over three-quarters offer this benefit for the death of same-sex (77%) and opposite-sex (76%) domestic partners. The median length of leave is three days paid at 100% of salary. In addition, some employers are providing broader paid bereavement leaves that include coverage for the death of an extended family member (51%) or a loved one (21%), or pregnancy loss (35%). This benefit may become more important during the COVID-19 crisis.
- **Sabbatical leave.** Less than one-tenth of employers (6%) offer sabbatical leave. The median length of leave is 12 weeks at 100% of salary. The most prevalent requirements for this benefit are tenure or service (86%) or employee performance (38%).

Related benefits

Employers are also offering a range of other benefits to support a family-friendly culture.



Related benefits supporting a family-friendly culture

- **Financial.** Spouse/domestic partner/child life insurance (90%), college coaching/scholarship opportunities (33%), tuition savings plan (529) (20%) and student loan repayment subsidy (9%).
- **Family.** Dedicated nursing room (86%), phased return-to-work program (29%), parent support group and milk shipping (both at 15%).
- **Health and wellbeing.** Flexible work schedule (77%) and location (75%), applied behavioral analysis (49%), emotional support specifically addressing the risks of postpartum depression (28%) and gender transition support (26%).

Designing family-friendly benefits

The following questions can help you assess if your benefits are family-friendly and uncover areas for improvement:

- Is your organization able to identify and understand the diverse needs of your current and future workforce?
- How well do your current benefits and resource packages address those needs?
- Where are you falling short?
- How do you shape programs and policies to bridge those gaps?

Examining these questions can help you design a broader, more family-friendly suite of benefits and resources.



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