

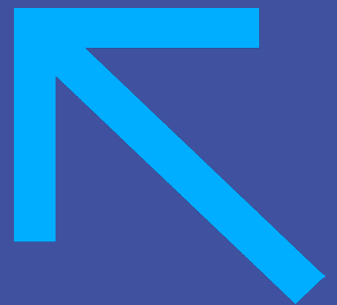
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How Health Care Benefits Impact Employee Productivity and Business Success

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Introduction

It's no secret that today's workforce is evolving.

The swift and lasting changes brought on by the pandemic redefined the modern workplace, employee needs, and the role employers play in their employees' work-life balance. It is essential for employers to create strategies that prioritize the health and well-being of their employees in order to remain competitive in today's ever-changing workplace. Since employers play a key role in the health and well-being of their communities by providing employer-sponsored health benefits, they need to have a vested interest in the overall health of their employees. Organizations flourish when employers invest in a comprehensive, cost-transparent health insurance plan with progressive benefits centered on overall employee well-being, affordability, and simplicity.



Better benefits improve employee hiring, retention, and **performance**

Before diving into the benefits, **it's important to understand that multiple factors impact employee well-being — not just physical and emotional health** — in the quest to create a more engaged, healthy, and productive workforce. This benefits employers in numerous ways, including improved productivity, better retention rates, enhanced employer branding, reduced healthcare costs, and overall improved employee morale.

- **Improved productivity.** When employees can bring their best selves to work, they are more likely to perform better and be more productive. By addressing factors that impact their overall well-being, employers create a more engaged and motivated workforce, which ultimately benefits the company's bottom line.
- **Better employee retention.** When employers understand and address the various factors that impact employee well-being, they can create a more supportive and inclusive work environment. This leads to higher employee satisfaction, which in turn improves retention rates and reduces the costs associated with turnover.
- **Enhanced employer branding.** By prioritizing employee well-being, employers can enhance their reputation as an employer of choice. This attracts top talent and makes it easier to recruit and retain the best employees.
- **Reduced health care costs.** By promoting overall well-being, employers can help to reduce the risk of chronic disease and other health problems. This can lead to lower healthcare costs for both the employer and the employee.
- **Increased employee morale.** Addressing the various factors that impact employee well-being can help to create a more positive and supportive work environment. This may lead to higher employee morale, greater collaboration, and a more cohesive team.

All of these factors are important to employers because they have a significant impact on employee well-being, which in turn affects job satisfaction, performance, and overall organizational success.



As defined by Gallup, **well-being**¹ “encompasses all the things that are important to each of us and how we experience our lives.” Accordingly, there are five common elements people need to thrive:



Career

people like what they do every day.



Social

people have meaningful friendships in their lives.



Financial

people manage their money well.



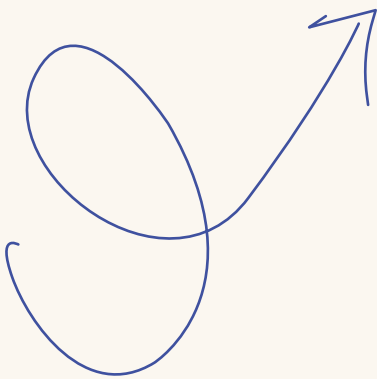
Community

people like where they live.



Physical

people have the energy to get things done.





A holistic understanding of well-being takes into consideration all five elements. All are interconnected, and the health of each depends on and influences the others. For example, if someone wants to ensure their social well-being, they'll have to assess how other elements influence it. If their current financial stability is in question, they're less likely to spend disposable income on social events, or they might choose to jeopardize financial stability to meet demanding social obligations.

Career is a key factor in an individual's overall health equation. With a successful and healthy career, an individual has greater financial stability and a better likelihood of improving other areas of their life. This means employers play a pivotal part in employee success in and out of the workplace.

In a [global study](#)², researchers found that higher overall employee well-being led to higher productivity, company loyalty, and ultimately, profitability. Employers can influence employee well-being by offering progressive health benefits that people value and use. Successful employers understand how offering better health benefits serves their workforce on [three strategic fronts](#):³



Recruiting

offering benefits that give the organization a sustainable competitive edge.



Retention

creating a culture of employee wellness through quality health insurance.



Performance

protecting the physical and mental health of employees by eliminating medical – and oftentimes financial – related stress.





Attracting and recruiting top talent

Better employee benefits attract top talent. Companies that care about employee health and well-being demonstrate it by offering benefits beyond traditional insurance offerings. By offering a variety of high-quality, **strategic health benefits**⁴, employers send a clear message to potential employees — you matter, your health matters, and we value you and your family. What's more, progressive benefits enhance an organization's reputation as a highly sought-after employer.

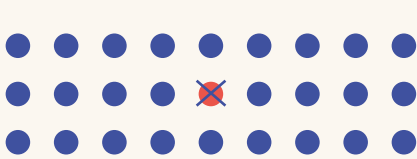
Health benefits can be a powerful recruiting tool. Programs designed to meet ever-evolving workforce challenges and support total employee well-being help to **attract and retain productive employees**³. For example, if an employee must decide between two offers of the same salary, the employer who provides cost-transparent, more comprehensive benefits often comes out on top. More than that, they will consistently beat out other offers of the same pay scale.





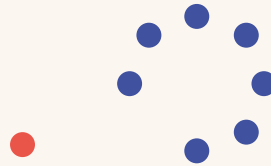
Fostering productivity

Employers who offer innovative, cost-transparent health benefits not only encourage productivity among workers but also save money in the long run. Employers should consider three important factors when measuring productivity:



Absenteeism

Not coming into work due to physical or mental illness.



Presenteeism

Coming into work but not fully functioning and avoiding duties due to distraction or worry.

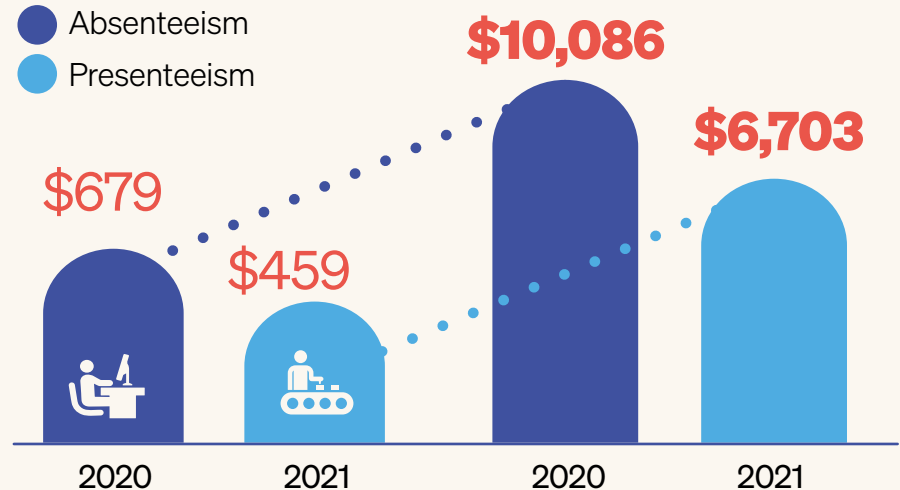


Preventive care

Actions taken to help prevent the occurrence of disease or illness and promote overall well-being.

Both absenteeism and presenteeism are financially harmful to employers. [A study](#)⁵ published in PLOS ONE examining the cost of ill health and distraction at work revealed the average annual productivity loss due to health-related absenteeism was \$679 for office employees and \$459 for manufacturing employees.

What's more, the annual presenteeism productivity losses amounted to \$10,086 and \$6,703, respectively.



A preventive approach to health care promotes employee health and workplace satisfaction, reducing costs far into the future. For example, [data collected](#)⁶ from a manufacturing firm revealed an inherent connection between health care costs and quality of work. Lower average annual employee health care costs due to unexpected illness were associated with higher-quality work, reduction in defective products, and greater overall productivity. Employees who focused on prevention had fewer health-related costs and were much healthier in the long term. For every \$1,000 less spent on personal health care costs, manufacturing employees increased revenue by \$2,000 annually. Whether it's a lower proportion of defective products made or time lost on absenteeism and presenteeism, company savings on employee health care under a preventive approach to well-being



transcends industries. Strong investment in preventive health care and well-being by employers generates consistently higher worker productivity and, thus, better business outcomes.

Reducing employee financial stressors is another key to fostering greater productivity, starting with medical costs. By the end of 2022, [in a study published by debt.com](#)⁷, Americans self-reported they struggled twice as much to pay for basic health care and took on more debt for doctors' visits and prescription drugs than in 2021. Around 57 percent of respondents to the survey reported inflation made it harder to pay off their medical debt and around 27 percent reported avoiding additional medical care because of that debt.

Employees cannot be productive if they are worried about meeting basic needs. Employers can reduce stress related to health care costs by choosing transparent, innovative, and progressive plans for their employees. Employers who implement a preventive approach to health care can reduce employee medical debt down the road, enabling them to save money and focus on their work.

Medical debt impacts productivity



As many as

23 million
United States
citizens

face [significant medical debt](#)⁸

adding up to around

\$195

billion nationally.



Around

6%

of these individuals owe over **\$1,000** and one percent owe more than **\$10,000.**

Health status and income affect the likelihood of medical debt. Adults with lower or middle income are six percent more likely to owe \$250 or more in medical debt compared with adults with higher economic status of the same health status.

In the United States, the [number of enrollees](#)⁹ in high deductible health plans (HDHPs) has almost tripled in recent years from 13 percent in 2011 to 38 percent in 2020. People enroll in HDHPs with the hope of saving on health care costs, but research shows these plans tend to lead to higher



spending and debt. Many enrollees in HDHPs postpone treatment or avoid care because of high out-of-pocket costs. Around 64 percent of enrollees in HDHPs report avoiding or delaying care because of expected costs, and of those respondents, around 23 percent opted out of follow-up care.

According to a systematic review of literature on HDHPs published in [Health Affairs](#)¹⁰, the use of HDHPs has a significant adverse effect on the use of preventive services and subsequently health outcomes.

Employers should consider these negative long-term health outcomes when selecting health plan offerings. Considering [82 percent](#)¹⁰ of large employers currently offer HDHPs or Health Saving Account options, it is evident employers are failing to fully consider the long-term effects of such health plans on their workforce. This will not only affect the productivity and health of their current workforce but will also come into play when attempting to attract top talent.

Retaining top talent with evolving benefits

Companies continually search for top-notch recruits. Every company's goal is to retain the talent they've worked so hard to attract. Showing employees that their work and well-being are valued by offering [better health insurance benefits](#)⁴ than competitors increases employee satisfaction and loyalty.

Benefits are quickly evolving to meet the needs of today's post-pandemic workforce. In 2022, companies pivoted to health insurance plans that responded to the priorities of their employees. Benefits trends included a focus on affordability, advancement, and use of telehealth, focusing on overall well-being, and improving health equity.

From job performance to the number of sick days taken to turnover rates, how employees feel determines the professional climate and culture of every organization. Employees who feel unsupported or unappreciated produce lower-quality work than their healthy and happy counterparts. Compared to engaged and thriving employees, those merely "doing their time" are [61 percent](#)¹¹ more likely to burn out.



More likely to burn out.



Well-being affects employee engagement

We know that engaged employees produce far better outcomes, but [Gallup](#) recently discovered that engaged workers who are not thriving in their lives are much more vulnerable and add risk to your organization.

↓
61%

More likely to experience burnout often or always

↓
66%

More likely to experience daily worry

Comparing employees who are engaged but not thriving with those who are engaged and thriving, those who aren't thriving report the following risks:

↓
48%

More likely to report daily stress

↓
2X

More likely to report daily sadness and anger

Employees who believe their company will be there for them if they get sick or injured are more loyal, happier in their position, and less likely to succumb to burnout. Only 50 percent of workers [in a Gallup employee well-being study](#)¹¹ strongly believed their organization cares about their well-being.

Throughout 2022, [business leaders invested](#)¹ more in programs and services emphasizing:



Stress management and resilience
80% of employers



Mindfulness
71% of employers



Mental health
90% of employers



The road to employee burnout is paved with broken promises. Employee burnout — which inevitably leads to serious financial consequences for any organization — is a largely avoidable problem. Employee engagement is foundational to career well-being, and employers who prioritize employee retention will quickly realize the necessity of providing progressive health benefits.

The best employers understand the high cost of employee turnover and take appropriate measures to mitigate the risk.

Companies spend **30 to 50 percent**¹² of a departing, burnt-out, entry-level employee's annual salary to replace that employee.



For **mid- to high-level** employees the cost to replace a burnt-out employee could reach **150 to 400 percent** of an annual salary. The advantages of cultivating a healthy workforce are self-evident.



What matters to employees

Understanding what employees look for in a health insurance plan is a great place to start for employers seeking the best plan for their organization. Generally, employees seek job opportunities with competitive insurance plans that provide high-quality benefits while keeping costs affordable. Job hunters find organizations that invest in progressive benefits more attractive, a fact employers adept at improving recruitment and retention rates know. According to brokers surveyed in a 2022 Wellable Labs [report](#)¹, the top two criteria that influenced employer's benefits decisions in 2022 were:



Competitive benefits plans

Benefits are both comprehensive and cost-effective



Rising cost of benefits

Increasing employer contributions on increased premiums



Despite affordability concerns, employer spending on health insurance benefits is here to stay. **Thirty-five percent of employers**¹ plan to invest more into an array of benefits in 2023, while 43 percent plan to spend the same, and 22 percent plan to invest less.

Although cost is a significant consideration for employees, a **survey**¹³ conducted by Locust Street Group found that workers value comprehensive employer-provided coverage over coverage that's more affordable. This finding signals that employers must actually meet the health care needs of their staff rather than operating on the assumption that employees always want the plan with the lowest premium.

A Locust Street Group survey revealed that 67 percent of American employees¹³ are satisfied with the health plan they receive through their employer. The obvious takeaway is that a **third of the workforce is unhappy with their coverage**. Satisfaction scores matter and employers are going to have to adapt to survive. Better benefits drive employee satisfaction.

The **top three factors** that impact coverage satisfaction scores are:



45%

Affordability



45%

Comprehensive coverage



44%

Choice of providers



Researching recent trends in the health insurance industry can chart a path for employers in choosing the right plan for their workers.



Affordability

What defines a health care plan as “affordable” in the eyes of employees? According to the [U.S. Centers for Medicare & Medicaid Services](#)¹⁴, a 2023 employer-sponsored health insurance plan is considered affordable if the employee’s monthly premium is less than 9.12 percent of total household income, based on the lowest cost plan offered by the employer.

Employers must also consider total out-of-pocket costs, including copays and deductibles. A [new survey](#) found that [out-of-pocket costs](#) were the most important item in determining health care satisfaction. 44% of patients [neglect medical care](#) if the out-of-pocket cost exceeds \$500 — delayed preventive and timely medical care can result in more prolonged and severe health concerns that impact overall health.

For employees, fully understanding affordability is as important as affordability itself. [According to one survey](#),¹³



Comprehensive coverage

Comprehensive coverage is an [all-inclusive health](#)¹⁵ plan that provides “broad coverage of a wide range of health care services such as physician visits, hospitalization, and emergency room visits.” While such plans typically have higher premiums, they reduce long-term costs by covering a wider variety of care options and preventive services.

While almost all employer-sponsored health plans meet minimum “essential coverage” criteria, some employers choose to offer lower-coverage plans that barely meet minimum regulations mandated by the Affordable Care Act. According to employees, comprehensive coverage should address [overall health](#)¹⁶ and focus on prevention rather than the all-too-common practice of reactively treating emerging illnesses.



Choice of Providers

Employers typically evaluate health care networks based on cost, quality, and convenience. Flexibility through choice of the quality of providers is essential.

In 2019, when assessing the provider networks they will offer to employees, **30 percent of employers**¹⁷ identified number and convenience of providers as most important, 33% of employers identified the cost of providers as most important, and 36% of employers identified the quality of providers as most important.



For employees, larger provider networks correlate with **better health outcomes**¹⁸. According to one study, enhanced connectedness to chosen providers and greater access to provider options significantly reduced inpatient hospitalization and emergency department visits during the year.



A health plan for today's workforce

An evolving and talented workforce demands a progressive health insurance plan. That's why we designed the Curative health plan with engagement, affordability, and simplicity as its foundation.

Curative's health plan improves the employee health insurance experience by offering benefits workers will love to use and never worry about. Our plan helps companies provide transparent pricing, so employees can receive the care they deserve, without losing sleep over looming, unmanageable bills. The plan is also financially incentivizing. By removing deductibles and extra health care costs, it's like giving employees a raise.

High-deductible plans might save money in the short term, but they disincentivize preventive care, resulting in higher medical bills and long-term financial stress. Curative invests in a preventive approach to care that helps maintain employee health, happiness, and productivity at home and at work.



Curative: Health care for employers and employees

Curative is a new kind of employer-sponsored health insurance that empowers members to focus on care, not costs. With better health benefits, businesses see better outcomes.

We're committed to helping employees become the healthiest version of themselves. After completing an annual Baseline Visit with a personal Care Navigator within the first 120 days of the plan's effective date, members unlock access to **\$0 copays, \$0 deductibles, and \$0 out-of-pocket costs** for in-network care and preferred prescriptions. Curative members have access to high-quality care with a robust local and national provider network, ensuring members can choose a provider that works for them.



Curative emphasizes transparent, preventive care. Deferring or avoiding care because of high copays, deductibles, and out-of-pocket costs results in adverse long-term health consequences that put employee and company well-being at risk. Navigating the health care industry is challenging, and employees shouldn't have to do it alone. Comprehensive, whole-person health benefits are advantageous to employees and employers alike. Curative health plan members employees receive access to a next-generation health plan that ensures:



Affordability

We remove unexpected costs so employees know where they stand. In-network, the premium is the only cost. **\$0 copays. \$0 deductibles.** Members simply need to complete a Baseline Visit within 120 days of plan effective date to qualify.



Engagement

We work with you from the very start with a Baseline Visit to orient you to the plan and help you reach your health goals.



Quality

A robust local and national provider network that includes doctors and hospitals that employees already know and use.



Exceptional member-centric experience

24/7, 365 member services and telehealth visits are available.

It takes time and care to cultivate a healthier workforce. Resilient, engaged employees demand a preventive approach to care starting with a health insurance plan that affords them peace of mind and greater control of their own well-being.

Visit us

curative.com/for-employers





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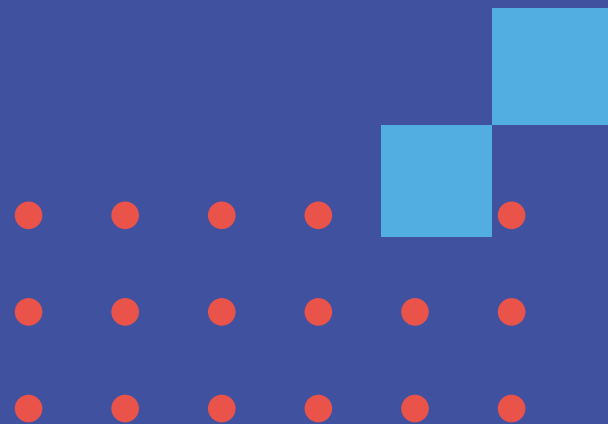
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