

# Maximizing your health benefit plans for a multi-generational workforce






With varying life goals and needs, and their different preferences and expectations, each generation carries its own health care needs and service expectations.

Today's workforce can have up to four different generations working together, with more than five decades separating the youngest from the oldest. And, although there is no one-size-fits-all approach to health benefits that meets the needs of such diverse generations of staff, it is important for today's health benefit decision makers to understand how each generation approaches health care. This benefit plays a crucial role in maintaining a healthy, productive workforce, while also acting as a powerful tool to attract top talent.

**Challenge:** How do you satisfy the benefit needs of four differing generations without breaking the bank?

**Solution:** Start with an understanding of what makes each generation "tick"—their concerns, drivers, and expectations when it comes to health care coverage and services. You are likely to discover differences, but also areas of overlap. This information can help you structure your health plan benefits in a manner that resonates with as much of your workforce as possible.

**Snapshot:** Generation needs, preferences, and expectations

The Employee	Life Stage	Career Stage	Characteristics	Concerns
 <p><b>Baby Boomer</b> William</p> <p>Born between 1946 and 1964</p>	<ul style="list-style-type: none"> <li>• Considering downsizing</li> <li>• May have grandkids</li> </ul>	<ul style="list-style-type: none"> <li>• May delay retirement due to financial pressures</li> </ul>	<ul style="list-style-type: none"> <li>• Idealistic</li> <li>• Competitive</li> <li>• Questions authority</li> </ul>	<ul style="list-style-type: none"> <li>• Finances</li> <li>• Retirement</li> <li>• Caring for parents</li> </ul>
 <p><b>Gen X</b> Amy</p> <p>Born between 1965 and 1980</p>	<ul style="list-style-type: none"> <li>• Buying homes</li> <li>• Having kids later in life</li> <li>• May have grandkids</li> </ul>	<ul style="list-style-type: none"> <li>• Mid-level to senior roles</li> <li>• Planning to delay retirement</li> <li>• Wants to try new things/careers</li> </ul>	<ul style="list-style-type: none"> <li>• Eclectic</li> <li>• Resourceful</li> <li>• Self-reliant</li> <li>• Distrustful of institutions</li> <li>• Highly adaptive</li> </ul>	<ul style="list-style-type: none"> <li>• Finances</li> <li>• Retirement</li> <li>• Supporting children/parents</li> </ul>
 <p><b>Gen Y/Millennial</b> Mateo</p> <p>Born between 1981 and 1996</p>	<ul style="list-style-type: none"> <li>• Buying homes</li> <li>• Having kids</li> <li>• Focused on paying off education</li> </ul>	<ul style="list-style-type: none"> <li>• The bulk of a company's workforce</li> <li>• Retirement philosophy will likely mirror Gen X</li> </ul>	<ul style="list-style-type: none"> <li>• Globally concerned</li> <li>• Realistic</li> <li>• Cyber-literate</li> <li>• Highly concerned with personal safety</li> </ul>	<ul style="list-style-type: none"> <li>• Economy</li> <li>• Finances</li> <li>• Sustainability</li> </ul>
 <p><b>Gen Z</b> Emma</p> <p>Born 1997 or later</p>	<ul style="list-style-type: none"> <li>• Recent graduate</li> <li>• Likely delaying post-secondary degree due to cost</li> <li>• Wants to own a home before marriage and kids</li> </ul>	<ul style="list-style-type: none"> <li>• Just entering career—some out of high school, some out of college</li> <li>• Doesn't believe in sticking with one company for entire career</li> </ul>	<ul style="list-style-type: none"> <li>• Cynical</li> <li>• Private</li> <li>• Entrepreneurial</li> <li>• Multi-taskers</li> <li>• Technology-reliant</li> <li>• Hyper-aware</li> </ul>	<ul style="list-style-type: none"> <li>• Finances</li> <li>• Society</li> <li>• Sustainability</li> </ul>

Source: *The generations defined*, [Pew Research Center](#) (April 11, 2018)

## What this all means for health benefit designs

With varying life goals and needs, and their different attitudes, preferences, and expectations, each generation carries its own health care needs and service expectations. These factors play an important role in benefit design—from helping you select the type of services and network coverage, to pricing and add-ons that will interest each group, and even how you engage and interact with each group from education on health benefits to claim submission.

Millennials, for example, who represent the largest portion of the American workforce, are risk-averse. They are more concerned with the [future](#)<sup>1</sup> (including retirement) than older generations were when they were of comparable age and less likely to access their benefits, but have higher expectations when it comes to service.

Catering to this group requires the right mix of low-cost options that are appropriate to a younger generation's needs, and engagement tools that mirror those shopping experiences from other retail industries they're accustomed to. Employers can't simply design their benefit plans based entirely on the needs of Millennials, however—the reality is that there are other generations to consider; otherwise employers risk alienating the rest of their workforce whose needs and expectations may not align with those of Millennials.

Even when it comes to generational benefit design, nothing is black and white. Individuals belong to one generation, but may possess characteristics of another. While generational benefit considerations are important, employers should not lose sight that health care requirements are highly individualized. Even when breaking down benefits by generation—the needs are not necessarily one-size-fits-all.

## Two sides of the coin: pricing and other financial considerations

Each of the generations that make up an employer's workforce carries varying degrees of cost-consciousness

when it comes to their health care decisions. This will ultimately play a role in your decision whether to offer more traditional plans, high-deductible plans, or even consumer-directed health plans.



### Cost-conscious Millennials and Gen Z prefer lower premiums

- This group is more price-driven than older consumers when selecting a health plan. They are more cost conscious, having watched their parents bear hardship following the 2008 financial crisis, and carry higher cost burdens themselves (e.g., college, high rents).
- According to one [survey](#)<sup>2</sup>, 70% of Millennials consider cost to be a top consideration when selecting health insurance (more so than Gen X and Baby Boomers). They are so cost-conscious that 50% of this generation has even gone as far as skipping, delaying, or stopping health care treatment due to cost, according to Xerox's Health Attitudes 2016 [survey](#).<sup>3</sup>
- High-deductible plans are [emerging](#)<sup>4</sup> as the leading product among Millennials. They tend to prefer the affordability and consistency of their monthly premiums and bearing greater risk in the event that something should happen when they need to access services.

**Caveat:** Depending on a Millennial's life stage (e.g., if kids are in the picture), they [may opt](#)<sup>5</sup> for higher premiums to have a better idea of what their actual costs would be. This would also help to diminish concerns about cash flow should something happen and they need to access care.



### Cost concern diminishes among older generations—access and coverage become more of a concern

For older employees who are likely to access care more often than their younger counterparts, high-deductible plans could [end up](#)<sup>6</sup> costing them more in the long run.

1 "Millennials May Be Far From Retirement, But Think Ahead With 401(K)." *USA TODAY*. (2017, June 26).

2 "Transamerica Center for Health Studies® Survey: Millennial Survey: Young Adults' Healthcare Reality." *Transamerica Center for Health Studies*. (2016, June).

3 "New Insights on Value-Based Care: Healthcare Attitudes 2016." *Xerox*. (2016).

4 "Young Workers Like Those High-Deductible Health Plans." *CNBC*. (2016, February 13).

5 "Millennials Do Want—And Need—Health Insurance." *HealthInsurance.org*. (2016, July 8).

6 "Is High-Deductible Health Insurance Worth the Risk?" *The New York Times*. (2016, October 31).



## Consumer-directed health (CDH) plans cater to all generations, but face adoption hurdles among younger generations

- Options such as Flexible Spending Accounts (FSAs), Health Reimbursement Accounts (HRAs), and Health Spending Accounts (HSAs) can offer advantages for both the younger generations and older generations. For Millennials, these accounts offer an [opportunity](#)<sup>7</sup> to build savings early on; they also help all generations bridge the gap between their out-of-pocket costs with high-deductible plans.
- Surprisingly, younger generations aren't turning to these CDH solutions as often as they should. Perhaps it's due to cost pressures from other financial obligations or the thought that they're "indestructible." According to one [survey](#),<sup>8</sup> the average 25-year-old worker contributed only 22% of their maximum-allowed HSA contribution.
- Older generations, on the other hand, are more likely to use these options as a last-mile effort to build up extra retirement savings. These [tax-advantaged tools](#)<sup>9</sup> are ideal for older employees who will be accessing funds for medical costs and may be at a higher pay scale than their younger counterparts.

An effective benefit design should include the option of both types of plans—higher cost sharing/lower premium and higher premium/lower cost sharing to effectively address the needs of a multi-generational workforce.

## The right coverage, not extra coverage

One way for employers to offer appropriate coverage based on generational preferences and needs is to look at the type of coverage these groups are actually accessing—or the coverage that they aren't. For example, older generations will typically frequent doctors' offices more often than their younger counterparts.



## Younger generations' coverage priority: Easy access to care

- Millennials will often [turn to](#)<sup>10</sup> urgent care as their first point of care—largely due to convenience. This group may seek plans where urgent care coverage is favorable, as well as lower-cost, easy-access options like telemedicine.
- This group, unfortunately, is also [more apt](#)<sup>11</sup> to forego needed care, perhaps due to inconvenience or cost. Offering plans that make accessing these services more feasible and more attractive can help turn this trend around, leading to better long-term health care results for employees and, ultimately your company's bottom line.

## Voluntary benefits and add-ons

Every generation has a different idea of what constitutes health care—and even how they define the meaning of "being healthy." These different understandings have a fundamental impact on the voluntary benefits and add-ons that each generation is looking for when selecting a health plan. Ultimately, before implementing a typical benefit design, an employer should consult its workforce to determine what the actual needs of its employees are and what they consider essential benefits that support their idea of health.



## Younger generations' primary health and wellness concerns: financial stability, eating right, and exercising

- When it comes to voluntary benefits and member add-ons, financial stability and protection come into play among Millennials. According to one [survey](#),<sup>12</sup> health care was cited by 18% as the most important benefit an employer can offer, ahead of vacation leave and family leave (both at 13%).

<sup>7</sup> "The Simplest Way to Explain Health Benefits to Millennials." *Allay*. (n.d.)

<sup>8</sup> CNBC, 2016.

<sup>9</sup> CNBC, 2016.

<sup>10</sup> "Millennials and Money: Healthcare Trends." *Donald W. Reynolds National Center for Business Journalism*. (2017, April 4).

<sup>11</sup> "Millennials Forgoing Doctor Checkups Amid Rising Healthcare Costs." *Global Young Voices*. (2017, March 29).

<sup>12</sup> "What Employee Benefits Do Millennials Really Want?" *Hodges Mace*. (2016, March 8).

- Notably, benefits like wellness programs, life insurance, and vision insurance are benefits that Millennials found to be less important.

**Caveat:** Millennials who don't look at health care in the traditional sense, but rather see health care as a broader state of wellbeing, have started to [seek](#)<sup>13</sup> “outside-of-the-box” benefits from their employers, such as pet insurance, mortgage repayment bundles, and even student loan refinance and consolidation options. While these types of add-ons are more of a “nice to have” than a requirement for many employer plans—given that they can make benefit designs much more expensive—as employers move to offer these as a competitive advantage, more organizations will need to take them into consideration to stay competitive.



### Older generations' primary health concerns: Not falling sick and weight control

- Mature workers are also more apt to be in the “sandwich generation,” taking care of both children and aging parents at the same time, so benefits related to stress reduction and support for these situations are also important.

## Provider access and preferences

Determining the optimal provider network is another piece of the benefit design puzzle, often since each generation has their own [preferences](#).<sup>14</sup>

An insurer should work with you to explore the characteristics of a provider network (beyond just tiered, high value, or broad) that make sense for your employee populations and the varied generations that comprise it. Does the network include enough retail clinics and telemedicine options that make accessing provider services more convenient? Which urgent care providers—often the first option sought by Millennials for care—are included in the network? Does the network address convenience without forgoing quality?



### Seeking quality care that can support their own, their dependents' and, increasingly, their parents' needs

- Highly value quality care
- Visit the doctor's office several times a year
- Take health care seriously as their health needs increase due to age



### Less loyal to their provider, more apt to shop around for “best” provider

- Shop for health care providers in a manner similar to shopping for a product or service (Insurers should have the necessary tools in place that are accessible on any device and support a “shopping” experience. These tools should be actively promoted to employees.)
- Place importance on a brand's reputation and a provider's public perception
- Often have short-term expectations and will switch providers frequently based on their physician experiences



### Transparency is key—looking for convenience but still seeking provider relationship

- Value transparency: will reference multiple sources, including online research and their online and offline social networks
- Will often access health care through primary care and urgent care
- Highly value a personal relationship with their provider
- Generally loyal to their provider, unless they have had a negative experience

<sup>13</sup> “Pet Insurance Is Now the Hottest Employee Benefit.” *Fortune*. (2016, June 23).

<sup>14</sup> “The Generational Differences in Healthcare Technology.” *Physician's Weekly*. (2016, July 12).

## Customer experience and engagement

There are a lot of assumptions tied to experience and engagement preferences among generations—and often these assumptions are wrong. Older generations [aren't](#)<sup>15</sup> as technology-averse as they are sometimes pegged to be. Millennials aren't seeking digital-only services, but instead place a lot of importance on health service relationships and personalization.



### Engage them with technology, personalization, and face-to-face options

- Millennials often [prefer](#)<sup>16</sup> a personal connection and dealing with a human when it comes to their health care decisions and services.
- Millennials are also [accustomed](#)<sup>17</sup> to personalization—a blanket engagement program may not suffice. They expect targeted information and content that is specific to their personal situation.



### Engage them much in the same manner as the younger generations

- Alongside the younger generations, these groups want their health insurers and providers to provide mobile access in addition to face-to-face access—whether it be for health plan information, services, or management.

Millennials are joining the workforce at a time when health care consumerism is at an [all-time high](#)<sup>18</sup>. These new models, with high-deductible plans, network-based plans, and health spending accounts are the only models they know. It's important that you and your insurance carrier ensure that employees understand all their options, and that the benefits selected are optimal for an employee's situation and needs and that will drive good health care decisions for long-term results.

The same could be said for Gen X and Baby Boomers—who will likely be more actively accessing their benefits. These generations still require education and engagement efforts that are both digital and personal, and ensure that the proper plan is selected for them based on their shifting health care needs as they age.

## The Role of the Insurance Carrier

Your broker partner and insurance carrier can help you in many ways, including:

- Thinking through generational considerations specific to your workforce, and how they apply to your benefit design
- Guiding you to choose the right benefit design, and helping find tools that enable your employees to manage health care costs better, like FSAs, HRAs, and HSAs
- Recommending wellness and clinical programs that factor in the needs of specific generations within your workforce, not only supporting healthy outcomes, but also encouraging engagement, as the offerings are in sync with personal generational preferences

Your insurance partner will recommend and help develop effective strategies to engage your workforce through education and communication, ensuring there is an open understanding of benefit options and a two-way communication foundation that helps you understand the varying dynamics of your workforce.

At AllWays Health Partners, we value customers of all generations, recognizing that each has individual needs and preferences. As a listening organization, we solicit honest input from customers before we develop new plans and programs. That's our approach with new customers, too. We'll listen to your company's specific needs and work with you and your broker to build a plan that will both engage employees of all ages and benefit your organization overall.

15 "Why Baby Boomers are just as obsessed with technology as Millennials." *Network World*. (2016, March 7).

16 *Physician's Weekly*, 2016.

17 "The millennial expectation of health benefits." *Benefits Pro*. (2016, May 17).

18 "How To Engage Millennials In Health Insurance." *InsuranceNewsNet.com*. (2016, May 31).

**Older Generations**  
**William & Amy**  
**Age 37 to 71**



**Younger Generations**  
**Mateo & Emma**  
**<21 to 36**



**Pricing & Other Financial Considerations**

- Looking for lower-deductible plans because they will access them more frequently as they get older, but open to CDH plans that offer retirement savings benefits
- Very price-driven, typically more open to high-deductible plans that allow for more predictable monthly premiums
- Greater opportunity to educate these generations on the additional benefits CDH services offer, like premium cost savings

**Health Plan Needs & Coverage**

- Looking for plans that cover frequent visits to primary care providers
- Accessing care at their convenience is a priority
- Look more favorably on plans in which urgent care coverage is available
- Incentives for seeking quality, yet cost-effective care might be an appropriate strategy with this group to manage costs

**Provider Access & Preferences**

- Baby boomers – Seeking high-quality care that can support their own needs as well as those of their dependents and parents
- Gen X – Less loyal, will shop around for providers more regularly
- Transparency is key for this group
- Want access to information on quality care
- Place great emphasis on the provider relationship—yet easy access remains crucial as well

**Customer Experience & Engagement**

- Open to technology-enabled solutions and services in combination with face-to-face service options
- Seek relationship-driven and personalized service

## About AllWays Health Partners

AllWays Health Partners, built on 30 years of experience and a member of Partners HealthCare, is a health plan that listens to customer needs and answers your questions instead of adding to them. Our name reflects our commitment to finding more ways to make the health care experience both easier and smarter by putting the customer first.

We are a full-service health plan, built on 30 years of experience, that has the basics covered, like a growing provider network that's on par with other carriers and the products and funding arrangements you need.

### Here are some ways we're already making health care better:

- First-of-its-kind in the nation program featuring proactive Performance Guarantees—our commitment to provide best-in-class customer service, from superior first-call resolution to claims processing accuracy\*
- Built on the understanding that there's more than one way to solve a problem, our Care Complement program removes cost barriers to many care options
- Exclusive access to Partners HealthCare On Demand for convenient, high-quality, urgent care from a tablet, smart phone, or computer—available for all commercial members
- The only Customer Loyalty Program for employers from a health plan
- A live, online chat feature for members

Moving forward, AllWays Health Partners will continue to focus on fresh ideas that put you, our existing customers, and those who join us, front and center.

\*Available to employers with 100 eligible full-time employees and at least 80 subscribers.

### Learn more about AllWays Health Partners

Visit [allwayshealthpartners.org](https://allwayshealthpartners.org) or reach out to your broker. AllWays Health Partners is a different kind of health plan, one that may be the smarter plan for you and your employees.