

Benefits Insights

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Combating Rising Benefits Costs During Periods of High Inflation

The U.S. inflation rate has increased by 8.3% over the last year, according to the Bureau of Labor Statistics (BLS). This has led to significant price increases across various consumer goods as well as employee benefits such as health insurance. In fact, one-third of U.S. employees have already seen an increase in their health costs in the last year, a survey conducted by the Employee Benefit Research Institute reported.

This increase in costs presents challenges for employers facing one of the most difficult hiring markets in recent memory. Luckily, there are some strategies employers can utilize to mitigate increasing benefits costs without shifting the burden to employees, thus remaining attractive to current and prospective employees.

Eliminate Underutilized Benefits

One simple strategy is to eliminate underutilized benefits. Resources from unused benefits can then go towards more expensive benefits. An easy way to evaluate which benefits best suit a company's needs is to regularly send out benefits surveys to the company's employees. These surveys can help employers know which available benefits may not be providing value to the company.

Wellness Programs

While there are skeptics and believers when it comes to actual cost savings provided by wellness programs, they often play an important role in other positive workplace developments. For instance, promoting and achieving a healthy workforce often improves morale and

productivity. These programs are also valuable because they can lead to improved employee attraction and retention as well as increased loyalty to the employer.

There are a variety of wellness benefits employers can offer to suit the needs of their company. Potential options include providing in-office perks for nutrition, fitness and stress management, or gym memberships.

Telemedicine

Taking time off to go to the doctor can often be a time-consuming and expensive undertaking. Telemedicine may help lessen these issues by eliminating associated costs, such as transportation, and providing faster and more affordable care to those seeking medical services. By meeting with health care providers over the internet, employees can get the care they need more quickly and are likely to be more productive as a result. Additionally, telemedicine allows employees to take less paid time off of work and makes it much easier for them to avoid obstacles that could get in the way of seeking health care, such as child care.

Conclusion

As employers adjust to increasing inflation rates and the rising costs that follow, there are several strategies they can use to help offset the severity of these increases. From providing wellness programs to facilitating the use of telemedicine, employers will need to think carefully about which strategy would work best for their unique situation.

Contact us today for more inflation-related content.