

The webcast will start at 1:00 p.m. Eastern

- Visit capincrouse.com/boost-retention to access these materials from today's webcast:
 - Handout
 - Recording
- To receive CPE credit, you must respond to the polling questions, which are not available on mobile devices. To receive CPE credit, you must log in on a computer.
- CPE certificates will be emailed to you within the next few weeks.



How to Boost Employee Retention and Well-being

8.9.23



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3

Today's Speakers

- Austin Lehman, CEO and Co-Founder, Remodel Health
- John Staub, Director of Outreach, Remodel Health
- Dan Campbell, Partner and Director of Higher Education Services, CapinCrouse
- Chris DuKate, Partner, CapinCrouse

 Remodel health

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4

Polling Question

Do you want CPE credit?

- Yes
- No

5

Overview

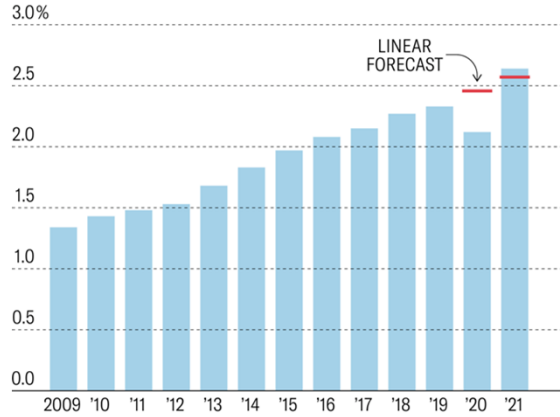
- Current landscape
- Measuring employee costs
- Health plan strategies
- Equipping employees

6

The Great Resignation

What were workers actually telling us in 2020 & 2021?

Share of workers voluntarily leaving jobs



Source: Bureau of Labor Statistics, author's calculations

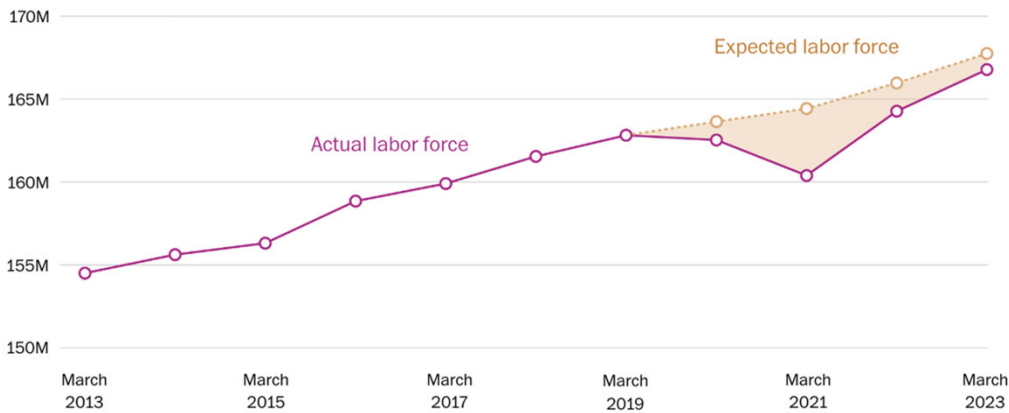
HBR

Harvard Business Review

Source: <https://hbr.org/2022/03/the-great-resignation-didnt-start-with-the-pandemic>

We're Back To Work?

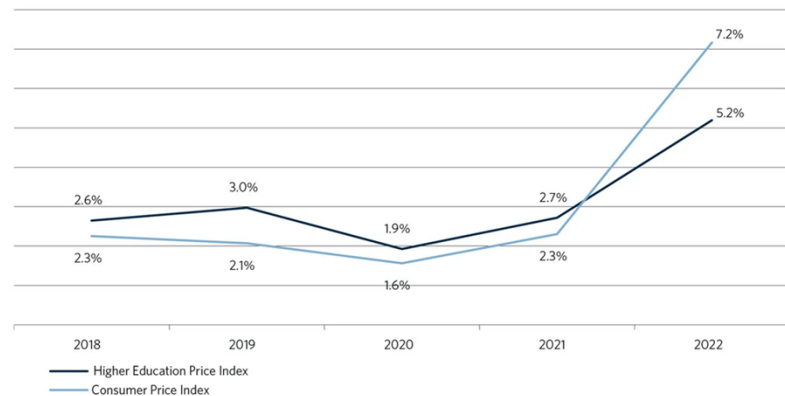
Labor force and expected level if the participation rate were the same as March 2019



Source: <https://www.washingtonpost.com/business/2023/05/05/missing-workers-pandemic-jobs>

Inflation

FIGURE 1: THE HIGHER EDUCATION PRICE INDEX
Fiscal Years 2018-2022



Past performance is not indicative of future performance.
Source: 2022 Commonfund Higher Education Price Index Report

Source: <https://www.commonfund.org/research-center/press-releases/2022-higher-education-price-index-hepi-report-released>

The Higher Education Price Index (HEPI)

is an economic metric that tracks inflationary trends and cost changes in the higher education sector, aiding policymakers and institutions in monitoring the financial dynamics of education.

commonfund

9

Inflation

- The HEPI shows inflation at 5.2% for 2022
- Utilities rose 43.1% (five-year average of 9.0%)
- Supplies and materials rose 21.5% (five-year average of 6.0%)
- Faculty salaries increased by only 2.1% . . . while modest by historical standards, this is more than twice the 1.0% rise in FY2021

10

Inflation

According to the Commonfund Institute's latest update:

- The HEPI forecasts a 4.5% percent inflation rate for U.S. colleges and universities in fiscal year 2023
- The forecast is based on year-to-date data through June 22, 2023, with a slight decrease from last year's 5.2% inflation rate
- The HEPI estimate is calculated with available year-to-date data points coupled with a forecast of remaining numbers based on historical data

11

Inflation

Expense	Forecasted Increase
Faculty salaries	4.1%
Clerical salaries	5.0%
Service employee salaries	6.4%
Fringe benefits	5.3%
Supplies and materials	7.3%

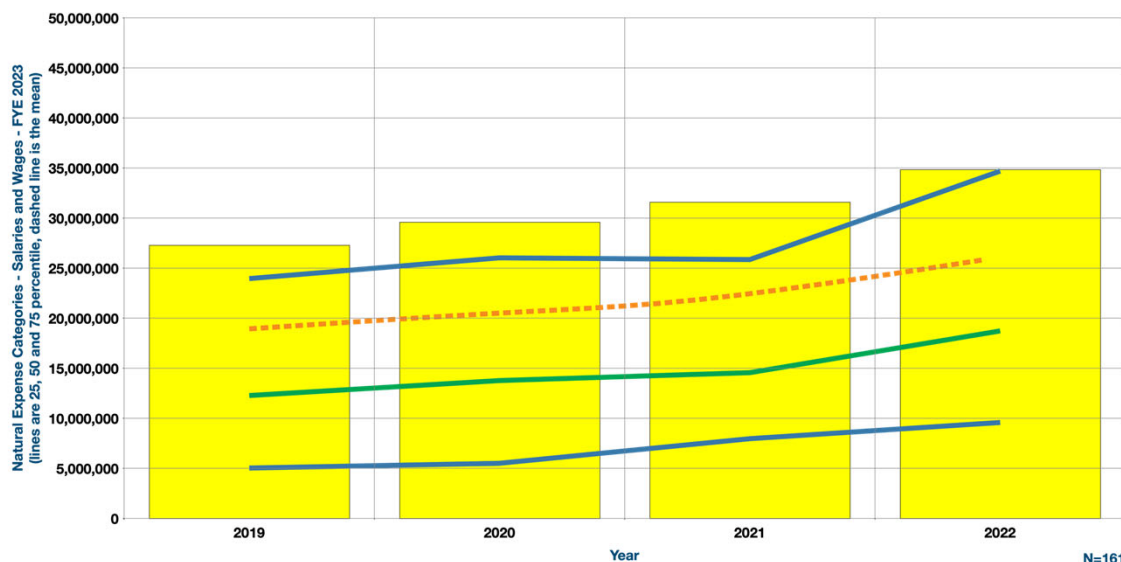
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Polling Question

The expense area with the highest forecasted increase in FY23 is:

- Faculty salaries
- Supplies and materials
- Service employee salaries

Salaries

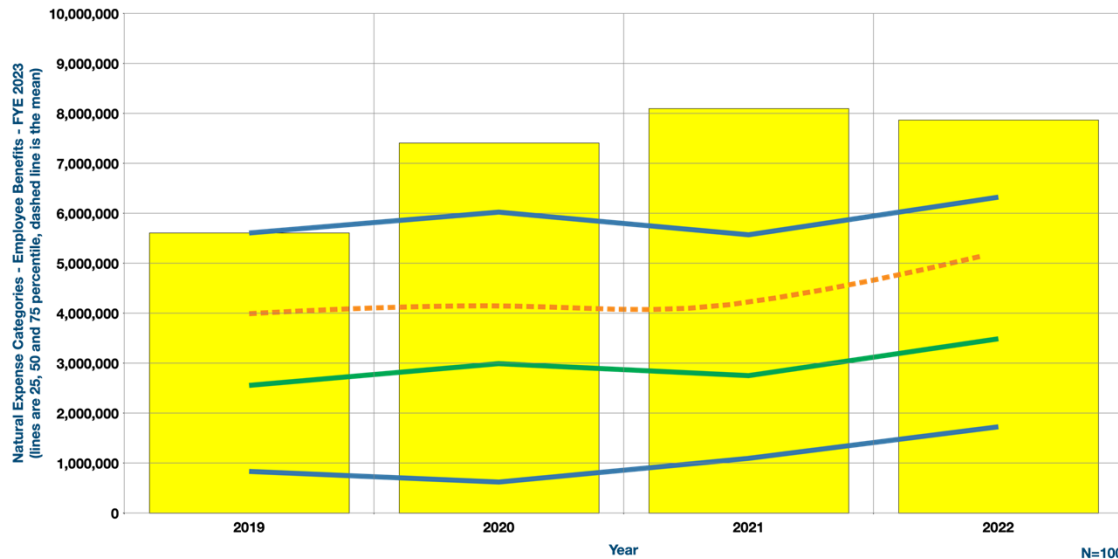


Source: CapinCrouse Data Warehouse

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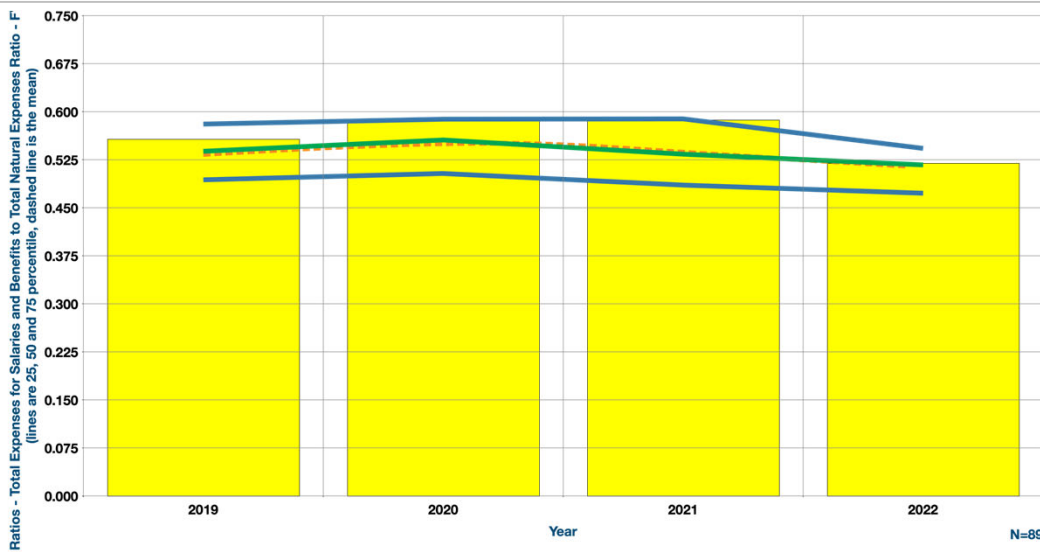
Employee Benefits



Source: CapinCrouse Data Warehouse

15

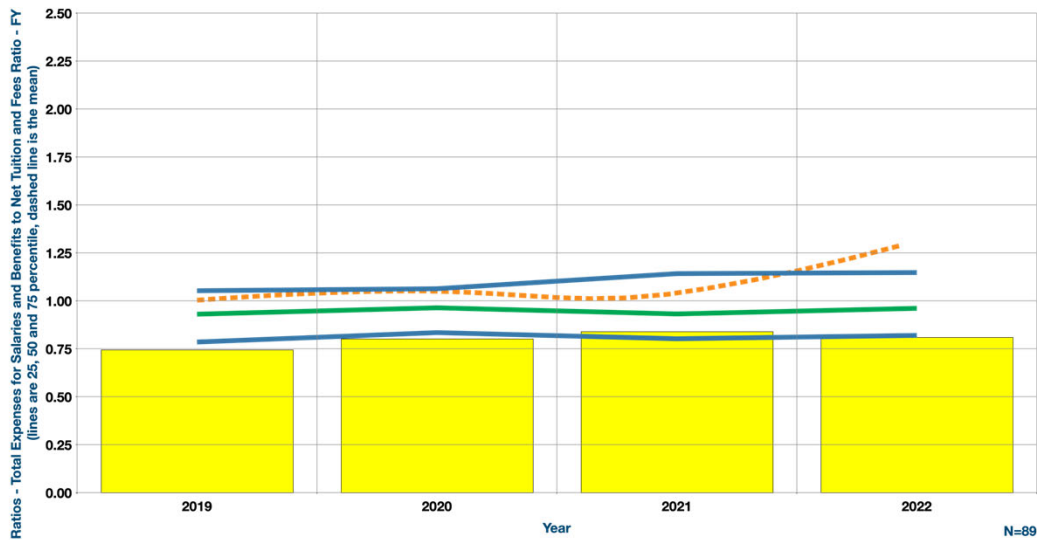
Salaries and Employee Benefits



Source: CapinCrouse Data Warehouse

16

Salaries and Employee Benefits



Source: CapinCrouse Data Warehouse

17

AAUP's 2022-23 Faculty Compensation Survey

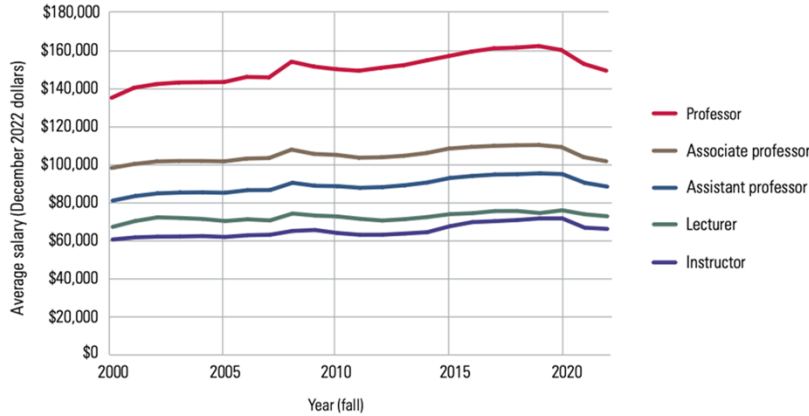
- Concluded in March 2023
- 900 U.S. colleges and universities
- Approximately 370,000 full-time faculty members
- Approximately 90,000 part-time faculty members
- 500+ institutions also provided data on senior administrators
- 300 doctoral universities
- 250 regional universities
- 200 liberal arts colleges
- 100 community colleges
- 180 minority-serving institutions



Source: <https://www.aaup.org/file/ARES%202022-23.pdf>

18

Average full-time faculty salaries decreased for the third consecutive year, after adjusting for inflation.
 Average full-time faculty salaries, by academic rank, fall 2000 through fall 2022 (December 2022 dollars)



Change in Total Compensation Split for Higher Education



Note: Figure represents average full-time faculty salary previously published in the *Annual Report on the Economic Status of the Profession*, adjusted for inflation (December 2022 dollars) using the Consumer Price Index Retroactive Series (R-CPI-U-RS), which includes revised measures to reflect current methodologies. Salary may vary from previously published values.
 Source: AAUP Faculty Compensation Survey, US Bureau of Labor Statistics Consumer Price Index Retroactive Series (R-CPI-U-RS).

Source: [https://www.aaup.org/file/ARES%2022-23.pdf](https://www.aaup.org/file/ARES%202022-23.pdf)

Percentage change in median contribution to medical and retirement benefits per full-time faculty member since fall 2019, nominal and real, by institutional control and affiliation, fall 2020 to fall 2022

Benefit category	All combined					Public				
	1-year change (nominal)			3-year change		1-year change (nominal)			3-year change	
	2020	2021	2022	Nominal	Real	2020	2021	2022	Nominal	Real
Medical	+4.4%	-0.4%	+3.0%	+7.2%	-7.5%	+6.8%	+1.6%	+4.2%	+13.2%	-2.3%
Retirement	-2.2%	+4.5%	+6.3%	+8.6%	-6.2%	-1.0%	+3.5%	+6.7%	+9.4%	-5.6%

Benefit category	Private-independent					Religiously affiliated				
	1-year change (nominal)			3-year change		1-year change (nominal)			3-year change	
	2020	2021	2022	Nominal	Real	2020	2021	2022	Nominal	Real
Medical	+3.0%	+2.5%	+3.3%	+9.1%	-5.8%	+0.9%	-0.8%	+4.5%	+4.6%	-9.7%
Retirement	-20.3%	+17.6%	+5.0%	-1.6%	-15.0%	-26.2%	+17.4%	0.0%	-13.4%	-25.2%

Note: The table represents all 679 institutions that submitted full-time faculty benefits data for both benefit categories for all years (fall 2019 through fall 2022). Real three-year change is adjusted for 15.8 percent inflation that occurred from December 2019 to December 2022.
 Source: Matched institutional records from the AAUP Faculty Compensation Survey and US Bureau of Labor Statistics Consumer Price Index Retroactive Series (R-CPI-U-RS).

Source: [https://www.aaup.org/file/ARES%2022-23.pdf](https://www.aaup.org/file/ARES%202022-23.pdf)

Change in Total Compensation Split for Higher Education



Percentage change in median salaries for senior administrators and average salaries of full-time faculty members since fall 2019, nominal and real, by institutional control and affiliation, fall 2020 to fall 2022

Position	All combined					Public				
	1-year change (nominal)			3-year change		1-year change (nominal)			3-year change	
	2020	2021	2022	Nominal	Real	2020	2021	2022	Nominal	Real
President	-4.8%	+10.3%	+4.4%	+9.6%	-5.4%	0.0%	+6.7%	+5.5%	+12.5%	-2.8%
Chief academic officer	-0.5%	+1.5%	+4.1%	+5.2%	-9.2%	+2.9%	-0.3%	+7.2%	+10.0%	-5.0%
Chief financial officer	+0.5%	+3.8%	+8.0%	+12.7%	-2.7%	-2.8%	+1.4%	+11.4%	+9.8%	-5.2%
Full-time faculty (all ranks combined)	+0.8%	+2.3%	+3.9%	+7.1%	-7.6%	+0.9%	+2.3%	+4.0%	+7.4%	-7.2%

Position	Private-independent					Religiously affiliated				
	1-year change (nominal)			3-year change		1-year change (nominal)			3-year change	
	2020	2021	2022	Nominal	Real	2020	2021	2022	Nominal	Real
President	-4.1%	+14.6%	+0.3%	+10.3%	-4.8%	-0.0%	+3.7%	+4.5%	+8.4%	-6.4%
Chief academic officer	-1.2%	-2.7%	+7.7%	+3.6%	-10.6%	-1.4%	+5.2%	+0.3%	+4.1%	-10.1%
Chief financial officer	-3.9%	+5.4%	+2.9%	+4.2%	-10.0%	-1.6%	+3.4%	+1.7%	+3.5%	-10.6%
Full-time faculty (all ranks combined)	+0.5%	+2.1%	+4.2%	+6.8%	-7.8%	-0.4%	+1.7%	+2.5%	+3.8%	-10.4%

Note: The table represents all 344 institutions that submitted salary data for all three senior administrator positions for all years (fall 2019 through fall 2022). The table excludes associate's institutions without faculty ranking systems. Real three-year change is adjusted for 15.8 percent inflation that occurred from December 2019 to December 2022.
Source: Matched institutional records from the AAUP Faculty Compensation Survey and US Bureau of Labor Statistics Consumer Price Index Retroactive Series (R-CPI-U-RS).

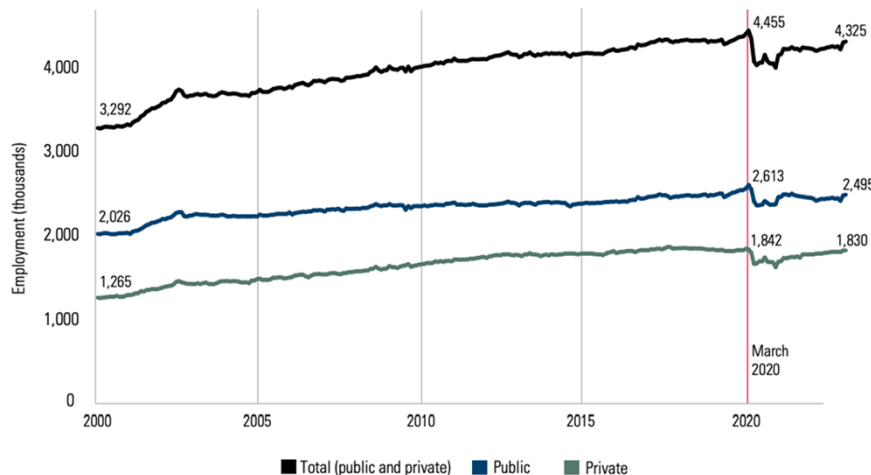
Source: <https://www.aaup.org/file/ARES%202022-23.pdf>

21

Change in Total Compensation Split for Higher Education



College and university employment has not returned to prepandemic levels.
 Employment in colleges and universities (thousands), seasonally adjusted, by institutional control, January 2000 through February 2023



Note: The vertical red line represents March 2020, when the World Health Organization declared COVID-19 a global pandemic.
Source: US Bureau of Labor Statistics, Employment, Hours, and Earnings from the Current Employment Statistics survey (National), Series IDs CES6561130001 (privately owned colleges and universities) and CES9092161101 (publicly owned postsecondary schools), retrieved from <https://beta.bls.gov/labs/> on April 17, 2023.

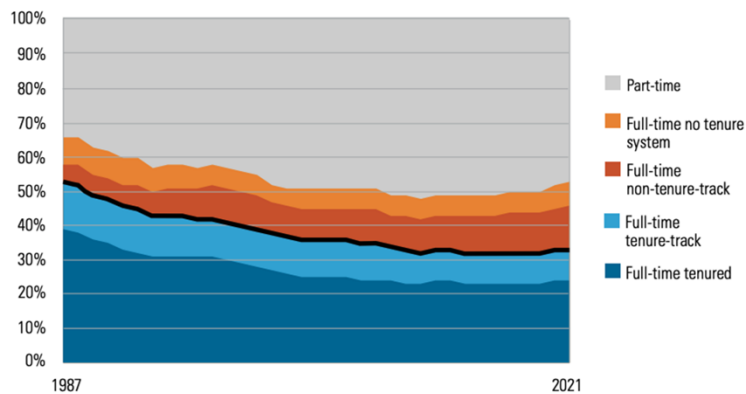
Source: <https://www.aaup.org/file/ARES%202022-23.pdf>

22

Change in Total Compensation Split for Higher Education



The US academic workforce has shifted from mostly full-time tenured or tenure-track faculty members to mostly faculty members on contingent appointments.
Percentage of total number of faculty members, by appointment type, fall 1987 through fall 2021



Change in Total Compensation Split for Higher Education



Note: Figures represent nonmedical instructional staff (instruction/research/public service or primarily instruction), with or without formal faculty status, in degree-granting nonprofit institutions participating in Title IV federal financial aid programs in the United States (fifty states and the District of Columbia).

Source: Figures from 1987 through 2001 were derived from estimates from the National Study of Postsecondary Faculty series, which were nationally representative samples with margins of sampling error; figures from 2002 through 2021 represent data from the IPEDS Human Resources survey component (Employees by Assigned Position), which is a census survey required for all institutions participating in Title IV programs, including the 2021–22 provisional release. Data retrieved and compiled by the AAUP Research Department on December 23, 2022.

Source: <https://www.aaup.org/file/ARES%202022-23.pdf>

23

Polling Question

College and university employment has not returned to pre-pandemic levels.

- True
- False

24

NEW AND NOTABLE IN 2023

Substantial changes to retirement plans are on the horizon as provisions of the **SECURE Act 2.0** take effect over the next few years. Among those most likely to raise employers' expenses are required automatic retirement plan enrollment and expansion of eligibility to more part-time workers (both on Jan. 1, 2025). Employers are likely investigating the potential implications of these requirements now, and there may be larger shifts next year as companies begin to implement some of these changes in preparation for them becoming law.



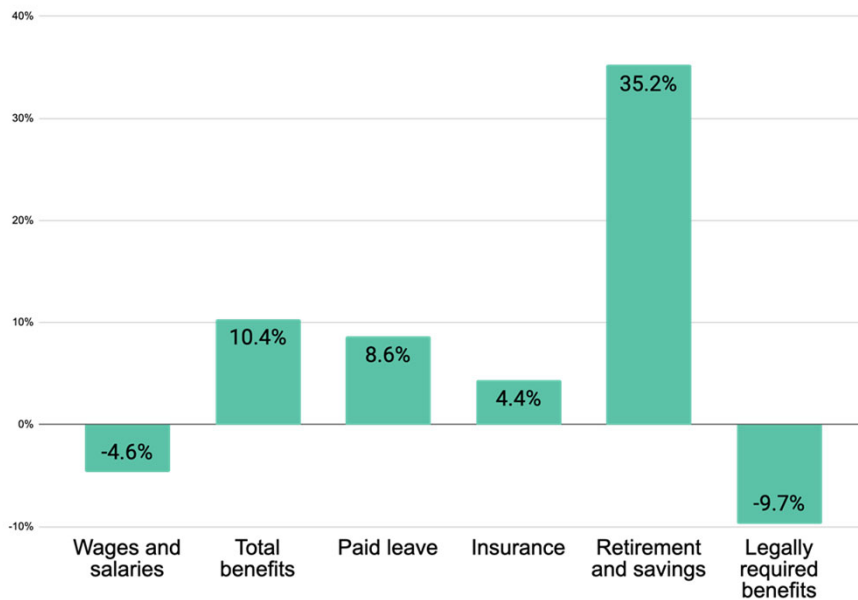
Tied for second in importance are benefits focused on retirement. Overall, the retirement landscape has changed little since 2022.

More than 9 in 10 employers (94%) continue to offer a **defined contribution plan**: 401(k), 403(b) or 457(b).

Of these employers, 84% provide a **matching contribution** with an average maximum percentage salary match of 7.02%.

Source: <https://shrm-res.cloudinary.com/image/upload/v1685728116/Employee%20Benefits/CPR-222434-Employee-Benefits-Executive-Summary-FINAL-for-PUBLICATION.pdf>

25

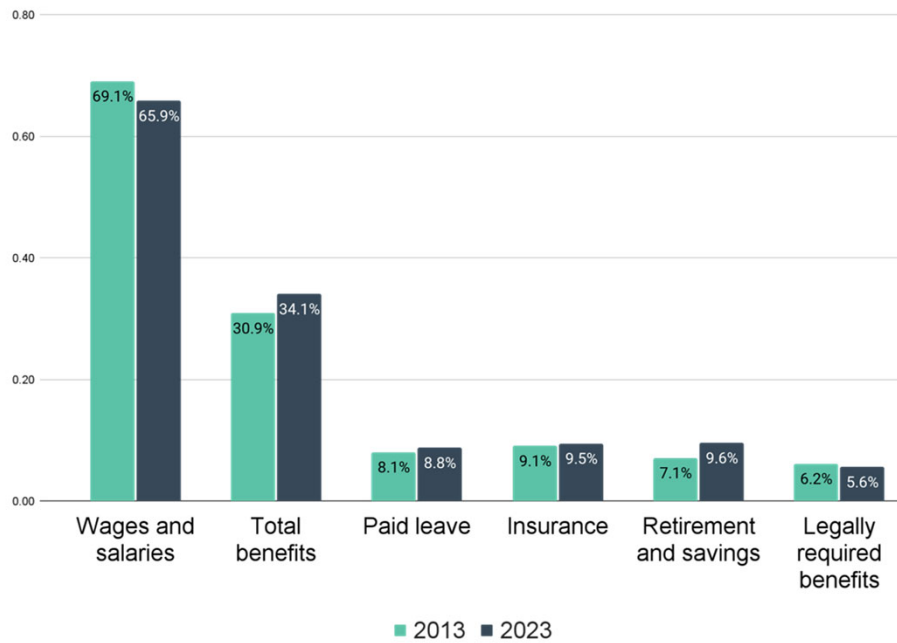


Change in Total Compensation Split for Higher Education



Sources: bls.gov/news.release/archives/ecec_06122013.pdf; bls.gov/news.release/pdf/ecec.pdf

26

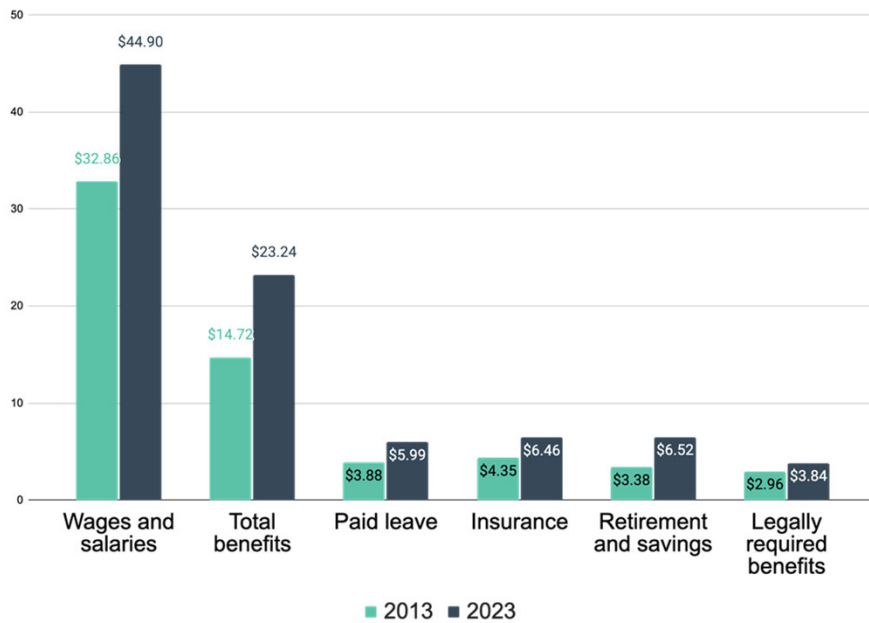


Change in Total Compensation Split for Higher Education



Sources: bls.gov/news.release/archives/ecec_06122013.pdf; bls.gov/news.release/pdf/ecec.pdf

27



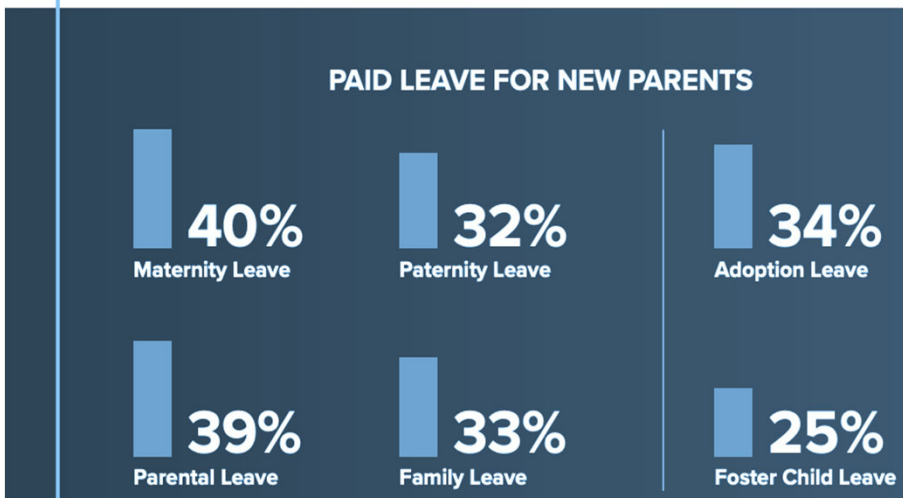
Cost per Hour of Total Compensation for Higher Education



Sources: bls.gov/news.release/archives/ecec_06122013.pdf; bls.gov/news.release/pdf/ecec.pdf

28

NEW AND NOTABLE IN 2023



Source: <https://shrm-res.cloudinary.com/image/upload/v1685728116/Employee%20Benefits/CPR-222434-Employee-Benefits-Executive-Summary-FINAL-for-PUBLICATION.pdf>

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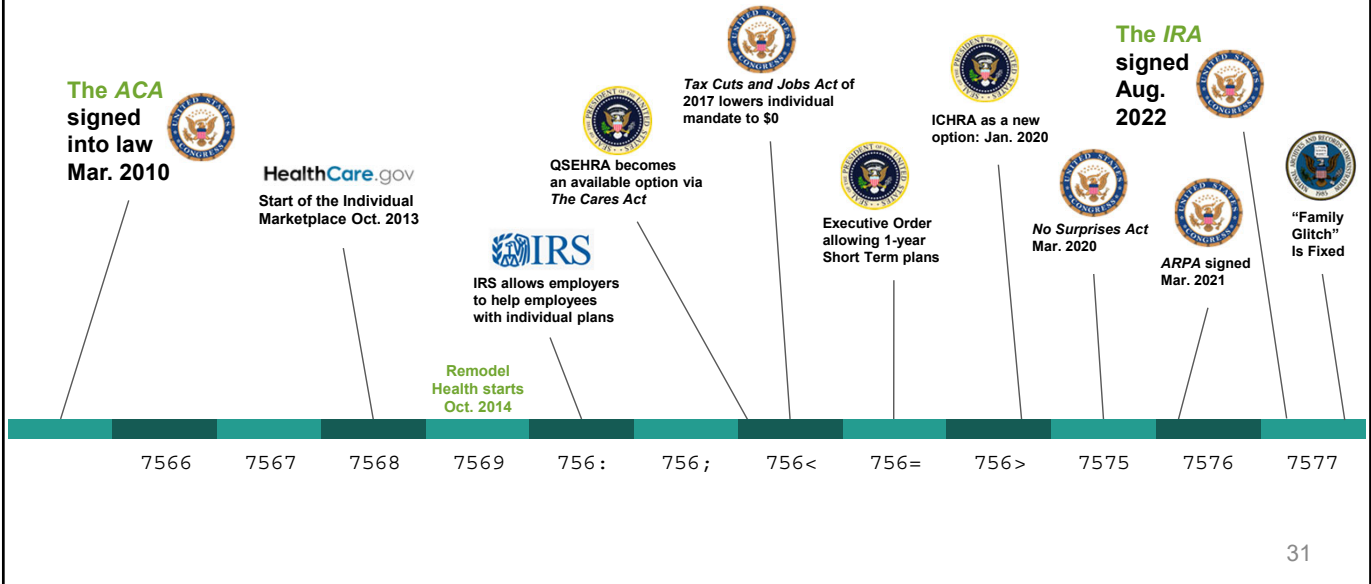
Polling Question

Significant changes to retirement plans are coming as part of:

- The No Surprises Act
- SECURE Act 2.0
- The Inflation Reduction Act of 2022

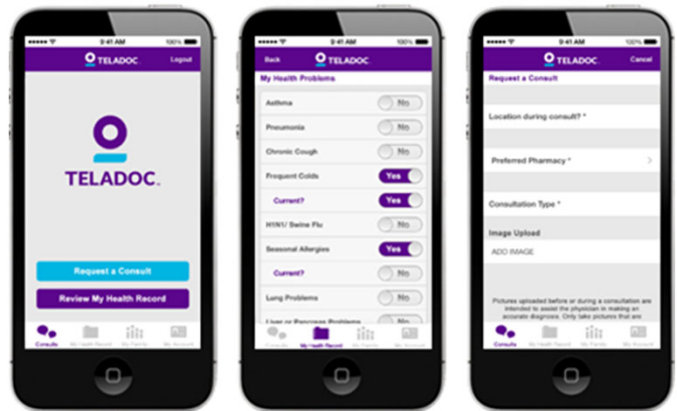
30

Health Benefits Law Improvements



Telehealth

- Around since 1990s
- Included with most plans
- Does not negate HDHPs
- 24/7/365
- Often replaces urgent care
- Mental health, pediatrics, etc.
- **Save money** on care
- **Save time** on care



Polling Question

Telehealth helps employees:

- Save time on care
- Save money on care
- All of the above

The No Surprises Act



1. **Held Harmless** - In situations “where patients do not have the ability to choose an in-network provider”
2. **No Balance Billings** - Required to submit notice of their network status as well as the estimated costs at least 3 days prior to the scheduled services
3. **Kept Out of the Middle** - Independent Dispute Resolution (IDR) gives providers and insurers the means to satisfy the disagreement
4. **Transition of Care** - Insurance company must fully disclose when modifying coverages for active provider
5. **Transparency** - “True and honest cost estimate[s]” must be provided to the insured consistently

No Surprises Act Prevents More than 9 Million Surprise Bills Since January 2022

PROVIDERS ROUTINELY USE ARBITRATION AS NUMBER OF DISPUTES FAR EXCEEDS EARLY ESTIMATES

A new survey from AHIP and the Blue Cross Blue Shield Association (BCBSA) underscores the impact of the No Surprises Act (NSA) in protecting consumers from surprise medical bills and highlights the excessive use of arbitration by health care providers. More than 9 million claims from health care facilities and providers were subject to the protections of the law, which limit out-of-pocket costs for consumers. The number of those claims disputed by providers or facilities has far exceeded the federal government's initial prediction.

The No Surprises Act was signed into law on December 27, 2020. Most of the law's provisions took effect at the beginning of 2022, applying to those enrolled in commercial health insurance coverage or group health plans renewing on or after January 1, 2022. Under the law, when anyone covered by private health insurance is treated for emergency services or at an in-network facility by an out-of-network provider, the health care provider or facility, such as a hospital, is prohibited from billing a patient above their in-network cost-sharing amount. The law establishes a process for resolving disagreements on what the health plan will pay the out-of-network provider or facility, culminating in independent dispute resolution (IDR).

Source: https://ahiporg-production.s3.amazonaws.com/documents/202211_1P_Surprise_Billing.pdf

35

Shop Around and Negotiate

- New transparency laws
- Prices can **vary by \$4,000+**
- Call ahead for planned events
- Connect to financial assistance
- Offer pay-in-full before payments
- **Discounts** up to 30-60%
- Use HSA dollars to pay

Title 45 – Public Welfare

Subtitle A – Department of Health and Human Services

Subchapter B – Requirements Relating to Health Care Access

Part 147 – Health Insurance Reform Requirements for the Group and Individual Health Insurance Markets

Authority: 42 U.S.C. 300gg through 300gg-63, 300gg-91, 300gg-92, and 300gg-111 through 300gg-139, as amended, and section 3203, Pub. L. 116-136, 134 Stat. 281.

Source: 75 FR 27138, May 13, 2010, unless otherwise noted.

§ 147.210 Transparency in coverage—definitions.

(a) Scope and definitions –

- (1) **Scope.** This section sets forth definitions for the price transparency requirements for group health plans and health insurance issuers in the individual and group markets established in this section and §§ 147.211 and 147.212.



National Archives and
Records Administration

36

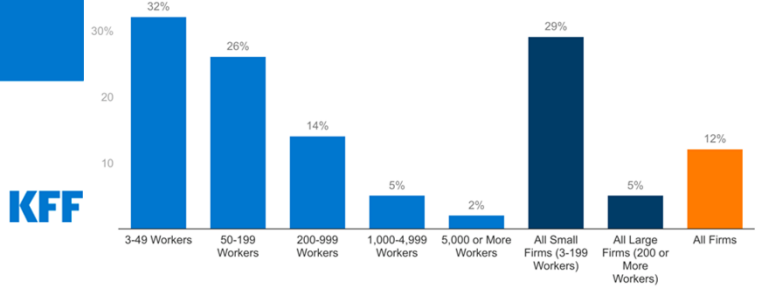
“Family Glitch”

5.1 Million

An estimated 5.1 million people nationally fall into the Affordable Care Act’s “family glitch” that occurs when a worker receives an offer of affordable employer coverage for themselves but not for their dependents, making them ineligible for financial assistance for marketplace coverage.

SOURCE: KFF Analysis, “The ACA Family Glitch and Affordability of Employer Coverage,” April 7, 2021

Share of Covered Workers Who Would Face a Contribution of at Least \$10,000 if They Were to Enroll in Family Coverage, by Firm Size, 2021



SOURCE: KFF Employer Health Benefit Survey, 2021

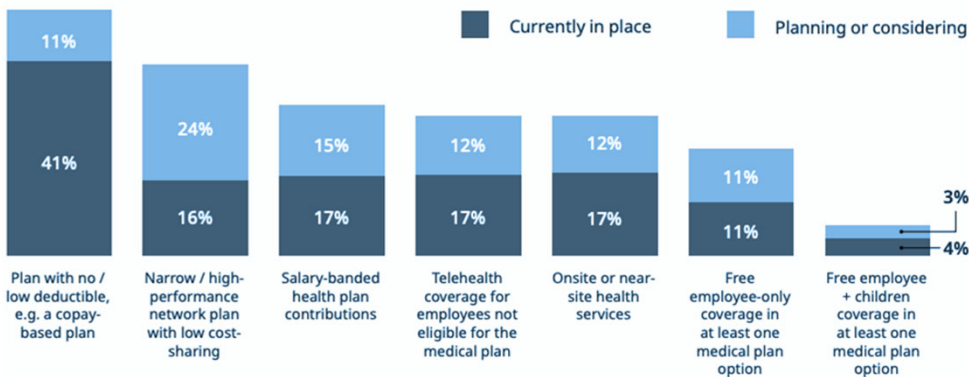
KFF

Source: <https://www.kff.org/health-reform/issue-brief/many-workers-particularly-at-small-firms-face-high-premiums-to-enroll-in-family-coverage-leaving-many-in-the-family-glitch/>

37

Health & Benefits Strategies for 2023 Survey Report

Improving health care affordability



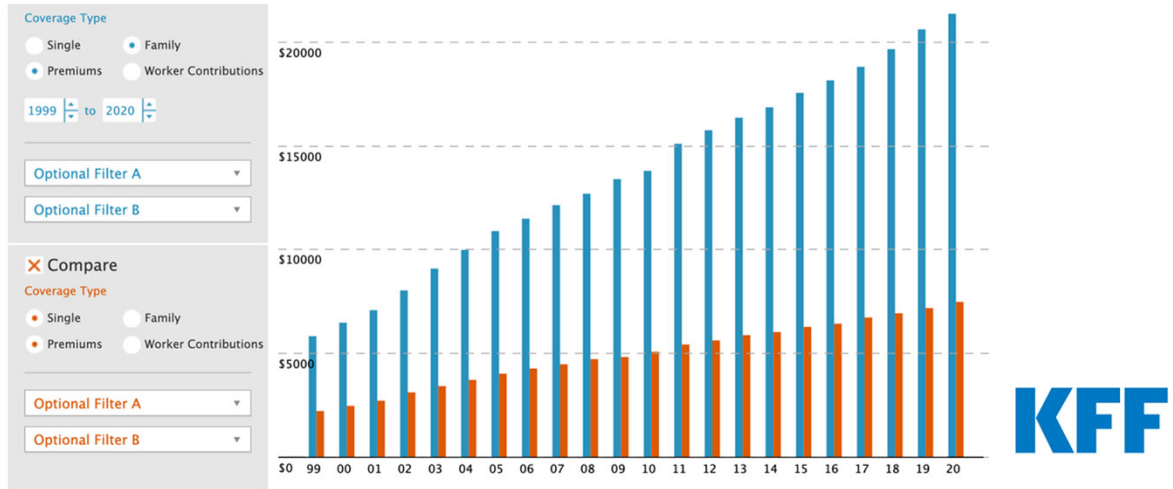
Survey of 14,000+ workers demonstrates employees who believe their employer cares about their well-being are less likely to leave their jobs.

MERCER

Source: https://www.mercer.com/assets/us/en_us/shared-assets/local/attachments/pdf-2022-health-benefit-strategies-for-2023-survey-report.pdf

38

Group Plan Cost Averages



Source: <https://www.kff.org/interactive/premiums-and-worker-contributions-among-workers-covered-by-employer-sponsored-coverage-1999-2020>

Our Worst Bills

JAMA Network

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This Issue Views **17,289** | Citations **5** | Altmetric **1206**

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Original Investigation

July 20, 2021

Medical Debt in the US, 2009-2020

Raymond Kluender, PhD¹; Neale Mahoney, PhD^{2,3}; Francis Wong, PhD³; et al

> Author Affiliations | Article Information

JAMA. 2021;326(3):250-256. doi:10.1001/jama.2021.8694

Nearly 2X since 2016.

That's **23 million people** with medical debt totaling **hundreds of billions of dollars.**

Peterson-KFF Health System Tracker

Sources: <https://jamanetwork.com/journals/jama/article-abstract/2782187>;
<https://www.nytimes.com/2021/07/20/upshot/medical-debt-americans-medicaid.html/>

MOST COMMON HEALTH PLANS OFFERED



Preferred provider organization (PPO) plans remain the most common type offered (82%).

High-deductible health plans (HDHPs) linked to a health savings or spending account (health savings account, health reimbursement arrangement or flexible spending account) continue to gain popularity, reaching 64%.

Health-Related Savings or Spending Accounts:

Health savings accounts (HSAs): Of the 60% of employers that offer an HSA as part of their HDHP, 63% contribute to their employees' accounts.

Health reimbursement arrangements (HRAs): Group HRAs are trending downward, from 20% in 2019 to 15% in 2023.

Medical flexible spending accounts (FSAs): The prevalence of medical FSAs declined slightly for the second year in a row, to 62%.

Since HSAs are incompatible with both FSAs and HRAs, perhaps more employers that offer high-deductible health plans are opting to pair them with an HSA than in previous years.

HDHPs + HSAs

are increasing in popularity due to their consumer-driven style of delivering health benefits to employees, increasing employee autonomy and engagement.



Source: <https://shrm-res.cloudinary.com/image/upload/v1685728116/Employee%20Benefits/CPR-222434-Employee-Benefits-Executive-Summary-FINAL-for-PUBLICATION.pdf>

41

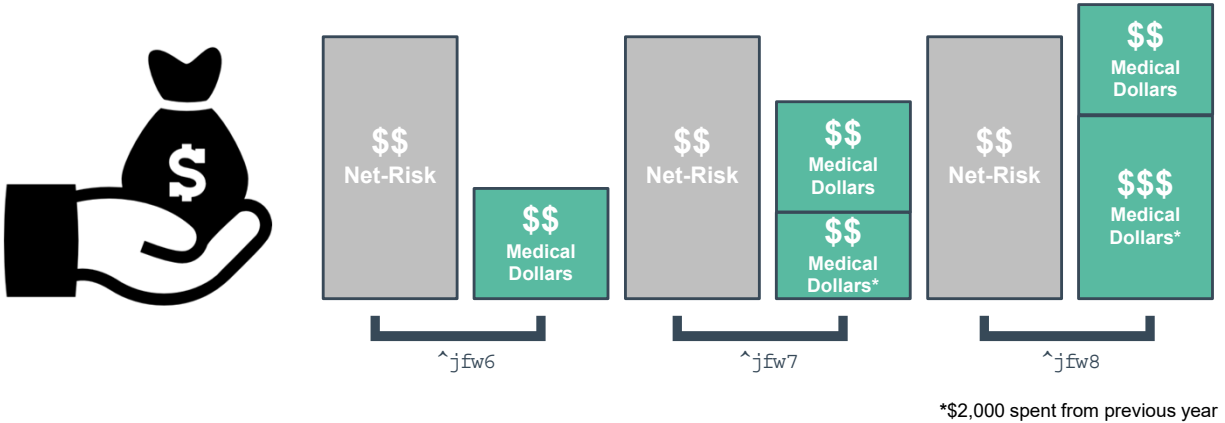
Polling Question

High-deductible health plans (HDHPs) and health savings accounts (HSAs) are becoming less popular.

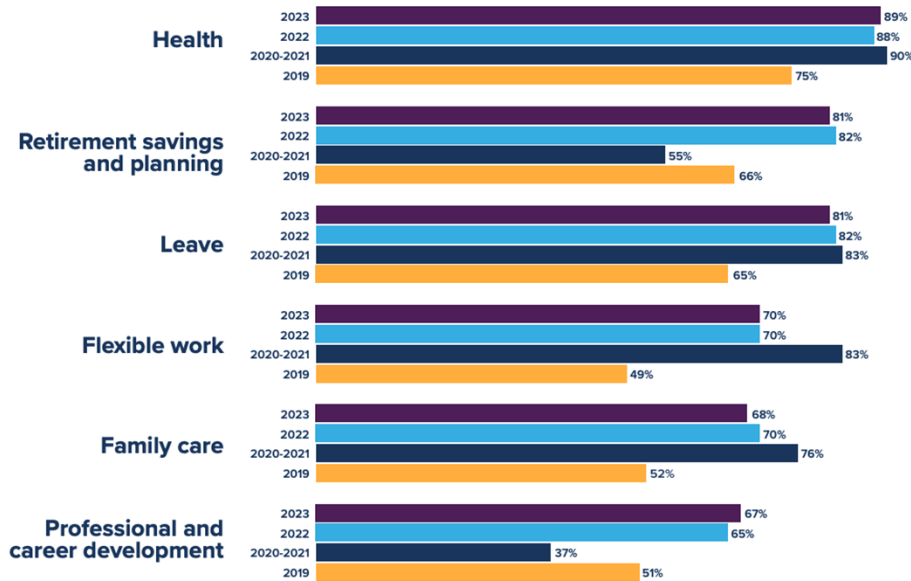
- True
- False

42

Empowering Better Consumers



TOP BENEFITS CATEGORIES IN RANK ORDER (Percentages showing Very or Extremely Important)

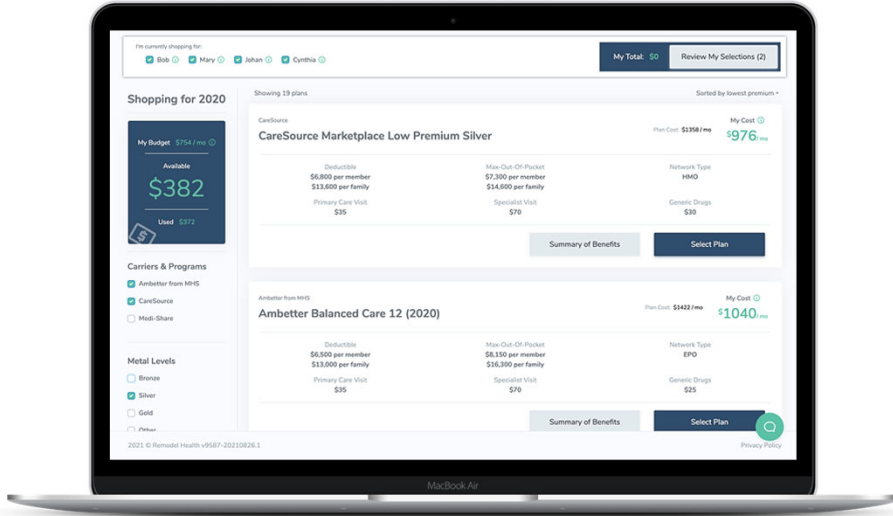


HR professionals

once again rated benefits categories on how important they believed each one was to their workforce. Among the top categories, the rank order and the percentage of respondents selecting each one as “very important” or “extremely important” barely budged between 2022 and 2023.



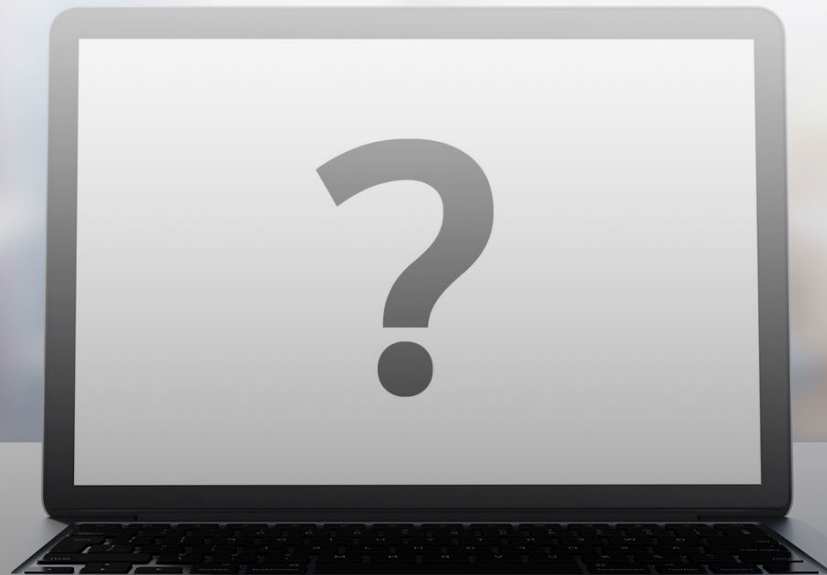
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There is
Software
for that!

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Questions?



Dan Campbell, Partner
CapinCrouse LLP

 dcampbell@capincrouse.com

 505.50.CAPIN ext.1142


Chris DuKate, Partner
CapinCrouse LLP

 cduke@capincrouse.com

 505.50.CAPIN ext.1115


Austin Lehman, CEO & Co-Founder
Remodel Health

 austin.lehman@remodelhealth.com

 844.748.3240

John Staub, Director of Outreach
Remodel Health

 john.staub@remodelhealth.com

 844.748.3240



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