

# COVID-19: Emerging trends in health and wellness

As employees fret over finances,  
employers are looking for health and  
wellness benefits solutions to ease the  
pain of the pandemic.



To date, employees are most concerned about their finances, despite the health-centric nature of the crisis

In a recent Fidelity survey during the pandemic<sup>1</sup>

4%

of respondents ranked  
**health care costs** as top  
of mind right now

17%

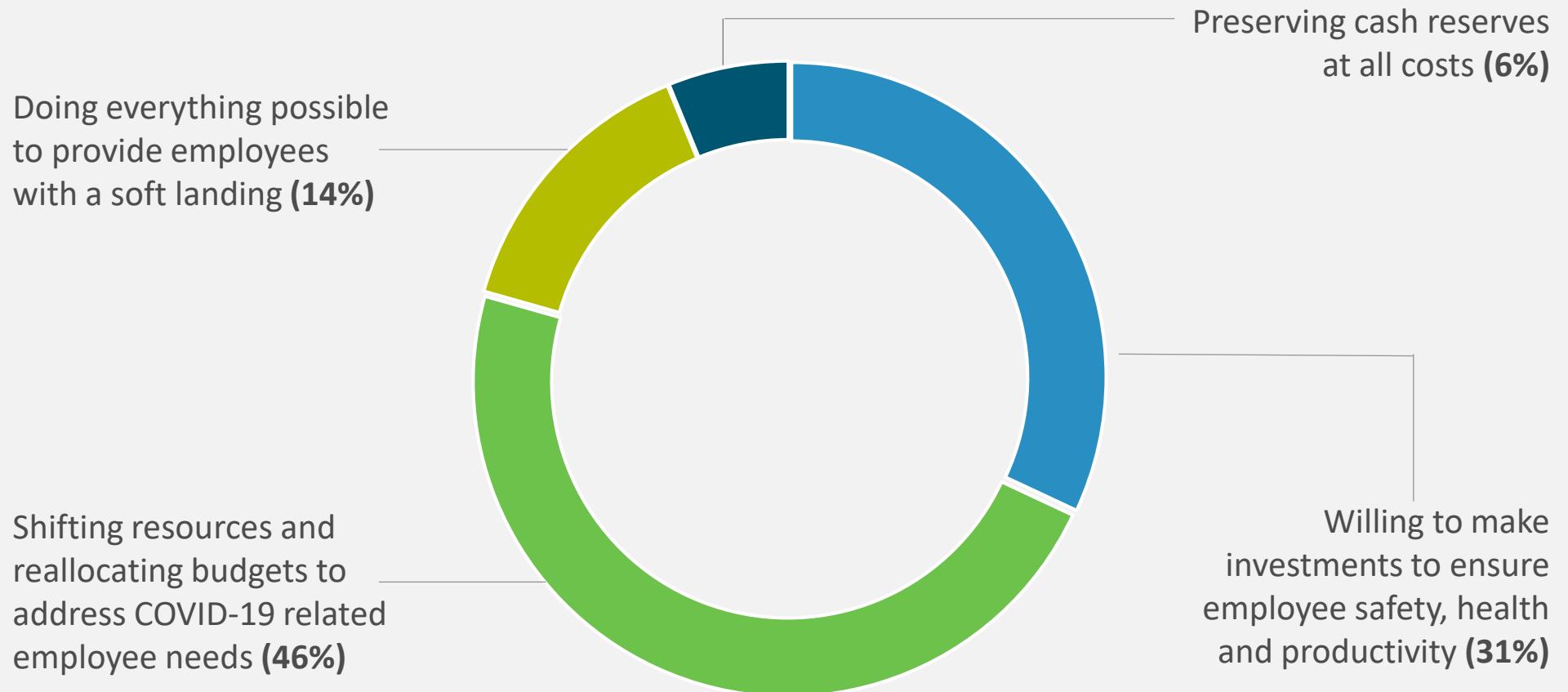
listed their  
**short-term finances**  
as most pressing

12%

said that  
**long-term finances**  
were top of mind

However, **19%** responded that their personal **wellbeing** was top of mind.

# How are employers responding to COVID-19?



Sources:

Based on 97 participant survey responses during a Fidelity Investments April 14, 2020 plan sponsor webinar on health & welfare benefits.

# How are employers responding to COVID-19?

## Support Employees



Willing to make investments to ensure employee safety, health and productivity



- Provide COVID-19 specific paid-time off
- Introduce new wellness benefits

Shifting resources and reallocating budgets to address COVID-19 related employee needs



- Change dependent care spending contributions
- Cover telemedicine in HDHPs without any cost-sharing

While substantial benefit cuts are unavoidable, doing everything possible to provide employees with a soft landing



- Defer dependent audits
- Furloughs, with some contribution for benefits

## Mitigate Cost and Risk

Preserving cash reserves at all costs



- Layoffs
- Stop employer HSA contributions

## Employer Solutions

## Our Health & Welfare Administration employers are<sup>1</sup> ...

- Allowing employees to adjust **dependent care contributions**, since many daycare centers are closed
- Enacting a 30- or 60-day extension before cancelling health coverage for **non-payment** related to COBRA, retirees and unpaid LOA
- Permitting exceptions to the standard 30-day window for new hire elections and other life events
- Requesting **dependent audits deferrals** for in-flight and prospective audits and associate coverage drops
- Contemplating a special enrollment window for **Vacation Program Purchases**
- Processing higher volumes of furloughs/leaves and layoffs



**Teladoc™, a leading telemedicine provider,** reported that more than half its patients in the past month are **first-time users.**

### Top 3 Employer Concerns<sup>2</sup>

- Employee financial well-being
- Employee health
- Market volatility

**And Fidelity has ensured its associates can continue to deliver on customer needs by...**

- Offering **emotional well-being support** coaching and therapy
  - Expanding **eldercare support** options
  - Offering additional **flexible work** and paid time off options
  - Introducing **temperature screening** for essential workers in office settings
- Waiving telemedicine fees**
- Launching online COVID-19 employee resource center
  - Increasing hiring plans by adding **2,000 new positions** across its U.S. locations

Sources:

<sup>1</sup>Based on a compilation of plan sponsor and internal questions received during March 2020.

<sup>2</sup>Based on 956 responses during Fidelity's March 30, 2020 plan sponsor webinar.

# As the crisis continues, we remain committed to our customers



⌚ **21 seconds** on average to answer HSA calls in March and April (despite 15% higher call volume vs. 2019)<sup>1</sup>

⌚ **23 seconds** on average to answer H&W calls in March and April<sup>2</sup>



Satisfaction among customers visiting our plan participant web site for HSA purposes **increased 14 percentage points<sup>3</sup>**.



## Fewer doc visits = less HSA activity?

There is evidence people are declining elective and non-essential medical care. In fact, some primary care practices report a 70% drop in visits.<sup>4</sup>

### Sources:

<sup>1</sup>Fidelity Investments Call Volume Reporting, Jan. 2019 – March 2020

<sup>2</sup> Workplace Investing Participant Services Operations Reporting, Q1 2020

<sup>3</sup>Fidelity Investments NetBenefits Customer Engagement Index (CEI) scores, Q1 2019 & Q1 2020

<sup>4</sup> COVID-19 Hits Some Health Care Workers With Pay Cuts And Layoffs”, NRP.org & WBUR radio, 4/2/2020

More employees called seeking H&W guidance, particularly when it came to COVID-19

## How did call volume compare between H&W and HSA?<sup>1</sup>

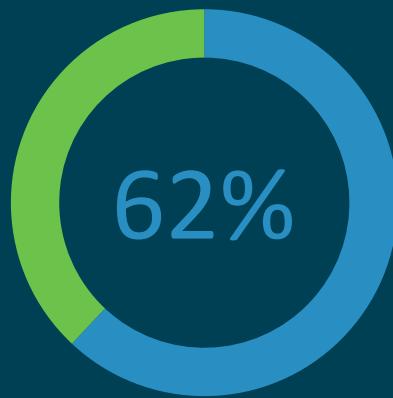
■ Health and Welfare ■ HSA



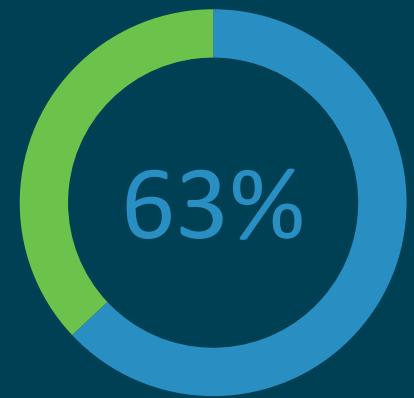
All H&W and HSA calls



COVID calls



Market Volatility calls



CARES Act calls

# Thus far, COVID-19 has had little impact on HSA contributions

## Employee contribution changes<sup>1</sup>

< 1% **increased contributions,**  
compared to <1% in 2019

1.2% **decreased contributions,**  
compared to 2% in 2019

< 1% **halted contributions,**  
compared to <1% in 2019

Anecdotally we know some employers are considering the possibility of reducing their HSA contributions.

**3** potential scenarios could play out over the next several months:

- No major changes to contribution amounts
- Employees may lower their contributions due to financial insecurity concerns
- Employees may increase their contributions to help pay for higher than expected medical expenses with pre-tax dollars

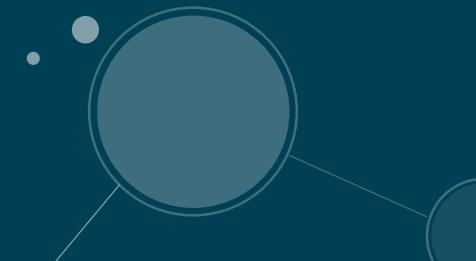
Sources:

All data represents active HSA participants with a positive balance as of 12/31/2018 and 12/31/2019.

<sup>1</sup>Participants decreasing deferral refers to participants that lowered their contributions, but continued to contribute to the plan. Participants that reduced their contribution to zero are excluded. Those individuals are captured in the percentage that stopped contributing.

Fidelity is committed to supporting our customers during this uncertain time. Look for more updates in the weeks ahead.

For more information, please contact your Fidelity representative.



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