



Employee Benefits 2021: Seven Trends To Watch

BY: **ROB TAYLOR**
& **JP GIRARD**

Even before COVID-19 hit, shutting down cities from Vancouver to Toronto to Halifax, Canadian workplaces were changing. But the work-from-home model – not to mention the stay-at-home lifestyle – has introduced a variety of important changes both in the workplace and in the culture at large that are likely to stay with us for some time.

As a result, in 2021, Canadian employees are more interested than ever in virtual services, from HR enrolment to virtual medicine and financial education. They're loyal to an organization that can support them and their unique needs during a challenging time, especially those that focus on mental health. And organizations, as usual, are focussing on sustainable plans that won't break the bank.

Here's what you can expect to see in employee benefits in 2021:

- **HRIS systems continue to grow**

HR Information Systems have been growing in popularity for several years, but more and more organizations are looking for an agnostic HRIS system that can work with the other programs they already have in place. This type of streamlined system can help organizations simplify their renewal processes and even encourage virtual enrolment. As work-from-home becomes more and more important, employers need to recognize the limitations of work-from-home and embrace it. What's more, HRISs promote accuracy and efficiency, as enrolment data shared among different components of the same system are more likely to be error free.

- **Analytics clarify and amplify employee needs**

There's been a lot of discussion – and questions – about what today's employees really need. Beyond paramedical and dental coverage, this means assistance caring for children or the elderly, as well as support for mental health and financial stress. But analytics tools can also help employers obtain a deeper, more insightful view of the demographics of their organizations and develop flex plans that are customized to meet

their employee needs, while still saving money. Above all, creating an employee benefits strategy that reflects your organization's vision and values may be one of the best ways organizations can support their employees.

- **Virtual care has become indispensable**

As a direct response to the pandemic, providers are offering a wider variety of services, from basic sick visits to paramedical services and even online pharmacy. Mental health services are also experiencing rapid growth, with an increasing number of services available on demand. But the main challenge is about coverage, as insurance companies are bundling virtual options together into plans, while many plan sponsors need more control over the price point. Brokers can help by using the data to determine which services they need and finding appropriate coverage for their clients.

- **Prevention is moving centre stage**

Like never before, Canadians today are focused on getting well and staying well – and employers who are offering benefits to support that will differentiate themselves. Millennials, in particular, are drawn to virtual physical fitness platforms, including individual and group fitness classes, challenges and coaches, and gamification and recognition. Another crucial priority will be guidance for employees about ergonomic home office set-up, which – if ignored – will lead to an explosion of costs in massage, chiropractic and physiotherapy.

- **The financial questions are changing**

As Boomers retire and more positions are filled with Millennials, the financial worries change in nature. The younger cohort is concerned with repaying student loans or saving money for a first house, rather than saving for retirement. And with businesses failing, people losing jobs and near retirees feeling financially insecure, stress levels are even higher. Best-in-class advisors who can answer questions clearly and provide real support will be more valued than ever.

- **New specialty drugs create financial challenges**

Managing the cost of new specialty drugs, the kind that cost upward of \$10,000 per year, is critical to maintaining a sustainable drug plan. Advisors and sponsors seeking to navigate the

specialty drug landscape will require up-to-date information on these new drugs. Access to up-to-date information on new drugs, their benefits, risks, and costs, among other things, will be essential for plan sponsors to manage costs and navigate other drug-related considerations.

- **Cannabis may receive a drug identification number (DIN)**

As cannabis regulations have become more standardized, there is a movement toward assigning it a drug identification number (DIN). This will allow cannabis to be treated like any other prescription drug, which significantly lowers the cost to the plan member. There will be other issues related to this – such as questions about drug-free workplace policies and the rights of employees to use cannabis while at work – but advisors and plan sponsors will be looking for information and guidance on the best ways to handle cannabis coverage in a drug plan. They should use this time to prepare – before the biggest change to drug benefits in decades comes into effect.

2021 Growth and Beyond

In the employee benefits space, the pandemic has brought a number of changes and improvements to organizations across Canada. COVID-19 has amplified the need for better technology to improve administrative efficiency and enhance access to health services – and employers will need to respond. **BPM**

Robert Taylor

is executive vice-president of Hub International.

J.P. Girard

is executive vice-president, with specific responsibilities for the national accounts team in benefits consulting for Hub International.