



2024

BENEFIT SOLUTIONS TOP TRENDS

*What your workers want and
how to deliver it*

2024

ABOUT NAVIA

Navia is a national, consumer-directed benefits provider serving 10,000+ employers across all 50 states. The company provides comprehensive health, wellness, and compliance solutions to employers and consumers, and offers industry-leading customer service, communications, and technology. Founded in 1989, Navia began as Flex-Plan Services, and over the years has grown into one of the nation's premier benefit providers. Navia offers FSA, HSA, HRA, Commuter, Lifestyle, Student Loan Repayment, Tuition Reimbursement, Retirement, Benefit Administration, Compliance, Direct Billing, COBRA administration, and more.
www.naviabenefits.com

2024 TRENDS REPORT

In 2024, we will be in full swing of a post-pandemic world, and we can expect to see a multitude of interesting trends designed to support the changing needs of employees, and the companies who employ them.

An explosion of interest in artificial intelligence, rising healthcare costs, legislation affecting women's health, and state-mandated retirement benefits are all predicted to affect the 2024 employee benefits scene. Further, mental health and affordable day care remain priorities, along with cyber security and much more.

To help HR and benefit teams arm themselves with new solutions and creative ways to tackle the needs of 2024, Navia has assembled a list of benefit trends from leading researchers and our seasoned panel of experts, including CEOs, early adopters, and industry leading veterans.



1

ARTIFICIAL INTELLIGENCE JOINS THE PARTY

Artificial Intelligence (AI) has emerged as a potential game-changing disrupter in how businesses interact with customers, vendors, and employees. Some predict the technology's impact could be greater than the deployment of the Internet. Benefits administrators and brokers who are on the adopter side of the equation are predicting extensive use in areas like the back office, claims, and customer-facing applications like chatbots.

The upside of deploying AI is that companies can expand their operations without a significant increase in costs. With any new technology there are risks to consider, but on a whole, AI has shown itself as a positive tool for the benefits industry.

One in three early adopters say they are using AI to automate repetitive, low-level tasks. Some 45% say they plan to do so in 2024. Some 27% are already using AI for content creation with another 30% saying they will do so in 2024. (7)

Navia is already utilizing some forms of AI to help speed up claims processing, plans to maximize it's uses for live chat, and more efficient help center responses in 2024. Other areas where AI might lend itself to better processes for benefit administration include clarifying benefit communications, open enrollment education, and brainstorming topics for industry thought leadership.

Navia's focus on personal-touch and industry-leading customer service remains human-centered and human-run. AI is just another tool, like a Salesforce platform or benefit portal, to aid our work and help improve efficiencies—and potentially help tame rising benefit costs.

Look for continued adoption of AI in 2024 across the benefits industry, as well as efforts by governments and third parties to place guardrails around this emerging technology.



2

BENEFITS FOR THE GOLDEN YEARS BECOME MANDATED

Twenty states have adopted state-mandated retirement legislation, with many more considering them. The reason is straightforward. The average working household has almost no retirement savings. Employees save when a 401(k) or similar retirement plan is sponsored by their employer, yet 60% of small businesses (fewer than 100 employees) do not offer retirement benefits. In contrast, 95% of large companies (more than 500 employees) do offer plans. (2)

The Secure Act of 2022 provides significant tax credits for small companies that start retirement programs. Businesses get to write off some of the startup costs of implementing those plans and can even get a tax credit for matching or profit-sharing contributions to an employee's account. Education looks to be one of the main challenges in bolstering adoption of retirement plans as 76% of small businesses surveyed said they were not aware of the tax credits. (3)

There are six million micro small businesses with a potential \$29 Trillion in potentially untapped 401(k) assets. Therefore, look for more small and medium sized businesses to offer retirement plans in 2024. Some businesses will opt in to the state mandated plans while others will offer company-sponsored plans. Check into regulations mandated for the states in which you do business. Ensure you are following the law as states impose penalties for noncompliance. For example, Colorado's penalty for noncompliance is \$100 per employee with an annual maximum of \$5,000.

Navia is happy to help answer questions on this and can help small businesses stay compliant. Check out our retirement and compliance benefits.

CHECK OUT NAVIA'S RETIREMENT BENEFITS



3



RISING HEALTH COSTS TRIGGER CREATIVE BENEFIT SOLUTIONS

In 2023, configuring benefits to attract and retain employees ranked the No. 1 priority in Mercer's National Survey of Employer-Sponsored Health Plans. Just a year later, a desire to confront increased health care costs has emerged as the leading focus for those same companies. **(4)**

The cost increases can be tied to several factors: inflation, healthcare labor shortages, the emergence of high-cost therapies to treat rare diseases, the increase of claims tied to cellular and gene therapies, and GLP-1 drugs to treat diabetes and obesity. **(4)**

Total healthcare costs in the United States reached \$4.7 Trillion in 2023. Healthcare benefit costs are predicted to rise another 5.4 to 6.6% in 2024—a divergence from the last decade's average of 3-4% annual rise. **(4)**

To counter some of the rising costs, employers have turned to a variety of cost management techniques:

Promoting higher quality of care with "Centers of Excellence"

Many larger employers have strategies in place that steer members to higher-quality care. For example, they have added "Centers of Excellence" to their health plan networks. To ensure that plan members get to the best possible provider quickly, employers are offering health care navigation or advocacy services. A recent Mercer survey (Health and Benefit Strategies for 2024) found that 28% of large employers currently have a navigation service in place.

"Point solutions" with virtual care

Another new development is offering something often referred to as "point solutions," which provide enhanced services (often with a virtual care component) to members with chronic conditions like diabetes, have become widespread (49% of large employers offer one or more point solutions according to the Mercer survey).

3 CONTINUED

Behavioral health and lifestyle benefits

Behavioral health care and lifestyle benefits also remain an important piece to improving employee health and lowering plan costs. Over three-fourths of large respondents to the Mercer survey (76%) say that improving access to these benefits will be a priority over the next few years.

Integrated plan designs with a SHRA

On average, employers can save 23% on plan costs with a Scheduled Health Reimbursement Arrangement (SHRA). A SHRA is an employer-funded plan that is integrated with a group medical insurance plan. With a SHRA employers can specify which expenses are eligible for reimbursement through the HRA and whether or not those expenses are subject to deductibles, co-insurance and/or copayment provisions. SHRAs are popular with employers who want to create targeted and highly specific health plan designs that meet the needs of their employees.

Sample SHRA Client Savings



CHECK OUT NAVIA'S SHRA BENEFIT 

4

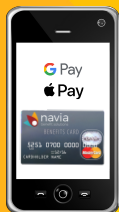
CONTINUED EASE-OF-USE FEATURES FOR BENEFITS

This is not your parent's Flexible Spending Account (FSA). Benefits have embraced new technology and early participants in FSAs would hardly recognize today's FSA experience.

In addition to AI chatbots that help participants get questions answered faster, technology has enhanced the customer experience by making it increasingly easier for employees to access and use their tax-favored benefits. Smartphone apps put benefits at participants' fingertips, letting workers check their balances, submit claims, and change personal information on-the-go, at any time. Navia's unique FlexConnect feature integrates with insurer websites to pull participant Explanations of Benefits, which allows for one-click claims submission. And Navia's benefit debit cards and mobile pay features add one more layer of ease-of-use for payment and processing.

Many companies also develop relationships with large vendors like Costco and WalMart to automatically collect and distribute FSA/HSA transactions to participants, so those items do not get overlooked before claiming deadlines. Navia partners with FSASore.com to give participants DirectPay access to their site, where they can purchase thousands of FSA eligible products without even entering their debit card number. It pulls the information needed directly from Navia's participant portal (only after the participant grants access).

Look for third party administrators to continue to offer enhancements to their benefits platforms to ensure they are providing the highest level of customer service.



DirectPay™
BY FSAstore

Shop 2,500+ FSA eligible items with just one click

[Go Direct](#)



MEDICAL TRAVEL BENEFITS ARE GOING PLACES

As continued fallout from the rollback of Roe v Wade, some state legislatures have passed more restrictive abortion laws that impact healthcare for women.

While some medical plans offer medical travel expense coverage through their medical plans, or through an HRA tied to their medical plan, not all employers do.

Many employers have implemented separate Health Reimbursement Accounts (HRAs) that reimburse travel-related expenses for medical procedures. Employees can seek medical treatment not offered in their local area/state. (9)

5



BLOG

Medical Travel Benefits for Employees and What Employers Need to Know

[Read the blog here.](#)



6

MENTAL HEALTH NEEDS RISING

HR and benefits teams are trying to uplift their employees as everyone continues to find their way in the the new work environment post-pandemic. HR software firm Bamboo put out an Employee Happiness Index that determined worker satisfaction reached a three-year low in September 2023. Technology, finance, restaurant, and food and beverage industries suffered the most decline in happiness. [\(10\)](#)

According to a survey conducted by the Business Group on Health, 77% of employers say that their employees mental health needs are on the rise (up from 44% the prior year). That is why some employers are listing increased mental health access as their No. 1 priority in 2024, just ahead of implementing more virtual health services. [\(11\)](#)

Companies recognize the shortage of quality mental healthcare programs and are beefing up group medical plans to expand coverage. Employee Assistance Programs (EAPs), encouraging time off, and other lifestyle initiatives are also utilized to defuse the mental health crisis.



7



Download the LSA white paper



LIFESTYLE SPENDING ACCOUNTS REMAIN POPULAR

Lifestyle Spending Accounts (LSAs) are replacing traditional Wellness programs due to their extraordinary flexibility. LSAs are entirely crafted by the employer to emphasize categories felt to improve worker physical health, mental health, and financial wellness.

LSA benefits are generally considered taxable income to the employee, which gives employers ultimate flexibility in matching eligible expenses to the company culture. LSAs can include categories traditionally described as “wellness” such as reimbursement for gym memberships, sports registration fees, even rock climbing. Financial assistance programs can include financial counseling, student loan repayment, or tuition reimbursement. LSAs can include items that promote work/life balance, like vacation subsidies, tennis classes, and art classes. These items can shore up a worker’s sense of well-being and can help boost their mental health.

Some companies provide the employee with a pool of money to divvy up between categories of interest to them. LSAs are expected to continue their upward rise in 2024.

case study



Lifestyle benefits boost worker morale

In 2022, Navia’s client Uplift instituted an LSA with great success. The company’s Glassdoor reviews call out its LSA benefit program as a key reason for staying with the company and Uplift ranks in the top 20% for happy workers on the trusted worker review site.

[Read the full case study here.](#)



8

INVEST IN DATA SECURITY

Not all technology has been used for good. The targeting of seniors in fraud scams is of high concern as is the uptick in phishing, and virus and malware attempts.

Proofpoint, a leading cybersecurity and compliance firm headquartered in Sunnyvale, CA tracks threat levels by analyzing trillions of datapoints. Malicious malware volumes tripled in September of 2023 with the increase continuing in the fall and projected to continue as a major concern in 2024. **(6)**

In its second annual survey on the effect of cybersecurity in healthcare, 88% of surveyed organizations experienced an average of forty attacks over a 12-month period. The average cost per attack was \$5 million, stated the report released in conjunction with the Ponemon Institute. **(6)**

Seniors will continue to be targeted. In 2021 there were 92,371 older victims of fraud resulting in \$1.7 billion in losses, a two-thirds increase over the year prior. Seniors are particularly vulnerable because they are not as technically savvy and are prone to be trusting. They are targeted, in part, because they tend to have more assets, however lower income seniors are also victims. **(7)**

Organizations will increasingly offer identity theft programs as a voluntary benefit to counteract these bad actors. Companies continue to pour money into security, especially in the healthcare and benefits markets as data breaches in companies regulated by the Health Insurance Portability and Accountability Act (HIPAA) can incur significant fines, up to \$50,000 per violation. Criminal penalties for intentional violations can include imprisonment. Civil actions can also be brought by states attorneys general resulting in monetary fines. **(8)**

8 CONTINUED

Be aware of companies you work with to ensure they have the right security safeguards in place. Certifications like HITRUST and SOC are a great benchmarks to look for and good places to start, but they don't paint the whole picture of a company's security posture. One of the greatest tools you can employ is ensuring that any company you purchase services and software from is conducting annual exercises to review and improve their physical and virtual walls.

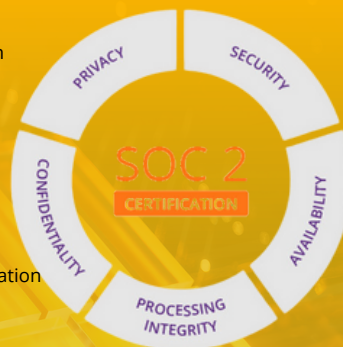
It is also now common practice to ask for and receive Security Risk Assessments from your vendors. This assessment is a comprehensive tool that details the security posture and processes a vendor will take in order to keep their information security up to date to battle hackers and other bad actors. These assessments have over 800 data points detailing patching, intrusion testing, software release processes, secure software development policies, data access rights, onboarding/offboarding employees, and so much more.

Navia has invested heavily in all these security functions, including passing all necessary requirements to receive SOC 2 certification to ensure the highest level of trust for our customers.



- Access control
- Two-factor authentication
- Encryption

- Encryption
- Access controls
- Network/application firewalls



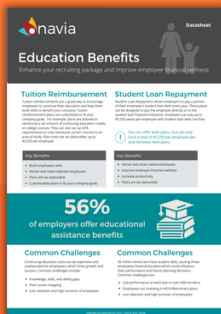
- Network/application firewalls
- Two-factor authentication
- Intrusion detection

- Performance monitoring
- Disaster recovery
- Security incident handling

- Quality assurance
- Processing monitoring

9

CHECK OUT NAVIA'S STUDENT LOAN BENEFITS



STUDENT LOAN REPAYMENT = MONTHLY RELIEF

Student loan payments have resumed after multi-year pause, are now back on track, adding stress to mental health and family budgets. (12)

Workers are seeking assistance from employers, who can provide \$5,250 in tax-free student loan repayment assistance to employees through 2025. Savings are significant for the employee as they are eliminating federal income tax and Social Security and Medicare taxes, a savings of about 30%. The employer saves about \$400 in taxes as well.

In addition to relieving stress for the employee, employers can view the repayment plans as a recruiting tool since 86% of employees said they would stay with a company for five years if that firm offered a student loan repayment plan. (12)

The average cost of losing and rehiring an employee is around \$10,000 per employee lost. When you compare that to the cost of offering a \$3,000 annual student loan repayment benefit to keep the employee, the return on investment is compelling. (13)

Recognizing the lack of retirement savings for many employees, some employers are now considering a 401(k) match for employees paying on student loans. The Secure Act of 2022 codifies that option into law and is a longer solution than the expiring tax credit. (14)

WHITE PAPER



The business case for adding a student loan repayment plan

This white paper breaks out the business case for why Student Loan Repayment Programs are a good investment for employers and a new strategic tool for talent acquisition.

[Read the full white paper here.](#)



DAY CARE ACCESS REMAINS CRITICAL FOR WORKERS

One trend that may be adding to employees' financial/mental health stressors is the continuing increase in day care costs and the decreasing availability of that day care. As pandemic-related federal funding assistance ends, it is estimated that 70,000 day care programs across the country are in jeopardy of closing.

Kinside, a company that helps connect employees with day care centers and preschools nationwide, says the day care crisis is no longer just an employee issue, but impacts employers directly. More than 93% of working parents rely on child care outside of the house. **(15)**

And one third of working parents juggle multiple methods of daycare, for example, primary day care centers, preschools, as well as before/after school care and nannies.

Parents' attendance and productivity suffers from having to cobble together day care coverage and their employer suffers from potentially missed deadlines and unmet goals.

In Kinside's 2024 Child Care Landscape Report they note the result of employee turnover due to day care issues (1 in 5 working parents) costs a 500-employee company nearly \$972,000 when employees do not have a child care benefit. **(15)**

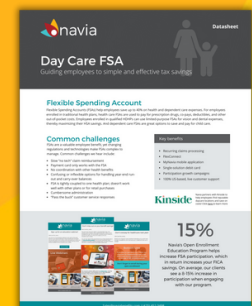
Other statistics highlighted in Kinside's report:

<i>\$11,000/child/year</i>	<i>Average cost of day care nationwide</i>
<i>\$20,000/child/year</i>	<i>Average cost in larger metro areas</i>
<i>6% increase</i>	<i>Average rise in day care costs this year</i>
<i>\$136 Billion</i>	<i>U.S. total annual spend for day care</i>
<i>23% in 2023</i>	<i>Left the workforce due to day care issues</i>
<i>82% in 2023</i>	<i>Changed work schedule due to day care</i>
<i>23% in 2023</i>	<i>Passed up promotion or job due to day care issues</i>
<i>13% in 2023</i>	<i>Relocated due to day care</i>

Companies can help counteract these concerns by sponsoring Day Care Flexible Spending Accounts, whereby employees pay their day care costs with tax-free dollars for a savings of 25%-40%, depending upon the worker's tax bracket. The maximum contribution allowed by the IRS is currently \$5,000 per household.

10

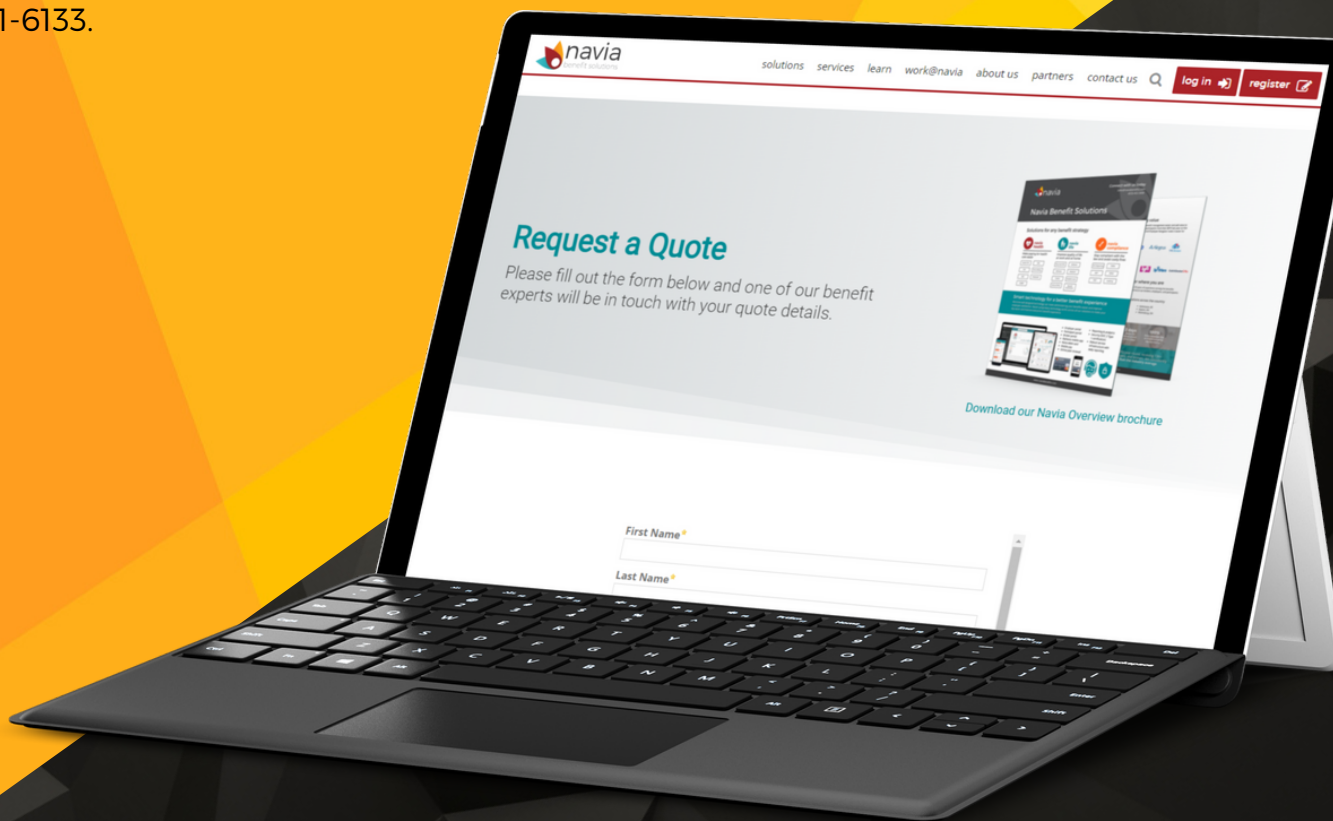
CHECK OUT NAVIA'S DAY CARE FSA BENEFIT



Ready to boost your benefits experience?

Request a quote from Navia anytime and we will respond promptly with the help you need! **Request a Quote here.**

You can also contact us at sales@naviabenefits.com or 1-866-831-6133.



Resources

1. ["Tech Trends 2024," Info-Tech](#)
2. ["How State Mandated Retirement Plans Work,"](#)
3. ["New Small Business Tax Incentives for retirement plans,"](#)
4. ["Health Benefit Costs Expected to rise 5.4% in 2024,"](#)
5. [Leading Companies in Healthcare Price Transparency," July 5, 2023,](#)
6. ["Cyber Insecurity in Healthcare: The Cost and Impact on Patient Safety and Care 2023."](#)
7. ["The Top 5 Financial Scams Targeting Older Adults](#)
8. [HIPAA Basics for Providers](#)
9. [Survey Finds Employers Expanding Medical Travel Benefits, US Health News,](#)
10. ["Employee Happiness Just Hit a New Low,"](#)
11. [A 'Dire' Situation: Employees' Mental Healthcare Needs Soar Again](#)
12. ["When Do Student Loan Payments Resume?," Eliza Haverstock, Nov. 27, 2023.](#)
13. Hanson, Melanie. "Total Student Loan Debt" EducationData.org, November 30, 2021;
14. <https://educationdata.org/total-student-loan-debt>
15. [Student Loan Debt Becomes Higher Priority for Employers](#)
16. ["2023/2024 Understanding the Child Care Landscape Report: The Employer Impact," Kinside](#)