

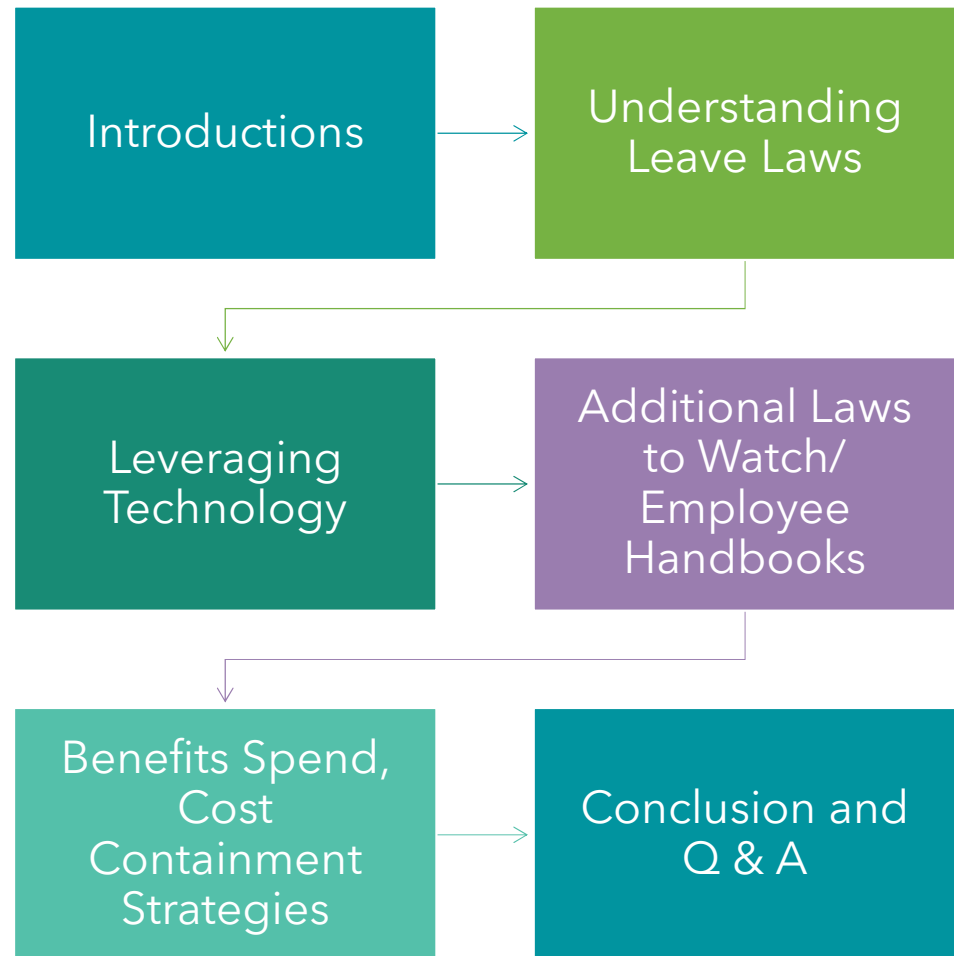


# What's Heating Up in HR?

April 18, 2024



# Agenda



# Meet Your Presenters



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# Understanding Leave Laws

- We are continuing to see trends of more and more states jumping on board with leave laws
- Navigating the landscape is becoming more challenging especially as remote work becomes more common
- Discussing today:
  - Sick Leave
  - Paid Family Medical Leave



# Sick Leave

- Sick Leave is paid leave that can be used for certain reasons related to illness or the safety of the employee or their family members.
- Each state has a slightly different model of how they've implemented Sick Leave

## States with paid sick leave laws include

- Arizona
- California
- Connecticut
- Colorado
- Maryland
- Massachusetts
- Minnesota
- New Jersey
- New Mexico
- New York
- Oregon
- Rhode Island
- Vermont
- Washington
- Missouri, a paid sick time initiative is expected to appear on the ballot in 2024 (Ballotpedia 2023).



# Paid Family Medical Leave (PFML)

- Paid Family Medical Leave ensures compensation to employees when they take extending time off for qualifying reasons.
- More and more states are adding Paid Family Medical Leave (PFML).
- Each state has a slightly different model.

# Paid Family Medical Leave (PFML)

## CURRENT STATES

- Washington
- Oregon
- California
- New York

## FUTURE STATES

- Effective 2024
  - Colorado
  - Illinois
- Effective 2026
  - Delaware
  - Maine
  - Maryland
  - Minnesota





# States with Proposed Legislation

- Arizona
- Iowa
- Oklahoma
- Tennessee
- Pennsylvania
- West Virginia
- North Carolina



# Leveraging Technology – Supporting Different Work Models

- What to know:
  - 74% of companies use a hybrid model or are working on it – Zippia
  - 64% of workers (out of 32,000) would consider quitting if asked to return to the office full time
  - HR is now tasked with managing people across different locations while also keeping their employee in the loop
- Things to consider:
  - How are you communicating/collaborating with your remote employees?
  - How do you manage your remote employees?
  - Are you able to gain feedback/insight into their job satisfaction, progress, etc.?



# Leveraging Technology – A.I. Evolution

- What to know:
  - Gartner expects generative AI solutions to become embedded in current and new HR technology in the next 1 to 3 years
  - Executives estimate that 40% of their workforce will need to reskill as a result of implementing AI over the next 3 years – IBM Business Institute
  - AI is being used across HR functions like employee records management, payroll processing, benefit admin, and recruiting/onboarding
- Things to consider:
  - Data privacy/cybersecurity/ethical risks
  - Do we have an AI roadmap?
  - Distinguish reality from myth



# Leveraging Technology – Improving Adoption

- What to know:
  - 61% of employers have outsourced all or some of their PR/HR operations – Alight
  - 53% of SaaS licenses go unused in organizations - Productiv
  - Many organizations underestimate what it takes to ensure workers regularly use new HR platforms and apps once they're introduced – Lighthouse Research
- Things to consider:
  - If you're outsourcing your HCM tasks now, how do you track usage/adoption of new software?
  - Do your employees have access to self-service tools?
  - What kind of training do you/your employees have on an ongoing basis?



# Additional Laws to Watch/ Employee Handbooks

- Pay Equity
- FLSA Proposed Changes
- Intelligence (AI) Policy
- Remote Workers

# Pay Transparency Laws

- What is it?
  - Provide applicants the salary range for a posted position at a specified point during the hiring process
  - Provide employees salary range upon request, when changing jobs or upon hire
  - Include salary range in job postings
  - Eliminate salary history inquiries from applications and instruct interviewers not to ask such questions (went into effect in MN 01/01/2024)

# FLSA Proposed Changes

- What are the most significant changes?
  - Increase salary level from \$684 to \$1059 per week (\$55,068 annually)
  - Increase highly compensated employee from \$107,432 to \$143,988 per year
  - Automatically update earning thresholds every three years with current wage data
- What Next?
  - While there likely will be challenges filed to the proposed Rule, unless and until there are court intervention or other legal action setting the Rule aside, employers should prepare but stop at changing compensation.
  - The DOL projected that the rule would be published in April of 2024.
  - In addition to making preparations to account for these updated thresholds, employers should be conducting their own employee classifications audits to ensure employees' job duties meet federal requirements for exempt status

# Intelligence (AI) Policies

- Things to consider:
  - What is and isn't acceptable use
  - Stance on data protection and information on privacy laws
  - What happens if policy is violated
  - How to safeguard intellectual property



# Remote Workers

- Since COVID, the use of remote workers has continued to expand
- Employers need to become more familiar with the changing employment law landscape
- Ensure employee handbooks are updated to include all states

# Benefits Spend: Cost Containment Strategies



Funding



Advanced Health Plan Continuum



Pharmacy



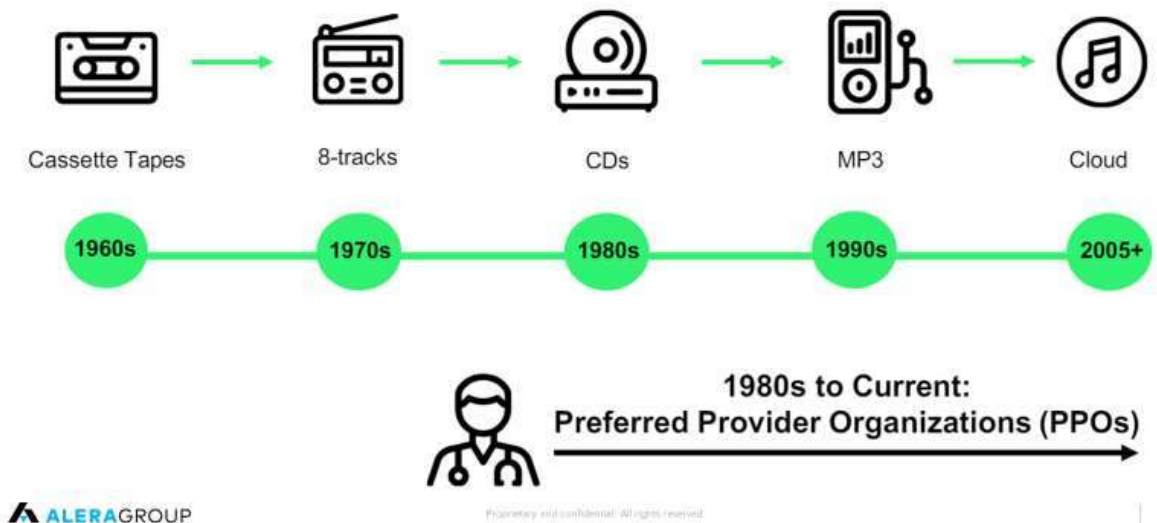
Access

- Direct Primary Care
- Mental Health

# The Eau Claire Regional Market IS changing...

- Employers are exploring at Alternative Funding partners/strategies
- Employers are controlling costs by shifting pharmacy solutions and plan design
- Employers are looking to provide access to care, supporting overall health and wellbeing of their employees and their employees' families

## Innovation in Music vs Health Insurance



# Advanced Health Plan Continuum

					
	Traditional		Progressive		Early Adopter
Funding	Fully Insured / Level / Retro Funded	Self-Funding Anthem, United, BCBS, HealthPartners, Medica, Carriers Stop-Loss	TPA / Captive / Outside Stop-Loss Consortium (collaboratives/associations)	TPA / Captive / Outside Stop-Loss	TPA
Engagement & Advocacy	Firm / Carrier / HR	Firm / Carrier / HR	Health Advocacy	Care Coordinator	Care Navigation / Lawyers
Pharmacy	Bundled	Bundled	Consortium	Direct Contract	Open & Transparent
Plan Design Incentive	None / Cost Shift	HSA / HRA / Wellness Rewards	Tiered Deductible and Copay	Steerage Plan Design	Shared Savings / Highly Restrictive
Data	None Premium vs. Claims	Aggregate Report / Large Claimant / Data Analytics	Data Analytics / Clinical Review	Real Time	Real-Time Audits
High Need vs. High Cost	Carrier Case Management	Carrier Case Management	Targeted / Centers of Excellence	Condition Specific	Value Based
Access	HMO / PPO	HMO / PPO	HMO / PPO / Centers of Excellence / High Performance Network	PPO / Centers of Excellence / High Performance Network	Reference Based Pricing / Onsite / Near Site / Direct Contract
Cost Differential & Medical Inflation Cost Impact	\$\$\$\$\$	\$\$\$\$	\$\$\$	\$\$	\$

# Major Impact Areas

Innovative, data driven, advanced strategies and solutions that are scalable, customized and mitigate costs for better employer and member outcomes.

## Focused on 5 major areas of impact:

### Pharmacy Spend

Evaluate PBM plan performance and review alternative PBM opportunities

Implement strategies to control costs, including specialty drug management and mail order zero co-pay

1

### High Risk/ High Cost

Strategies to help address common issues that drive healthcare costs and address unique healthcare conditions that can be extremely expensive to treat

2

### Primary Care

Coordination of care to ensure members are getting adequate care for chronic conditions and better treatment at lower cost

3

### Valued-based Purchasing

Better quality with lower costs – pay for healthcare and ensure its value

Narrow network model and direct provider contracting

4

### Healthcare Literacy & Engagement

Communication and educational tools to engage employees in their healthcare.

Strategies and solutions to help members navigate their healthcare.

5

# Direct Primary Care

- Supporting your population to have access to a good provider
  - More likely to receive high quality care, early diagnosis through routine screenings and timely prevention, and better compliance when treating chronic conditions.
  - The goal typically with direct primary care relationships is to maintain your employee's overall health & wellbeing; treating the person, not just the symptom.

## Best Practices:

- Not all partnership opportunities are created equal, models and pricing vary
- Identify your goals and access needed to meet your objectives
- Consider virtual direct primary care as part of your strategy if you have employees outside of the geography



# Mental Health Solutions

Enhanced EAPs programs with greater numbers of sessions and tailored engagement strategies

## Employee Assistance Programs

Mental Health Apps: Happify, Headspace, Calm  
Mindfulness Sessions: Wisdom Labs

## Mindfulness Practice

Workplace changes: Quiet rooms, Office Re-design, "Meeting-free" days, unlimited PTO or Mental Health days  
Management training: Recognizing Burnout, Behavioral Health concerns

## Workplace Strategies

Integrated with telemedicine platforms; Teladoc, Amwell  
AI Driven Solutions: Ginger.io  
Technology-Enabled Teletherapy: Talkspace  
Advanced benefit strategies

## Virtual Teletherapy

Plan design changes to increase access to mental health (e.g. copay structure) or explore network alternatives

## Network Mental Health Coverage



# Conclusion and Q & A

- Questions from the audience?
- Thank you!
- Contact information:

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Thank You!