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Thinking Out Of The Cube: Moving Toward A Mobile Workforce

Until recently, encouraging significant numbers of employees to telecommute did not make good business sense for many employers. That was before the arrival of affordable communication technologies such as broadband, Wi-Fi, web cams, cell phones, groupware, and PDAs. Now, there are no longer any compelling reasons why "knowledge workers" and sales professionals, who do most of their work using PCs and phones, cannot do at least some of their work from just about any location in the wired world.

Indeed, it is not far-fetched to imagine that the white-collar office in the form we currently know it will soon be a thing of the past. Some innovative companies have been able to reduce their workspace through a combination of telecommuting and "hot desking." For example, one company has created an office with 90 cubicles to accommodate 140 employees, each of whom telecommutes for part of the week and uses an available cubicle when in the office. As more companies conduct their business and store their files online, the paperless—or even "virtual"—office is close to becoming a reality.

In This Issue

Even though many jobs currently performed in offices could be easily done from a remote location, the culture of "face time" often stops telecommuting in practice. But time spent in an office does not necessarily produce value for a business—the work itself does. Increasingly, employers are measuring performance on the basis of results rather than hours worked. For most types of white-collar jobs, it is possible to set measurable targets that apply regardless of where the work is performed. Being able to work from anywhere will also enable employees in customer-facing positions to spend more time with clients, and less time tied to a desk.

One reservation employers may have about allowing employees to

BenefitsInc

9301 Southwest Freeway, Suite 270
Houston, TX 77074
Phone: (713) 772-1700 • Fax: (713) 772-3100

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telecommute is the possibility that the distractions of children, the laundry, or a latte at Starbucks will interfere with their productivity. But offices also tend to be busy places, where workers may be easily distracted or disturbed by other people's phone conversations or chats between co-workers. In many cases, employees will get more work done when they can choose an environment with less noise and activity—and no temptation to gossip over the water cooler.

For the employer, the money-saving opportunities associated with having a remote workforce go beyond spending less on office space, equipment, and air conditioning. It may be possible to recruit qualified employees at lower salaries if teleworking is an option. Working from home is cheaper for most employees, who can save money on transportation, an office wardrobe, and lunches out. People who want part-time or flexible work schedules because of childcare or eldercare responsibilities may be willing to work for less compensation than a full-time, office-based employee would demand. If an employer's office is located in an area where housing is expensive, recruiting workers in less pricey parts of the country will help keep payroll costs down.

In most respects, managing teleworkers is not much different from supervising people on-site. Managers and co-workers can keep in touch with telecommuters through phone, e-mail, and instant messaging. Managers themselves can also work remotely, coordinating and supervising the activities of a group of employees online, and holding meetings via teleconferencing or web conferencing.

Integrating telecommuting into their business strategies can also help protect companies in case of disaster. If a company's office were to be hit by a hurricane or fire, having employees already working from other locations could save the business from serious losses—or even bankruptcy.

Providing the right technology solutions for employees who telecommute is getting easier as Internet and phone connections become more sophisticated and affordable. Given the software and hardware tools available, it may be possible to integrate home computers and other remote devices into the IT networks of most companies quickly, securely, and cost-effectively.

Not all jobs lend themselves to telecommuting, and not all staff members have the self-discipline and focus required to work remotely. But employees who have shown themselves to be independent and reliable in an office setting may well have the maturity to handle remote working. For employees seeking work-life balance, the opportunity to telecommute for even part of the workweek is a strong incentive to remain with an employer.

Workers Increasingly Decline Employer-Provided Health Benefits

Growing numbers of workers are declining an employer's offer of health insurance largely because they cannot afford to pay their share of premiums, according to a study conducted for the Robert Wood Foundation by the State Health Access Data Assistance Center at the University of Minnesota.

Using trend data from 1998 to 2003 on employer-sponsored health insurance from the Medical Expenditure Panel Survey—Insurance Component (MEPS-IC), researchers found that the percentage of eligible employees nationwide who enrolled in their employers' health plans fell from 85.3% in 1998 to 80.3% in 2003.

Broken down by state, the biggest declines in the percentage of employees accepting an offer of employer-provided health insurance between 1998 and 2003 were observed in New Jersey (-12%), Nebraska (-11%), Wisconsin (-9%), Colorado (-9%), and Iowa (-9%).

The analysis showed that, throughout the period studied, employers paid, on average, 82% of their workers' health plan premiums, with employees picking up 18% of the cost. However, the premiums paid by individuals rose from $2,454 in 1998 dollars adjusted for inflation to $3,481 in 2003, representing an increase of 42%.

Commenting on the findings, Risa Lavizzo-Mourey, M.D., president and CEO of the Robert Wood Johnson Foundation, said, "This report should be as alarming to Congress as it is to the American people, because employer-sponsored health insurance is the backbone of America's health care system."

Lavizzo-Mourey added, "As costs go up, fewer individuals and families have insurance and fewer businesses can afford to provide coverage for their employees, which means the number of uninsured Americans will continue to increase. It is way past time for our national leaders to take action."

U.S. Provides Few Guaranteed Benefits To Working Families

Compared with other developed countries, the U.S. relies disproportionately on employers to provide essential benefits to working families and does little to protect the employment rights of younger people, according to a report released by the Project on Global Working Families.

In "The Work, Family, and Equity Index," Harvard School of Public Health researchers Jody Heymann and Alison Earle examined conditions for working families in 168 countries, including the United States. While guaranteeing the rights of the disabled and prohibiting age discrimination, U.S. policy is geared more toward providing supports for the elderly than for the young, the authors concluded.

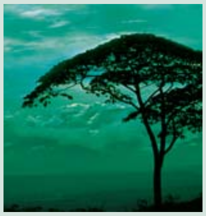
Virtually all the countries studied (163) were found to offer guaranteed paid maternity leave, but the U.S. was identified as one of five countries not providing this benefit. Researchers noted that the only other industrialized country that does not guarantee paid leave to new mothers, Australia, guarantees a year of unpaid maternity leave. Only those U.S. women whose employers must comply with the Family and Medical Leave Act (FMLA) have a guaranteed right to 12 weeks of unpaid leave for family-related reasons.

Whereas 96 countries mandate paid annual leave for workers, the U.S. does not require employers to offer paid annual leave. Of the countries studied, 139 provide paid leave for short- or long-term illnesses, with 117 providing a week or more annually. By contrast, only those American workers covered by the FMLA have a guaranteed right to leave when ill, but the leave is unpaid.

Compared with most other countries, the U.S. imposes relatively few restrictions on the number of hours an employee may work per week. Unlike the U.S., 98 countries require employers to provide a mandatory 24-hour period of rest per week, and 84 countries have laws that fix the maximum length of the work week.

The report further noted that the U.S. is tied with Ecuador and Suriname for 39th place in early childhood care and education enrollment for children between the ages of 3 and 5, with nearly all European countries offering greater pre-school and daycare support for families. In 54 of the countries studied, the school year is more than 20 days longer than in the U.S.

Commenting on their findings, Heymann and Earle said that while some U.S. corporations have implemented family benefits, "voluntary private sector initiatives have not reached the large majority of the nation's working families." They added that employer-sponsored daycare is available to only one in eight



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U.S. employees, and employer-sponsored programs providing tax deductions for childcare are available to three in ten workers.

Heymann and Earle observed, however, that "the failure of the private sector to solve the work-family problem should not be surprising. There are many needed services that no one would ever expect companies to supply."

The authors added that, even when it is in the best interests of individual workers and society as a whole, "firms have little incentive to improve working conditions and benefits; in fact, there is often a disincentive if it means the company will have to bear the cost while its competitors may choose not to provide any coverage." For these reasons, Heymann and Earle asserted, the passage of legislation is necessary to increase the likelihood that families will have access to important work-life benefits.

Financial Incentives For The Healthy Do Little To Reduce Employer Costs

Health insurance plans designed to encourage employees to be better consumers of health care are unlikely to result in significant cost savings for plan sponsors unless employers concentrate their efforts on lowering the costs generated by the small group of participants with chronic or catastrophic illnesses, a study by human resources consulting firm Watson Wyatt concluded.

The analysis of health benefit plan expenditures in 2004 showed the following: 72% of plan participants who were largely healthy accounted for 11% of health benefit spending, the 24% of employees who were in the early stages of chronic conditions or had acute health episodes accounted for 40% of spending, and the 4% of participants with serious health conditions accounted for 49% of expenditures. Researchers noted that people with very serious health problems are unlikely to be motivated by the financial incentives or plan design features of tax-advantaged Health Savings Accounts (HSAs) or other consumer-directed high-deductible plans.

Instead of encouraging all employees to reduce their health care spending—including those who are generally healthy and use few health care services—researchers recommended that employers focus their efforts on bringing down costs among those plan participants likely to consume the most health care. Employers may, for example, use case management to ensure that those participants with chronic conditions who do not need intensive treatment find less expensive forms of care. Plan sponsors may also design health plans that encourage those who are ill to use specified high-quality, cost-effective treatment facilities.

"This analysis makes clear that efforts to create better health care consumers must involve more than high-deductible health plans," said Sylvester J. Schieber, U.S. director of benefits consulting at Watson Wyatt. "It's up to employers to understand the varying needs of employees and to respond with targeted consumerism—an approach that uses different strategies to engage different segments of the population covered by health benefit plans."

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