

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 pandemic¹

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.

Our Health & Welfare Administration employers are¹ ...

- 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 Concerns²

- 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:

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

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

How are employers responding to COVID-19?

Support Employees

Mitigate Cost and Risk

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

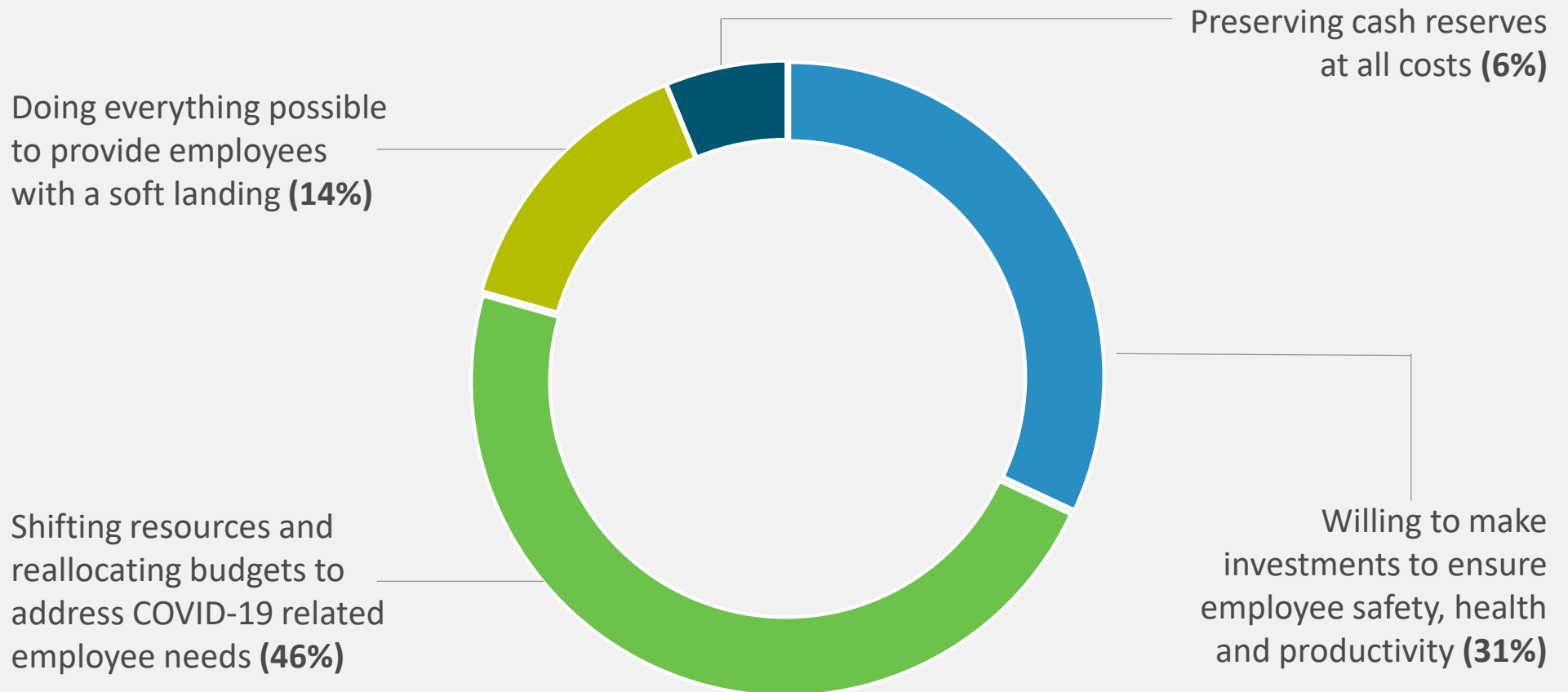
Preserving cash reserves at all costs



- Layoffs
- Stop employer HSA contributions


Employer Solutions


How are employers responding to COVID-19?



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)¹

 **23 seconds** on average to answer H&W calls in March and April²



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



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.⁴

Sources:

¹Fidelity Investments Call Volume Reporting, Jan. 2019 – March 2020

²Workplace Investing Participant Services Operations Reporting, Q1 2020

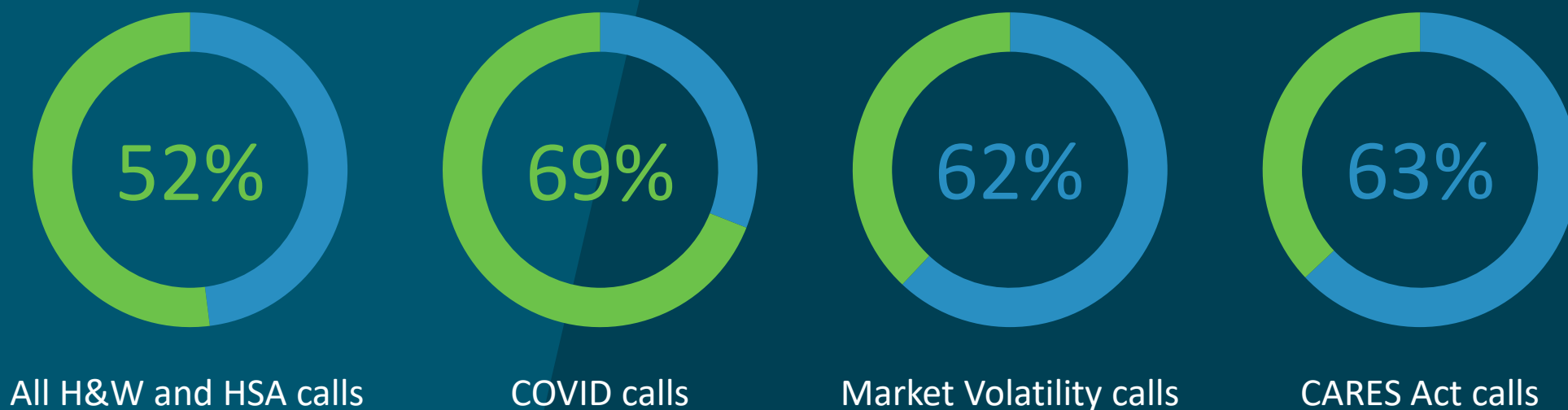
³Fidelity Investments NetBenefits Customer Engagement Index (CEI) scores, Q1 2019 & Q1 2020

⁴COVID-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?¹

■ Health and Welfare ■ HSA



Sources:

¹Fidelity Investments Call Volume Reporting, Feb.– April 2020

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

Employee contribution changes¹

< 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

Anecdotaly 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.

¹Participants 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.



Investing involves risk, including the risk of loss.

This information is intended to be educational and is not tailored to the investment needs of any specific investor.

For plan sponsor and investment professional use.

Approved for use in Advisor and 401(k) markets. Firm review may apply.

Fidelity Brokerage Services LLC, Member NYSE, SIPC 900 Salem Street, Smithfield, RI 02917

© 2020 FMR LLC. All rights reserved. 926525.1.0