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# The rapid evolution of Diversity, Equity and Inclusion in HR and Total Rewards

#### 2017-2019



To attract/retain more women and achieve gender equity commitments, companies introduced and expanded parental leave and familyfriendly benefits

#### 2020-2021



The triple crises of 2020 (pandemic, recession, and social disruption) accelerated HR and benefits trends that had begun previously – wellbeing, racial equity, ESG.

#### 2022



The "great resignation" continues, and mental health remains a critical concern. Employers consider evolving total rewards based on flex work and inflation challenges.

#### **What's Next**



Eimployers prepare for the entry of Gen Z, who will be 25%+ of the workforce by 2025 and are the most diverse generation in U.S. history.

### There is strong desire for DEI in the current state of the workforce



Employees are experiencing major burnout



**Engagement, retention and productivity** 

are top risks for employers as employees are adapting to new ways of working



Mental health stigma is slowly breaking and employees are identifying issues and looking for support



Managers and leaders are overwhelmed in how to lead and support their employees in these types of vast change



It is difficult to maintain cultures from pre-pandemic. Creating a culture of wellbeing is imperative but has become more difficult



**Employee needs and expectations** have shifted greatly — caregiving, financial wellbeing, flexible work



Shifting demographics and labor shortages in the public sector

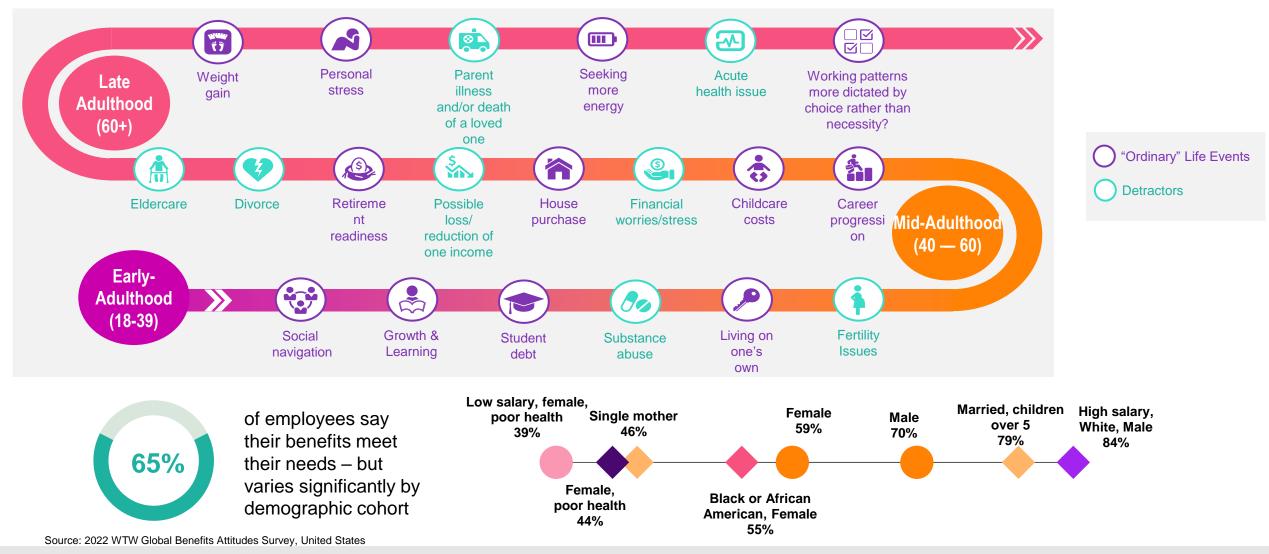


The attention to diversity, equity and inclusion has never been greater — employees are looking for action and change





### Modernizing benefits to meet employees where they are



### Framework for reviewing benefits through a DEI lens



#### **Access and participation**



**Affordability** 



**Health and financial risk** 



**Vendor collaboration** 



Inclusive/equitable plan design



**Employee preferences** 



**Alignment with Division** of Diversity & inclusion



**Inclusivity of benefit** communications

Focus area for Inclusive **Benefits Review** 

#### Potential populations of focus







**Neurodiversity** 



Income Level



Gender



Race/Ethnicity



LGBT+



Location

### Inclusive benefits review – goals and objectives



Do our current benefit programs meet the needs of a diverse workforce?



How do benefits impact our ability to attract and retain employees?



Does the current benefits package support an inclusive and diverse culture, and align with the State's Diversity, Equity, and Inclusion goals?



Are there opportunities to improve the wellbeing of State employees (financial, physical, and/or emotional wellbeing)

#### **Support Development of GHIP Future State**

**Meaningful Choice** – Several medical plan options that are meaningfully different in terms of price tags and benefit value (including an IRS-qualified HSA plan)

**Personalized Benefit Offerings –** After-tax Lifestyle Savings Account aimed at meeting the participants life needs in any given year (e.g., child/elder care, student loan repayment, pet insurance, etc.)

**Voluntary Benefits –** Strategic approach driven by employee demographics, supported by robust benchmarking, market knowledge and enrollment services

**Flexible Subsidization –** Employees receive fixed amount towards suite of core and voluntary benefit offerings such that employees can purchase based on their own unique needs

**Meets Variety of Needs –** Scope of benefit offerings are flexible to meet the needs and preferences of the State's diverse workforce

### Inclusive benefits review – overview of process

## Health benefits reviewed

- Family forming benefits
- Transgender coverage
- Maternity/pregnancy
- Women's health
- Behavioral health & substance abuse
- Wellbeing support
- Dental

# Areas for potential future study/review

- Disability plan and policies
- Leave/time off programs
- Retirement readiness and benefit offerings
- Caregiving benefits
- Perks/ancillary benefits
- Benefits education, communications and resources

Benefits are reviewed on a "good, better, best" scale for select provisions through a DEI lens, using:

- Corporate indices, such as Human Rights Campaign's Corporate Equality Index
- Published clinical guidelines and best practices (e.g., WPATH)
- Employer prevalence data and surveys
- Employee surveys and input



### Inclusive benefits review – what to expect

- Study findings to be presented at September Health Policy & Planning Subcommittee meeting and will
  include a summary of strengths in the current GHIP benefit offerings and opportunities to better align with
  strategic objectives
- Findings will also include list of recommendations for each reviewed benefit category that may include:
  - Coverage or policy enhancements
  - Communications/education targeted at certain populations or life stages
  - Additional data cuts/metrics to track progress and identify future opportunities
- Health Policy & Planning Subcommittee may choose to further explore some or all recommendations
  including additional vetting of cost impact, member impact, administrative impact, vendor capabilities, etc.
- Changes do not need to be adopted immediately consider prioritizing changes for implementation in FY24, FY25, or a future year
- Findings will be considered in the context of compliance requirements (e.g., Mental Health Parity and Addiction Equality Act) and any other Benefits Modernization efforts (e.g., employee survey)

