



# The Next Era of CDH: How Mobile Unlocks New Advantages



FIFTH THIRD BANK

**As HSAs and other CDH options become increasingly central to the fabric of HR and benefits administration, overall healthcare spending for companies and consumers could potentially be lowered. The catch? These plans can't cut costs for anyone unless employees actually use them.**

Consumer-directed healthcare (CDH) plans have become a popular option for employers of all sizes. In fact, no fewer than nine out of ten employers **offered** at least one CDH plan to their employees in 2018

and 40% offered a CDH plan as their only coverage option in 2018—a 5% increase over 2017 (35%).



Consumers are adapting to the added financial responsibility: Contributions to health savings accounts—a component of most CDH plans—**jumped from** \$25.5 billion in 2016 to \$27.6 billion last year. Further, 63% of all HSA dollars contributed in 2017 came from an employee with employer-associated HSA.

Mobile capabilities are key to any effort to encourage adoption of CDH plans. By embracing solutions that empower employees to enjoy their healthcare benefits with a high degree of mobile access, speed, and customization, companies can earn new advantages in satisfaction and retention.

# What Employees Want

In today's mobile-first environment, consumers are accustomed to accessing accounts on the go—including their most sensitive information. A Federal Reserve [report](#), for example, found that 53% of smartphone owners with bank accounts have used mobile banking applications. More than 80% have used banking websites.

When asked why they started using mobile, 39% said they liked the convenience. The shift to mobile also suggests consumers are eager to access clear information for empowered decision-making with a single tap.

Modern consumer mobile expectations include:

- **Self-service tools** that allow tasks to be completed with less human interaction
- **Always-on access** to critical account tracking and management features
- **Simple to understand information** for learning about individual options
- **Diverse payment acceptance options** and seamless, fast payment experiences



Today, CDH administration tools rarely stack up to the convenience or ease of mobile banking apps and other consumer tools. But what if they did?

According to Jackie Dornfeld, Sr. Director of Product Management at WEX Health, it's clear consumers want to access and manage healthcare accounts via mobile. By delivering those options through an industry-leading solution, she expects future adoption of the WEX Health Cloud mobile app to mirror that of banking apps.

## What Employers Want

Unlocking that kind of use and adoption demands an excellent CDH experience. To ensure the success of CDH plans, employers need to deliver high usability at low cost—along with the back-end ability to glean insights into usage, access, and turnover.

After all, plan turnover isn't the only risk facing employers if they deliver a less-than-stellar CDH experience. As benefits quality becomes an ever-more important factor in employee satisfaction, CDH experience may have an impact on employee churn. (According to research from [Aflac](#), 47% of employees will look for a job due to dissatisfaction with benefits.)

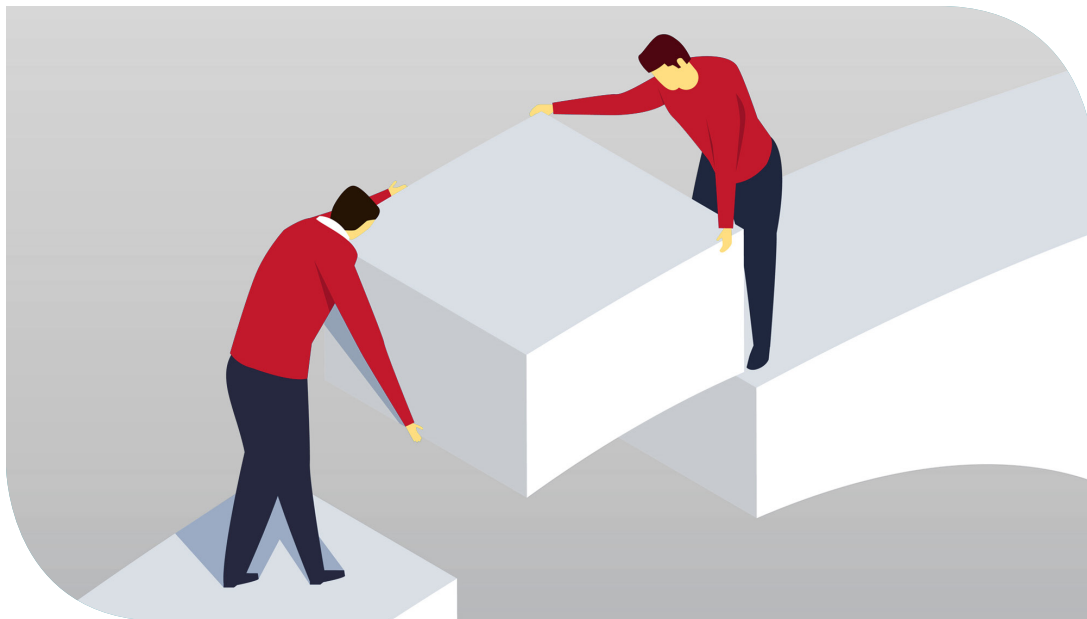
It is essential that companies protect employee retention in every way possible. **Turnover by millennial employees**—who are even more inclined to expect mobile capabilities and intuitive experiences than older adults—**already costs the U.S. economy over \$30 billion annually**.

### How would mobile CDH help?

According to one [study](#), 81% of employees who can easily access their benefits say they feel loyal to their employer and 77% of employees who understand their benefits offering said they saw themselves staying at their organization for the foreseeable future. On the other side of the ledger, 51% of employers say that using benefits to retain employees will become even more important in the next 3 to 5 years.

## Bridging the Gap

**How many CDH plan holders today are among those who can “easily access their benefits”?**



Among those with a health savings account, the number is likely small.

To answer HSA holder questions, it's important for employers to know the ins and outs of their plan options. But knowledge alone isn't enough to drive satisfaction—encouraging increased adoption, engagement and use requires integration and interactivity across other areas of the healthcare experience.

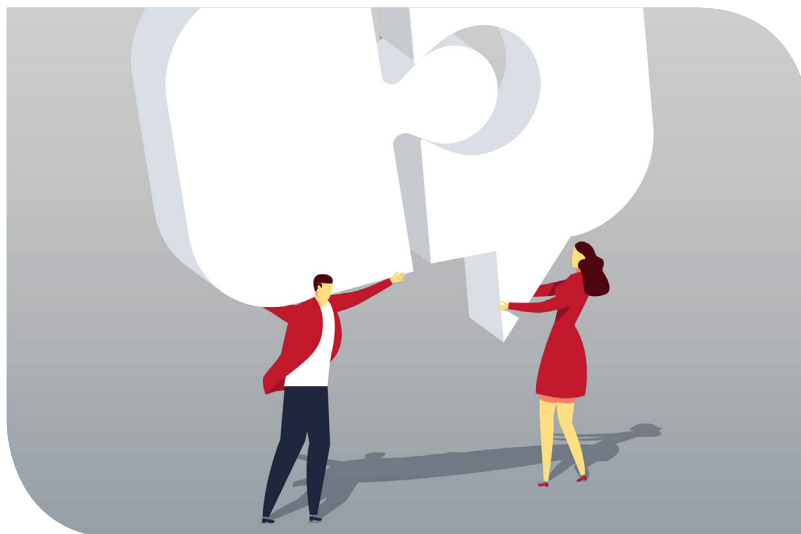
Employees need to be aware of which benefits are being provided. But if they can't quickly and seamlessly track expenses, manage payments, and budget for future healthcare needs, how consumer-directed is the plan really?

Mobile bridges the gap between what employers want and what consumers need for more empowerment and engagement in the CDH world.

## Mobile for Impact

### **Delivering CDH benefits via mobile-enabled tools creates new advantages for both employers and employees.**

For employees, it makes engaging with their healthcare easier. Using streamlined account management and patient portal tools, they can save more money, access more preventive care, and better prepare for the future.



Administering healthcare benefit accounts should be easy for employers, too. Digital tools can help employers administer health plans in more seamless ways and cultivate valuable data on employee access, use, and engagement.

Over time, such data can shape the kinds of insights HR and Benefits leaders need to adapt and evolve their CDH strategies. Those insights could ultimately prove crucial in the quest to attract and retain talent while scaling toward company goals. Using customization inside a mobile CDH mobile app also showcases your brand, helping reinforce and deepen your relationship with the individual plan holder.

## How to Get Started

Deloitte research has [found](#) consumers' use of online resources and technology tools increasing across the healthcare space. But for employers, succeeding with CDH strategies—mobile or otherwise—requires focusing on more than just technology, user experience and access.

To realize the full value CDH benefits can deliver, employers must do their research and tap expert help.



As a baseline consideration, companies need to identify internal leaders who understand the full breadth of capabilities and opportunities posed by their existing CDH program (or at least task a stakeholder to take on that role). Knowledge gaps on service offerings or solution options can undercut the advantages of existing relationships.

**Employers should map out short- and long-term goals with mobile or digital CDH tools and pursue partners who can help them get there.** Since 75% of health insurance brokers report the choice of solution provider is critically important to success with CDH, companies must understand how a vendor's product roadmap will evolve as their CDH strategy grows increasingly mobile-first.

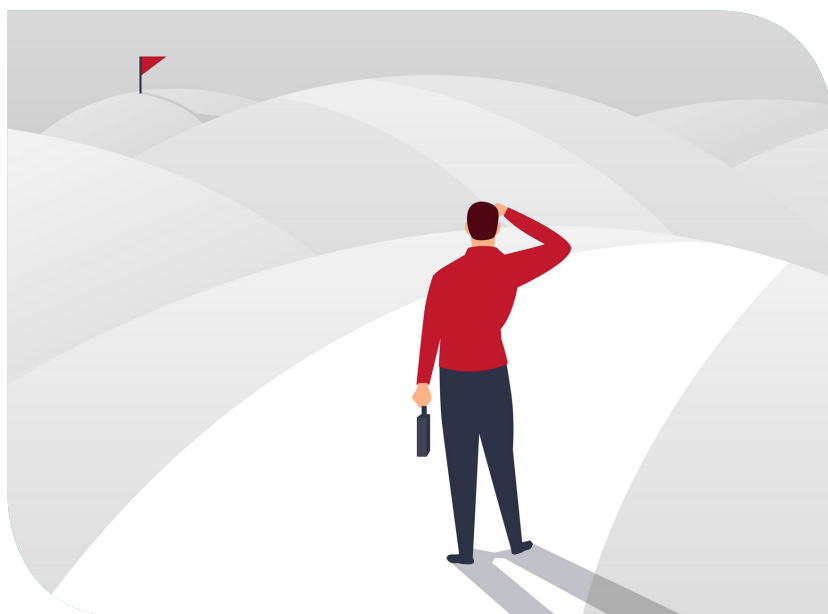
## CDH's Future Frontier

Estimates [project](#) the HSA market **will exceed \$60 billion in assets by the end of 2019**, spread across roughly 27.5 million accounts. Since HSAs stay with employees for years and the number of CDH benefit programs is only growing, employers who improve CDH capabilities will likely see ROI.

With mobile, the sooner companies invest, the better. Remember the Federal Reserve [study](#) showing over half of American smartphone users were using mobile banking? The same report noted that “the higher incidence of mobile banking adoption among smartphone users suggests that as smartphone adoption continues to increase, mobile banking usage may also increase.”

It's a point worth reinforcing as Benefits and HR leaders look to the financial services sector as a signal of what the future of health plan accounts holds.

Forward-looking program managers might, for example, expect more smartphone wallets and other integrated payment options in the future—like a multi-benefit card that provides flexible payment options with the ability to access more than one account on the same card and pull funds from the appropriate accounts.





In the future, emerging technologies like AI-powered chatbots and voice recognition will make their service interactions even easier.

Until that next generation of CDH administration arrives, companies should partner with experts to focus on using digital capabilities to drive adoption:

- 1 Communicate and educate:** Developing a communication strategy around your CDH program is crucial to ensuring participation. (Data from WEX Health has shown that active mobile app promotional campaigns result in adoption levels 18 times greater than no promotion.) Plot out an internal promotion plan that will help employees understand the full scope of what they can do with your CDH programs and technology solutions.
- 2 Monitor and measure utilization:** Awareness drives engagement, so a successful internal marketing approach should have a direct impact on use. If you don't see increases in participation and utilization, go back to the drawing board (or enlist more support from your CDH solution provider).
- 3 Iterate and enhance over time:** The capabilities and user experience delivered by your CDH technology should continually get better and better. Talk to your employees about what they like, dislike, and want from your mobile CDH tools, and take their feedback seriously—as it may play a key role in satisfaction and retention.

In today's ultra-competitive business and hiring environment, mobile CDH can serve as a differentiator. Use education and awareness campaigns to promote your CDH options among employees, and invest in continually improving how you administer your CDH program.

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