

## BENEFITS BREAKDOWN

April 2025



### HDHP Enrollment Fell Below 50% in 2023

Enrollment in high deductible health plans (HDHPs) fell in plan year 2023, marking the second consecutive year of decline. The [ValuePenguin study](#) findings show that 49.7% of private-sector employees were enrolled in HDHPs in 2023, down from 53.6% in 2022. ValuePenguin reported enrollment reached its highest at 55.7% in 2021. Prior to 2022 and 2023, HDHP enrollment had not dipped since 2013. This trend aligns with a report by WTW, which found that the number of employers offering only HDHPs has fallen by 33% since peaking in 2020.

The ValuePenguin report illustrates that HDHP enrollment has declined in recent years despite these plans' features. In part, the report attributes this to the ongoing impact of the COVID-19 pandemic, which rattled Americans about being unprepared for medical emergencies. While HDHPs have lower premiums, they have higher deductibles and more out-of-pocket costs than other plan options. Although this report demonstrates a broad decline in HDHP enrollment, younger workers are choosing to remain with HDHPs. A report from Benefitfocus found that in 2024, more Generation Z workers were choosing these plans compared to their older counterparts.

To stay competitive, employers should review their health plan offerings and continue to monitor trends.

### Navigating a Growing Array of Benefits Options

In today's labor market, offering a robust benefits package is essential for employee attraction, retention and well-being. The rise of voluntary benefits to supplement mainstays such as health insurance, 401(k) and leave has resulted in more than 150 available options on the market for employers to consider. As such, it can be daunting for employers to consider the various benefits, not to mention that benefits are costly.

With an ever-expanding array of benefits options, employers face the challenge of offering benefits that align with their organizational goals, budget and employee needs. Employers can navigate an expansive network of benefits by following these five steps:

1. Assess employee needs and preferences. Employers may work with a broker to understand the full offering of benefits available from insurance companies.
2. Prioritize benefits with the most significant impact by focusing on core benefits, incorporating flexibility and monitoring the market.
3. Select benefit offerings, weighing the cost of benefits against the value they provide to employees.
4. Communicate effectively so employees are educated and informed about their benefits package to increase enrollment and utilization.
5. Evaluate the benefits offerings regularly, analyze utilization and monitor benefits trends to improve or validate offering selections.

By taking a tailored approach to benefits, organizations can ensure their plans are competitive, supportive of the workforce and aligned with the company budget. Reach out for additional benefits guidance.