

loop

REPORT

Corporate India's Insurance Trap - The Glaring Gap in Employee Health Benefits

A Loop Report

A new report by Loop to help HR Leaders redesign their health benefits package to improve employee health and performance in 2023.

Data from over 500 HR
leaders across India.



Foreword

from Amrit Singh, co-founder and
Chief Revenue Officer, Loop

Change in healthcare demands vision and persistence, heart and resilience. Loop is focused on making the future of healthcare better for every Indian.

With more than 500 million Indians being employed, we believe HR teams are the key to unlocking this better future. As more employers take the responsibility of providing care to their employees, we see HRs as the early adopters of technology and services that enable better health outcomes.

Unfortunately, employees are not always willing to spend on their own healthcare. We have seen the prevalence of diseases like diabetes and hypertension climb year after year. Employer-offered health benefits provide organizations with a key opportunity to improve the employee experience and directly make a difference in their employees' lives.

Our plan at Loop? Engage employees, empower their care, and earn their trust. From our unique clinical model to our health coverage design, our claims support to our healthcare app, it is the heart of everything we do. To receive healthcare is to be vulnerable. To consistently get better outcomes, people need to feel seen, heard, and supported. That is where we start.

The State of Employee Health Benefits report is the first step in understanding where corporate India stands today in thinking about and providing for employee healthcare. We hope this will be as insightful for you, as it was for us, in preparing your health benefits plan for 2023.

Best Regards,

AMRIT SINGH

Co-founder & CRO, Loop



Why Should You Care About Employee Health Benefits?

India has an employee base of 522 million people. The country's GDP is reliant on how healthy this population is.

In the last couple of years, the Indian workforce has seen a noticeable shift in attitudes toward healthcare. This is owed to a pandemic-induced focus on health, and the surge in mental health challenges with over 80% of employees battling mental health issues (Deloitte survey).

Apart from this, plenty of studies exhibit that a majority of Indian people are exposed at an early stage to one or the other lifestyle disease such as heart problems, high blood pressure, diabetes, etc. Eventually, this increases the chances of facing medical contingencies and higher expenses.

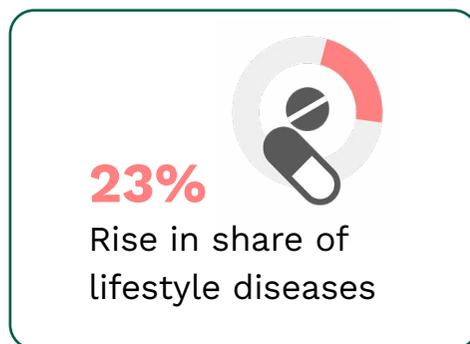
As per a recent report by Bajaj Capital Insurance Broking Limited, on average, 20% of employers offer a sum insured of Rs. 4 lakh and above, 20% offer Rs 2-3 lakh sum insured, and 60% provide a sum insured of less than Rs 2 lakh. Keeping medical inflation and the rising cost of expenses in mind, this cover is insufficient. The picture on the retail side of things is starker with only 3.2 % of India's 138 crore population being covered by retail insurance products, making them prone to financial shocks and healthcare debt.

Over
80% of employees
battle mental health issues



Employees say there is a gap between employer-offered health benefits and employee expectations. From our survey, we found that over 50% of employees say that health benefits are the most important benefit that impacts their job satisfaction. Further, we discovered fewer than 1 in 3 businesses offer any form of wellness service as part of their benefits package.

Businesses also bear the impact, because of presenteeism and absenteeism, especially on productivity. The leading causes of productivity loss are chronic conditions like back pain, neck pain, obesity, anxiety, and depression. Resultantly, the cost of lost productivity is 2.3X higher than the spend on employee medical care (JOEM survey). This demonstrates the need for an employer-sponsored health benefits program that allows businesses to attract the right talent, bolster employee productivity and provide access to the right care.



< 1 in 3

businesses offer wellness service



50% say

health benefits are most important

Now more than ever, employees need holistic health benefits packages.

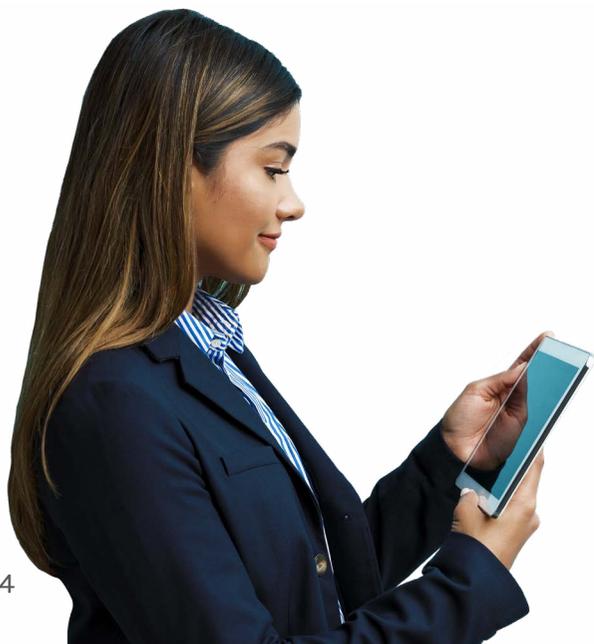
To investigate and highlight the state of corporate health benefits, we surveyed 500+ HR leaders across industries and sizes. After a careful analysis of qualitative and quantitative responses, the result is a comprehensive view of how HR leaders approach health benefits, what is important to their organization, and their decision-making process.

HRs and industry leaders can leverage this information to:

- Make forward-looking changes to their benefits plan
- Take necessary measures to attract and retain their most valuable assets - employees.

The State of Employee Health Benefits today - Key Findings

India has a sizeable chunk of working professionals. As of 2021 it's 470,495,536.230 people who keep the economy's wheels turning smoothly. The country's GDP is reliant on how healthy the population is. However, as per a recent report, only about 39% of full-time employees have health insurance through their workplace.



65% Nearly 65% of employers offer only group health insurance as part of their health benefits plan.

1 in 2 1 in 2 of the employers who only have group health insurance say that fewer than 20% use their health benefits plan.

6 in 10 6 in 10 HR leaders think of health benefits plans and group insurance as one and the same.

3% Fewer than 3% of employers offer preventive care services such as annual health check-ups.

28% Only 28% of employers provide mental health services either in-house or through trained outside professionals.

1 in 4 1 in 4 employers states that a health benefits plan helps them improve employee productivity.

Top two reasons for choosing a group health insurance provider:

- 1 Premium amount
- 2 Claim settlement efficiency

Top two reasons why HRs dislike managing health benefits:

- 1 They need to do admin work manually
- 2 The lack of a flexible interface for coordination

Group Health Insurance Sum Assured by Size of Organization

No. of Employees	<100	100-250	251-500	501-1000	1000>
Sum Assured (INR)	350,000	340,000	260,000	200,000	250,000



About Loop

Loop combines group healthcare insurance with healthcare for employees across India in order to create a holistic health benefits experience that strives to keep employees healthy while caring for them and their families when they fall sick.

Insurance



- Flexible and comprehensive insurance policy for your company's needs
- Competitive rates from the most trusted insurers in the market

Claims and Hospitalization



- High touch and empathetic support during claims and hospitalizations
- Dedicated on-site claims advisor for every hospitalization

Health and Wellness



- Dedicated team of doctors and medical advisors available 24x7
- Annual wellness program customized to your needs
- Onsite health camps for lifestyle ailments like Diabetes and Hypertension

400+ companies across India trust Loop as their health insurance and healthcare provider



Benefits of using Loop

5x

more usage of your company's health benefits.

50%

of your time saved managing employee claims.

Avg. 12

day TAT on claim reimbursement.

₹10K

cost savings per employee on doctor visits for self plus family.

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The State of Employee Health Benefits 2023

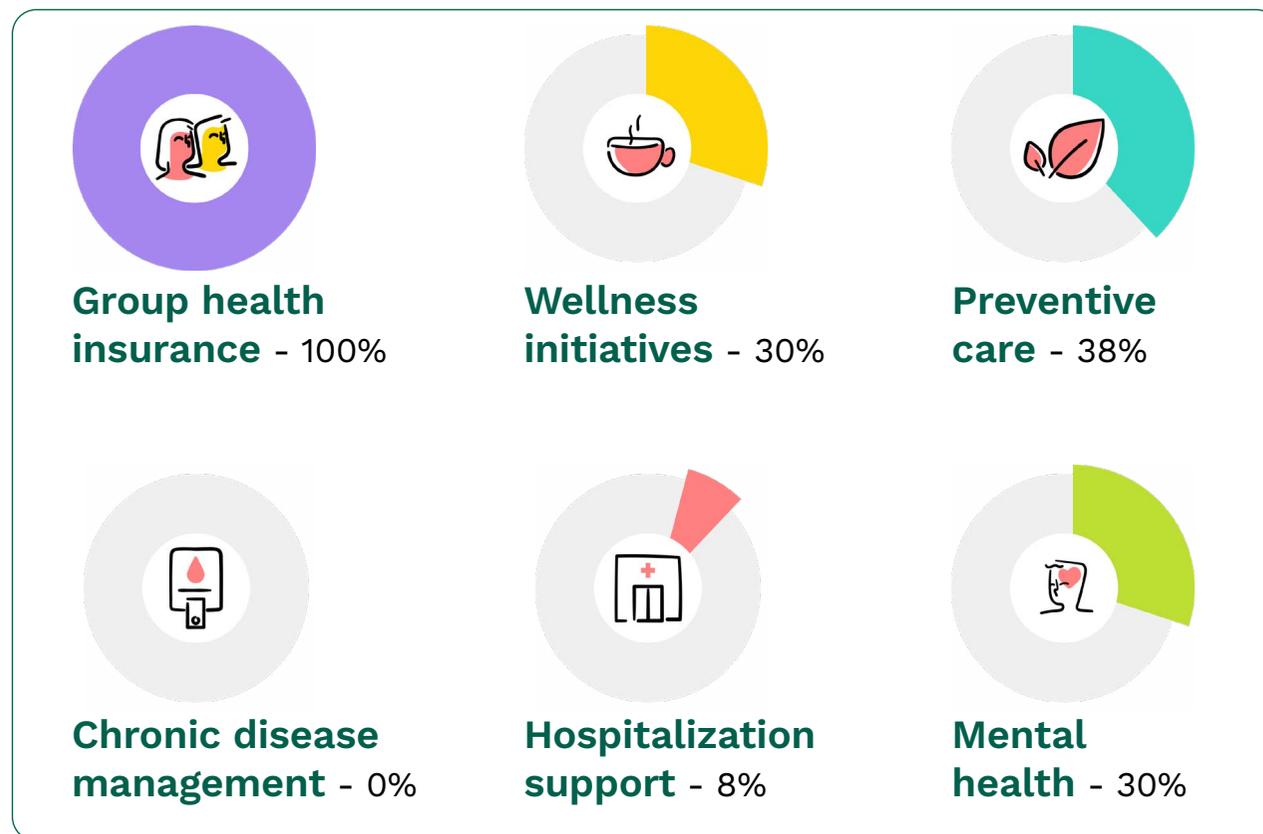
As the healthcare landscape evolves, there is a growing need for employers to safeguard their employees against rising medical costs and pandemic-prone environments. The modern health benefit plan must have the right mix of proactive & reactive measures.

This includes:

- **Preventive care packages**
- **Hospitalization assistance**
- **Long-term disease management**

With the help of our survey, our experience working with hundreds of companies, and secondary research on health insurance & healthcare from around the world, we understood how employers think about modern health benefits plans.

We have covered six different pillars that constitute the modern health benefits plan:



We will examine each pillar at length and offer insights into why you should build them into your existing health benefits plan.

Group Health Insurance - table stakes, but needs to work within a holistic healthcare framework

Employer-funded insurance plans have always been a common part of compensation packages, with 100% of our survey respondents reporting that they offer it to their employees.

During the pandemic, employers had to re-evaluate health coverage in the face of rising care demands. The average expense of COVID-related treatment for 14 days costs between Rs. 280,000 to Rs. 350,000. This eats into the average sum insured of a group health insurance policy. Owing to the surge in demand, medical inflation stood at nearly 8%, which drove up out-of-pocket costs. Employers reacted to this with an additional purchase of COVID-related insurance policies.

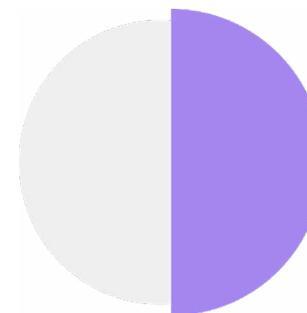
Post-pandemic, healthcare is still at the core of the employee benefits portfolio. But we are seeing a shift in the way employers approach employee insurance. What was once a checkbox item has now become an area of careful consideration.

From our survey, 70% of the respondents said that only the premium amount and claim settlement efficiency matter when choosing an insurer. However, in addition to premium and claim settlement, 27% of companies consider doctor consults and wellness services to hold considerable weight.

100% offer
Employer-funded
insurance plans



Earlier, health insurance could act as a differentiation between companies competing for talent on CTCs. Today, a large chunk of our respondents (50%) say that health insurance is a basic expectation from employees and it is mandatory. However, 41% of our respondents believe health coverage helps productivity and attracts and retains employees. Presently, the focus of employees and employers alike has shifted towards building a positive corporate culture that emphasizes employee health and wellbeing.



50% say that health insurance is a basic expectation

Rather than an expense, companies should look at employee insurance as an investment in human capital. According to the Health Enhancement Research Organization (HERO) over 90 percent of business leaders say that promoting wellness can affect employee performance and productivity. Whether it is an increase in productivity and performance, higher engagement and morale, or lower turnover rates, there's greater, long-term value in good employee health. Thus, modern employers need to take a more holistic approach to healthcare and focus on wellness, preventive care, mental health, chronic disease management, and more.



41% believe health coverage attracts and retains employees

Check out the [Loop Employee Wellness Handbook](#) for ideas around the most effective employee wellbeing efforts.

Wellness initiatives

The WHO constitution states that health is a complete state of physical, mental, and emotional wellbeing, not just the absence of diseases or infirmity. Increasingly, HR leaders are becoming more aware of the impact of wellness services. And this is clearly depicted in our survey as it indicates that 35% of HR leaders offer wellness services along with group health insurance. The number stands to increase further as more businesses look at building a comprehensive health benefits program.

Wellness initiatives aim to support employees in leading healthier lives and reducing health risks. These programs are designed keeping in mind employee health, productivity, engagement, satisfaction, and other parameters.

Traditionally, wellness programs have been seen as a good-to-have. However, newer research now supports the idea of wellness programs as a strategic facet that adds to the organizational bottom line. One study found that the costs to employers from health-related lost productivity dwarf those of health insurance.

As per a study by doctors Richard Milani and Carl Lavie, wellness-focused employee health programs yield \$6 in healthcare savings and productivity improvements for every dollar invested. The productivity improvements are not just a result of reducing absenteeism but also from solving illness and stress-related underperformance issues.



Additionally, another study by the National Business Group on Health found that healthy employees stay longer with their organization, making it apparent that effective wellness programs can lead to lower voluntary attrition.

Consequently, the broader impact of wellness programs goes beyond improving employee productivity. They also boost employee engagement and talent retention, contributing to long-term business results.

Make wellness a priority

Incorporating wellness programs into your health benefits plan offers a higher return on investment given increased productivity. Loop offers curated wellness sessions that address health in a holistic manner. From stress-busting physical activities to relaxing mental health sessions that boost morale to financial management, wellness sessions are designed to help employees get more out of their health benefits plan.

Annual Wellness Plans



- ✓ Experts in 40+ fields from yoga to mental health
- ✓ In-person sessions at your preferred locations
- ✓ Weekly newsletters on health and nutrition

Customized events



- ✓ Especially curated events for your team
- ✓ Dedicated wellness manager for your team
- ✓ Support across all wellness activities

Preventive care

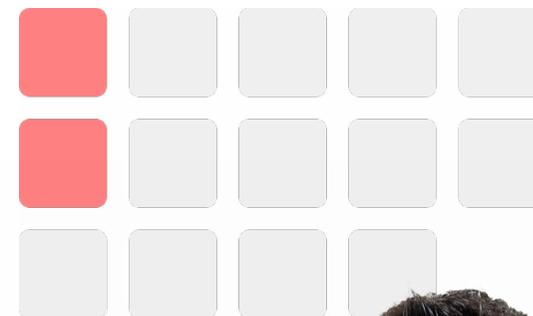
Without preventative care, people are more likely to miss early signs of disease, lose out on opportunities to treat or reverse its course, and have to skip or quit work to deal with health issues.

A study by ICRIER reveals that absences due to illness cost companies nearly 51 working days or 14% of their annual working days in a year. One of the primary reasons for absenteeism was lifestyle diseases like stroke, cardiovascular diseases, diabetes, etc. It further states that you can expect an equal percentage of loss in productivity and profits. A Deloitte study says that poor health amongst employees costs Indian employers around Rs 1.1 lakh crore (\$14 billion) per year due to absenteeism, presenteeism, and attrition.

Further, the National Health Accounts said that 90% of overall healthcare expenses go into treating diseases and their complications—amounting to more than Rs 3.6 lakh crore per year. The fact is that the chances of getting cured or being able to manage a condition successfully are lesser after being diagnosed with a disease.

Our survey indicates that only 38% of Indian enterprises offer preventive care solutions as part of their health benefits package. The impact of offering preventive care is quite apparent. Fewer than 20% of employees use health benefits when a company offers only reactive care. That number goes over 56% when the company provides preventive care.

Absences due to illness = 14% of annual working days



With the lack of early intervention, employers will see increased absenteeism, reduced productivity, lower engagement, and a dip in morale. As per the CDC, more than 100,000 lives can be saved annually if everyone receives the recommended preventive care. Preventive care saves employees' lives and money, but it also helps businesses improve productivity and save costs.

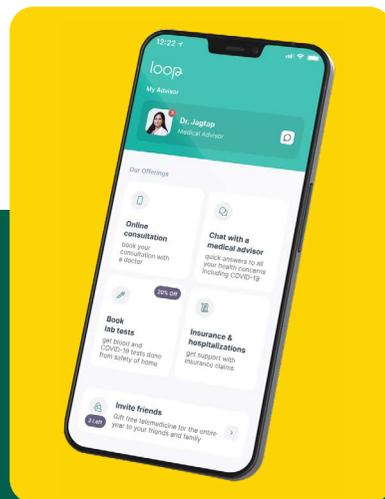
Employers have the opportunity to hit reset and re-evaluate the ways of working to address root causes and drive greater wellbeing through workplace wellness programs that focus on preventive care.

According to ASSOCHAM, adopting a corporate wellness program that focuses on preventive care can save businesses over \$20 million

by reducing absenteeism while improving lifestyle and chronic diseases.

Loop provides employees with a robust employee health program inclusive of preventive care. Our team of highly-skilled and experienced in-house doctors help deliver high-quality care, and detect and control risk factors early and effectively. With timely and quality care coming at no additional cost to employees, employees can take charge of their health. They get 24x7 support on answering their health questions, help with the necessary preventive care tests, and an accurate diagnosis and quick resolution.

Preventive care means healthy employees and better financial outcomes



Chronic Disease Management

Hypertension, diabetes, and cardiovascular disease are the three most prevalent chronic conditions, with close to 242 million people suffering from hypertension, 75 million people suffering from diabetes, and 67 million people suffering from cardiovascular conditions. WHO predicts ~70% of deaths in India by 2030 will be due to chronic diseases. Chronic conditions lead to ~40% of all OPD cases, and ~80% of e-pharmacy sales.

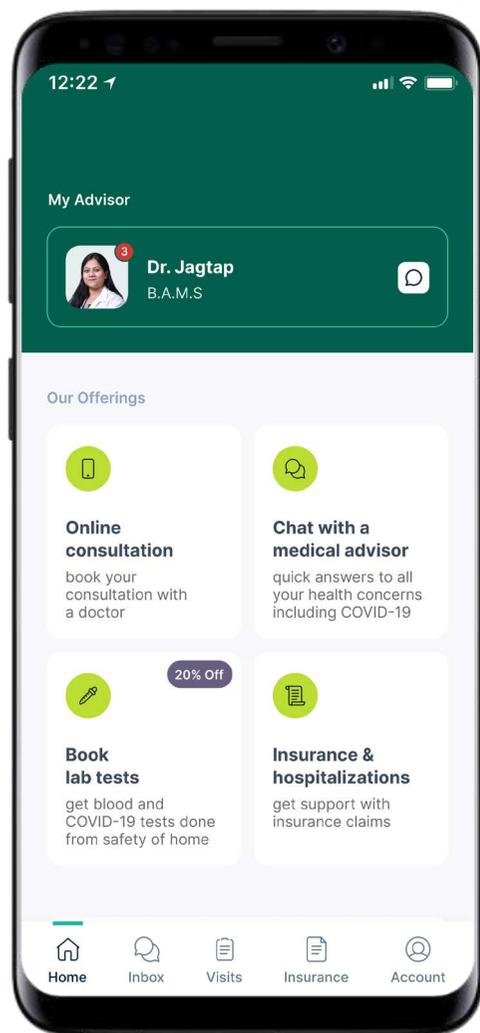
Employees are not getting the help they need

More companies are reporting that high-stress levels and improper diet among employees are leading to a marked increase in lifestyle and chronic diseases. As per the Health

of the Nation Report 2022, 18% of corporate Indian employees have diabetes and at least 28% of them have hypertension. Additionally, 53% of Indians in the age group of 26-40 years are at risk of cardiovascular disease. However, adoption of chronic disease management and recovery programs is abysmally low, as is evident in a high ~60% patient drop-off from chronic disease incidence to treatment. The primary reason is India's out-of-pocket healthcare expense is 62% of the entire expenditure, making it expensive for middle-class India.

Modern companies are taking responsibility for chronic conditions

53%
**Indians in the
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disease**



Typically, a chronic patient's healthcare journey includes consultations and follow-ups with doctors, regular vital monitoring, purchasing medicines, undergoing lab tests, making dietary changes, monitoring these changes, and more. This complex process spans across multiple years and could go on for a lifetime.

In order to support this need, companies are turning to digital disease management players who offer a one-stop solution where patients can manage the entire course of their healthcare journey in one platform. Digital tools, which allow for frequent communication between doctors and patients, are perfect for addressing the problem.

This means that employees can access consultation with doctors, constantly monitor and track their progress, get inputs from health coaches, purchase medicines/health products, and book lab tests (and have the tests done in the comfort of their homes), all in one platform.

Often, doctors have trouble keeping track of patient information and are too busy to provide every patient with dedicated support. They struggle to communicate often when patients only visit the clinic twice a year. But, through a digital platform that brings everything under one roof, doctors are now able to improve patient adherence to their recommended treatments and the overall quality of outcomes

Loop provides chronic condition care for Diabetes, Hypertension and Cardiovascular disease.

Hospitalization support

As standard employer-funded health coverage becomes the norm, companies are looking for other avenues to add value for employees. One such area for support became abundantly clear during the pandemic - hospitalization support. This includes providing access to superlative care hospitals, specialty clinics, proactive checkups, and more.

Only 8% of organizations in our survey offer add-ons to their GMC covers like lab discounts, OPD, and annual health checkups. Some modern healthcare companies are solving these gaps in the overall healthcare plan.

Loop offers on-site claims support, where an experienced claims professional can meet employees at the hospital, guide the patient through the discharge procedure, and take on the tedious reimbursement paperwork.

We may also need to rethink our approach toward financial support during hospitalizations. Company policies around early salary release, helping build community-based lending platforms, and no-cost EMI options as provided by new-age insurance brokers, are some right of steps in this direction.



Mental health

Over the years, there has been a steady rise in mental health issues globally, which the pandemic further accentuated. According to the World Health Organization (WHO), India accounts for nearly 15 percent of the global mental health burden.

According to a recent survey by Deloitte, close to 47% of Indian professionals consider workplace-related stress as the biggest factor affecting their mental health. The same study states that the cost of poor mental health to an organization is nearly \$14 billion yearly because of attrition, presenteeism, and absenteeism. And 33% of all respondents continued to work, despite poor mental health. Another study by ADP in the Economic Times states that 7 of 10 Indian workers feel stressed at work once a week.

Make workplace mental health a priority

Even with such alarming numbers and consequences, our survey revealed that of the total respondents, over 73% of the organizations do not offer mental health services.

De-stigmatizing mental health and making mental health services easily accessible to employees can help. The onus is on employers to act and establish a framework to manage psychological health and well-being in the workplace and create a culture of trust to ensure long-term benefits for employees as well as the organization.

INDIAN PROFESSIONALS



ORGANIZATIONS



Besides a library of resources on [wellness](#), we offer mental health sessions to our 300k+ employees. Our team of doctors consists of clinical psychologists with over 5+ years of experience. In the confidential mental health counseling sessions, employees can discuss what is on their minds and find effective solutions to cope with situations and feel better.

Not recognizing and acting on mental health in the workplace can impact your company's bottom line due to higher healthcare costs. Take the necessary steps to recognize mental health in the workplace. Communicate about existing resources and put an overall strategy together for the future.



Summary: Break the Mould and re-invent your health benefits program

Employers need to go beyond incremental changes in a system that is no longer delivering adequate health or financial security for their employees. To adopt a mindset of “health as an investment,” employers should begin by understanding evolving employee needs.

These investigations not only include demographics, geography, relevant care journeys, and more, but also their employees’ definition of health and wellness and their preferred modalities of engagement. Armed with these facts, employers can build a comprehensive health, well-being, and care ecosystem they would like to have for their employees and their families.



Benchmark Your Current Health Benefits Program with the Industry

Answer yes/no to each of these questions. For question 4, give yourself 0.33 for each of the sub-questions. Your score range will be from 0 to 7.

1. Does your GMC include added benefits?
2. Do you have monthly wellness programs?
3. If yes, do your employees participate in wellness programs?
4. Do you offer preventive care services including:
 - a. Lab tests?
 - b. Tele consultations with doctors?
 - c. Health screenings?
5. Do your employees have a dedicated medical advisor to help in their healthcare journey?
6. Do you offer mental health services?
7. Do you have a disease management program?



Your Employee Health Benefits Benchmark:

Basic Health Benefits - Score < 3

You only offer group health insurance. There is scope for tremendous improvement in your health benefits plan. Your employees require more benefits if you wish to see a boost in productivity, engagement, satisfaction, and overall wellbeing.

Evolving Health Benefits - Score 3-5

You are offering a few added benefits along with health insurance. This is certainly in keeping with the growing focus on health, but there is room to take it to the next level.

Modern Health Benefits - Score 5-7

You are close to having a comprehensive health benefits plan and are a leading company in this space.

To reach 100%, you need a comprehensive health benefits plan that emphasizes not just health but overall well-being keeping these 6 different facets in mind - employee health insurance, wellness, chronic disease management, preventive care, hospitalization support, and mental health. You can elevate the overall employee experience and give them a greater sense of purpose.

Loop can help you do this.



Modern health benefits that teams deserve

Trusted by industry leaders:



[Learn more](#)

