



What Millennials Want in a Health Insurance Program

Between 1980 and 2000, 80 million people were born in America. We call this generation the millennials—and they will eventually edge out the baby boomers as the majority of our workforce. In fact, half of the millennials in the U.S. today are already in the workforce. Millions more join each year.¹

Millennials have quite different preferences and expectations than previous generations. To attract and retain the best millennial employees, organizations would do well to understand them better and design their health benefits program accordingly.

Common Millennial Characteristics and How They Affect Your Plan Choices

1. They like to shop.

These consumers are used to conducting their own research and making their own purchasing decisions. When it comes to health benefits, this translates to a desire for comparative information and an expectation for customization options. Millennials want to tweak their benefits package according to their lifestyle—with choices for medical, dental and vision coverage; as well as life, disability, wellness programs, and even pet insurance.

2. They expect technology tools.

Millennials spend most of their waking hours on a computer, tablet or smartphone. They like 24/7 access to information, and are used to researching options and pricing via online tools. Accordingly, millennials want easy online access to their benefits information, as well as self-service tools for comparison-shopping and enrollment. And they want that access and those tools to be optimized for their increasingly mobile lives. The websites of just a few years ago are becoming hopelessly dated if they aren't designed for use on a variety of platforms, especially mobile devices.

3. They want control of their money.

Millennials are used to having power over their money. The more they can dictate how their health dollars are spent, the better. As younger and generally healthier health care consumers, millennials usually have lower medical claims and don't see tremendous value in health benefits. They'd rather pay lower premiums and hang onto more of their money.

They also don't expect low deductibles and co-pays the way the previous generation did. For millennials, high-deductible plan designs can be a perfect fit, as long as they have low premiums and are paired with a health savings account (HSA) or flexible spending account (FSA)—which, again, give employees greater control over their money.

¹ Time, "Millennials vs. Baby Boomers: Who Would You Rather Hire?", 2012.



Meeting Millennial Expectations and Staying Compliant

With these expectations in mind, how do employers design a benefits package that will appeal to millennials—without running afoul of the Affordable Care Act (ACA)?

Actually, many of the developments emerging from ACA are ideal for millennial employees. And the influence of millennials is so strong that many of the expectations outlined above are becoming widely shared by Gen X and even boomers.

Whether through a public or private exchange, a defined contribution approach provides a menu of choices, managed via technology. Employers set a dollar amount for each member and employees can choose the benefits they want. Add in an HSA or FSA, and you've addressed the millennial desire for shop-ability, technology tools and financial control—all while stabilizing health care costs for your business.

Consider Partnering with a Benefits Expert

There's no doubt about it: today's workforce and the health benefits landscape are shifting. Employers need to understand the changing nature of their employees, as well as their new responsibilities under ACA. Staying on top of it all can be overwhelming.

To attract and retain the best employees from the millennial generation—while stabilizing cost and ensuring compliance—you might consider consulting a benefits expert. The right partner can help you customize your benefit strategy to your specific workforce and overall business objectives, and keep you up-to-date on health care reform and make sure your plans meet every requirement.

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