

A Survey of Certified  
Employee Benefit Specialists

# Top Five Benefit Priorities For 2003



## Economic Reality in the Workplace

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Remember back just a few years, when the employer's biggest challenge was attracting and retaining employees at any cost? Those days seem to be well behind us. Controlling health and welfare costs tops the list of employer priorities for 2003, as it has every year since 2000. This is true regardless of geography or industry.

Overall, nearly 86 percent of the respondents identified controlling health and welfare costs as their top priority. The remaining priorities in order of importance are:

- determining requirements for compliance with HIPAA and any other privacy requirements (50%)
- expanding the use of employee self-service technology for communications and/or administration (38%)
- evaluating/implementing/expanding the use of Internet/intranet applications (36%)
- providing financial retirement planning tools and information (33%)

This is the first time HIPAA privacy and administrative simplification has made the list of top five priorities. Given that compliance with HIPAA privacy rules is required by mid-April of 2003 and that compliance with administrative simplification was generally required by mid-October of last year, the ranking as a top priority is not surprising — if a little belated.

## Top Priorities from an Employee's Perspective

When benefit specialists were asked to rank their priorities from an employee's perspective, retirement issues dominated their concerns, with three of the top five priorities directly related to retirement and investment issues. As employees, the top five priorities for 2003 are:

- evaluating current investment options (64%)
- evaluating current levels of retirement savings (61%)
- identifying additional ways to save for retirement (44%)
- learning more about health risks and how to control them (40%)
- making greater use of Internet tools to manage financial and security programs (36%)



This survey finding re-emphasizes how critical cost management/reduction remains for employers. Clearly, cost is still king and has even increased in emphasis from last year's survey — up 5 percent.

## Key Objective Driving Policy and Design

For the employee benefit specialists responding to this year's survey, the key objective driving benefits program policy and design for 2003 is cost management/reduction (67%), followed by:

- employee attraction and retention (12%)
- compliance and fiduciary issues (10%)
- increased use of technology (7%)
- administrative requirement/alternatives (3%)

This survey finding re-emphasizes how critical cost management/reduction remains for employers. Clearly, cost is still king and has even increased in emphasis from last year's survey — up 5 percent. Although attraction and retention considerations have not fallen off the stove, they are certainly placed on the back burner as we move into 2003. Not surprisingly, the economy seems to be the primary focus. Rapidly rising health and welfare costs have emerged as the top priority for the past four years.

The anguish over rising health and welfare costs is unabated, and past efforts with managed care strategies are not providing answers to today's problems. Just a few years ago it seemed we had the forest fire of health care costs at least contained, if not under control. But now it appears the costs have jumped the firewalls of managed care, and the health care inferno rages on.



## Other Key Findings

A new issue has entered the arena as the second priority for benefits specialists in 2003: compliance with HIPAA and other privacy requirements. While laudable in intent, if these complex new legal considerations require additional administrative and systems resources, this may, in the short term, slightly increase health care administration costs. HIPAA requirements for uniform data transmission standards and security may ultimately reduce the rate of cost increase in health administrative costs, but those savings are in future years and most employers are struggling with meeting this year's budget and financial goals.

When benefit specialists were asked to rank their priorities from an employee's perspective, retirement issues dominated their concerns, with three of the top five priorities directly related to retirement and investment issues.

Interest in technology, including Internet/intranet applications and employee self-service, remains high — accounting for priorities three and four. This finding may also relate to ongoing efforts to reduce costs and increase efficiency in the delivery of benefits programs.

In terms of geographic differences, benefits specialists in the Northwest place more emphasis on the use of employee self-service technology than elsewhere in the country. The West continues to be a laboratory for experimentation with health care delivery models. Respondents from the West identified consideration of the new consumer-driven health care models as their third-highest priority for 2003, while this issue did not reach the top five anywhere else in the country.

Responses are generally consistent across all industry groups, with slight variation. For instance, as might be expected, the expanded use of employee self-service technology was the second-highest priority within the Technology/Media/Telecommunications industry.

Finally, as benefits specialists, it is interesting to note that older respondents are in no way resisting technology. Control of health and welfare costs was the top priority across all age groups, followed by compliance with HIPAA and other privacy requirements, except for respondents over age 60, who identified the use of employee self-service technology as their second priority.

The list of priorities for 2003 from an employee's perspective remains unchanged from 2002: the top three priorities all pertain to retirement. The dismal performance of the stock market over the last year has highlighted the need for all of us to plan carefully for retirement, and this is true for all age groups. In fact, identification of additional ways to save for retirement is the top priority for 83 percent of respondents under age 30.

The fourth priority for respondents as employees is learning more about one's own health risks and how to control them. And as was the case in 2002, their fifth priority is making greater use of Internet tools to manage their financial and security programs.

As might be expected, estimating and planning for upcoming college expenses is the top priority for employee respondents between the ages of 30-49.



This is the ninth consecutive year Deloitte & Touche’s Employee Benefits Group and the International Society of Certified Employee Benefit Specialists have conducted a survey of the Society’s membership to identify benefit priorities for the coming year. Benefit specialists were asked to respond both as professionals and as employees, and all respondents were asked to select their priorities from numerous major benefit categories, including health and welfare, retirement, and other. Respondents to this year’s survey totaled 437 and represented all regions of the United States.

**My Top 5 Priorities for 2003**

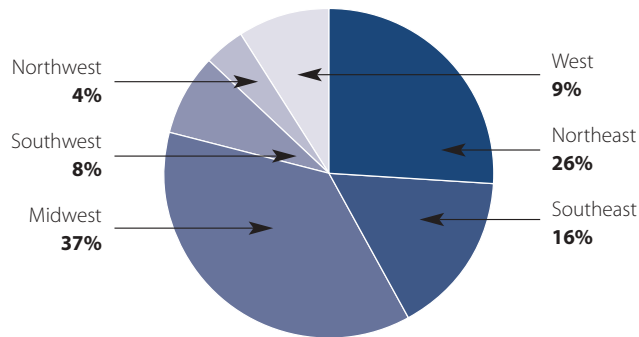
**Overall: Benefit Specialists’ Perspective**

	<b>Benefit Priority</b>	<b>Percent</b>
1	Control health and welfare costs	86%
2	Determine requirements for compliance with HIPAA and other privacy requirements	50%
3	Expand the use of employee self-service technology for communications and/or administration	38%
4	Evaluate/implement/expand use of Internet/intranet applications	36%
5	Provide financial/retirement planning tools and information	33%

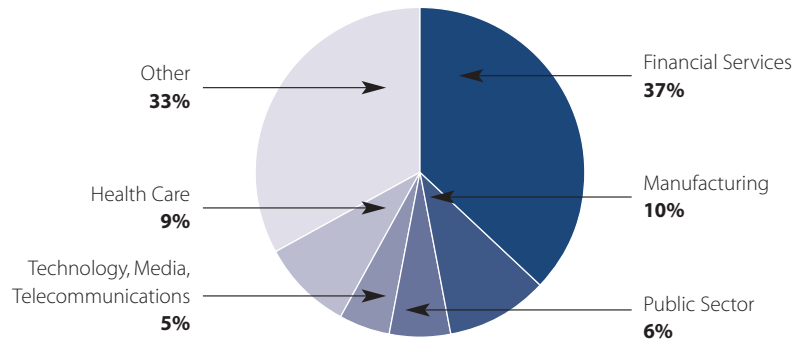
**Overall: Employees’ Perspective**

	<b>Benefit Priority</b>	<b>Percent</b>
1	Evaluate my current investment options	64%
2	Evaluate the adequacy of my current level of retirement savings	61%
3	Identify additional ways to save for retirement	44%
4	Learn more about my health risks and how to control them	40%
5	Make greater use of Internet tools to manage my financial and security programs	36%

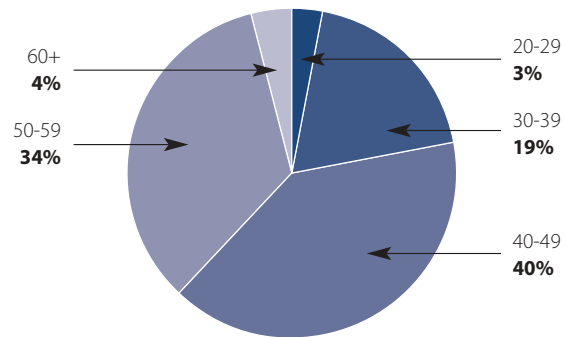
**Respondent Distribution by Region**



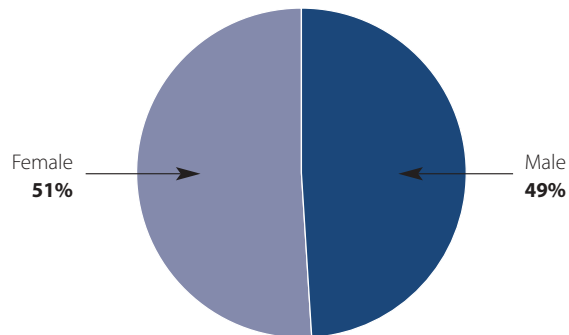
**Respondent Distribution by Industry**



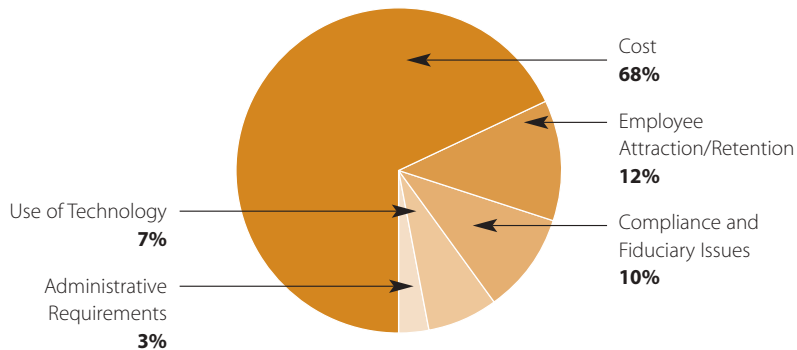
**Respondent Distribution by Age**



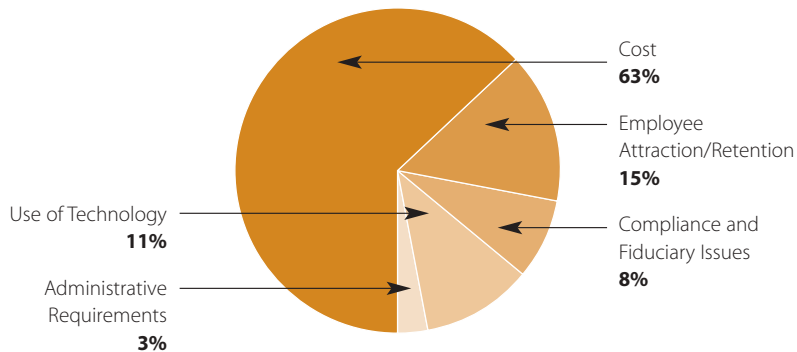
**Respondent Distribution by Gender**



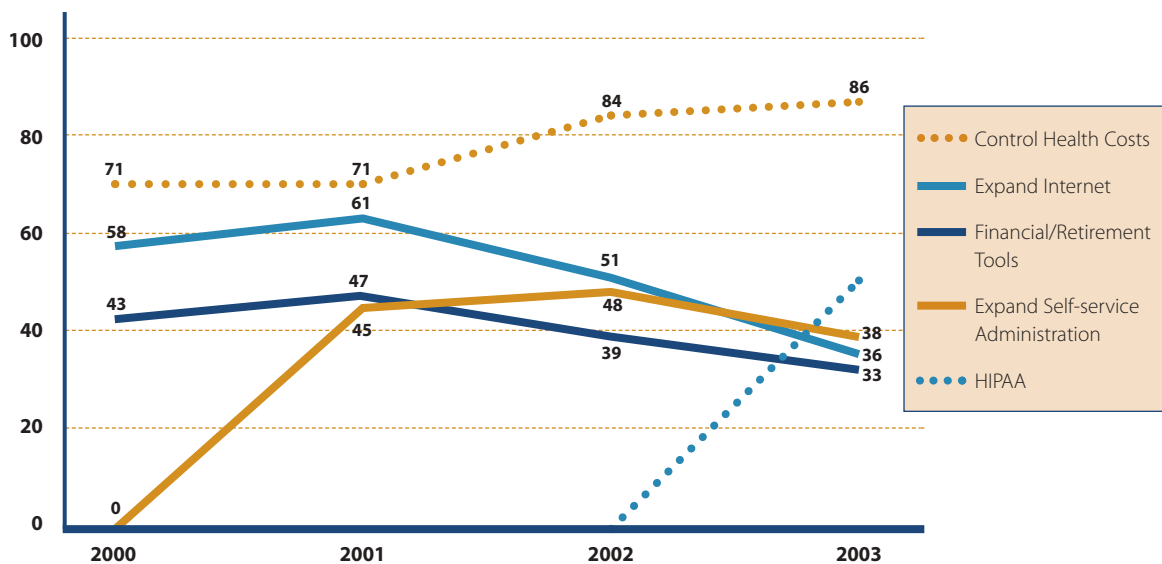
Key Objectives Driving Benefits Program Policy and Design — 2003



Key Objectives Driving Benefits Program Policy and Design — 2002



Change in Top Five Priorities 2000-2003



	Number of Respondents	Percentage of Respondents
<b>Overall</b>		
1 Control health and welfare costs	374	85.6%
2 Determine requirements for compliance with HIPAA and any other privacy requirements	219	50.1%
3 Expand use of employee self-service technology for communications and/or administration	167	38.2%
4 Evaluate/implement/expand use of Internet/intranet applications	158	36.2%
5 Provide financial/retirement planning tools and information	146	33.4%
<b>REGION</b>		
<b>Northeast</b>		
1 Control health and welfare costs	98	86.7%
2 Determine requirements for compliance with HIPAA and any other privacy requirements	55	48.7%
3 Provide financial/retirement planning tools and information	44	38.9%
4 Evaluate/implement/expand use of Internet/intranet applications	40	35.4%
5 Expand use of employee self-service technology for communications and/or administration	39	34.5%
<b>Southeast</b>		
1 Control health and welfare costs	58	84.1%
2 Determine requirements for compliance with HIPAA and any other privacy requirements	31	44.9%
3 Expand use of employee self-service technology for communications and/or administration	28	40.6%
4 Provide increased investment education	26	37.7%
5 Review management of prescription benefits	24	34.8%
<b>Midwest</b>		
1 Control health and welfare costs	130	83.9%
2 Determine requirements for compliance with HIPAA and any other privacy requirements	83	53.5%
3 Expand use of employee self-service technology for communications and/or administration	59	38.1%
4 Evaluate/implement/expand use of Internet/intranet applications	56	36.1%
5 Review management of prescription benefits	52	33.5%
<b>Southwest</b>		
1 Control health and welfare costs	30	90.9%
2 Determine requirements for compliance with HIPAA and any other privacy requirements	17	51.5%
3 Provide financial/retirement planning tools and information	16	48.5%
4 Evaluate/implement/expand use of Internet/intranet applications	15	45.5%
5 Provide increased investment education	14	42.4%
<b>Northwest</b>		
1 Control health and welfare costs	15	78.9%
2 Expand use of employee self-service technology for communications and/or administration	11	57.9%
3 Determine requirements for compliance with HIPAA and any other privacy requirements	10	52.6%
4 Provide financial/retirement planning tools and information	8	42.1%
5 Evaluate/implement/expand use of Internet/intranet applications	7	36.8%
<b>West</b>		
1 Control health and welfare costs	38	95.0%
2 Determine requirements for compliance with HIPAA and any other privacy requirements	21	52.5%
3 Consider adding or moving to a consumer-driven health care model	19	47.5%
4 Expand use of employee self-service technology for communications and/or administration	18	45.0%
5 Evaluate/implement/expand use of Internet/intranet applications	16	40.0%

	Number of Respondents	Percentage of Respondents
<b>INDUSTRY</b>		
<b>Financial Services</b>		
1 Control health and welfare costs	126	79.7%
2 Expand use of employee self-service technology for communications and/or administration	67	42.4%
3 Determine requirements for compliance with HIPAA and any other privacy requirements	63	39.9%
4 Provide financial/retirement planning tools and information	59	37.3%
5 Provide increased investment education	57	36.1%
<b>Manufacturing</b>		
1 Control health and welfare costs	41	91.1%
2 Determine requirements for compliance with HIPAA and any other privacy requirements	27	60.0%
3 Provide increased investment education	16	35.6%
3 Evaluate/implement/expand use of Internet/intranet applications	16	35.6%
5 Provide financial/retirement planning tools and information	15	33.3%
5 Expand use of employee self-service technology for communications and/or administration	15	33.3%
<b>Public Sector</b>		
1 Control health and welfare costs	22	88.0%
2 Determine requirements for compliance with HIPAA and any other privacy requirements	15	60.0%
3 Provide financial/retirement planning tools and information	12	48.0%
3 Emphasize/improve quality of employee communication material	12	48.0%
5 Review management of prescription benefits	10	40.0%
<b>Technology/Media/Telecommunications</b>		
1 Control health and welfare costs	19	86.4%
2 Expand use of employee self-service technology for communications and/or administration	12	54.5%
3 Provide increased investment education	10	45.5%
4 Review management of prescription benefits	9	40.9%
4 Determine requirements for compliance with HIPAA and any other privacy requirements	9	40.9%
<b>Health Care</b>		
1 Control health and welfare costs	37	97.4%
2 Determine requirements for compliance with HIPAA and any other privacy requirements	22	57.9%
3 Expand use of employee self-service technology for communications and/or administration	19	50.0%
4 Evaluate/implement/expand use of Internet/intranet applications	15	39.5%
5 Review management of prescription benefits	13	34.2%
5 Consider adding or moving to a consumer-driven health care model	13	34.2%
<b>Other</b>		
1 Control health and welfare costs	128	88.3%
2 Determine requirements for compliance with HIPAA and any other privacy requirements	83	57.2%
3 Evaluate/implement/expand use of Internet/intranet applications	56	38.6%
4 Provide financial/retirement planning tools and information	48	33.1%
5 Expand use of employee self-service technology for communications and/or administration	47	32.4%
<b>AGE</b>		
<b>20-29</b>		
1 Control health and welfare costs	10	83.3%
1 Determine requirements for compliance with HIPAA and any other privacy requirements	6	50.0%
3 Evaluate/implement/expand use of Internet/intranet applications	5	41.7%
4 Provide financial/retirement planning tools and information	4	33.3%
4 Provide increased investment education	4	33.3%
4 Evaluate 401(k)/403(b) investment options in light of market conditions and/or focus on employer securities	4	33.3%



	Number of Respondents	Percentage of Respondents
<b>30-39</b>		
1 Control health and welfare costs	68	85.0%
2 Determine requirements for compliance with HIPAA and any other privacy requirements	41	51.3%
3 Expand use of employee self-service technology for communications and/or administration	35	43.8%
4 Evaluate/implement/expand use of Internet/intranet applications	31	38.8%
5 Provide financial/retirement planning tools and information	30	37.5%
<b>40-49</b>		
1 Control health and welfare costs	145	83.3%
2 Determine requirements for compliance with HIPAA and any other privacy requirements	88	50.6%
3 Expand use of employee self-service technology for communications and/or administration	67	38.5%
4 Evaluate/implement/expand use of Internet/intranet applications	64	36.8%
5 Provide increased investment education	61	35.1%
<b>50-59</b>		
1 Control health and welfare costs	130	89.7%
2 Determine requirements for compliance with HIPAA and any other privacy requirements	77	53.1%
3 Evaluate/implement/expand use of Internet/intranet applications	53	36.6%
4 Expand use of employee self-service technology for communications and/or administration	52	35.9%
5 Consider adding or moving to a consumer-driven health care model	49	33.8%
5 Provide financial/retirement planning tools and information	49	33.8%
<b>60+</b>		
1 Control health and welfare costs	17	89.5%
2 Expand use of employee self-service technology for communications and/or administration	10	52.6%
3 Determine requirements for compliance with HIPAA and any other privacy requirements	7	36.8%
3 Provide financial/retirement planning tools and information	7	36.8%
3 Emphasize/improve quality of employee communication material	7	36.8%
<b>GENDER</b>		
<b>Male</b>		
1 Control health and welfare costs	186	88.2%
2 Determine requirements for compliance with HIPAA and any other privacy requirements	94	44.5%
3 Expand use of employee self-service technology for communications and/or administration	82	38.9%
4 Provide financial/retirement planning tools and information	76	36.0%
5 Consider adding or moving to a consumer-driven health care model	71	33.6%
<b>Female</b>		
1 Control health and welfare costs	186	84.2%
2 Determine requirements for compliance with HIPAA and any other privacy requirements	125	56.6%
3 Evaluate/implement/expand use of Internet/intranet applications	89	40.3%
4 Expand use of employee self-service technology for communications and/or administration	85	38.5%
5 Provide increased investment education	79	35.7%

	Number of Respondents	Percentage of Respondents
<b>Overall</b>		
1 Evaluate my current investment options	280	64.1%
2 Evaluate the adequacy of my current level of retirement savings	268	61.3%
3 Identify additional ways to save for retirement	194	44.4%
4 Learn more about my health risks and how to control them	170	38.9%
5 Make greater use of Internet tools to manage my financial and security programs	156	35.7%
<b>REGIONS</b>		
<b>Northeast</b>		
1 Evaluate the adequacy of my current level of retirement savings	75	66.4%
2 Evaluate my current investment options	69	61.1%
3 Identify additional ways to save for retirement	55	48.7%
4 Make greater use of Internet tools to manage my financial and security programs	45	39.8%
5 Learn more about my health risks and how to control them	39	34.5%
<b>Southeast</b>		
1 Evaluate my current investment options	49	71.0%
2 Identify additional ways to save for retirement	41	59.4%
3 Evaluate the adequacy of my current level of retirement savings	38	55.1%
4 Learn more about my health risks and how to control them	28	40.6%
5 Make greater use of Internet tools to manage my financial and security programs	27	39.1%
<b>Midwest</b>		
1 Evaluate my current investment options	99	63.9%
2 Evaluate the adequacy of my current level of retirement savings	94	60.6%
3 Learn more about my health risks and how to control them	68	43.9%
4 Identify additional ways to save for retirement	61	39.4%
5 Estimate and plan for upcoming college education expenses	56	36.1%
<b>Southwest</b>		
1 Evaluate my current investment options	21	63.6%
2 Evaluate the adequacy of my current level of retirement savings	19	57.6%
3 Make greater use of Internet tools to manage my financial and security programs	15	45.5%
4 Consider estate planning	13	39.4%
5 Learn more about my health risks and how to control them	8	24.2%
5 Identify additional ways to save for retirement	8	24.2%
5 Estimate and plan for upcoming college education expenses	8	24.2%
<b>Northwest</b>		
1 Evaluate my current investment options	12	63.2%
2 Evaluate the adequacy of my current level of retirement savings	11	57.9%
3 Consider estate planning	9	47.4%
4 Learn more about my health risks and how to control them	7	36.8%
4 Identify additional ways to save for retirement	7	36.8%
<b>West</b>		
1 Evaluate my current investment options	29	72.5%
2 Evaluate the adequacy of my current level of retirement savings	28	70.0%
3 Identify additional ways to save for retirement	19	47.5%
4 Learn more about my health risks and how to control them	18	45.0%
5 Better manage my health costs	14	35.0%

	Number of Respondents	Percentage of Respondents
<b>INDUSTRIES</b>		
<b>Financial Services</b>		
1 Evaluate my current investment options	106	67.1%
2 Evaluate the adequacy of my current level of retirement savings	99	62.7%
3 Identify additional ways to save for retirement	65	41.1%
3 Make greater use of Internet tools to manage my financial and security programs	65	41.1%
5 Estimate and plan for upcoming college education expenses	55	34.8%
<b>Manufacturing</b>		
1 Evaluate my current investment options	33	73.3%
2 Evaluate the adequacy of my current level of retirement savings	29	64.4%
3 Identify additional ways to save for retirement	21	46.7%
4 Learn more about my health risks and how to control them	19	42.2%
5 Better manage my health costs	18	40.0%
5 Consider estate planning	18	40.0%
<b>Public Sector</b>		
1 Evaluate the adequacy of my current level of retirement savings	16	64.0%
2 Evaluate my current investment options	13	52.0%
3 Identify additional ways to save for retirement	12	48.0%
4 Learn more about my health risks and how to control them	11	44.0%
5 Make greater use of Internet tools to manage my financial and security programs	10	40.0%
<b>Technology/Media/Telecommunications</b>		
1 Evaluate the adequacy of my current level of retirement savings	16	72.7%
2 Evaluate my current investment options	14	63.6%
3 Identify additional ways to save for retirement	10	45.5%
4 Learn more about my health risks and how to control them	8	36.4%
4 Consider estate planning	8	36.4%
<b>Health Care</b>		
1 Evaluate my current investment options	26	68.4%
2 Identify additional ways to save for retirement	20	52.6%
3 Evaluate the adequacy of my current level of retirement savings	19	50.0%
4 Learn more about my health risks and how to control them	18	47.4%
5 Better manage my health costs	14	36.8%
<b>Other</b>		
1 Evaluate the adequacy of my current level of retirement savings	89	61.4%
2 Evaluate my current investment options	88	60.7%
3 Identify additional ways to save for retirement	66	45.5%
4 Learn more about my health risks and how to control them	60	41.4%
5 Make greater use of Internet tools to manage my financial and security programs	47	32.4%
<b>AGE</b>		
<b>20-29</b>		
1 Identify additional ways to save for retirement	10	83.3%
2 Make greater use of Internet tools to manage my financial and security programs	9	75.0%
3 Evaluate my current investment options	6	50.0%
3 Evaluate the adequacy of my current level of retirement savings	6	50.0%
5 Better manage my health costs	4	33.3%
5 Learn more about my health risks and how to control them	4	33.3%
5 Review/update my beneficiary designations	4	33.3%

	Number of Respondents	Percentage of Respondents
<b>30-39</b>		
1 Evaluate my current investment options	53	66.3%
2 Evaluate the adequacy of my current level of retirement savings	50	62.5%
3 Identify additional ways to save for retirement	40	50.0%
3 Estimate and plan for upcoming college education expenses	40	50.0%
5 Learn more about my health risks and how to control them	28	35.0%
<b>40-49</b>		
1 Evaluate the adequacy of my current level of retirement savings	111	63.8%
2 Evaluate my current investment options	110	63.2%
3 Estimate and plan for upcoming college education expenses	77	44.3%
4 Learn more about my health risks and how to control them	70	40.2%
5 Make greater use of Internet tools to manage my financial and security programs	68	39.1%
<b>50-59</b>		
1 Evaluate my current investment options	99	68.3%
2 Evaluate the adequacy of my current level of retirement savings	89	61.4%
3 Identify additional ways to save for retirement	70	48.3%
4 Learn more about my health risks and how to control them	62	42.8%
5 Make greater use of Internet tools to manage my financial and security programs	50	34.5%
<b>60+</b>		
1 Evaluate my current investment options	11	57.9%
1 Evaluate the adequacy of my current level of retirement savings	11	57.9%
3 Identify additional ways to save for retirement	7	36.8%
3 Consider/adopt some form of living trust	7	36.8%
3 Make greater use of Internet tools to manage my financial and security programs	7	36.8%
<b>GENDER</b>		
<b>Male</b>		
1 Evaluate my current investment options	130	61.6%
2 Evaluate the adequacy of my current level of retirement savings	117	55.5%
3 Learn more about my health risks and how to control them	92	43.6%
4 Identify additional ways to save for retirement	89	42.2%
5 Make greater use of Internet tools to manage my financial and security programs	83	39.3%
<b>Female</b>		
1 Evaluate my current investment options	150	67.9%
1 Evaluate the adequacy of my current level of retirement savings	150	67.9%
3 Identify additional ways to save for retirement	104	47.1%
4 Learn more about my health risks and how to control them	77	34.8%
4 Consider estate planning	77	34.8%

### ISCEBS

The International Society of Certified Employee Benefit Specialists (ISCEBS) is a nonprofit educational association whose members have earned the Certified Employee Benefit Specialist (CEBS) designation. Visit the Society's Web site at [www.iscebs.org](http://www.iscebs.org).

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This is the first time HIPAA privacy and administrative simplification has made the list of top five priorities.

Human Capital  
Advisory Services

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