

# OPEN ENROLLMENT READINESS BENCHMARK

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OCTOBER 2017

## Employers struggling to manage their open enrollment processes

*Confronting the heavy lift of sign-up season, employers report some progress but still need support from advisers*

**A**s employers were set to begin their annual open enrollments, many were struggling with the processes needed to conduct benefit sign-ups. Helping employees make informed decisions about benefits, submit elections and update personal information on time is a difficult task, and experts say it's up to brokers and advisers to help clients structure and carry out enrollment activities and to ensure they achieve long-term benefit objectives.

Overall, employer readiness for open enrollment increased for the fifth month in a row among orga-

nizations with benefit start dates in the first quarter, according to *Employee Benefit Adviser's* Open Enrollment Readiness Benchmark. The composite OERB score — an average of progress self-assessments by employers for 26 open enrollment activities across four open enrollment stages — added seven points in October, reaching 59. (Scores for each activity range from zero, for no progress, to 100, for completed tasks.)

The advance was driven by a 16-point jump in the average for activities in the open enrollment

management phase. Activities in this phase include enrolling employees, answering questions, documenting feedback and boosting engagement.

Despite the increase, the overall score for this stage still came in at just 52.

The low scores indicate that management activities are still a challenge for many employers. They need help from advisers to set up systems to handle the deluge of individual questions efficiently and make the most of the one time of year when employees are most attuned to benefit information. ■

### EMPLOYERS STARTING BENEFITS IN Q1 2018

Overall Readiness (as of October 2017)

59

PHASE	ACTIVITY	ACTIVITY SCORE	PROGRESS	PHASE SCORE
Phase 1 Benefit Plan Design	Selecting benefit brokers/advisers	88		82
	Selecting health plans	84		
	Selecting voluntary plans	82		
	Selecting pharmacy plans	82		
	Selecting retirement plans	87		
	Selecting wellness plans	69		
Phase 2 Open Enrollment Preparation	Enrollment timing	83		61
	Planning/designing employee communications	53		
	Reviewing compliance/eligibility issues	56		
	Setting goals	59		
	Documenting processes/procedures	55		
Phase 3 Open Enrollment Management	Managing meetings with advisers/brokers	75		52
	Enrolling employees	52		
	Answering employee questions	54		
	Documenting worker feedback	45		
	Measuring enrollment engagement metrics	40		
	Boosting enrollment engagements	48		
Phase 4 Open Enrollment Design Analysis & Follow-up	Reviewing enrollment engagement metrics	34		42
	Reviewing worker feedback	37		
	Soliciting additional feedback	32		
	Reviewing plan design	59		
	Reviewing communications strategy	56		
	Tracking benefit usage	44		
	Reviewing enrollment engagement analytics	37		
	Reviewing/improving the process	41		
	Planning year-round employee engagement	40		

\*Source: SourceMedia Research, Open Enrollment Readiness Benchmark Survey, October 2017

#### ABOUT THE OPEN ENROLLMENT READINESS BENCHMARK

The Open Enrollment Readiness Benchmark is a composite score (out of 100) of employer readiness for open enrollment activities across the four critical stages of the open enrollment process: benefit plan design, preparation, process management, and program analysis and updates. The OERB is based on SourceMedia Research's quantitative survey of more than 400 pre-screened HR and benefit executives and decision makers representing employers with greater than 50 employees from various industry sectors. For more details on the OERB, go to <http://www.employeebenefitadviser.com/>.

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## Many employers having difficulty engaging staff, answering questions

*Advisers can help clients carry out the management tasks needed for successful sign-up periods*

Employers report that they had made large strides in their open enrollment readiness efforts as they were set to begin their annual benefit sign-up periods. However, low scores in the management phase indicate that many organizations still find enrolling employees in plans to be a messy process.

For advisers, this most difficult and critical period in the annual benefits cycle presents an opportunity to work with clients to not only successfully finish this year's open enrollment but to prepare employers for next year's sign-up period as well.

Experts say advisers should support employers struggling to engage staff, responding to questions from confused employees and trying to make the most of the one time of year when employees are most interested in the benefit programs. And just as important, the experts say, is for advisers to work with clients on building processes to make such tasks easier in the future.

Overall, progress on open enrollment readiness among employers with benefit start dates in the first quarter jumped in October, as the composite score for *Employee Benefit Adviser's* Open Enrollment Readiness Benchmark gained seven points from 52 in September to 59. That is the largest monthly increase since the index was launched in January, and was propelled by a 16-point advance in the average for activities in the open enrollment management stage. Scores for this phase's activities, including enrolling employees, answering questions, documenting feedback and boosting engagement, surged by 15 points or more.

However, the overall score for open enrollment management was just 52.

Scores are based on employer self-assessments of the progress they have made in 26 activities that need to be completed for a successful benefit sign-up period, with no progress translating to a score of zero and completed translating to a score of 100.

Employer remarks about their primary challenges underscore perennial difficulties in getting employees to digest information about benefit programs, update personal information and make elections in a short period of time.

It boils down to "just getting the bodies in the door and getting them to understand the benefits," says one survey respondent. Another exclaims, "So much to do, so little time!"

Advisers should start by making sure clients

### CHECKLIST

**Actions advisers can take now to both protect and grow their business**

- Make sure clients have basic but often underutilized tools to structure enrollment tasks, such as checklists and timelines identifying who is responsible for them and when they must be completed.
- Stress to clients that sign-up periods can be as important as the rest of the year in achieving goals for benefit programs when making the case for measures like mandatory meetings and individual counseling.
- Meet with clients soon after open enrollment to discuss how to improve the process – quickly starting to plan for next year can help with account retention.

have basic procedures in place to structure their efforts, says Nelson Griswold, president of Bottom Line Solutions, which offers services to employee benefit agencies.

"It's never too late" to develop checklists and timelines identifying tasks, who's responsible for them and the date by which they must be completed, Griswold says. "More organized companies will already have this, but a lot of them do not."

Jack Kwicien, managing partner at Daymark Advisors and a top consultant to brokers and advisers, says that advisers should stress the unique significance that sign-up periods have in determining the payoff from expensive benefit programs when

making the case for measures like mandatory meetings and one-on-one counseling.

"This period of six or eight weeks is as important as the other 10 months out of the year in terms of the decisions you make with respect to your benefits offering," Kwicien says, arguing that getting open enrollment right delivers a high return on investment. "The typical employer is spending somewhere between \$10,000 and \$15,000 on benefits [for each employee]. Isn't that worth one hour of paid employer time to make sure your employees understand what you're doing for them?"

And since "more employees are attuned than at any other time of the year," Griswold says, advisers should encourage clients to use open enrollment as an occasion to educate employees on how to take advantage of their benefits and use them cost effectively.

Classic examples include sharing information about alternatives to emergency room visits and the availability of annual checkups that cost nothing out-of-pocket. One survey respondent describes success in "focusing on plan features that aren't always highlighted," including a video from a health insurer "showing how easily the virtual doctor can be used."

The volume of individual employee questions during sign-up periods is a persistent burden for benefit executives. Advisers can help clients set up an iterative process – one that can be built on from year to year – of compiling such questions and providing answers in "frequently asked questions" information sheets distributed to all employees.

"Ultimately that's going to save [human resources] and benefits a lot of time," Kwicien says. "More importantly, the other 70% or 80% of employees who have those same questions but never pose them will have a better understanding."

Kwicien and Griswold also recommend capitalizing on the attention benefits get during sign-up periods to survey employees for feedback on the process while it is fresh in their minds, and to quickly circle back with clients for a debriefing.

"Sit down with HR within a few weeks of open enrollment and ask, 'What went well? What didn't go well? How do we make it better?'" Griswold says. "If HR is frustrated, you don't want them seething over this for 12 months."

Further, "if you're starting to plan for next year, there is an assumption that you will be their broker next year," Griswold says. "It's a way to help ensure that you have a better chance of keeping that account." ■

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## Smaller employers report low management readiness scores

*Companies with less than 150 employees lag larger organizations in many open enrollment tasks*

**A**s open enrollment season moved into full swing, employers were struggling with enrollment management activities, which include signing up employees and documenting feedback, according to data on organizations with benefit start dates in the first quarter from *Employee Benefit Adviser's Open Enrollment Readiness Benchmark*.

To create the benchmark, *EBA* asks employers every month to make self-assessments of their progress in each of 26 open enrollment activities. Responses translate into scores that range from zero, for no progress, to 100, for completed.

Across small (50 to 150 employees), midsize (151 to 999) and large (1,000 or more) organizations, average

scores for enrollment management activities increased 15 to 19 points in October. Despite the gains, the average score for open enrollment management among small employers came in at just 42. The average for midsize and large employers was 54.

While employers of all sizes posted low enrollment management scores for individual activities, the scores for small employers were particularly poor. For example, the score for enrolling employees jumped 23 points to 56 for large employers compared with a 14-point increase to 35 for small employers (see the first chart below).

Separately, gains by small employers in the enrollment preparation phase did put their scores nearly on par with midsize and large employers (see the second

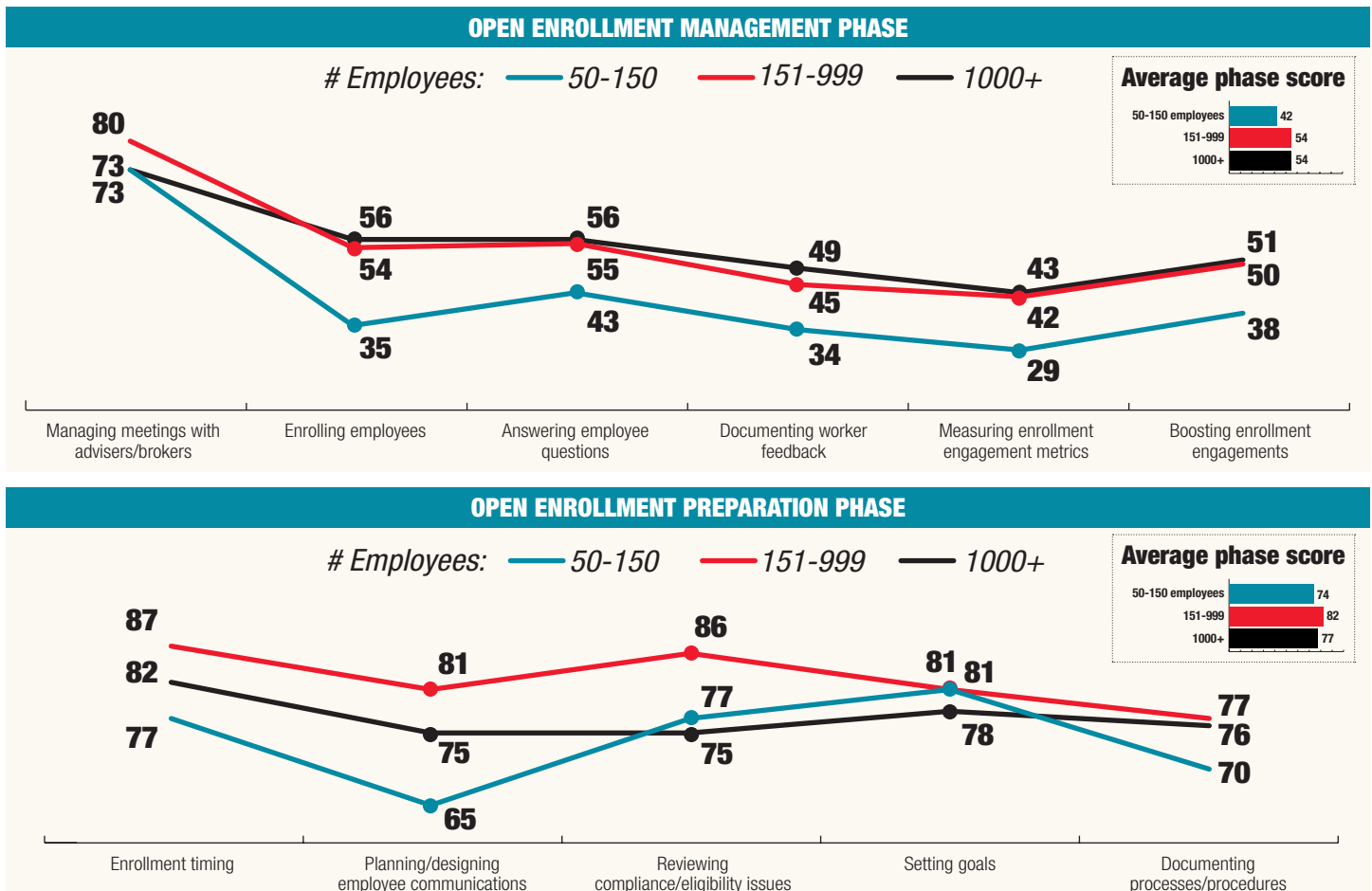
chart below). For example, a 23-point increase in the score for setting goals for small employers brought them in line with midsize employers at 81.

Nevertheless, the bottom line is that while employers have reported significant advances, scores in the 30s for activities in the enrollment management phase among small organizations show that they in particular are struggling with the most challenging part of the annual enrollment cycle.

It is up to advisers to help clients make it through open enrollment successfully by providing operational support and tailoring engagement efforts to make the most of the time when employees are most attuned to benefit information. ■

### WHERE THEY ARE

*A look at how employers of various sizes stack up in the management and preparation phases of open enrollment*



**Note:** Scores are based on self-assessments of employers starting benefits in Q1 2018 reporting the progress they have made in each activity. Responses range from no progress, which equates to a score of 0, to completed, which equates to a score of 100.