

OPEN ENROLLMENT READINESS BENCHMARK

NOVEMBER 2018

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Overall Readiness Scores Decline as Open Enrollment Periods Draw Near

Employers not as prepared as they once thought they were

With 2019 Q1 open enrollment start dates either here or fast-approaching, some employers are acknowledging that they have been fooling themselves for the past several months – as they now are coming to the realization that they just are not as prepared as they thought they were. Indeed, the overall open enrollment readiness score for employers with 2019 Q1 start dates came in at just 54 in October, a one-point decline from the September score, according to the latest data collected by *Employee Benefit Adviser* in its monthly Open Enrollment Readiness Benchmark (OERB) survey.

“That’s a correction as employers for the past few months were being overly optimistic when assessing just how prepared they were. Now, they are taking a step back and correcting their self assessments. To me, that is not surprising. Through three-quarters of the year, employers have consistently been overly optimistic about how prepared they are,” said Jack Kwicien, managing partner at Daymark Advisors, a Baltimore-based consultancy that works with benefit advisers to build their practices.

In fact, a considerable number of employers reported that they still are struggling to finish tasks that should have been completed months ago. For example, the overall score for benefit plan design readiness was just 73, meaning that many employers still have not yet completed the tasks in this initial readiness phase. To arrive at these scores, the OERB tracks 26 open enrollment activities and asks employers to submit self-assessments of the progress they have made in each.

“If you think about it, there are so many tasks that should have been completed in August or September, well before employers get to the actual open enrollment event. The plan design, the communications campaign, the selection of vendors for HSAs and pharma management – all of these things should have been done by now. But if you look at the data on a macro level across all those categories anywhere from 15% to 20% of all employers are still saying that they either have some work to do or they’ve made no progress in that area,” Kwicien said. “We are at the time of year when employers should

be communicating about benefit plans and choices with their employees and 15% to 20% of employers don’t even have the plan decisions nailed down.”

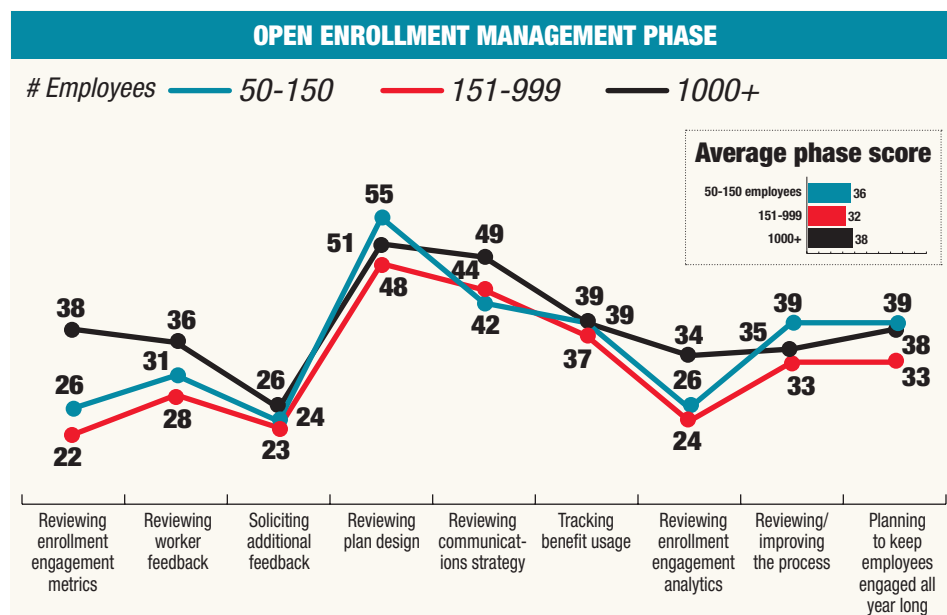
While many employers are still struggling with benefit plan design, even more are behind the eight ball when it comes to open enrollment preparation and open enrollment management. Indeed, the overall score for open enrollment preparation came in at 54, while the open enrollment management score was just 50. Employers are having an especially hard time with planning/designing employee communications (48), documenting processes/procedures (48), boosting enrollment engagements (45) and documenting worker feedback (42).

“Looking at these scores, it becomes apparent that a large number of employers are way behind where they should be. When evaluating planning/designing employee communications, it appears that about half of employers are not ready. That’s pretty alarming at this point in the readiness cycle,” Kwicien said.

Not surprisingly, as employers are embroiled in a game of catch-up, many of the survey

participants specifically reported that they are feeling a time crunch pinch. All of the following respondents specifically called out time pressures when talking about their “top challenges:”

- “Time – we still need to finalize the plan selection and roll it out to staff. We want to make several changes to include more education on the benefits.”
- “We typically roll open enrollment out in September but due to too high renewals, we were forced to shop plans and make carrier changes. The process of shopping and making decisions was time consuming and delayed our process.”
- “I am behind on open enrollment this year. Typically, I like to get the information in employees’ hands by mid-November.”
- “We changed brokers late in the year and it took a while to finalize a contract. We then went out for RFPs for all benefits and are making changes.”
- “Time to prepare.”
- “Time for open enrollment meetings.”
- “Timing and very elevated renewals.” ■



Source: SourceMedia Research, Open Enrollment Readiness Benchmark Survey, October 2018



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The Need to Gather and Analyze Employee Feedback Looms

Human resources professionals could find themselves multi-tasking in an effort to get on track

Even though employers should be focused on open enrollment analysis and follow-up at this point in the readiness cycle, it looks as if most have yet to give these activities much thought. In fact, the overall score for open enrollment analysis and follow up came in at just 39.

While employers are doing relatively well with functions such as reviewing plan design (56), reviewing communications strategy (51) and tracking benefits usage (41), they are struggling with tasks such as reviewing enrollment engagement metrics (32) and reviewing worker feedback (36).

"Employers are busy playing catch-up, so it is not all that surprising that they are having

difficulties when it comes to talking to employees about how the benefits enrollment campaigns went and what can be done to make the process better," Kwicien, the consultant, remarked.

As such, it might be time for human resources professionals to do some multi-tasking.

"While human resources and other managers are implementing the open enrollment programs, they should start to engage employees in conversations. Ask a couple of open-ended questions and employees will start to open up and provide all kinds of useful feedback. Ask them if they understand their benefits options. Ask them if they need more information. Ask them if you need to simplify the overall process," Kwicien advised.

With this feedback, employers can start to gather information that can help them make improvements in their benefits programs as they move forward.

"Human resources professionals should be jotting down notes on their cell phones as they are walking around so that they can start to capture trends in the employees' feedback. While the feedback won't be quantitative, it will be directional and could then help employers answer questions such as: 'Are all my millennial employees totally disinterested in one or more of our benefits? Are we under-serving our middle-aged population? Are we missing the mark on people who are within 10 years of retirement age?'" Kwicien said. ■



Direct Primary Care Poised to Emerge as Important Trend in 2019

The model offers plenty of potential for cost savings, improved care



Jack Kwicien
Daymark Advisors

This month's featured question is answered by Jack Kwicien of Daymark Advisors.

Q: What are the industry trends for 2019 that we should keep an eye on?

A: One of the things we're starting to see a lot more of is the whole idea of direct primary care, where providers deliver care to an employee population without sending

claims to insurance providers. Under these arrangements, physicians create networks and contract directly with employers.

Direct primary care has the potential to eliminate 15% to 20% of the costs associated with delivering the healthcare treatment. In many of these networks, the physicians agree to take a reduced fee. Usually they'll accept the Medicare price line, which is usually between 15% to 25% below what market is.

They do that in exchange for being the direct primary care provider for the employer. In some cases, they'll even establish an onsite clinic or the physicians might also show up at the workplace once every two weeks or once a month. That way, they

can easily take care of routine healthcare maintenance such as prescription refills for the employees.

The physician groups are willing to take a reduction in the fee per procedure or per visit in exchange for increased volume of patients that they're going to see and to be able to be operationally more efficient. They don't want to be in the business of having to market their services, which has a cost associated with it.

Ultimately, they're still making the same amount of money. But they are finding it more fulfilling because they don't have to deal with the business side of managing and promoting their practice. They're also delivering better quality healthcare because they've made it more convenient for the patients. ■

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| EMPLOYERS STARTING BENEFITS IN Q1 2019 | | | | |
|--|--|----------------|-------------|----|
| Overall Readiness (as of OCTOBER 2018) | | | | 54 |
| PHASE | ACTIVITY | ACTIVITY SCORE | PROGRESS | |
| Phase 1 Benefit Plan Design | Selecting benefit brokers/advisers | 78 | <div></div> | 73 |
| | Selecting health plans | 74 | <div></div> | |
| | Selecting voluntary plans | 74 | <div></div> | |
| | Selecting pharmacy plans | 76 | <div></div> | |
| | Selecting retirement plans | 77 | <div></div> | |
| | Selecting wellness plans | 60 | <div></div> | |
| Phase 2 Open Enrollment Preparation | Enrollment timing | 72 | <div></div> | 54 |
| | Planning/designing employee communications | 48 | <div></div> | |
| | Reviewing compliance/eligibility issues | 50 | <div></div> | |
| | Setting goals | 54 | <div></div> | |
| | Documenting processes/procedures | 48 | <div></div> | |
| Phase 3 Open Enrollment Management | Managing meetings with advisers/brokers | 69 | <div></div> | 50 |
| | Enrolling employees | 52 | <div></div> | |
| | Answering employee questions | 54 | <div></div> | |
| | Documenting worker feedback | 42 | <div></div> | |
| | Measuring enrollment engagement metrics | 37 | <div></div> | |
| | Boosting enrollment engagements | 45 | <div></div> | |
| Phase 4 Open Enrollment Design Analysis & Follow-up | Reviewing enrollment engagement metrics | 32 | <div></div> | 39 |
| | Reviewing worker feedback | 36 | <div></div> | |
| | Soliciting additional feedback | 27 | <div></div> | |
| | Reviewing plan design | 56 | <div></div> | |
| | Reviewing communications strategy | 51 | <div></div> | |
| | Tracking benefit usage | 41 | <div></div> | |
| | Reviewing enrollment engagement analytics | 30 | <div></div> | |
| | Reviewing/improving the process | 38 | <div></div> | |
| | Planning year-round employee engagement | 37 | <div></div> | |

Note: Scores are based on the progress employers with benefit start dates in the first quarter say 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.

OPEN ENROLLMENT READINESS BENCHMARK INDEX

Previous OERB reports explored ways advisers can work with clients to overcome benefit sign-up challenges. To access all OERB reports, go to:
<https://www.employeebenefitadviser.com/collections/open-enrollment-readiness-benchmark>

With open enrollment around the corner, many employers still not prepared

Human resources professionals find themselves zeroing in on 11th-hour preparations

<https://bit.ly/2AS7zBt>

Employers Make Significant Strides Toward Open Enrollment Readiness

But with open enrollment periods looming, is it enough?

<https://bit.ly/2RckNQ7>

Progress toward open enrollment readiness hits a standstill

Working with employers to establish and manage the open enrollment process could help get initiatives back on track

<https://bit.ly/2pkExVr>

As open enrollment periods loom, some employers need to play catch up to get ready

Working with employers to fine-tune communications plans can help ensure open enrollment success

<https://bit.ly/2QoehWS>

As open enrollment preparations move ahead, goal setting becomes a key focus for advisers

Working with employers to put the right objectives in place leads to higher plan participation and greater employee satisfaction with the benefits package.

<https://bit.ly/2NZql9o>

Benefits pros failing to communicate

But a well-conceived marketing campaign can help advisers dramatically improve their clients' open enrollment outcomes.

<https://bit.ly/2M80wHU>



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