

OPEN ENROLLMENT READINESS BENCHMARK

AUGUST 2018

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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

It looks as if some employers might have let the lazy days of summer get to them, as progress toward open enrollment readiness has hit a standstill.

Overall readiness for employers with 2019 Q1 start dates stood at a score of 39 for the second straight month (June and July), according to the latest data collected by *Employee Benefit Adviser* in its monthly Open Enrollment Readiness Benchmark survey. The OERB tracks 26 open enrollment activities and asks employers to submit self-assessments of the progress they have made in each.

Of course, the laid-back summer attitude might not be the cause of the inactivity for all employers. Indeed, one human resources professional from the high-tech industry said that “busy schedules” make it “tough to find time to focus on employee benefits.” Another survey participant commiserated by pointing out that “we have just one HR employee on a part-time basis to handle all human resources activities and payroll.”

Regardless of what caused the inactivity, though, employers must now start to shift into high gear to prepare for impending open enrollment periods.

“Employers have got less than two months before open enrollment periods kick off, which is not much time. Advisers need to work with employers to make sure that they have a cohesive game plan that human resources and the CFO buy into. They have to be very proactive and stay on top of it,” says Jack Kwiczen, a managing partner at Daymark Advisors, a Baltimore-based consultancy that works with benefit advisers to build their practices.

Particularly concerning is the lack of progress being made in the area of open enrollment management, which received a score of just 28 in the July OERB survey.

With open enrollment around the corner, employers are trailing behind with respect to their readiness to enroll employees (score of 23). They also are behind when it comes to their readiness to answer employee questions (27), document worker feedback (20), measure enrollment engagement metrics (20), and boost enrollment engagements (26).

The fact that many employers are spending “hundreds of thousands or millions of dollars” on benefits and “don’t have their act together as to how to get employees enrolled in plans” should spur concern and ultimately action, Kwiczen points out. Advisers need to cajole employers to establish enrollment processes and to start enrolling employees.

More specifically, advisers can help out by telling employers that they are “behind where they should be at this specific point in time, but they still have time to take corrective measures,” Kwiczen says.

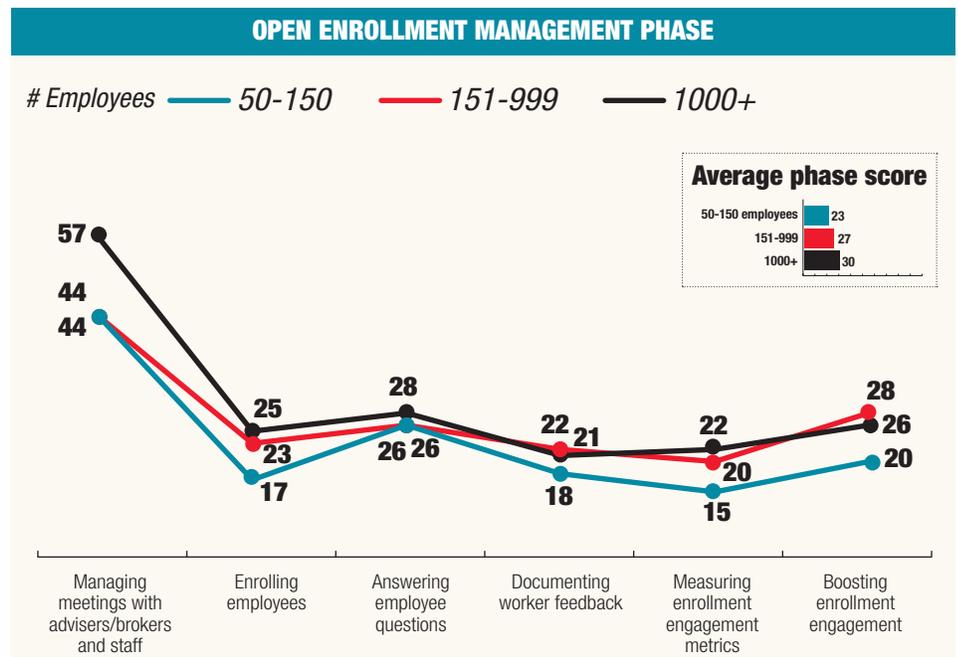
From there, advisers can work with employers to lay out a streamlined plan that includes a few action steps that senior management can easily commit to. “It’s important to get company leaders to promise that they will be proactive and take these recommended action steps,” Kwiczen points out.

One of the action steps could be to put together “a simple question and answer sheet on the five most frequently asked questions from

last year and make sure that every employee gets this document either as a handout or an e-mail,” Kwiczen says.

If employers don’t take such proactive steps, they will “get half way through the open enrollment 30-day period and will have three-quarters of the employees who still have not completed their enrollment forms for their online enrollment. And then human resources will start getting bombarded with questions that should have been anticipated,” Kwiczen says.

In addition, advisers can help employers with overall open enrollment communication activities, as this seems to be a pressing concern for many. In fact, several human resources professionals who participated in the survey cited communication as a top challenge, with individual respondents pointing to the need to communicate “new rates to employees,” “our wellbeing strategy (health and financial)” and “the required activities to obtain preferred pricing in our wellness plan.” ■



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

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No Time for Complacency as Open Enrollment Looms

A proactive approach is in the best interest of both employers and advisers

Some advisers' relationships with employers could be in jeopardy, according to the July OERB monthly report. In fact, more than one out of every 10 adviser-employer relationships are at risk, with 3% of employers planning to change brokers and another 9% considering a change. Much of this unrest could be attributed to the fact that many employers are not making the required headway necessary to successfully implement open enrollment programs, according to adviser consultant Jack Kwicien.

"Even if it was the employer that was the one that was really dragging their feet, it's a no-win situation for an adviser, if they allow circumstances to unravel to a point where they're contemplating making a change in broker,"

Kwicien says.

As such, getting employers to be more proactive is not only good for employers but for advisers as well.

"It looks like employers are more willing to change brokers. If you are a broker, you should be very concerned about that," Kwicien says. "So, you need to be very proactive and work with employers to ensure that they have all their plans buttoned up — with respect to plan design, communications and how they are going to conduct open enrollment meetings with employees. There's less than two months left, so advisers have to find a way to make it all happen."

Indeed, advisers should start working with

employers to get employees engaged in the open enrollment process as this appears to be a sticking point for many of the survey respondents. In fact, top challenges cited by employers who participated in the study included getting:

- "90% of the employee population to attend open enrollment and having enough meetings to discuss benefit changes with employees."
- "Associates to actually read the emails we send."
- "Employees to enroll within the timeframe."
- "Employees to read the benefits information we send them."
- "Employees to show up and read the material."
- "Employees to stay engaged in their benefits utilization." ■

ASK THE ADVISOR

The Clock is Ticking: Will You Be Ready for Open Enrollment?

With open enrollment looming, employers can work with advisers to zero in on taking the most important steps toward readiness



Jack Kwicien
Daymark Advisors

As part of the Open Enrollment Readiness Benchmark survey, employers are asked each month to submit questions that they'd like a qualified benefits adviser to answer. This month's featured question is answered by Jack Kwicien of Daymark Advisors.

How can we streamline our open enrollment process?

A: This is no different than managing any other process. So, you should have a certain process in place and everyone should understand that certain things need to be done sequentially to succeed.

The problem is that a lot of human

resources professionals and advisers look at open enrollment as an event — and not as a process. So, they want that one event to be successful, but in order for that to occur, you have to manage a lot of small steps throughout the process, during the year.

To move forward at this stage, though, employers need to realize that they can't reinvent the entire open enrollment process. Instead, they need to work with advisers to identify and implement three or four strategies that they can implement in September or October. Advisers need to be upfront with employers and tell them that they are behind the curve but there is still time to take a few corrective measures. Again, I think the advisor needs to make that short and succinct. It's not like they can totally revamp everything. But, they can make some significant changes to

make this year's open enrollment to go more smoothly.

In addition, with the open enrollment period less than two months away, employers need to realize that last minute things will always come up. So, employers need to anticipate those.

Some of the comments in the OERB research that came from employers — even from large employers — were shocking. They didn't anticipate that there would be any technology glitches. They did not anticipate that there would be bad weather for several days during open enrollment, and that caused employees to have less time to think about their benefits choices. Employers have contingency plans for every part of their business and this should be no different. They really need to have a contingency plan in place to ensure smooth open enrollment as well. ■

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EMPLOYERS STARTING BENEFITS IN Q1 2019				
Overall Readiness (as of JULY 2018)				39
PHASE	ACTIVITY	ACTIVITY SCORE	PROGRESS	
Phase 1 Benefit Plan Design	Selecting benefit brokers/advisers	65		65
	Selecting health plans	65		
	Selecting voluntary plans	66		
	Selecting pharmacy plans	61		
	Selecting retirement plans	79		
	Selecting wellness plans	52		
Phase 2 Open Enrollment Preparation	Enrollment timing	60		37
	Planning/designing employee communications	21		
	Reviewing compliance/eligibility issues	34		
	Setting goals	38		
	Documenting processes/procedures	34		
Phase 3 Open Enrollment Management	Managing meetings with advisers/brokers	52		28
	Enrolling employees	23		
	Answering employee questions	27		
	Documenting worker feedback	20		
	Measuring enrollment engagement metrics	20		
	Boosting enrollment engagements	26		
Phase 4 Open Enrollment Design Analysis & Follow-up	Reviewing enrollment engagement metrics	18		27
	Reviewing worker feedback	19		
	Soliciting additional feedback	16		
	Reviewing plan design	43		
	Reviewing communications strategy	38		
	Tracking benefit usage	33		
	Reviewing enrollment engagement analytics	19		
	Reviewing/improving the process	28		
	Planning year-round employee engagement	33		

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.

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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>

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/2NZq19o>

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>

With employers lagging on compliance, advisers need to highlight the risks

Substantial IRS penalties and excessive benefits costs make this a high-stakes mission for clients large and small.
<https://bit.ly/2Jk5twU>

As employers turn to plan selection, advisers need to play quarterback

One big goal: Helping clients provide a full range of employee benefits.
<https://bit.ly/2Jr9RKu>

Employers off to slow start with benefit planning

Advisers can play a big role in helping clients create strategies to ensure a successful open enrollment.
<https://bit.ly/2pNST1A>