

OPEN ENROLLMENT READINESS BENCHMARK

JANUARY 2017

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January OERB score stands at 43

Employers planning to start their benefit programs in the first quarter of 2018 still have much to prepare

Employers with benefit plans that take effect in the first quarter of the year have work to do before they're ready to begin their 2018 open enrollment periods. The group scored just 43 out of 100 on *Employee Benefit Adviser's* new Open Enrollment Readiness Benchmark.

The benchmark measures employer readiness for open enrollment across four critical stages of the process: benefit plan design, preparation, process management, and pro-

gram analysis and updates. Within each phase, employers report their progress on a number of activities — from selecting health plans to enrolling employees.

Updated Open Enrollment Readiness Benchmark reports will be posted monthly, each based on a SourceMedia Research quantitative survey of more than 400 prescreened HR and benefit executives and decision makers who work in a variety of organizations, each

employing 50-plus workers.

In addition to scoring employers with benefit plans that take effect in the first quarter, *Employee Benefit Adviser* has compiled individual benchmark scoresheets for organizations whose benefit start dates take place in the second, third and fourth quarters of the year. For those scoresheets and more details on the Open Enrollment Readiness Benchmark, go to employeebenefitadviser.com/. ■

EMPLOYERS STARTING BENEFITS IN Q1 2018

Overall Readiness (as of January 2017)				43
PHASE	ACTIVITY	ACTIVITY SCORE	PROGRESS	PHASE SCORE
Phase 1 Benefit Plan Design	Selecting benefit brokers/advisers	78	<div></div>	63
	Selecting health plans	56	<div></div>	
	Selecting voluntary plans	57	<div></div>	
	Selecting pharmacy plans	57	<div></div>	
	Selecting retirement plans	78	<div></div>	
	Selecting wellness plans	52	<div></div>	
Phase 2 Open Enrollment Preparation	Enrollment timing	53	<div></div>	30
	Planning/designing employee communications	17	<div></div>	
	Reviewing compliance/eligibility issues	27	<div></div>	
	Setting goals	25	<div></div>	
	Documenting processes/procedures	27	<div></div>	
Phase 3 Open Enrollment Management	Managing meetings with advisers/brokers	37	<div></div>	34
	Enrolling employees	29	<div></div>	
	Answering employee questions	37	<div></div>	
	Documenting worker feedback	33	<div></div>	
	Measuring enrollment engagement metrics	35	<div></div>	
	Boosting enrollment engagements	35	<div></div>	
Phase 4 Open Enrollment Design Analysis & Follow-up	Reviewing enrollment engagement metrics	45	<div></div>	44
	Reviewing worker feedback	42	<div></div>	
	Soliciting additional feedback	45	<div></div>	
	Reviewing plan design	46	<div></div>	
	Reviewing communications strategy	43	<div></div>	
	Tracking benefit usage	48	<div></div>	
	Reviewing enrollment engagement analytics	45	<div></div>	
	Reviewing/improving the process	44	<div></div>	
	Planning year-round employee engagement	42	<div></div>	

*Source: SourceMedia Research, Open Enrollment Readiness Benchmark Survey, January 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 throughout the year: benefit plan design, preparation, process management and program analysis and updates. The OERB is based on SourceMedia Research's quantitative survey of more than pre-screened 400 HR and benefits 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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Enrollment communications a weak spot for most organizations

The majority of employers, no matter their benefit start dates, are a bit behind in their open enrollment preparations

Group 2 Overall Readiness				49
PHASE	ACTIVITY	ACTIVITY SCORE	PROGRESS	PHASE SCORE
Phase 2 Open Enrollment Preparation	Enrollment timing	63	<div></div>	40
	Planning/designing employee communications	28	<div></div>	
	Reviewing compliance/eligibility issues	39	<div></div>	
	Setting goals	37	<div></div>	
	Documenting processes/procedures	34	<div></div>	

Employers with effective benefit start dates in the second quarter (Group 2) are making progress with a overall readiness score of 49. Yet, the open enrollment preparation phase score for this group stands at 40, representing moderate readiness. Among the red flags, many are far behind in their communications plans. The Group 2 OERB shows a 28 readiness score toward planning employee communications and outreach efforts. They also lag in documenting their processes and procedures, with a relatively modest score of 34.

Group 3 Overall Readiness				42
PHASE	ACTIVITY	ACTIVITY SCORE	PROGRESS	PHASE SCORE
Phase 2 Open Enrollment Preparation	Enrollment timing	59	<div></div>	32
	Planning/designing employee communications	16	<div></div>	
	Reviewing compliance/eligibility issues	26	<div></div>	
	Setting goals	31	<div></div>	
	Documenting processes/procedures	27	<div></div>	

The overall readiness for employers with effective benefit start dates in the third quarter (Group 3) stands at 42, indicating that these organizations are on their way. However, the open enrollment preparation phase readiness score for this group stands at 32. The biggest red flag: Group 3 scores relatively low (16) in planning/designing employee communications for the sign-up period. Mainly as a result of the current uncertainty around the Affordable Care Act, this group is also not quite ready (scoring 26) to review compliance/eligibility issues with employees.

Group 4 Overall Readiness				45
PHASE	ACTIVITY	ACTIVITY SCORE	PROGRESS	PHASE SCORE
Phase 2 Open Enrollment Preparation	Enrollment timing	59	<div></div>	36
	Planning/designing employee communications	28	<div></div>	
	Reviewing compliance/eligibility issues	31	<div></div>	
	Setting goals	32	<div></div>	
	Documenting processes/procedures	30	<div></div>	

The overall OERB for employers with effective benefit start dates in the fourth quarter (Group 4) stands at 45. This group's average preparation readiness score of 36 shows slightly higher readiness in this phase compared to Group 3 in almost every planning activity, particularly for planning employee communications. However, the red flags for this group shows it still has a ways to go in preparing for 2018 benefit launch.



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Verbatim: Top employer challenges

When asked to identify the challenges they face, employers said:

- “ACA changes due to the new president and how that will affect our plans.”
- “Communication of a completely new plan design.”
- “Communication to people in 44 states.”
- “Understanding how new federal law changes will impact the market.”
- “Picking a new plan — we are reviewing with three different brokers.”

Employer challenges by company size

SMALL

When it comes to benefit plan design, smaller companies (with 50 to 150 employees) are generally at the same level of readiness as their larger counterparts. One exception is selecting a wellness plan: As of January 2017, 25% of small companies have not started this task, compared with 15% of companies overall. They are way ahead of their larger brethren in terms of employee communications: 21% have already completed their outreach plans compared with 11% of companies overall.

MID-SIZE

More mid-size companies (with 151 to 999 employees) have already selected their benefit brokers or advisers for the year than their larger or smaller counterparts (77% compared with 71% for companies overall). They lag somewhat though in terms of selecting their wellness plans: 44% have either not yet begun the process or still have major work to do on this front. Another sore spot is boosting enrollment engagement: 58% have yet to begin this work in earnest.

LARGE

The largest companies also seem to have bigger challenges. Only 65% of employers with 1,000-plus employees have so far elected their benefits broker or adviser (compared with 74% of all other companies), and a surprising 10% have yet to begin this process. Large employers are also further behind when it comes to planning their employee enrollment outreach; a third of them have yet to even begin this work.

For more details go to www.employeebenefitadviser.com