

OPEN ENROLLMENT READINESS BENCHMARK

DECEMBER 2018

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Employers Losing Confidence in Readiness Levels as 2019 Open Enrollment Start Dates Quickly Draw Near

Overall Open Enrollment Readiness Score Drops 6 Points in Just 1 Month

Just when employers should be crossing the open enrollment finish line, many are realizing that they have several more steps to take. For the second month in a row, the overall open enrollment readiness score for employers with 2019 Q1 start dates dropped. In fact, the score took a considerable nose dive, falling from 54 in October to just 48 in November, according to the latest data collected by *Employee Benefit Adviser* in its monthly Open Enrollment Readiness Benchmark (OERB) survey.

"What I've been hearing from advisers is that the unwarranted optimism in late summer coming into the fourth quarter on the part of employers just did not match up with reality. Many employers really thought they had a handle on things when they actually did not. So, what you're seeing is employers coming to grips with the fact that they didn't have everything buttoned up exactly the way they need it to be," said Jack Kwicien, managing partner at Daymark Advisors, a Baltimore-based consultancy that works with benefit advisers to build their practices.

Indeed, employers now are recognizing that they are struggling to complete many tasks that should have been checked off the "to-do" list quite some time ago. Communication is proving to be especially troublesome. Consider the following: The score for planning/designing employee communications, a preparation activity that should have been completed months ago, came in at just 37 in November – an 11-point drop from the score of 48 in October and a 13-point decline from the September score of 50. 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.

"A large percentage of employers seem to be dealing with some type of communication gap. Many employers really dropped the ball with respect to communicating with their employees in an effective manner and communicating early

enough. As a result, employees coming into the open enrollment event do not have a good understanding of their current benefits selections and what changes their employer might have made in the past year. It's really quite glaring," Kwicien said.

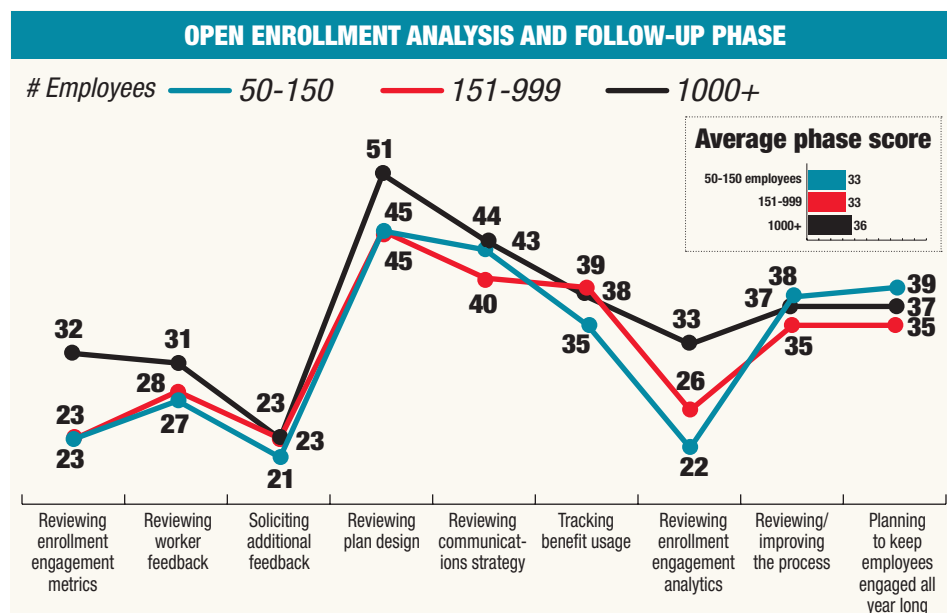
Not surprisingly, when asked about challenges they have faced in the past month, many respondents specifically cited communication issues such as:

- "Communicating benefits to members."
- "Making sure that employees know that they need to re-enroll in flexible spending plans."
- "Communication and helping everyone understand."
- "Communication channels and getting the word out."
- "Communication errors that need to be fixed."
- "Making sure everyone realizes what the plan covers. Generally making up the knowledge gap."
- "Communications with our employees while rolling out a new benefit model."

These communication shortcomings are coming to light as employers are being forced to come to terms with the fact that many employees are now struggling with the enrollment process.

"It's the end of the year and employers now are feeling the heat of the moment. They are actually being confronted with questions from employees. As a result, they are coming to the realization that they did not effectively communicate in advance and that's why they are so swamped with questions. Employees are bombarding owners and human resources leaders with questions such as: 'How do I complete this form? What does this change in eligibility mean for me? Can I keep my current physician if I change plans?' So, they are inundated and overwhelmed," Kwicien said.

While communication appears to be an especially troublesome area, employers also are struggling with a variety of other tasks that should have already been completed. For example, the score for reviewing compliance/eligibility issues came in at 39; documenting worker feedback at 38; and measuring enrollment engagement metrics at just 33. ■



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



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The Time for Open Enrollment Self-Reflection is Now

Employers need to conduct analysis and follow-up to understand how to improve next year's efforts

While it is now probably too late for most employers to substantially improve open enrollment for this year, they can start to make plans for next year. The challenge for employers lies in getting a better understanding of what went wrong in order to improve their open enrollment initiatives moving forward, according to Kwicien, of Daymark Advisors.

What's troubling is the fact that employers do not appear to be gathering the intelligence that will empower them to better meet employees' needs next year. Consider the following: Most employers are not making much progress when

it comes to soliciting additional feedback from their employees. The score for this task dropped to just 24, a three-point decline from the October score of 27.

Without this feedback, it will be difficult for employers to have the insight required to make improvements, Kwicien said.

"Where most employers consistently drop the ball is not having an effective communications campaign. They keep throwing money into adding additional benefits, trying to control costs on healthcare -- all of which is appropriate. In terms of basic blocking and tackling, though, employers really need

to develop an effective year-round benefits communication campaign," Kwicien said. "Such communications initiatives don't necessarily require an enormous amount of money but they do require a commitment and some time. It is worth it, though, because employers really can learn from the experiences they've just had with their open enrollment events and change and develop communications campaigns that are more consistent, that don't use insurance jargon, that talk effectively to employees about the benefits, that really enable employees to become more educated consumers of benefits." ■

ASK THE ADVISOR

Encouraging Employees to Take More Responsibility

Some employers adopt a "carrot-and-stick" approach to motivate employees



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.

Q: How do we get employees to take more accountability when it comes to their health and benefits?

A: A number of employers have now started to make sure employees have some 'skin in the game' by putting the employer contribution toward the major medical plan

costs on a sliding scale. If employees don't participate in any aspect of the employer wellness program . . . if they don't take any sort of biometric tests . . . if they don't participate in smoking cessation classes . . . if they don't take part in exercise programs, then they receive the lowest employer contribution toward major medical plan costs. Employees who are on the other end of the spectrum and are fully participating in all of these activities on a regular basis get the maximum employer contribution because they're doing everything possible to make sure they remain healthy and productive. So, in essence, these employers are taking a carrot-and-stick approach.

In addition, there are a few employers that are coming out with what I think is a fairly innovative new concept — a lifestyle

spending account. With these accounts, an employer will recognize an employee for some outstanding performance. It could be job-related, a significant project that they have completed, or it could be that the employee participated in a 5K run that the employer sponsored. The employer then recognizes the employee with \$25 or \$50 or maybe even \$100 to spend on health-related lifestyle activities. So, the money could go toward a gym membership or toward participating in a healthy family activity.

These programs are working well for employers that have a high population of millennials as these 20- and 30-somethings are known to value quality of life and experiences. So, I think we're going to see a lot more of these types of programs in the future. ■

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EMPLOYERS STARTING BENEFITS IN Q1 2019				
Overall Readiness (as of NOVEMBER 2018)				48
PHASE	ACTIVITY	ACTIVITY SCORE	PROGRESS	
Phase 1 Benefit Plan Design	Selecting benefit brokers/advisers	66	<div></div>	64
	Selecting health plans	65	<div></div>	
	Selecting voluntary plans	61	<div></div>	
	Selecting pharmacy plans	66	<div></div>	
	Selecting retirement plans	69	<div></div>	
	Selecting wellness plans	55	<div></div>	
Phase 2 Open Enrollment Preparation	Enrollment timing	65	<div></div>	45
	Planning/designing employee communications	37	<div></div>	
	Reviewing compliance/eligibility issues	39	<div></div>	
	Setting goals	41	<div></div>	
	Documenting processes/procedures	40	<div></div>	
Phase 3 Open Enrollment Management	Managing meetings with advisers/brokers	55	<div></div>	45
	Enrolling employees	49	<div></div>	
	Answering employee questions	50	<div></div>	
	Documenting worker feedback	38	<div></div>	
	Measuring enrollment engagement metrics	33	<div></div>	
	Boosting enrollment engagements	44	<div></div>	
Phase 4 Open Enrollment Design Analysis & Follow-up	Reviewing enrollment engagement metrics	32	<div></div>	37
	Reviewing worker feedback	32	<div></div>	
	Soliciting additional feedback	24	<div></div>	
	Reviewing plan design	53	<div></div>	
	Reviewing communications strategy	48	<div></div>	
	Tracking benefit usage	40	<div></div>	
	Reviewing enrollment engagement analytics	32	<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.

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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>

Overall readiness scores decline as open enrollment periods draw near

Employers not as prepared as they once thought they were

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

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/2NZq19o>



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