

OPEN ENROLLMENT READINESS BENCHMARK

JULY 2018

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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

Many employers are putting one foot in front of the other and are steadily moving toward reaching a state of open enrollment readiness. Yet, a surprisingly large number are still not hitting the needed pace.

This dichotomy becomes apparent when reviewing the latest data collected by *Employee Benefit Adviser* in its monthly Open Enrollment Readiness Benchmark (OERB) survey. The OERB tracks 26 open enrollment activities and asks employers to submit self-assessments of the progress they have made in each. For June, overall readiness for employers with 2019 Q1 start dates rose to a score of 39, up from just 35 a month ago.

However, many employers are still not on solid footing with respect to open enrollment preparation, with a score of 36. Indeed, a significant number of employers have not yet planned/designed employee communications (score of 15), reviewed compliance/eligibility issues (34), set goals (38) or documented processes/procedures (33).

Employers who participated in the OERB study specifically called out “Pinning down the plan design and making final decisions in order to begin to develop the communications and design the enrollment tool” and “Designing communication [on] how to help employees understand plan changes” as top challenges.

Indeed, to get on track, employers need to address such issues as soon as possible, according to Jack Kwicien, a managing partner at Daymark Advisors, a Baltimore-based consultancy that works with benefit advisers to build their practices.

“The reality is that if an adviser hasn’t been proactive, and the employer has not been proactive, it will become a fire drill as the open enrollment period is going to take place in about 60 to 75 days,” Kwicien said.

Even if employers are behind the curve, advisers can still help them prepare for the open enrollment period. While it might be too late to conduct full-fledged strategic planning sessions, advisers can work with employers to make the open enrollment process more manageable. To do so, advisers need to meet with employers and tell

them, “Here are two or three action steps that we can take and implement right now,” to ensure a smooth process, Kwicien said.

Perhaps most important, during these sessions, advisers need to work with employers to jointly address foundational issues such as whether they will make a change to the 401k plan, add voluntary benefits or promote employee utilization of the wellness program.

“It may not be the perfect case scenario, but advisers must work with employers to make certain decisions now. They can’t postpone them,” Kwicien said. “The adviser needs to be quarterbacking the relationship and demanding that the employer makes important decisions now to at least get this year’s open enrollment event on track.”

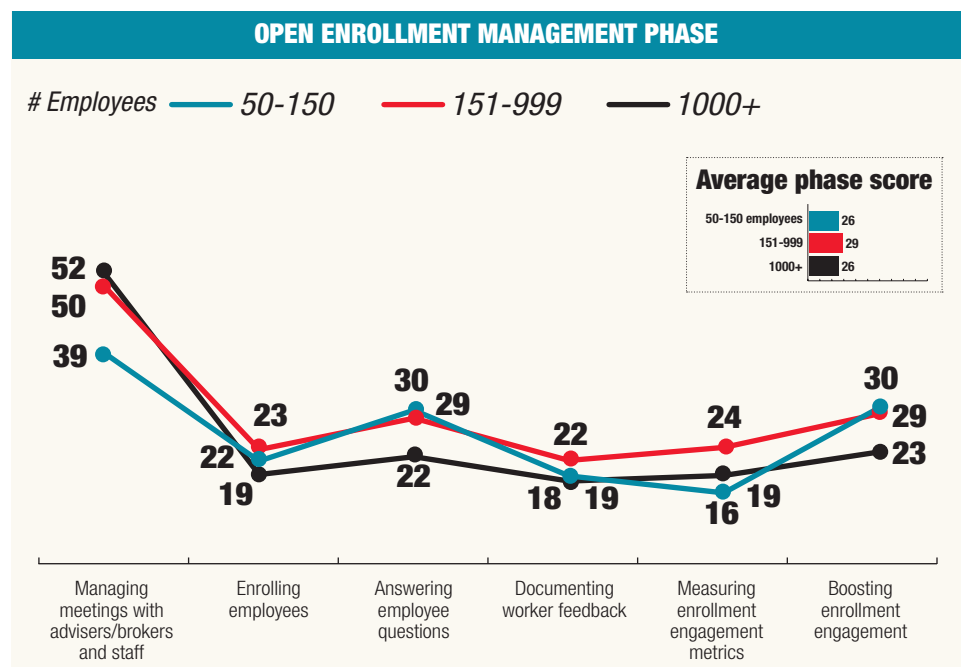
Taking the lead, of course, is in the best interests of advisers, Kwicien emphasized. “Think about the flip side: If advisers are not proactive now, they’re going to be on the defensive in another 45 days. Because when things start getting really intense, employers are going to turn to the adviser and say, ‘Why didn’t you help us

avoid this in the first place?’” Kwicien said.

Advisers should concentrate on helping employers with the open enrollment communication process.

“The adviser should be working with the employer to say ‘OK, whatever we’ve done in the past two to three years still hasn’t been as effective as we can make it in terms of communicating with your employee population,’” Kwicien said.

Doing things differently could include scheduling additional in-person staff meetings or one-on-one sessions where each employee spends 20 to 30 minutes with a benefits counselor reviewing the current benefit selections and options for the upcoming year. When employers are dealing with a geographically dispersed employee population, online meetings can be conducted. In essence, advisers should be working with employers to “do anything that engages the employees to help them better understand what their current benefit selections are and what they’re options are for the upcoming year,” Kwicien said. ■



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

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Better to plan and prepare – and better to do it sooner rather than later when it comes to open enrollment

Advisers are hyper-focused on getting employers ready for 2018 but they should also work toward making open enrollment planning a year-round process

While advisers should be doing everything possible to ensure that upcoming open enrollment initiatives run smoothly, they also should plant the seed for more long-range planning.

“Advisers should work with employers to commit to doing a year-round calendar of activities so that we are constantly improving this process and not being reactive,” said adviser consultant Jack Kwicien.

Ultimately, advisers and employers should not be looking at open enrollment as an event that they need to prepare for but rather as a process that should be managed year-round on an ongoing basis.

“Too many employers and advisers sort of fall into the trap of thinking of it as an annual event. And the reality is it’s a process that really needs to be managed throughout the year. There are certain times of the year where it’s optimal and usually a lot more efficient and less stressful to have these kinds of conversations and allow yourself some time to actually think about open enrollment and then time to implement,” Kwicien said.

Meetings about plan design should take place early in the year – say January or February – and should address a variety of topics with employers such as: refinements to the plan design; modifications to coverage; or changes to the deductible. If the plan is a self-funded one, then the adviser should have gathered information from the third-party administrator and should analyze utilization. From there, the adviser can move on to discuss “what’s driving the claims costs by looking at what can be done from a pharmacy management perspective or from a disease management perspective for the small percentage of the employee population that’s really driving the cost of the plan,” Kwicien said.

It’s also the opportune time for the adviser “to have a conversation with the employer about where there are gaps in coverage because those are potentially sales opportunities. Is there an opportunity to introduce one or more voluntary benefits which would help the employees with their financial security planning? Whether that’s

disability income, which is critically important for most families, or discussing life insurance needs. This presents the perfect opportunity for the adviser to proactively suggest that employers make available an additional two or three insurance products,” Kwicien said.

Perhaps most important, these planning meetings could address more long-term strategic issues. Advisers need to discuss with employers what they are trying to accomplish over the next two to three years with their benefits programs.

“You’ve got to sit down with the employers and look at where they are in terms of plan design and coverages. Advisers should discuss how the plan has been performing. From there, it’s important to discuss with employers if the plan is strategically meeting the employers’ business needs and what they should be thinking about doing differently over the next two to three years to make sure the benefits program is supporting their human capital management goals,” Kwicien concluded. ■

ASK THE ADVISOR

Piquing employee interest in benefits programs

Employers can work with advisers to develop strategies that truly engage employees in benefits presentations



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 I develop a more employee friendly and engaging presentation of benefits for our team?

An employer could do a few things. Of course, having a year-round benefits communication campaign would be important but some employers might not be ready to take that on

just yet. At a minimum, employers should do one or more of the following activities.

They should plan for mandatory attendance at group meetings, ideally a couple of weeks before the open enrollment period starts. These could be conducted in person with large groups of employees. If an employer has a lot of remote employees, the meetings could be conducted via webinar. The intent is to talk about all the existing benefits because a lot of people don’t even understand what they currently have.

Employers could also commit to one-on-one meetings with a benefits counselor. The one-on-one benefits counselor sessions could be held on the phone or possibly using screen sharing technology where the counselor takes control of the employee’s computer screen and is talking the

employee through his or her benefits program.

Employers can also work with advisers to provide employees with case studies that illustrate proper utilization of benefits. For example, one case study might show why employees should not go to the emergency room when they have a cold but instead should go to minute clinic or their own physician. The example could illustrate how much less expensive it is to get treatment in these venues, compared to the ER.

Employers could also work with advisers to write a Q&A pamphlet. This piece could include answers to a variety of questions about health insurance, life insurance and disability protection repayment and would be a real differentiator that would help with employee recruitment and protection. ■

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EMPLOYERS STARTING BENEFITS IN Q1 2019				
Overall Readiness (as of JUNE 2018)				39
PHASE	ACTIVITY	ACTIVITY SCORE	PROGRESS	PHASE SCORE
Phase 1 Benefit Plan Design	Selecting benefit brokers/advisers	66		65
	Selecting health plans	65		
	Selecting voluntary plans	62		
	Selecting pharmacy plans	64		
	Selecting retirement plans	78		
	Selecting wellness plans	53		
Phase 2 Open Enrollment Preparation	Enrollment timing	63		36
	Planning/designing employee communications	15		
	Reviewing compliance/eligibility issues	34		
	Setting goals	38		
	Documenting processes/procedures	33		
Phase 3 Open Enrollment Management	Managing meetings with advisers/brokers	49		25
	Enrolling employees	17		
	Answering employee questions	22		
	Documenting worker feedback	17		
	Measuring enrollment engagement metrics	18		
	Boosting enrollment engagements	25		
Phase 4 Open Enrollment Design Analysis & Follow-up	Reviewing enrollment engagement metrics	18		28
	Reviewing worker feedback	19		
	Soliciting additional feedback	17		
	Reviewing plan design	44		
	Reviewing communications strategy	35		
	Tracking benefit usage	36		
	Reviewing enrollment engagement analytics	22		
	Reviewing/improving the process	29		
Planning year-round employee engagement	34			

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>

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>

Low readiness scores signal need for better open enrollment planning

Advisers should present clients with a 12-month map so employers can better prepare for sign-up periods. <http://bit.ly/2t3Y7dx>