

# HR Technology Checklist: How to Find the Best Technology to Manage Benefits Online

By Art Brooks, Vice President of Sales, BeneTrac

With most HR managers now spending 10-40 percent of their time in meetings and the rest dealing with strategic issues and managing paperwork and employee benefits changes, it's no wonder that they are seriously looking to, or are already using, technology to help manage day-to-day details. Technology can instantaneously offer the ability to assess big picture needs of companies to aid in advancing HR managers' increasingly more strategic roles. Many software vendors have stepped up to the plate with solutions to help HR professionals effortlessly transform antiquated paper-laden files into streamlined systems, saving countless hours of administration time. Programs housed and maintained by an Application Service Provider (ASP) provide all of the benefits of advanced software systems through a conventional Internet connection, without requiring the technical hassle of managing programs on-site. That means "less 'stickies' all around my computer," for Jennifer McCreight at Guidance Software, and many other HR professionals formerly required to "collect all of the forms, fax them to the broker, and before that fax them to each carrier" and who can now click on an icon to get the same results. And according to Jan Coulman, Benefits Manager at UBISOFT, "Our HR department saves on average about two and a half days per month by eliminating manual processing."

With the ability to cut the time required to execute many tedious tasks in half, software can be a great help to HR managers, but how do you know which solution to select to best meet the needs of your organization? Below are important considerations to evaluate.

## Flexibility and Scalability.

Given that you may be importing data from multiple Excel spreadsheets, databases and

paper documents, the provider you partner with should be flexible – able to interface with all kinds of systems and data. To ensure the most relevant experience, the software should also accommodate company-specific eligibility rules, employee classifications, company locations, etc.

Scalability should also encompass the capacity to grow. With so many start-ups and entrepreneurial ventures, the question to ask is not always – 'What size is my company now?' – but rather 'Where will it be in five years?' The largest provider may not necessarily be the best if your company gets lost in the shuffle. Yet, a tiny provider may not have the capacity to grow to meet the needs of companies with aggressive growth plans.

## "Turnkey" from the Onset.

Most clients opt for a new benefits tracking program during a logical, yet very busy time—open enrollment. Why not choose a product that only requires you to start the program and your data is already entered? This is a big time savings.

## Ownership of the Data.

'Who owns the data?' is a next logical question that arises, to which the answer should be: you. Organizations should have full ownership of their data and be able to transport it to any ASP. If the data resides on a carrier's proprietary server, it is often not transportable without additional charges, should you or your client decide to switch carriers.

## Security.

Established ASPs should have daily backups, backup servers, added protective layers and other systems and procedures in place to safeguard information from being lost or accessed by unauthorized personnel.

You should have exclusive authority to decide who will be allowed access and to what degree. Any data that is transmitted to carriers from your system should either be transferred within a secure encrypted session or be encrypted prior to being sent.

Users should be authenticated, and have the ability to navigate, within a secure SSL Session (128 bit encryption), the strongest available. (HBT, used by BeneTrac, is proprietary and incorporates additional security above and beyond industry standards and HIPAA specifications. BeneTrac also tracks page movement using a proprietary security system (PPVS) that insures the session cannot be impersonated by any other user.)

You should also ask questions about the network configuration. A classic three zone system with the web and report servers being in the "DMZ" (Zone which allows web access and therefore must have port 80 and 443 open) and database server in the "Trusted Zone" (zone which has all inbound ports blocked) is considered the most secure, for instance. The firewall ensures that the above network rules are enforced and that malicious attempts to supersede those rules are foiled.

### **Robustness of the Eligibility Engine.**

A truly capable enrollment engine will evaluate each enrollment activity and apply any necessary combination of rules, messages, prompts, and options specifically designed to meet the exact eligibility requirements desired. Effective date calculations, waiting periods, age ranges, volume limits, group number assignment and product availability all must be configurable for each employer group and benefit offered. Furthermore, you should not have to modify your eligibility rules to accommodate a piece of software. If you have a specific need, you have every right to expect enrollment software to accommodate it.

### **Current Functionality.**

With software applications, far too many promises are based on wishful thinking on the part of developers. It's important to know what the program can deliver now – not what it will do six months or a year down the road.

**Self-service.** Given the wide access to computers at home and at work (70 percent of the population has home access), the time and cost-savings possibilities and employee satisfaction at gaining complete access to their benefits plans, enabling individuals to directly access and manage benefits online is a natural extension. "We no longer have to manually enroll employees, fax cost, or reconcile invoices. Benefit enrollment is organized in a single location. Employees enroll themselves which saves processing time," according to Linda Graham, HR manager, Encore Credit Corporation.

Employees should be able to easily breeze through adding and deleting dependents, updating demographic information, changing plans at open enrollment, viewing plan designs, linking directly with online provider directories for doctor look up, comparing plans and employee contribution options, printing documents related to their records, etc.

**COBRA** — While most HR managers would agree that COBRA provides individuals and their families with much needed coverage during a time when they may most need it, they would also acknowledge that managing the required paperwork and timing of announcements surrounding COBRA can be a nightmare. Software that features COBRA management features can help HR managers to make sense of it all.

**Reports** — Reporting is essential in helping HR managers to stay on top of the needs of the company. Software should offer multiple views, big picture assessment and the ability to drill down.

**Linking with Carriers.** Connectivity should be judged not only by the number of carriers the software has relationships and can connect with, but by the type of connection that it enables. Many providers enable transmission of a generic ANSI 834 file, which may or may not be accepted by the carrier, a factor often influenced by the size of the group. HR managers should look for providers that offer clean, validated transfers (ensuring the eligibility of the transaction), customized to each carrier's needs to avoid issues.

## Technical Considerations.

Where did the provider's program originate? Did software programmers develop it? Did it emerge from the insurance industry? Is it associated with one provider? Is it dependent on a particular operating platform? Will it be as effective in a LAN environment as in an enterprise system? If you change providers, will all of your data have to be reentered? What is the background and experience level of the development team? Do they have state-of-the-art developers, programs, customer service representatives, and relationships with a broad group of providers? These are all important technical considerations your IT department will want to know.

## Customer Service.

Don't underestimate the importance of great customer service. As you enter into a partnership with your ASP provider, you will want to know if you will quickly be able to talk to a human or become a prisoner in voice mail "jail." As a general guideline, HR managers should be able to expect a response to inquiries within 24 hours from a direct contact that can help.

## Implementation Timeline.

Depending on the size of the company, most ASPs should be able to implement their solutions in a matter of weeks. If you have stringent deadlines or extenuating circumstances, you should disclose that information to the provider early in the process. Communicate your expectations, and put them in writing so there are no misunderstandings down the road.

## Pricing.

Wide pricing variations can exist in the same service, so buyer beware. Some providers charge a licensing fee for use of the program or charge per enrolled employee. Ask about monthly, implementation, maintenance and ancillary fees to assess the full cost of the system.

## Costs versus Benefit.

A slightly more expensive system may more than pay for the difference with features that enable employees to maintain their own records and offer greater convenience, time savings and accuracy. It is also a convenient solution in today's rapidly increasing decentralized workplaces, where employees telecommute, work in the field or reside in other states.

In this day and age many new technology offers will come your way. With so many advances in computers and administrative technology, there is no reason for anyone to be shackled behind the fax machine, or photocopying in triplicate while taming drawers full of files. Armed with the knowledge, you will be able to better find a solution to meet your company's needs.

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