

Simplifying the Open Enrollment Process

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One might think that with the New Year and benefit renewal and open enrollment longpassed, HR managers can finally take a short, well deserved hiatus. But even though communicating and collecting information on the barrage of benefits details and changes may have passed, there is still plenty of work to do in preparation for next year. Many companies and HR managers have learned from experience that the smoothest benefits management programs do not just run that way—they require a lot of work and constant attention. Almost as soon as the process of open enrollment is finished, the planning begins again. How can HR make sure its next open enrollment season is as headache-free as possible? Planning, timing and technology can be key. This article discusses tips for managing the open enrollment process, starting with planning.

Start soon and early

It's almost never too early to start planning when it comes to open enrollment. Many HR managers find success in reviewing their company's employee benefits early in the current year, for the coming year—yes, that means start looking at 2006 already! The decision-making process regarding whether to stay with the current benefit package or go with something new should be ongoing throughout the year.

Assess the changing face and needs of your company

There are many factors that make up the decision to stay with the old or to go with the new, chief among them being costs and employee profile changes. Questions to consider: is there a need to decrease costs? Should we instead offer a richer benefit package to be competitive in hiring and keeping good employees? Are the needs of our employees changing due to demographic changes? Is our employee population increasingly being made up of older employees, or younger employees, single or married employees, or any other factors that determine the benefits needs of employees?

Being able to access, understand and define current benefit information is key for HR managers. Having systems in place to capture enrollment data is helpful in answering such questions as how many employees are enrolled in each plan,

are most people opting for high deductibles or HMO's and is the company adequately caring for the needs of the employees.

Develop a plan of attack to get it all together

After HR has pulled together and assessed data on employees and dependents, deciding how soon to go to market to shop benefits is the next step. Many managers find that six months in advance is not too early to begin surveying the market. Ninety days is a good amount of time to allot for quotes from various insurance carriers to be gathered. Another 90 days is needed to review and implement any plan changes. That really leaves only about a 90-day period during the year when HR has a respite from being involved in some part of planning for the next open enrollment. It really is a never-ending cycle of reviewing, analyzing and planning.

Good planning is necessary throughout the open enrollment process.

Having a system in place to communicate any benefit changes to employees in advance of the actual O.E. period is a lifesaver for those that have mastered the process, whether it be via intranet or even old-fashioned memos to employees as often as daily, weekly or monthly, at least initially.

Making sure all "ducks" are lined up for paper enrollments is another important step. Each employee needs to have a complete packet of enrollment forms from each plan—health insurance, dental, life, disability, vision, etc. These packets should include paper enrollment forms, explanations of benefits, provider directories for each plan, instructions for completing forms, etc.

HR might want to take inventory in advance, to ensure that its department, brokers and/or reps from insurance carriers are on hand to explain benefits and answer questions from employees. Many HR managers note greater success when plenty of advanced notice is allotted, and options are presented, for employees to attend benefits/enrollment meetings.

The HR manager should make sure its department is well staffed to review all turned in paper forms to make sure they are fully completed and check for accuracy, ensure that each employee has submitted the required forms and that all needed signatures have been obtained.

Look for technology to offer shortcuts in time-consuming tasks

As evidenced by this partial list of to-dos, open enrollment can be a tiring process in and of itself. Many HR managers have discovered that they can often save headaches with technology. Technology is becoming indispensable to decrease costs, save time, increase accuracy (and avoid killing trees). When technology is in place it provides the tools to review benefits for planning and fulfillment. It helps HR managers to keep better track of information on what has been, and needs to be, done and even enables them to develop alerts to make sure nothing falls through the cracks. Well-designed and supported technology delivers timely and accurate information to employees. When it includes communication to carriers of employee elections, benefits are delivered with the same reliability as all other employee compensation, such as paychecks. Technology's savings and added control has proven to open up more time for the "important," like planning, rather than the "urgent," which is too often the result of relying on paper processes for delivering and tracking of eligibility and enrollments.

Early in the year, technology can be used to facilitate analysis through reporting and slicing and dicing data to analyze patterns, make projections of future needs and deliver fulfillment.

Later, fulfillment can be simplified by making sure information is available online. Employees and HR managers can often use the same technology to electronically transmit data on enrollment to carriers to update any changes, which have been made quickly and easily without having to manually print and fill out forms and wait for them to be processed by the carrier. The simplicity and accuracy that technology brings is resulting in the processes of nearly every carrier becoming more defined around electronic enrollment than paper processes.

Finally, HR can ensure that all employees have completed necessary changes and can even set up alerts throughout the year to remind them of when other updates will have to be made. Advanced packages even provide a return on investment model, arming HR with the tools it needs to go to the CFO to get the funding to bring technology into the process. To provide a true return on investment, the technology needs to feature easy employee access and be easy to use; offer full delivery of benefit information for employees to make decisions and enroll in their selections, and transmit enrollment data in real time through secure electronic connections to all the carriers who offer plans to your employees.

Conclusion

With all of the details required in the open enrollment process, it can very easily become a headache-prone project. HR managers that have been through it time and time again agree that it helps to have a program in place that accounts for every aspect, check and balance. With the most organized, planned processes, and emerging technology, open enrollment can become smoother for HR and everyone involved.

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