



At-A-Glance Guide *from*
Empyrean Benefit Solutions

November 2019

3 ESSENTIALS FOR BEST-IN-CLASS BENEFITS ADMINISTRATION



EMPYREAN

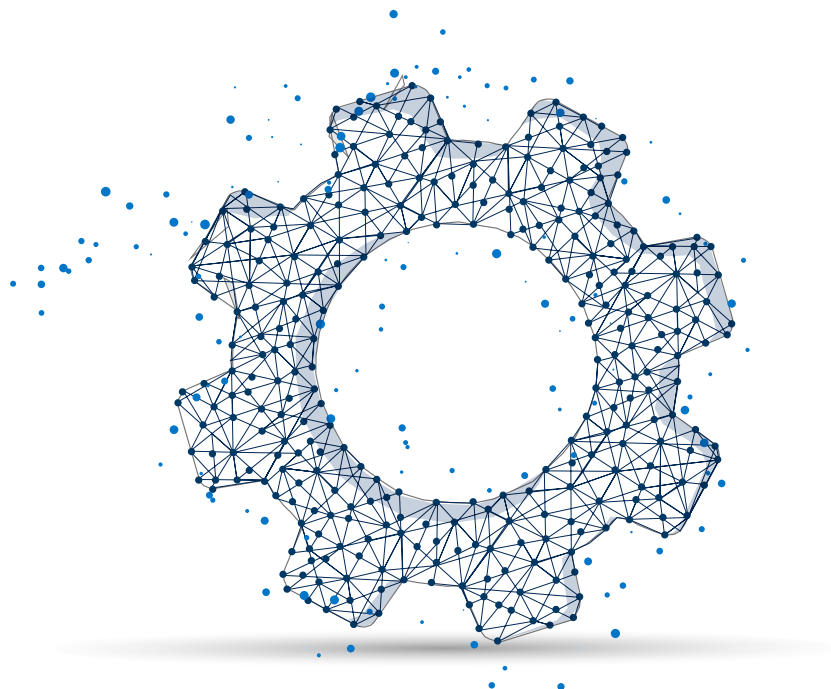
INTRODUCTION

Beyond developing an attractive yet cost-effective benefits package, HR and benefit teams are also tasked with building excitement and communications around their offerings, managing enrollment, navigating ever-evolving regulatory requirements, and ensuring employees' benefit experiences are in line with their company culture.

With these responsibilities, few employers can afford the financial and compliance risks that come as the result of a poor benefits administration technology partnership. But companies struggling against their current vendor's processes may not even realize they are compromising their benefits goals, settling for less, or that their current compromises are wholly unnecessary.

What should you expect from a best-in-class benefits administration provider? How do they operate to best serve your strategy? And how can you identify and leverage the right technology to achieve the results your business requires?

Bringing true value to your business requires relevant experience, insightful thinking, and the right tools and technology to keep pace with evolving demands. **This At-A-Glance takes a close look at three essential aspects of a best-in-class benefits administration partner,** to help you identify the solution that will elevate HR's impact across your business and make your benefits matter every day.



Essential #1 | Trusted Data Management

Data management processes are the foundation of your technology, and are critical in determining your benefits administration success. Without correct and accurate data, your benefits solution will become unreliable and prone to failure—regardless of how well-designed the front-end experience may seem.

Your technology platform should “just work,” properly handling your intricate data and continually checking for accuracy and logic conflicts to keep errors at bay. However, since data management takes place entirely on the back-end of your system, it can be tough to identify and initially understand good management processes from bad. But like Pandora’s Box, once issues are uncovered, they can be incredibly difficult to keep contained.

Deficient data management processes can cause eligibility rules and gatekeeping measures to fail, which can lead to long-term enrollment and coverage headaches that take an enormous effort to unravel and properly resolve. Plus, benefit errors can erode employees’ confidence, and damage your credibility with executives and other stakeholders that rely on accurate reporting.

There are also potential secondary cost increases to deal with: Incorrect benefits administration data can cause serious compliance failures that can lead to hefty fines for the mismanagement of Affordable Care Act (ACA), COBRA, or other regulatory requirements.

On the other hand, a best-in-class provider will utilize intelligent and adaptable data management processes to keep your data clean and accurate at every turn.

DATA MANAGEMENT AND OUTSOURCING BEST PRACTICES

Employers are increasingly recognizing the advantages of outsourcing their benefits administration, with **38% now considering outsourcing to be a key part of their benefits strategy** (a 41% increase since 2014). And 81% of employers utilizing highly digital benefits administration report being *highly satisfied* with their administration – a 25% increase over organizations using more paper-based methods.¹ In fact, when aided by the right processes and technology, HR teams can spend 25% less and utilize 30% less labor than their peers.²

Essential #1 | Trusted Data Management (cont.)

Smart technology frees up your budget and staff, enabling your team to be strategic with your dollars and time to provide better, more responsive benefits to your employees.

Given how prominent benefits are to your organization's success, your benefits administration outsourcing partner must be able to properly manage your data at all times.

Each platform manages data differently, but these differences may not be immediately apparent. How a potential system will manage and maintain your data will be a (if not *the*) key component of your entire solution's success.

A worthwhile technology partner will dedicate investments and resources to tackle your toughest benefit challenges, solve your current needs, and flex to fit your future strategies. Instead of struggling with poor data management practices, identify a benefits administration partner that is *singularly focused* on developing and delivering technology that meets your organization's total needs and maintains data integrity.

A best-in-class benefits administration solution will feature the following:

- A single, cohesive, and proprietary system for streamlined and accurate data exchanges.
- Consistent practices that leverage automation over inefficient and risk-prone manual work.
- Connectivity from your benefits administration platform across all parts of your benefits ecosystem – from payroll providers and carriers to third-party vendors and HRIS options – bringing highly specialized solutions together *without* compromising their individual effectiveness.
- Open integration capabilities across a wide spectrum of providers.

When evaluating providers, consider the different vendors and platforms you currently have, as well as those you may want to use in the future. Has your potential benefits administration partner successfully integrated and exchanged data with your preferred providers in the past?

Consider if your potential partner offers preferred partnerships with a broad range of leading providers. Taking advantage of pre-established partnerships will enable connectivity that is faster and less costly to implement, and brings vetted, proven solutions to you and your employees with confidence and ease.

Also keep in mind that “bundling” services under one vendor does not automatically guarantee seamless integration or scalability across that vendor's systems. Read on to learn why.

Essential #2 | Solution Scalability

To remain viable over time, your benefits administration technology must scale with your business as it shifts and evolves. Your business is not static, and your solution must keep up with both small and large changes to your company's size, population complexity, organizational structure, and industry changes.

Technology solutions must be purpose-built for scalability, or programming limitations can cause your platform to crash or cause errors. Developing a scalable solution relies on a complete understanding of benefits complexity, the rapid pace of potential changes, and the back-end workings of the system itself.

UNDERSTANDING SCALABILITY

For example, large legacy providers often offer a wide variety of technology services in addition to benefits administration — such as payroll or human resources information systems (HRIS). At first glance, it can seem like a smart move to place multiple HR needs under one vendor, especially if “bundling” these services offers an initially lower price point.

However, many large providers' product portfolios often grow due to acquisitions, instead of in-house development. The result is a variety of solutions and data storage processes stitched across highly compartmentalized systems that happen to be listed under the same company name.

From a programming perspective, these systems are highly inflexible, unstable, and often comprised of less-than-optimally secure technology. Even small changes (such as data configurations, tax rules amendments, or state and federal compliance updates) can demand time-consuming and expensive manual labor to resolve, or significantly impact the operational capacity of these systems, causing the entire solution to fail.

And because benefits administration may not be the most lucrative focus of a legacy provider's entire HRIS system, some products do not get the continuous investments or internal resources to provide the innovative, timely, and comprehensive benefit solutions that most businesses now need.

Essential #2 | Solution Scalability (cont.)

It is similar to stretching a single piece of Kevlar fabric versus a patchwork of cotton remnants: At a certain point, the seams holding the patchwork together are likely to burst, while the single cut of cloth will continue to stretch. Likewise, one cohesively integrated technology platform, specially tailored to modern business needs, is more stable than one that relies on coding workarounds to join many different products together.

Scalability (or the lack thereof) is ingrained in your solution's architecture—and without the right attention to this trait, your team could suffer down the line. Employers can encounter extreme difficulties once their business outgrows a limited solution, which can happen quickly (in the case of a merger or acquisition, for example) or over a longer period of time. However the change occurs, HR teams can suddenly be overwhelmed by errors and burdened by the rework required by their failing system. If your team is contending with difficulties after a recent business or regulatory change, your current vendor may not have the scalability in place to continue managing your needs.

EVALUATING YOUR CURRENT AND FUTURE REQUIREMENTS

While you may not be able to predict every turn that your business or industry may take in the future, when signing a contract with a service provider it's important to consider both your current and potential needs. **Think about any changes your business has seen over the last few years, and ask yourself the following:**

- Have there been major alterations to your business structure?
- What trends have you noticed affecting your benefit-eligible populations and population complexity (e.g. Is a large portion of your workforce expected to retire soon)?
- Is your business centrally located, or are you adopting decentralization with employees spread out across the country?
- Is rapid expansion or change expected to impact your organization?

When evaluating your options, also consider how a potential technology partner has successfully addressed the unique needs of companies within your same size and industry specifications:

- What changes have been implemented or addressed for similar clients?
- How have industry trends brought both expected and unexpected demands upon your benefits administration capabilities? Does your partner have experience comprehensively managing similarly fast-paced demands?

Essential #3 | Insight-Driven User Experience

Your solution's user interface should be intuitively designed – however, it's important to keep in mind that a high-gloss interface design does not necessarily denote the most reliable back-end processes or supportive capabilities.

For example, no matter how inviting a retail store may be, your overall experience will be soured if the product you purchase does not work when you get home. Similarly, no matter how well-designed your platform's user interface may seem, it will prove worthless if its data is inaccurate, your solution proves unstable, and your employee is not covered adequately (or at all) by their benefits selection.

When evaluating a potential partner's user experience, look for the following:

- An easily tailored portal experience that can be designed around each of your unique employee populations.
- The ability to add targeted communications, educational content, provider links, and coverage documents within the employee experience.
- Fully integrated decision-support that guides employees during enrollment *as well as throughout the plan year*, with no need to switch between multiple sites or portals.
- Convenient access from nearly any internet-connected device, including a mobile application experience that offers push notifications and alerts.

Your technology solution should be intuitive for both employees and administrators to use, and smartly designed to allow employees across all generations to take greater control of their benefit choices.

YEAR-ROUND BENEFITS UTILIZATION AND ENGAGEMENT

From shopping and banking to finding their way around town, technology has made it easier than ever for employees to engage with the information they need to navigate their everyday lives. Given how important benefits are to your employees' health and wealth – *and to the success of your strategy* – why should you expect any less from your benefits technology partner?

Essential #3 | Insight-Driven User Experience (cont.)

It's no surprise that employees want (*and need*) easy access to benefit recommendations when selecting their plans. **However, their need for personalized guidance does not end at enrollment.** Employees require year-round decision-support that enables them to smartly utilize their benefits and find the best care at the right cost.

In fact, 73% of employers consider benefits decision support a highly important strategy regarding the employee experience.¹ In addition, 85% of employers are considering offering support to help employees navigate their health care services by 2020.³

A best-in-class benefits platform will bring solutions that go beyond benefits administration, leveraging artificial intelligence (AI) and machine learning to analyze your benefits data and deliver employee-specific recommendations.

Does your provider offer *truly* year-round benefits guidance? Look for the following:

- Annual Enrollment guidance for core, supplemental, wealth, and wellness benefits.
- Claims-based recommendations for cost-effective care.
- Cost predictions and transparency tools.
- Digital medical and pharmacy bill management.
- Reminders and alerts for claims filing and appealing charges.
- Financial updates and support.

Today, employees utilize technology to manage almost every aspect of their lives, right from their smartphones. By providing year-round decision-support via a convenient mobile application, your employees can receive the claims-based guidance they need to manage their providers, prescriptions, spending accounts, voluntary benefits, and more – right from their pocket, when and where they need it most.

YOUR SERVICE EXPERIENCE

When considering a potential platform's user experience, keep in mind that this experience does not end at a computer monitor or the screen of a mobile device. Rather, the user experience encompasses everything from the design of the user interface to the stability of its back-end processes, all the way to your partner's **service capabilities**. Remember to also evaluate the "human" side of the user experience: the **Service Team and Service Center**.

Essential #3 | Insight-Driven User Experience (cont.)

Your benefits represent an enormous investment for you and your company. If your benefits administration vendor is slow to address concerns or repeatedly leaves issues unresolved, you aren't being supported by a best-in-class provider — and they are putting your entire strategy at risk.

A top-tier partner will make it their business to provide continuous support and open communication to you and your team, enabled by a client-dedicated service structure. Dedicated resources are one of the keys to driving service scalability. This ensures that your entire solution is managed by experts that are intimately familiar with your business's needs, benefits offering, eligible populations, and culture. Your partner should employ a similar structure to address employee questions and concerns when utilizing service center capabilities.

A best-in-class provider will make service a continuous priority throughout your partnership:

- A cohesive support team should develop a thorough understanding of your priorities, initiatives, and challenges to deliver expert insights and offer best-practice solutions for an exceptional service experience.
- Employees should be served by a dedicated team of 100% in-house and US-based service center representatives, capable of answering participant questions, guiding employees through the enrollment process, utilizing platform tools, and connecting employees with carriers and third-party resources as appropriate.
- Employees should have the option to call, chat, or email a live representative for assistance.
- Your service center should not rely on overseas or generic one-size-fits-all call centers, which can put your service quality and employee data at risk.

Introducing an expert service center offering to your employees can save your team from a tedious flow of questions. However, your participants need knowledgeable and understanding assistance at the ready. Employees that are unable to receive clear and quick answers, or who can only receive generic information, will have a negative experience that impacts their satisfaction levels and willingness to engage.

In addition to building expertise around your benefits offering, your service team should also dedicate time to learning about the company culture you have worked hard to develop. By applying an understanding of your culture and people strategy, your Service Center team becomes a natural extension of your internal resources, allowing you to outsource without fear of compromise.

CONCLUSION

A best-in-class benefits administration partner will give your team the efficiency they need to gain back valuable time throughout their day, as well as heighten employees' benefit experiences to improve outcomes. With the right solution, you'll provide participants with an easy and immediate route to get the answers and guidance they need as soon as they need it. And instead of trying to catch up with administrative tasks, you'll have more opportunities to focus on what really matters to you, your employees, and the bottom line of your business.

If you've found your internal capabilities are stretched too thin, or if you are constantly face-to-face with your technology vendor's shortcomings, it may be time to consider moving to a better solution.

Connect with Empyrean to learn how our benefits administration technology platform has helped clients of all sizes and complexities meet their goals, lower their costs, and enrich employees' lives by making benefits matter every day.



REFERENCES

1. "Game Changer: The Digitalization of Employee Benefits Delivery." The Guardian Life Insurance Company of America. New York, New York. May 2018.
<https://www.guardiananytime.com/gafd/wps/portal/fdhome/insights-perspectives/emergingtrends/human-capital-management-technology>
2. "Raising the World-Class Bar in HR Through Digital Transformation." The Hackett Group, Inc. Miami, Florida. June 2017.
<https://www.thehackettgroup.com/research/2017/wcpahr17/>
3. "Willis Towers Watson 23rd Annual Best Practices in Health Care Employer Survey." Willis Towers Watson. London, United Kingdom. September 2018.
<https://www.willistowerswatson.com/-/media/WTW/Insights/2018/12/willis-towers-watson-23rd-annual-best-practices-in-health-care-employer-survey-v2.pdf>

ABOUT EMPYREAN

Empyrean Benefit Solutions looks to enrich employees' lives by making benefits matter every day.

Empyrean provides employee benefit solutions without compromise through the development and delivery of software and services.

Founded in 2006, Empyrean serves more than 3.6 million participants annually across a wide spectrum of sizes, industries, and complexities.

Visit www.GoEmpyrean.com for more information.

