

How to Shift to a **More Effective** Benefits Administration Strategy

Getting workplace benefits and savings
in sync to drive better results

Benefitfocus[®]



It's Time to Transform the Traditional Approach to Benefits Administration



Benefit leaders share with us how imperative it is to support employees' health and financial well-being. In fact, employee benefits programs have become an increasingly compelling component of the employer value proposition, with close to 60 percent of U.S. job seekers recently surveyed by Talent.com saying that benefits are among the most important element when looking for a job, second only to salary.

Unfortunately, HR teams' efforts to engage employees with their benefits largely fall short, despite repeated attempts to help them understand, choose and use them. Employers invest in a variety of guidance, navigation, transparency and chronic condition programs, yet tend to see engagement rates in the low-single digits. And considering that close to 30 percent of compensation costs go towards benefits, it's clear why employers are ready and eager for a better way.

The fact is, while employers are doing the right things – introducing competitive benefits, providing digital resources and communicating throughout the plan year – employees just don't know how to take full advantage of their benefits as part of a connected experience.

That's because when it comes to benefits, health and wealth programs tend to operate in silos, leading employers and their people to approach health care, retirement and savings separately. This traditional approach to benefits administration has become the de facto standard – and it's failing. It's unsustainable for both employers and employees. But there's a way to get workplace benefits and savings and sync while making the process easier for HR teams.

In this eBook, you'll learn:

- Why the traditional approach to benefits administration is failing
- The power of getting your workforce benefits and savings in sync
- Three actions you can take to transform the benefits experience for everyone

Ready? Let's go! >>>

Why the Traditional Approach to Benefits Administration is Failing

Employers are doing their best to take care of their people – not only is it the “right thing to do,” but it’s a competitive necessity. Today’s employees expect their employer to support their health and wealth goals, and that’s why HR teams work so hard to design and administer employee benefits programs.

But in light of these great expectations – and best intentions – benefits teams are overburdened with heavy administrative workloads and employees struggle to understand, choose and use their benefits as part of a connected experience, resulting in disappointing outcomes.

70%

of employers believe employees underutilize the services, benefits and programs they make available. (The Hartford)

13%

The typical engagement in disease management programs. (AHRQ)

As a result of higher health care costs, employees have:

- Reduced their contributions to retirement savings plans
- Delayed going to the doctor
- Increased credit card debt
- Had difficulty paying for necessities, among other things

(EBRI)

These challenges are well known to employers, who have been grappling with them for years. But now, they’ve reached a tipping point where **organizations and their people simply cannot afford to continue doing things the same way.**

A new approach is required to address these core realities:



Benefits Administration is Complex. Employers are working tirelessly with multiple benefit vendors across multiple platforms and multiple sources of data. HR teams are spread too thin, **spending over 70 percent of their time on administrative tasks**, and almost three-quarters (73 percent) of them say they don’t have the tools and resources to do their job well. They’re unable to focus on the higher-value strategic work that’s required to improve employees’ benefits experience.



Employees are Confused and Disengaged. Employees struggle with the complexity of their benefits, too. In fact, **41 percent** of the American workers surveyed by Voya Financial in January 2023¹ admitted they **do not fully understand any of the employee benefits they selected during their most recent open enrollment period!** And when it comes to using their benefits, employees have to sort through multiple apps, phone numbers and websites, none of which are personalized to their specific situation. If employees don’t know what’s available to them or how to engage, they won’t.



Benefits and Savings Are Out of Sync. Traditional communication strategies, static total rewards statements and antiquated decision support tools do nothing to help employees optimize benefits based on their individual needs. This helps explain why **over 80 percent enroll in health care plans that are costing them more than they ought to be paying** – and why an estimated 33 percent of workers save less than 5 percent of their income for their retirement, when they should invest closer to 15 to 20 percent.

Sneaky Signs Your Benefits Strategy Isn't Living Up to Its Potential

You might feel like your benefits programs are performing “well enough,” but are you really satisfied? Are your employees?

Here are signs to get you thinking:

- You have an impressive employee benefits budget, but program ROI is nothing to brag about.
- Your benefits team is so busy with cumbersome administrative activities that there's little time and energy left to focus on strategic initiatives.
- You try your best to prepare employees for open enrollment with communications and educational materials, yet most people skim over the details and default to last year's selections.
- You've invested a lot in digital benefits programs and health care point solutions, but your employees don't engage with them.
- You have little insight into how well your plans and programs are performing and generally feel like you are powerless to control health care costs.

Missed Opportunities



42%

of HR teams are struggling under the weight of too many projects and responsibilities, resulting in **widespread burnout and exhaustion.** (SHRM)

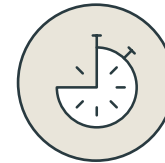


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of employees consider existing employer resources helpful in meeting their **top priorities:**

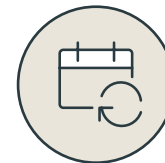
- Saving money (26%)
- Financial wellbeing (28%)
- Mental health (28%)

(Buck)



73%

of employees spend **less than 60 minutes** reviewing their benefits at enrollment time – and 41 percent invest less than 30 minutes. (Colonial Life)



89%

of employees say they just **pick the same health plan** from the prior year, especially those currently enrolled in a PPO vs. HDHP (94% vs. 80%, respectively). (Voya Financial²)

Without a more effective approach to benefits administration, challenges like these won't go away:



\$293k

The average **retirement health care savings gap** (the difference between what retirement savers need and what they have accumulated). (Improving HSA Engagement, Voya October 2019)



The Power of Getting Your Workforce Benefits and Savings in Sync

Complexity, confusion and sub-optimal benefits selections combine to keep everyone stuck. And this stands in the way of benefits programs (and your employees!) meeting their potential. When making decisions about their health care and financial benefits separately, employees are left poorly protected with respect to their health and financial security – and employers are unable to realize the full value of the investment they’re making in their people.

But it doesn’t need to be this way. You can deliver a benefits experience that helps your employees achieve better health and financial outcomes, while helping to reduce organizational costs and administrative burden.

It amounts to offering a holistic experience that is designed to get workplace benefits and savings in sync – helping employees consider the interdependence across health, retirement and savings and providing them with the guidance and support to consider how one choice might impact another.

But smarter decisions at open enrollment aren’t enough. Employers must also help employees understand and fully optimize the value of their benefits and to utilize these benefits more effectively throughout the year, leading to better outcomes for the employee and the organization.

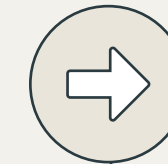
Imagine a world where...

Your HR team doesn’t worry about administering benefits – including struggling to keep up with changing regulations – so you have the critical resources free to support major strategic initiatives.

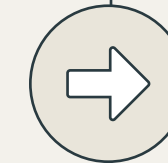
Your HR team can identify risks and opportunities for improvement.

Your employees are empowered with point-of-enrollment resources that help them meet their health and wealth goals – together.

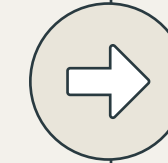
Your employees are engaged throughout the year with tools that nudge them to their next best decision.



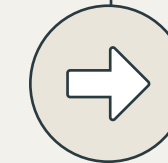
Just imagine... Spending your time and energy designing programs that your employees want to engage with, like a cool wellness program, instead of frantically preparing to file ACA forms with the IRS.



Just imagine... Having on-demand access to meaningful health plan claims data that helps you understand what’s driving your health care costs, evaluate program effectiveness and take action toward better outcomes and lower costs.



Just imagine... Employees enrolling in the plans that best fit their needs and knowing how much money to put aside for health care expenses, emergency savings and retirement.



Just imagine... Employees tapping into a digital care navigation tool to quickly and easily find a high-quality, in-network doctor when needed.

Three Key Actions You Can Take to Transform the Benefits Experience for Everyone

By taking a hard look at the gaps in the traditional approach to benefits administration, you can shift the way employees understand, choose and use benefits – providing a holistic experience that connects health, retirement and savings – while at the same time making life easier on your HR team.



Outsource tedious tasks and processes to free up critical resources for strategic, high-value work.

A trusted partner can manage the key drivers of administrative complexity and free up critical resources needed to support major strategic initiatives and focus on delivering a benefits program that connects health and wealth – and results in a better benefits experience for everyone.

How: Benefitfocus brings together technology and a culture of service excellence to simplify administration, drive efficiencies and enable organizations to focus on what's most important.

- Employee communications
- Reporting
- ACA compliance
- COBRA administration
- Billing
- Consumer accounts
- Voluntary benefits

Reduce friction to help employees get more value from their benefits across health and wealth.

Help your workforce understand their benefit offerings and make confident decisions through personalized decision support tools and targeted benefit communications campaigns that connect the dots between their needs and company-sponsored benefits.

How: Benefitfocus makes it easy for employees to make smarter decisions about their benefits through a connected experience across health, retirement and household savings.

- Personalized, centralized benefits hub
- Top-rated mobile app for convenient on-the-go access
- Simple enrollment experience with data-driven decision support
- Targeted communications to nudge employees to their next-best action
- Integrated care navigation – included as a standard feature!
- Service center for call, email and 24/7 chat support

Harness the power of data to help you evaluate program effectiveness and take action for improved outcomes and lower costs.

Benefits data reveals what's working and what's not, while exposing areas for improvement. For example, data can help you identify opportunities to deliver more effective benefits communications or to engage employees in specific programs that support their goals.

How: Benefitfocus enables better health and financial outcomes through on-demand access to your health plan claims data and powerful insights. Analytics tools and services help you:

- Understand what's driving your health care costs
- Identify risks and opportunities for improvement
- Adjust your benefit strategy
- Measure results
- Plus, additional services that attack specific areas of your health plan – such as claim errors leading to overpayments – and take proactive, cost-saving measures on your behalf

Are You Ready to Deliver a Connected Benefits Experience?

With a fresh mindset and a comprehensive benefits administration partner like Benefitfocus, you can deliver the untapped potential of a modern employee benefits experience – and get your people’s health and wealth in sync.



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¹Voya Financial survey conducted January 3-4, 2023, on the Ipsos eNation omnibus online platform among 1,005 adults aged 18+ in the U.S.

²Voya Financial survey conducted September 2-6, 2020, in partnership with Russell Research, among 315 U.S. Consumers currently enrolled in an employer-sponsored health plan.