



Benefits Briefing VOLUME 19

Perspectives on Handling of Enrollment Data, Online Benefits Administration, and Broker Value-Add Services from a Survey of Employers and Brokers (Q1, 2013)

National Employee Benefits Advisory Forum (NEBAF)

Background & Methodology

The National Employee Benefits Advisory Forum (NEBAF) conducted an online information exchange in January and February 2013 to understand its participants' interest and experience regarding important employee benefits and some new approaches to the kinds of choices employers and employees may have in the near future.

The information in this report is based on an online survey taken by 384 brokers and 176 employers.

The following pages include findings from brokers and employers regarding their perspectives on all or some of the following:

- Handling of enrollment data when working with multiple carriers,
- Online benefits administration, and
- Broker value-add services.

Executive Summary

This Briefing includes views and opinions from brokers and employers related to the handling of data required for enrollment.

- Nearly all employers indicated that they offer their employees benefits from multiple carriers. The vast majority offer their employees benefits from three or more insurance carriers.
- Many employers said that they currently do not work with a TPA to handle enrollments.
- When we asked participants about the handling of enrollment data, both small (those with less than 500 employees) and large (those with 500+ employees) employers most commonly reported that they 'send different files to different carriers that contain only the eligible data for the products they offer employees'; this is the top response named by roughly half of both small and larger employers.
- Brokers also cited 'sending different files to different carriers that contain only the eligible data for the products they offer' as the most popular method for their small clients (those with less than 500 employees). Yet, beyond this, brokers answered differently than small employers did as to other common ways small companies handle enrollment data.
- With regard to their larger clients (those with 500+ employees) brokers also most commonly named 'sending different files to different carriers that contain only eligible data for the products they offer'; yet, they cited it far less frequently than larger employers did. Additionally, roughly one in five brokers reported that they don't know how their large clients handle enrollment data.

Both brokers and employers also provided insights in the area of online benefits administration.

- Half of employers said they use a benefits administration website to manage their employee benefits programs. Brokers reported a lower use of benefits administration websites by their clients.
- Both brokers and employers agreed that eligibility updates and benefits enrollment are the most important self-service online capabilities for a benefits administration website for administrators. Beyond those two, brokers and employers disagreed on the importance of other capabilities.
- When it comes to self-service online capabilities for employees in a benefits administration website, brokers and employers disagreed on which capabilities are most important. Employers named access to provider directories as most important, and brokers cited access to plan details at the top of the list.



Executive Summary (cont.)

Brokers *only* discussed their satisfaction with ‘value-add’ or non-compensatory services that carriers may provide to them.

- When we asked brokers how satisfied they are with ‘value-add’ or non-compensatory services, most reported feeling neutral or moderate, neither strongly satisfied nor strongly dissatisfied; one in five said they are very satisfied.

Employers show concern for security and privacy of data...

Here are employers talking about their concerns for security and privacy in the handling of the data required for enrollment:

“Loss of control of the info, correct info not getting where it needs to go, too many people handling the information. Breaches of privacy potential.”

“That there would be a security breach of the information. At this time employees are very ‘wary’ of sending SSN and other personal info over the Internet or company intranet.”

“My concerns would be HIPAA compliance; transmission security and data control and integrity with one file sourced to a TPA/carrier.”

“Transmission of SSN and other confidential data is always a concern.”

“Privacy is a big issue and we take many precautions to avoid any information being exposed.”

“We would need to be assured that all information is triple encrypted to protect the data and most vendors are not equipped to handle such a request.”

Enrollment Data for Employee Benefits

We asked brokers and employers various questions about their preferences for and experiences with the handling of enrollment data for their employee benefits when working with multiple carriers.

Use of Multiple Carriers

First, we asked employers only whether they offer benefits from multiple carriers to their employee population.

Roughly nine out of ten employers reported that they offer benefits from multiple insurance carriers to their employees.

We then asked those employers using multiple carriers how many different carriers offer benefits to their employees.

Nearly half said they offer benefits from three or four different insurance carriers to their employees. More than two-fifths offer benefits from five or more insurance carriers.

These results show that the vast majority of employers are handling enrollments with multiple carriers.

Working with TPAs for Enrollments

We asked employers only whether they currently work with a TPA to handle enrollments in employee benefits.

Only about one in three employers said they currently work with a TPA to handle enrollments; roughly two-thirds do not. Large employers (500+ employees) are more likely than small employers (less than 500 employees) to report working with a TPA currently.

While nearly all employers offer benefits from multiple carriers, most do not utilize a TPA to handle enrollments. These results suggest a possible gap or need that could be filled by a TPA or other third party.

Current Handling of Enrollment Data

We asked both brokers and employers how they currently handle the data required for enrollments. We asked brokers this question separately about their small clients (less than 500 employees) and then about their larger clients (500 or more employees).

Handling of Enrollment Data Among Smaller Companies

When looking at the responses of smaller employers (less than 500 employees), about half indicated that they send different files to different carriers that contain only the eligible data for the products they offer employees. The next most common response was sending a single file of all eligible data to a TPA, named by about one in five.

Employers talk about their experiences and preferences for handling enrollment data...

Here are employers talking about their experiences and preferences for handling the data required for enrollment:

"We have a good relationship with our TPA. They not only handle enrollments, but they negotiate great rates for us. It is also simpler to have them handle any errors or anything else that goes wrong at the insurance company end of things."

"I would prefer to send relevant data to each separate company. Not everything to one company. I think having control of this data is very important."

"I find one to one interaction on eligibility easier than having multiple contacts."

"Working with TPA who then routes is currently in place and working well."

"We prefer to work directly with the carrier, and will give eligibility for that line of coverage only."

"I prefer to work with each of the carriers individually. I have found when I have worked with a third party there have been problems and ultimately it comes back to me to fix and it gets extremely frustrating."

"Our current process is very hands-off for us. Employee enrolls online through benefits administration website, and electronic files are sent to all our vendors for enrollments, terminations, changes, etc."

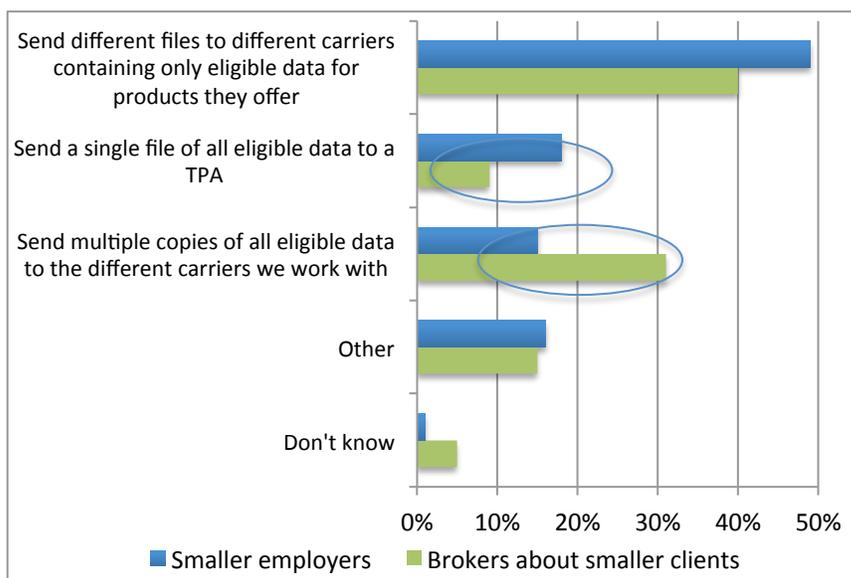
Handling of Enrollment Data Among Smaller Companies (cont.)

When we compare the responses of smaller-size employers to brokers' responses pertaining to their smaller clients, we see both commonalities and disconnects. *Similar to smaller-size employers*, brokers also cite 'sending out different files to different carriers that contain only the eligible data for the products they offer employees' as the most common method their smaller clients use for handling data required for enrollments.

Beyond that, brokers' responses are different than those of smaller-size employers. The table below shows the top three methods of the two groups.

These gaps present a potential opportunity for brokers to connect with their smaller clients and gain a better understanding of how those clients are handling enrollment data; in turn, brokers can share their expertise and value-added services in this area.

Handling of Enrollment Data Among Smaller Employers



Handling of Enrollment Data Among Larger Companies

When looking at responses among *larger employers* (500+ employees), results are similar to smaller employers; **we see no differences in how small and large employers handle the data required for enrollments.**

Similar to smaller employers, about half of larger employers said that they send different files to different carriers that contain only the eligible data for the products they offer employees. One in five reported sending a single file of all eligible data to a TPA.

When comparing these results to brokers' responses regarding how their larger clients handle the data for enrollments, again we find similarities and differences. The table below shows the top three methods of the two groups. **Particularly different than with**

Snapshot: Insurance Products Offered

We asked both brokers and employers which insurance products they currently offer.

Nearly all brokers indicated that they offer the *core employee benefits products* such as health insurance, life insurance, dental insurance, and disability insurance to their clients. The vast majority of employers also reported that they offer the core insurance products to their employees.

Roughly four in five brokers reported that they offer *supplemental health insurance products* such as accident insurance and critical illness insurance. Among employers, accident insurance is more common; roughly three in five reported offering it to employees, while only one in three said they offer critical illness insurance.

Lastly, vision insurance is as commonly offered by brokers, as are the core insurance products mentioned above. For other *specialty voluntary products* such as auto and home and legal services, only about one in four brokers reported offering. A similar trend is seen among employers. Vision is commonly offered, named by about three in four. But other specialty voluntary products are less common, offered by less than one in five.

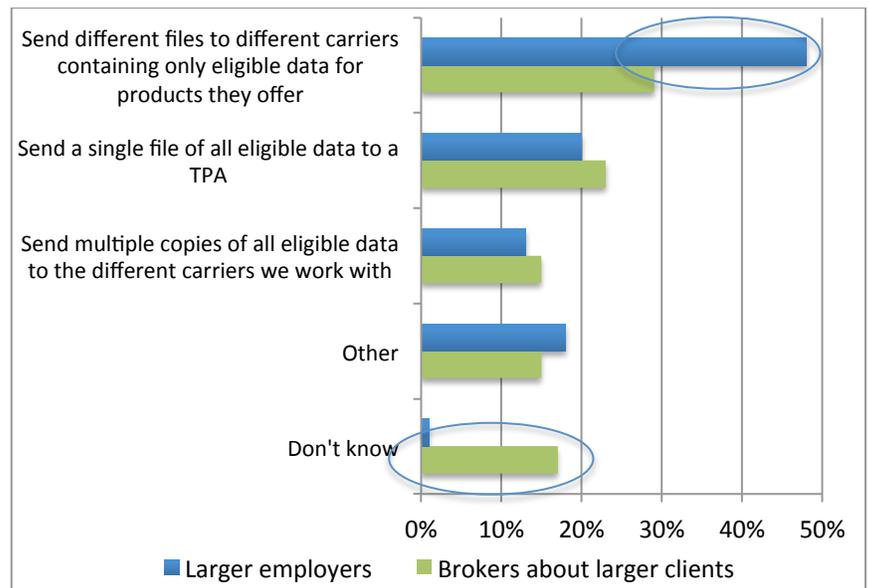
Not surprisingly, larger companies (500+ employees) are more likely to offer specialty voluntary products than smaller companies (less than 500 employees). All other products offerings are similar by company size.

Handling of Enrollment Data Among Larger Companies (cont.)

their smaller clients, we find that roughly one in five brokers don't know how their larger clients handle the data required for enrollment.

These findings point to perhaps an even larger disconnect between brokers and their larger clients, than seen between brokers and their smaller clients. It's clear that a number of brokers could gain a better understanding of their larger clients, which may enable them to provide better service and more value to their clients in return.

Handling of Enrollment Data Among Larger Employers



Online Benefits Administration

We asked both groups questions about online benefits administration.

Use of Benefits Administration Websites

We asked both brokers and employers whether they / their clients use a benefits administration website to manage their employee benefits programs.

Employers are evenly split; about half said they do use a benefits administration website, and about half said they do not. These results are consistent across company size.

Most brokers reported a low incidence of use of benefits administration websites among their clients. **More than half of brokers said that 20% or fewer of their clients use a benefits administration website** to manage their employee benefits programs.

Use of Benefits Administration Websites (cont.)

It is unknown why many employers are not using a benefits administration website, but these findings suggest a potential opportunity for employers. They may want to consider the possible efficiencies and ease of administration that may be gained through the use of a benefits administration website.

Importance of Online Capabilities for Administrators

We asked both brokers and employers how important various self-service online capabilities are for a benefits administration website from the administrator perspective.

Employers rated the following five capabilities as most important: (in order of importance)

1. Eligibility updates (i.e. name change, status change, beneficiary)
2. Benefits enrollment
3. Enrollment reporting
4. Plan reporting
5. Eligibility verification

Here are brokers' top five rated capabilities: (in order of importance)

1. Benefits enrollment
2. Eligibility updates (i.e. name change, status change, beneficiary)
3. Eligibility verification
4. Enrollment reporting
5. Plan design information

Brokers and employers are in agreement on the top two most important capabilities, but they disagree on the third most important item. Brokers may want to gain more insight into clients' needs around enrollment and plan reporting. Conversely, employers may want to understand the reasons for brokers' ratings and take advantage of their knowledge and experience.

These results show key online capabilities for administrators. Employers and brokers will want to be sure these capabilities are included in and function well in any benefits administration website they/their clients are using or considering.

Importance of Online Capabilities for Employees

We also asked both groups how important various self-service online capabilities are for employees.

The following are the top-rated five capabilities in importance among employers: (in order of importance)

1. Access provider directories
2. Confirmation of coverages enrolled in
3. Check status of claim

Brokers talk about “value-add’ services...

Here are brokers talking about the reasons they are very satisfied with the value add or non-compensatory services that group insurance carriers currently offer:

“Some features are really nice add-ons clients can take advantage of, and if not, it doesn't cost more either way.”

“The level of services are excellent with the carriers we use.”

“Most clients are doing more with less staff. Any services offered by carriers that assist in reducing the administrative load are appreciated.”

“We have always received great service from any carrier we have used. Many offer value-added services, that can be quite helpful when clients are traveling, or need the ability to check on some of their own things. I'm very satisfied with what they offer, because...it seems to add value to the coverage, which makes clients happy.”

“Most clients and their employees like the information available on the carrier websites, discount programs, and supplemental travel assistance programs.”

“Good products. Good service. When the clients are happy we are happy.”

“Extras like the complimentary plans and discounts for services these make the client feel they are getting more for their money. Makes the sale easier.”

“Saves me valuable time with day to day client issues Carriers works like an extension to brokers and clients. It has to be a partnership working towards common goal.”

Importance of Online Capabilities for Employees (cont.)

4. Contact for service
5. Access EOB (explanation of benefits)

Brokers rated the following five capabilities highest in importance for employees:

1. Access to plan details (i.e. design. features, cost)
2. Confirmation of coverages enrolled in
3. Access to provider directories
4. Request changes to coverages (life events)
5. Access to forms

Brokers and employers agree on the importance of two capabilities – access to provider directories and confirmation of coverages enrolled in. **Beyond that, brokers and employers disagree on which self-service online capabilities are most important for employees** in a benefits administration website.

These results show a gap in communications between brokers and employers.

Value-Add Services

We asked brokers only about ‘value-add’ or non-compensatory services group insurance carriers may provide to them.

Satisfaction with “Value-Add” Services

We asked brokers how satisfied they are with existing ‘value-add’ services that group insurance carriers provide them currently.

One in five brokers reported being very satisfied with these services. Most feel neutral or moderately satisfied.

This leaves room for improvement. Group insurance carriers may want to assess their current ‘value-add’ offerings and services and make sure they are truly adding value.

Reasons for Satisfaction with ‘Value-Add’ Services

We then asked brokers who said they are very satisfied with existing ‘value-add’ services about reasons for their high satisfaction.

Brokers most commonly identified the following reasons for high satisfaction: (in alphabetical order)

- ✓ Clients like / appreciate the value added
- ✓ Good customer service on these services
- ✓ There is no cost
- ✓ They are high quality services
- ✓ They make doing business easier for the broker, lessen their administrative burden

Group insurance carriers will want to take these reasons into account when forming or offering value-add services to brokers.



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