How to Evaluate Your Benefits Administration Solution This Year

And why having the right partner is more important than ever.
It’s critical to conduct a formal evaluation of your benefits administration provider each year.

We get it.

The last thing HR and benefits professionals need (especially in the aftermath of open enrollment) is yet another task to focus on. From managing open enrollment, to recruitment and rehiring efforts, to evolving COVID-19 workplace regulations, to supporting a shift to a remote workforce and the million other responsibilities on HR’s plate, it’s completely understandable for HR and benefits teams to have a “heads down” mindset to just get through the next year without formally evaluating their benefits administration solution.

The problem with that mindset is that right NOW it is more important than ever for HR to determine whether they have the solution in place that can meet the dynamic needs of their team and workforce, especially after open enrollment season wraps up and pain points are top of mind.

This paper will explain why it is more important than ever to effectively evaluate your benefits administration provider, then dive into the four key areas of your evaluation that will impact success the most:

1. Flexibility and Agility: How quickly and efficiently does your benefits administration provider support benefits plan changes?
2. Service and Support: Does your provider’s service model meet your needs?
3. Ongoing Administration: Is your provider capable and/or willing to do the dirty work?
4. Employee Satisfaction: Is your employee benefits experience helping or hurting employee perception of your organization?

A checklist is also provided at the end to help get your evaluation started. •
There have never been a better time to upgrade HR and benefits tech.

There are four key factors that make now more important than ever to determine whether you have the solution in place that can meet the dynamic needs of your team and your workforce:

1. **Benefits are top of mind in the aftermath of COVID-19.**

Health and wellbeing is a much greater concern for all of us nowadays, and benefits utilization has increased dramatically as a result. This influx of benefits engagement provides a great opportunity to showcase the strength of your benefits program while collecting feedback on which benefits additions would deliver the most value. Aflac's 2020-21 WorkForces Report found that 63% of employees expect at least one expanded benefit to help them feel secure in the workplace, such as telemedicine, mental health and financial wellness. Benefits administration providers must deliver the flexibility needed to quickly make adjustments to benefits plans while providing employees with excellent call center support to help employers keep up.

2. **Remote work has placed HR tech at the center of the employee experience.**

As many companies are shifting to permanently hybrid or fully remote work, implementing an advanced digital infrastructure is crucial to successful onboarding, benefits enrollment, training, teamwork, culture-building and more. It's important to ensure your benefits administration provider is providing the simple, consumerlike online experience that today's workforce expects. In The Hartford's 2020 Future of Benefits Study, 63% of employers reported that their company's open enrollment strategy would depend more strongly on online resources due to COVID-19.
3. **The “Great Rehire” makes onboarding efficiency more important than ever.**

According to a [2021 SHRM survey](https://www.shrm.org/hr-today/trends-predictions/pages/trends-predictions-2021.aspx), nearly half of U.S. executives reported that their organization had experienced much higher turnover over the past six months, and most (84%) said openings were going unfilled for longer periods than before the COVID-19 pandemic. Today’s intensely competitive labor market means HR must take a serious look at all systems responsible for onboarding, especially benefits enrollment. If tech is causing more issues than it solves, or it doesn’t integrate well with other systems, onboarding in high numbers can become a nightmare and lead to poor first impressions.

4. **Sticking with the status quo may cost employers more than they think.**

While HR is focused on open enrollment, steep competition for talent, and keeping remote employees engaged, it’s easy to perceive an incumbent benefits administration solution as the safe, less expensive bet. However, even though a lot of money and time may have been invested in a legacy solution, the cost of hanging on each year can be staggering. A recent article by the Society for Human Resource Management (SHRM), [Letting Go of Legacy Systems](https://www.shrm.org/hr-today/trends-predictions/pages/trends-predictions-2021.aspx), highlights several questions to help HR build the business case to upgrade their systems, including lack of flexibility, compliance issues, lack of quality service and support, data integrity issues and more. •

With all this as a backdrop – how should you be evaluating your current provider during open enrollment?
Focus your evaluation on four areas that will impact success the most.

With so many facets of benefits administration, formally evaluating your vendor can be daunting. Focus on these four key areas and leverage the scorecard at the end of this paper to help you get started.

1. **Flexibility and Agility: How quickly and efficiently does your benefits administration provider support benefits plan changes?**

   The pandemic and steep talent competition has made benefits plan flexibility more important than ever. According to Care.com’s “Future of Benefits” report, 98% of HR leaders plan to newly offer or expand at least one employee benefit.

   Have you ever hesitated to make a plan change or add new benefits due to administrative difficulty, because it would take too long to set up through your provider, or your provider’s “nickel and dime” costs of making changes? Your provider should help you implement adjustments to your benefits offerings, not create another obstacle. Delays, errors or hesitation to add or adjust benefits could mean your employees won’t have access to the coverage they need, and makes it even more difficult to offer an increasingly robust benefits offering to win top talent.

Your goal should be to come out of the evaluation process either confident you’ve got the right partner, confident your partner will make changes necessary to support your needs, or with a clear vision of what you need from a new partner.
Flexibility starts with the back-end tech.

A platform’s back-end flexibility and ease of customization determine the effort needed—and the subsequent cost—to modify plan design and eligibility rules. Marketing and sales teams will ensure you that their system can do “anything you need it to,” and that is probably true. However, if you understand what is involved in delivering on your requests, you may be unpleasantly surprised to learn that it requires hours (think $$) of coding not covered under your service agreement. New coding (even by the best development teams) may put your solution at risk of new bugs and errors, leading to even more delays.

**Recap:** In preparation for open enrollment, note the time between when you submit the required information to when the change is made. Was the time within the period spelled out in your agreement? Did you need to follow up to check on the status or to keep things in motion? Were there problems with the change that had to be re-addressed? Use the answers to these questions to inform your evaluation of the flexibility and agility of your benefits administration solution.
2. **Service and Support: Does your provider’s service model meet your needs?**

Employers who opt for a “tech-only” benefits administration solution often do so to save money, believing they can manage service in-house. Most regret their decision. Small organizations with minimal workforce or benefits plan complexity may operate well enough with this transactional approach to benefits. Most organizations, however, both need and want a more consultative approach to benefits administration.

**Effective service models establish continuity**

Many tech provider service and client operations teams operate in silos. One team handles implementation, another handles open enrollment preparation, another handles ongoing tech support, and so on. While teams with different specialties are necessary, you, the client, shouldn’t have to be bounced around from team to team. A great service model will emphasize intra-team collaboration to ensure you have as seamless experience as possible, and don’t have to keep repeating yourself.

Seek service models where a single, dedicated point of contact handles the bouncing back-and-forth for you. A representative should understand your needs inside-out from the beginning of implementation throughout ongoing support. This model ensures quick response times and issue resolution that will mitigate errors and hours of wasted time for your team.

**Open Enrollment Planning**

Your provider should ensure you have plenty of time to implement and test any changes to your system. Were you contacted well in advance of open enrollment to discuss any changes in the platform or updates to your plans and eligibility rules? Did your partner have a plan and timeline for testing system updates and submitting changes to ensure any kinks are worked out before employees begin to enroll?

Great tech still needs great humans that support it to optimize success.
Feedback Loop & Continuous Improvement

Your provider should allow plenty of opportunities to provide feedback, and they should prove they can act on it to continuously improve your service. Has your partner offered to set up regular, periodic (quarterly or as often as needed) meetings to discuss how things are going? Have you been asked to provide feedback in response to a specific situation or as part of a client satisfaction survey? Have they been receptive to unsolicited feedback?

Recap: As you evaluate a current or potential benefits administration provider, understanding the details of their service model is one of the most critical components of success. Do they provide a dedicated client success manager from implementation throughout each open enrollment and ongoing support? How proactive and involved are they in open enrollment planning? Do they seek feedback for continuous improvement throughout your relationship, for example, by staying involved throughout the year, or facilitating an open enrollment debrief meeting each year?
3. Ongoing Administration: Is your provider capable and/or willing to do the dirty work?

Technology for the sake of technology won’t address the deeper issues, or the “dirty work” of benefits administration that frequently hold HR teams and their organizations back. Far too often, companies will implement a new system without fully understanding the amount of work it is going to take to be successful. Opting for a cost-efficient, all-in-one bundle HCM solution may be the right choice for some organizations, but the tech’s flexibility and service level frequently fall short of what complex organizations need.

Rhonda Marcucci, Vice President, HR & Benefits Technology Consulting Practice Leader for Gallagher:

“It's rare that benefits technology included as part of broader human capital management (HCM) platforms has the functionality or sophistication to match specialized benefits administration platforms. Benefits administration is rarely the platform provider’s core business, so it takes a back seat when it comes to functionalities and service.”

Data Integrity and Data Exchange Management

Pay attention to your partner’s willingness to manage data feed issues and their approach with carriers. Will they work directly with the carrier to help resolve issues on your behalf?

The need for continuity is especially critical to ensuring the integrity of your data. Data exchange (EDI, API, etc.) teams should dedicate a specialist to manage your data feeds, rather than a ticket system that sends data feed requests to a random pool. A dedicated specialist who understands your common pitfalls and carrier relations will be far more successful in mitigating errors that could be extremely costly.
Year-round Enrollment and Administration Support

Managing benefits is a year-round process, especially for larger, more complex workforces. Below are just a few of the nitty gritty administrative complexities that many tech providers may not offer. If your provider consistently shifts the burden of ongoing admin work back onto your team, it may be time to explore a solution that offers additional services and support.

- Basic Call Center Support (included in base price) for login and navigation help
- ACA Tracking & Reporting (including state-level requirements)
- Consolidated Carrier Billing & Reconciliation
- Dependent Verification, COBRA, Retiree, QMCSO Administration Capabilities
- Vaccine Tracking

Recap: Focus on problem-solving, not features. Don’t assign too much value to “cool” features and functionalities of the enrollment platform. Benefits administration is a mature market, so most established solutions offer similar features. Focus on which products do a “killer job of solving your most complicated, messed-up functions or process pain points,” said Brian Sommer, president of the TechVentive consultancy, in a 2021 article for TechTarget.
4. **Employee Satisfaction: Is your employee benefits experience helping or hurting employee perception of your organization?**

With so much competition for top talent, companies that want to rise to the top of the demand for hiring need to offer employees not only better benefits but also better benefit experiences. This can help differentiate your company from your competition — and strengthen your hiring and retention efforts. Gallagher’s 2021 State of the Workforce Study pointed to increasing talent competition, where 73% of HR teams rank attraction and retention as their No. 1 priority.

**Employees need and expect an excellent online benefits enrollment and management experience.**

As mentioned earlier, the shift to remote work has made engaging and effective digital solutions a critical component to the employee experience. When it comes to benefits, this doesn’t mean employees want cartoon avatars bouncing around their screens. Above all, employees want the most simple and intuitive online enrollment experience possible. Key components of a great employee benefits experience include:

- A consumer-like shopping experience that allows employees to easily review and compare plans. Different content and workflows should be available as needed for each employee group.

- Intuitive navigation with minimal clicks. Employees should easily understand what has been completed and what is remaining for them to complete.

- Quick access to multi-media education, plan documents, and HR communications all in one place.

- Self-service benefits dashboard where employees can manage benefits, update information, view education/communications or request changes.
Employee support = HR support.

A recent Paychex study found that “managing employee benefits” occupies nearly a third (29%) of HR’s time—exceeded only by employee training and recruiting. This same study found that employees believe HR managers spend significantly more time “managing employee benefits” than HR managers say they do. It’s no surprise then that benefits consistently rank at or near the top of a list of employee inquiries to HR.

When assessing current or potential providers, be sure to understand exactly how they will support your employees, and how much of that burden will be on your team. Benefits enrollment is a very personal interaction that involves a lot of complexity, so your benefits administration provider should prove how well they’ll take care of your employees when they need help.

Recap: Take the pulse of employees after each open enrollment period through surveys, feedback groups or other mechanisms. While you may focus on the benefit offerings, ask a few question about their enrollment experience, including the supporting technology. Elicit employee feedback while the enrollment experience is fresh in their minds. Talk to your benefits administration partner about the most frequent questions or common concerns. Are they willing to review your historical issues regularly to find solutions and improve performance?
Confidence in your provider comes from a well-planned and structured assessment of their technology services and from demonstrated proof that your partner has the commitment, agility, technical know-how and resources to deliver on their promise for a secure and efficient enrollment.

While it is understandably tempting to take a "breather" after open enrollment, that is precisely the best time to conduct your evaluation of your benefits administration provider. The outcome will give you the desired confidence that either:

1. **You are working with a right-fit partner.**

   You’ve documented their strengths and possibly identified a few areas to work on going forward—together. This is an excellent position for getting maximum value from the partnership.

2. **Your partner is falling short.**

   They are not fully delivering what you and your employees need for a successful open enrollment. The cost of this partnership can be multi-faceted, including a negative employee experience affecting morale and brand, inefficient use of resources and unintended organizational risk and liability.

   If the outcome is the latter, the good news is that you have done the necessary work to define your needs for a new benefits administration partner. Also, your timing is excellent, as you should now have nearly a year to identify a partner that will meet your requirements and implement a new solution.
# Benefits Enrollment & Administration Provider Evaluation Scorecard

**Scoring:** 1 = Strongly Disagree  2 = Disagree  3 = Agree  4 = Strongly Agree

<table>
<thead>
<tr>
<th>FOCUS POINT</th>
<th>SCORE</th>
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<tbody>
<tr>
<td>My provider makes it easy to make adjustments to my benefits plan and employee enrollment experience.</td>
<td>1</td>
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<tr>
<td>My provider offers one expert point of contact from implementation through each open enrollment that is highly responsive and understands my needs inside and out.</td>
<td>1</td>
</tr>
<tr>
<td>My provider offers a thorough plan for open enrollment that schedules for plenty of time to test and give feedback on any changes.</td>
<td>1</td>
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<tr>
<td>My provider proactively reaches out to coordinate regular check-in meetings on a monthly or quarterly basis. They are receptive to feedback and consistently respond to it in a timely manner.</td>
<td>1</td>
</tr>
<tr>
<td>My provider has proven to be a trusted steward of my organization’s data, and their teams take every step to mitigate errors. When errors arise, they resolve them.</td>
<td>1</td>
</tr>
<tr>
<td>My provider offers additional services such as ACA Tracking &amp; Reporting, Consolidated Billing, Dependent Verification, COBRA, Retiree and QMCSO Administration.</td>
<td>1</td>
</tr>
<tr>
<td>My provider provides the simple, consumer-like online shopping experience my employees expect. Consistent employee complaints/issues are recorded and quickly addressed.</td>
<td>1</td>
</tr>
<tr>
<td>My provider frequently reviews any historical issues to identify common pitfalls with my team so they can resolve them and improve service.</td>
<td>1</td>
</tr>
<tr>
<td>My provider helps alleviate the burden of employee inquiries for my HR team.</td>
<td>1</td>
</tr>
<tr>
<td>My provider strives for continuous improvement. They are a proactive and innovative problem solver that serves as a consultative partner, not just a transactional provider.</td>
<td>1</td>
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**TOTAL:**

0-20 = Seek a new provider urgently.
21-30 = Begin research of new providers by contacting your broker, consultant or internal research team.
30-35 = Provider is sufficient, but pay close attention to ensure service improvements are being made.
35-40 = You’ve got the right provider.
About Workterra

Workterra is a fully configurable, easy-to-use benefits administration and enrollment platform built to simplify the growing complexity of benefits for HR and employees. Leading employers, brokers and carriers choose Workterra for its unmatched flexibility, robust reporting capabilities and intuitive user experience.

Workterra’s industry-leading technology, together with a comprehensive suite of administrative services backed by a dedicated service team of benefits experts, helps clients deliver a personalized employee enrollment experience, reduce administrative burden and streamline data exchanges with the utmost accuracy and security.

In addition to a best-in-class benefits administration and enrollment solution, Workterra has served a wide variety of businesses since 1987 as a top-rated provider of administrative services such as FSA/HSA, COBRA, Commuter Benefits, Invoice Reconciliation and more.

For more information, visit https://www.workterra.com, or email sales@workterra.com.

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