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EMPLOYEE BENEFITS
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Four Pillars of Streamlined Benefits Administration

EXECUTIVE SUMMARY

In our continuing series designed to improve and maximize HR efforts regarding benefits administration, our recent webinar focused on “Building with the Four Pillars of Streamlined Benefits Administration” and discovering the best practices on **consolidation, outsourcing, technology and standard operating procedures**.

Consider this brief summary on:

- 1) Leveraging technology while being cost effective
- 2) Outsourcing to third party vendors
- 3) Consolidating and eliminating workflow redundancies
- 4) Reviewing your standard operating procedures

1) Leverage technology

Technology is always changing—are you using the best programs for the maximum return?

- a. Developments in software technology have made automated enrollment more affordable than ever before, and represents the most impactful way to streamline your benefits administration.
 - i. Data may be entered through a self-service module by the employees directly, through manual entry by the HR team and/or through a third-party enroller.
 - ii. Data is processed to carriers, vendors and other systems (i.e. payroll) via EDI feeds, batch processing or manual data entry by HR team.
 - iii. EDI feeds sound appealing but can often be time-consuming and expensive, and some carriers may not accept the feed.
 - iv. An online enrollment system can offer significant efficiency improvements by utilizing batch processing without the expense and hassle of the EDI feed.
 - v. If you have high workforce movement on a monthly basis or limited resources to process the membership changes occurring in your workforce, you are a great candidate to evaluate online enrollment software.

What is EDI?

1. What is EDI? Electronic Data Interchange (EDI) is the computer-to-computer exchange of business documents in a standard electronic format between business partners. In the benefits administration realm, an EDI transmits enrollment data from your online enrollment software to the carrier's computer system. It is often scheduled to process weekly and occurs automatically.

b. Microsoft Office Excel

- i. When used effectively, Microsoft Office programs can help to streamline processes that are currently being done manually.
 1. Build a spreadsheet to track employee demographic data, benefit elections and other employment data.
 - a. Create mail merges to communicate employee's current elections
 - b. Set-up a filter for advanced reporting and analysis of your workforce
 - c. Use to provide a quick census to your benefits advisor
 2. Set-up a pivot table to develop an automatic premium calculator for your complex voluntary benefits.
 3. Set-up an enrollment form in Excel with formulas, drop-down menus, etc. to make manual enrollment processes more efficient.

c. Benefit websites / intranet

- i. Create one convenient, virtual location where your employees can directly access important benefit information.
- ii. You can meet your distribution requirements for required notices, Summary of Benefits and Coverage. There are variables to consider, so please consult with your Compliance Specialist for guidance.

d. E-Learning software

Are you saying the same thing over and over again? Why not record it once into an e-learning module and have your employees watch as a part of required training?

2) Outsourcing

There are many aspects of benefits administration that may be outsourced to a third-party vendor.

- a. Consider outsourcing:
 - i. Responsibilities that expose you to confidential, protected health information
 - ii. Responsibilities that require a high-level of expertise
 - iii. Responsibilities that don't require an internal resource to complete

- b. Possibilities include:
 - i. FSA/HRA administration
 - ii. COBRA – if you don't have a lot of workforce movement, consider a vendor that offers a "Pay as needed" model. Also, ask your medical carrier if they have resources to offer COBRA administration services.... some provide this service at no cost!
 - iii. Compliance services such as Summary Plan Description development and updates, ERISA Notices support, ACA Reporting can be outsourced to compliance experts.
 - iv. Employee questions about their benefits often exposes you to personal health information. Consider utilizing a service, such as Keyser's Client Advocate Service, which provides 24.7.365 access to qualified insurance professionals to answer your employee questions about their benefits.
 - v. Leave management – outsourcing FMLA leave management, not only removes this time-consuming process from your plate, but it also typically improves absenteeism and reduces discrimination risk.
 - vi. Work comp claims management – having a claims specialist manage the claim on your behalf can often result in the claim getting closed more quickly which directly impacts your premiums.

3) Consolidation

Consider your current systems, forms and procedures--

- a. Forms – consult with your benefits advisor to identify opportunities to reduce the amount of forms that are required. In most cases, carriers will accept an Excel file with enrollment data, so collecting one master enrollment form and populating your Excel template can replace having to collecting an enrollment form for each carrier.
- b. Policy renewals – if you have policies renewing at different times of the year, have you ever considered moving all to one renewal date? Managing one renewal process with multiple carriers is far more efficient than managing multiple renewal processes for those same carriers. Think about your annual calendar and how various HR responsibilities can be balanced throughout the year.
- c. Vendors / carriers – Most carriers offer more than one benefit product and offer bundled pricing, so there can be advantages to consolidating your benefit offerings to just a few carriers. This reduces the number of invoices you have to reconcile each month and the number of entities that you have to update when you have membership changes.
- d. Staff – consider having a benefits point person, rather than having multiple people handling different aspects of your benefits administration.

4) Standard Operating Procedures

If there is only one person who knows how to handle a certain responsibility, what happens if that person doesn't show up tomorrow? Create a manual with SOP's that could walk someone through, step by step, how to complete a function or task.

- a. The benefits of a SOP drive efficiencies by:
 - i. Minimizing risk of human error
 - ii. Revealing redundancies in workflow
 - iii. Reducing training time & improve effectiveness
- b. Step 1: simply write down what you're currently doing
- c. Step 2: identify redundancies
- d. Step 3: identify opportunities to outsource, consolidate and/or use technology

Tip: Update your SOP in real time and make them accessible, i.e. a binder



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If you are an existing client, please reach out to your Account Manager to discuss further. If you are not a client and are interested in learning more, please contact:

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