A Guide to Investing in an Online Benefit Enrollment System

SHOULD YOU STICK WITH PAPER ENROLLMENT OR NOT?

For more than thirty years, Byrne Software Technologies, Inc. has been helping Unions, TPA's and Taft-Hartley's choose the right software and services to manage the constant change in Member Benefits in health and welfare and retirement funds.

With double digit increases in the cost of employee benefits and no reprieve in the forecast, Benefit Managers/Administrators continue to search for effective cost-containment strategies. Changes to benefit plans may or may not contain costs. And the inherent risk in reducing benefit choices or increasing member contributions has a negative effect on member satisfaction.

Substantial cost savings exist when the process for benefits enrollment is automated using an online software solution. Using technology to lower costs while providing better service to members satisfies the need of both the Benefits office and the members they serve. Additionally, the time saved by the Benefits office through the increased efficiency of online benefits enrollment solutions allows the Benefits office to adopt a more strategic approach within the company.

What is Benefits Online Enrollment Software?

Online benefits enrollment software allow members to use the Internet or their company network to access information about benefit policies and prices. Using a common Web browser employees are guided through the process of selecting the benefits they wish to participate in and entering the required information into web-enabled enrollment forms. This data is immediately available to the Benefits Administrator for review and approval, if needed. After approval, the data from the online enrollment system can automatically update your HRMS, thus eliminating duplicate data entry. Online enrollment systems allow Benefit Administrators or HR departments to define eligibility criteria so that members are only presented with the benefits and plan options they are eligible for. The system also provides the Benefits staff with online tracking and reporting features that allow them to easily monitor the progress of each member through the open enrollment process. Automatic email reminders can be delivered to employees who have not completed the enrollment process in a timely manner. Online benefit enrollment systems also allow newly hired employees to enroll in benefit plans, and allow all employees to update information from life events that impact their benefits.

Bottom-Line Benefits of an Online Open Enrollment Systems

The key benefits of an online enrollment systems that can contribute to the company's bottom line are:

- Reduced call volume – Using an online benefits enrollment system will result in far fewer questions posed by members to the Benefits staff. This is because members have access to a greater amount of explanation and detail in the online process, so members can answer most of their own benefit questions.

- Shorter cycle times – While a paper-based open enrollment process generally takes 6-8 weeks (from assembling and delivering forms to receiving them back in the Benefits department), an online benefits enrollment system can enable Benefits departments to accomplish the same cycle in 3 weeks or less.

- Reduced transaction costs – Paper, printing and postage costs are diminished by removing paper from the process and pointing employees to electronic resources for forms and benefits explanation.

- Elimination of duplicate data entry – Online benefits solutions that integrate with a company's HRMS transfer the data to the HRMS database and possibly update payroll, depending on system integration. It is no longer necessary for Benefits staff members to manually enter the data into the system.

- Elimination or reduction of enrollment packet preparation – When enrollment forms and materials are moved online, the need for paper packets is reduced (perhaps reserved only for those without Internet access) or eliminated altogether. This represents a savings of materials as well as the time (or fees, if outsourced) previously required to collect, assemble and distribute the enrollment packets.

- Reduction in monitoring and tracking effort – Online enrollment systems reduce the time required for the Benefits staff to monitor and track progress to a fraction of that required with a manual paper system. At any time during an open enrollment period, an online solution can show the status of each employee in the process. Reminders to employees who have not completed enrollment can be delivered automatically via email.

- Faster and more accurate analysis – Online benefits enrollment systems that integrate with an organization's HRMS can facilitate analysis of open enrollment more accurately and in a fraction of the time a paper-based process requires. Benefits Administrators and staff can access metrics that show them what percentage of members enrolled in each benefit program, as well as the amount of change the current enrollment represents compared to the previous year. These reports help management to quickly report to financial executives whether their pre-enrollment estimates of benefit costs were accurate. They also help benefits managers during provider negotiations for the next open enrollment.

- Reduce or eliminate benefits billing errors – Online systems increase the accuracy of employee benefit elections and census data that are communicated to the benefit providers. Accuracy directly impacts the bottom line by reducing probability of provider billing errors and making such errors easier to catch and correct.

- Improve service levels and member satisfaction – Online benefits enrollment is a more personalized and satisfying experience from the member perspective. Members can access the enrollment system from home, 24/7, where they can include others, such as spouses, in the decision-making process. Members utilizing online benefit systems are more likely to recognize the full value of their benefits.

- Strategic Member Onboarding – The Benefits Office can utilize the online benefits enrollment solutions by leveraging the time savings gained to play a more strategic role within the company. Rather than being hampered by routine administrative functions, the Benefits staff can focus more energy on improving other initiatives.

Conclusion

When selecting and implementing an online benefits enrollment solution, there are many factors to take into consideration. Besides specific software features and functionality, it's important to choose a vendor known for their experience in the benefits industry with a reputation for reliable business solutions and customer support. Choosing a vendor of choice will be primarily based on the answers to three questions:

1. Can the software do what you want and need it to do?
2. Are these the people we can rely on and trust to do the project?
3. Does the solution give our organization the best value for our members?

Byrne Software Technologies, Inc. has been an industry leader in benefits software solutions for over 30 years. Our software is supported by a team of software engineers located in the United States with a background in healthcare. For more information, please call us at 1-888-275-2600, or visit our website at www.byrnesoftware.com