



Benefits Technology: Helps State Solve Challenges of Full-Positive Enrollment

A state government with 30,000-plus employees chose for the first time in nearly a decade to conduct a full-positive benefits enrollment. If an employee didn't actively enroll, his or her coverage would be terminated.

Because employees are required to enroll online, the state's HR leadership envisioned the full-positive enrollment as a unique opportunity to engage employees with their benefits. The four plans offered remained consistent and included an HDHP, with two carrier options and different deductibles—an HMO, and a PPO.

HR leaders also wanted employees to put more consideration into their benefits decisions and to make choices that made good sense for their unique needs rather than simply basing a decision on the cost of premiums. Finally, HR sought to reduce the number of calls to the state's benefits team.

4 Plan Options:

- High-Deductible Health Plan (HDHP) Carrier 1
- High-Deductible Health Plan (HDHP) Carrier 2
- Health-Maintenance Organization (HMO)
- Preferred-Provider Organization (PPO)

Challenge

Several factors exacerbated the challenge:

- Employee contributions for each of the four plans had been frozen for the previous two years. Two of the four plans would, however, see significant increases in employee contributions—some higher than 200 percent.
- A deductible was added to the HMO option.
- During the previous enrollment year, participation increased by 13 percent in the co-pay PPO and 4 percent in the co-pay HMO.
- The lowest-cost option would now be the HDHP option with the highest deductible.
- Although the state has about 90 HR managers statewide, it has only a handful of dedicated benefits experts to provide in-depth assistance and guidance to employees. These four or five people are, in essence, the benefits help desk for state employees.

Solution

A longtime client of Businessolver®, the state again turned to its benefits-administration and technology-services partner for suggestions. Instead of relying on disparate solutions for communication, education and enrollment, the Businessolver team worked with the state to deploy the integrated decision support tool, which is part of Benefitsolver® benefits technology.

Key components of the Businessolver solution included:

- Customized design of employee communication directly within the Benefitsolver system.
- The decision support assesses the user's emotional, physical and financial situation and identifies the best fit plans to meet their needs.

Completely configurable, the decision support tool connects employees to better benefits choices based on decision-making factors, including:

• Current financial state	• Consumer behavior
• Emotional-risk tolerance	• Health status
• Risk behavior	• National and regional health data

Results

Employees made their benefits choices based on factors beyond cost:

- The HMO co-pay plan was recommended most often (for 70 percent of employees who used decision support and was also the plan selected most often (by 42 percent of employees). However, the plan was the cheapest option for only 21 percent of those same employees.
- PPO-plan participation decreased 30 percent, compared with an increase of 13 percent the prior year.

Highlights



ORGANIZATION

State Organization



EMPLOYEE COUNT

30,000+



CHALLENGES

Reduce friction for the in-house HR team during open enrollment and educate employees on their benefit choices.



SOLUTIONS

Customized employee communication and use of the integrated decision support.

- HDHP participation increased 11 percent.
- When provided both the best match option and the lowest-cost option, employees selected the lowest-cost plan only 34 percent of the time.
- The state's team saw a dramatic reduction in the number of calls from employees seeking answers to questions or for more information about their benefits choices compared with previous years.

Lessons

Analysis of the aggregate data provided through decision support gave the team valuable insight for plan design and employee education moving forward.

- **88 percent** of employees responded that they are confused about their healthcare benefits.
- **42 percent** would be panicked if faced with an emergency bill for the full deductible.
- **Only 27 percent** have a rainy day fund that would cover the full deductible of their medical plan.
- The state's employees are also more optimistic than the rest of the general population—**88 percent** aren't planning on any life or health events in the coming year and only 5 percent of employees rated themselves as having below-average overall health.

