High Performance Networks:
Leveraging Benefits Administration Technology to Support ACOs and Narrow Network Plans

EMPYREAN

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INTRODUCTION

HR leaders make it their mission to protect and provide for employees, most notably through the benefits they offer. Competitive coverage is not just critical for recruitment and retention purposes; it also has tremendous effects on the well-being and security of employees and their families. As health insurance premiums rise, however, the cost of this coverage continues to have a huge impact on employees' wallets and companies' bottom lines.

Employers are expected to increasingly turn to high performance networks, or HPNs, to offer more competitively priced protection and care.[1] These options—which include accountable care organizations (ACOs) and narrow network plans—lower employer and employee costs through tradeoffs not typically available on traditional plans like preferred provider organizations (PPOs) or health maintenance organizations (HMOs).

Though HPNs may bring financial advantages, simply adding these types of plans to your benefits package is not enough to shift workers' mindsets and garner significant adoption. As with any plan offering, an *employee-centric* experience must be a key component of your strategy.

At-A-Glance Guide *from* Empyrean Benefit Solutions

This At-A-Glance focuses on how to utilize benefits administration technology and services to best support and enrich your HPN offering and overall benefits strategy.

Introduction, *cont'd.*

It is this experience that drives consumerism among employees and sets the stage for satisfaction and engagement after enrollment.

Your benefits administration technology platform is one of the major factors affecting your employees' experiences—*and ultimately influencing their benefits comprehension, participation, and outcomes.*

To drive success, your benefits must be supported by modern, flexible technology that addresses and guides employees *as consumers* through the enrollment process and towards cost-effective coverage choices they can feel confident about year-over-year.

With the right technology platform and approach, HPNs can enable you to balance a competitive benefits offering alongside your cost containment goals. However, it's imperative that your employees receive the consumer-centric shopping and enrollment experience— including easily accessible information, intuitive tools, and strong participant advocacy —needed to build *measurable* understanding, satisfaction, and success around your HPN plans.

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HPNs Align with Many Employees' Needs

Under many high performance networks such as ACOs or narrow network plans, employers typically leverage partnerships among providers, facilities, or within health systems to deliver care and services to eligible participants in exchange for lower premiums. While the specific details governing the use of an HPN will vary, many offer tradeoffs to facilitate lower premiums (for example, limiting provider selection to a particular health system or geographic area).

Benefit teams may anticipate a challenge when encouraging employees to embrace the tradeoffs HPNs can present, especially when compared to more traditional options. However, the common limitations of many HPNs may already align with most participants' needs and behavior when it comes to receiving care, which can make them very viable coverage options for many employees.

According to a 2016 survey, nearly 74% of patients have a regular health care professional they visit whenever ill or otherwise concerned about their health[2] – which strongly suggests that the majority of Americans would be willing to prioritize price and quality over expansive provider choice.

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HPNs Align with Many Employees' Needs, *Cont'd.*

Additionally, 87% of plan participants report they are satisfied with their in-network physician options.[3] Inferring further, this data suggests that employees may be willing to explore even restrictive HPN options in exchange for smaller paycheck deductions – provided they fully understand how their coverage works and how to navigate its tradeoffs.

Accountable Care Organizations (ACOs) and Narrow Networks: A Closer Look

An ACO or narrow network plan is health care coverage that leverages tradeoffs to provide cost-effective care and lower cost outcomes than typical traditional plans.

While the guidelines surrounding an HPN will differ from plan to plan, many participants enjoy lower premiums by taking advantage of a localized or "narrow" network of providers – and in some cases an HPN plan may also serve to incentivize better quality of care from its provider partners.

Employee Experience is Essential to Driving Adoption

In order to grasp the full financial advantages of HPN offerings, participants must learn how a potential plan works *prior* to making their election, and have the proper tools and support to best utilize their choice throughout the year.

Regardless of plan type, every employee should have a clear understanding of their coverage—including covered services and procedures, how their election impacts their premium and out-of-pocket costs, and their in-network and out-of-network provider options. This is particularly critical under HPNs such as ACOs and narrow networks, as employees may need to take additional aspects into consideration when evaluating the value of these kinds of plans.

Unfortunately, many employees rush the enrollment process, with 63% taking less than an hour to look into their coverage options.[4] Hasty benefit selection has a subsequently negative effect on plan comprehension: 75% of employees say they do not understand at least some aspect of the plans they choose.[5]

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Employee Experience is Essential to Driving Adoption, *Cont'd.*

An engaging and efficient benefits experience is the key to transforming your employees from rushed participants into knowledgeable consumers that truly value your particular offering.

Educational resources, reliable eligibility management, and an intuitive enrollment platform will help employees gain the perspective they need to make smarter coverage choices.

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Success Starts with Your Benefits Administration Solution

Your strategy is either empowered or constrained by your benefits technology. The benefits administration platform you employ greatly influences the way your team markets and manages your offering and directly affects how your employees interact with that offering. In fact, more than half of employees prefer to use websites or online resources during enrollment[5] (and the younger your workforce, the higher this percentage), but the quality and sophistication of these resources will determine how well you can execute on your strategy.

The most modern benefits administration technology will adapt and scale to meet your needs as your business grows and changes. Utilizing a *strategy-agnostic* system—one that is capable of supporting any strategy you choose, including the administration of high performance networks—will provide you with the flexibility to achieve and remain aligned with your goals as they evolve.

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Success Starts with Your Benefits Administration Solution, *Cont'd.*

Agile benefits platforms are built to deftly manage any level of complexity, and can give you the freedom to offer HPNs through traditional benefits administration, a benefits exchange or marketplace, or through a combined *hybrid strategy* (where both major approaches are utilized concurrently to meet the needs of diverse employee groups).

Being forced to adhere to a one-size-fits-all approach—solely due to the limits to your technology platform—will compromise your goals and employee experience. Your solution should tailor to the specific strategy that best serves your business and workforce, instead of restricting your offering to fit within outdated or inefficient technical limitations.

Your platform's enrollment process should be intuitively designed to help each participant determine the level of protection that is right for them and their family. This is an often-daunting first step that has typically required employees to consider rising costs alongside unpleasant "what if" scenarios – while also parsing through jargon-laden plan descriptions. Not surprisingly, 67% of employees find reading about their coverage options to be arduous, time-consuming, and stressful.[5]

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Success Starts with Your Benefits Administration Solution, *Cont'd.*

Without proper support, employees become understandably frustrated and impatient during enrollment, and the results may be ill-fitting coverage selections determined solely on cost, familiarity with a plan's acronym, or after wading through unfamiliar and ill-defined terminology.

However, partnering with a strong benefits administration provider that offers guidance tools catered to employees' concerns, behaviors, language, and needs can significantly decrease the stress and burden of benefits enrollment for both your employees and your own team. In fact, a recent Aflac report showed that 87% of companies that leverage technology say it has improved their workers' benefits comprehension, and 86% say it has improved their enrollment experience.[5]

Empyrean has successfully implemented a number of high performance networks on the Empyrean Platform.

With a highly flexible, scalable, and carrier-agnostic system, Empyrean empowers employers and health plans to quickly and easily leverage proven benefits administration solutions that can enable any HPN offering.

Smart Consumers Expect a Smart Shopping Experience

Today, the majority of your employees are also sophisticated online shoppers[6], and nearly half want a benefits shopping experience that mimics shopping on Amazon.com.[5] Consumers are becoming increasingly accustomed to accessing practical, easy-to-use tools to help narrow down their choices when shopping online. As employees take on more responsibility for the cost of their coverage choices, they expect that same caliber of decision support when selecting their benefits.

On the Empyrean Platform, employees are encouraged to utilize Empyrean's comprehensive recommendation engine and decision support tools when enrolling in their major benefits. These tools guide a participant through a short and flexible series of questions to determine their unique coverage needs. Among employees' top requests for their enrollment experience is the use of "simpler language,"[5] so questions are phrased using a casual, everyday tone. The questionnaire avoids confusing insurance terms like "deductible" or "co-payment"—yet collects all the data necessary to offer fully personalized plan recommendations upon completion.

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Smart Consumers Expect a Smart Shopping Experience, *Cont'd.*

Based on their responses, each participant is presented with plans that match *their* specific requirements. The Empyrean recommendation engine continuously learns and adapts to your benefits offering to include and compare any plan from any carrier, ensuring you can provide powerful guidance to your employees, no matter how your strategy, carriers, or plans may change over time.

To further promote a holistic view of your benefits package, your platform's recommendation engine should also be capable of *bundling* major plans together to recommend benefits packages that deliver on an employees' needs beyond their medical coverage. Bundling plan recommendations not only further simplifies the enrollment process for employees, but also encourages them to consider how their benefits work together, helping to drive value and appreciation for your total benefits package.

Matching plans or plan bundles should be easily identifiable and ranked (using simple ranking terms such as "great match" and "good match", for example) to identify how and why certain options may fit an employee's health, family, and financial situation more than others.

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Smart Consumers Expect a Smart Shopping Experience, *Cont'd.*

Incorporating a flexible, efficient, and user-friendly recommendation engine into your employees' enrollment experience can help alleviate much of the stress surrounding plan selection when offering two or more coverage choices. Employees should then be free to explore their options further – all the while remaining reassured that their plan matches (whether HPN or traditional) correspond to the level of coverage they require.

Eligibility management is another critical component of a smart and successful shopping experience. A central part of benefits administration is ensuring employees have access to *only* those coverage options for which they are eligible. Your technology partner's system should automatically manage eligibility across all your populations to ease the administrative process and prevent headaches for you and your employees.

Eligibility gatekeeping is particularly important when it comes to HPN plans that feature geographic restrictions (such as those offered by a local health plan), especially if your organization is spread out across multiple offices or locations. In these cases, your technology partner should limit plan access to employees that are located within their network's area to minimize confusion or accidental plan enrollment.

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Smart Consumers Expect a Smart Shopping Experience, *Cont'd.*

A data-driven, reliable, and real-time shopping experience will provide the online ease and efficiency employees demand, and help boost their confidence in themselves as consumers and you as an employer. In turn, employees will become more comfortable with their benefits and annual enrollment process – which can lead to better-fitting plan choices and deeper levels of engagement year-over-year.

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Effectively Placing HPNs Within Your Benefits Experience to Maximize Positive Outcomes

Since the guidelines surrounding an HPN can differ significantly from more traditional options, the value of these plans must be effectively demonstrated in order for employees to confidently select this type of coverage. The placement of your plans within the benefits enrollment process should be considered an important part of your overall plan presentation strategy.

A strong technology partner will have experience successfully placing and positioning HPN plans within the enrollment process to maximize the impact of these cost-saving choices. Participants that first gain a clear understanding of the level of protection they require will be properly equipped to weigh the costs and tradeoffs proposed by each of your options. On the Empyrean Platform, employees are strongly encouraged to utilize available decision support tools to quickly evaluate their coverage needs.

To deliver the most impact, your HPN offerings should be presented to applicable employees *after* they have determined their coverage needs.

A strong technology partner will have experience successfully placing and positioning HPN plans within the enrollment process to maximize the impact of these cost-saving options.

Effectively Placing HPNs Within Your Benefits Experience to Maximize Positive Outcomes, *Cont'd.*

It is critical that your benefits administration platform first aim to help employees understand the level of protection they require, *without* diving into the specifics of individual plans. To facilitate this, your technology platform should be able to present plan-specific information to employees when it is *most convenient and most impactful.* Offering the right tools to your employees can give them the understanding to mindfully choose an HPN plan over a more costly or traditional option.

HPNs should be strategically positioned within your shopping experience to highlight these plans' position as cost-effective options that provide suitable protection for eligible employees with compatible needs. This way employees are able to knowledgably interact with your HPN plan and understand how it relates to their coverage requirements, while also recognizing the plan's potential financial benefits.

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Turn HPN Challenges into Strategy-Enhancing Opportunities

HPN adoption and satisfaction has typically suffered due to poor or otherwise ineffective efforts around employee education and advocacy. Your employees may be unfamiliar with HPNs, their tradeoffs, and their cost-savings, and may preemptively disregard these plans as cheap alternatives to "real" coverage if not properly educated about their options.

Your benefits administration partner should do more than simply present HPNs alongside other coverage options to employees. To help your HPN strategy succeed and promote educated adoption, employees must be actively engaged and encouraged to learn more about how they can benefit from these plans.

As consumers, your employees must be prompted to ask themselves the question: "What is my value in choosing this plan?" Then, leveraging your technology platform and resources, employees should be able to quickly determine their answer to this question.

When digital consumers are faced with several product choices, they typically explore and learn about potential purchases through educational and

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Turn HPN Challenges into Strategy-Enhancing Opportunities, *Cont'd.*

marketing materials that made are accessible through their shopping experience. A recommendation engine, in-page content, and educational videos are all helpful tools to bring awareness and inform employees about your benefits package. Your benefits administration platform should enable both you and your carrier to deliver strategy- and plan-specific messaging to your employees when they need it most: during enrollment right as they are reviewing and comparing plans.

On the Empyrean Platform, you and your carrier can enrich your enrollment experience further by adding outbound links to plan specific resources. These links may be used to connect employees to in-depth tools hosted on your carrier's site (such as provider lists and interactive maps of in-network facilities—which can be especially helpful if your HPN leverages a limited network or uses a specific health system). Incorporating these additional resources into your enrollment experience can ensure your employees receive comprehensive plan information while marketing your plans and maximizing adoption.

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Greater Insight into Cost Leads to Greater Employee Satisfaction

In order for employees to make more cost-effective coverage decisions, however, it's imperative that they thoroughly understand the costs they are responsible for under a potential plan.

According to a recent report, **employees who understand the cost of their plans and policies are more satisfied with their enrollment and benefits than those that do not – and employees that thoroughly understand their health care costs are also more satisfied with their jobs.**[5] This is a powerful corollary.

Unfortunately, employees are too often enrolling in a plan without knowing what that plan could end up costing them. In fact, 38% of employees admit they do not know their out-of-pocket maximum, 37% do not know the percent of co-insurance they are responsible for, and over a quarter do not know their annual deductible under their current plan.[5] This lack of knowledge can have significant and frightening consequences that can easily come as a shock to both employee and employer after enrollment is over.

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Greater Insight into Cost Leads to Greater Employee Satisfaction, *Cont'd.*

Providing a cost breakdown of each plan is a key part of ensuring employees grasp their monthly deductions, co-pays, prescription costs, and other potential financial obligations. Comparison tools, which provide side-by-side breakdown of costs across plans, can be especially helpful as employees weigh their options. An adaptive, strategy-agnostic benefits platform will facilitate the use of these tools across your offering to help drive consumerism and understanding among your employees, regardless of the plans or carriers you utilize.

Finally, a crucial element when delivering a positive and satisfying enrollment experience is providing employees access to professional support and expertise. When making important financial decisions, employees appreciate having live resources available to ask questions and gain clarification: nearly half of all employees say they would like the opportunity to get one-on-one advice from an expert about their benefits.[5]

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Going Beyond Digital Solutions to Deliver the Optimal Enrollment Experience

Your benefits administration partner should commit to your success throughout your entire solution, not just within the scope of their technology. A committed partner will dedicate a team of US-based customer service professionals that learn the ins-and-outs of your plans, strategy, workforce, and culture to address your employees' benefit questions both during enrollment and during the plan year. Your technology partner should also be prepared to support your participants with **trusted licensed benefit advisors**, whose guidance can be especially compelling in the case of benefit offerings that include HPNs.

Licensed benefit advisors are specially trained experts that are certified to discuss, compare, and consider an employee's unique needs with their choices. Advisors are also legally authorized to provide plan recommendations to participants.

At Empyrean, our licensed benefit advisors are in-house experts. Unlike some advisor services, **Empyrean advisors are not commissioned**: instead, they are exclusively focused on determining the best plan fit for participants – completely independent of insurance carriers, plan networks, or other vendors—and providing unbiased guidance to deliver the best benefit outcomes for your individual employees.

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Going Beyond Digital Solutions to Deliver the Optimal Enrollment Experience, *Cont'd*.

With the help of these licensed experts, employees receive the third-party expertise, clear and complete information, and reassuring recommendations they need to make a benefits decision they can feel confident in. Empyrean's licensed benefit advisors ensure employees understand the details of your HPN plan, know the tradeoffs involved, and are aware of how to best navigate those tradeoffs going forward.

Once an employee has decided on a plan, a licensed advisor may even complete enrollment on the employee's behalf. This simplifies and streamlines enrollment while relieving the stress of completing the process alone. Personalized, expert assistance is an often-lacking yet powerful component of a total benefits administration solution—and one that can help ensure employees are educated and engaged with their enrollment experience, satisfied with their benefits, and ultimately satisfied with their job.

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HPNs and Benefits Administration: Best Practices at Work

The adoption of HPN plans typically falls around just 2-3% of eligible participants when offered alongside more traditional options through less robust administration applications. However, **when supported by the adaptive resource capabilities and personalized employee advocacy of the Empyrean Platform, initial HPN adoption can increase to include as much as 60% of eligible participants.** Employers, health plans, and carriers have achieved significant and repeated success when implementing and executing HPN strategies on the Empyrean Platform.

While high initial adoption rates are an important factor for determining the success of your strategy, re-adoption rates are an especially key indicator of success over time. **HPNs supported by Empyrean technology have seen second and third year re-adoption rates of 95%+.** This figure demonstrates that participants are not only selecting these plans, but are also sticking with their decision – indicating that they understand their plan and are satisfied with their choice, even several years after their initial move to more cost-effective coverage.

Did you know?

Empyrean was the first benefits administration platform to deliver an integrated benefits marketplace solution featuring ACOs.

HPNs and Benefits Administration:
Best Practices at Work, *Cont'd.*

A modern, strategy-agnostic, and consumer-centric benefits administration platform will allow you to balance the needs of your workforce and business.

The client-adaptive capabilities and comprehensive solutions of the Empyrean Platform are uniquely designed to connect employee coverage choices to better outcomes – presenting a holistic perspective of your benefits package that is continuously supported by flexible technology and first-class employee advocacy.

With the right benefits administration partner, you can execute your strategy to simplify enrollment, drive engagement, lower costs, and deliver satisfaction around your HPN plans.

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About Empyrean

At-A-Glance Guide *from* Empyrean Benefit Solutions

Empyrean Benefit Solutions manages employee health and welfare benefits programs, combining the industry's most modern, client-adaptive, and configurable benefits technology platform with expert, responsive service to deliver Hi-Touch Benefits Administration. Empyrean provides market-leading enrollment, eligibility management, ACA reporting, and other plan administration services that empower employers, insurance brokers, and healthcare exchanges to meet ever-evolving benefit challenges. Founded in 2006, Empyrean's integrated platform serves over three million annual participants across a wide spectrum of sizes, industries, and complexities.

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