



The Value of Voluntary: How to Engage Your Employees with Supplemental Coverage



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INTRODUCTION

Voluntary benefits prepare employees for the unexpected, bridge coverage gaps, and bring valuable peace of mind. For employers, voluntary benefits like accident, critical illness, and hospital indemnity plans offer competitively enhanced protection at little to no additional cost, enabling you to build a better benefits portfolio while saving on premiums and rate increases.

Today, 80% of employers say voluntary benefits are an important part of their rewards strategy, a sentiment that is expected to increase to 95% by 2021.¹ While most HR leaders understand the need to offer these options, many struggle to reverse low voluntary plan participation among their employees.

As consumer driven health plans (CDHPs) rise in popularity, voluntary benefits often remain underutilized. The reason? Many employees simply do not understand the benefits of electing (and consequently paying for) additional coverage. Plus, employees are typically stressed and overwhelmed during enrollment. Adding benefit choices into an already stressful enrollment situation does little to set participants up for success.

Most employees want to get through enrollment as quickly as possible. If employees do not have a positive enrollment experience, they are unlikely to explore the entirety of their benefits offering, or may rush through the elections.

Surface level or rushed elections can lead to subpar coverage that only becomes evident once it's too late – leaving families at financial risk, employees dissatisfied with their benefits, and employers with a poor return on one of their most expensive and important investments.



Introduction, *Cont'd.*

Voluntary benefits can bring a much needed boost to employers' benefit offerings, and deliver greater stability and satisfaction for employees that elect these options. To reap the most success with voluntary, your benefits enrollment and administration platform must be optimized to logically and holistically present these plans to your employees, and your technology partner must be capable of supporting you and your unique workforce to achieve the outcomes your business requires.

This At-A-Glance Guide takes a look at the factors influencing employees' voluntary benefits behavior and demonstrates how your benefits administration platform can strategically increase employee awareness, comprehension, and adoption of your voluntary plans.



1 | Voluntary Benefits are a Smart Choice for Consumers

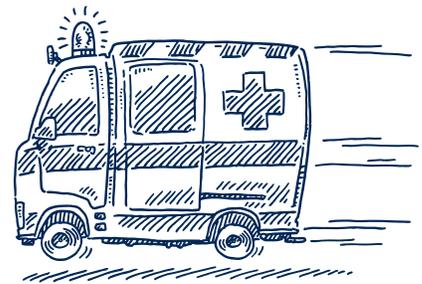
Benefits consumerism is on the rise as companies seek to control costs, and this is leading to big changes. Most notably, high deductible health plans (HDHPs) continue to gain popularity among employers, with 77% of organizations now offering an HDHP and 14% of employers offering HDHPs as their sole health care coverage option (also known as a full-replacement strategy).²

Though HDHPs offer opportunities to better balance cost responsibilities between employers and employees (and can help both save money in the process), high deductible plans also require participants to take a more engaged and educated position regarding plan utilization. Without a solid understanding of how benefits work, HDHPs can leave employees with unexpected financial burdens that increase their vulnerabilities and risks.

Along with tools such as health savings accounts (HSAs), voluntary benefits deliver additional protection and planning options that safeguard employees. This is especially key for CDHP participants that may not be prepared to pay their total deductible or out-of-pocket maximum amounts in the event of a sudden accident or illness. In the event of an unexpected out-of-pocket medical bill, 31% of employees would be unable to pay over \$500, and more than half would be unable to pay over \$1,000.³

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1 | Voluntary Benefits are a Smart Choice for Consumers, *Cont'd.*

Voluntary plans reduce these financial concerns, encouraging less stress and greater benefits and employer satisfaction. **In fact, 75% of employees that are enrolled in voluntary benefits say they are satisfied with their jobs**, an increase from 69% when voluntary plans are offered (but not participated in), and 65% overall.³

Today, voluntary benefits are easier than ever to offer through **value-added partnerships**. Empyrean has established Preferred Partnerships with leading carriers and providers, complete with pre-built connections, fast implementations, and an enhanced participant experience within the Empyrean Platform. These partnerships enable you to provide competitive coverage to your employees while your team benefits from streamlined processes and lower costs.

In addition to partnerships, your technology provider must also be capable of integrating with any carrier, plan, or program you choose – voluntary or otherwise – ensuring you maintain strategic flexibility and can offer the benefits that best suit your workforce and strategy both today and tomorrow.

Voluntary plans are a smart addition to any benefits offering, growing in popularity with employers. But with employees, they aren't instantly recognizable as “must-haves.”

HR teams face the uphill task of educating employees about why electing voluntary benefits is a good idea.

Attracting and keeping employees' focus can be easier said than done. Additionally, most employees only retain a piecemeal understanding of how just *some* of their benefits work. This is reflected in their benefits engagement: 56% of employees research their benefits for *less than half an hour* – and nearly one-fifth of employees spend *no time* researching their options at all.³



1 | Voluntary Benefits are a Smart Choice for Consumers, *Cont'd.*

To put employees' priorities in perspective, more than 40% of them would rather clean up after their dog than shop for their benefits.³ Nearly three-fourths of employees consider the shopping process to be stressful and complicated.⁴ Since participants have such a hard time shopping for and engaging with their plans, it should come as no surprise that most employees are not prepared to evaluate voluntary options without proper support.

Employees need the right tools and resources to clearly recognize the ways voluntary products complement their core benefit elections and support their needs.

But how can employers provide this support without draining their own budgets or resources? Technology can help.



2 | Expect More from Your Benefits Administration Platform

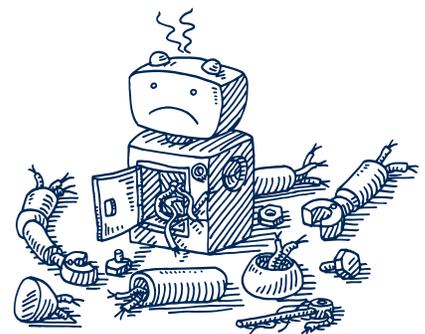
Benefits are one of the most important aspects of an employee's compensation, and for some employees, benefits even outweigh the importance of their paychecks!⁵ Still, employees are often intimidated by their choices and overwhelmed by the tedious jargon they've been typically forced to wade through in order to understand their plans.

Employees pay the most attention to their benefits during Annual Enrollment, making this the best time to drive focus to your benefits. But participants need more than lunch-and-learns, reminder emails, and plan brochures to gain true benefits confidence.

You must provide employees with a **supportive and educational enrollment experience** that builds on their knowledge as they go through the process. To truly understand the value of their supplemental medical options, employees must first understand their health care plan and then learn about the voluntary benefits available to them. By understanding the risk and rewards of a particular plan (lower premiums in exchange for a higher deductible, in the case of an HDHP), employees are better poised to understand the value of a voluntary plan that helps them contain this risk.

Benefits success is largely determined by the quality of the partnerships, tools, and resources available from your benefits administration partner. Note that the tools and resources that help employees the most are not always the flashiest.

Your employees need real support that goes beyond simply regurgitating benefits information or adding a pre-programmed avatar to the enrollment process.



2 | Expect More from Your Benefits Administration Platform, *Cont'd.*

As technology advances, it can be easy to assume that the newest flash of artificial intelligence (AI) may be sufficient to push employees towards a stronger grasp of benefit concepts – *but this is not always the case.*

Take Millennials, for example, who now comprise the largest generation in the workforce today.⁶ While this tech-savvy generation is used to working in a digital world, simply digitizing existing services (such as offering an automated customer service “chatbot”) is not enough to help younger employees understand their current benefits, possible options, and individual needs. Most Millennials lack a basic understanding of how their benefits work – **in fact, 57% of Millennials say they have little to no understanding of their medical benefits.**⁷

And this is the generation that should have the deepest ability to research and find answers both with company-provided education and on their own. Millennials are also the first generation to enter adulthood with the Affordable Care Act (ACA) in effect, and many of these employees have maintained coverage under their parents’ insurance until age 26, as allowed by the ACA. Employers are charged with educating many younger workers about benefits *for the very first time*, or helping to fill gaps in their understanding. But it’s not just Millennials that need help: 50% of Gen X and 41% of Baby Boomers also admit they comprehend very little about their benefits.⁷

Your employees need real support that goes beyond simply regurgitating benefits information or adding a pre-programmed avatar to your enrollment process. Employees need technology that actually makes enrollment *easier* – not just “techier.” Your benefits administration partner should provide proven solutions that harness technology without getting distracted by it, so employees can complete enrollment quickly and confidently, without the potential confusion, frustration, and risks that can result from heavily relying on the latest tech fads.

Instead of bulking up the experience with fledgling applications, your enrollment process should be mindfully designed to encourage a holistic view of benefits that leads to smarter choices. Employees need help gaining the right perspective when it comes to weighing their needs and options, especially when electing additional coverage.



2 | Expect More from Your Benefits Administration Platform, *Cont'd.*

Employers need help too: 78% of employers cite “administrative burden” as their primary hurdle to offering voluntary products,¹ but a powerful platform will alleviate this hurdle. Look for a benefits administration partner with **client-adaptive technology** to tailor communications and enrollment to your benefit options, employee populations, and strategy.

Without client-adaptive technology, it can be costly and tedious to customize the enrollment process to fit your unique benefits and workforce’s behavior. **Not all benefits administration platforms are architected to allow for fast changes, personalization, and optimization.** And unlike superficial factors (such as user interface (UI) design), platform adaptability may not be immediately obvious or easy to distinguish and evaluate.

A static platform will hinder your effectiveness – making it increasingly expensive and difficult to keep up with your evolving needs. Client-adaptive technology will ensure your benefits administration partner and solution remain viable over the long-term, protecting your investment and keeping your costs in check. To help determine the adaptability and scalability of a potential partner’s platform, ask for client examples that demonstrate the flexibility of both their enrollment processes *and* back-end technology.

Your benefits administration partner should utilize a content management system (CMS) to optimize the benefit experience for your unique workforce. A CMS that is natively integrated with your benefits administration platform will provide the most potential to tailor communications and enrollment to highlight your organization’s benefits offering. The Empyrean Platform takes adaptability even further by utilizing proprietary point-and-click configuration software in conjunction with the Platform’s content management system. This enables faster, more accurate, and less costly changes without the need for tedious coding – expanding your possibilities and enabling you to build a better benefits experience during enrollment as well as year-round.



3 | A Smarter Enrollment Flow Delivers Better Results

Your enrollment experience must present benefits in a logical and informative manner that helps employees create connections between your various offerings.

Embedded content and resources serve as invaluable guides for employees navigating their benefit choices, and are a reference for those considering if a voluntary plan is right for them. Optimizing messaging within the enrollment experience using customizable, benefit-specific text and educational videos provides employees with easy access to trusted information and answers *when and where they need it most*.

In-page resources are an easy and effective way to increase benefits comprehension and engagement for all of your benefits. Leveraging enrollment as a communications channel will allow your team to create more self-sufficient participants while fueling plan awareness, comprehension, and participation. Messages, guides, and information provided *within* the enrollment experience also serve as a powerful tool to assist your team in highlighting particular benefits to drive strategic goals.

A logically designed enrollment flow, supported by relevant in-page content and resources, provides your employees with a shopping experience much like that of their favorite online store (think of the “*You may also be interested in...*” sections found on most modern online shopping websites).

An Empyrean client recently achieved a 30% voluntary plan adoption rate* following strategic optimization of their enrollment experience on the Empyrean Platform — a more than 757% improvement over their previous adoption rate.

757% 

*Accident and critical illness products



3 | A Smarter Enrollment Flow Delivers Better Results, *Cont'd.*

In fact, 44% of employees want benefits shopping to feel more like browsing Amazon.com.³

Selecting a benefits administration partner that can deliver a cohesive, e-commerce-inspired enrollment – *regardless of the carriers or plans you choose to offer* – will ensure your employees have the familiar and positive shopping environment they need to comfortably browse their options and make well-fitting benefit decisions.

For example, many enrollment flows offer voluntary options only after employees have finished selecting *all* of their core benefits. Instead, **consider offering supplemental medical products like critical illness and accident insurance immediately following employees' medical plan selection.** An intuitive enrollment flow strengthens the connection between health care coverage and relevant supplemental products, encouraging employees to holistically consider their benefit needs, risks, and rewards.



In addition to optimizing the flow of the enrollment process, your benefits technology partner should provide an easy-to-use recommendation engine that factors voluntary options alongside core coverage choices to determine the best matches for each individual employee. By bundling core and voluntary benefits into “packages” of recommended benefits, employees get exactly what they want and need: A simplified decision-making process, along with an improved understanding of how their choices work to meet their families’ needs and support their wellbeing.

An approachable, informative, and easy-to-use enrollment experience will turn passive employees into self-sufficient benefits consumers – helping to lower or eliminate the need for on-site benefit advocates and enrollers, which can add up to a significant savings.

*Accident and critical illness products



3 | A Smarter Enrollment Flow Delivers Better Results, *Cont'd.*

For those employees and teams that require live assistance, look to your benefits administration partner to offer a dedicated Service Center staffed by in-house, US-based benefit professionals to guide employees through enrollment and provide year-round benefits assistance and concierge services. A good service team will become experts in your offering, company culture, and strategy and will serve as **an extension of your own internal team.**

Just as benefit choices are different for each employee, benefit offerings are also unique for each organization. Your benefits enrollment and administration partner should help you optimize your technology to address your plans, workforce behaviors, and strategy. At Empyrean, a team of Strategic Account Advisors is available to review your offering and challenges, and determine the most effective ways to optimize the enrollment and benefit experience to meet your particular goals. This level of high-touch service ensures both your employees and team receive expert support that allows you to fully leverage your technology and benefits investment.



Conclusion

As voluntary benefits become an increasingly crucial element of employers' benefits strategies, the right technology can alleviate the burdens associated with these plans. Participants struggle to understand their benefits, so employers must give them the tools and resources to break through the clutter and become more confident consumers.

An intelligently designed enrollment and administration platform will offer the smart tools, intuitive processes, and flexible experiences your employees really need – *without getting distracted by fledgling tech trends.*

This approach is proven: Employers that optimize enrollment experience to fit their offering and workforce measurably improve voluntary plan participation – and lower their costs and risks in the process.

If you are interested in how client-adaptive benefits administration technology can help you achieve your goals, reach out for a conversation with one of our experts. The Empyrean Platform is the trusted solution empowering over 400 organizations to connect benefits and enrich the lives of employees and HR teams every day. Talk with us and discover how Empyrean's adaptive platform can help you optimize and automate benefits enrollment and administration to increase plan participation, drive education and satisfaction, and improve outcomes for your team, workforce, and business.



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About Empyrean

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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