



## Benefits Admin Best Practices Guide for the Multiple Employer

Employee benefits administration is difficult to navigate in simple settings, let alone the complex landscape of a multiple-employer organization. In some cases, a multiple-employer organization is a large association that consists of numerous industry affiliates — for example, The American Association of Lutheran Churches or the American Council of Engineering Companies. In other cases, it's a corporation made up of numerous smaller subsidiaries that operate as independent legal entities — such as Wakefern Food Corporation and its 350+ retailers.

These associations or corporations often bring value to their networks of employer groups by offering a shared employee benefits program, which gives smaller businesses and entities access to better health insurance rates and enables them to design highly competitive benefits programs. However, delivering value means overseeing benefits administration for tens, hundreds, or even *thousands* of employer groups — each with unique populations, plan designs, eligibility rules, enrollment periods, payroll cycles, deduction codes — not to mention differing needs, processes, and preferences. Furthermore, if a multiple-employer benefits administrator doesn't have an efficient system in place for billing, collecting, and organizing premium payments across the network, the program can suffer considerably.

The successful rollout and implementation of such complex and involved plans heavily depend on advanced management software. However, multiple-employer organizations need more than just a SaaS provider to administer programs with the gusto and cost control to deliver tangible, sustainable value for employer groups *and* the organization itself. Here are the best practices in benefits administration that specialized multiple-employer organizations must follow if they wish to confront mounting challenges in the years ahead.

# Best Practices in Multiple-Employer Benefits Administration

## 1. Multiple-employer organizations should implement a robust benefits admin solution that will expand capabilities as the organization grows and changes over time.

To truly expand capabilities, multiple-employer organizations need a full-scale partner that offers not only advanced technical, operational, and implementation experience, but also a suite of administrative services, including:

- **Benefits Administration**
- **Voluntary Benefits**
- **Absence Management**
- **Pension Administration**
- **Employee Assistance Programs**
- **Wellness Programs**
- **Rewards Programs**
- **Workplace Learning**
- **Specialized Support Services**

Equally important is the flexibility of an administration partner's delivery model, which should offer different levels of client responsibility, including fully outsourced, co-sourced, or SaaS options. A best-in-class administration partner will also provide service packages to accommodate COBRA, direct billing, QMCSO, and ACA.

## 2. Legacy systems should be replaced with an advanced, highly integrative, benefits management platform.

Most traditional administration systems are not capable of handling the complex inner-workings of a multiple-employer benefits program. In addition to service flexibility, a top-tier benefits administration partner will offer a full-scale benefits management solution that integrates seamlessly with existing systems or can stand alone as an all-in-one administration platform. Furthermore, their platform should include eligibility, enrollment, and billing management solutions that allow organizations to connect and streamline fragmented activities. A sophisticated benefits management platform will enable multiple-employer organizations to:

- **Bridge gaps in core HR functions**
- **Create process consistency**
- **Increase efficiency**
- **Support end-to-end workflow automation**
- **Increase visibility through data sharing & analytics**
- **Leverage significant cost-saving opportunities**
- **Improve benefits engagement and participation**
- **Manage access controls to ensure privacy & security**
- **Mitigate risks and human error**

### 3. To ensure widespread adoption across employer groups, the benefits administration platform implemented by a multiple-employer organization must be highly intuitive and *configurable*.

Traditional solutions offer limited flexibility and tend to confuse “customizability” with “adaptability.” Customization enhances the user experience but does little to help complicated organizations retrofit new technologies with existing infrastructures or adapt to changes over time to enhance performance.

Instead, focus on *configurable, rules-based engines* that conform to the unique needs and goals of different employer groups. Configurability gives users greater control over workflow designs that align with their unique processes and preferences, including rule settings, parameters, and employee access controls. The most successful solutions mimic familiar digital platforms such as Netflix or Apple to provide a [simple yet sophisticated user experience](#) that most people are already comfortable navigating. Ease of use will expedite roll-out, improve rates of adoption, and maximize utilization.

### 4. The rollout of new technologies or programs must begin with a thorough and strategic plan of action designed around the unique needs and challenges of the multiple-employer organization.

Timelines will vary depending on the volume and complexity of a multiple-employer organization but typically take around 8-12 months to execute fully. Each strategy should begin with a thorough discovery phase to collect vital information about the unique needs of the multiple-employer organization and its employer groups. Once systems and programs are designed, rollout and implementation should be scheduled in phases and cycles to ensure proper alignment and adoption. A successful rollout strategy will include the following key phases:

- **Discovery**
- **Implementation (in cycles)**
- **Client Training**
- **End-to-End Testing & Transition**
- **Stabilization & Project Closure**
- **Annual Enrollment Planning & Rollout**

## 5. To reduce inaccuracies and gain total financial visibility and control across employer groups, organizations need a closed-loop payroll & billing system that encompasses the entire payroll lifecycle.

Plan design and delivery details may get the lion's share of attention, but billing, payment, and reconciliation activities are the real defining factors of successful multiple-employer benefits administration. Between the variations in payroll providers, cycles, and frequencies, and the multitude of unique deduction codes, a simple payroll solution isn't enough to manage the velocity or volume of data orbiting a complex multiple-employer benefits program.

A closed-loop payroll and billing system with enrollment and eligibility workflow automation incorporates billing functions, including employer billing, premium billing, and direct billing, right into payroll processes to deliver the utmost efficiency and visibility. For example, if someone isn't paying their bill, administrators can immediately shut off coverage. Additionally, a closed-loop payroll and billing system will enable benefits administrators to:

- **Coordinate with each employer group's payroll vendor to provide reconciliation after each payroll cycle (or quarterly, if preferred), generate and deliver a report and pre-payroll file, load and apply deductions taken, audit for any discrepancies, and make adjustments as needed.**
- **Automate tedious tasks related to direct billing, including the generation of employee letters, payment collection and remittance, direct deposit, payment notices, repayment plans, and payroll deductions.**
- **Automatically calculate the amount due by each employer based on the health elections and plan participation of their employees.**
- **Aggregate each employer group's financial experience down to the individual employee benefit plan to monitor cost, quality, and value.**
- **Reduce manual intervention that can contribute to inaccuracies and human error.**
- **Provide security-driven access for location managers to view, interact, and report on a specific location, divisions, or employee base.**
- **Support online payment via ACH debit or credit card.**

## **6. Multiple-employer benefits administrators should leverage a single source of truth for all data to visualize information and enhance the organization's shared benefits program.**

The inability to properly manage data at all times will further complicate multiple-employer benefits administration responsibilities and could result in widespread, long-lasting consequences that further complicate administration. For this reason, multiple-employer organizations must have advanced back-end support that continually monitors data for accuracy and logic conflicts to reduce errors. Many solutions derive insights and analytics via algorithms and machine learning. However, multiple-employer organizations should take data management a step further and look for solutions that combine traditional data sets with untapped data sources to enhance predictive capabilities. With so many groups involved in a program, predicting emerging needs and forecasting how decisions will affect the masses is crucial to success.

A multiple-employer organization's administration platform should combine data from all systems into a single, centralized data hub and provide administrators with access to a secure online portal. The online admin portal should feature a comprehensive management dashboard that delivers a 360-degree view of financial information, documents, employer and employee data, and more to monitor, track, analyze, and report at a granular level across all employer groups. Lastly, organizations must incorporate data into routine business decision-making to prioritize objectives, control costs, streamline processes, and plan short- and long-term goals and activities.

## **7. Multiple-employer organizations must develop a communication and change management strategy to convey information across dispersed employer/employee populations with efficiency and consistency.**

Beyond the inherent complexities of managing benefits for numerous employers, any change to the dynamics of a multiple-employer benefits program or the organization itself, such as transitions, acquisitions, and mergers, can reverberate throughout the entire nexus. To clearly and consistently communicate how changes might affect members or subsidiaries, organizations should work with an administration partner with communication and change management capabilities built into their core delivery concept. An administrator with comprehensive change management solutions can also help multiple-employer organizations track and document changes to contact information, preferences, contract details, and more.



## A New Era in Benefits Administration

Looking ahead, three of the most significant challenges employer groups will face in the years to come include:

1. Finding affordable, high-quality health insurance.
2. Creating competitive benefits programs.
3. Offering affordable retirement plans.

To remain the preeminent solution to these challenges, multiple-employer organizations must find ways to make their large, clunky operations more agile and value-driven.

To see the anatomy of a world-class multiple employer benefits administration platform, [click here.](#)