



Employee Benefits Experience: Version 4.0

How digital lifestyles have reshaped employee expectations & benefits administration

Employee experience (EX) is the culmination of how every interaction with people, programs and processes shapes an employee’s perception of the workplace. As a larger share of life and work takes place online, a new variant of the traditional EX concept has emerged. The digital employee experience (DEX) considers how every interaction with technology, including software platforms, applications and other digital tools, influences an employee’s perception of the workplace.

COVID-19 has—and will continue to—place pressure on the need for a quality, digitized employee experience. But improving processes, especially those as complicated as employee benefits, will require HR administrators and executives to focus on the same big picture.

- 85% of HR execs consider employee experience and engagement their most valuable HR capability, but only 24% plan to invest in the quality of that experience.¹
- Meanwhile, 74% of companies anticipate HR tech spending to increase this year, but 82% are struggling with employee adoption.²

These statistics appear to conflict; however, by convincing C-suite that a quality experience is just as important as the experience itself, the pieces fit perfectly.

Investing more effort into the quality of the employee experience will simultaneously inform decisions about which HR tech solutions employees want and, therefore, which solutions they are most likely to adopt. Better adoption and utilization leads to better performance and productivity. Human resources gets a happy, engaged workforce. Leadership sees greater ROI on technology investments, and everybody wins.

¹ recent KPMG survey of 1200 human resources (HR) executives
² www.pwc.com/us/en/library/workforce-of-the-future/hr-tech-survey.html

What Do Employees Want in a Benefits Experience?

Employees don't develop positive or negative perceptions about a benefits program based solely on its breadth of options. How your organization delivers its program is just as important. From apps that manage their personal lives to virtual assistants that fulfill simple, everyday commands, employees have grown so accustomed to the omnipresence of technology that any disruption to that norm is off-putting.

In other words, your greatest potential for adoption is digitizing the benefits experience in a way that mimics consumer-grade technology, which caters to their needs and preferences with remarkable accuracy. Before you can design this experience, you must first understand what those needs and preferences are and what motivates them.

Developing Employee Personas

An employee persona is a fictional profile that represents the key traits of a larger audience segment, such as the varying generations that make up your workforce. To deliver an experience that feels personal, you must take into account that your workforce is a diverse collaborative of sentient, emotional beings who are experiencing different life stages, the likes of which profoundly influence their priorities.

Identify the various generations represented in your workforce and develop personas for each. Keep in mind that there may be more than one persona per generation—for example, a growing number of Millennials are choosing not to have children and may not share the same interest in family-focused benefits as those who are family planning.

Common Concerns by Generation

Baby Boomers:

- Keeping their job
- Competing w/ younger, less expensive talent
- Preparing to retire
- Navigating Medicare
- Caring for aging parents

Generation X:

- Financial stability
- Family coverage
- Saving for the future
- Dipping into retirement accounts
- Caring for aging parents

Millennials:

- Recognition for effort
- Help with student loan debt
- Freedom of choice
- Self-service tools
- Privacy

Generation Z (& younger):

- Meaning, purpose and fulfillment
- Mental and emotional health
- Performance impact
- Instant information
- Personalized assistance
- Financial security

As you develop employee personas for each generation, don't just focus on their differences, look for commonalities that will help bridge gaps in your communication strategy.

Mapping the Employee Benefits Journey

Journey mapping is a marketing exercise that helps pinpoint the step-by-step process a shopper takes on their “journey” to becoming a customer. By understanding how customers shop, retailers can position themselves in the right place at the right time to increase their odds of selling products or services.

Every customer shops differently, which makes the journey mapping process far more challenging than it sounds. Some browse online via email, social media channels, or Amazon, while others prefer the brick and mortar experience. Some shop online and in-store at the same time! No matter how a customer gets from point A to point B, each passes through the same four phases: *Awareness > Consideration > Purchase > Satisfaction*.

Like the customer journey, employees also pass through four phases:

Awareness



Eligibility



Enrollment



Utilization

Phase 1: Awareness

Awareness is the part of the benefits journey in which employees are introduced to the full suite of benefits. Here, they assess their options and draw conclusions about how benefits will support their personal, familial and financial wellbeing.

Top Challenges:

- **Employees are easily overwhelmed by information.** To an outsider, the language surrounding healthcare and health insurance looks like a bowl of alphabet soup. HMOs, PPOs, HDHPs, HSAs, FSAs, EOBs...it's not surprising that 1 in 4 people avoid treatment due to uncertainty about their coverage.³
- **Standardizing effective onboarding and education programs.** HR lacks the time and resources to give onboarding and employee education the attention it requires. Without strategic programs in place, communication can become inconsistent and may not deliver information in a way that's easy for employees to digest.
- **Employees often turn to sources other than HR for help understanding their options.** 44% of employees claim to be self-taught when it comes to health insurance terms and processes.⁴ 33% receive information from family, friends and acquaintances or co-workers. Both sources are prone to misinformation.

³ www.policygenius.com/blog/health-insurance-literacy-survey-2019/

⁴ Employee Benefits News. *Why employers need to address low healthcare literacy*

Phase 2: Eligibility

Eligibility is the process of tracking and managing if and when employees qualify for certain healthcare benefits. Qualifying factors depend on personal employee information like age, employment status or experiencing a “life event” such as marriage, and are regulated by state and federal regulations.

Top Challenges:

- **Juggling compliance with a growing number of federal and state regulations.** Companies are required to meet numerous minimum standards to maintain compliance with federal regulations such as the Employee Retirement Income Security Act (ERISA) or the Affordable Care Act (ACA), which involves pages of reporting and disclosure requirements. To further complicate compliance maintenance, regulations can also vary by state.
- **Timely notification of an employee’s eligibility status.** Organizations are required by law to notify employees and covered spouses when they become eligible for certain benefits like COBRA or Medicare. Notification is also required if policy changes affect plan terms, such as deductible amounts. If administrators work with multiple vendors through disparate systems, it’s easy to mismanage information and varying enrollment periods, resulting in fines and tax penalties, and preventing employees from making important changes or upgrades to their coverage.
- **Manual, error-prone reporting processes.** In some cases, organizations are in compliance with state and federal regulations but rely on outdated administration software that requires manual data entry. Inputting the wrong data can trigger unwanted attention from the IRS and affect an employee’s coverage.

Phase 3: Enrollment

Open enrollment season is the only time each year that most employees can elect or make changes to their health insurance coverage. Leading up to this period, employers can introduce new benefits to the program, make changes to existing benefits, or redesign the program. During the enrollment period, employees follow an enrollment process to make their plan selection, opt-in or out of programs, and manage existing benefits, such as contribution amounts.

Top Challenges:

- **Mitigating employee stress while maximizing participation.** At this stage in the journey, many employees are either bored, confused or too busy to give their full attention. Some organizations also face language barriers or plan details that vary by state, which makes communicating important information to large workforces across various locations—and doing so in a way that’s engaging and easy to understand—exceedingly difficult.
- **Strain on HR resources and capabilities.** In addition to employee benefits, HR is responsible for recruiting, onboarding, training, workplace safety, payroll, and more. The confusion surrounding employee benefits hits a breaking point during open enrollment season, prompting a hail-storm of questions that put added stress on HR personnel, limiting their ability to provide quality support.
- **Open enrollment platforms fail to meet employee expectations.** Online enrollment portals that fail to deliver an intuitive user experience increase the likelihood that employees will require additional assistance, which defeats the purpose of investing in the platform.

Phase 4: Benefits Utilization

In the utilization phase, employees put their benefits to the test. Unfortunately, a lack of understanding about how to use benefits properly can turn this phase into the most treacherous part of the employee benefits journey.

Top Challenges:

- **The misuse of employee benefits.** Most employees lack the skills and awareness to be selective healthcare shoppers. As a result, they end up paying more for preventive care, doctor appointments and prescriptions, which promotes a negative perception of the quality and value of the benefits program and drives up the cost of healthcare.
- **The under-utilization of employee benefits.** Some employees may not know where to find help or are too afraid of being “found out” by their employer to ask. Others neglect to prioritize things like preventive care and mental health. In any case, the under-utilization of employee benefits contributes to health-related absences and lower levels of employee satisfaction.
- **Controlling healthcare costs.** The misuse and underutilization of healthcare benefits cause healthcare premiums to increase year-after-year. If employees understood when and how to use their benefits, they could save employers \$5 billion per year in healthcare costs.⁵



⁵ www.forbes.com

Employee Benefits — Version 4.0

With the strategic placement of **benefits administration technology** that considers the unique and varying needs and preferences of your diverse workforce, the benefits journey becomes a vastly different experience:

Phase 1: Awareness

Unless topics are broken down into simple concepts using common language, employees struggle to participate in conversations and may not have enough context to fully understand their options. **Employee experience platforms** give organizations the freedom and control to redesign how employees are introduced to and educated on their benefits. For example, creating customized online tutorial modules and video explainers that use plain English, humor, and real-life scenarios helps employees understand specific details related to their plan options.

→ **Use Case Example:** Let's say you hire a new department head. The first few weeks on the job can be overwhelming, to say the least. She's meeting new people, learning new systems, assimilating with the culture, finding her way around the building, and now, she also needs to make important decisions about healthcare for her entire family.

Instead of traditional onboarding approaches, HR sends her login information to access the employee benefits learning center. The online learning center allows her to pick a convenient time and progress at her desired pace through simplified, factual information, including plan comparisons and a breakdown of terminology. To ensure she stays engaged, a question pops up every so often to test her knowledge. She can go back and revisit sections, skip ahead if the information does not apply to her, and go straight from the training module to a repository with forms, applications, and additional information.

Phase 2: Eligibility

Benefits and HR staff members need an easier, less time-consuming way to track and manage the infinite details involved in eligibility management to reduce the risk of non-compliance and, more importantly, to ensure that employees are given plenty of notice, information and guidance on upcoming changes.

A **benefits administration platform** integrates employee information with eligibility management software to automate tracking, reports, notifications and communications.

→ **Use Case Example:** Your company has a growing population of employees in their 60s. Since your benefits administration platform is configured with settings and parameters that track enrollment periods, eligibility rules and more, any employee between the ages of 60 and 65 automatically receives information to prepare them for things like Medicare coverage. They also receive a notification when their "Initial Enrollment Period" begins (three months prior to their birth date) and ends (three months after their birth date).

Equipped with a basic understanding of their Medicare options, employees have an easier time navigating the complex and diverse world of Medicare. And since HR isn't preoccupied with repetitive tasks, such as eligibility audits, they have more time to provide additional support while ensuring a fair, equitable process for all participants.

Phase 3: Enrollment

Employees are pre-wired to use digital tools that resemble the ones they frequent outside the office. The reason platforms like Amazon and Netflix are so popular is because they reflect a deep understanding of the end-user's behavioral inclinations. Place an Apple iPad in the hands of a 3-year-old, and instinctively they know how to interact with touchscreen technology.

Best-in-class Benefits Administration Software mirrors a similar user experience. Using personal login information, the employee can access their benefits portal any time, from any location on any device. Content is light and guides the user to the most important information first, and from arrival to completion, the enrollment process unfolds effortlessly.

→ **Use Case Example:** Your open enrollment communication strategy was so effective, employees are finally giving plan options the consideration they deserve. But comparing plans to find the best coverage with the best financial outcome is still a bit confusing.

Thankfully, there's a decision-making tool built right into the employee enrollment portal. Since the enrollment platform is an integrative solution, the tool can connect with personal employee information (HIPAA compliant, of course) to analyze historical data, including plan history, retirement accounts, tax savings accounts, and medical claims. In the same way that Amazon recommends products based on a user's purchase history, the decision-making tool recommends the most logical plan options.

In record time, employees can evaluate only the plan options that make sense for their lifestyle. Next, they can calculate cost estimates to visualize different financial outcomes. With a complete understanding of how plan options work, they click, elect and enroll.

Phase 4: Utilization

Making enrollment easy and stress-free will not guarantee that employees utilize their benefits fully or properly. HR technology allows HR and benefits staff to incorporate digital support features into their program to enhance the employee experience and improve utilization.

Search tools make it easy for employees to find in-network medical providers in their area and compare prices. [Digital EAP tools](#) give employees multiple ways to access support for personal problems in one, ultra-intuitive app. From virtual life coaches and video counseling to online chat and telesupport, all the resources your employees need fit right into the palm of their hand.

Of course, questions are unavoidable, but with 24/7 access to a **virtual HR assistant**, employees can find quick, straightforward answers—evenings, weekends and even holidays—without having to wait for a reply from HR.

→ **Use Case Example:** Rob injured his back during a pick-up game of hockey. Still in pain after a week of rest, he started to worry that his injury might be more serious than a “tweaked” back. Not quite sure where to go for help, Rob turned to his online employee benefits center. After asking his virtual assistant for guidance, Rob started searching for a chiropractor. The internet pulled up dozens of choices, but Rob had no clue how far away they were, how much they cost, or if they were in-network. Then he remembered his benefits search tool. All Rob had to do was enter his zip code and the type of provider he needed. In seconds, a list of in-network providers in his area popped up with pricing information and ratings. In just a glance, he found a quality, affordable chiropractor right down the street and scheduled an appointment.



Consolidating the Benefits Experience

Digitizing the employee benefits journey consolidates, simplifies and streamlines the experience allowing individuals to go straight from education to enrollment to utilization—all in one place. More importantly, digital tools empower employees to actively participate in their benefits programs and make smarter decisions for their health and financials. As their overall well being improves, so will their perception of the value and quality of their benefits program and, by proxy, the company itself.

However, for technology to truly enhance the employee benefits experience, organizations need a complete and thorough understanding of what problems they are hoping to solve and for whom.

Take the time to communicate with employees and understand their priorities. Find out what digital tools they use outside of work and what they like about each.

Lastly, use this information to help HR leaders look differently at HR technology investments. Rather than focus on what type of technology an organization is “supposed” to have, HR leaders and benefits administrators need to work together to select HR tech based on the type of experience their employees want and need to be successful. Adoption, after all, is the last piece of the puzzle. Without it, the big picture remains incomplete.

*Ready to enhance your
digital employee experience?*

Contact Morneau Shepell today.

If your current benefits administration provider is not living up to your expectations, it is time to explore Morneau Shepell. Morneau Shepell is the leading provider of technology-enabled HR services that deliver an integrated approach to wellbeing through our cloud-based platform.

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