

Annual Enrollment 2021

FIVE STRATEGIES TO HELP YOUR PEOPLE SAVE MORE AND TAKE CONTROL OF THEIR BENEFITS



Connecting Health and Wealth



This year, reinforce choice and promote cost-effective decisions— for both your people and your organization.

When open enrollment season arrives, cost and employee choice are always top of mind—both for organizations and their people. Those considerations are especially important this year.

The COVID-19 pandemic has made both time and money even more valuable commodities. US gross domestic product (GDP) contracted in 2020 for the first time since 2009,¹ hitting some industries—like leisure and hospitality²—particularly hard. Individuals also struggled, with many reporting reduced income and delays in getting medical care at the height of the pandemic.³

Expectations and preferences may have also changed. Last year saw an increase in the number of individuals using services like telemedicine,⁴ as well as a spike in demand for mental health services.⁵ Now, as your organization approaches open enrollment season again, you may be looking to address these new realities.

The good news is there's one simple way to incorporate all these factors into your open enrollment strategy: promote choice and cost effectiveness for your people. By leveraging benefits like health savings accounts (HSAs), you can simultaneously be cost conscious on behalf of your organization and your people. You can also get more economic and decision-making power into the hands of your people and their families, helping them get the medical care they want and may have been putting off since the pandemic began.

In this resource, we'll cover five strategies you can use this open enrollment season to help your people make cost- and choice-conscious decisions—ones that will benefit them *and* your organization.

¹ <https://finance.yahoo.com/news/4q-gdp-2020-us-economy-coronavirus-pandemic-180133456.html>

² <https://www.brookings.edu/research/explaining-the-economic-impact-of-covid-19-core-industries-and-the-hispanic-workforce/>

³ https://web.archive.org/web/20200813194858if_/https://www.census.gov/data-tools/demo/hhp/#?measures=CDR

⁴ <https://www.cdc.gov/mmwr/volumes/70/wr/mm7007a3.htm>

⁵ <https://www.cdc.gov/2021/04/02/mental-health-professionals-are-in-high-demand-as-the-pandemic-enters-a-second-year.html>

STRATEGY 1

REVIEW THE PERFORMANCE OF YOUR PAST BENEFITS AND MAKE CHANGES

The COVID-19 pandemic ensured that 2020 and now 2021 have been anything but normal. Your benefits package should reflect that. Rather than simply renew existing policies and tinker with long-standing programs, take this opportunity to conduct a formal review of your offerings.

As much as possible, rely on data to guide your evaluation. This is the most accurate way to assess the effectiveness of your benefits offerings, yet fewer than half (46 percent) of employers use analytics to do so and only 11 percent use artificial intelligence and machine learning.⁶

In addition to common statistics like cost, participation and satisfaction levels, look at metrics that signal positive behaviors, like:

- ✓ **Engagement.** Ensure your people are engaging with and using their benefits throughout the year, even if only to contribute to benefits like HSAs or use the remainder of their Flexible Spending Account (FSA) funds before their deadline.
- ✓ **Participant cost sharing.** Look at the level of voluntary contributions your people are making to their HSAs or other applicable benefits to gauge their value. The more your people understand the cost and choice-friendly aspects of these benefits, the more they may participate.

✓ **Savings level.** Personal savings, particularly health savings, is an important barometer for measuring your benefits package's effectiveness. A healthy, growing personal savings level means more economic freedom for your employees and their families. Anemic savings, on the other hand, may reflect high cost-sharing or lack of incentive for employee contributions.

✓ **Retirement readiness.** Just 29 percent of Americans say they feel very confident in their ability to retire comfortably, according to the 2021 Retirement Confidence Survey (RCS) from the Employee Benefit Research Institute (EBRI).⁷ Helping boost confidence and overall savings through benefits like the HSA and 401(k) should be a top benefits priority for your organization. If retirement participation or savings seems low, consider adjusting your approach to these benefits.



If your organization needs help gauging performance across the metrics outlined here, or assessing benefits performance in general, HealthEquity can help.

Health Savings Score™ from HealthEquity helps organizations track, measure and optimize member health savings by assessing performance in the engagement, contributions, safety-net and retirement areas. You'll gain visibility into your program's effectiveness, be able to benchmark against industry peers and identify opportunities for improvement.

⁶ Willis Towers Watson 23rd Annual Best Practices in Health Care Employer Survey. Full report and high-performance insights.
⁷ https://www.ebri.org/docs/default-source/rcs/2021-rcs/2021-rcs-summary-report.pdf?sfvrsn=bd83a2f_2



Once you've evaluated your individual offerings and your package as a whole, you can consider where and how to make changes. Here are three potential priorities:



Cut low-value plans or programs.

If you're looking to cut costs and save time, the easiest option is to trim your offerings. Just be sure that the plans and programs you're cutting are the least popular and least effective.



Add an HSA-qualified health plan as an option or transition to an HSA-qualified health plan only.

This choice can help save money, promote choice and build employee savings all at once.



Implement or strengthen your employer matches.

Your people are probably more likely to contribute to savings vehicles like the 401(k) or the HSA if they're incentivized to do so. Adding or strengthening an employer match is one of the best ways to do this.

STRATEGY 2

KEEP AN EYE ON THE LATEST TRENDS

The COVID-19 pandemic appears to have changed or at least revealed new benefits preferences among working Americans, and the most successful organizations will adapt quickly.

One of the most significant healthcare trends to emerge from the pandemic has been the impact of virtual healthcare. To keep pace with demand, an ease of restrictions in the US allowed more people to use telehealth services to access medical care remotely.⁸ Telehealth has previously been shown to reduce exposure to illness and save money—an estimated \$19 to \$121 net cost savings per visit.⁹ With the cost savings and increase in patient familiarity, it's no surprise that more than half of all large employers are planning to offer more virtual care options in their benefits packages.¹⁰ It's probably a good idea to make sure your organization isn't left behind.

Another important consideration is the increased demand for mental health services. According to the American Psychological Association (APA), a third of psychologists said they are seeing more patients since the start of the pandemic. Treatment for anxiety disorders and depression is particularly in demand.¹¹ While this treatment can be covered through health insurance and benefits like the HSA or FSA, your organization can offer further support through your wellness program.

If you don't already have one, consider instituting an employee assistance program (EAP). EAPs exist to provide referrals to mental health professionals and other mental health services while ensuring privacy. You can also incorporate employee education around stress management and burnout, with opportunities for support through work-sponsored activities like meditation or peer-to-peer support groups.

Finally, consider what the state of your workforce is likely to be. While some organizations may be returning to 100 percent on-site work, many are considering a hybrid model that allows employees to spend some time working in the office and some time working from home. If this describes your organization, it's likely this approach will affect your benefits.

Depending on how you approached it during the pandemic, your people may have come to expect support for their home office. If you were reimbursing or contributing to items like wireless internet payments or office equipment, consider whether and how you will continue that going forward.

Commuter benefits are also a point of consideration. With demand for transit obviously lower in the past year—and likely to remain at least different in a hybrid work model—organizations must change how they approach these benefits.¹² Whereas in the past, many organizations asked their people to decide and commit to one method of transportation for the month, most employees in a hybrid model will want more flexibility.

Offering employees a daily or weekly choice rather than a monthly choice is one way to ensure greater satisfaction and use. It will also give employees in a hybrid work model the flexibility they seek in the post-pandemic environment.

⁸ <https://www.hhs.gov/coronavirus/telehealth/index.html>

⁹ [https://www.ajemjournal.com/article/S0735-6757\(18\)30653-3/fulltext](https://www.ajemjournal.com/article/S0735-6757(18)30653-3/fulltext)

¹⁰ <https://money.usnews.com/money/personal-finance/family-finance/articles/what-to-expect-from-your-employers-health-plan-in-2021>

¹¹ <https://www.cnbc.com/2021/04/02/mental-health-professionals-are-in-high-demand-as-the-pandemic-enters-a-second-year.html>

¹² <https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/re-thinking-commuter-benefits-for-a-hybrid-work-world.aspx>

STRATEGY 3

IMPLEMENT ACTIVE OPEN ENROLLMENT

Once you've refined your offerings and are ready with your cost- and choice-friendly benefits package, it's time to make sure people take advantage of it. A great way to do that is by implementing active open enrollment.

Active open enrollment requires all employees to select their benefits each year, rather than automatically re-enrolling in the previous year's choice. In this respect, you encourage your people to consciously explore and choose their benefits each year.

Just half of employers implement active open enrollment,¹³ likely influenced by the increased time and effort it takes to execute well. But settling for passive open enrollment means your organization is missing out on the opportunity to help your people review and reflect on their benefits choices—particularly to make new decisions that promote savings and freedom of choice.

With active open enrollment, you can inspire your people to enroll in your new and refined programs or to increase their participation in existing plans. In fact, a HealthEquity analysis of 700 employers showed that active open enrollment led to a 39 percent increase in HSA adoption over seven years. That kind of outcome should produce both cost savings and engagement, leading to positive outcomes for your organization and your people.

To maximize your success, invest in education and communication with your people. This is particularly true if you're introducing new benefits they may not be familiar with. Take the time to introduce how their benefits options have changed and why they may want to consider your new choices.

¹³ <https://www.griffinbenefits.com/blog/active-versus-passive-open-enrollment-weighing-pros-cons-risks>





STRATEGY 4

MAKE PRICE-SHOPPING RESOURCES AVAILABLE AND EASY TO USE

Price shopping healthcare products and services is the easiest way to save money. But you have to empower your people with the tools to be successful.

Reports suggest that comparing prices among healthcare providers can reduce up to seven percent of overall healthcare spend.¹⁴ That's meaningful savings for your people and, potentially, less cost to your organization when your policy is renewed.

Price shopping has become more common than it once was, but there is still room for improvement. According to a 2020 survey conducted on behalf of HealthEquity, 80 percent of HSA users say they wish they could compare prices more than they do today.¹⁵

Survey respondents pointed to a few common obstacles that prevent them from price shopping. Among those who do not price shop at all, 48 percent said it was because it's too hard to find price information. Another 32 percent said pricing information is too complex, and 26 percent say they lack the time to price shop.

It's possible that these attitudes could prevent your people from signing up for HSAs and similar benefits. So, it's important that you do some work ahead of open enrollment to break down barriers.

Start by providing price transparency tools up front. With these tools available, your people know they have resources to help them comparison shop easily and make more informed decisions about their healthcare.

Some options to explore include*:

- ✓ Coupon-driven websites like RxSaver™
- ✓ Integrated price shopping solutions like Healthcare Bluebook
- ✓ State-sponsored resources like Florida Health Price Finder or Health Score Connecticut
- ✓ Health plan comparison tools like CompareMyHSA.com from HealthEquity
- ✓ Provider finder and cost estimator tools from health plan providers like Aetna and Blue Cross Blue Shield

Make sure these tools are in place and available before open enrollment starts. You should also consider incorporating them into your webinars, presentations, benefits fairs and educational materials for the season.

*HealthEquity and the entities listed here, apart from CompareMyHSA.com, are separate, unaffiliated companies and are not responsible for each other's policies or services.

¹⁴ <https://www.modernhealthcare.com/article/20181103/TRANSFORMATION04/181039995/encouraging-patients-to-shop-around-amid-high-healthcare-prices>

¹⁵ <https://blog.healthequity.com/there-are-crucial-differences-in-how-working-families-think-about-and-use-hsas-healthequity-survey-finds>

STRATEGY 5

ENGAGE WITH AND EDUCATE YOUR PEOPLE ACROSS MULTIPLE PLATFORMS

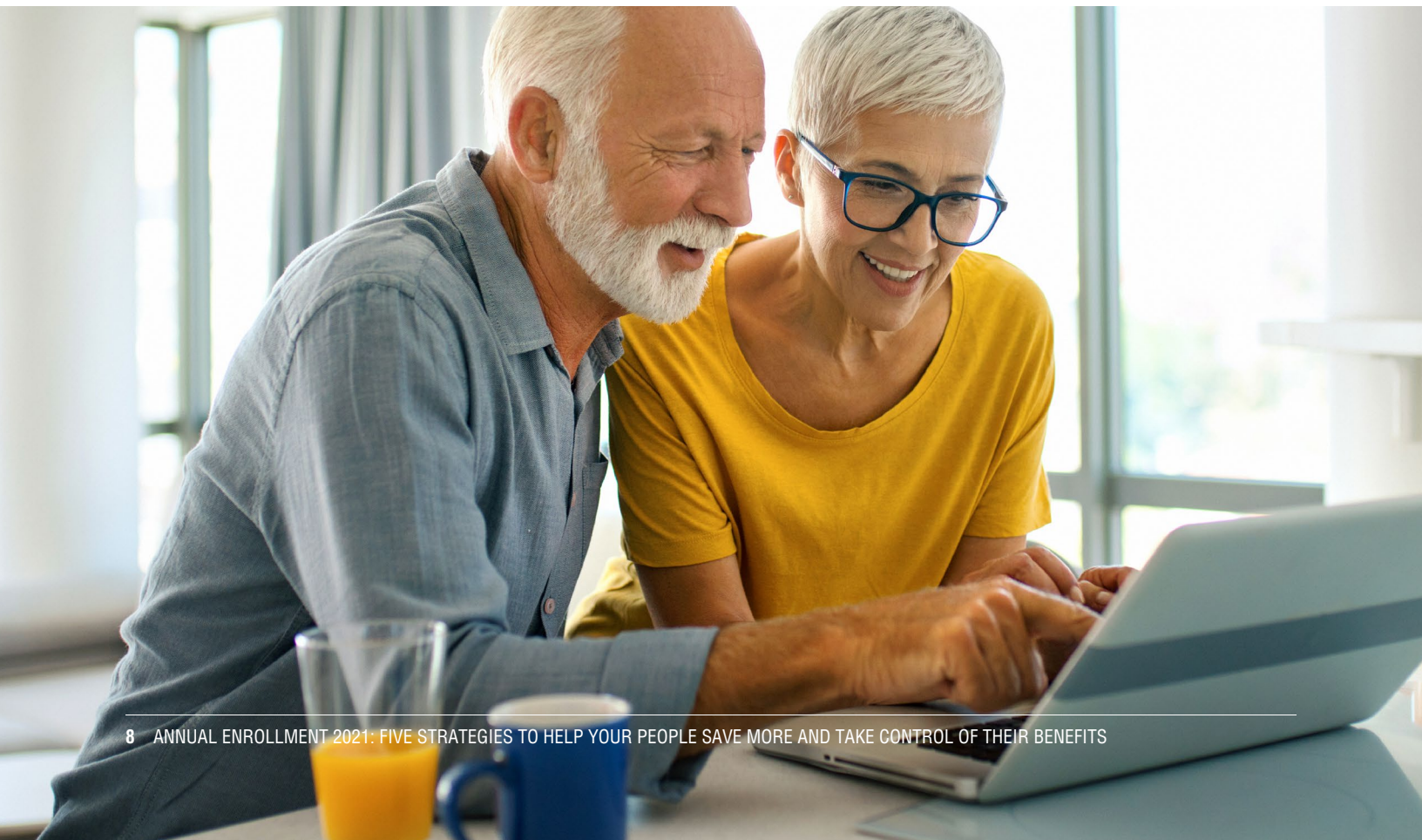
Your ultimate open enrollment success depends on how successfully you engage with and educate your people.

For many organizations, this was challenging before the pandemic. COVID-19 and remote work added an additional layer of difficulty, and organizations responded by taking benefits fairs and educational materials virtual. Now, many employees have come to appreciate the flexibility offered by having both in-person and virtual options. This is likely to be particularly true for those in a hybrid work model, spending time both in the office and at home.

Although it likely means more work for your organization, it's best to give your people as many options to engage in the open enrollment education process as possible. Take time to assess both your virtual and in-person activities from recent years and choose the most effective efforts from across a variety of platforms. That includes email, snail mail, webinars, in-person presentations, one-on-one consultations, virtual and in-person benefits fairs and group Q&A sessions.

Be sure to spend time educating on basic benefits concepts as well, particularly if you're introducing new benefits. Not everyone is familiar with terms like "high-deductible health plan," "copay," "matching" or "vesting," and many consider their benefits options to be complex. If you invest time now in demystifying these concepts and benefits, demonstrate how they work and take time to answer questions and concerns, you'll see that hard work pay off in increased enrollment.

Some educational tools to consider include webinars with Q&A sessions, microsites with searchable content and tools to help your people compare and contrast their options.





MAKE ANNUAL ENROLLMENT A SUCCESS

At HealthEquity, we work with benefits professionals and businesses of all sizes to support their open enrollment strategies and reach their cost- and choice-related goals.

This open enrollment season, let us help you leverage the lessons of the past year to craft the best benefits package and share it with your people in compelling, exciting ways. We can work together to better target cost-effective strategies and make them work for your people.

Contact us today to learn how a cost- and choice-focused approach to open enrollment could benefit both your organization and your people.

Ready to act?

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