



EBN 2011

Covering all bases:
**Preparing for open
enrollment, part 1**

Each spring, Employee Benefit News focuses on strategies and tactics to improve the annual open enrollment process. This year, we asked our readers — plan sponsors, broker/advisers, consultants and benefit providers — to send us their advice, experiences and best practices. In this publication we present the best tips on communications that we received. It's a great collection of time-tested techniques and fresh thinking from your colleagues so sit back, sift through and steal liberally.

By Lynn Gresham • Illustration by Carlos Aponte

CREATE A NEWSLETTER FOR EACH BENEFIT TYPE

ERIN PRUITT, PHR,
director of human resources,
Banker Lopez Gassler P.A.,
Tampa, Fla.

The key to running a successful open enrollment is to plan ahead, clearly communicate plan design and changes, and provide the information in an easy-to-read format.



No one wants to read the complicated and confusing SPDs. Adding supplemental information sheets that explain the carrier communications in layman's terms makes it easier for members to review. One way we've done this is through pre-open enrollment newsletters. The newsletters highlight the changes in plan design that will most affect the members, so they can formulate their questions prior to the meetings. Keeping the newsletters short and grouped by benefit type (i.e., medical, dental, vision, voluntary benefits) prevents employees from getting overwhelmed or distracted by information that may not apply to them. We've done both electronic and hard copy. When we are in a time crunch, we go with electronic; it is a good way to keep the newsletter shorter, too.

Also, packaging the open enrollment information into one booklet allows employees to get through it more quickly and with less confusion. The enrollment booklets ensure that information isn't lost and that the members can easily flip from one benefit type to the next. I always include a medical plan comparison chart outlining the differences between the various plan designs. We highlight

only the most highly utilized benefit types to keep the information to a manageable level.

EXPERIMENT WITH SOCIAL MEDIA

Our organization has approximately 2,400 domestic employees and 200 international employees. We have learned that we need to provide a lot of education in different forms to meet the needs of our multigenerational workforce.

CHRISTINE KOPP, PHR,
corporate people services
generalist, ACCENT
Marketing Services, LLC,
Jeffersonville, Ind.

We mail out open enrollment-themed postcards and newsletters, and send instant messages and emails. We are looking into SMS texting to remind employees of deadlines, e.g., "Text benefits to XYZ and get all the latest and greatest open enrollment news!" We did some communication out on our company's Yammer site. I anticipate next year we will be using a lot more social media in our communications.

REACH REMOTE LOCATIONS WITH DIAL-AND-LEARN SESSIONS

KRISTI ESCHÉ,
benefits analyst,
Old National Bancorp,
Evansville, Ind.

Our company takes a multifaceted approach to benefits communications, beginning with a newsletter issued approximately one month prior to the beginning of the enroll-

ment period. The newsletter contains information on the open enrollment period, plan changes, reminders and rate information, and is posted on our website, emailed to associates and mailed to associates' homes.

At the same time the benefits newsletter is issued, we unveil our benefits website for the next plan year. This is an Internet site, allowing access from anywhere. It contains all information related to our plans, including plan summaries, rates, summary plan descriptions, links to provider directories and vendor contact information, allowing associates and their partners to review the plans in detail.

Since we cannot hold benefits meetings at all of our locations, we utilize "Dial and Learn" sessions — a combination of a visual piece (PowerPoint presentation), audio (presented by a member of our corporate benefits department) and question-and-answer time. These sessions provide an overview of the benefits offered and any changes that are occurring, and offer the chance to ask questions.

Lastly, open enrollment reminders are continuously supplied through intranet postings, emails, postings on our HRIS system and a postcard mailed to associates' homes.

PROVIDE A PERSONAL BENEFITS COUNSELOR

■ **GLORIA W. DANA, AVP,**
HR services, Norfolk Southern
Corporation, Norfolk, Va.

The best thing we did was contract with Jellyvision to offer a personalized benefits enrollment experience for our employees this past open enrollment.

We were introducing major changes in the form of a new higher-deductible medical option and tying healthy behaviors into the employees' costs. We analyzed our 2009 enrollment and observed that many employees were enrolled in a copay option that was costing them more than the benefits they were receiving. Jellyvision's "David, Your Benefits Counselor" tool enabled employees to model their expected medical expenses versus their contributions and more accurately select the option that met their needs. We were able to shift 10% of our population out of the copay options as a result. We plan to use "David" for 2011 as well.



MAKE INFO ACCESSIBLE WITH QUICK HITS

Itron is a technology provider to the global energy and utility industries. Going into open enrollment in 2010, our manufacturing locations were running flat out 24/7 trying to get orders out the door. Pulling employees from the manufacturing floor for an hour was going to be too disruptive to the business, so alternative methods were necessary. Our software, engineering and professional services staff was equally

■ **DARREN RIEGER,**
director of benefits, Itron,
Inc., Liberty Lake, Wash.

stretched on a variety of projects and installations.

We felt that print and email messaging wasn't going to be sufficient. We had introduced a spousal surcharge, which naturally resulted in plenty of questions, and we had premium changes, plus a couple of vendor changes and a new wellness program component to communicate. On top of that, we also did an electronic beneficiary designation campaign and had to communicate the pertinent health care reform-related changes.

We relied on our local HR business partners to talk up the changes at a local level, often using opportunities such as a 10-minute "Tool Box Talks" to update employees on the key changes and to assist with the online enrollment process, which for most employees who only use the system once a year can be daunting. We also used for the first time a slide deck with recorded voice-over that talked to the points on the slides that was then played on monitors in our break and lunch rooms and posted on our intranet. The presentation was just 15 minutes and hit the highlights of what employees needed to think about.

We supplemented this with our traditional methods of open enrollment communication, namely a comprehensive printed benefits guide supplemented with weekly Benefit FYI emails to reinforce the key points.

We saved thousands on travel costs by not doing face-to-face presentations. More importantly, we managed not to disrupt the business operations too much, although employees still had to find time to make their online benefit elections.

START EARLY WITH PASSWORD REMINDERS

■ **DENA ENGSTROM,**
associate VP and manager,
employee benefits, Davidson
Companies, Great Falls, Mont.

Our open enrollment communication starts very early (September) with reminding associates to be sure to have their user name and passwords for the enrollment site with the third-party administrator we have used over the last six years. Postcards are sent to all associates' homes to remind them and their families of needed information and that enrollment will begin soon.



ONE-ON-ONE CHATS INCREASE TRUST AND INVOLVEMENT

Getting the word out via webinars, sophisticated open enrollment systems and email is great, but our inboxes are starting to get saturated with too many links and information that "we'll get to later."

How many employees have claimed to have never received that companywide e-mail that you sent? Emails tend to cause employees' eyes to glaze over, particularly when they just want to work on what they know.

■ **HEATHER RITTER,**
human resources manager,
Paddock Publications, Inc.,
Arlington Heights, Ill.

If your company is small enough or you have enough onsite HR reps to do the old-fashioned walk around to talk up open enrollment and changes to your benefit plans for the coming year, nothing compares to it.

The first year I visited all of our locations and visited each cubicle, I saw an increase in our flexible spending accounts of over 20%. This is because employees would bring up questions and situations when I talked to them one on one, and that would open the door to discuss why they weren't using an FSA.

My mouth always drops when I hear about companies that just hand out a packet of information to employees and expect them to translate it on their own. Employees will make wrong decisions, and those decisions can negatively affect the business as well.

If employees understand what is being offered to them, job satisfaction increases. If they have a person to go to with questions, instead of an 800 number, the HR department gains the trust of the employee. We can be more than just the face of layoffs and policy enforcement. An in-person chat that shows that you are concerned with their health and financial well-being illustrates the positive side of HR.

TURN EMPLOYEES ON TO VENDOR WEBSITES

■ **KURT RONSEN,**
director of compensation
and benefits, North America, Sunrise
Medical, Longmont, Colo.

Although health and welfare carriers and 401(k) vendors have developed great websites to access information about plan provisions, coverage levels, wellness benefits and plan assets, a relatively small proportion of employees regularly visit those sites.

With this in mind, we decided to do an educational "Web Day" associated with annual open enrollment. To provide information on the "webs" of our various vendors, we invited their representatives in to do demonstrations and actually get employees up and running on their respective websites. Concurrently, open enrollment information was available for plan participants.

The event itself had a "Spiderman" theme with our announcement posters "catching various Web addresses" in a virtual web. With the Web-related theme, we recycled some Halloween decorations and also gave away Spiderman t-shirts as door prizes to those who attended presentations and tried websites. The cost was really minimal compared to the turnout we had.

USE ENROLLMENT COORDINATORS AS POINT PERSONS

The City of Austin takes a hands-on approach in educating and assisting its more than 11,000 full-time employees with benefits selection during the annual enrollment period and with benefits changes throughout the year. Effective communication is critical, especially since

■ **KAREN HAYWOOD,**
employee benefits division
manager, City of Austin,
Austin, Texas

about half of the workforce lacks computer access.

The human resources department enlists and trains enrollment coordinators at worksites across the organization. These individuals serve as the point of contact for employees in city departments in terms of distributing materials, scheduling presentations and collecting documentation.

Employees are offered three ways to participate: online, telephone and paper. The online option is available 24/7, and the telephone system features English and Spanish. Pay and benefits fliers are distributed in July (proposed) and September (approved). The July flier gives employees time to become familiar with plan design

changes well before the changes go into effect. Coverage information statements are distributed to employees prior to open enrollment, indicating dependents enrolled and benefits selected for the current year, along with rates for the coming year. Confirmation statements are mailed to home addresses as employees participate in enrollment.

Benefits presentations are scheduled by enrollment coordinators at numerous city worksites prior to the enrollment period. To accommodate varying work schedules, multiple presentations may be offered at the same site. These events include a presentation by an HR staff member and by representatives from the various benefits plans. The presentations are recorded and made available on DVD during the entire open enrollment period.

Employees can go online and view only the portion of the presentation about which they have questions. Employees and spouses can view the presentations at home or at the worksite. Department coordinators frequently use the DVD at benefits meetings, in conjunction with providing enrollment assistance to employees. Using video-on-demand, the city was able to reduce the number of benefits presentations from 100 in 2009 to 57 in 2010. In addition, individual benefits segments from the DVD are available year-round on the city's internal website, significantly reducing the number of customer service calls.

OVERCOME HESITANCY WITH PRACTICAL SOLUTIONS

LINDA HARLOW,
QKA, retirement plan
consultant, Burke & Schindler
PLL, Cincinnati, Ohio

Employers will have an impact on employees' behavior if they include practical solutions. Simply offering a traditional plan and HSA/high deductible side by side isn't enough. Go through the math and include creative solutions, such as the one-time IRA distribution to prefund an HSA. For retirement plan eligibility, include the summary plan description, enrollment forms and the IRS Publication on Saver's Tax Credit (IRS Pub. 4703) to entice lower-wage earners to take advantage of IRS incentives with the 401(k) plan. A call to action is

more effective when it's accompanied by solutions for common objections.

PUT INFO AT EMPLOYEES' FINGERTIPS — ON THE WEB AND IN THEIR WALLETS

At the Rainforest Alliance, a nonprofit environmental organization, the first open enrollment communication improvement I made

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was to consolidate the numerous pieces of paper and booklets previously distributed into a comprehensive document highlighting each benefit plan on one or two pages. Using pictures was definitely a way to make it appealing to readers. This document was supplemented by a two-page highlights memo outlining the changes for the new plan year.

Of course, we still have to provide the required summary plan descriptions, but now those are all distributed by email just once a year and housed on an online benefit portal, obtained at no cost through our benefits broker. This portal is accessible 24 hours a day and contains wellness tools, HR information, all forms, links, policy numbers and phone numbers of all our plans. Our benefits portal link is shared on all other organizationwide systems, such as the HRIS database and intranet, which employees access often.

A critical piece of making sure employees are aware of the benefits available to them is to provide wallet cards — not just for medical, dental and FSA debit card coverage. We provide wallet cards for vision, identity theft, emergency assistance, health advocate, employee assistance program and medical benefits while traveling abroad. We even provide a refrigerator magnet with the emergency phone number to call when in doubt if the office is open for business.

Awareness is key to utilization. The connection between the office and one's personal life through their wallet and refrigerator is important.

THINK QUARTERLY, NOT ANNUALLY

NADINE DWAN,
benefits adviser, Beneflex
Insurance Services, Inc., Santa
Barbara, Calif.

The biggest problem with benefit communication during open enrollment is benefit communication during open enrollment. Communication must be continuous, but not desensitizing. Quarterly campaigns are a great best practice. Work with your adviser to create effective email campaigns, do a mid-year webinar to touch base, send information about health care reform and how it will affect your employee, your employee's family and your company.

Let's stop employees from filling the recycling bin with information they haven't even read. We need to change "communication" to "effective communication." Effective

communication requires creativity and customization. Additionally, there should be multiple forms of communication. Work with your benefits adviser/broker to create structure for this communication by using any combination of these and other tactics:

- Create a simple, easy-to-read booklet containing layman's benefit language for all of your employee benefit offerings and contact information for that plan year. This is a one-stop document for 90% of your employees' questions in a format they can understand.

- Do email drips containing information on only one benefit at a time, starting several weeks before open enrollment.

- Schedule a webinar before open enrollment to discuss the overall objective of your company's employee benefit program, the changes employees will see to their plans for the coming year, how and when to make changes and contact information for employees who have additional questions.

- Conduct an open enrollment meeting(s) where all employees have the opportunity ask questions of insurance carriers and your adviser/broker.

TAKE A PARTY PLANNER'S APPROACH

Much like a birthday, open enrollment occurs every year. Perhaps if it were set up as a party, employees would have a much better experience.

PAULA M. FARMER,
organizational development
consultant, Nashville, Tenn.

Parties require planning, a theme and lots of guests. Juxtapose the pre-work for open enrollment to that of a party, and you'll see many similarities. Both involve managing calendars and timelines that will accommodate employees (guests), management (party hosts) and vendors (suppliers). Here are five things that should happen leading up to your open enrollment "party." Sharing this information on the front end will allow enrollees to be better prepared, equipped to ask better questions and hopefully sets the stage for a more positive experience for everyone.

30 days out: Changes and updates relating to the programs' benefits and premiums are shared with employees.

20 days out: Existing benefits and "renewal" changes are reviewed in detail with employees. Changes may include an increase in premium amount or a change in the type of services (remind employees to check to ensure their preferred care provider is in the network).

15 days out: Questions and clarifications are presented to human resources from employees. The vendors (medical, dental, vision, etc.) should be readily available and accessible by human resources to provide accurate feedback to employees.

10 days out: Employees make their final decision and examine the impact to their pay, budget and services from each vendor.

5 days out: Enrollees begin to gather appropriate paperwork for enrollment particularly if the employee

is a new hire (marriage certificate, birth certificates or date of birth for each family member and Social Security number for each family member).

These steps, along with proper planning, should allow an ample amount of time for employees to have a pleasant experience.

LISTEN TO YOUR MANY STAKEHOLDERS

■ **MICHELLE JAMES**, health communication specialist, and **JESSICA MOFFETT**, annual enrollment program manager, Intel Corporation, Rio Rancho, N.M.

Identify your objective and communicate with your stakeholders. Having clear and measurable objectives for the campaign allows you to develop communication strategy and tactics to support and reach those objectives. It is then important to make sure all your key stakeholders from management, business partners and suppliers also understand and are supportive of your objectives.

Know your audience. Knowing the demographics of your employees such as age, gender, marital status, tenure, and the type of work can help you determine what tactics will work best to reach your employees. For example, if you have a high percentage of male employees who are married, your communications tactics should include items that reach and engage the spouse. It is also important to understand how accessible communication channels are to your employees.

Don't assume, ask. One of the most critical components of a successful open enrollment process is understanding what is important to your employee population and getting their insight on how current processes are working. Every year we conduct focus groups with a cross-sampling of employees to ensure we are obtaining feedback on what is important to them across the board. These interactions with employees are incredibly valuable in creating tools, processes and communications that meet their needs while helping you reach the objectives you are trying to obtain as a company.

Be open to change. During OE, we are generally asking employees to be willing to change, but to do so, we must first change ourselves. Always look at what you could be doing differently to improve the process. Consider employee, focus group, project team, and supplier feedback to find ways you can improve and be willing to try new things. Key items to remember:

- It is okay to roll out something new just for one year and not do it again in the future if you didn't get the results you wanted. It doesn't mean it was a failure — you learn more sometimes from the things that don't go so well than from the things that do go well.
- Look at feedback and always commit to making it better next time. You don't always have to do something because that is the way it has always been done. You might be able to do it much better!

USE EMPLOYEE PROFILES

■ **AMANDA BYRD**, area vice president, Consulting, Gallagher Benefit Services, Indianapolis, Ind.

An effective open enrollment benefits communication plan must address these questions: Who are the employees, what types of benefits are most important to them, and how can we communicate benefits information?

Who? The backbone of any benefits plan is a comprehensive workforce analysis that evaluates the plan demographics and utilization data to establish and define employee profiles. These profiles are based on gender, tenure, occupation, career trajectory, etc.

What? The next step is to ensure that the proposed benefits package addresses the needs of each profile group. If adjustments or additions to the current benefits plan are necessary, the open enrollment period is the best time to make these changes. This is also a very good time to establish a three- to five-year strategic plan to facilitate long-term agreement between the benefits plan and the employee profiles. Research shows that employees are most likely to review benefits and make changes when there is a new benefit offering.

How? Based on the employee profiles, we now have all of the information necessary to create specific employee communication plans targeted at each



employee profile. Some profiles will respond to digital delivery (email, intranets, online enrollment, etc.), others will respond to paper materials and enrollment forms, and still others will respond to face-to-face meetings.

The entire process may seem daunting; however, with a detailed plan (including timelines, responsibilities and deliverables), research, and a strong consultant partner, this is achievable.

START EARLY, FINISH STRONG

Annual enrollment is perhaps your best (and in many cases only) opportunity to engage employees in their benefits program, promote its value, explain any changes, communicate costs, describe how to make elections and meet annual compliance requirements, such as communication of your HIPAA policy and employees' special enrollment rights. Pre-enrollment communications planning is critical to a successful enrollment campaign and should be part of your annual strategy for benefits communications.

Get started early

- At least 90 days before you plan to start your open enrollment period, begin your campaign by sending out brief emails, postcards and posters highlighting

■ **TUPPER HILLARD**, vice president and west region leader, National Communications Practice, Sibson Consulting, Phoenix, Ariz.

events, key dates and new benefits information leading up to the start of your open enrollment period.

- 30 days before, provide employees with online presentations that promote the event and educate them about the enrollment process. You should also consider "special edition" newsletters, highlights/change brochures and bulletins that may be printed as well as posted online. These will describe the changes and details of benefits being offered in the new plan year. They will also inform employees about how they can get their questions answered. Post Frequently Asked Questions on your intranet or secure Web site so employees can find the answers to their questions.

- One week before, ensure employees have received (in the mail at home) or have access to (on your intranet or secure website, especially if enrollment will be conducted online) this year's enrollment guide and any important information provided by your plan vendors. Update your FAQs. Send managers/supervisors an email message "teeing up" enrollment and asking them for their support during the process.

Finish strong

- During enrollment, follow up with short and simple reminders to employees on deadlines and the necessary actions they must take in order to enroll.

- After the first week, send another postcard or email, put up a new, bright and bolder poster in the workplace or break areas and a banner on your home page. These will help remind employees that enrollment is ongoing, but will end soon. Direct employees to the best sources to answer questions, address concerns and access enrollment materials.

- During the last week, reach out once again to your managers/supervisors via email and ask them to remind their employees to enroll.

- The more care you take in communicating with employees and managers up front, the greater your success during enrollment. Simple, effective, coordinated and timely campaigns win the day.

CARPE DIEM (BUT NOT MONDAY OR FRIDAY)

■ **DIANE M. HARRIS**, bilingual open enrollment consultant, Greater New York area

Despite best efforts, open enrollment may fall short when the basics are overlooked:

- Communication is an ongoing process, not a discrete event. The best communication programs extend throughout the year, providing "digestible bites" of information.

- OE pre-notification is often inadequate in terms of number and timing of notices. Some companies rely on online communications rather than using a variety of communication vehicles to ensure all employees are notified.

- Location, location, location! The most effective and well-attended events are either held in a central, high-traffic location (in or near cafeteria) or combined

with a wellness fair, offering free flu shots, massages, health screenings, etc. One of best organized (and well-attended) events that I recall was a benefit fair with more than 20+ vendors/providers in attendance. Each employee was given a ticket to be stamped at each table they visited. Upon completion, the employee was eligible to enter the ticket in a raffle (with some very nice prizes to be won!)

- Likewise, timing is everything. Early Monday morning or Friday afternoon events will not produce maximum attendance.

Employees appreciate events – and employers – who support them in their effort to educate themselves about their benefits. “Carpe diem”!

COMBINE OE MEETINGS WITH OTHER BENEFIT SESSIONS

For many employers, open enrollment is an afterthought. If employers are more proactive and develop a real campaign around it, they’ll most likely receive better participation. Planning out open enrollment meetings and developing messages a year ahead of time will help. Also, couple the open enrollment meetings with other benefit meetings. Research has shown that doing this not only will save time, but it will also increase the level of participation among employees.

HARLEY SPRING,
vice president, retirement services, Standard Insurance Company

ONE IS THE LOVELIEST NUMBER

SARAH A. RAINWATER,
employee benefits specialist, The Benefits Solution Group, Baton Rouge, La

Organization goes hand-in-hand with getting communications out in a timely manner.

Keeping an e-folder with all of your communications for the upcoming open enrollment period will help save you time. Creating one special “Open Enrollment Guide” will be of great use to your employees, especially if there are changes being made to your employee benefits offerings. While simply providing a hodgepodge of handouts is okay, creating a complete guide for employees to reference throughout the year has gained popularity with our clients both large and small. Additionally, sending multiple emails with various handouts is not acceptable. Sending one email with all pertinent information is fine, but sending an email each day for a week is not — even if it does contain new open enrollment information. It is confusing and could delay employee action.

REDUCE QUESTIONS WITH PRE-ENROLLMENT WORKSHEETS

Carlisle Transportation Products, a division of Carlisle Companies, Inc. greatly enhanced its

LEE DIAMOND,
president, Employee Benefits Communications

open enrollment for 2011. Because of the employee mix at Carlisle Transportation, paper enrollment is still being used. There was a vast improvement, however, in the communications/enrollment materials used this past year compared to the previous year, and the change was well-received by Carlisle employees.

Two years ago, the benefits guide included black-and-white individual pages describing each plan. Multiple application and enrollment forms had to be filled in and completed by the employee. This past year, a four-color, easy-to-follow benefits guide was prepared and mailed to the employee’s homes. These enrollment guides were complete with benefit descriptions and required legal notices. A personalized pre-enrollment worksheet was included with the guide. These personalized pre-enrollment worksheets were broken down into sections. Each section included not only the options and payroll deduction levels available to the employee for the open enrollment, but the previous election on file as well. Having this information easily available greatly reduced the number of calls to the HR staff asking what levels of coverage the employee had previously elected. Mailing the packages to the employee’s home made the process much friendlier, and there was an added benefit: The employee and spouse could sit down together with all of the information needed and make joint decisions on elections.



CAPTURE ATTENTION WITH CDS

RAYMOND J. DIGIORGIO,
president, Selective Benefits, Wilton, Conn.

Our brokerage firm uses a benefits CD for large groups, mailed to the

home of each employee annually, to educate the employee and their spouse about the value of their benefits program. People pay into their benefits each week, many not really understanding fully what is covered or not. In our opinion, the CD is better received than an HR benefits intranet, a paper summary or an open enrollment meeting because families of employees are directly included in the change process. Using this form of communication, in combination with others reduces employee disruption and or at least eliminates the number of calls the benefits administrator will receive from confused spouses of employees.

EXPERIMENT WITH SOCIAL MEDIA

The media that the majority of employees now trust and use the most are social networks and social websites. That’s where they read the news that interests them, where they communicate directly with friends and colleagues, where they ask questions and where they look for answers. So it makes sense to capitalize on these media to communi-

FRANK MAYER,
managing partner, Cornerstone Group, Troy, Michigan

cate information during open enrollment periods.

Sites like Facebook, Twitter and YouTube are where your employees are likely to find your information first (often via their mobile phones), view it, absorb it and discuss it. On most sites, you can adjust settings to help ensure that only your employees view the messages, although you might consider such sites as offering a competitive recruitment advantage and allowing anyone to view your benefits-related messages.

Here are seven ideas for gaining more attention, discussion and participation in open enrollment by using social media:

1. Set up a Twitter site where you can post short messages that communicate new or changed benefits, enrollment information and updates throughout the open enrollment period.
2. Set up a Facebook page specifically for your company’s benefits information and “friend” your employees, encouraging them to ask questions of each other on the site and to discuss benefit options. Such a page can continue to communicate throughout the year.
3. On your company’s social network pages, post links to the online open enrollment site and videos to encourage employees to start the enrollment process with a single click from their favorite social site.
4. Your HR manager and benefits representative can post answers on Twitter and Facebook throughout the campaign to respond to specific questions posed in employee tweets and posts.
5. Set up special discussions with employees on Twitter or Facebook where employees can post questions on a particular benefit topic and receive immediate responses from HR. Note that you can send private messages to a specific employee, if appropriate, through Facebook or Twitter.
6. Set up an account on YouTube where HR can create a video to explain the enrollment process and where employees can post their own videos talking about the enrollment experience and how the company’s benefits have helped them personally. (With “flip” cameras, videos now are easy and inexpensive to create.)
7. Establish a blog on your intranet where the HR manager can regularly post information during open enrollment. Provide an RSS feed to employees so that the latest blog post is delivered automatically to their Outlook mail or their browser.

EMPLOY THE THREE T’S OF ELECTRONIC MESSAGING

SUZANNE NOLAN,
partner and director, Marketing & Communications, Mercer’s Outsourcing Business

At Mercer, we have developed and deployed an electronic employee engagement strategy on behalf of our clients that has led to an improved employee experience and enhanced business results:

1. Targeted. Targeted emails — whether they hold the message itself or link to an interactive flipbook brochure or self-guided electronic presentation — are a proven way

to target messages at specific employee populations. We have seen effectiveness rates rise to 80% when clients personalize the messages they send to employees.

2. Topical. During open enrollment, we throw a lot of health benefit materials at our employees over a short period of time. Electronic delivery is a cost-effective way to pull key messages out of a 42-page open enrollment brochure and get employees to focus on one important benefit or key piece of information at time, such as what a CDHP is and how it can actually save them money or the financial and health benefits of utilizing the wellness programs offered to them through their employer.

3. Tracked. Electronic communications allow us to track and measure employee behavior and campaign effectiveness. We know who opens the emails and who clicks on the links to access other electronic materials or the enrollment website. Doing so allows us to both send any necessary follow-up notifications and also refine our messaging for future open enrollment periods.

A well thought out, properly deployed electronic communication strategy can empower your employees to feel confident, capable and in control of their overall well-being.

TAKE IT UP A NOTCH — SIX BEST PRACTICES

LUKE VANDERMILLEN,
vice president, retirement and
investor services, Principal
Financial Group

During good times, communication and education are key to helping employees make the

most of their benefits. During bad times, these tactics are critical to helping employees weather the storm.

The Principal's "10 Best Companies - 2010" understand that connection. Throughout the recession and recovery, these organizations relied on straightforward communication and ongoing education to reassure employees, boost participation and help ensure employee appreciation. Here are their best practices:

1. Reach out to the benefits decision-makers. Franklin International realized many of their employees (80 percent of whom are male) weren't the main benefits decision-makers in their families. "That's why our mandatory meetings with employees weren't helping," says Doug Reys, the company's manager of compensation and benefits. "Now we start with written communication, and the benefit meetings are optional." The company is also considering YouTube videos to help reach spouses.

2. Boost communication and education during trying times. Over the past two years, Red River Credit Union "continually kept the emails and the communications flowing to show employees comparisons of markets in the past. Our investment adviser came down during the downturn to talk to employees in our group meeting and also one-on-one," says Rhodes.

3. Send out pre-meeting materials. Before enrollment meetings, The Bolles School sends out a series of communications to ensure employees are aware of—and prepared for—meetings. The organization sends out

"save the date" emails, followed by a detailed benefits packet so they can review information in advance.

4. Make an extra effort to communicate cost increases. When Davidson Technologies increased its health care copays and deductibles, company brought in a benefit provider to educate employees at their headquarters. They also went to other offices to explain the change. For employees who couldn't make it into the office, the company held a meeting via teleconference. "We wanted to make sure we didn't catch anyone by surprise," says Pamela Peterson, director, human resources, Davidson Technologies, Inc.

5. Tailor communications by life stage. The educational needs of employees and their families change over time. That's why Franklin International offers certain educational programs for specific life stages. For instance, the organization offers a program on advanced defensive driving skills for teen drivers. They also send tailored communications about Social Security and Medicare to employees approaching retirement age.

6. Make communication a never-ending endeavor. "Continuous communication is paramount," says Reys. "It's a mindset that addresses the questions on an ongoing basis."



TOUCH EACH EMPLOYEE TWICE

To ensure that your communications reach your intended audience, use of as many types of media in as possible. And, whatever mix of media you decide to use, make sure the messages you create touch every employee at least twice in the course of the campaign. Integrating print and email or a mix of electronic media into a campaign is a great way to achieve the necessary frequency without creating a negative perception.

JODY DIETEL,
chief compliance officer,
WageWorks, Inc.

COLLEEN GRADY,
consultant, Employee Benefits,
Longfellow Benefits,
Boston, Mass.

PLAN, TEST TO AVOID PROBLEMS

Use a project plan to keep track of each task

involved in open enrollment. Include details such as employee communication materials, intranet sites, and systems that need to be updated and the compliance notices you are required to post or send. Also include information that needs to be sent to payroll, such as rate changes and imputed income for life insurance and domestic partners. Each file and spreadsheet and the date it should be sent to a carrier, such as your medical, FSA, or COBRA vendor, should also be included.

If you send a survey asking for feedback on new benefits, be careful to phrase your questions as to not suggest changes or plans you would never offer. Also,

in order to best assess the value of voluntary benefits, phrase your questions so that employees know they may have to pay for them. A comment section may show what employees do and don't understand about current offerings.

When developing new tools or calculators, test them on a few non-benefit staff members to make sure that an employee who was not involved in the process from the start can understand them.

Throughout OE, track of what worked well and what did not. Make a note of any common questions you received during open enrollment and/or communication materials that some employees may have found confusing and try to improve upon it the following year.

RUN IT BY, SHAKE IT UP

Keep the communication short and sweet, but remember that there is a fine line

CHRIS ZABER,
benefits consultant,
HR Total Rewards, Avid

between keeping each communication short enough to keep the employee's attention and providing the pertinent information.

Develop the communications and pass them by a volunteer that is not so involved with the benefits area to make sure it makes sense to them.

Shake things up. Don't use the same communications you used last year. You want to grab your employees' attention, and if they see the same old framework, they may not pay attention to the details that have changed on the inside.

MAKE AIDA YOUR FRIEND

AMANDA JARVIS,
manager, Client Engagement,
Bright Horizons

AIDA is a simple acronym for the four stages of effective communication: *Attention*, *Interest*, *Desire*, and *Action*.

Capture *Attention* with a message that demonstrates that you understand what the employee wants and needs.

Turn the initial attention into *Interest* by helping employees understand how the benefit will help them. Use clear language that is straight to the point.

Create the *Desire* to utilize the benefit by focusing not only on the benefit features, but also on real-people examples of what it will do.

Action takes place when the employee decides this benefit will fulfill their desire and meet a need or help solve a problem resulting in enrollment in the program.

SELL YOUR PRODUCTS

Think of open enrollment as a "sale" where you're offering your "products" (benefits) to your "cus-

ALISON DAVIS AND JANE SHANNON,
authors of *The Definitive Guide to HR Communication: Engaging Employees in Benefits, Pay, and Performance* (FT Press, 2011)

tomers” (employees), and you want to ensure your customers use your products effectively so that you achieve high customer satisfaction at the end of the sale.

1. Start with specific goals. Look at your employee demographics as well as enrollment results from the past year. Are there opportunities to improve enrollment in a particular benefit? If so, focus on that now with an “advertising campaign” using lots of media and messages.

2. Talk with your employees. Don’t just sit down at a table in the cafeteria or break room and ask what worked and what didn’t in last year’s open enrollment. To do this right, you really should invest in focus groups or a survey or both. And, go to different locations, if applicable.

3. Keep it simple—and make it visual whenever you can. In open enrollment communications, you want to talk to your employees in conversational language and paint a picture whenever it will help them understand what you’re saying.

4. Use all media, and use each for what it does best. Email works great as a reminder, but it is not the place for details. Print is perfect for presenting details, but it can be expensive when used to communicate everything. If you want real-time answers to questions, then face-to-face meetings are your best bet.

LIFE EVENTS, VALUE EQUATIONS DRIVE MESSAGES HOME

■ **DOROTHY MIRAGLIA,**
principal, Strategic Benefit
Solutions, AlphaStaff, Inc.

To make the communications meaningful, consider the workforce and how the information should be presented to have the greatest impact.

Strategies for communication include highlighting the plan from key benefit features or even a life event management perspective. Communicating the plan’s features would focus on the individual plan details such as deductibles, coinsurance or copayments. Explaining benefits through a life event perspective would help employees understand the choices they would have to make in the event of a marriage, divorce, children, and relocation, i.e., do I need to add or drop coverage or what network providers are available.

Inform plan participants about the value of the benefits and services being provided to them, focusing on how they improve their quality of life at either no cost or a reduced cost. Keep the communication focus narrow and simple to ensure a high level of understanding.

INCLUDE KEY HEALTH REFORM MESSAGES

Employees continue to seek clear direction and information from their employer about health-care reform and how it will affect their employer-sponsored benefits. As you continue modifying your benefits to comply with reform, be sure to reiterate how provisions affect benefits. If necessary, remind employees about the changes that became effective in

■ **CARRIE ALEXANDER,**
senior consultant, Findley
Davies, Inc., Toledo, Ohio

2011, such as:

- Whom they can cover – including children to age 26;
- Requirements for preventive benefits;
- The elimination of annual or lifetime limits; and
- Changes to what is reimbursable through an HSA, HRA or FSA.

Advise employees of upcoming proposed changes, such as:

- Reporting of aggregate cost of employer’s health coverage on W-2 for 2011 tax year (Note: This does not mean you will be taxed on the value of your health care benefits. The amount is simply reported to the federal government.)
- Medicare Part D discounts continue and coverage gap begins to shrink until it closes in 2020.
- Uniform Summary of Benefits may be required beginning 2012.

EIGHT TIPS FOR DECODING HEALTH REFORM

■ **LYDIA JILEK,**
director of market
development, UNUM

Understanding the Patient Protection and Affordable Care Act can be daunting even for

the most experienced brokers and benefits managers. So imagine what it’s like for employees. Here are eight things employers should consider communicating to their workers:

1. Major mandates. Health care reform includes many mandates, including permitting children to remain on their parents’ plans until age 26, covering 100 percent of costs for preventive care and banning the denial of health insurance for preexisting conditions (beginning immediately for children and in 2014 for adults).

2. Know the limit. Starting in 2013, flexible spending accounts will have a \$2,500 cap. There is currently no federal limit, but most employers cap their plans around \$5,000.

3. Budget beware. The reform will likely increase the number of high-deductible health plans that feature lower premiums. For many employees, high-deductible plans will be less expensive than a typical co-pay plan with higher per-payroll contributions. However, some high-deductible health plans such as health savings accounts require that prescription drugs cannot be paid through co-pays until the entire deductible is met. That means employees need to budget appropriately.

4. More in-network, more in pocket. Deductibles for out-of-network services are typically much higher, so the value of receiving care from in-network providers will be more important than ever.

5. Talk today about tomorrow. Tell employees about your company’s benefits philosophy and plans for the future. They want to know from which source they’ll receive coverage in five years, whether it’s through your company or if they’ll have to choose coverage on the exchange.

6. Shape up to save. Participating in wellness programs such as smoking cessation or weight-loss programs can help control the cost of health care for employees, which

is a goal of the reform.

7. More coverage? No problem. Employees can fill in coverage gaps left by plans available on the exchanges with supplemental insurance at a typically low cost. Supplemental insurance can meet the diverse needs of most employees — older, younger, single parents, have little savings. This type of insurance gives them the flexibility to pick the best products for certain phases in their lives.

8. Communication is key. Benefits counselors provide an objective sounding board for talking about coverage options.

IT’S ALL ABOUT WIIFME

While recently conducting **JILL SHERER MURRAY,**
communications director, Trion

employee focus groups, several participants told us they want their employers to “stop talking about how much health care costs affect the company and focus more on how they affect me.” It is, in fact, the “WIIFME” — or “what’s in it for me” — that will capture employees’ attention. Because while the context for change is important, it’s critical to focus on how employees are impacted and what they should do in response.

Use analogies employees understand. Because employees are often confused by how plans work, many choose the most expensive plan offered without considering their needs and budget — simply because they believe it offers the best benefits. That’s when we reach for the right analogy: In this case, we might explain that although a Mercedes Roadster is more luxurious than a Dodge Caravan, it’s not necessarily the best selection for somebody with young children.

Embrace social media when it makes sense strategically. Starting a Twitter page to engage employees around enrollment or an executive blog to show sponsorship, for example, can be very effective. Both allow you to meet employees where they are and provide a forum for exchanging ideas (while you listen and learn!).

Ask how it went. When clients suggest one communications tactic works better than another, I’ll ask, “How do you know?” Because until we measure and have real feedback, everything we do is guesswork. I recommend conducting a short poll at the end of enrollment. Focus groups are even better, since they allow us to mine deeper insights. In either case, we can take what we learn to the bank for next year, when we have to do it all over.

DON’T MUDDY YOUR MESSAGE

■ **FOY CURLEY, JR.,**
senior associate,
Communications, Employee
Benefits Solutions,
Houston, Texas

Many employers tend not to communicate often enough throughout the year, then wind up bombarding employees with too much information during large campaigns, specifically around annual enrollment.

The best way to get your employees on the same page as the HR team is to communicate often using several

methods. For example, instead of waiting until annual enrollment to try to boost enrollment in the retirement plan or utilizing valuable space in your benefits summary on a description of cost-saving generic drugs, send out educational flyers on those topics earlier in the year.

Employees usually respond well to any additional information or resources you can provide on various websites and online tools. This practice will not only lessen the informational burden on your employees during larger campaigns, but it will remind them that the HR team is around all year, and is there to help them become informed consumers of health care and other company-sponsored benefits.

CUSTOMIZE, AND DON'T FORGET CONTACT INFORMATION

Along with your packet of vendor materials, include a letter or brochure that is customized to your organization and conveys your branding, your organization's overall and benefit goals, objectives and/or philosophy, and an overview of the materials in the packet. This customized letter or brochure ties all the materials in the packet together and to your organization, which provides readers a better understanding of what the materials mean to them.

Don't forget about the envelope that houses your materials. By imprinting a phrase such as *"Benefit enrollment materials enclosed — you must enroll by [date]"* or *"Important information about your benefits enclosed"* on the outside of your envelope, you alert employees and retirees that they need to take action on the enclosed materials in a timely manner.

Remember that no matter how clear your communication materials, some readers will have questions. Be sure that every piece of communication includes a contact name, telephone number and email address that readers can use to get answers to their questions.

SEND SELECTIVELY, POST PLENTIFULLY

Here are several ways to improve communications around open enrollment:

- Deliver stand-out material. If you create pieces that are functional and exciting, employees will be enticed to check them out. If a mailer, differentiate it by size or color. Incorporate boxes, photos and starburst to call attention to important information. Add an interactive element, such as a perforated checklist of steps and deadlines that can be posted separately. Incentivize with a prize for enrolling on time.

- K.I.S.S. Remember this childhood acronym, Keep It Short and Simple? Limit your communications to include only the critical, action-oriented information (e.g., dates, enrollment steps). The average person's attention span

is only two minutes, so engage quickly and redirect to other resources via hyperlinks or data sheets. If a communication is overloaded with too much content, the employee may become confused and as a result, miss critical details.

- Do provide additional information. You want to be effective, yet not neglectful in providing details for those who are interested in taking a deeper dive. One option is to create a microsite as a repository of direct links to enrollment sites as well as additional background resources.

- Create a specific benefits brand. Consistency in how all your communications look provides a valuable recognition tool, as employees will be able to quickly associate your efforts with benefits-specific information. They're more likely to engage with the communication knowing it is important information they need. Enabling an employee to spot benefits information regardless of how it's communicated will strengthen your strategy year-round, expanding beyond just the open enrollment period.

- Implement metrics wherever possible. If you can measure the effectiveness of your campaign, you'll be better positioned to adjust your strategy accordingly the following year. Tally microsite visits, video viewers, text messaging opt-ins and percentage of undeliverable mail. Track enrollment percentage. Feedback can also be qualitative; create a focus group to solicit responses about how engaging was the messaging and how clear were the steps required in the process.

TECHNOLOGY ALLOWS FOR HIGH TOUCH

As we become more connected via email and social networks, HR risks becoming personally disconnected from the workforce. Direct contact with the employee is invaluable. Create opportunities to get employees together for activities that introduce the open enrollment process and connect them with each other and with the company. Consider open enrollment as a new opportunity to educate, reassure, and reconnect.

Use tools that will help you and your employees streamline the process. Technology is becoming indispensable to decrease costs, save time, and increase accuracy. The right benefits management technology can greatly simplify the process of reviewing and organizing benefit options, keep better track of tasks and even enable you to develop alerts to make sure nothing falls through the cracks. It can also help in communicating with employees on a more targeted basis. Finally, it can provide greater insight into employee demographics (age, family size, elections, etc.) and help HR audit benefits plans.

WATCH OUT FOR THESE COSTLY MISTAKES

Whether you're using an outsourced communications group, internal communications staff or someone from your

human resources team, your company is spending money on HR communications, so don't make these common, costly mistakes.

Mistake #1: Failure to plan

Every communication, an eight-page newsletter to a 140-character tweet, has an objective: an outcome you wish to achieve. Before ever putting pen to paper...ahem...finger to Smartphone, write up your plan for your communications. A typical plan includes your objective, target audience, ways to reach your audience, key messages and timing. Once it's written, get buy-in from all stakeholders. Proper planning will help you stay on track and budget.

Tip — Only second to improper planning is the failure to stick to the plan. If someone asks for a message to be added, check it against your plan. If it doesn't fit the objective, leave it out. Plan a separate communication for that messaging.

Mistake #2: Too many cooks in the kitchen

Everyone has an opinion...and rarely the same one. If you've created your communications plan and received buy-in, there's no reason one or two people couldn't execute the plan. If it's your company's culture to design by committee, be sure to assign one person to be the point of contact, mediator and tie breaker. But keep in mind, the designated person must have, or be granted, the authority to fill all those roles. Excessive changes, especially late in the game, can be time consuming and very costly.

Tip — Anymore we all have the attention span of a child. You have about three seconds to grab your audience and not much longer to keep them. Minimize the number of messages you put into one communication. Be concise, and then tell them more than once.

Mistake #3: Forgetting corporate communications

We've seen it too many times. A brochure is about ready to print, or worse, already printed, and then corporate communications sees it. Next thing we know we're reprinting. If you have a corporate communications staff, involve them early and have them review the final materials for sign-off. Even if you are abiding by the corporate style guide and graphics standards, you may not be working from an up-to-date version.

Tip — If you're writing the materials yourself, take off your HR "benefit geek" hat. Communicate to the employee level in everyday language. A way to test this is to ask a non-benefits person to review your communications. If the average person doesn't understand what you're saying, rework it.

SAVE GREEN BY GOING GREEN

By posting benefit-related material in a central location online, you not only save your company money, but make accessing

LIZ MAILLARD,
senior project manager,
HighRoads

ART BROOKS,
vice president of sales,
BeneTrac

KERRY LANGSTAFF,
executive director, Marketing,
TriNet

JENNIFER WITMAN,
vice president of client
services, Write On Target, Inc.

JOHN NOPPENBERGER,
director of product
configuration, Benelogic

information easier for employees. Also, providing your employee population with the ability to compare plan designs and quickly identify what benefit(s) work best for them means fewer questions for you to answer and more educated employees.

HSA'S REQUIRE SPECIAL ATTENTION

KEVIN ROBERTSON,
vice president — national sales
director, UMB Healthcare
Services

Many employers have turned to consumer-directed health care, specifically adopting a health savings account (HSA) strategy. One of the primary challenges for these employers is educating employees about all the benefits of an HSA. Most focus their efforts on enrollment procedures and the mechanics of depositing and spending funds from the account. But to truly realize the benefits of this strategy, employers need to focus more energy on educating employees and their families on the long-term benefits of HSAs.

Moving past the “use it or lose it”

HSAs have a distinct advantage over flexible spending accounts (FSAs)—they allow for year-over-year rollover for funds deposited. During open enrollment, HSA education tends to be lumped in with FSAs and other benefits so employees often miss that critical difference. What makes an HSA such a powerful savings tool is that employees can use the funds to pay for health care expenses now and in the future by letting the account grow over time. Open enrollment and ongoing communication efforts should include more detailed HSA education, along with examples of how the account can be used to save for future expenses.

Taking a long-term view

In addition to the tax advantages realized on contributions, since deposits grow tax-deferred and distributions are potentially tax-free, the long-term investment opportunity with an HSA is tremendous — likely better than any other tax-advantaged financial instrument. Today, many HSAs offer investment options, ranging from money market accounts to mutual funds to individual equities. While many factors will determine the actual returns these investments make, the bottom line is that regardless the level of risk, investment options are currently underutilized.

Next steps

Open enrollment season is an ideal opportunity to take HSA education to the next level, but it must be simple and personalized. A great first step to helping employees better understand the power of their HSA dollars is showing sample scenarios that are tailored to the employee population. “People like me” scenarios have been very successful in helping employees choose the right medical plan based on their needs and budget. This same approach can help employees understand how an HSA can serve them now and in the future with funds covering

health care expenses in retirement.

Investing in year-round communication is a critical step to helping employees maximize their HSA benefit since messages need to be repeated and reinforced across multiple channels before they sink in. Start with a strategy — identify objectives, audience needs, key messages, available channels and success measures.

Take advantage of the strategies, online tools and educational opportunities provided by the HSA administrator, customizing them for employees’ needs.

HSAs should not be treated as pseudo checking accounts for medical expenses. Rather, as unique and powerful savings tools that can provide current tax deductibility, tax deferred growth and (potentially) tax-free distributions — something not found in any other financial vehicle. Now is the time to let employees know how to get the most from their HSAs.

STARTING A CDHP? BE PROACTIVE WITH RX BENEFIT INFO

Pharmacist: “Sara, that will be \$320.” Sara (employee-consumer): “What! In December I paid \$25 for my prescription. Why is the price so high now? Can I take a generic?”

STEVE BLUMENFIELD,
chief marketing officer,
Prime Therapeutics

Members new to consumer-directed health plans (CDHPs) often get their first real taste of the benefit at the pharmacy counter when they pick up a brand name prescription. Sara made the right choice by staying on her medication and asking for a generic. How can you ensure others do the same?

Engaging members with timely and consistent communications and tools can go a long way to ensure that benefit changes are understood, planned for, and actually encourage smart health choices. If you are one of the 61% of employers who have added, or are considering adding a CDHP offering, your 2012 communication planning needs to begin now.

At Prime Therapeutics, we want to help our employer clients keep members healthy and adherent to critical medications. To engage people like Sara, we recommend early and frequent communications, planning tools, and importantly, that each of these approaches help members prepare for their most frequently used benefit — pharmacy.

Engagement planning should start when you choose to offer a CDH and continue through open enrollment and into the start of the new benefit year. A variety of media and messages are important, because people process and receive information in different ways. Examples include face-to-face messaging in educational sessions and supervisor-to-employee meetings, and “mass” communication through posters, table tent cards, postcards, email blasts, and through messages woven into open enrollment documents. And don’t forget to send some

of those messages home! Often, an employee’s spouse will have the first experience with the CDH plan before the member does.

Clearly spell out the different plan options and provide easy-to-understand examples of out-of-pocket costs for each option, as well as how health accounts (HSAs, FSAs) can be used to offset costs. Interactive modeling tools are great resources. Make sure they have the depth necessary to help employees research the costs of drugs and the effect of coverage changes on out of pocket costs. When paired with proactive communication, these tools help employees get comfortable well before they arrive at the pharmacy counter.

BEWARE OF THE COBRA DISAPPEARING ACT

ROBERT MEYERS,
founder and president,
COBRAGuard

Want to see a surprising disappearing act? Check your plan rosters after open enrollment.

People don’t usually vanish, but a few are usually “lost” during open enrollment transitions. Usually these people are active or pending COBRA participants who get lost in the shuffle as employers busily chase active employees and new hires to provide annual enrollment information. Here are a few tips to help you avoid this embarrassing and potentially costly mistake:

Meticulously account for everyone. Make a list of your COBRA active participants, your COBRA pending participants and your active employee census. Then apply this simple, easy-to-remember enrollment participation formula for each of your plans:

Potential Enrollment = Submitted Census + COBRA Actives + COBRA Pending + Waivers (dependents of employees covered elsewhere)

Send the appropriate notifications. COBRA active and pending participants must be notified of plan changes. They have a right to know about plan changes and the group has an obligation to tell them.

Check and double-check. Once you get beyond the enrollment period, make sure to crosscheck participation against carrier bills. Get a copy of the group bill along with the group census. Make sure to take a good inventory of the bill, before and after open enrollment. For even better results, go back a few months to capture all of the COBRA pending participants and ensure they are on the current bill or have been removed.

Correct mistakes quickly. You only have a short window of opportunity to recover money since most carrier look-back periods are only 30 to 60 days. If someone should be on the bill and was left off by mistake, be prepared to back-pay premiums when you reinstate.

Don’t believe the rumors that COBRA is no longer required. The health reform law did not eliminate or change the COBRA rules. As long as there is employer-based coverage, the need for continuation coverage and COBRA will likely continue. Health insurance exchanges will be an option, but individual coverage, even through insurance exchanges, is likely to be more expensive and may not be as comprehensive as employer-provided group coverage. Therefore, for unemployed individuals, the



link to coverage through COBRA continuation may be the more desirable option. Furthermore, in the future, employers will need to make sure their COBRA plans comply with Affordable Care Act requirements such as the minimal essential coverage provision and be able to explain the coverage options appropriately so that an informed decision is made.

NOTICE THE NOTICES

Open enrollment often focuses on answering two basic questions: What's changing, and how much will it cost? Unfortunately, a third question is sometimes overlooked: What notices are required? The following list describes documents that should be in the open enrollment packet.

JULIE HANSHAW,
assistant to the president,
Infinisource, Inc.

1. Medicare Part D Notification

Employers offering a prescription drug benefit must notify all Medicare participants whether that coverage constitutes "creditable" or "non-creditable." To avoid overlooking anyone, employers should send this notice to all participants receiving a prescription benefit. The annual deadline has typically been before November 15, based on the Medicare Part D annual enrollment period that began on Nov. 15. Please note that §3204 of the health care reform law known as the Patient Protection and Affordable Care Act changed this period to start on Oct. 15.

2. Women's Health and Cancer Rights Act (WH-CRA)

This notice must go to all participants describing required mastectomy-related benefits. Timing is at enrollment, but annually thereafter.

3. Summary Plan Description/Summary of Material Modifications

The open enrollment period is an opportune time to provide summary plan descriptions due to changes in design, eligibility or recent laws. An example of a recent law change is the ACA now considers over-the-counter medicines as ineligible reimbursements under Health FSA and HRA plans. All ERISA plans -- including major medical, dental and vision plans -- are subject to the SPD requirement. Any material modifications must be communicated through a Summary of Material Modifications.

4. Patient Protection Disclosure Notice

Employers must notify participants of their right to designate any primary care provider who participates in the network. This designation right also extends to pediatric and OB-GYN doctors. This notice must be given when SPDs or SMMs are distributed.

5. Grandfathered Plan Notice

Employers must send a Grandfathered Health Plan Status Disclosure to all participants if they are maintaining the plan's grandfathered status. A grandfathered plan is one that was in effect on March 23, 2010, and has not undergone any of the major plan design changes that would cause it to lose such status. Grandfathered

plans avoid many of the PPACA changes.

6. COBRA Open Enrollment Notification:

Do not forget about COBRA qualified beneficiaries, who have the same rights as similarly situated active employees. Include these groups on the open enrollment distribution list:

- Possible electees (not yet elected)
- Electees (elected but not yet paid)
- Continuees (elected and paid)

Communicating rate changes is especially important because COBRA rates must be fixed and computed prior to the start of the 12-month determination period and can change only in limited situations.

7. Explanation of Coverage Document

The ACA requires a new annual notice. Employers may want to provide it at open enrollment time, even though the effective date is March 23, 2012. Details on the Explanation of Coverage will be provided throughout 2011 in the form of regulations and other guidance.

In summary, don't reduce the open enrollment stack too much. Some important notifications are in there.

TARGETED WEBINARS BOOSTED FSA ENROLLMENT

LINDA S. PETRECCA,
vice president, Human
Resources, YMCA of the
Brandywine Valley,
West Chester, Pa.

We historically have had low enrollment in our FSA plan, now in its 4th year. We typically have offered the information about it along with all the information of the health plan changes at our annual open enrollment meetings. My fear for the 2011 open enrollment was that, with OTC drugs no longer being covered, we would lose more participants than we would gain.

So, I suggested to our benefits consultants that we separate out the information sessions on the FSA in order to prevent it from getting lost in the anxiety of open. We decided to schedule a week of webinars approximately three weeks prior to our official open enrollment period which had the sole purpose of providing information on the FSA plans that we offer and what the advantages are for employees who participate.

We ran the webinars at various times during the day -- morning, afternoon and evening -- so employees could participate when it was convenient for them, whether from home or their workplace. The webinars were interactive, so employees could ask questions regarding anything they did not understand or with regards to their own personal situation. Employees who were unable to attend could still have a copy of the PowerPoint presentation emailed to them or view it on our organization's intranet. They were also directed to our FSA administrator's website for additional information regarding what was eligible for reimbursement and to use an on-line calculator to figure what their anticipated eligible expense would be.

I am happy to say that the feedback from the employees was very positive and participation in the FSA plans

increased by approximately 15%. We have decided to make the webinars an annual part of the OE process.

DON'T LIMIT FSA PROMOTION TO OE

FSA participation can also be increased by utilizing a well-planned campaign throughout the year. While employees can only sign up to take advantage of an FSA during the annual open enrollment period, communications to promote participation should begin well in advance of the enrollment period itself, and increase in frequency as the enrollment deadline approaches. For example, a monthly FSA message could begin six months out for three cycles, followed by a bi-weekly frequency for two months, and finally a weekly message in the final month. For example:

MELISSA MUDD,
marketing specialist,
SHPS HR Solutions

- Include FSA reminders in all "qualified status change" communications;
- Send re-enrollment reminders to current participants;
- Empower your HR managers by ensuring they are equipped with FSA information;
- Incorporate FSAs into benefit fairs by asking medical, dental, and vision reps to offer FSA reminders when discussing out-of-pocket expenses; and
- Mention FSAs when out-of-pocket costs are communicated (i.e., callouts in benefits guide) using lifestyle scenarios that employees can identify with.

WHEN IT'S BAD NEWS, MANAGE EXPECTATIONS

How do you introduce major benefit changes without disrupting the organization and ruining employee morale? With the following seven tips, you can help employees accept the situation and understand why the changes are needed.

Be honest. In this economy, employees understand when costs become more than a company can absorb, resulting in plan changes and/or increased premiums.

Call on leaders to lead. Leaders must be visible and "on message" regarding benefit changes. This requires periodic briefings about the changes and key talking points for leaders so the messages are consistent. Employee opinion leaders can also help your organization through major benefit changes. Once they understand and buy into the changes, they can provide valuable support.

Link your actions to the business. It isn't enough to just say benefits are changing. Remind employees how these actions make the company -- and their jobs -- stronger.

Understand context. Know what other company messages your employees have heard lately. Your message must fit logically into the context of these.

Sequence your message carefully. How you sequence your message makes a big difference in how employees

react. Lead with good news first, then present changes that may not be considered positive. Then, follow up with another piece of good news. This approach, referred to as sandwiching bad news, tempers employee reaction.

Remain positive. Present your changes in a positive manner. The new program may be different than before, but it's still a good program. Then, spend the rest of your energy reinforcing why the new program is good.

Provide the necessary tools. Make sure people have the information and tools they need to understand the change and make smart decisions. Employee frustration can result in poor morale, which undermines your efforts.

No one likes to present bad news. However, with careful planning and honest messaging, you can help employees understand the situation, accept the changes and create an atmosphere for a more open dialogue about the company's investment in employee benefits.

FRAMING BAD NEWS IS LIKE SELLING COOKIES

Upon answering the doorbell, you see a school-aged boy with boxes of cookies he is obviously selling. Which approach is more likely to result in you shelling out your hard-earned cash?

PATTY LUSK,
client services manager,
and Ann Marie Rowley,
senior account manager,
McGraw-Hill, Troy, Mich.

"Want to buy some cookies? They're just \$3 a box."

"I'm selling cookies to earn money so our baseball team can travel to the playoffs in August. Would you like to buy some? They're a real deal at \$3 a box."

The second approach is more persuasive because in three short sentences, the child told you a story – he talked about the goal he was trying to meet, and he appealed for your assistance in helping him achieve that.

Now let's apply these different approaches to communicating benefits information that employees may consider to be "bad news." The first approach below is brief and relates the facts. The second tells the challenges faced by the company and why meeting that challenge successfully is in everyone's interest (including that of the employees). The story-telling approach also enables you to express empathy for those dealing with the resulting change.

#1 – Our rates will increase by 18% on January 1. The company cannot afford such a big increase. As a result, we are making changes to the plan to reduce the cost. The annual deductible and out-of-pocket maximum will increase. We will also adjust the copays for office visits and prescription drugs. Finally, the contributions you make for coverage will also increase. See the benefit summary for specific information.

#2 – Our insurer told us that our rates would increase by 18% on January 1. Such a shocking rate increase isn't in



anyone's budget. We need to make changes to the plan to reduce the increase and to keep the coverage affordable for you and for the company.

We know that change is hard. We all want excellent benefit coverage but don't want to pay a lot for it. In these challenging financial times, the company must control costs, and this includes our benefit costs. These changes are necessary so we can stay competitive in the marketplace and continue to provide both employment and opportunity to our employees.

Now let us detail the plan changes taking effect January 1, 2011 ...

There's no magic wand; thoughtfully constructing a message to employees doesn't mean they will welcome the changes being made, or that they won't complain about them. But taking the time to tell employees about the challenges faced by the company, and to explain that it took a thoughtful approach to handling them, means that most will, at least, understand why the changes are necessary.

AIM FOR CONTINUOUS IMPROVEMENT

BRENDA MILES,
SPHR, CEBS, senior benefits
manager, Papa John's
International, Inc., Louisville, KY.

At Papa John's, one of our core values is "constant improvement." We never stop trying to surpass our previous best. When it comes to open enrollment, we have definitely taken that value to heart.

Over the years, we have been challenged to effectively reach a benefits-eligible population of up to 2,500 team members scattered among hundreds of locations. Many lack computers or Internet access and, in some cases, there are language barriers. We have gone from paper enrollment forms, marathon sessions of manual data entry, large volumes of phone calls and assembling voluminous open enrollment packets to online/call-center enrollment with automated HRIS uploads and one comprehensive online benefits handbook.

We have saved considerable time and money preparing for and executing open enrollment, not only for our team, but companywide. At the same time, we have kept our focus on maintaining good, clear communication. But we didn't get there overnight.

We first shifted from paper enrollment to partnering with a voluntary benefits company that conducted one-on-one enrollment sessions. This step enabled us to improve communication and gather data electronically, which could be uploaded into our HRIS system. Although this was an improvement, it required a considerable amount of coordination.

From there, we worked with our voluntary benefits company to utilize their online enrollment system and multilingual call center services. We added kiosks in some locations and directed members without Internet access at work or home to the call center. This has proven to be an effective and efficient process.

We also transitioned from the massive project of assembling and distributing open enrollment packets

in-house, to utilizing a fulfillment center to assemble and distribute packets, to developing a comprehensive online benefits handbook that incorporates contact information, benefit plan options with descriptions and summaries, required notices and even a benefits glossary. We worked with a local communications company to develop an online handbook that is easy to update and maintain on our intranet. This has saved not only time, but also significant print and distribution costs.

Each year, we debrief and re-evaluate our processes, looking for ways to utilize changing technologies and carrier and vendor partner tools and resources. We know new processes are always developing, and we diligently look for those opportunities. At the end of open enrollment each year, we take a deep sigh, thankful for the successful outcome, and know that over the next year, we'll identify ways to make the next open enrollment even better. **—E.B.N.**

FYI

EBN's "Covering all bases: Preparing for Open Enrollment" series continues with part 2, which gives benefits professionals insights from benefits vendors and consultants on the best strategies for increasing employee engagement and participation in voluntary benefits, and part 3, which offers advice from benefits practitioners, providers and consultants about when and how to best launch an employee wellness program.

Download specially extended pdf versions of all three parts of the series at ebn.benefitnews.com/openenrollment.

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