

The Next Generation of Health and Welfare Benefits Delivery

Outsourced health and welfare (H&W) benefits administration is often viewed simply as a vehicle for capturing benefit elections, managing customer service issues, and supporting daily administration processing activity. Healthcare strategy is primarily focused on the design of holistic solutions to contain health care spending while delivering high quality care and improving health outcomes.

Healthcare strategy is critical; however, these strategies increasingly need to consider the capabilities of a benefits administration service provider to bring to life the overall value for employers and employees alike. The next generation delivery model is a well-designed administration platform that will engage a multi-generation workforce while maintaining consistency with company culture, vision, and values.

More Responsibility, More Confusion

In today's complex health care environment employees are challenged to take a more active role in managing their care while taking on greater financial risk. Smart decision making, both at enrollment and at time of care, is critical given the prevalence of High Deductible Health Plans (HDHPs). Additionally, as the cost of healthcare continues to grow, cost containment strategies are critical for all parties involved.

In addition to sophisticated enrollment decision-making tools, an array of innovative healthcare cost management point solutions promises to improve care delivery while reducing cost. Examples include health navigation aiding complex decision making, cost transparency, second opinion, and tele-health, as well as wellness and condition management support.

Employers make significant investments in these tools; however, they are not always easily accessible, understood, or utilized. Given their depth and breadth, it is critically important to present them in an intuitive way so employees can access the care they need when they need it.

Next Generation Administration Provider Capabilities

Leading H&W benefits administration providers make the investments necessary to transform their delivery models to support clients with these challenges. The marketplace has seen an influx of improved technology and new thinking. As a result, H&W administration capabilities have advanced more in the last few years than in the previous decade, positioning a company's chosen provider to materially impact an organization's health care spend.

Four Key Areas of Impact

As employers monitor their H&W administration provider and the marketplace, it is important to assess four key delivery model components to ensure the service provider can support evolving healthcare strategies and materially impact a company's ability to successfully drive employee engagement and positively impact overall employee health while effectively managing the cost of providing health care benefits.

Service Quality

Delivering superior quality is the foundation upon which all other aspects of benefits administration services are built. Plan design complexity continues to expand with HDHPs, narrow and tiered networks, value-based plan options, and the rise of voluntary benefits. However, it is nearly impossible to design and execute a high performing healthcare strategy if basic administration functions are not delivered effectively.

Substandard service quality severely limits the potential healthcare strategy impact and negatively impacts employee engagement. Employees affected by basic errors such as inaccurate payroll deductions, missing eligibility at a carrier, or incorrect information from a service center inquiry cannot focus on more complex health and financial wellness issues.

High performing benefits administration requires careful deployment of people, processes, and technology to be successful. Even the best people using the best technology will fail if service requirements are not followed. Service providers can be challenged to consistently achieve expected levels of service quality.

Technology

The investment in technology required to provide next generation benefits administration continues to expand at a staggering pace. Leading providers are using big data and artificial intelligence (AI) to create sophisticated “what-if” cost projections. Real-time predictive analytics can automate decisions and approval workflows, driving administrative efficiencies.

Technology can be a means to bring data-driven decision making to complex and financially impactful issues; however, the technology needs to be well designed and intuitive to be truly useful. Technology, while a major component of an effective service model, by itself will not deliver desired results. One cannot take for granted the importance people in benefits administration.

Customer Care

Even the best technology and most proven service delivery processes will fail if the right people are not engaged. Organizations outsourcing health and welfare administration place their brand in the hands of their chosen service provider. High performing providers understand this and are committed to be the face of an organization, nurturing the relationship between the company and their current and former employees.

The level of customer care can positively or negatively impact employee perception of company culture. A provider interacts with current or former employees at least annually, if not multiple times throughout the year. These interactions are valuable engagement opportunities to help individuals become better consumers the other 364 days of the year.

Flexibility

While benefits administration providers may not manage all aspects of the healthcare ecosystem, they provide maximum value through connecting these disparate solutions in a seamless and intuitive way. Next generation providers are positioning themselves to become a benefits hub for employers looking to move the needle on their healthcare strategy – this can be an extremely powerful proposition if deployed effectively.

A highly flexible administration platform is required to meet the challenges of today's healthcare environment. Next generation administration providers support flexible integration of their people, process, and technology to support clients. These providers can take on numerous roles from being the primary healthcare integration destination to a supporting player behind an expanding group of health navigation and point solutions. Service providers are becoming more capable of supporting their clients wherever they are on their healthcare journey.

Are You Ready for the Next Generation?

Navigating an ever evolving, complicated health care environment continues to be a challenge for employers and employees alike. Organizations wonder which employee health care approach is "best" for them, amongst the many good options available. H&W administration providers continue to expand their offerings, adding modern technologies that can enhance communication and increase each employee's ability to understand and use their health care benefits.

Partnering with the right administration provider has never been more important. Administration services have matured to a point that a company's chosen provider can be just as important as their chosen healthcare strategy.

About Curcio Webb

Curcio Webb is an independent employee benefits advisor, helping Fortune 1000 organizations reduce the risk, cost and complexity of sourcing and managing employee benefit plans and providers. We are the only benefits procurement consulting firm that employs administration experts, system experts, actuarial consultants, investment advisors, health care consultants, and ERISA counsel in-house to provide objective and independent benefits advice.

In our 20+ years of business, we've built lasting relationships by helping hundreds of companies develop benefits programs that serve their employees and their company. We are uniquely positioned to leverage our experience and knowledge to help organizations achieve their desired results.

If you need help with your health and welfare benefits strategy or selecting the right solution, please reach out to Sid Mendelson at smendelson@curciowebb.com. We'll provide objective guidance to optimize results for your organization.