

Using HR and Benefits Technology to Drive Your Consultative Value

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Ensuring compliance has been an increasing challenge over the past 15 years, as everything from HIPAA and COBRA, the Family and Medical Leave Act (FMLA), Americans with Disabilities Act (ADA) and Age Discrimination in Employment Act (ADEA), etc. have added administrative complexity. The increasing compliance burden is particularly difficult for small- and medium-sized organizations, many with one or two person HR departments tasked with day-to-day HR functions. In fact, the administrative burden is expected to increase further as the U.S. Department of Labor's 2012 Budget increased resources to regulate and enforce employment laws, with a particular focus on the *Patient Protection and Affordable Care Act* (PPACA), adding health reform compliance to the mix (failing to provide evidence of the transmission and receipt of Summary of Benefits Coverage documents can exact a steep \$1K per employee penalty).

A recently published ADP survey finds that healthcare reform and increasing compliance complexity "may drive outsourcing of benefits administration." According to the survey, "forty-five percent of HR/benefits decision makers in midsized companies report that regulatory changes have made them more likely to outsource some or all of their benefits administration, as healthcare reform increases both the complexity and time required to administer benefits."

According to Larry Grudzien, an ERISA attorney, "it has become harder for employers to keep up with everything they're supposed to do. As new regulations are issued or prior ones are amended and modified, the trend will continue." As the regulatory landscape undergoes broad and rapid change, brokers and consultants will find themselves on the line to help employers ensure compliance.

Over the past couple of years, brokers/agents have been facing challenges to their time-honored business models; additionally, it has become harder to establish market differentiators. There's been a great deal of discussion in the broker/agent community about the need to move into a more consultative role to demonstrate added value. In theory this makes complete sense; the question is how: what concrete steps can advisors take to evolve their business model? The need to provide compliance support for individual or group clients presents a golden opportunity—but how do agencies "operationalize" this. As it will require more time and resources, how are these consultative services made scalable?

The following will demonstrate how brokers/agents can build a consultative practice around technology: how an online HR and benefits platform can be integrated into the fabric of the consultative process, and how it can be used to streamline/scale compliance support.

Three Steps Forward

Administering benefit programs for individual and/or group clients is a complex undertaking; requiring assistance on strategy, design, mitigating risk, financing, delivery, ongoing management, communication...and compliance. Simply put, the complexity, costs, and risks associated with employee benefits underscore the value—indeed, the need—for consultants with specific expertise, guiding organizations toward efficient, cost-effective benefit programs that align with broader business objectives.

The more comprehensive the web-based HR and benefits solution, the more it lends itself to being integral in the actual consulting process, promoting broker/agent-employer dialogue.

- **The Discovery Process.** Consider a benefits platform that offers interconnected modules, each addressing a key HR and/or benefits function, from online enrollment to communications. Such a solution inherently offers choice and customization, leading to close consultation in tailoring a portal that aligns with the organization's specific needs and culture. As a result, the broker/agent is better positioned to engage the client in the discovery process, and collaboratively build a portal to their spec. Plus, the more robust the platform, the more it can meet the employer's changing needs, further sustaining the broker/agent-employer dialogue.
- **Improving the Employee Experience.** As more organizations embrace the consumer-driven healthcare model, an HR and benefits portal will need to be more effective in providing employees with the information and support they need. Working with the employer in customizing a portal that is consistent with the organization's workflow and culture—one that can be tailored to bear the company's brand and facilitate clear employee communications—gives brokers/agents a prime opportunity to fortify the broker/agent-employer relationship. Moreover, a portal that enhances the employee experience and improves engagement provides another way for brokers/agents to encourage their clients' employees to take a closer look at their health plan options—further underscoring their expertise and consultative value.
- **Streamlining Audit Compliance.** As outlined at the outset, ensuring compliance has become a huge challenge for organizations, particularly those with small HR departments. Larry Grudzien reports that nine out of ten times that he's called in to work on compliance audits, he finds problems—underscoring just how difficult and onerous the process can be. Providing compliance support represents a huge opportunity to brokers/agents looking to evolve into a more consultative role. But how does a broker or agent offer these services without it becoming a drain on time and resources? Here is where you can play a vital role, working with the employer in designing a portal that houses—and simplifies access to—all pertinent, and up-to-date documents. What's particularly key is implementing a portal that provides a secure means of distributing and tracking receipt of Summary of Benefits and Coverage (SBC) documents which, as mentioned, can exact a steep penalty for non-compliance. Here's where proactive consultants can demonstrate significant value to clients, ensuring broad compliance as well as easy adoption of PPACA policy, within an automated framework. This helps brokers/agents streamline their compliance support, and positions them as the go-to source for compliance expertise.

Conclusion

A Benz Communications survey in August polled 300 human resource and benefits professionals, where over half of those surveyed identified their advisor as their prime source for communications support—particularly as it relates to successful annual enrollment, increasing use of preventive care, and increasing 401(k) savings. Employers will only increase their reliance on brokers/agents as the compliance landscape becomes significantly more complex—and they realize the need to take preventive measures in order to avoid costly penalties.

Brokers/Agents able to differentiate themselves as a one-stop HR and benefits consulting shop will be best positioned to expand their book of business. This article demonstrates concrete steps proactive brokers/agents can follow to evolve their business model and demonstrate their value as business partners. Using a modular, comprehensive HR and benefits platform can be an integral tool in facilitating a smooth—and profitable—transition, enriching the broker/agent-employer relationship by delivering clear added value, from improving employee engagement to streamlining compliance...while allowing clients to focus more of their time and resources on core business objectives.

About the Author

Bret Spinks is VP of Marketing for BASIC Guru (www.basiconline.com), a leading provider of HR and Payroll software tools and services (guru.basiconline.com). For over 20 years Bret has marketed and developed innovative solutions for the insurance industry.