

7 Trends for 2016

in the Wild World
of Benefits Administration





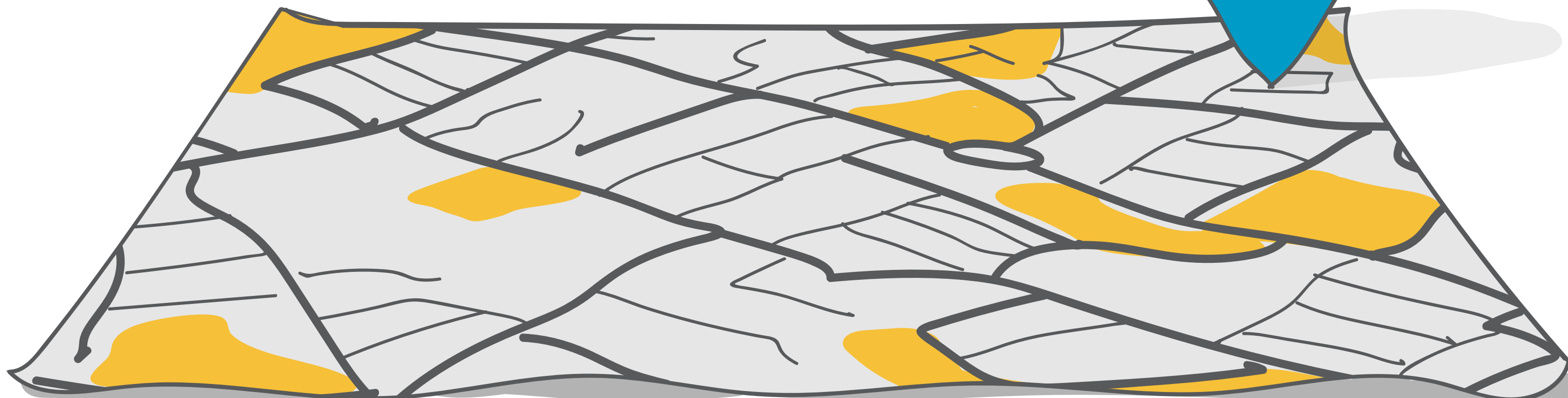
It's Employee Benefits Administration in 2016!

HR leaders as well as benefits consultants feel like they're doing business in the Wild West. It's a world full of unexplored boundaries, new territory to be claimed, and new rules to live by.

Here are **7** trends to watch for in 2016 — and tips for making sure you're ready for the adventure and traveling the best path forward.

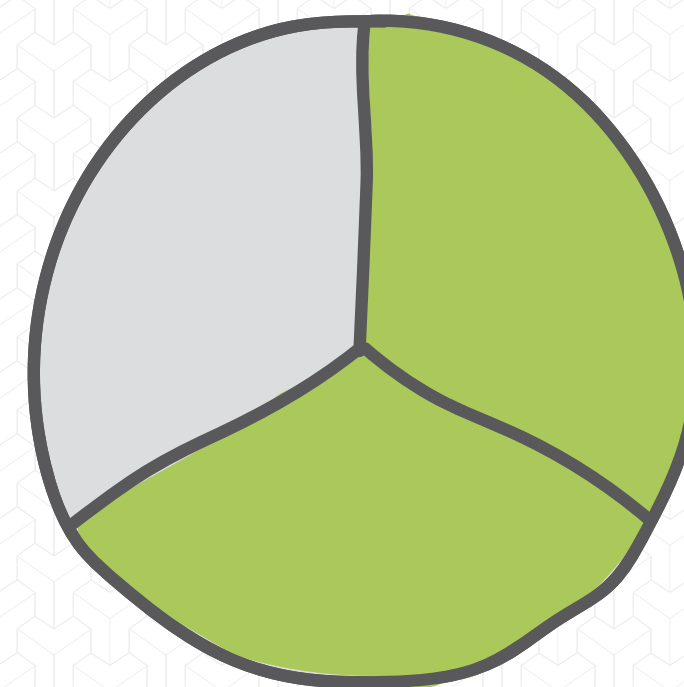


1 ACA Compliance: Get a Good Map and a Guide You Can Trust





The “Cadillac tax” provision of the Affordable Care Act (ACA) goes into effect in 2020 and will affect eligible large employers with high-cost coverage. Benefit leaders need ways now to restructure their benefits and cost-sharing requirements to avoid penalties. Brokers are in a position to help them make good choices.



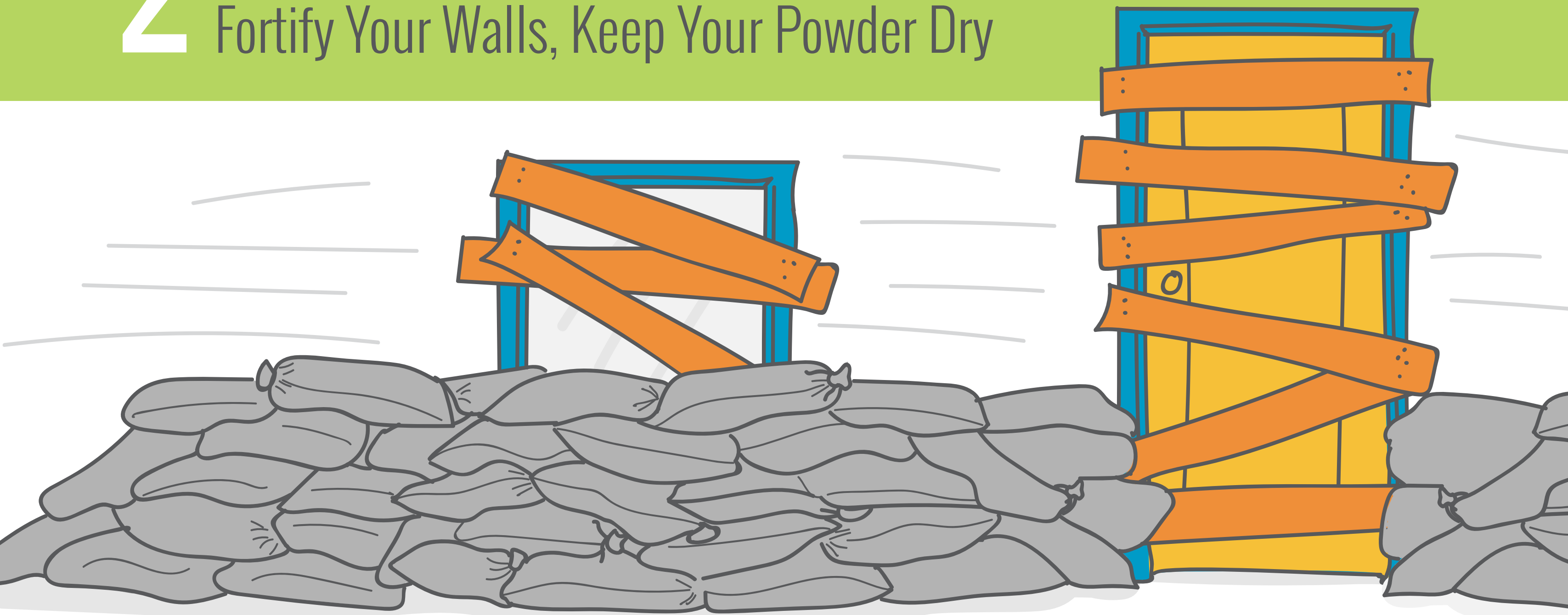
Two out of three large employers feel the ACA’s Cadillac tax will have an impact on their health program strategies.*

* Towers Watson. 2015 Emerging Trends in Health Care Survey.



2 Data Security:

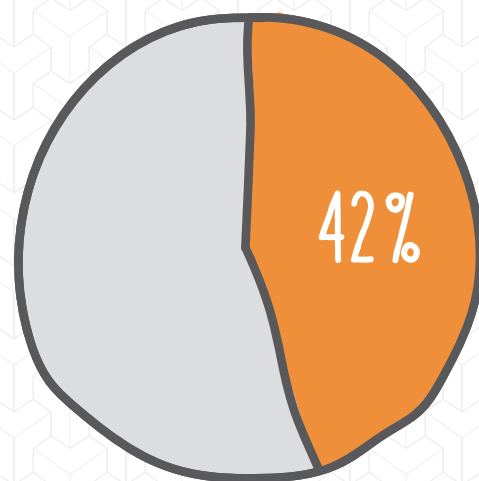
Fortify Your Walls, Keep Your Powder Dry



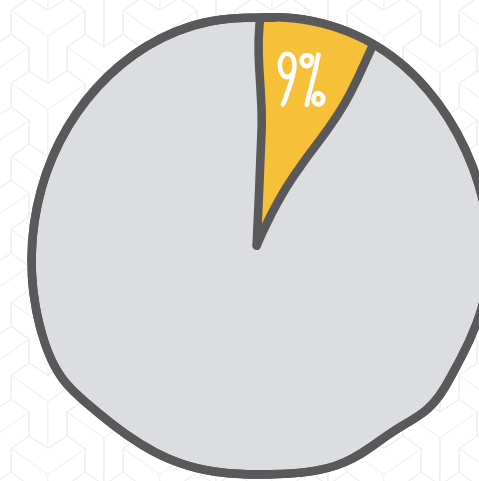


How do you know your employees' data is safe? What level of due diligence is required?

The need to ensure that your data is as secure as it can be will become a larger part of HR's job in 2016.



- ▶ The healthcare industry accounted for 42% of major data breaches reported in 2014.*



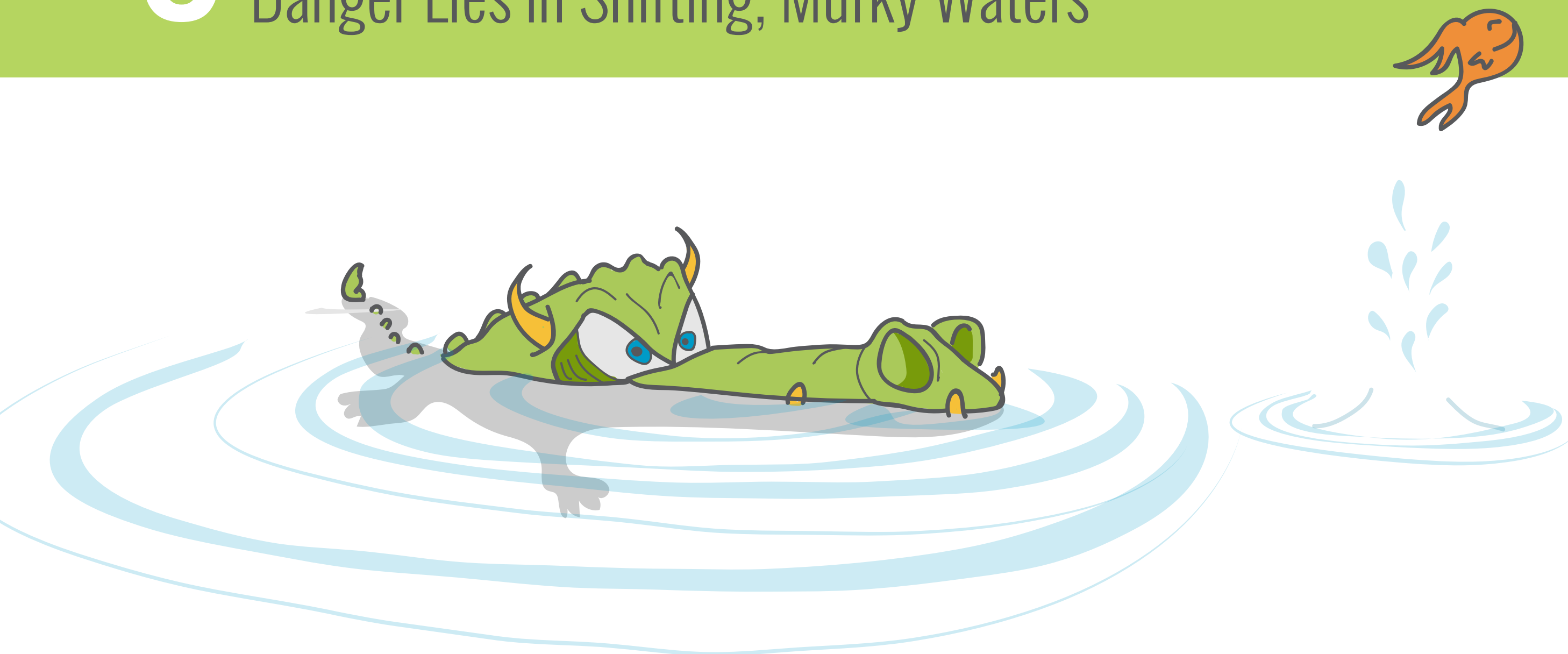
- ▶ Across more than 10,000 cloud services available today, only 9.3% meet requirements of large enterprises for data protection.**

* The Identity Theft Resource Center.

** Skyhigh.

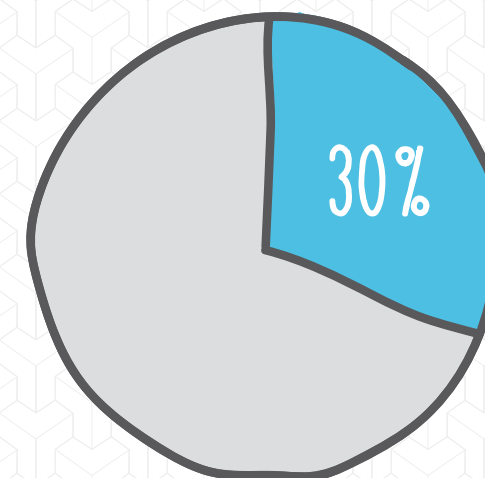


3 Healthcare Cost Transparency: Danger Lies in Shifting, Murky Waters





With the increasing complexity of medical benefit portfolios, it's hard to see exactly what you're paying for from a vendor or benefits consultant. Then there are the apparent conflicts of interest around brokers disguised as technology companies. Transparency is critical for employers to protect their companies and their employees.



- ▶ The U.S. spends \$2.8 trillion on healthcare, and an estimated 30% is waste.*



- ▶ The price of a colonoscopy can vary from \$563 to \$3,967 within the same network in the same area.**

* The Harvard School of Public Health.

** Castlight Health.



4 Self-service and “Consumerism”: Don’t Get Blinded Looking Into the Sun





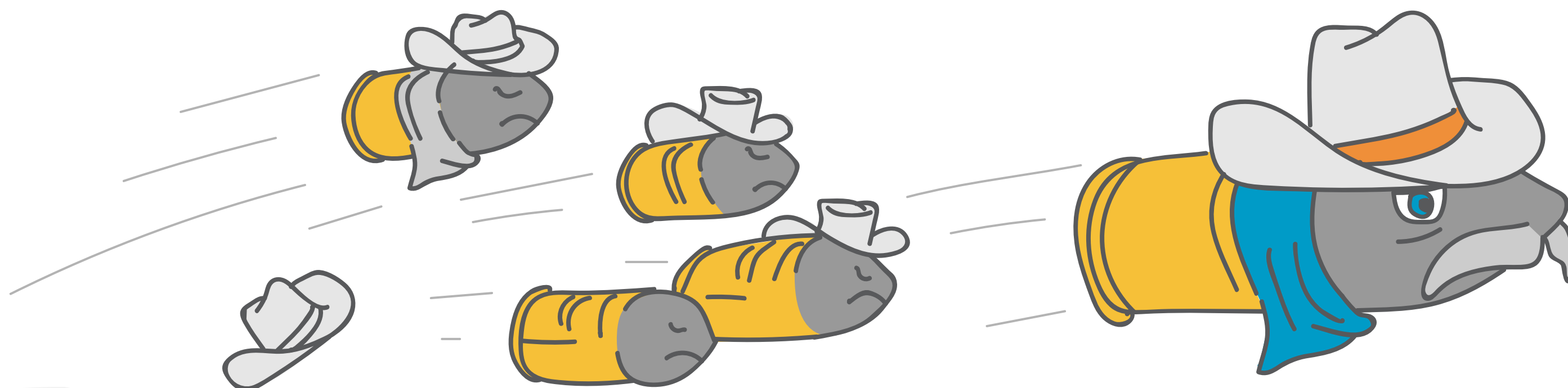
Vendors of benefits administration and technology will continue to compete by offering new iterations of user interfaces and more sophisticated decision tools. The savvy benefits leader and consultant needs to tell the sizzle from the steak — and not confuse shopping for medical insurance with a typical online buying process.



- ▶ Self-service is going to become even more critical to engaging multigenerational workforces.
- ▶ The “consumerism” movement will also accelerate, driven by greater use of voluntary benefits.



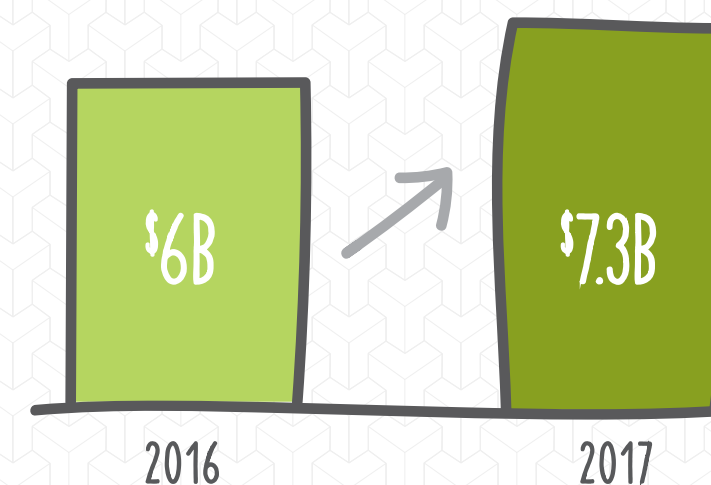
5 Continued Growth (and Choices!) in Benefits Administration and Technology: A Wild West Shootout





The ongoing rapid rise in the demand for benefits administration is being fueled to different degrees by:

- ▶ The reporting and compliance demands of the Affordable Care Act
- ▶ The continued demand for self-service and more sophisticated, consumer-like user experiences
- ▶ Acquisitions by insurers and other investment sources hoping to differentiate on the “retail experience”
- ▶ An increased need for integrated workforce management systems



- ▶ The current market for SaaS benefits administration solutions is \$6 billion and will reach \$7.3 billion by 2017 (6.76% CAGR).*
- ▶ “The ACA has transformed what was once an annual enrollment event into a monthly process of tracking and reporting extensive data. ... It will become even more important for businesses to consider an integrated human capital management solution.”**

* The Starr Conspiracy Intelligence Unit.

** ADP's Major Account Services.

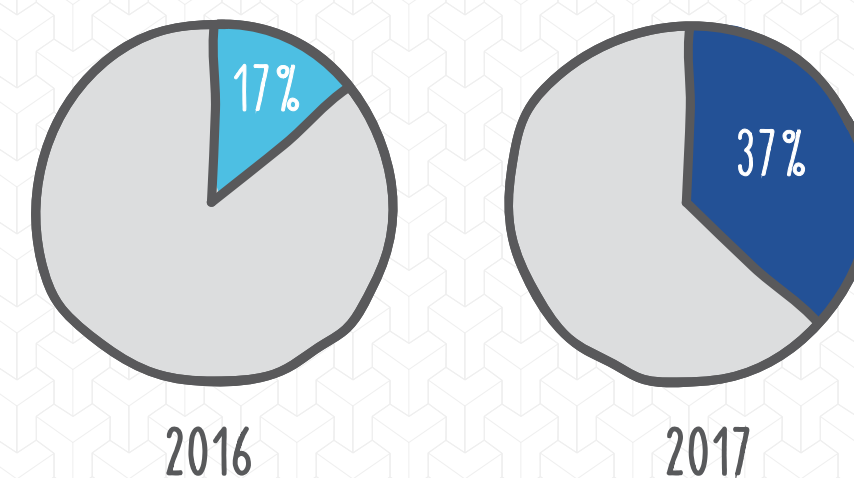


6 The Allure of Private Exchanges: Beware of Mirages in the Desert





The surge in interest around private health insurance exchanges needs to be tempered with questions about the potential for conflicts of interest, with consulting firms acting as exchange purveyors. Due diligence is critical.



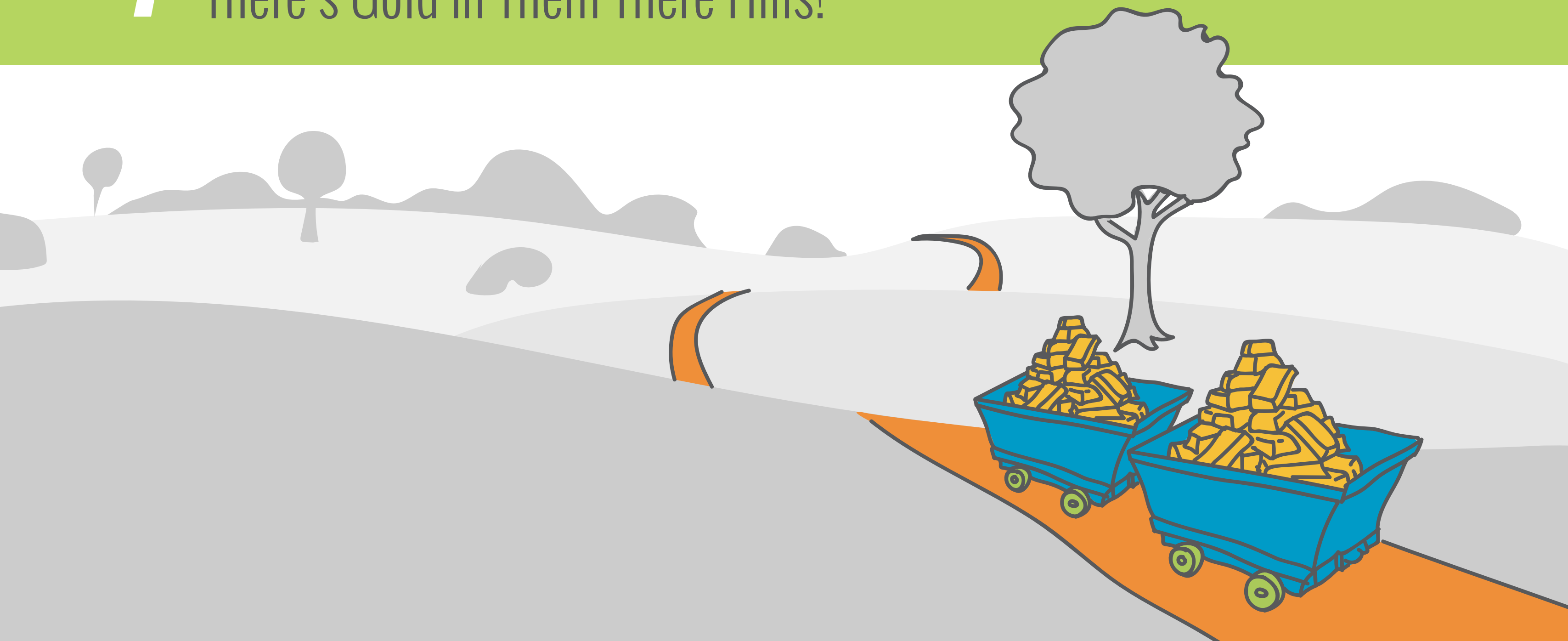
- ▶ 17% of employers now view private exchanges as a viable alternative for active full-time workers in 2016, and their confidence is expected to more than double (to 37% by 2018).*
- ▶ “Private exchanges are rife with conflicts of interest, because they’re being mounted by people who are supposedly advising them. So there are issues there.”**

* Towers Watson. 2015 Emerging Trends in Health Care Survey.

**Brian Klepper, president and CEO of the National Business Coalition on Health.

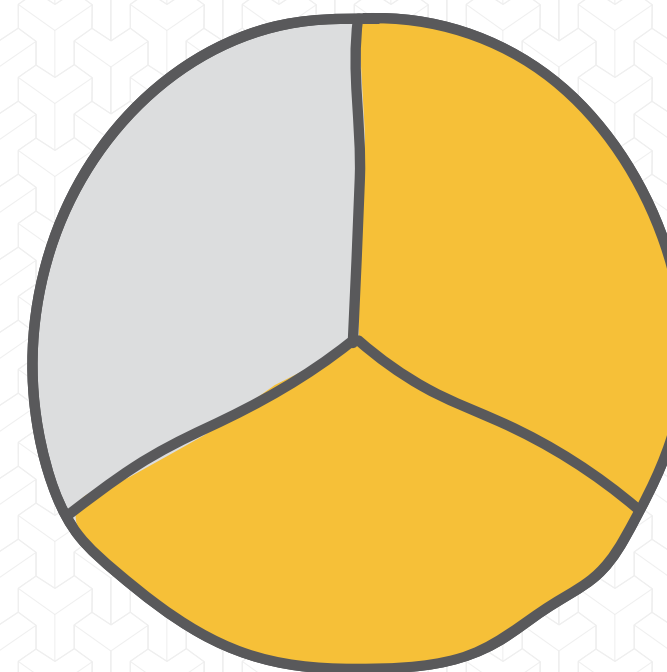


7 Big Data: There's Gold in Them There Hills!





“Big data” has made its way into the world of employee benefits. Companies need to be looking at benefit participation and usage trends, employee behavioral changes as they relate to benefit programs, and employee communication metrics — whatever is most relevant to their goals. Brokers can, meanwhile, help their clients set goals and measure success based on their system capabilities — and point them to partner resources, including data that’s available through their health plan or benefits administration systems.



- ▶ **Two-thirds of large employers plan to use data extensively to evaluate plan performance and employee behavior changes in lifestyle and health management.***

* Towers Watson. 2015 Emerging Trends in Health Care Survey.



ABOUT BUSINESSOLVER

Since 1998, Businessolver has delivered market-changing benefits administration technology supported by an intrinsic responsiveness to client needs. It creates client programs that maximize benefit program investment, minimize risk exposure, and engage employees with easy-to-use solutions and communication tools to assist them in making wise and cost-efficient benefit selections. Founded and developed by HR professionals, Businessolver's unwavering service-oriented culture and secure SaaS platform provide measurable success in its mission to provide complete client delight.

Learn more about how We See Things Differently at businessolver.com.

