Employee Benefit Adviser

May/June 2019 • employeebenefitadvisor.com

THAT SAYS A LOT ABOUT WHO'S BEHIND
THEIR GROUP BENEFITS EXPERIENCE.

Leading the way in Group Disability, Leave Management and Life insurance means constantly investing in new ways to help you and your customers achieve better outcomes. It means making claim, leave and benefits management easy through our technology platform, The Hartford's Ability Advantage. And it's the care from our team of highly-skilled clinicians that helps us deliver compassionate service for your customers when they need it most. **The Buck's Got Your Back.**

TheHartford.com/group

[1] 2018 Employer Advocacy Study, The Hartford.

DIGITAL INNOVATORS, P. 22

Employee Benefit Adviser

May/June 2019

@EBAadvisernews • employeebenefitadviser.com

DISTANCE LEARNING CLICKS WITH BENEFIT ADVISERS

University of Lynchburg's Tom Scott takes professionals back to school

SourceMedia

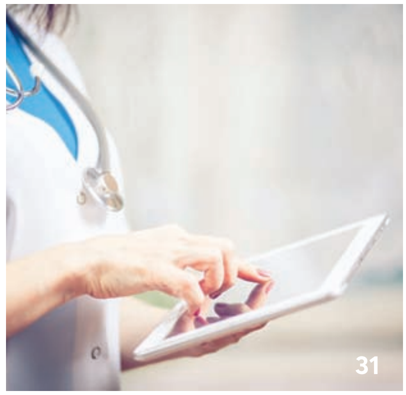
Contents

May/June 2019 | VOL. 17 | NO. 3

COVER PHOTO AND PHOTO RIGHT BY T.J. KIRKPATRICK

Contents

May/June 2019 | VOL. 17 | NO. 3



Employee Benefit Adviser

EmployeeBenefitAdviser.com
1 STATE STREET PLAZA, 27TH FLOOR
NEW YORK, NY 10004-1505 • (212) 803-8200

EDITOR-IN-CHIEF, EMPLOYEE BENEFITS GROUP
Walden Siew

SENIOR EDITORS
Lee Conrad, Nick Otto

ASSOCIATE EDITORS
Caroline Hroncich, Amanda Schiavo, Kayla Webster

COLUMNISTS
Nelson Griswold, Wendy Keneipp, Jack Kwicien

CONTRIBUTING WRITERS
Paula Aven Gladych, John McCormack, Bruce Shutan

EDITOR-IN-CHIEF, EMPLOYEE BENEFIT NEWS
Kathryn Mayer

GROUP EDITORIAL DIRECTOR, FINANCIAL PLANNING and EMPLOYEE BENEFITS GROUPS
Scott Wenger

ADVISORY BOARD
Beverly Beattie, president, CEO, Selden Beattie
Perry Braun, executive director, Benefit Advisors Network
Mark Gaunya, principal, Borislow Insurance
Jerry Kalish, president, National Benefit Services
Tinker Kelly, CEO, Voluntary Employee Benefit Advisors
George Lane, principal, Mercer
Robert J. Lieblein, chief dev. officer, Benefit Advisors Network
Andy Torelli, area senior vice president, Gallagher Benefit Services
Trisha Zulic, human resources director, Efficient Edge

EXECUTIVE DIRECTOR, CONTENT OPERATIONS AND CREATIVE SERVICES
Michael Chu

ART DIRECTOR
Neesha Haughton

ADVERTISING HEADQUARTERS
3340 Peachtree Road NE, Suite 1010, Atlanta, GA 30326

Publisher/South-Central and Western Region Manager:
Kurt Kriebel
(770) 325-7523, kurt.kriebel@sourcemedia.com

Mid-Atlantic and Eastern Region Manager: Michael Pirro
(770) 325-7525, michael.pirro@sourcemedia.com

Midwest, Mountain and New York Region Manager: Kris Kadel
(212) 803-8472, kristopher.kadel@sourcemedia.com

Ad Services Coordinator: Tiffany Sharpley
(770) 325-7530, tiffany.sharpley@sourcemedia.com

CONFERENCES
Sales Manager: Maria Lopez
(212) 803-8775, maria.lopez@sourcemedia.com

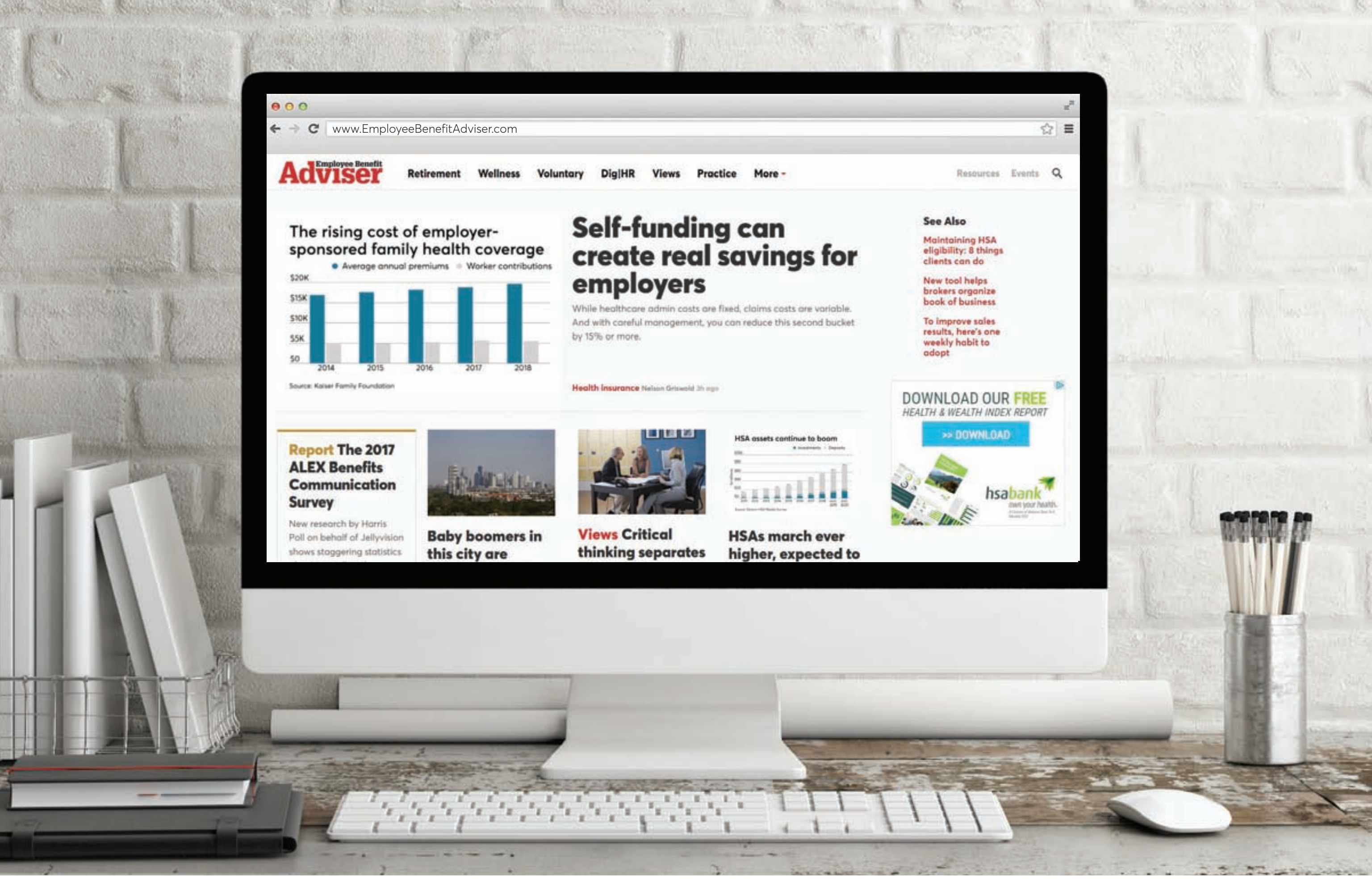
SourceMedia™

CHIEF EXECUTIVE OFFICER .... Gemma Postlethwaite
CHIEF FINANCIAL OFFICER .... Sean Kron
EVP & CHIEF CONTENT OFFICER .... David Longobardi
CHIEF STRATEGY OFFICER .... Jeff Mancini
CHIEF DATA OFFICER .... Christian Ward
SVP, CONFERENCES & EVENTS .... John DelMauro
VP, PEOPLE & CULTURE .... Lee Gavin

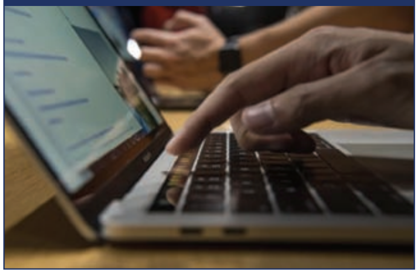
Employee Benefit Adviser (ISSN 1545-3839) Vol 17 No 3 is published 6 times a year; February, April, May/June, July/August, September and November by SourceMedia, Inc., One State Street Plaza, 27th Floor, New York, NY 10004, 212-803-8200. Subscription Rates: $149.00 a year in the U.S. and $229 a year in all other countries. Change of address notice should include both old and new address, including ZIP code. Postmaster: Please send all address changes to Employee Benefit Adviser/One State Street Plaza, New York, NY 10004. For subscriptions, renewals, address changes and delivery service issues contact our Customer Service department at (212) 803-8500 or email: help@sourcemedia.com. Periodicals postage paid at New York, NY, and additional mailing offices.

ADOBE STOCK

What’s going on @ EmployeeBenefitAdviser.com



Strategy



New tool helps brokers organize books of business

BenefitMall is hoping to make business management a bit easier for brokers. http://bit.ly/2PqGhZF

Healthcare

Pinterest: Traditional insurance ‘was letting us down’

Pinterest has joined a growing rank of employers who are switching to self-funded healthcare models and doing away with traditional insurance. http://bit.ly/2XxXYt2

Slideshow

10 most stressful jobs

Stress at work is unavoidable and despite their best efforts, a majority of Americans feel unduly stressed at their jobs. http://bit.ly/2Gy7HZs

From the Editor

Teched out

Digital transformation is rippling through industries across the nation, especially the benefits advisory space.

If you're the typical worker bee or even mid- to high-level executive, the promise and peril of technology creeping into your life is no doubt familiar.

No one is immune from round-the-clock emails, texts, the constant communication and newsfeeds that have made the modern employee so informed, so productive — and also so stressed out.

Indeed, productivity is one of the most closely watched indicators of economic prosperity, yet progress also goes hand-in-hand with the mounting anxiety that comes with how tech and automation are causing widespread disruption across all industries, especially the benefits advisory space.

In our feature story, we focused on technology, and particularly how tech is being used for positive change and transformation. Associate editor Caroline Hroncich, who covers technology, took a look at the University of Lynchburg and interviewed Tom Scott, director of a new online master's program at the school, which is teaching working benefit advisers and professionals in the employee benefits and healthcare industries the skills they need to advance in their respective fields.

It's notable that they are all upgrading their skills virtually, logging in from cities such as Memphis, Boston and Houston to take classes via online courses — a sign of a popular move among working professionals looking for an edge via distance learning and continuing education programs like Lynchburg's.

This year's spotlight on technology also includes the latest class of Digital Innovators.

More than 20 new faces of change for the benefits and HR industry champion a range of tech including virtual reality and voice assistants. New engagement tools include a benefits television station and even a comic superhero, and we note a growing trend of on-demand mindfulness and fitness — smart and timely offerings for those looking to unwind from tech overload. **—Walden Siew**

ADOBE STOCK

Why Amazon is a big deal for benefit advisers

The retailer's move to accept HSA dollars marks an exciting opportunity for the misunderstood savings tool.

By David Vivero

Amazon's move to allow consumers to use their HSA or FSA to purchase thousands of eligible items on its site — from Band-Aids to contact solution and cold medicine — is a smart initiative from the online shopping giant.

It solidifies its footprint in the healthcare realm. From launching their employer healthcare partnership in January 2018 to acquiring online pharmacy startup PillPack in June, Amazon has had a busy year making inroads in the healthcare space, an industry which accounts for nearly 18% of GDP in the United States.

But the HSA announcement isn't just a savvy move for Amazon. The retailer's acceptance of HSA dollars marks an exciting new opportunity for advisers and the HSA — one of the most misunderstood and underutilized savings tools in America.

More than half of all Americans who get health insurance through their employer now have a high deductible health plan. With deductibles rising eight times as fast as wages since 2008, healthcare costs have become the No. 1 financial concern for many employees — outranking debt, college expenses, mortgages, rent, retirement savings, taxes and even unemployment.

For these employees, the HSA is one the best savings tools available to them. They can contribute pre-tax dollars, grow those dollars via tax-free investment and pay for eligible medical items tax-free as well.

The problem is that HSAs are vastly underutilized. Too often, they are misunderstood — or simply not understood at all. That's where advisers can step in and help educate employers and clients. Seven in 10 employees mistakenly think their HSA is governed by a "use it or lose it" policy, and less than half contribute to their HSA each year.

Amazon — and benefit advisers — will no doubt raise awareness of its benefits and quirks (did you know you can buy sunscreen with your HSA?). Simply by making it more obvious and convenient to use, Amazon will help mitigate the heavy hurdle of HSA education.

By accepting HSA dollars, Amazon is finally giving this untapped savings tool its moment to shine. Every payment method or currency — whether it's dollars, airline miles, bitcoins or credit cards — depends on reliable large-scale merchant acceptance to become truly

David Vivero *is the co-founder and CEO at Amino, an employee financial wellness platform built specifically for healthcare.*

mainstream. Amazon already has a captive audience of millions of American consumers looking to make smart choices and save money online, and by helping highlight what the HSA can be used for, Amazon — and benefit advisers — will no doubt raise awareness of its benefits and quirks (did you know you can buy sunscreen with your HSA?). Simply by making it more obvious and convenient to use, Amazon will help mitigate the heavy hurdle of HSA education.

As we think about the future of HSAs, it's helpful to look to the past. On the whole, we're moving from a world of defined benefit to defined contribution. This happened in the retirement space in the 1980s when we moved from pensions to 401(k)s, and the same is happening now in the healthcare space. Whereas employers used to offer the defined benefit of a high-coverage PPO, they're now moving toward HDHPs and seeding employees' HSAs with a defined contribution each month.

"By accepting HSA dollars, Amazon is finally giving this untapped savings tool its moment to shine," David Vivero says.

The final burden? Education, convenience and adoption. But as it becomes less burdensome and more convenient for employees to use their HSAs, we'll see continued growth and utilization. In five or 10 years, we may look back to this time and see that the HSA is to healthcare what the 401(k) was to retirement. **EBA**

Self-funding can create real savings for employers

With careful management, here's how you can reduce claims costs by 15% or more.

By Nelson L. Griswold

Why am I so adamant about the issue of self-funding? This was the question posed by an adviser guest recently at one of our summits for our top adviser clients.

By moving employers to self-funding, we have seen some of them reduce their year-over-year benefits costs by 15% or more in the first year alone. But moving from fully insured to self-funding was not the reason for these cost savings; it's just the first step.

To be sure, the traditional rationale for moving to self-funding is to save money, which is fair enough if the employee group has a good claims year. Those cost savings – in the form of unspent claim dollars – which would be kept by the carrier in a fully insured plan, instead are retained by the self-funded employer.

An estimated 15% of the group healthcare dollar is spent on administration, according to the Congressional Budget Office. So claims make up the remaining 85% of plan costs. A major difference between the two is that while administrative cost are fixed, claims costs are variable, determined by employee healthcare utilization during the plan year. Potential — but not guaranteed — cost savings in a self-funded health plan are the result of employees spending less money on healthcare than the plan has allocated for claims that year.

Health plan dollars go in one of two buckets, one for administrative costs and one for claims. For example, if the employer funds a plan at $1 million, the administrative cost bucket would have about $150,000, leaving $850,000 in the claims bucket to pay medical claims.

Self-funded employers

If the employees spend only $750,000 on healthcare during the year, the claims bucket would still have $100,000, which the employer would retain. Thus, the employer's actual health plan cost for that year would be just $900,000, not the $1 million allocated. (Of course, a fully insured carrier would keep the $100,000 in unspent claims dollars.)

Self-funded employers hope for a good claims year that will leave unspent dollars in the claims bucket. But hope is not a strategy. Without a strategy to reduce the frequency and severity of claims, self-funding alone will not guarantee annual cost savings. Rather, it's merely the beginning. What I've found is that the real work doesn't begin until after the move to self-funding.

Self-funding is not about savings, it's about control — control of the plan design, claims data and the healthcare supply chain.

Most brokers make some use of plan design and claims data with self-funding. They stop there, however, missing the opportunity to lower healthcare costs by managing the supply chain of healthcare that employees purchase, e.g., doctor visits, prescription drugs, surgeries, and hospitalization.

"Healthcare supply chain manager" is an essential new role for benefits advisers. Their management tools include utilization and medical management, fiduciary pharmacy benefits management, reference-based re-pricing, direct hospital contracting, specialty medication cost mitigation and direct primary care. All of these require a self-funded plan.

In self-funded plans, advisers are managing the healthcare supply chain to reduce the year-over-year cost of healthcare by 15% or more. Forget low renewal increases; these disruptive advisers are delivering real cost savings — bottom-line results to employers, results with which status quo brokers simply cannot compete.

The bottom line: If you want to deliver year-over-year reduction of the healthcare spend, it begins with self-funding. **EBA**

Nelson L. Griswold, *an* Employee Benefit Adviser *columnist, is an agency growth consultant and author of* DO or DIE: Reinventing your benefits agency for post-reform success.

Critical thinking separates advisers from mere sellers

Are you an insight-driven organization? If not, you're losing out on a tremendous opportunity.

By Wendy Keneipp

Are you an insight-driven organization? Are you translating information for your clients? Are you helping them cut through noise and glean the most important ideas to help them make better business decisions and achieve stronger results?

Take an honest reflection. If you're not doing this, are you really advising? Or are you just helping to select products? Advising should be a holistic business, and product selling is done regardless of the context.

Benefits advisers should research the industry and keep clients and prospects informed about issues that impact their business. Managing employees should be right in your wheelhouse. And you should spend the majority of your time working either reading and analyzing or talking about that work with colleagues, clients, and prospects.

Insights sell

Consider this from a chief learning officer: "Insights have been referred to as the new currency of business, and today's economy is often referred to as the insight economy. Consultancies and think tanks have made it clear: To compete today, companies must rely on critical-thinking experts sharing insights."

Again, are you one of those insight-driven organizations? If not, you're losing out on tremendous opportunity.

You need critical thinkers

Not everyone is cut out for this style of business. To do it effectively, you need people on your team who have the skills to interpret information and glean insights through writing, video and speaking. You need to have critical thinkers on your team who are willing to share their ideas openly. Such thinkers can be leaders, sales people, account executives, or specialists (those in HR and compliance).

If you don't currently have at least someone like this on your team, you're going to find yourself falling behind. These are the most critical skills needed for organizations.

Why do benefits agencies resist being insight-driven organizations? It's too much work.

Encouraging critical thinking in benefits agencies also impacts processes and workflow.

As agencies shift from sales of products and service to consulting and comprehensive management of employees and compliance, behaviors need to change.

- Salespeople need to engage in more listening and less talking, ask more questions and lessen off-the-cuff replies.
- Marketing must create more insight-driven content and do less promotion, more interpretation of information and less pushing of easy-to-share content.
- Account management must listen more for intent and unspoken needs and limit transaction-only conversations. There should be more questions asked and less orders taken.

If you are thinking, "No way that's gonna happen," then you're likely not cut out to be an adviser. If researching and finding quality insights and answers for your clients is too difficult, or if you think it takes too much work and time, then you should stick with product sales.

When you work with clients in a consultative way, it will take time. And brainpower. And writing skills. And having probing conversations and patient listening-for-intent sales skills.

You need to be able to take what the client has told you and return a plan of what you believe they most need. And what the client most needs doesn't necessarily coincide with what they may want. You need to learn how to balance those two things. Education for yourself and for the client are at the heart of this work. **EBA**

Wendy Keneipp, *an* Employee Benefit Adviser *columnist, is a partner with Q4intelligence, a St.Louis-based consulting firm for insurance and benefit agencies. Follow her on Twitter at @WendyKeneipp.*

How to reap loyalty through better goal planning

Smart, holistic strategies mean sitting down with your client, including HR, benefits directors and even the CFO.

By Jack Kwicien

The current benefits landscape presents us with a dichotomy. Employers want to cap or shrink benefits costs as employees desire better perks and more of them. This situation creates a unique opportunity for sharp benefits advisers to think more strategically and holistically about their clients' programs.

We are talking about helping your clients draft a strategic plan for their benefits program. And why not? They undoubtedly have some type of strategic plan for their overall enterprise, right? And who is the architect of that strategy document? It's likely to be their controller or CFO, and that executive usually has oversight of the human resource and benefits management functions. Helping the benefits executive in the organization to develop a strategic plan will earn their loyalty as it elevates their stature in the eyes of the person in the firm's C-suite.

We advise sitting down with your client, including HR, benefits and the CFO. After recapping last year's open enrollment and what could be done differently, ask what they want to accomplish with their benefits program over the next three to five years. You might ask about:

- Targeted employee retention goals
- Compensation and benefits integration objectives
- Executive, full-time employee and part-time employee considerations
- Plan redesign considerations
- The possibility of introducing new voluntary (employee paid) benefits
- Improved benefits communications
- Increased employee awareness of their "second paycheck"
- Application of technology to improve communication and access to information

Bottom line, get your client talking in broad strategic terms. Remember, this is a consultative process. You will be getting great information as you gain your client's buy-in to a strategic process.

After, suggest a well-conceived game plan or road map that will commit all of management to a longer range plan and provide great assistance in the budget planning process. That can be a key selling point as part of the process. It provides a logical and methodical approach to benefits planning, and makes you their trusted adviser. This will enable the company to integrate the plan redesign and new voluntary benefits. The process also will allow you to provide superior service and additional revenue streams.

The action steps will begin to emerge when tied to a timeline. There might be a big picture vision statement of what the organization hopes to achieve as it creates a positive work environment and retains quality employees. It will be followed by the planned changes for each year. Break down each year's changes into their component parts. Factor in projected medical insurance rate increases and employer contributions; cost containment and cost-shifting measures; changes in coverage; deductibles and co-pays options; funding mechanisms (HSA's, HRA's, etc); gaps in coverages; new voluntary product offerings, communications, technology, among others.

Lay it down on paper. That will enable you to secure your clients commitment to a direction, and make their job and yours easier. Help with the draft and arrange for the document to circulate among the key executive decision makers for the sign-off. Don't forget to secure your designation as the broker of record and have the client sign a multi-year, strategic consulting agreement. After all, you helped to create the plan.

They'll need you to implement it. You'll have made yourself indispensable as their trusted adviser for many years. Greater client retention; more satisfied clients; and additional revenue. That's a winning combination. **EBA**

Jack Kwicien, *an* Employee Benefit Adviser *columnist, is a managing partner at Daymark Advisors, a Baltimore consultancy.*

DISTANCE LEARNING CLICKS WITH

BENEFIT ADVISERS

How a new online master's program is helping consultants up their game.

By Caroline Hroncich

When Robson Baker went in to have surgery on his torn ACL two-and-a-half years ago, he thought he knew what to expect. But despite being an employee benefits and HR adviser at Clarus Benefits Group in Houston, Baker found himself frustrated and had difficulty understanding the bills that were coming in. As an adviser, Baker felt he was supposed to understand everything that was going on.

That's when it all clicked. Even to experts, like himself, the healthcare system can be complicated and confusing. Baker decided to make it his top priority to expand his knowledge to better educate his clients.

"I'm on a personal mission to help employees lower their costs and improve their outcomes," he says.

Photography by T.J. Kirkpatrick

So when he got an email last August from Tom Scott, director of a new online master's program in health benefit design and health informatics management at the University of Lynchburg, Baker jumped at the chance to learn more about the program, which is specifically designed for advisers, benefit administrators and professionals in the employee benefits and health industries. He called Scott, and soon he was enrolled in the first class of students.

The University of Lynchburg, located in Lynchburg, Virginia, launched the one-year virtual program in March, which consists of five-week accelerated online courses covering everything from the healthcare delivery value chain to reference-based pricing. Students can follow two tracks within the program, one emphasizing advisers and one for benefit administrators.

"Healthcare does not have to be expensive, and many people don't know that," Scott says. "This is a perfect opportunity for higher education. Industry professionals will hear from the best minds in every niche area of value-based healthcare."

Distance learning programs like Lynchburg's are becoming a more common offering for working professionals. Schools including Stanford University, George Washington University and Texas A&M University all offer some form of online education. There also are mass open online courses offered through websites like edX, which for a fee, allow students to take online classes in topics ranging from corporate finance to music.

While online degree programs are becoming more frequent, the number of students receiving post-secondary degrees through distance learning still remains small. In fall 2016, only 15% of students took exclusively distance courses while 17% took at least one distance course, according to data from the National Center for Education Statistics. For private nonprofit institutions like the University of Lynchburg, only about 18% of students took exclusively distance courses.

So far, Scott says the master's program has about nine students, who log on from locations ranging from Houston to Boston, enrolled from a variety of backgrounds — most are benefit advisers, but others work in pharmaceuticals and hospital systems. The goal is to teach professionals how they can take actionable steps to lower the cost of healthcare for employers, he says.

The students use a version of Zoom, the video conferencing service, to connect on Tuesday evenings for class and they complete assignments using online course management tool Moodle, Scott says. Throughout the semester, students will complete assignments related to their work with employers. For example, one project is to design a benefit plan for an employer.

"We want them to apply it directly to their job," Scott says.

The University of Lynchburg claims that its master of benefit design program is the first of its kind in the nation. The degree runs students about $685 per semester hour, which is comparable to the cost of Lynchburg's master of business administration program.

But there are other master's programs that delve into different aspects of healthcare. For instance, the University of Arizona offers an online master's program in health innovation. Other colleges and universities across the country offer master's degrees in healthcare administration, management and policy. It is unclear if these programs have tracks that focus specifically on healthcare as a benefit for employees.

Benefit advisers also can receive various certifications. For example, the International Foundation of Employee Benefit Plans offers a certified employee benefits specialist designation with curriculums developed by the Wharton School at the University of Pennsylvania and Dalhousie University.

The Health Rosetta also certifies advisers by educating them on topics ranging from value-based primary care to health transparency. Lynchburg tapped several Health Rosetta team members and advisers to teach and guest lecture for the program. Two of these advisers include

"I'm on a personal mission to help employees lower their costs and improve their outcomes," says Robson Baker, an employee benefits and HR adviser at Clarus Benefits Group.

Al Lewis, CEO of healthcare education company Quizzify, and David Contorno, founder of North Carolina-based benefit consulting firm E Powered Benefits. They are among a list of more than 16 executives who will be teaching — including Dave Chase, CEO and founder of the Health Rosetta, and Tom Emerick, former head of benefits for Walmart, BP and Burger King, and current president and co-founder of Edison Healthcare.

Contorno, who helped develop the Lynchburg degree program, says he hopes students will start to consider non-traditional solutions for lowering the cost of healthcare. Those can include direct contracting with doctors and hospitals, direct primary care and independent third party administrators, he says.

"All we do is keep serving up options in this traditional solution set that [results in] worse benefits," Contorno says. "I don't know how we're not past the breaking point."

Lewis, whose primary focus is wellness benefits, says he wants students to get a better sense of how to measure the outcomes of employee population health programs. While a program may sound useful, without proper analysis, it's hard to tell if it will actually save the company money or improve the health of workers.

"This is a marriage of benefits administration and critical thinking," Lewis says.

Josh Luke, a former hospital CEO and healthcare affordability expert, told Employee Benefit Adviser he sees value in a program like Lynchburg's. As healthcare gets more expensive for employees and their families, brokers should start thinking about ways to save clients money. That also can include examining the tools brokers are using and how they are compensated, he says.

Luke, who also is an adjunct faculty member at the University of Southern California Sol Price School of Public Policy, says as with many new programs,

"Learning how to tackle these problems from the academic world, I think that's just a better way," says Cristy Gupton, founder and president of North Carolina-based Custom Benefits Solutions.

Lynchburg's may take time to gain traction. But schools could consider offering tracks that address health and benefit design, he adds.

"It wouldn't be a bad idea for different business schools to have a track on benefits," he says.

Cristy Gupton, founder and president of North Carolina-based Custom Benefits Solutions and a student in the master's program, says most brokers have gotten their training from big insurance carriers. This often means that education is segmented because carriers have different product lines, she adds.

"Learning how to tackle these problems from the academic world, I think that's just a better way," she says.

For Baker, the master's program is about more than just the degree. He hopes it will allow him to grow as an adviser and help address the most pertinent healthcare issues impacting his clients. **EBA**

Caroline Hroncich *is an associate editor of* Employee Benefit Adviser. *Follow her on Twitter at @chroncich1.*

ADVISER PARTNERSHIP HELPS FOSTER CAREER DEVELOPMENT

The NextGen Benefits Mastermind Partnership program offers healthcare supply chain certification, expert speakers and a marketing program to help advisers expand business.

By Bruce Shutan

Adapting to an ever-changing marketplace is critical to remaining relevant and profitable. A new group of elite advisers is helping industry practitioners achieve this mission across three critical areas.

The NextGen Benefits Mastermind Partnership, co-founded by *Employee Benefit Adviser* columnist Nelson Griswold and Scott Cantrell, a partner for Bottom Line Solutions, includes creation of the first healthcare value chain management certification program and speakers academy. Another initiative includes a white-label marketing and promotion program to raise the profile of those who can use a hand growing their practice. Each area intends to elevate an adviser's visibility, credibility and authority in the marketplace.

Expanding the breadth of industry certifications can have a tangible impact. "We tell our clients that the shortest distance between a prospect and client is education," Cantrell says.

The inaugural certification training for the Certified Healthcare Value Chain Manager designation was held at the 4th annual Ascend NextGen Benefits Growth & Leadership Summit in January, which Griswold and Cantrell host. While there may be future live trainings, all of the content modules are being developed into an online training and certification course by a team of learning professionals. CE credit approval is being sought.

Healthcare supply chain management represents "a new discipline that brokers must move into if they want to be competitive going forward," according to Griswold, who's also the author of several books and president of Bottom Line Solutions.

By carefully managing the medical supply chain, he says the aim is for advisers to provide more value to employer customers and the employee populations they serve. The strategy is designed to control and lower the cost of care, whether it's for a doctor's visit, diagnostic test, surgery or hospitalization. Other key objectives include improving health outcomes and the quality of benefits being offered.

"It has to happen within a self-insured environment because a fully insured plan doesn't allow for these sorts of cost-containment interventions," Griswold adds.

SCOTT CANTRELL

His larger point is that helping broker transactions between employers and health insurance companies no longer delivers value to most employers in the face of year-over-year rate increases at renewal time. By moving to a self-funded environment and helping manage that supply chain as part of a more consultative approach, he says employers will have greater control over their costs and a chance to create value.

Healthcare supply chain management represents "a new discipline that brokers must move into if they want to be competitive going forward," Nelson Griswold says.

Power of public speaking

As part of the Underground Adviser Masterclass series of training seminars, which includes a C-Suite selling workshop, Griswold and Cantrell also created a Speakers Academy. A two-day session is limited to no more than 24 advisers working with professional speakers.

With surveys showing that some people fear public speaking even more than death, overcoming stage fright is a common concern. Indeed, at last year's inaugural Speakers Academy Griswold recalls a number of attendees who were absolutely terrified, but "they all walked out with a fairly polished presentation that they had given a couple of times in front of these peers without anything detrimental happening." Just ask benefits adviser Caitlin Hodge, who overcame years of severe anxiety and depression to take the stage and become successful producer with HJ Spier, which reported 60% organic growth last year.

The secret to a successful presentation is to start with a compelling individual opening about overcoming a personal challenge, Griswold notes. Anecdotes serve as a powerful way to engage an audience. Andy Neary, a healthcare strategist with the Olson Group, has mastered this art. He playfully references his time as a baseball pitcher for the Milwaukee Brewers with self-deprecating remarks and teachable moments when speaking at industry events.

At the recent Ascend conference, he said public speaking is an adviser's No. 1 prospecting tool. But it requires a heartfelt commitment to the merit of one's content, he noted, as well as the need for speakers to check their ego at the door, strive for connection over perfection and realize that the audience is there to cheer them on, not witness failure.

"Public speaking, like any worthwhile skill, requires preparation and practice," Cantrell explains. "If you do that enough, you're going to get better at it."

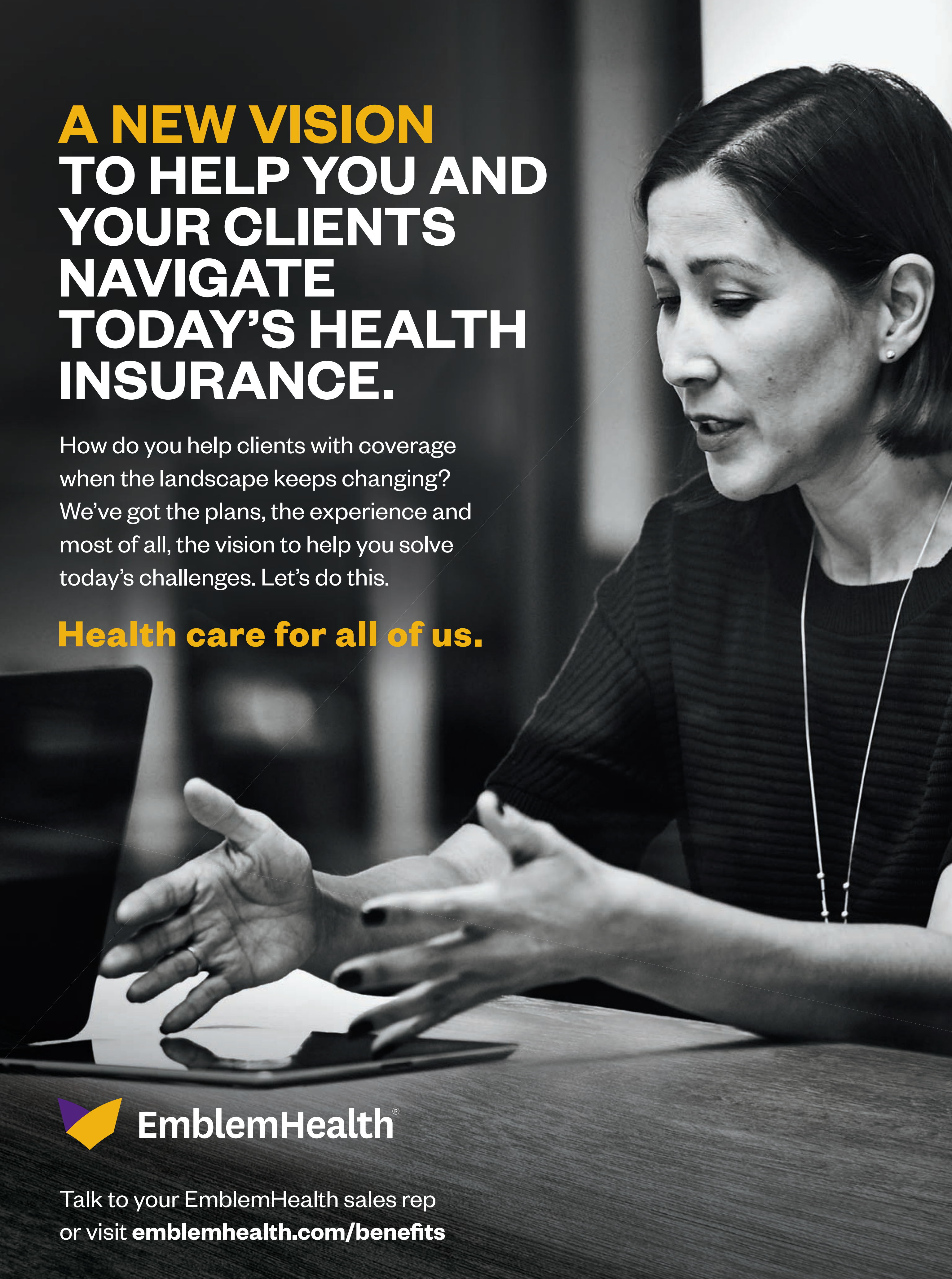
"We tell our clients that the shortest distance between a prospect and client is education," says Scott Cantrell, a partner at Bottom Line Solutions.

Online training

Another important strategy involves implementing proven marketing techniques. The Mastermind Partnership offers several marketing programs to help advisers generate warm leads from ideal prospects for producers to meet with and convert into clients. In addition, they have access to one-on-one consulting with new director of marketing, Megan Chiarello. The objective is to deliver better benefits for employees with year-over-year reductions in an employer client's healthcare spend.

The NextGen Benefits Toolbox is a comprehensive online training program whose modules cover culture, portfolio, marketing, consultative selling and management. Additionally, there are three levels of engagement that help advisers expedite the transformation of their agencies. They include group coaching called Achievers Circle, one-on-one coaching called Peak Performers and an executive-level peer-exchange network known as the NextGen Benefits Mastermind Partnership. "Marketing is nothing more than telling your prospects about the solutions you can bring to their problems," Griswold says. "The beauty is that instead of a cold call or email to someone at a marketing event, these are warm leads with prospects who have read what you do and with whom you can have meaningful conversations. **EBA**

Bruce Shutan, *an* Employee Benefit Adviser *contributing writer, is based in Los Angeles.*


A NEW VISION
TO HELP YOU AND YOUR CLIENTS NAVIGATE TODAY'S HEALTH INSURANCE.
How do you help clients with coverage when the landscape keeps changing? We've got the plans, the experience and most of all, the vision to help you solve today's challenges. Let's do this.
Health care for all of us.
EmblemHealth®
Talk to your EmblemHealth sales rep or visit emblemhealth.com/benefits

DIGITAL INNOVATORS

RITUAL
BOOMR
PYMETRICS
FITBIT
CARILOOP
TEXTIO
WELLTRINSIC
BENEFITSTV
GROKKER
BIG HEALTH
MEREDITH
SMARTDOLLAR
EHIR
COMPLETED.COM
DATAPATH
WALMART
TALESPIN
DAILYPAY
CASTLIGHT HEALTH
HANDSFREE HEALTH

From virtual reality and gamification to mobile apps and wellness videos, these visionaries are using technology to help employers make their employees healthier, happier and more engaged.

By Caroline Hroncich and Kathryn Mayer

As the HR and benefit industry's digital evolution takes hold, new players are emerging to take advantage of the upheaval. From virtual reality and digital voice assistants to a benefits television station and text analysis tools, new technology is reshaping the industry by helping employers and employees better engage in healthcare, benefits and the workplace in general.

Behind this industry transformation are our 2019 Digital Innovators, individuals driving these technologies and making these innovations possible. After poring through dozens of nominations from *Employee Benefit News* and *Employee Benefit Adviser* readers, editors selected this year's award recipients.

Rosario Avila and Andrew McNeil

Founders, BenefitsTV

Their innovation:
They created BenefitsTV — a series of videos explaining benefits topics posted to a YouTube and Instagram channel — after they couldn't find any benefits content in video form. Since teaming up, the benefits advisers have created more than 50 short videos.

Why it matters:
Employees have difficulty understanding their benefits: Just 4% of Americans can correctly define deductible, co-pay, coinsurance and out-of-pocket maximum, says a Policygenius survey. That confusion and frustration is taking a hit on employers, too, and is why new ideas to communicate benefits and their value are cropping up.

Lorna Borenstein

Founder and CEO, Grokker

Her innovation:
Grokker's well-being video tool provides more than 4,000 on-demand fitness, yoga, mindfulness, sleep, nutrition and financial well-being videos along with a community of experts. Employers including SurveyMonkey and Pinterest offer Grokker's personalized programs to employees in hopes of helping them stay physically and emotionally fit anywhere, anytime, on any device.

Why it matters:
Grokker aims to make wellness fun, user-friendly and accessible. It also claims to help employers, since employees who use its platform report being less stressed, and more focused at work.

Matt Bowersox

CEO, Boomr

His innovation:
Boomr is an app that allows small businesses to track workers' time by creating a virtual geographic boundary around an office, or an area where any employee reports to work. When employees, and their smartphones, physically arrive within the geofence, the mobile device allows them to begin logging their time.

Why it matters: Tools like Boomr can help smaller employers more effectively track the time employees are spending on the job. Bowersox says the app can give employers "real-time insights" into when employees are working.

Mike Cardillo

Co-founder and President, HandsFree Health

His innovation:
Cardillo's wellness company, HandsFree Health, created the new voice-activated device WellBe. WellBe responds to voice commands like other virtual assistants, except the model can be programmed to answer questions based on the owner's own healthcare and benefits information.

Why it matters:
The company says it hopes to roll out the new device to employers as part of their benefits package, so the technology may become a bigger part of the healthcare and benefits industry as companies look for easy ways for workers to access their healthcare information at home.

Lawrence Epstein

President and CEO, Welltrinsic

His innovation:
Epstein's online sleep wellness program helps workers track their shuteye. Welltrinsic Sleep Network allows employees to create a sleep diary. They can also manually log their sleep or upload data from a fitness tracker.

Why it matters:
Lethargic employees are more likely to miss work or not be productive when they are in the office. Epstein says Welltrinsic can help employers "equip their staff with the means to improve and maximize their sleep as part of a healthier lifestyle, making it a vital tool for promoting overall employee wellness."

Digital Innovators

Peter Hames and Colin Espie
Founders, Big Health

Their innovation: Hames and Espie's company, Big Health, creates digital tools that help employers and consumers better address their mental health issues. The company currently has two apps, Sleepio and Daylight. The apps use cognitive behavioral therapy to help workers combat their worries and get more sleep.

Why it matters: More employers are placing value on finding solutions to address workers' mental health. "Sleepio and Daylight address the stigmatized issue of mental health in a way that feels more like entertainment than medicine," Hames says.

Brian Hamilton
Vice President, SmartDollar

His innovation: SmartDollar is an online and app-based financial program aimed to help employees get on track for retirement. It combines video tutorials, quizzes and a point system for rewards, along with email inspiration. SmartDollar has partnered with ADP; the program is available to 700,000 employers.

Why it matters: SmartDollar is helping employers by giving employees a digital-first solution to help them combat high levels of debt, lackluster retirement savings and increasing financial stress about day-to-day expenses.

Kyle Jackson
CEO, Talespin

His innovation: Talespin is a developer of VR tech and in February the company released a tool which allows employees to practice real workplace interactions. The tool mimics conversations that an employee might have at work and can simulate anything from performance reviews to leadership training or even firing.

Why it matters: Talespin's technology helps HR teams develop interpersonal skills during complicated office interactions. Jackson says virtual reality tools can help teach managers how to be better bosses, which can improve retention at a company long term.

Jason Lee
Founder and CEO, DailyPay

His innovation: DailyPay is an app that allows workers access to their earnings before payday. DailyPay works directly with about 100 companies, but through a recent partnership with payroll giant ADP, thousands of other employers can add the tool.

Why it matters: Giving employees instant access to earned wages instead of waiting two weeks between paychecks can help workers avoid expensive payday loans and late fees. It also can help employers: DailyPay research claims that companies using a daily payment benefit can reduce employee turnover by 41%.

John Moore
Medical Director, Fitbit

His innovation: Moore has helped Fitbit zero in on the employer wellness space. The company released the Inspire and InspireHR wearable devices in January, which were designed with corporate and health plan clients in mind. As part of its employer wellness offerings, the company also has Fitbit Care, a wellness platform for employers and employees.

Why it matters: Fitbit can provide employers and employees with actionable data about activity level and sleep patterns. Moore says tools like Fitbit Care help employees get positive reinforcement for healthy behavior and better manage chronic conditions.

Digital Innovators

Thomas O'Banion
Marketing Communications Manager, DataPath

His innovation: When benefits disasters come knocking — you can count on Captain Contributor to save the day, or Thomas O'Banion, who voices the comic book character for DataPath. Captain Contributor is meant to help teach employees about their benefits making complicated benefits concepts easier to understand.

Why it matters: Gamification like the Captain Contributor comic can be an effective way to increase employee engagement with their benefits. He says the superhero can "transform dry, hard-to-understand information about benefits into a more educational, exciting and accessible experience."

Maeve O'Meara
EVP of Product and Customer Experience, Castlight Health

Her innovation: O'Meara helped advance Castlight Health, which allows patients to see medical service prices at different providers. The company has invested $45 million in technology improvements.

Why it matters: Castlight Health focuses on helping employees navigate a complex health system, which is increasingly a focus of employers. More are turning to technology to help with this mission.

Tim O'Neil
Executive Director, Employee Benefits and Wellness, Meredith

His innovation: O'Neil is bringing new benefits and technology to the media company's 6,500 employees. This year, he played a key role in redesigning the company's wellness website. He says it's important that the site was as digital as possible, allowing employees access points, including on their mobile devices.

Why it matters: Because Meredith employees are spread out around the country, using technology to meet them where they are is important, O'Neil says. He's constantly looking for new ways to engage employees and assesses their feedback.

Frida Polli
Co-founder and CEO, Pymetrics

Her innovation: Pymetrics uses neuroscience-based games and artificial intelligence to help match candidates to jobs. Current employees play games on the Pymetrics platform and based on the data gathered, the tool builds algorithms that represent success in a particular job. It also audits for gender and ethnic bias.

Why it matters: There is a push to eliminate resumes in the hiring process. Polli says Pymetrics can replace the resume as a "first-pass filter by assessing candidates based on their true potential, their inherent cognitive and emotional make-up."


Josh Riff and Michael Laquere
Founder and CEO, respectively, EHIR

Their innovation: The two are behind the Employer Health Innovation Roundtable, a group made up of 60 of the country's biggest employers — including Boeing and Facebook — who meet to connect and match with health-tech startups and look for solutions to help their collective 8 million employees.

Why it matters: The group represents a meaningful initiative in the healthcare industry: Employers joining together to take more control. EHIR members are directly partnering with tech companies, including Hello Heart and Cariloop, to help improve employee health and drive down costs in the process.

Digital Innovators

Ray Reddy
Founder and CEO,
Ritual

His innovation: Ritual for Business lets employers allocate money to provide meals for their workers. The order ahead app is offered as a benefit by large employers including Spotify, Chicago Trading Company and Verizon Media. Employers set a budget and parameters for meals.

Why it matters: Reddy says Ritual creates a more social work environment because teammates can collaborate on orders and elect to pick up for one another. Offering free or discounted food and drinks to workers is also becoming a more popular employee benefit.

Daniel Shepherd
Senior Manager of
Customer Experience,
Walmart

His innovation: Shepherd used his own passion for gaming to develop a new virtual simulation training game for Walmart called Spark City. The app, which is freely available on the App Store and Google Play, allows workers to role play as a manager of a Walmart dry grocery department.

Why it matters: Gamification technology is one way to make training more digestible for workers. Shepherd says that turning mundane activities into games, can make routine tasks more fun and create positive habits among employees long term.

Kieran Snyder and Jensen Harris
Founders, Textio

Their innovation: Textio is a tool that uses augmented writing technology in an effort to reduce bias in hiring by uncovering patterns in language. The company's data comes from real-world hiring outcomes from hundreds of millions of job listings across industries worldwide. Clients include McDonald's and Spotify.

Why it matters: Augmented writing technology like Textio is intended to help employers tailor their job descriptions to be attractive to certain candidates. "The patterns that show up across your company's jobs show what you truly value," Snyder wrote in a company blog post.

Michael Walsh
Founder and CEO,
Cariloop

His innovation: Walsh is the brains behind Cariloop, a caregiving app used by employers to better help their employees manage and access caregiving resources. Roughly 120 employers now use Cariloop.

Why it matters: Platforms like Cariloop are intended to help the ballooning number of employee caregivers. About 40 million American adults provide unpaid care for a child or adult each year, according to AARP. On average, they spend 24.4 hours per week providing care. This places a heavy burden on workers, and leaves an opportunity for employers to better serve them.

Michael Zammuto
CEO and Co-founder,
Completed.com

His innovation: Completed.com, launched in December, allows employees to rate their experience with direct supervisors. This is different from other websites like Glassdoor, which only have ratings for company CEOs and culture.

Why it matters: Supervisors often make or break an employee's experience with a company: Great ones foster happy, loyal employees; bad ones have workers firing up their resumes. The site may be an important tool for HR managers to keep an eye on their managers and prevent talent from walking out the door.

"Young workers aren't saving enough — or at all — for retirement," says Deborah Culhane, CEO of Optum Bank.

Are HSAs the medicine for millennial savings ailment?

Many younger employees think they can't save for their post-work years. Here's how they can start.

By Kayla Webster

Ask a millennial what financial wellness means to them and you're bound to hear about paying off student loans, and not worrying about the high cost of rent. Retirement doesn't even make the list — but it should.

Research by Merrill Lynch and Age Wave indicates that 42% of millennials have no retirement savings, which should be a concern to employers. Every year an employee delays retirement can cost large companies up to $3 million, according to a Prudential study. But employers are in a unique position to help millennials take advantage of programs suited to their needs.

"I think [millennials] have a plan to plan for retirement," says Deborah Culhane, CEO of Optum Bank, a financial services unit of Minnesota-based health and wellness company Optum. "They may not be the most active generation saving for it, but I think they're concerned about it."

Employee Benefit Adviser spoke with Culhane about retirement strategies for millennials, and how employers can best communicate with their workforce.

We're seeing that young workers aren't saving enough — or at all — for retirement. What are employers doing to help with this problem?

I think one of the trends is diversifying benefit packages to focus on things millennials specifically want. I've seen a plethora of student debt relief programs and a variety of other ways people are trying to help this generation get on the path of financial security — like access to financial planners and financial wellness classes. It makes sense because part of focusing on retirement is having the ability to focus on where you stand today.

Without a question — especially when you achieve employer match status — the best step to save for retirement is the health savings account because you'll never be taxed on it. The 401(k) gets taxed pretty heavily, and the only tax benefit it receives is deferment. I think the HSA is better than any IRA, or anything else on the marketplace. Taxes for all the other programs are deferred, but the HSA is never taxed. It's the most productive way to save for retirement.

If you're trying to help employees achieve a level of financial security, these plans — regardless of where you are on your journey — are invaluable. They can help [employees] now for paying medical expenses, and they can help them save for future retirement expenses.

Young workers sometimes shy away from the HSA because of the high-deductible health plan requirement. Why do you think it's a good match for them?

I think there's a misconception about that; you actually get to control more of your healthcare spending under high-deductible plans. If you're relatively young, healthy and active, these plans are many times the most financially obvious selection because they have lower premiums. If you're paying less in premiums, you can save more in your HSA.

I think these plans are attractive to younger, healthier populations because of their value to retirement. Also, if you're

ADOBE STOCK

Kayla Webster *is an associate editor* of Employee Benefit Adviser *and* Employee Benefit News. *Follow her on Twitter @KaylaAnnWebster.*

just starting a family, this medical account is critical for you because it helps pay for medical expenses at non-taxed dollars. For example, if you need glasses, you can pay for them using tax-exempt dollars that never go away. Flexible spending accounts typically expire every year.

The beauty of the HSA is it's yours, it's portable, it goes with you from job to job and it's never taxed if it's used for qualified medical expenses. It's one of the most misunderstood, but also one of the most flexible benefits in the marketplace.

401(k) matches are usually considered a desirable employee benefit. Can this be done with HSAs?

Employers can contribute to HSAs, too. It's very similar to the 401(k) as far as matches go. I've seen various programs offer a lot of matches and extra incentives that an employee can utilize for their account. For example, there are many companies with health challenges. Employers will actually contribute additional dollars to an employee's HSA account for passing some health challenge — usually like taking a fitness class or signing up for a program. It's an incentive to get employees to take charge of their health, which will save employers money on medical expenses. And obviously, it helps increase employee retirement savings.

What's the best way to educate and engage millennials so they'll consider participating in an HSA plan?

Whatever approach employers take, it needs to be a simple plan design, and incentives need to be effectively deployed. I think generally people are overwhelmed in benefit selection, and they don't understand how they fit to their own personal needs.

That's why the most effective education is a personalized education.

What we deploy are very short, intuitive video-based guides. We use these a lot in our new mobile app, which uses artificial intelligence to suggest content to our users. We try to engage people in the app because that's when they're focused on benefits. It's where we can create that moment that helps them take that next step.

After they watch a video on HSAs being used for long-term savings, we use the app to reach out to the employee saying, "Did you know you can start investing in retirement?" They can engage with the platform and watch short, educational videos that explain how the HSA can help with long-term savings and medical expenses. Our algorithm knows your spending habits … and it will nudge you to the next best step on your financial security ladder. **EBA**

ADOBE STOCK

'Adulting' benefits: Employers' new solution to burned-out employees

Advisers can help clients put convenience benefits in place to alleviate stress and to avoid the perils of "errand paralysis."

By Ann D. Clark

In a time when globetrotting Gen Z and Postmates-loving millennials are expected to make up 50% of the workforce by 2020, could benefits that help with "adulting" be the next big trend?

Although millennials and Gen Z are well into adulthood, they often struggle to accomplish day-to-day life management tasks.

Many bemoan feeling busy all the time, tired and even burned out. In a Buzzfeed post, "How millennials became the burnout generation," author Anne Helen Peterson strikes a chord with her "errand paralysis" reference. Daily chores become part of a never-ending list of mundane tasks that get avoided, yet add to stress and anxiety.

Peterson blames underlying burnout as the culprit, even calling burnout the "millennial condition." She says it affects people ranging from those "patching together a retail job with unpredictable scheduling while driving Uber and arranging child care to the startup workers with fancy catered lunches, free laundry service, and 70-minute commutes."

Indeed, members of Gen Z report the worst mental health of any generation, according to the American Psychological Association's annual Stress in America report.

Only 45% of those in Gen Z reported "excellent" or "very good" mental health, compared to 56% of millennials, 51% of Gen X individuals, 70% of baby boomers and 74% of adults older than 73.

While employers can't solve all employee problems, they can go beyond the basics of competitive pay, comprehensive health insurance and career advancement.

Forward-thinking employers can look to new convenience benefits to help simplify the mundane and incessant responsibilities of life, alleviate errand paralysis and give their employees back valuable time to actually live.

For instance, a number of companies — including a major law firm in Atlanta — has an onsite errand runner who helps employees do everything from planning exotic vacations to shopping for Christmas presents and going on weekly Costco runs. The reaction has been positive, with employees saying the service helps them stay focused and physically present at work.

As more and more companies look to prioritize the employee experience and get creative with nontraditional benefits, it makes sense to consider growing trends in convenience and lifestyle benefits. They can save countless hours, reduce stress, and speak to the challenges of the modern world. **EBA**

Ann D. Clark is the founder and CEO of ACI Specialty Benefits, an employee assistance program and provider of work-life, concierge and student assistance program benefits and perks.

Employer clients eye tech to manage chronic pain

Boeing, Delta Air Lines and UMass Memorial say virtual care tools have had a positive effect on their employees.

By Amanda Schiavo

As more employees struggle with chronic conditions, employers are learning they need to step in to help — and they are turning to tech solutions to help them do so.

Boeing, Delta Air Lines and UMass Memorial Health Care are among the employers that have been using virtual care tools that aim to help employees better manage their health conditions over the last few years, and reaping the rewards as a result.

"We're seeing virtual care by employers being adopted more readily over the past few years," Hassan Azar, senior vice president of total rewards at US Foods, said during a panel at the recent National Business Group on Health's annual conference. "We're seeing increased success and a lot more interest in uptake in the vendor side."

The strategies and results the three companies have yielded will make benefits managers take notice.

Jason Parrott, senior manager of healthcare and well-being at Boeing, noted during the panel that a number of health-tech companies have broadened their services in recent years so that employers can help employees focus on improving their health.

"When you look at what has transpired in the last three months, 10 months, 12 months, you're seeing a lot of these solutions evolve," he said.

Boeing turned to tech solutions when trying to figure out how to appeal to each segment of its workforce, which is comprised of 153,000 employees across a range of backgrounds and generations, Parrott said. Boeing also wanted to help employees' dependents and allow them to engage with the healthcare solutions the company provides.

With these goals in mind, the aerospace company partnered with Vida Health, an app that pairs employees with health coaches. Parrott said the partnership has been successful because it "focuses on the human element," and not just results from a numbers standpoint.

Boeing also partnered with Livongo, a platform that helps employers manage the health of workers with diabetes and other chronic conditions.

Livongo also works with Delta, which rolled out a pilot program in the Detroit market in 2016. The airline collected data that showed Detroit was an area with low diabetic compliance, meaning people living with the disease weren't managing it properly, explained panelist Vickie Strickland, Delta's director of health strategy and resources. The program yielded positive results, showing greater diabetic compliance, and in 2018 Delta made it available to employees across the nation.

"We've only been at this for a little over a year," Strickland said. "The program is tied to a large incentive that goes into an HSA or HRA. But employees have to do more than just enroll; they must engage and close the gaps in their care." **EBA**

ADOBE STOCK

Amanda Schiavo *is an associate editor of Employee Benefit Adviser and Employee Benefit News. Follow her on Twitter at @SchiavoAmanda.*

Fidelity rolls out benefits tailored to small businesses

The company's new offering aims to help clients more easily add and manage perks to attract and retain talent.

By Nick Otto

Fidelity Investments has rolled out a benefits management suite tailored to small and medium-sized employers — a market that typically has a harder time administering and offering perks for their employees.

The financial services firm's new suite, called Fidelity Works, gives small and midsize businesses a single, integrated portal to help manage benefits services including payroll services, HR and benefits administration, HSAs and retirement savings plans. It also will give those employers access to emerging benefits like student debt repayment programs and charitable giving programs — a program Fidelity rolled out earlier this year.

It will be offered to both Fidelity's roughly 20,000 current small and medium sized employer clients, as well as new customers. This will expand the company's footprint, as it typically works with larger employers.

The goal is to both help smaller employers manage administrative complexities and also encourage them to add benefits to help them better attract and retain talent.

"There are significant challenges understanding regulations, setting up an efficient infrastructure and monitoring providers who administer outsourced activities," says Chris Hock, head of Fidelity Benefits Marketplace. "And while the average employer wants to focus on employee wellbeing, they just don't have the time or resources to do so at the level that is required."

Small businesses typically do not have the resources to continually scan for the most progressive benefit offerings, nor do they have the resources to align the data, tools and technology to bring to life for their employees in a seamless fashion, Hock explains.

"This results in suboptimal benefits design," he says.

But Fidelity's new offering, he contends, can help "simplify the administration of benefits, reduce the cost of administration and provide information that helps employees make the most appropriate decisions."

Hock says that through the consolidated benefits platform, companies will be able to better focus on their business and less on benefits administration.

"It also will allow companies to reduce employee-related expenses as employees make better individual decisions which should carry through to the bottom line of the company," he adds.

"The war for talent is real," he says. "The benefit plans offered to employees need to be progressive in order to attract and retain the best employees. Without an effective benefits package, [small and medium-sized businesses are] at a disadvantage." **EBA**

ADOBE STOCK

Nick Otto *is a senior editor of* Employee Benefit Adviser. *Follow him on Twitter at @Ottografs.*

BLOOMBERG NEWS

Auto enrollment doesn't mean going on autopilot

This automatic option requires employers to analyze tough issues like human behavior and inertia.

By Amanda Schiavo

There is significant room for government agencies to help their workers save more for retirement, but that comes with caveats to consider.

More than three-fourths of government workers (77%) would use auto enrollment for supplemental plans if it were offered, according to a new study on supplemental retirement plans by the Center for State and Local Government Excellence, a group that helps retain talent in public service.

These plans are in addition to the usual retirement plans offered to government workers. Typically, the government agency decides whether to offer them, but when they are used they can be a major benefit for workers, according to the center.

"We asked ourselves, "How can we underpin state a local employee retirement security in an environment where their main pension benefit is being reduced,'" Joshua Franzel, CEO of the Center for State and Local Government Excellence, said recently at the Retirement Trends for Public Employees event in New York.

"As more healthcare costs are being shifted to employees, supplemental defined contribution plans can play a key role in filling the gap that's being left by pension reform and healthcare reform," Franzel says. "Looking from a workforce management perspective, they can play a role in helping recruit, retain and ultimately retire workers as well as maintain that workforce pipeline. Because if folks don't have enough to retire on it's going to be really hard to manage the workforce pipeline."

The auto enroll feature, while a popular idea, isn't necessarily the silver bullet solution to retirement planning, as there are thorny issues that employers should analyze first, such as decision fatigue and inertia, according to the study.

Indeed, these forces preventing many public sector employees — teachers, police officers, firefighters — from participating in SRPs, despite the long-term benefits.

Almost half of the state and local employees (47%) surveyed approve of auto-enrollment in defined contribution plans.

However, there was still a healthy dose of individualism as 69% of respondents said they believe supplemental plans should be the choice of the employee and not dictated by the agency.

Another issue is employee behavior while auto-enrolled, especially when a default contribution rate is chosen for employees.

When one group of respondents was presented with a 7% default, they settled on a significantly higher rate than the group given the 1% default rate, the survey notes. Advisers and companies should take note of this as the responsibility of saving for retirement in the public sector continues to shift from employer to employee. **EBA**

Amanda Schiavo *is an associate editor of* Employee Benefit News *and* Employee Benefit Adviser. *Follow her on Twitter at @SchiavoAmanda.*