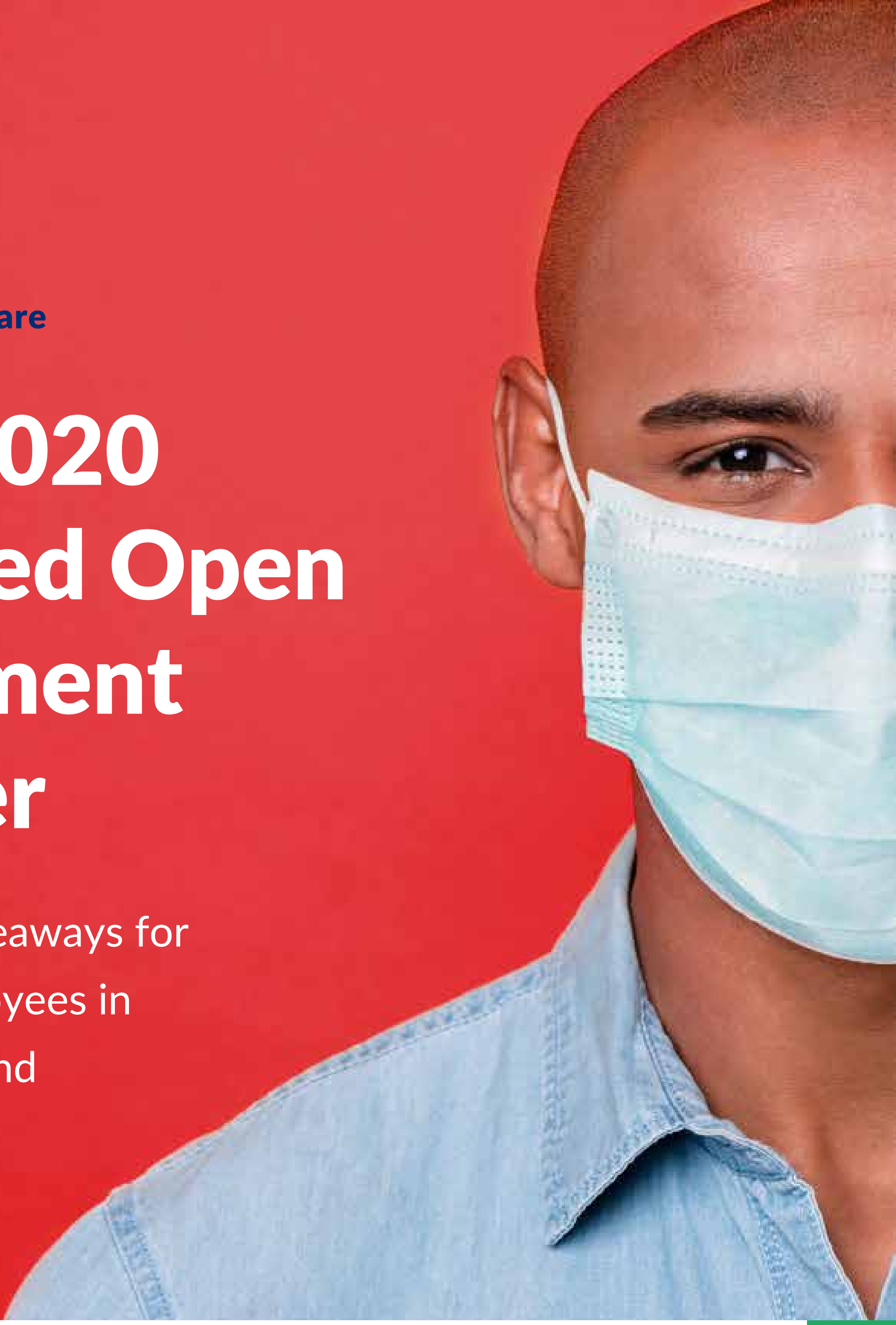
Employer Healthcare
Research Findings

How 2020 Changed Open Enrollment Forever

Trends and takeaways for engaging employees in 2021 and beyond



Introduction

Each year, employers look for ways to enhance their open enrollment (OE) strategy and boost employee engagement in their benefits. The name of the game is to make the narrow window of time for employees to enroll in benefits as engaging and informative as possible.

The goal is always to encourage employees to select the benefits that will, in fact, most benefit them and their families. This requires employees to have some degree of health insurance literacy. Therein lies the annual challenge.

When determining how best to support employees and meet them where they were in 2020, human resources teams demonstrated remarkable resilience. With little to no in-person open enrollment fairs being held, they were forced to try different tactics. Webinars, virtual fairs and email communications were in. Printed handouts were out.

In a recently conducted employer survey, **67 percent told us they delivered open enrollment info differently** due to the COVID-19 pandemic and social distancing requirements. Of those who conducted a virtual open enrollment, **85 percent said they will continue to do so in future years.**

Knowing that most employers and HR professionals are breathing a sigh of relief now that open enrollment 2020 is over and done (not to mention that 2020 itself is a wrap), why release this research now?

Because conducting open enrollment during a pandemic taught us more than we could have imagined about what works and what doesn't for today's workers. And it's never too early to turn the lessons from one year into a solid open enrollment strategy for years to come.

Though 2020 did present considerable challenges, it did manage to provide some lessons on how to better engage employees during future open enrollment periods.

Open Enrollment During a Pandemic: What Changed? What Stayed the Same?

The pandemic changed nearly everything about the workplace as we know it. However, a full 85 percent of the employers we surveyed did not change their 2021 benefits as a result of COVID-19 or its economic impacts. Employers saw this as a way they could extend a steady hand to employees during a turbulent year. As an employer told us, “Because we had changed so many other things—lower 401(k) match, across-the-board temporary salary reduction—we kept the medical/dental/vision benefits the same, including the employee contributions.”

Many employers indicated that rather than changing vendors or benefit plans, they automatically reenrolled employees in the same benefit plans as last year (passive enrollment) versus making employees go in and elect all their benefits (active enrollment).

However, massive changes were reported elsewhere—often relating to a decrease in the number of employees. Forty-four percent of surveyed employers were forced to lay off or furlough employees in 2020. One employer reported that while its open enrollment for 2020 had 1,200 eligible employees, due to COVID and unavoidable layoffs, its open enrollment for 2021 had only 590 eligible employees.

Companies that did change their employee benefits offerings often told us they were forced to because of budget cuts and a reduced headcount, as their pared-down staffs added up to larger insurance renewal fees. One employer reported laying off 78 percent of its staff. As a result of the significant decrease in employees/participants, that employer increased employee premiums. Many employers redesigned their plans or brought in a new healthcare vendor specifically as a cost-saving method.

“[We maintained] the same benefits during a pandemic to decrease change impact to employees. This is critical during a pandemic when people aren’t as focused or mindful. Mental health issues are at an all-time high, and suicide is on the rise. It was important to keep this offering consistent with years past and decrease stress or anxiety of more change.”

—Surveyed Employer

In some cases, employers got creative to save money and/or to provide relief to employees during the pandemic. For example, some respondents told us they took 2020 as an opportunity to finally add telehealth services into their offering or to expand their behavioral health network.

To specifically address their employees' pandemic-related costs and concerns, employers reported introducing:

- Mental health and childcare resources
- Employee assistance programs
- Additional paid time off for full-time employees

Some provided COVID sick leave to non-benefited employees, and decreased the hours required to work per week to be eligible for healthcare benefits and healthcare spending/savings accounts.

But more often, subtractions had to be made to benefits plans rather than additions. As one employer told us, "Due to layoffs and budget cuts, we only optimized by cost effectiveness. Ideally, I would have liked to add a broader suite of benefits, but with fewer employees to serve and budget constraints, it didn't make sense."

Employee engagement method	Pre-pandemic	During pandemmic
Emails	67%	74%
Posted benefits information	42%	45%
Live webinars	27%	35%
Leveraged benefits software	25%	29%
Printed and provided handouts	51%	20%
Printed and mailed handouts	25%	17%
800# hotline for employees	9%	11%
Created own virtual fair	4%	10%
Leveraged a vendor's virtual fair	2%	6%
In-person open enrollment	45%	3%

What We Learned from Open Enrollment in 2020

Employers in 2020 had no choice other than to try new ways of engaging their employees in the open enrollment process—and in ways other than in person. In some cases, this meant hosting virtual open enrollment fairs for the first time, or shepherding their employees through the process via live webinar.

As a result of this step change, employers walked away from the year having learned more from open enrollment than they might have during an ordinary year.

Twenty-six percent of employers told us that, in spite of a year characterized by limited budgets and resources, open enrollment for 2021 was better or much better than the previous year.

Only 12 percent said it was worse. What can be attributed to their increased satisfaction with this year's cycle?

Here's what we heard from employers:

1 Virtual OE fairs are easier and more effective than in-person fairs.

The vast majority of employers who provided a virtual open enrollment experience in 2020 said they would provide a similar experience even when social distancing guidelines are no longer in effect. "It was an easy process and much less work required for a virtual webinar versus an in-person fair," said an employer, while another employer told us, "I think the virtual options allow for employees to also share with family members who are involved in benefit decisions."

Many employers did note missing the person-to-person interaction they normally enjoy during open enrollment; of course, this was a theme of 2020 in general. An employer told us, "I anticipate that, in the future, we will go back to allowing our employees and their spouses to attend in person and anyone who can't attend virtually, with it also being recorded. I don't want to lose the personal face-to-face interaction."

In 2021 and beyond: Even when in-person interactions are safe again, virtual open enrollment was proven for many employers to be the way to go in the future when engaging employees. A hybrid model, in which you offer both an in-person and virtual OE fair, may further boost engagement.

2 More time is needed to prepare for open enrollment.

Overwhelmingly, employers told us they should have started sooner in 2020 and need more time to prepare in the future.

Of course, COVID made employers feel even more crunched for time than normal, as they rushed to adopt new technologies, including implementing self-service options and transitioning to virtual. An employer said, “Late changes were made in our health plan to a high-deductible plan; the option for an HSA was added. I would have preferred more time to educate employees rather than the rush into a very different plan.”

Some wished they had time to translate their open enrollment materials into more languages or to create educational videos. Others would like to develop their open enrollment communications further in advance so they can get their employees thinking about open enrollment before it begins.

In 2021 and beyond: If going virtual with open enrollment is your choice rather than a quick response to a pandemic-sized problem, you’ll have more time to get ready. And if you hosted a virtual open enrollment in 2020, you learned a lot that you can take with you into your 2021 fair.

3 Whether conducted virtually or face to face, open enrollment needs to be more personalized and interactive.

Increased interactivity was also requested, with employers calling for access to chat features that will enable them to answer employees’ questions. Some expressed interest in interactive online platforms like those from Jellyvision or Brainshark. Others would like to incorporate gamification into educating their employees about benefits options. And several said they want to provide a benefits calculator to employees to help them decide what plans would be best for them.

In 2021 and beyond: In-person fairs provide employees with face-to-face interaction, but there are still ways for you to work that personal touch into a virtual open enrollment fair. And there now exists more resources than ever to create a more interactive OE experience.

4 Open enrollment should either be mandatory or incentivized for employees.

Open enrollment meetings are seldom mandatory for employees. But employers may want to rethink that. As an employer told us, “Our open enrollment meetings are voluntary, though highly encouraged. Most benefits roll over automatically into the new plan year. Mandatory meetings and/or enrollment confirmation would help prevent the problems such as, ‘I didn’t know it was due by a certain date,’ and ‘I didn’t know about this plan.’ ”

Let’s face it: Employees often don’t feel particularly motivated to participate in open enrollment. And employers struggled especially hard in 2020 to entice remote workforces to make their benefits selections. One employer told us they regret that their company couldn’t allocate paid time for employees to meet virtually to discuss the 2021 benefits available to them.

In 2021 and beyond: Incentivize or compensate your employees for taking the time to review their benefits options and show up for open-enrollment meetings. Incentives could include gift card giveaways, scavenger hunts in the virtual fair environment, or random drawings for attendance. Making open enrollment fairs mandatory may sound harsh, but it will also show your employees you take their health and well-being seriously. Recruit your management team to act as open enrollment ambassadors who help you drive home the importance of OE participation.

How We Support Partners and Employers During Open Enrollment

We have a number of virtual-friendly resources to support your open enrollment, including:

- Our Open Enrollment Toolkit, including informative handouts, webinars, email templates and more
- Live webinars available to our clients and consultants throughout the year
- Responsive customer service for participants and clients via phone and email
- Service offering of customized virtual open enrollment fair sites

5 Look for new ways to get ahead now.

COVID put the kibosh on most employers evolving their benefits offerings for 2021, but that will change once things get back to "normal." Employers who haven't already will broaden their benefits portfolio to include health savings accounts (HSAs), health reimbursement arrangements (HRAs), and flexible spending accounts (FSAs).

Commuter benefits were also growing in popularity before the pandemic. As more employees return to offices, their popularity should rebound.

In 2021 and beyond: Expect employers, including your competitors, to look for new ways to get an edge on open enrollment for 2022. This will largely involve finding ways to help your employees manage their healthcare costs, childcare costs and commuting costs.

Survey Methodology

WEX conducted this research online with 377 respondents who were involved in their company's open enrollment for 2021. The survey was conducted Nov. 9–21, 2020.

Respondents came from 39 different states, plus the District of Columbia. In terms of business size, 28.8 percent had 0 to 100 employees, 45.3 percent had 101 to 500 employees, 11.7 percent had 501 to 1,000 employees, 12.3 percent had 1,001 to 5,000 employees, 1.9 percent had more than 5,000 employees.

About Us

First American Bank Health Account Services offers a suite of tax-advantaged health benefit accounts including Health Savings Accounts (HSA), Flexible Spending Accounts (FSA), Health Reimbursement Arrangements (HRA), and Commuter Programs, such as parking and transit (QTA). The suite of health savings and benefits accounts allows you to offer flexibility to your benefits package and provide cost- and tax-saving resources to your employees. To learn more about how First American Bank's Health Account Services program can add value to your current benefit offering, please contact us at (847) 586-2239 or email HASsales@firstambank.com.

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