

## **WHEN TO SAY GOODBYE TO YOUR BENEFITS BROKER**

For many businesses, the process of choosing and administering a health insurance benefits program is daunting. They often turn to benefits brokers to help them select and implement plans.

Traditional benefits brokers offer assistance in choosing plans, but typically lack the technological systems and solutions that help companies operate more efficiently and save money. Ultimately, a benefits broker should make the job of the business owner and the company's human resources (HR) department easier. If a broker is not achieving this goal, it may be time to investigate options for a new broker.

### **What Is A Broker?**

Benefits brokers are licensed professionals who assist companies, small business owners, individuals and families in choosing and administering health insurance plans. Using their expertise, they help businesses choose health insurance networks and plans that fit their needs and budget. In many cases, brokers have long-standing relationships with their clients and can assist them with enrollments, claim issues, compliance, and annual renewals.

### **What a Broker Should Be Doing**

Establishing a comprehensive health insurance package for employees can be a challenging task for any business owner. With a seemingly endless array of choices, complicated enrollment procedures, and ever-changing legal requirements, even seasoned HR professionals may find the task overwhelming. For this reason, many companies turn to a benefits broker. Taking advantage of a broker's expertise in plan options, procedures and rules is a smart choice for business owners. A good benefits broker will make sure that a client has the best benefits package for their needs and budget, and will reduce the workload for an HR department by handling the plan's administration and paperwork. Part of this process is helping to ensure that you are aware of the types of plans and costs that your competitors are employing, as a part of the benchmarking process. A good broker should also ensure that numerous carriers are identified and use other creative planning to reduce both employer and employee contributions.

### **Utilize Technology Systems and Solutions Appropriately**

One of the ways that brokers should be assisting their clients is through the use of a variety of resources to not only aid in the selection of a health insurance plan, but to administer it and provide year-round support.

A benefits broker should use innovative technology to help clients compare and select plans, educate employees about plan options, create customized open enrollment communications, and comply with all applicable rules and regulations.

### **Provide Help Through the Year**

Brokers should also be available to their clients throughout the year, offering support for problems or questions that arise about health insurance plans. A good broker will have sufficient staff to provide year-round assistance to clients—not only when it is time to renew a plan.

For example, if a company has an employee with a major health problem or life event, a benefits broker should be available to discuss these issues – as well as assisting with other routine questions and employee education related items.

### **Provide Assistance in Selecting Health Insurance Programs**

When it comes to selecting a health insurance programs, a broker should have access to a variety of products and plans offered by a number of carriers to meet a business' needs and budgets. Brokers with limited options often cannot respond to their clients' requirements, leaving companies with health insurance plans that are too expensive or that just do not meet employees' needs. An experienced independent broker brings more to clients by way of leverage – including the ability to help troubleshoot challenging situations that may arise throughout the year.

### **Explain and Support Compliance**

Finally, because the rules and regulations surrounding health insurance plans are complicated, a good benefits broker should protect their clients on all applicable compliance and regulatory issues. This includes making sure that the plan complies with all federal and state laws and regulations, that it is offered to all eligible employees and filing the required paperwork with the IRS and other government agencies. These tasks are important and necessary, but may overwhelm an HR staff and especially a small business owner. A benefits broker should take on this work for clients, easing the burden of administering a health plan – including the tools, and invaluable resources to assist with local, federal, and ACA compliance support.

### **Is It Time for a New Broker?**

A benefits broker should be doing a variety of things to meet client needs, including offering a range of plan options, providing year-round support, and protecting clients on regulatory and compliance issues. If a broker is not doing all these tasks, companies should consider finding a broker who can meet their needs.

Without these solutions, plan administration may be costly and time-consuming. Employees may also be dissatisfied if they do not have their preferred health insurance options, or if they feel that they do not have access to the information that they need and want about their benefits.

If a broker is not offering a range of plans and carrier options, a company may not even be aware of lower-cost plans or plans that meet their needs better. If a broker is not assisting a business with compliance, the company may be penalized with fines for not filing the correct forms with state or federal government, not providing notices to their employees, or even through missed opportunities to lower their tax burden.

### **The Advantage of Experienced Brokers**

When it comes to selecting and administering a health insurance plan, finding a broker with experience and knowledge of the PPACA is key. The world of health insurance is a fast-changing one, with evolving laws and market conditions that make it hard for the average business owner to keep up with the changes.

A good benefits broker should deliver expertise on a broad variety of topics, from compliance with the Affordable Care Act (ACA) to tax matters and benefits administration. A good broker should also stay on top of changing regulations and premium rates for their clients. Given the complex nature of health insurance benefits, brokers that provide ease of access to many carrier systems and solutions as well as providing year-round services and employee information is the key advantage over traditional brokers.

### **Compliance Needs**

One such advantage of working with a broker can be seen in how brokers handle compliance with the ACA. While health care reform has provided more affordable insurance options for individuals and employers, it has also brought many rules and regulations. Employers need to determine how many full-time employees they have, ensure that their health insurance plans have the minimum value, determine what they have to report to the IRS, and then make sure that the proper paperwork is filed in a timely manner.

Failing to comply with these regulations can trigger compliance violations, resulting in penalties and missed tax savings. Captive brokers or single-entrepreneur brokers may not be able to provide support to their clients on these matters, leaving businesses on their own when it comes to navigating this complicated system. However, a broker familiar with all the ACA intricacies can provide valuable resources to their clients to ensure compliance and help avoid any potential penalties. These provided tools can help employers save time and money, and allow companies to focus on what is really important - running their business smoothly and profitably.

### **HR Needs**

Beyond compliance, brokers may also be able to assist employers with their human resource needs. Traditional brokers are not seasoned in the field of human resources, leaving clients on their own to create their own HR policies, calculate payroll deductions and draft an employee handbook. They often do not provide HR support for their clients, and cannot answer questions on HR issues.

In contrast, experienced brokers may give their clients access to a wealth of information and resources to assist their human resources team. This could include a custom website for employee access to their benefits, advice on payroll needs, access to employee handbooks and communication tools. Utilizing these tools could help an employer avoid claims of wrongful termination, discrimination, and harassment.

### **Pre-Renewal Planning Ahead of the Curve**

When it comes to providing support, most traditional brokers limit their client contact to renewal time. Employers are left to navigate compliance and HR issues on their own, with little to no ongoing support from their brokers. Unlike traditional brokers, today's experienced independent brokers understand how important year-round support is to companies.

They understand that benefits are about more than just complying with the law; benefits can be a valuable recruiting tool and a way to improve employee satisfaction and retention. With that in mind, a good broker will provide year-round support and compliance information, ensuring that clients are never left to struggle with plan administration on their own.

## **Comprehensive Open-Enrollment Support**

The advantages of working with an independent hands-on broker can be seen in one of the most stressful parts of plan administration: open enrollment. Today's independent broker is able to set up an automated enrollment process, which eliminates the expense and hassle of distributing and collecting paper enrollment forms.

It also improves the overall efficiency and accuracy of the process. Using online enrollment typically shortens the enrollment cycle, as employees can learn about their benefits options, compare costs and coverage, and pick plans based on their eligibility for different options.

## **Plan Designs and a Discerning Benchmark Analysis**

Good independent brokers also have an advantage when it comes to initial plan selection. Traditional brokers will research plans, provide quotes and negotiate rates, but they often fail to do a deeper analysis to help companies design a competitive health insurance plan. Having a health plan that is comparable or superior to what other companies in a given industry or region is critical to recruitment and retention of top employees.

## **Data Analysis and Plan Comparisons**

Finally, brokers may utilize online systems to analyze clients' plan data to determine how to adjust plans to save money. These programs may also be able to model recommended changes so that clients can see how suggested changes could save money or provide better benefits for employees.

## **In Conclusion**

When it comes to selecting and administering a health insurance plan, a benefits broker should make life easier for clients. If a company is not receiving year-round support and access to technology to manage their health benefits, it may be time to look for a new broker. An experienced, knowledgeable, and highly dependable broker is a fantastic option for most companies—offering a range of services to help save clients time and money, and allow them to focus every effort on running their business.

***Maria L. Novak Dugan is president of Marketing Solutions & Business Development, a firm in West Chester, PA, offering creative marketing services and goal implementation for small businesses. For more information, contact Maria at 610-405-0633 or Maria@Maria-L-Novak.com or visit [www.Maria-L-Novak.com](http://www.Maria-L-Novak.com)***