



## Using Data to Help Employees with Benefits Decision-making

Companies today usually offer benefit options, like different healthcare or retirement plans. Using data to help employees make the most advantageous decisions benefits the employees and the organization.

Most benefits plans today include a complex set of options, like flexible spending accounts and different types of retirement plans. Adding complexity are the various tax-advantages of different options, the impact of the employee's health conditions and lifestyle, demographic information, family status, and much more. Employees need help and many are not getting it, only to discover in the future they made less than optimal decisions due to lack of understanding and frustration. It costs the employee and the employer money. The answer lies in using data to help educate employees on their options and offer guidance when deciding which benefits programs are best. There are a number of companies developing benefits decision tools, including some that are AI-driven, that are easy to use and provide critical insights into the best fit plan in various benefits categories.

### Understanding the Consequences of Benefits Decisions

When new-hires come on onboard or an open enrollment period begins for existing employees to make changes to their benefits, it is almost possible to hear a collective sigh of frustration. It is a world of account acronyms – HSAs, HRAs, FSAs, 401(k), etc. – and incomprehensible options. Each option offers different advantages, tax consequences, portability, COBRA rights, and even penalties to consider should an employee need to use the account funds for non-health care expenses in an emergency. Employees must select a health care plan and deductibles, optional benefits like dental and disability insurance, and life insurance amounts. One decision can affect another too. For example, employees can choose a high-deductible health plan to lower premium costs, but at the same time should consider enrolling in a Health Savings Plan (HSA) so the deductibles do not cause a financial problem when they need to be paid.

It is not surprising that employees need assistance with making benefits decisions, but often all they get is an online video explaining the options, or they attend a benefits meeting. What they really need is a way to input what-if scenarios and obtain guidance on selecting the best options which includes understanding how one benefit decision impacts one or more of the other benefits decisions. Data is the key to resolving this issue. Data can increase awareness of the consequences of benefits decisions and offer guidance on the optimal benefits. There are new decision support tools already being used in the workplace with more coming.



### Calling on AI for Assistance

For example, Alegeus partnered with software provider Picwell to deliver an AI-driven decision support tool for employee use. The Alegeus' platform currently helps employees choose a health plan and other offerings like health savings accounts or flexible spending accounts. The tool asks employees questions about their health, and the response data is compared to medical claims data. Predictive analytics then uses current and future health care costs, estimates of out-of-pocket expenses, and employee preferences to recommend a best fit plan. Alegeus offers an AI-enabled Smart HSA mobile app that helps employees use their healthcare dollars in the most advantageous way. AI driven recommendations suggest ways to save money on prescriptions and medical procedures and help with chronic condition management.

Combining data on benefits utilization and workforce demographics can also help employers reduce benefits costs and enable custom benefit packages for employees. Some employers offer benefits because they believe the options are needed to attract talent, when in fact they have low utilization or do not meet the needs of a diverse group of employees. Add more data through employee surveys and learn what employees see as a need and not what the employer thinks they need. For example, do employees want a wellness program or a chronic health management program? Another consideration is the multigenerational aspect of most workforces today. People at different life stages have different needs prioritized. One of the issues employers face in the collection of data is getting enough information from their insurance carriers or other program providers. This is driving employers to choose providers who will share the benefit usage data and assist with analyzing the data for decision-making. This is really a warning to current and future tech-based benefits suppliers: To stay competitive, share timely data with employers.

Data helps employers in four ways, according to Peter Navin, CHRO, Grand Rounds. One is leveraging data to design programs, as discussed. Data can also be used to communicate value to employees, after pinpointing what employees need and want. A successful use of data-driven marketing can lead to employees making better decisions. Data can guide benefit teams in personalizing the healthcare experience for employees, including finding a physician with expertise in treating a chronic illness. Finally, data can drive significant cost savings. The use of data for benefits intelligence also supports a data-driven culture in which data is the universal basis for critical decision-making.

### Using Data to Develop a Painless Journey

Data, data analytics, and Artificial Intelligence are the future of benefits plan design and employee decision-making. Employees want and need a painless journey through benefits that leads to optimal results. IBM, developer of Watson Health, calls this the rise of the consumer experience in healthcare in which people "shop" for benefits in a way that is personalized. IBM Watson Health's Market Expert data helps employers understand what consumers value from healthcare providers, i.e. quality, caring, services, communication, telehealth, price, etc. Watson Assistant for Health



Benefits uses AI to help people interact digitally in natural language to complete tasks and to help healthcare providers quickly provide key information and insights.

Technology continues to transform employee experiences in all areas, and assistance with health benefits decision-making is one of the more recent avenues. Now that decision tools are in use, expect to see an explosion of new suppliers entering the marketplace. There is plenty of opportunity for new entrants. Employers need to stay attuned because there is no doubt that soon employees will not just want these tools – they will expect them, making them part of the employee experience.