Integrated benefits:
A game changer for ADP Workforce Now® users

How HR Connect enhances the productivity
of HR teams using ADP Workforce Now

unum HR (CONNECT®

Introduction

Picture this: You go online to your favorite hotel website to book a room for your vacation. The site takes your information and says it will let you know whether a room is available … *in a couple of weeks.*

We wouldn't accept that lag time from a hotel site, but that's pretty much the situation HR departments have faced when dealing with employee benefit companies.

Throughout the employee benefits administration process, the exchange of information between employers and insurance companies provides nothing like the instant, accurate results we are used to everywhere else, here in the digital age.

But that's just begun to change.

Long in use in other technology sectors, **application programming interface (API) technology** promises to do for the insurance business what it's done for other sectors of the economy. Unum's HR Connect, a first-in-the-industry suite of API connections, integrates benefits administration with an employer's ADP Workforce Now system, for quick, easy, seamless and secure information exchange.

Today, when employers integrate their employee benefits into ADP Workforce Now, the result is a game-changing experience for HR leaders and staff.

Not only does it mean time savings and productivity increases in such areas as **plan setup, enrollment, evidence of insurability (EOI), and billing**, it also helps companies make the most of their ADP Workforce Now investment.

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HOW DID WE GET HERE?

A short history of benefits administration and technology

The digital revolution of the 1980s and 1990s made everything easier, including benefits administration. Goodbye, paper documents, mail and fax — hello, digital document storage and email. From that time until now, many industries have reaped the benefits of ever changing and improving digital technology to make operations faster, better and more efficient.

But the benefits industry has lagged behind. Many insurers still rely on outdated technologies, such as electronic data interchange (EDI) files. EDIs are basically electronic spreadsheets that are sent to insurance carriers, with information that influences who is covered and how much premium is owed (see graphic, "HR Connect: The missing link" on page 4). This legacy technology has major advantages over paper processing, but still has two main drawbacks:

1. The files still require a lot of **redundant, error-prone and/or manual data entry.**
2. There is still a **big time lag**, meaning changes do not take place in real time, with many time-consuming repercussions.

Meanwhile, other industries were moving forward with API-enabled communication. Instead of sending data from one organization to another for entry into both of their systems, **APIs enabled the two systems to actually connect,** so that changes made in one system or data set could be automatically and immediately reflected in a corresponding system or data set. It sounds simple, but it actually requires enormous investments of time and money to write the code that allows complex systems to talk to each other securely in real time.

Giant tech companies like Google and Salesforce now use APIs to deliver faster, easier experiences for their customers. With HR Connect, Unum has become the first carrier selling ancillary benefits, like disability, life and supplemental health, to provide API connections for ADP Workforce Now customers.

> Unum's HR Connect API technology is helping ADP Workforce Now users save time, reduce administrative headaches, and work more efficiently. It's changing the way benefits get done.

HR CONNECT: THE MISSING LINK

HR Connect is a suite of API-enabled connections that transfer information between Unum and ADP Workforce Now users easily and in real time.

EMPLOYER'S ADP WORKFORCE NOW SYSTEM

Employee information

- Address/contact information/age
- Class or group
- Pay
- Hiring date
- Dependents
- Coverage elections

Changes during the billing month

- New employees
- Newly covered employees
- Terminated employees
- Dependent changes
- Salary/class changes
- Employee address/contact information changes
- Coverage adds or drops

HR CONNECT

- Automatically sends and updates **plan setup** information — for a vastly streamlined process
- Automatically reflects **enrollments** and changes in real time — no more manual, redundant data entry
- Automatically requests **evidence of insurability** from employees when needed and provides quick coverage decisions, doing away with paper forms and long wait times
- Automates today's manual **billing process** — removing the need to pull reports from ADP Workforce Now and reconcile bills every month

UNUM'S BENEFITS PLATFORM

Plan setup

- Plan design options
- Eligibility rules
- Covered events/conditions
- Specific provisions for various classes
- Rates per option/class/age band/dependent
- Other plan rules

Enrollment

- Group benefit enrollments
- Voluntary benefit elections
- Dental and/or Vision ID cards

Evidence of insurability

- Online EOI applications
- Immediate coverage decisions

Billing

- Monthly premium based on employees covered
- Billing history, including payments and adjustments

Plan setup

HR Connect automates plan building, rate calculations and loading into ADP Workforce Now

THE OLD WORLD: SYSTEM INCOMPATIBILITY AND MANUAL EFFORT

Insurance carriers generally set up insurance plans to suit the needs of ... well, insurance carriers. To them, the details and complexities of insurance policies are not mysterious — they're just how they think about their business.

For employers, though, the information that carriers use in setting up plans is often a foreign language. It doesn't reflect how they think about their business, or the language their HR information system uses for benefit plan characteristics.

The result is hours spent in meetings, on the phone and sending documents back and forth to translate insurer language into the terms used by the organization's HR technology. For example, carriers often call overtime pay "shift differential," but most HR organizations don't use that term. HR professionals often end up interpreting the information sent from the carrier, introducing mistakes that can have a ripple effect throughout the entire administration of the benefit.

Additionally, once the plan is sent from the carrier, typically in a Word or Excel document, employers have to manually configure the plan into their system. For each benefit, HR has to enter the policy number, eligibility rules, number and description of employee classes, number and description of divisions, age bands, rates for each plan, benefit information, plan options, definition of earnings, and more.

All this data entry introduces the opportunity for keystroke errors. And when that happens, errors can carry through into enrollment, payroll deductions and billing (see graphic: "Anatomy of an error" on page 6). A small error can have a big impact.

HR CONNECT: AUTOMATED PLANS AND PRODUCTIVITY GAINS

With HR Connect, Unum builds the plans and simply delivers them directly to the client's ADP Workforce Now system. HR sees a notification in the system that plans are ready to review.

Unum uses a standardized model, automatically understood by ADP Workforce Now, for capturing complicated plan design information. All the employer has to do is finalize and confirm. No data entry, no misinterpretations, no hours in meetings figuring it out.

Plan setup now takes a fraction of the time — often as little as 15 minutes per plan. And later on, there are dramatically fewer problems with enrollment, billing and claims.

All of which means time savings and productivity gains for HR departments, and an immediate return on your ADP Workforce Now investment.
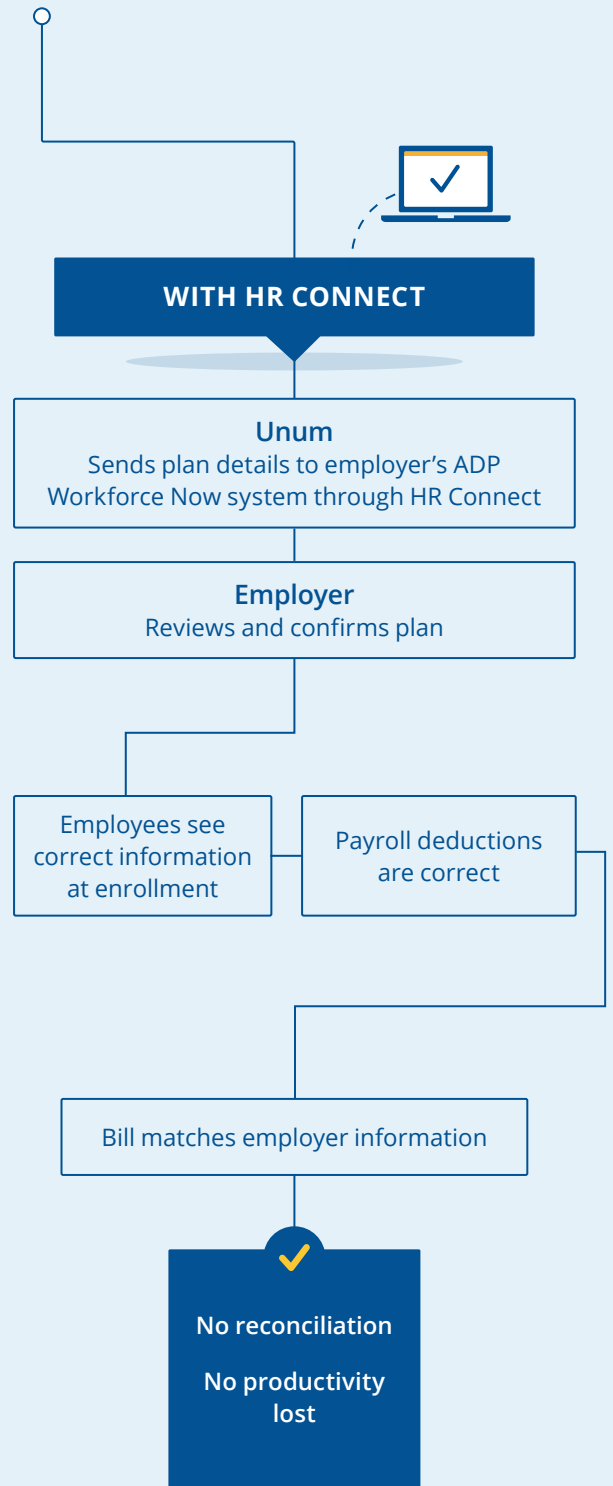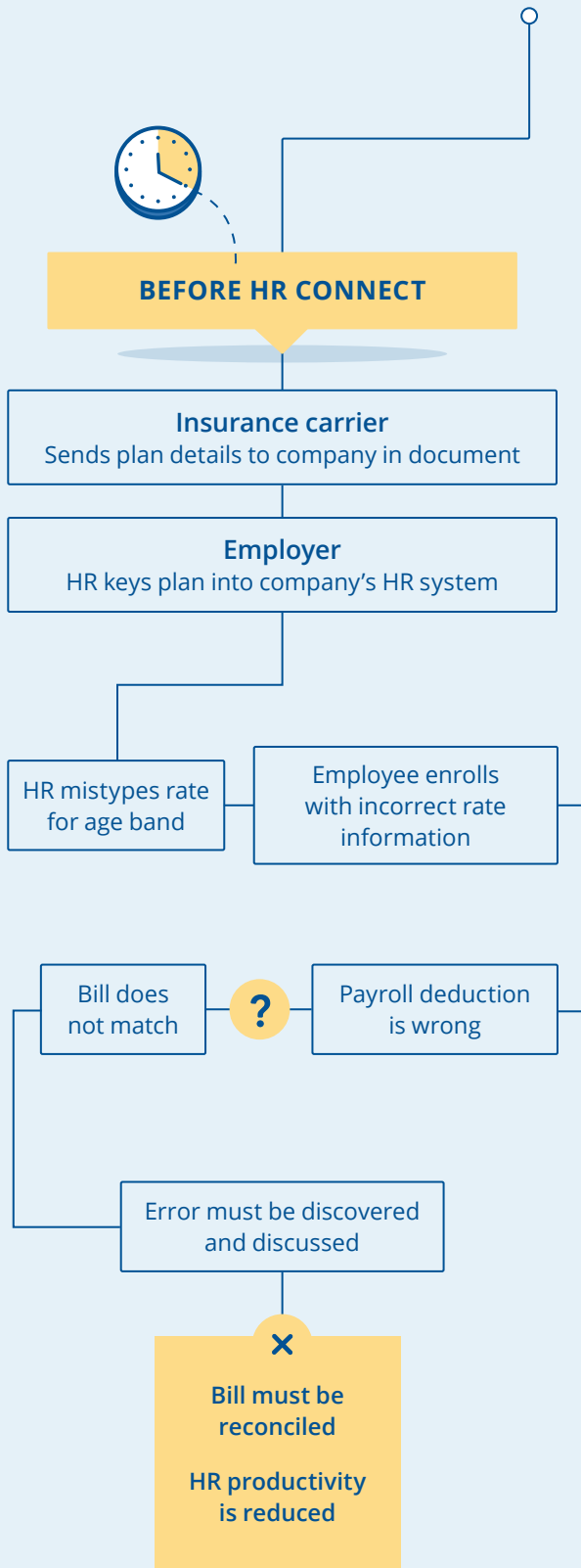
> " It was great that I didn't have to build all the plans myself because I'm used to doing all that.
>
> I was appreciative to have someone take that away from my to-do list.
>
> It was a heck, yes! Yes, yes! 100% yes!"
>
> — Kate Ogden, SHRM-CP
>   Tupelo Honey restaurant

ANATOMY OF AN ERROR

BEFORE HR CONNECT

Insurance carrier
Sends plan details to company in document

Employer
HR keys plan into company's HR system

HR mistypes rate for age band

Employee enrolls with incorrect rate information

Bill does not match

?

Payroll deduction is wrong

Error must be discovered and discussed

✕

Bill must be reconciled

HR productivity is reduced

WITH HR CONNECT

Unum
Sends plan details to employer's ADP Workforce Now system through HR Connect

Employer
Reviews and confirms plan

Employees see correct information at enrollment

Payroll deductions are correct

Bill matches employer information

✓

No reconciliation

No productivity lost

Enrollment

HR Connect automatically syncs information and keeps enrollment up to date

THE OLD WORLD: REDUNDANCY AND DELAY

Benefits enrollment has typically been an inefficient and slow process.

Employees enroll, often using paper forms, and HR must enter the enrollment and any elections into two separate systems: the employer's HR system and the carrier's benefits administration system.

Every time a new employee joins the company, or changes dependents, or gets a raise, HR has to type all that information twice into separate systems to keep them in sync. Mistakes inevitably happen, with repercussions for billing and claims.

Using EDI files has its own problems. In this case, the employer gathers all the information from an enrollment and sends it in a file to the carrier. The carrier processes that file, and then the benefits are ready for administration.

However, for all the reasons identified in the plan setup section, the data is difficult to sync between systems. So errors happen, and time passes while both parties identify where things went wrong. With a non-standard process for each employer, it can take months to create the files needed to manage an employer's benefits package.

In the meantime, people enrolled in the benefits start using them. The coverage is technically in effect, but the carrier's and employer's systems don't yet know exactly who is active.

For example, an employee who enrolled in dental benefits on December 1 might go to the dentist on January 3. Because the enrollment files are still being processed, however, that employee doesn't yet have a dental ID card — and has to pay out of pocket when they did not expect to.

Or, even worse, a life insurance beneficiary might call to make a claim after a recently enrolled employee passes away, only to be told their coverage is not on file. In addition to the obvious beneficiary distress, HR may have to expend hours of time and effort resolving issues and complaints.
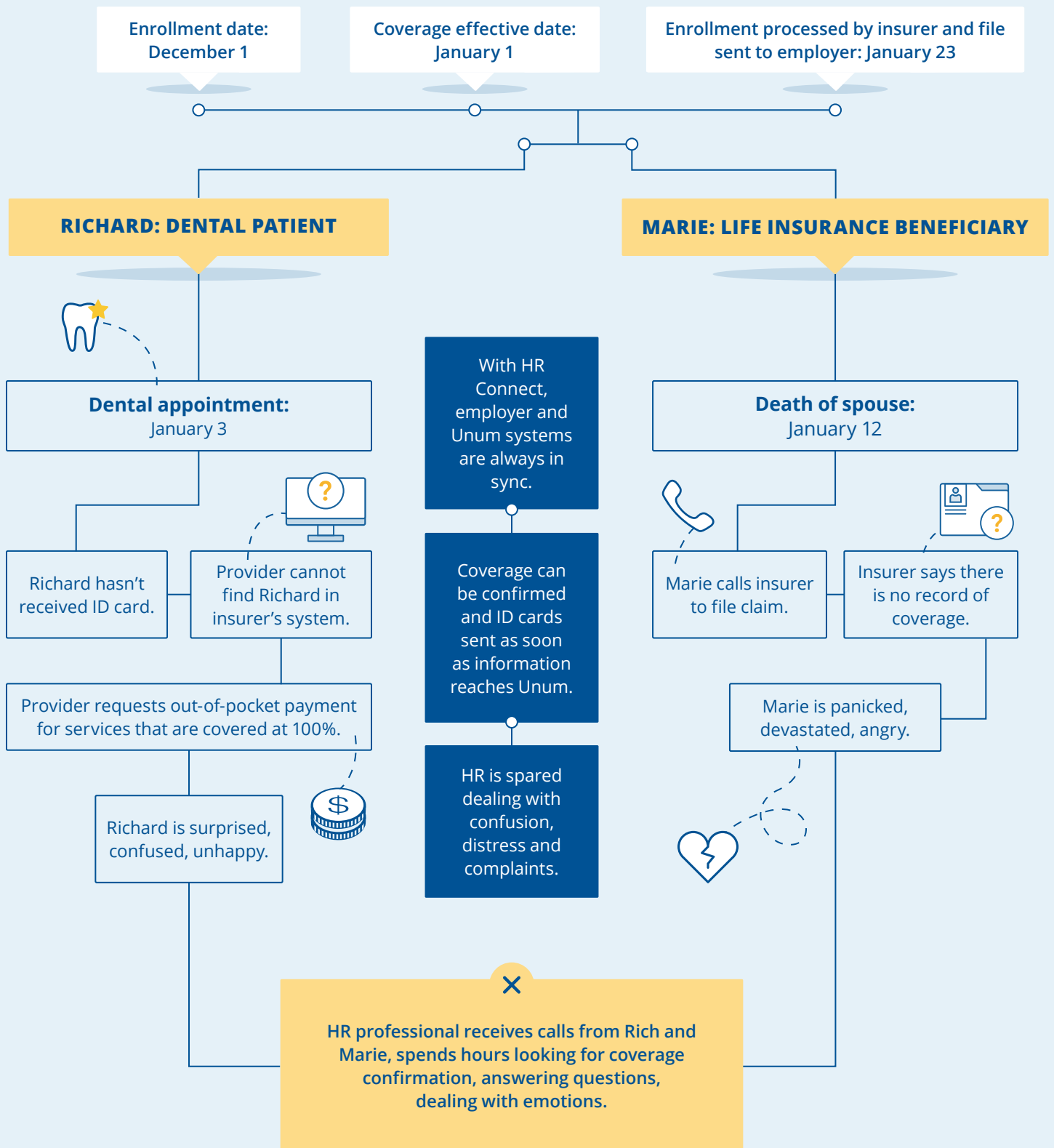
HR CONNECT: REAL-TIME SYNC

HR Connect solves the problems of data inconsistency and lag time.

When HR enters enrollment data into the company's ADP Workforce Now system, it is sent to Unum and reflected in Unum's system in real time, in the correct format. When an employee enrolls, changes addresses, or experiences a life event that could impact their coverage, Unum receives that information automatically with no additional steps required for the employee or HR.

Real-time exchange of information means both systems know who is covered, for what and when. Employee ID cards can go out as soon as Unum receives the information.

Employees can use their benefits with confidence, and HR can spend less time troubleshooting and answering questions. And the improved accuracy has major downstream effects on billing.

REAL-LIFE CONSEQUENCES OF ENROLLMENT TIME LAGS

Enrollment date:
December 1

Coverage effective date:
January 1

Enrollment processed by insurer and file sent to employer: January 23

RICHARD: DENTAL PATIENT

Dental appointment:
January 3

Richard hasn't received ID card.

Provider cannot find Richard in insurer's system.

Provider requests out-of-pocket payment for services that are covered at 100%.

Richard is surprised, confused, unhappy.

With HR Connect, employer and Unum systems are always in sync.

Coverage can be confirmed and ID cards sent as soon as information reaches Unum.

HR is spared dealing with confusion, distress and complaints.

MARIE: LIFE INSURANCE BENEFICIARY

Death of spouse:
January 12

Marie calls insurer to file claim.

Insurer says there is no record of coverage.

Marie is panicked, devastated, angry.

HR professional receives calls from Rich and Marie, spends hours looking for coverage confirmation, answering questions, dealing with emotions.

Illustrative examples only.

Evidence of insurability

HR Connect takes this once burdensome task off the HR department's plate

THE OLD WORLD: CHASING PAPER AND PLAYING THE WAITING GAME

For many benefits, like life insurance and critical illness coverage, employees can apply for a standard coverage amount without having to answer health questions. But if they want to apply for more coverage — an extra $50,000 life insurance benefit, for example — they may need to provide health information, also known as evidence of insurability (EOI).

This step in the application process can be onerous for HR professionals. Even today, it can involve determining who needs to provide EOI, passing out paper forms, checking to see who's returned the paper form, reminding applicants to return their forms, repeating the checking/reminding steps a few times, sending the paper forms to the insurance carrier and then waiting weeks or even months to hear whether employees were approved.

Clearly, this can turn into a time sink for HR, especially in large companies with a lot of employees needing to provide EOI. The delay in receiving paper forms coupled with the inconvenience of filling out and returning them also deters many employees from following through with their applications and getting the coverage they want.

Finally, since premiums depend on the amount of requested coverage, not knowing who has been approved for what level of coverage — and for what effective date — makes it difficult for HR to keep enrollment data, payroll and billing up to date and in sync with the carrier's records.

HR CONNECT: A QUICK, EASY PROCESS THAT HR DOESN'T HAVE TO OVERSEE

HR Connect keeps HR from being the EOI middleman. When an employee requests EOI-level coverage, HR Connect automatically recognizes the need for answers to health questions. Employees are notified in ADP Workforce Now that they need to provide EOI, and then complete their applications online, without ever having to deal with a paper form. Since Unum's benefits are integrated into the ADP Workforce Now system, the employee only needs to answer the medical questions, without having to fill in repetitive information, like name, address or coverage requested.

With HR Connect, most applicants will receive immediate approval or denial decisions. And those decisions are then automatically communicated to ADP Workforce Now, keeping everything in sync for payroll, billing and claims. The ease and immediacy of the process help employees finish their applications, so they can receive the coverage levels they want.

> " EOI is all online, versus our previous carrier, when it was paper. Now everyone just clicks on the link and it's done. That process has helped tremendously.
>
> — Krista Shaff, Benefits Manager
>   Red Robin

Billing

HR Connect eliminates errors, ensures accuracy and includes more information in billing details

THE OLD WORLD: TIME LAG AND FRUSTRATION

In the best of situations, EDI files are sent to the carrier once a week (often they are sent monthly or biweekly). It's HR's responsibility to go into their system, extract the necessary information and enter it into the necessary places. These files are used to create the company's bill.

But think of what can happen in just one week. New employees can be hired. Employees can leave the company. Babies can be born. Adult children can age out of coverage. People can decide to drop coverage, or add it if they have qualifying life events, like the loss of a spouse's coverage.

The carrier uses its most current information to create that month's bill. But since the information is typically out of date, the bill will not be accurate. Bills are often mailed, making them even more out of date when they arrive.

To keep the company's accounting precise, HR must reconcile the bill with up-to-date information from its own system, costing the department hours of valuable time. Pretty much every month.

HR CONNECT: A VASTLY IMPROVED EXPERIENCE

HR Connect's API-enabled connections do away with this critical lag time.

With HR Connect, pulling enrollment reports out of ADP Workforce Now is a thing of the past. Instead, data is gathered directly from ADP Workforce Now.

No more errors, no more reconciling — employers just review their bill and quickly pay online, the same as with any other transaction in the digital age.

In addition, HR Connect makes it easier for customers to filter and view bills in ways that work for them, and to see billing and payment history — important for accounting.

Making plan setup and enrollment easier and more accurate really pays off when it comes to billing and invoices:

- With the correct plan setup, employees have accurate information for enrollment.
- Coverage is immediately confirmed and reflected in both the carrier's and the employer's systems.
- Premium deductions are accurate, both for individuals and for the company as a whole.
- When the first bill comes, the errors that previously had to be discovered, discussed and corrected never happen in the first place. In fact, HR Connect eliminates up to 90% of common errors that can occur without it.[1]
- HR saves hours of time, effort and frustration — and the department can focus on more important things.

HR Connect eliminates up to

90%

of common errors that can occur without automation.

Source: Unum internal data, 2019.

What about security?

Security is our top priority.
We use industry-leading security and data-management practices, so your private, confidential information stays safe and secure.

Conclusion

CONSIDER YOUR ADP WORKFORCE NOW INVESTMENT — AND YOUR COSTS

Employers have invested tens of thousands of dollars in ADP Workforce Now for one simple reason: to make it easier to run their business, now and as they meet the challenges of the future. Integrating benefits with ADP Workforce Now and streamlining key benefits administration processes is another way to help make that investment pay off.

Ancillary benefits are a small part of an HR person's responsibilities. But when outdated or even manual procedures are in use, benefits can take up a disproportionate amount of that person's time.

To understand the potential gains from HR Connect, do a productivity audit. How much time and what amount of resources are being spent on implementing policies, syncing enrollment data, chasing EOI forms and reconciling bills in your organization?

Understand where you are today. That way, you can convince leadership when you need to switch to a benefits provider that can change the way your benefits get done.

ABOUT UNUM

At Unum, we help the working world thrive throughout life's moments. We help millions of people gain affordable access to disability, life, accident, critical illness, dental and vision benefits through the workplace — benefits that help them protect their families, their finances and their futures.

ABOUT HR CONNECT

HR Connect by Unum is a suite of API-enabled connections that directly sync benefits and leave administration with your ADP Workforce Now system, eliminating common errors and saving HR professionals hours of valuable time every month. By replacing manual, file-driven processes with automated, real-time information sharing, HR Connect simplifies administration and delivers a better benefits experience.

Get a free demo of HR Connect for ADP Workforce Now today

1 Unum internal data, 2019.