

## **Open Enrollment 2003 Action Plan**

### **Overview**

The Hawaii Employer-Union Health Benefits Trust Fund plans to conduct open enrollment beginning May 1, 2003. During the Board of Trustees meetings of both the Public Employee Health Fund and the Hawaii Employer-Union Health Benefits Trust Fund, the issues have been raised regarding the use of the current Health Fund staff to assist in the open enrollment conducted by the Trust Fund. This paper provides options that may be available to the Trust fund, depending on the decisions that are made.

The Health Fund is currently responsible for approximately 30,000 retirees and 20,000 active employees. Another 40,000 active employees are covered by the unions' plans. Using FY2000 totals, approximately 8,000 enrollment forms were handled during the Open Enrollment period by the HF staff. These included both union and Health Fund beneficiaries.

Based on past history, we anticipate that the workload will increase but not proportional to the increase in the number of active employee-beneficiaries from 20,000 to 60,000. Although the Health Fund is not responsible to handle open enrollment for those covered by the unions, the Health Fund still receives the O/E forms to update the HFIMS database. The primary difference with the union O/E is that the unions are responsible to handle the financial interface with the carriers.

The current open enrollment process at the Health Fund requires significant manual handling of enrollment and change forms. For each form is manually handled, date stamped, sorted and then forwarded to different individuals before it is available to be posted. Once received by the enrollment clerk, each field on each form is compared to the data that is contained in the database. The result is a very laborious process that requires anywhere from 3 – 5 minutes to process each correctly completed form received by the Health Fund.

The enrollment clerks estimated that about 90% of the forms received required additional steps. When errors or omissions are made, the clerk contacts the personnel point of contact to verify the data. Forms submitted by State employees require additional steps regarding the payroll interface. Based on the current active population, about 70% of all forms will relate to State workers.

Since October 2000, the Health Fund information system based on PeopleSoft has compiled monthly data regarding the number of transactions that the system records. For the two complete calendar years available, the types of transactions are very similar. For example, enrollment type transactions represented 25.0% and 27.1% for 2001 and 2002 respectively. Change transactions reflected 31.6% and 22.4% and terminations totaled 33.4% and 37.7% respectively. The difference between the 2001 and 2002 change transactions is attributed to a significant number of changes in the miscellaneous category. Otherwise, all other categories are very similar.

## FY2004 Open Enrollment Projections

<b>Forms requiring minimum or no action (no changes)</b>				65%		
	Nr Employees	Est O/E	Nr Default Proc	Time	Total Minutes	Total Hrs
Retiree	32000	481	313	1	313	
Active	60000	60000	39000	1	39000	
					39312.6	655

<b>Forms submitted correctly</b>				20%	
Average time to process correct form				3 minutes	
			Proc Time		
	O/E forms	Accurate	in Minutes	Nr Hours	
Retiree	481	96	289	5	
Active	60000	12000	36000	600	
			36289		605

<b>Forms requiring extensive research and follow-up</b>				
		Proc Time		
	O/E forms	In Minutes	Total Time Rqd	Nr Hours
Retiree	72	20	1443	24
Active	9000	8	72000	1200
				1224
Total hours required to process forms				2484
Total worker hours available (permanent staff with 8 hours overtime)				
	Nr staff			7
	Nr of weeks			5
	Nr hours available per week			28
	Nr hours available			980
Temporary Help required				
	Total hours to be covered			1504
	Total staff required (no overtime)			7.5
Total staff required				14.5

### Assumptions:

1. Default choices to be allowed
2. Imaging system will allow scanning of forms and identification of changes to the forms
3. Expected Retiree enrollment forms with no change: 95%
4. Expected Actives enrollment forms with no change: 65%

#### Statistical data (estimates)

1. Total enrollment forms possible: 92,000
2. Retired total: 32,000
3. Actives total: 60,000
4. Number of available workdays: 32 (May 1 – June 6) (includes 8 hour overtime)

We have looked at several alternatives to handling the open enrollment period scheduled to begin on May 1, 2003. The open enrollment team is expected to be ready to proceed on April 1, 2003 to ensure that proper training and preparation is completed.

1. The first and preferable alternative is to use the current HF staff to handle the open enrollment. The HF Administrator has identified the seven permanent clerk positions in the enrollment section and the Health Benefits Program Specialist temporary position to be assisting the Trust Fund during the open enrollment period. However, he estimates that the incumbents would be available 50% of the time for enrollment purposes. The overflow would require additional 7 people to handle the open enrollment if current information cannot be obtained from the employee group plans. We have begun preliminary discussions with ICSD regarding data entry assistance.
2. The second and next preferable option is to begin assembling the EUTF staff immediately assuming that the Health Fund cannot provide assistance. All required personnel to fill the positions relating to enrollment and customer service would be hired immediately. B&F advised that if the EUTF converts current positions to exempt positions, the EUTF would be able to only consider the three temporary positions programmed to be permanent effective July 1, 2003. B&F did note that it might not be timely because the position descriptions will have to be completed, coordinated and approved by DHRD. In addition, there still remains the requirement for assistance during the open enrollment period to handle the anticipated workload. We would also look to ICSD for data entry assistance.
3. The third alternative was to hire temporary help to begin April 1, 2003 through July 31, 2003 if the HF cannot provide assistance. Because of time restraints, this B&F has informed us that this option is not viable

#### **Recommendation:**

Have the current HF staff supplemented by ICSD data entry clerks handle the open enrollment updates for the FY2004 benefit year.