



Small Business Bulletin

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Small Business Strategies to Maximize Open Enrollment

Open enrollment can be an overwhelming time for small businesses. They must choose a benefits package that balances cost and value, as well as facilitate the enrollment process for employees. Due to a variety of factors, benefits offerings are changing, which is placing new demands on small businesses during open enrollment.

This article explores open enrollment strategies for small businesses.

The Open Enrollment Process

As employer-sponsored benefits transition to more voluntary, employee-paid or employee-subsidized offerings, small businesses must assume more control in making smart decisions. As such, small businesses should consider providing information about benefits in easy-to-understand formats that deliver essential guidance to employees, along with additional resources to help them make decisions.

The following outlines a typical open enrollment process:

- **Notification**—Employers alert employees that open enrollment will begin shortly.
- **Receipt of information**—Employers distribute benefits plans, section information and appropriate forms.
- **Decision making**—Employees determine which benefits they will elect for the coming year.
- **Enrollment**—Employees select their benefits.

Open Enrollment Strategies

The following strategies can help small businesses improve their open enrollment process:

- **Establish a communication strategy.** Clear communication is necessary to help employees understand the open enrollment process and their benefits options. This can include one-on-one meetings, seminars, benefits fairs, emails, flyers and videos.
- **Survey employees.** Identifying the benefits employees want can help them feel their needs are being addressed. Surveying employees can enable small businesses to determine workers' priorities and preferred methods of communication.
- **Customize benefits.** Offering benefits based on demographics can increase employee satisfaction without increasing employer spending. Employees have an easier time selecting benefits best suited for them and their families.
- **Provide tools and information.** Ensuring employees have accurate information can lessen confusion and feelings of being overwhelmed when making benefits decisions.
- **Simplify benefits plans.** Employees should be able to understand benefits offerings. Making plan information as simple as possible enables workers to make knowledgeable decisions.

Employer Takeaways

A successful and effective open enrollment process can have a dramatic impact on the relationship between employers and their employees. By catering to their needs and wants, small businesses can make the experience more beneficial for their workers.

What Small Businesses Should Know About Popular Weight Loss Drugs

The popularity of weight loss drugs has reached a fever pitch in the United States. This trend has made its way into the workplace, with employees increasingly asking their employers about coverage for popular drugs used for weight loss, such as Wegovy. Other drugs intended to treat Type 2 diabetes, such as Ozempic and Mounjaro, are also in high demand for off-label weight loss. As a result, small businesses are presented with the decision of whether to cover these expensive drugs or face potential negative attraction and retention repercussions.

This article provides a general overview of popular weight loss drugs and explores what small businesses should know about them.

Weight Loss Drugs Overview

The recent string of popular weight loss drugs are types of glucagon-like peptide 1 (GLP-1) receptor agonists—medications originally prescribed to treat diabetes but that have been shown to be effective in helping people lose weight. These drugs work by lowering an individual's blood sugar levels. While GLP-1 drugs have not been extensively tested on individuals with obesity, they have the side effect of sending fullness signals to the brain, which produces an anti-appetite effect, leading to weight loss.

Considerations for Weight Loss Drugs

Employers have traditionally not covered weight loss drugs. However, increased demand from workers and obesity concerns among U.S. adults are forcing employers, including small businesses, to consider comprehensive obesity care benefits, such as offering coverage for weight loss drugs. A recent survey from Ro and the Obesity Action Coalition revealed that 51% of workers with obesity would stay in a job they didn't like if they received obesity treatment coverage and 44% would change jobs to obtain coverage for obesity treatment. However, most private insurance doesn't cover obesity drugs.

Small businesses can consider the following when deciding whether to cover weight loss drugs.

- **Treatment costs**—Adding weight loss drugs to a health plan would likely substantially increase a small business's health care expenses.
- **Drug design**—Since GLP-1 drugs were not designed to treat weight loss, they may not be effective for that purpose if used for a short time. Therefore, covering these drugs to treat weight loss may require a sustained commitment from small businesses, which will likely increase their long-term health care costs.
- **Health plan coverage**—Most insurers will not cover GLP-1 drugs for weight loss. Even if the drugs are covered, employees would likely need to pay out of pocket for weight loss. However, obtaining coverage for these drugs for weight loss does not guarantee permanent coverage, which could negate any weight-related benefits.
- **Prerequisites, limits and alternatives**—Some organizations are requiring employees to participate in lifestyle modification programs before covering weight loss medication, or placing dollar or time limits on this coverage.

Employer Takeaways

Since using GLP-1 drugs for weight loss is relatively new, there's uncertainty surrounding their effectiveness for weight loss and management. Some organizations are adopting a wait-and-see approach before covering these drugs, while others have decided to permit lower-cost weight loss drugs before covering GLP-1 drugs.

Small businesses can also consider alternatives to covering GLP-1 drugs. For example, weight loss programs can be an effective and affordable alternative. These programs can change individuals' behavior to help workers develop lasting healthy habits and provide personalized weight loss coaching. While it's still uncertain whether GLP-1 drugs are effective in treating obesity, small businesses should monitor any developments closely.

Reach out to Franconia Insurance & Financial Services for more workplace resources.