Benefits Insights

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Leveraging AI Tools in 2024 Open Enrollment

Every year, HR professionals face the significant task of educating employees about benefits options, communicating open enrollment deadlines and answering employee questions. With so much to do, HR can easily become overwhelmed, which can lead to miscommunications, missed deadlines, underutilization of benefits and unhappy employees. As employers prepare for the upcoming open enrollment season, some may wonder about the validity of artificial intelligence (AI) as a tool to help during this critical period.

There are a variety of AI tools that HR professionals can use to help with open enrollment, including chatbots, virtual assistants and AI-generated algorithms. These tools are commonly used to help employees find information quickly and efficiently without human interaction. This can greatly reduce the burden on HR professionals during open enrollment. However, using AI isn't foolproof. It may provide erroneous or outdated information, create transparency and trust issues among employees, and increase the risk of privacy and other legal violations. This article explains the potential benefits and drawbacks of using AI during open enrollment.

Benefits of Using AI During Open Enrollment

Open enrollment is one of the busiest periods for HR professionals. Much of their time is spent helping employees understand their benefits options and communicating important information about deadlines and plan changes for the coming year. With so much on their plate, HR professionals are at risk of making mistakes, miscommunicating information, or inadequately addressing employee concerns and misconceptions about open enrollment. AI can assist with the following to help create efficiencies during open enrollment:

- **Streamline the benefits process.** AI tools can be used to help create efficiencies in repetitive processes. During open enrollment, this could mean verifying employee eligibility, processing claims, answering questions and a number of other repetitive tasks that can reduce the administrative burden of open enrollment on HR professionals.

- **Improve self-service.** Directly contacting HR can be an obstacle for employees who are embarrassed by their lack of knowledge, worried about being bothersome or unclear on certain aspects of the benefits process. By providing AI-generated chatbots or virtual assistants, employers can reduce the likelihood that employee questions will go unasked. This can improve accessibility and reduce confusion during this critical period. It can also help educate employees to make benefits decisions, which can lead to increased utilization and greater satisfaction.

- **Personalize support.** During open enrollment, HR professionals may not have time to sit down with every employee to help determine which benefits are best for their unique situation. This can cause employees to underutilize benefits or overpay for coverage they don't need. Certain AI

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algorithms can analyze employees' health records, family size, estimated prescription drug spending, financial capacity and other key metrics to provide personalized benefits suggestions for employees. This can reduce HR workload and help employees find the benefits that are best suited to their needs, increasing satisfaction and utilization.

- **Enhance engagement.** AI tools can be used to send personalized reminders to employees, gamify modules to educate employees about their benefits options and even predict which employees might delay enrollment based on past behavior. This can greatly improve employee engagement, boost enrollment and create a more educated employee base.

- **Analyze enrollment.** Understanding employees' enrollment experience can help HR improve for next time. Organizations often use surveys to assess their open enrollment processes. However, analyzing employees' survey responses can be challenging and time-consuming. Certain AI tools can help employers efficiently compile employee feedback, highlight common concerns and themes and locate potential areas for improvement.

Drawbacks of Using AI During Open Enrollment

While AI can offer many benefits, it also has significant limitations that employers should consider before implementing this technology during open enrollment. The following are some AI-related risks employers should be aware of:

- **Underutilization of AI**—Merely providing AI tools to employees doesn't guarantee they'll use them during open enrollment. A 2019 study by the University of Wisconsin-Madison La Follette School of Public Affairs found that of the 2,200 employees offered AI tools for decision support during enrollment, just 43% utilized the tool. This indicates that employee use and acceptance of AI for open enrollment support isn't guaranteed. Getting employees to use these tools may require additional outreach and education, which can add to HR's workload.

- **Privacy concerns**—Asking employees to share confidential and personal information with AI technology can create trust and privacy issues among employees. Employees may share sensitive details regarding their health with chatbots to obtain benefits advice. While employers typically have an obligation to protect and keep employee information confidential, AI tools may not be aware of these obligations and could improperly share employees' sensitive information with third parties. This can create inadvertent disclosure issues that have the potential to damage employee trust and could result in costly litigation. Relying on AI to analyze and respond to sensitive information also raises concerns about data collection, informed consent and data deletion that employers must consider before recommending it to employees.

- **Errors and outdated information**—Certain AI tools, like ChatGPT, can create the impression that they're more reliable than they are. As a result, AI may provide users with low-quality, erroneous or outdated information, which can negatively impact employees' benefits decision-making process. This can negatively impact employee satisfaction, benefits utilization and trust, in addition to being counterproductive for employers looking for a way to reduce human error and miscommunications.

- **Lack of transparency**—A lack of understanding about the AI decision-making process can create challenges for interpreting the reasoning behind certain AI recommendations. For example, if an employee asks for more information about why an AI chatbot recommended they lower their deductible, it may be challenging for HR to articulate the precise reasons. This can become problematic if an employee feels that AI tools gave them poor advice during open enrollment, causing them to make worse benefits decisions.

Conclusion

While AI use for open enrollment is on the rise, employers should proceed with caution when implementing this technology during this time period. Organizations that decide

to use AI during open enrollment can consider implementing human oversight and intervention, auditing AI performance, consulting with attorneys about the applicable laws, and regularly monitoring AI outputs for privacy and other violations.

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