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What to consider before choosing open enrollment dates

Open enrollment season is upon us and many human resource departments across the country are scurrying to prepare. Open enrollment is an important period for employees to make changes to their benefits enrollments including their health insurance plan selection. For employers, it presents an annual reminder to check up on their benefits offerings and potentially add on new benefits or coverage options to remain competitive for recruiting and employee retention purposes.

If you haven't set the official dates for your company's open enrollment period yet, here are some guidelines to consider when setting your open enrollment dates.

When is open enrollment for Employees?

Open enrollment typically takes place in the fall each year. The specific dates vary by company. Some companies start as early as mid-to-late September with others not starting until November. During this time, selections are made for healthcare coverage and other benefits programs for the following year. Changes made during open enrollment almost always take effect on January 1st and are valid for the entire calendar year.

You can decide when exactly you want to schedule open enrollment for your company and how long the open enrollment window will be. Typically it is around 2-6 weeks long. How much time you need can depend on the size of your company.

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You'll typically want to schedule some informational sessions at the beginning of open enrollment to guide employees through the process and answer any questions. Consider when these will be held, how many you'll need to have, and whether you'll need to hold sessions for different shift schedules or work locations. This should help you get an idea of how long you'll need to orient employees to open enrollment, and you'll want to leave at least a week or two after the last information session for employees to discuss their options with their families and complete the paperwork.

When is open enrollment for the Federal Marketplace?

The federal health insurance marketplace, created by the Affordable Care Act to provide affordable health insurance to uninsured Americans, can be accessed at healthcare.gov. The marketplace operates by providing tax credits to subsidize the health insurance premiums of qualifying individuals and families based on their household income.

There are also 14 states that operate their own state-based exchanges; California, Colorado, Connecticut, Idaho, Massachusetts, Maryland, Minnesota, Nevada, New Jersey, New York, Pennsylvania, Rhode Island, Vermont and Washington.

This year, open enrollment on the federal health insurance marketplace will be open from November 1st until December 15th. State-operated sites may have extended deadlines. For example, Covered California will allow enrollment until January 31st.

Considerations for Scheduling Your Company's Open Enrollment

You have some flexibility in setting your open enrollment dates, but there are several factors to consider including:

Provider deadlines

Insurance companies may have their own open enrollment deadlines that you'll need to take into consideration. Having the forms completed ahead of time shouldn't be a problem, but you'll want to make sure your company deadline is not later than the provider's deadline.

Check with your insurance broker or enrollment partner to confirm the hard enrollment deadlines for each health plan provider as well as any other benefits such as dental and vision providers, 401K plans, FSAs, and more. All of these should be taken into consideration to make sure your company deadlines match provider deadlines.

Processing time and late submissions

Be sure to give yourself enough time to process all paper open enrollment forms and send out reminders to those that have not made selections. If employees will be enrolling themselves electronically, there will be less processing time required, but you should still allow enough time in between the deadline that you provide and the hard deadline imposed by the benefits providers.

Employees may need reminders, make mistakes filling out their enrollments, or have unexpected absences that delay their enrollment. If the provider deadlines are missed, late enrollment may not be allowed without a qualifying life event. So it's best to leave enough time for procrastinating employees to get their paperwork in without losing access to care. You can generally accept late enrollments outside your window or make corrections, but insurance companies will not accept paperwork once their deadline has passed.

Marketplace dates

Having your company's open enrollment dates at least partially overlap with the federal marketplace open enrollment period can be helpful for your employees. This allows employees to explore other coverage options prior to making selections.

If you offer a health insurance stipend rather than traditional health insurance plans, employees will need to utilize the marketplace to select their healthcare options. Offering healthcare premium reimbursement rather than directly providing insurance is a great option for employers that have a limited number of full-time benefits-eligible staff.

Employees may also want the opportunity to check out the available marketplace options if you provide limited options for health insurance. Employees may be eligible for marketplace plans and subsidies if the coverage offered by employees is considered unaffordable or does not meet ACA minimum coverage guidelines. An employer-provided health insurance plan is considered affordable if the employee's share of the monthly premiums for the lowest-cost self-only coverage that meets the minimum coverage standard is less than 9.83% of their household income. In most cases, your offered plans will meet this standard.

Plans can also be purchased on the marketplace if an employee simply wants a different plan option than the ones you've made available to them. They won't receive a subsidy if you've offered plans that meet the federal government definition of affordability and adequate coverage, but you may have cases where an employee wants to be part of a specific HMO healthcare system such as Kaiser for continuity of care. If you don't offer their preferred HMO, they could likely buy-in through the marketplace instead.

Holidays and seasonal demand

Consider whether a November to December open enrollment period would be challenging for your employees. If it is a busy time for your staff due to seasonal demand and holiday shopping, consider starting open enrollment earlier and providing a larger window of time for employees to submit their benefits selections.

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Late or special enrollment

Open enrollment is the designated time period in which employees are able to opt into or change their health coverage and participation in other company benefits, however, it is not the only time that changes or enrollments can be made.

Both federal and employee health insurance will allow for special enrollment in certain circumstances. The most common special enrollment period for employer-sponsored health insurance is when a new employee is hired or when they complete the required length of employment to reach benefit eligibility.

Private health insurance and employer-sponsored health coverage also often follow the federal special enrollment guidelines. This year, the American Rescue Plan provided a new special enrollment period and larger subsidies due to the coronavirus pandemic and high unemployment rates.

The marketplace sets the following qualifying life events are opportunities to enroll in a plan or make changes to your current plan:

Changes in household

You can qualify for a Special Enrollment Period if there have been changes in your household in the past 60 days such as:

- Getting married.
- Having a baby, adopting a child, or having placed a child for foster care.
- Divorce or legal separation if this has caused a loss of coverage.
- Loss of coverage due to the death of a family member.

A change in residence

If you move you may qualify for a Special Enrollment Period in the following circumstances:

- Moving to a new residence in a different ZIP code or county (excluding short-term relocations to receive healthcare or for vacation).
- Moving to the U.S. from a foreign country or United States territory.
- Students moving to or from the place that they attend school.
- Moving to or from a shelter or other transitional housing.

You must prove you had health insurance coverage for at least one day in the 60 days before your move.

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Loss of current health coverage

You may also qualify for a Special Enrollment Period if you or anyone in your household has lost health coverage in the last 60 days or is expecting to lose coverage in the next 60 days.

Coverage losses that may qualify you for a Special Enrollment Period:

- Losing employer health coverage,
- Losing individual health coverage for a plan or policy you purchased yourself,
- Losing eligibility for Medicaid or Medicare,
- Losing coverage through a family member (due to job changes, aging out, divorce, or other reasons).

An employer offer to help with the cost of coverage

A Special Enrollment Period may be opened up if you or anyone in your household newly gains access to an individual coverage HRA or a Qualified Small Employer Health Reimbursement Arrangement (QSEHRA).

Getting ready for open enrollment

Once you've picked dates for your open enrollment period, you're one step closer to putting on open enrollment and getting your employees registered for benefits. Now is the time to start taking a closer look at the benefits that you will be offering, if you haven't already started looking into offering and updates.

Take open enrollment planning as an opportunity to reevaluate the company's and your employee's needs and whether the current plan offerings are meeting those needs. Benefits are an important part of the overall compensation plan, and offering great benefits packages can make a huge difference in your recruiting and employee retention efforts.

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