Benefits data integration comparison guide

Drill down into why HR integrations matter and how to tell APIs apart

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Introduction

Deeper API integrations deliver better employer and employee experiences

Integrating employee benefits data into an organization's human capital management (HCM) system is increasingly critical to optimizing the effectiveness and efficiency of a company's benefits program. For years, integration of employee data and benefit elections was done with file feeds. However, even scheduled file feeds can leave systems out of sync for key windows, leading to small errors that cause big problems when it comes to the employee claim process, billing reconciliation and general administration.

Application programming interfaces (API) allow systems to pass data automatically and in real-time (or near-time), but the right API-based integrations do more than just keep employee records up to date. Tight integration of employee benefits data allows key benefit functions to be embedded directly within the HR system of record, supports an effective enrollment and helps claims move smoothly.

At the end of the day, these are the integrations that truly save HR time and get employees the help they need, faster.

Not all integrations are created equal

Unum HR Connect was among the pioneers in API-enabled connections, launching in 2017 and growing in capabilities and number of implementations since. However, at this point, many carriers now also offer some level of API-based integration with major HR systems.

They must be all the same, right? Wrong.

While many carriers can say they utilize APIs, many offer the same one or two integration points and little else. Recent research shows that 61% of carriers say they currently support an API data exchange overall, but of those that do, just over 70% use them for enrollment and evidence of insurability (EOI) while significantly fewer support expanded capabilities that make a big day-to-day difference.

Of those using API integrations, fewer than 30% reported using APIs for any one of absence management, payroll deductions, billing automation, policy setup, rating or quoting, respectively. Even the use of APIs for demographic changes after enrollment is surprisingly low, at just over 40%.[1]

The difference between an integration that supports a basic digital enrollment and one that keeps transactional data up to date for smoother claims, administration and billing can be significant, with valuable time savings left on the table when only basic capabilities are supported.

Similarly, there are real differences between how carriers approach HRIS integrations. Leading carriers have elevated integrations to be a fundamental part of their offering and continually invest in this technology to introduce new features. These carriers can often be identified through certified solutions, a track record of introducing new features on a regular basis and deeper partnerships with key platforms. Other carriers may have created a basic offering to "check the box" and may not be prioritizing further development or development of integration as a core competency.

Capabilities supported by APIs vary widely by carrier[2]

Uses of current APIs	# of carriers supporting*
Enrollment	12
Evidence of insurability	12
Demographic changes	7
Product rules and rates	7
Absence management	5
Deduction data	5
Billing	4
Policy set-up	4
Rating and quoting	4
Provider search	1

*Out of 28 carriers surveyed

Understanding the differences can be complicated

Companies and brokers must carefully evaluate integration solutions to ensure they do more than just support one or two functions. They should look at the full list of capabilities supported as well as the carrier's track record as an integration provider. By doing so, they can find the right solution to fit their needs and truly unlock the value of integrated benefits.

Some carriers would just assume that integrations are only done at the top level. You integrate with "my HR system?" Great. All set. Don't look any closer. However, as we can see from simply looking at the varying capabilities supported by each carrier, we know there's more to it than that, but how does that translate into a different benefits experience in the real world?

Does it really matter if benefits data is integrated across more connection points and at a deeper transactional level? The simple answer is yes.

Let's look at how it impacts some of the key aspects of benefits:

Employee experience

Look beyond basic digital enrollment capabilities.

- Allow non-medical benefits to be added within the HR system alongside health insurance for a more effective enrollment.
- Ensure up-to-date employee data is automatically available, eliminating file feeds and manual eligibility checks that can slow things down.
- Ensure benefits and leave data are accurate to avoid payroll headaches.
- Deliver real-time decisions and help finalize elections quickly with digital EOI.

HR efficiency

Eliminate manual work for an easier day-to-day.

- Automate set-up and plan configuration to get onboarded easily.
- Eliminate billing errors due to out-of-sync records and avoid reconciliation processes.
- Streamline absence management with real-time visibility into leave activity and automatically updated return-to-work tracking.
- Help HR access the information they need without switching between systems.

Carrier success

The right partner won't stand in the way of success.

- Choose a carrier with deep platform experience for real insights into what works and what doesn't.
- Be confident with certified partnerships that prove a carrier is serious about their platform expertise.
- Look for a carrier who develops their solutions in-house and has a track record of introducing new capabilities versus one who may offer solutions built by third parties who aren't committed to continued innovation.

Integration comparison guide

Questions to ask when evaluating integration points

To fully parse the difference between offerings, companies and their brokers should take the time to carefully document all the ways that carrier supports integration with their HCM. The following questions can help employers and their benefit partners assess the level of employee benefits data integration offered by various carriers.

Key areas of comparison

General technology

Employee experience

HR efficiency & administration

Vendor credibility

General technology

Ask these questions to assess whether the integration is using API-based technologies or whether it's relying on legacy file feed technologies.

Q: How do you pass data between systems? Does data flow in both directions? How frequently is data passed between the systems?

A: Just about every carrier will tell you they integrate, but understanding whether they mean by a file feed or a closer to real-time API is important. File feeds deliver all or large chunks of data all at once in the form of a single file, often referred to as an electronic data interchange (EDI) file. EDI file-based integrations are up to date only as of the last time the file uploaded, so even well-automated EDI-based integrations can have lag times between systems that can introduce errors when employee records don't match or eligibility isn't updated. API-based integrations send data back and forth as it changes, record by record, keeping data in sync automatically and avoiding errors. Make sure that carriers are leveraging API-based connections and are working with the standard API protocols for your chosen HCM.

Q: What data is passed between systems? Do you pass more than just employee demographic data?

A: This is the most essential question and comes first: what data is the carrier able to pass to the HCM, and what data can it receive back? As the research cited above shows, many carriers may be able to say they pass basic employee data for basic digital enrollment purposes, but do they go beyond that to staying up-to-date with employees' coverage and dependent changes, employment updates, leave and absence information and complete enrollment data? Getting a true understanding of an integrations capabilities and its limitations starts with a clear picture of exactly what data can be passed between platforms.

Q: Do you have an integration purpose-built for my specific HCM, such as Workday HCM, ADP Workforce Now, or UKG Pro, using the latest in those platform's API technologies and best practices? Alternatively, do you have a specialized integration built for major benefit administration and enrollment platforms, like Employee Navigator or Paychex Flock?

A: A good way to spot a mature integration strategy is to look past the list of "systems they've integrated with," which may mean they simply have a file feed connection for a handful of clients. Instead, focus on whether a carrier has well-established integration product lines that leverage platform-specific API connections and partnership opportunities offered by each provider. It's easy for a carrier to say they integrate with everyone; it's harder for them to prove they can do it deeply with the platforms employers and brokers use most.

Employee experience

Ask these questions to assess whether the integration is doing everything it can to improve and support the employee experience.

Q: How is employee data and benefits data integrated with HCM and benefits platforms to ensure a smoother enrollment experience?

A: It's important that however enrollment is supported, integration of employee benefits data is deep enough to embed the enrollment experience within the platform the employee expects. In some cases, this will mean ensuring that enrollment can happen directly within the HCM or specialized enrollment platform alongside health benefits for a unified experience. In other cases, the carrier might supply a platform to support the enrollment overall across all benefits. The important thing is that enrollment for a handful of benefits is forced onto a side platform due to poor data integration capabilities. A cohesive enrollment is more efficient and effective. Additionally, look for digital, real-time EOI as a core feature of any enrollment solution.

Q: How is eligibility information shared between systems? Is validating an employee's eligibility at the time of the claim done automatically, or does it delay processing time?

A: When employees need to file claims or request a leave, it is important the process moves forward without delay. Eligibility information should be easily shared between systems, both at the time of onboarding and plan set-up but also as changes occur. Eligibility verification should be automated and shouldn't slow processing time or delay benefits.

Q: Are all the data needed to drive payroll processes accurately sent to the HRIS system? Are details like leaves taken, intermittent absences and updated benefit elections easily viewable within the HR system the employee is used to?

A: When employees have questions about payroll deductions or leave balances, or when errors cause problems for them on pay-day, the HR team can be left with a fire to put out. Make sure integrations include full transactional data so that things like leave taken or benefits elected are easy for employees to find. Importantly, make sure that payroll-related information is kept up to date. A smooth employee experience means fewer questions for HR and less time spent chasing down details.

HR efficiency and administration

Ask these questions to assess whether HR processes are fully optimized within the HRIS or whether administrative functions are only partially connected.

Q: How is integration between benefits and your HCM used to make set-up and onboarding easier?

A: In the case where benefit plan information is stored in the HCM, make sure that can be automatically transferred to empower a faster, smoother onboarding. Systems where you need to set up your benefits separately introduce an opportunity for platforms to get out of sync. Similarly, make sure that eligibility data is sent automatically for increased ease and accuracy.

If a carrier's integration only covers one or two of these areas, it can be a sign that they haven't been doing it long or aren't committed to doing it thoroughly.

Q: How else is integration used to make administration easier? Can benefits be managed directly within the HRIS system or benefits platform? Is billing automated? Is portability and conversion made easier?

A: To make a real impact on the day-to-day efficiency of HR, an integration has to help with time-consuming administrative tasks and limit the need to hop between platforms. A good integration will allow more than just data to be passed; it will embed day-to-day benefit administration capabilities directly within an HRIS. You should be able to drill down on policy, product and employee-level detail, and changes made in the HCM should be sent to the carrier in real time. Bills should automatically reflect updates and be accurate without time-consuming reconciliation processes. Simple tasks like eligibility verification and portability and conversion should be automated.

Q: Is leave and absence management data available for integration? What leave data and what leaves are covered by the carrier's integration capabilities?

A: Absence management can be an area where transactional leave data becomes out of sync between the benefits provider, leave management services and a company's HCM. It can also be an opportunity for great time savings and efficiency for HR if leave data integration is comprehensive. Look for solutions that can integrate across all leave types and that handle complex scenarios like intermittent leaves. Keeping systems in sync with up-to-date and accurate leave data is key to both a smooth absence management process for HR and a better leave experience for employees. Even the simple automation of eligibility verification can speed up claims and help employees faster.

Vendor credibility

Ask these questions to understand how committed the vendor is to supporting, improving and evolving integration capabilities going forward.

Q: What is the vendor's track record around integrations? How many API-based integrations has the carrier implemented overall, and how many for the specific HCM platform of interest, such as Workday HCM, ADP Workforce Now or UKG Pro?

A: To begin, look for carriers with thousands of implementations under their belts. There's no replacement for expertise earned through seeing how data and systems work in the real world. Platforms that have been tested by millions of individual transactions have proven they have the scale to meet today's challenges.

Q: How does the carrier maintain and evolve their integration solution? Is it a defined solution that they regularly add features to, or is it something they built once and keep the same? Do they engage their customers in co-design processes or customer advisory panels to help improve their integration solutions?

A: API-based integrations are a software product like any other, and it needs to be designed, developed and maintained like one to reach its full potential. Look for a carrier who has a years-long track record of launching and maintaining an API-based integration as part of their offering. Ideally, a carrier should have a record of adding new capabilities with regular releases. Forward-looking carriers will have customer co-design processes and advisory panels established to ensure ongoing innovation helps improve solutions for the entire userbase.

Q: What official partnership programs does the carrier participate in? Do they have certified solutions and expertise on specific HCM platforms and systems? Do they demonstrate a clear expertise around integration technology and a commitment to supporting an integration strategy?

A: Another good indication of a carrier's commitment to integration excellence is the level they have invested in developing their partnerships with HCM platforms. Carriers should have certified or officially approved solutions where such designations are available and similarly should offer certified platform consulting expertise to ensure best practices. They should have a strong business relationship and show a commitment to serving the overall customer ecosystem. Look for prominent presence at HCM client summits and shared thought leadership as an indicator a carrier is serious about understanding a platform's customer community.

Making the right integration decision

Integration promises to make the employee benefits experience easier for everyone. Today, every carrier seems to claim that they have the right integration, but as recent research shows, when it comes down to it, only about two-thirds offer API-based integrations and fewer than half of those go much beyond basic capabilities.[1]

Making the right integration decision comes down to fully understanding a carrier's capabilities and knowing their track record with specific HRIS and benefit platforms, and asking the right questions is the best place to start. For a more in-depth comparison of these integrations, talk to a trusted employee benefits broker or carrier representative.

Contact your Unum representative for more information on our advanced, time-saving integrations.

Unum HR Connect

Working better with key platforms

Our robust suite of leading API-powered integrations power easier admin and better experiences, optimizing the value of organizational investments into HCMs.

workday®

Streamline benefits

- 400+ customers
- Over 5M absence transactions
- 625,000 HR hours saved
- Workday-certified consultants
- Launched in 2017

ADP®

Integrate benefits

- 1,000+ customers
- 0 EDI feeds required
- 95% of customers satisfied
- ADP professional consultants
- Launched in 2019

ÜKG

Sync benefits and absence data

- Newest partnership
- 50+ customers
- Active integrations
- UKG professional consultants
- Launched in 2021

Source: Unum internal data, 2023.

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