



Footsteps to success: Staying ahead of Affordable Care Act (ACA) challenges with ADP®

Erin Penland

Benefits Manager

Quick facts

 **Company:** Designer Brands

 **Headquarters:** Columbus, Ohio

 **Industry:** Retail Trade

 **Locations:** 500 stores in 46 states

 **Employees:** 1,000

 **Established:** 1991

 **Associates:** 12,000

 **Payroll systems:** ADP® Payroll

 **ADP products:**
ADP SmartCompliance® Health Compliance

 **Website:** designerbrands.com

Designer Brands is one of the world's largest designers, producers and retailers of footwear and accessories. Its brands include everyday household names like Keds, Hush Puppies and Vince Camuto®, as well as Jessica Simpson® and Lucky Brand® footwear licenses.

As benefits manager, Erin Penland is responsible for managing benefit programs, leaves of absence, retirement benefits and benefits compliance for all U.S. associates. Her lean team of three also manages all in-house benefits communications, including a monthly newsletter, so she relies on her vendor partners, like ADP, to help keep everything moving.

Business challenges

- ACA data management and hygiene were complex because the team had to track and load information manually into one system. High-touch manual processes were also labor-intensive
- Leaving the ACA audit until year-end made the process difficult to manage, and there was a lack of insight into potential penalties for ACA noncompliance that could have been addressed monthly
- It wasn't always easy to determine who was ACA-eligible for healthcare benefits, so the danger of failing to offer coverage on a timely basis opened the door to the risk of receiving ACA penalties

ADP was a shoe-in for ACA compliance

Before selecting ADP Health Compliance, Designer Brands hired a vendor shortly after the ACA law was enacted to help with compliance. However, that vendor required Erin's team to manage, audit and load data manually every month.

Erin and her team also had issues with data management, and they weren't always confident that their data was accurate. Potential penalties were not visible, and the many high-touch manual processes they engaged in were incredibly time-consuming.

"Our process with our former vendor was clunky. Consolidating vendors was a big focus for our organization, and we wanted to streamline the number of vendors we worked with. When ADP approached us to let us know how they could help with ACA compliance, with little to no impact on our associates, we decided it was the right move."



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Designer Brands already used ADP payroll for its people management system, so implementing ADP SmartCompliance® for Health Compliance was a logical next step.

Proactive penalty management and dedicated ACA support

The built-in proactive penalty avoidance dashboard and navigator/tracker in the ADP Health Compliance technology help prevent benefits-eligible associates from slipping through the cracks. In addition, ADP Health Compliance takes a proactive approach to service, with a dedicated ACA service specialist and monthly activities throughout the year, instead of waiting for year-end. Erin praised the monthly review process with her dedicated account representative, Sarah.

“With Sarah and the tracker, it’s so much easier to see who needs to receive benefits offers before the annual open enrollment period. I can see who is getting close to qualifying for coverage, and I can extend coverage offers on a timely basis, so they have benefits before open enrollment.”

Erin raves about Sarah, who is proactive and responsive. Sarah will let Erin know if she sees anything from her side that Erin should be aware of.

“The service experience can make or break a vendor-client relationship. Our proactive monthly reviews have made a difference in correcting errors as they happen, so we don’t wind up receiving penalties. I can’t imagine leaving all this until year-end to sift through.”

Data insights that save time

With ADP, Erin spends less time sifting through data and cleaning it up. Streamlined integration between her systems of record and the ADP Health Compliance solution helps ensure the data is accurate and synced across both systems. It also makes producing Forms 1095-C easier. She can quickly review the data by FEIN, by month and by associate, making it easy to see if anything is amiss. Erin can also easily update data points such as premium amounts.

Designer Brands also has part-time associates who can sometimes work 30-40 hours a week, often making them ACA-eligible for medical benefits over the course of an eligibility period. The data helps to identify these part-time associates quickly so the company can offer them coverage, virtually eliminating the need for Erin to sort through payroll records manually.

“ADP Health Compliance technology’s ability to provide me with average hours worked over multiple years is extremely helpful — having to compile that data manually wouldn’t be easy for us.”

Going green to achieve greater efficiency

Designer Brands wanted to increase paperless tax form sign-ups to reduce the amount of paper sent out and to give associates quicker access to their tax forms at year-end. Before implementing ADP Health Compliance, they had no idea if an associate had elected to go paperless because there was no way to track and report on it.

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Benefits Manager, Designer Brands



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With the support of the ADP Health Compliance team, who provided resources and associate adoption communications kits, Erin could promote and encourage associates to opt into paperless Forms 1095-C. Erin also established best practices and associate awareness campaigns within her company to help drive the message for their paperless vision, which promised a simplified and compliant associate user experience.

"We launch periodic campaigns that get our associates' attention because we ask them to sign up for paperless in a very humorous way. Our various communication methods encourage them to log in and sign up. As a result of these campaigns, about 35% of our associates have elected to go paperless for their 1095-Cs."

The benefit of paperless tax forms for associates is that they don't have to worry about waiting for forms to arrive in the mail or losing them, and they can access them the day they're released. Fewer associate questions come to Erin's team, resulting in time savings.

Avoiding slip-ups in compliance with ADP

Erin would recommend ADP Health Compliance to any peer considering it as a solution. She would affirm that the technology is seamless, with robust reporting and second-to-none service from a dedicated ACA service representative.

"It's simply a no-brainer. ADP Health Compliance does the work and has made us more compliant, so we don't worry about penalties. With all the scary penalties out there, ADP wasn't a hard sell — we need to protect ourselves as a company."

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