

How APIs Help Employee Benefits Technologies Work Together

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Chances are, whether you're reading this article on your mobile device or a desktop, you're actively using at least one application programming interface, or API, an intermediary that allows the real-time data exchange between two applications. Enabling efficiencies in benefits administration technology is how APIs help HR professionals.

APIs can exist as part of an app's architecture or be added later to make two independent applications work together. This is especially useful in human resources and benefits administration where there are seemingly thousands of technology options. Enabling two apps to "talk" to one another means more efficient data sharing.

What's an API?

Think of APIs as an intermediary that allows different applications to share the same data in a universal language. This maximizes user experience because data is only entered once, but it can be applied to a variety of tasks simultaneously.

Take ride-sharing apps, for example. In order to organize a trip on the rideshare platform, your phone has to do several things at once. You have a messaging component, push notifications, maps and payment handling that work together as one cohesive program.

Without APIs connecting all of these things, the separate components would be operating independently of one another, and nothing would be accomplished.

How APIs Help In Benefits Administration

Unfortunately, insurance companies haven't always been the most tech-savvy, leaving API integration to the start-ups.

In fact, those of us working in employee benefits administration remember how easy it was to make mistakes when entering employee data manually. Enter a middle initial in one field and the full middle name in another and problems bubble up for both the employer and the employee. Now, these two records don't exactly match, causing confusion down the line.

[Benefits administration technology](#) now integrates with HRIS platforms, making enrollment more seamless. When a new employee, John Smith, joins the firm he fills out a form as part of his payroll onboarding. With API integration, the information submitted to the payroll platform is automatically shared with the firm's health plan platform. Suddenly, something that once took days might only take a few hours.

The ability to seamlessly connect platforms is providing companies with more flexibility in the solutions they choose. Many employers who previously shopped for an all-in-one solution can now get best-in-breed platforms and use APIs to connect them.

Potential Drawbacks

Not all platforms will connect easily—even if a vendor you're considering says they can. Be sure to ask about specific platform integrations and how much experience they have with them. It's not out of the

ordinary to request references at this stage of your buying process.

Ask about known issues and limitations when integrating two platforms, such as formatting discrepancies in the addresses of employees who are based abroad. If you have unique populations that could throw the platform for a loop, you might need a plan B.

Integrating platforms isn't without its potential headaches. But the benefit of how APIs help is the motivator.

Once you feel confident in the platforms you're connecting, implementation can take time. Plan for several weeks of implementation before going live.

This is also a good time to talk about security. Any time information is sent from one platform to another, there is a risk. Ask the vendor to provide detailed information about their security and encryption measures.

Cost should always be part of the conversation. Some vendors may add all fees into the initial implementation cost, while others have hidden fees in the integration, which could be charged on both sides of the data transfer. Think of it like crossing a bridge and paying a toll in each direction, to the tune of a few thousand dollars. Request information about fees in advance and calculate if they are manageable for your business.

Understanding how disparate platforms talk to each other—or whether they don't—has emerged as a vital aspect of selecting benefits technology. APIs create an opportunity for benefits managers to have an easy-to-use technology suite that enables them to keep pace with the rest of the business. ■

For more information, please call [1.877.426.7779](tel:1.877.426.7779)