

How to Anticipate and Avoid the 5 Biggest Open Enrollment Challenges in 2026

Open enrollment is one of the highest-stakes operating cycles on the HR calendar.

In the US, the annual benefits enrollment process compresses complex decisions, fragmented systems, and rising costs into a four-to-six-week window, and then asks employees to make choices that will shape their financial and physical wellbeing for a full year.

Most HR teams manage this busy season in firefighting mode. They anticipate that something will break and focus their energy on minimizing the damage. But cost pressure is intensifying, employee expectations are rising, and across the US, the compliance landscape changes state by state.

Yet open enrollment doesn't have to be a recurring emergency. The organizations that navigate open enrollment most effectively don't necessarily have more headcount or bigger budgets. Instead, they've replaced reactive triage with a structured, preventive approach.

We consulted BambooHR experts to identify:

- The five biggest obstacles that consistently derail enrollment cycles
- Early warning signs most teams miss
- Specific interventions that convert reactive triage into proactive prevention

You'll learn how to develop a predictable system that helps you handle open enrollment season with confidence—And best of all, most of our recommendations are achievable within a single quarter without new technology.

Our experts

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Why open enrollment feels different in 2026

In 2026, three converging forces are raising the stakes on open enrollment.

Costs keep climbing

Soaring costs are no longer a one-off spike. In 2026, increased benefits costs have become a multi-year trend that HR leaders now have to explain, not just administer.

Mercer projects a **6.7% increase** in healthcare costs in 2026—the highest jump in 15 years. The annual survey is one of the most comprehensive indicators of how benefits are shifting, gathering responses from more than **2,000 US companies**.

KFF, a San Francisco-based healthcare policy nonprofit, translated these increases into dollar amounts. Its **2025 employer survey** placed average annual premiums at \$9,325 for single coverage and \$26,993 for family coverage.

Among companies with fewer than 200 employees, family-worker contributions were especially heavy. More than half of currently covered workers (53%) were already in plans with a \$2,000-plus deductible.

Mercer reports that 59% of employers plan to curb costs through plan changes, and **SHRM's 2025 Employee Benefits Survey** shows the same directional shift. Common cost-cutting measures include:

- Higher deductibles and copays
- Tighter management of high-cost claims
- Pulling back from broad wellness programs in favor of narrower, more targeted support

As employees seek ways to maximize their cost savings, HSA contributions and Roth 401(k) contributions are on the rise.

Employers are striving to personalize benefits offerings

Even as costs soar, employers are striving to offer personalized, comprehensive benefits that keep pace with new coverage options.

Going into 2027, many employers are interested in offering newer competitive benefits, such as:

- GLP-1 coverage
- Critical illness and hospital indemnity insurance
- Caregiving and child care support
- Paid prenatal leave
- Flexible benefits allocation

As new benefits emerge, employees have to evaluate a more specialized and complex plan menu.

Overlooked technology gaps become glaring pain points during open enrollment

In 2026, most organizations still run enrollment across four to seven disconnected systems, including HRIS, payroll, benefits administration, dependent verification, and compliance tracking. Data doesn't flow cleanly between platforms, opening organizations up to preventable mistakes and avoidable risks.

With information fragmented across multiple platforms, the question for most HR teams isn't whether an integration will fail during open enrollment—it's whether they'll be able to catch a mistake before payroll or claims processing does.

What does a future-ready open enrollment framework look like?

The most useful open enrollment framework treats a cycle as three sequential phases:

- **Design:** The initial process during which HR and benefits teams select the benefits that will be available to employees
- **Communication:** The pre-open enrollment period when employees receive crucial information about dates, deadlines, and coverage options
- **Execution:** The active period during which employees select their coverage for the new year

By the time a problem surfaces during the execution phase—such as a coverage gap, a payroll error, a compliance question—the root cause is usually weeks or months old. This framework helps teams pinpoint exactly where misalignment

occurred, and how to improve the design and communication phases in the future.

In practice, teams might discover that their plan design didn't map to actual employee needs, or their communication strategy didn't reach the right people, in the right format, at the right time. Being able to accurately diagnose each phase's impact will help teams refine execution over time.

The 5 biggest open enrollment obstacles, and what actually fixes them

1. Employees tune out benefits communications

The obstacle: Even organizations that invest heavily in open enrollment communications routinely fail to reach their audience.

Only 27% of employees say they fully understand their benefits, and 39% delayed or skipped care because they weren't sure what their plan covered, according to a 2026 employee benefits survey conducted by [Serelix](#).

For many teams, this occurs when HR and benefits teams struggle to align communications with the way employees actually process financial decisions under time pressure.

The early warning signs: Low engagement metrics (open rates, portal logins) combined with a spike in post-enrollment questions.

If employees are asking questions about basic plan mechanics questions after they've already enrolled, the communication strategy—not the plan design—is the point of failure.

The fix: Sending more emails doesn't fix the underlying issue. Instead, we recommend segmenting your workforce before writing a single message. Tailor your communications to specific groups, such as new hires, employees with dependents, employees approaching HDHP eligibility, and long-tenured employees.

Start before the open enrollment window opens, repeat the core message often, and use a genuine multi-channel mix—email, intranet, messaging apps, mobile access, short videos, and even social channels—rather than a single format.

Finally, anchor every communication to a simple one-pager or FAQ that answers the four questions employees actually have:

- Why does this coverage matter?
- Which features best fit my situation?
- What value do these benefits deliver?
- How much will it cost per paycheck?

A flood of generic messages can cause employees to feel overwhelmed and disengaged—but personalized, relevant communications will help keep employees engaged and focused.

2. Disconnected platforms cause system and process breakdowns

The obstacle: Data rarely moves cleanly across the fragmented systems most organizations use to run open enrollment. Reconciliation bottlenecks, duplicate records, and mid-stream corrections are the norm rather than the exception.

By the time failures such as an incorrect paycheck or a rejected claim surface, it's usually far too late to correct mistakes or oversights that occurred during the open enrollment window.

The early warning sign: Be on the lookout for unexpected reconciliation gaps between systems that should agree. For example, your HRIS typically should have the same full-time employee headcount as your benefits platform.

It's important to correct these gaps before the open enrollment window closes—and doing so may help you uncover additional errors while there's still time to fix them.

The fix: Audit your system integrations before open enrollment using a simple reconciliation checklist. You want to make sure data is flowing cleanly and that you have systems in place to catch mistakes as quickly as possible.

We recommend establishing a few moments throughout open enrollment (week one, midpoint, close) to catch and correct discrepancies in real time, rather than waiting until the very end of the open enrollment window.

3. Decision fatigue drives poor plan selection

The obstacle: In most organizations, employees are asked to evaluate five to fifteen plan options with overlapping coverage and trade-off mechanics most were never taught to evaluate.

An [Equitable study](#) found that more than half (53%) of eligible US workers regret their benefits choices during open enrollment, 19% of which admit to not understanding the options available or the benefits they selected.

HR typically leaves benefits decisions in employees' hands rather than actively guiding them, leaving employees to navigate genuinely difficult financial decisions alone.

The early warning sign: Look for unexpected shifts in plan distribution. A sudden move toward or away from a particular plan tier without a corresponding benefit-design change might signal that employees are reacting to confusion or cost anxiety rather than making an informed trade-off.

The fix: Swap the traditional, generic plan comparison chart for a more personalized option. Use plain, conversational language to describe common employee scenarios such as:

- A single employee with no dependents
- A family anticipating a major medical event
- An employee prioritizing lower premiums over lower deductibles
- An employee with chronic healthcare needs

A well-structured scenario guide, distributed alongside the core communications, gives employees a starting point that maps to their personal situation. This will help reduce abstraction and ambiguity while helping employees navigate open enrollment with greater confidence.

4. Documentation gaps cause uncertainty and avoidable compliance risks

The obstacle: In 2026, the regulatory landscape around benefits is complex to say the least. Healthcare mandates, mental health parity requirements, and state-level rules are multiplying. Yet, in a 2025 survey conducted by [Assurex Global](#), nearly 80% of employers expressed little to no concern about facing additional regulatory scrutiny over the next couple years. This doesn't mean they're not preparing, however. Three in four (74%) are moving proactively to make sure they're ready in the event of an audit, including taking steps to ensure accurate and timely documentation.

Documentation gaps are typically discovered during an audit, not during the enrollment cycle itself, which means the exposure may go undetected for weeks or months.

The early warning sign: An inability to quickly produce documentation for why a plan design decision was made—not just what the decision was—is the clearest indicator of unmanaged compliance risk. If the rationale isn't written down, it doesn't exist for audit purposes.

The fix: Build a simple, standardized documentation template that captures the rationale behind each plan design decision at the time it's made (not retroactively). A one-page template per decision, completed and filed as decisions are made, converts an ad hoc process into an audit-ready one.

5. Budget forecasts miss the mark

The obstacle: HR is regularly asked to forecast the cost impact of benefits decisions before the data exists to do so accurately. Real costs can often deviate around 8–15% from initial projections as demographic shifts in plan selection and utilization changes compound.

Keep in mind that Mercer also projects a 6.5% baseline cost increase for 2026. This level of variance makes costs significantly harder to estimate accurately.

The early warning sign: If your organization's historical forecast variance exceeds 5% year over year, that's a clear signal that the current forecasting method is structurally unreliable, not just unlucky in a given cycle.

The fix: Layer basic demographic analysis onto historical open enrollment data to forecast plan distribution shifts before the window opens, rather than waiting for final enrollment numbers to model cost impact.

While you could use predictive modeling software to aid the process, it's not a necessity. No matter what method or tools you choose, you'll want to:

1. Complete a structured review of how benefits enrollment has shifted across employee segments in prior cycles
2. Apply this year's demographic changes

This updated forecasting process should help your finance team access a materially more defensible number than a flat year-over-year extrapolation.

Swap open enrollment firefighting to a predictable, proactive process

We chose to highlight these five interventions because they're highly impactful but don't require new technology spend or a multi-quarter implementation.

The organizations that consistently avoid open enrollment crises aren't the ones with the most resources, but they do have structured processes that start early, stay audit-ready, and maintain accurate data along the way.

The broader lesson for HR leadership is that enrollment isn't simply an administrative event to brace for and survive. When it's executed well, enrollment is one of the few moments each year when the entire employee population is paying close attention to the tangible value your organization brings to their lives.

Treating open enrollment as a predictable operating cycle—rather than an annual emergency—protects both the budget and the trust employees place in HR to get these important decisions right. 🌱