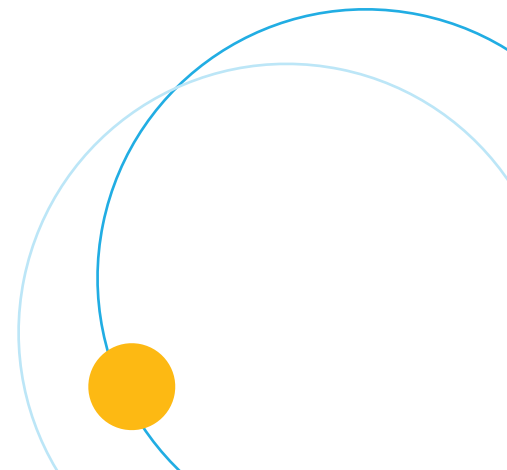




PACIFIC LIFE



# The Hidden Cost of **Benefits Billing** in a Dynamic Workplace



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**WHY IT'S TIME TO RETHINK HOW  
EMPLOYEE BENEFITS ARE BILLED**

# The Hidden Cost of **Benefits Billing** in a Dynamic Workplace

## EXECUTIVE SUMMARY

Today's workforce is constantly changing. Employees are hired, leave roles, change coverage, and experience life events that affect benefits eligibility. While employers have adapted to this reality in many areas of workforce management, benefits billing has not kept pace.

For many employers — especially small and mid-sized businesses — billing remains one of the most time-consuming and frustrating aspects of benefits administration. Manual reconciliation, retroactive adjustments, unclear invoices, and billing errors quietly consume HR and finance resources month after month. These are hidden costs that rarely appear on balance sheets, yet directly impact productivity, cash flow, and trust. Pacific Life designed Dynamic Billing to address this overlooked challenge.

By aligning benefit invoices more closely with employee changes, Dynamic Billing reduces reconciliation work, improves accuracy, and brings clarity to one of the most persistent pain points in benefits administration.

This paper outlines why traditional billing models create unnecessary cost and friction, how workforce volatility amplifies billing inefficiencies, why billing is a key driver of employer dissatisfaction and carrier switching, and how Dynamic Billing changes the experience for employers and brokers.

Visit [pacificlife.com/workforcebenefits](https://www.pacificlife.com/workforcebenefits)

## BILLING: THE HIDDEN COST OF BENEFITS ADMINISTRATION



Benefits billing is rarely the focus of an employer's day until something goes wrong.

When invoices don't align with employee records, HR and finance teams are pulled into time-consuming investigations: identifying discrepancies, reviewing employee changes, validating premium adjustments, and coordinating corrections. What should be a routine process becomes a recurring distraction.

Many employers underestimate the cumulative impact of this work. Each employee change — new hires, terminations, dependent updates, or coverage changes — introduces the potential for billing discrepancies. Over time, these small inefficiencies add up, quietly draining resources that could be better spent supporting employees and growing the business.

Pacific Life's experience shows that billing friction is one of the most common — and least anticipated — drivers of employer frustration with their benefits carriers. ●



Billing is one of the biggest reasons employers switch carriers, and we knew it needed to change. Our goal was to remove the friction HR teams face every month by building a billing experience that's simpler, clearer, and far less time-consuming. When we can save employers time and energy by eliminating reconciliation work, that value flows directly to brokers, too.



— Gary Godin, SVP and Co-Head, Pacific Life Workforce Benefits

**LEADING**  **WHAT'S NEXT**



## WORKFORCE VOLATILITY MAGNIFIES BILLING CHALLENGES

Workforce change is no longer the exception — it's the norm.

Employees move roles, explore new opportunities, and reassess their employment choices more frequently than in the past. For employers, this means managing ongoing eligibility changes while maintaining accurate benefits coverage and billing.

Traditional billing models struggle in this environment. Most rely on static employee counts, invoicing premiums in advance and correcting discrepancies later. This creates a built-in reconciliation cycle that repeats every month.

As workforce volatility increases, so does the administrative burden of keeping billing accurate. ●

## WHY BILLING DRIVES CARRIER SWITCHING

When employers evaluate benefits partners, billing often plays a larger role than expected.

Inaccurate or unclear invoices erode confidence. Repeated reconciliation work strains HR teams. Over time, employers begin to associate billing issues with broader service shortcomings — even when benefits coverage itself is strong.

Billing may not be the most visible part of the benefits experience, but it is one of the most felt. When billing works well, it fades into the background. When it doesn't, it becomes a reason to look elsewhere.

Pacific Life recognized that improving billing was essential — not only to reduce administrative burden, but to strengthen long-term employer and broker relationships. ●



## INTRODUCING DYNAMIC BILLING

**Dynamic Billing is designed to align benefits billing with the realities employers manage every day.**

Instead of relying on static snapshots of employee populations, Dynamic Billing reflects employee status changes as they are received from benefits administration or enrollment systems. This approach allows invoices to more closely mirror actual coverage during the billing period.

The result is a billing experience that is clearer and easier to understand, more accurate over time, and less dependent on manual reconciliation.

Dynamic Billing doesn't eliminate oversight or responsibility — but it significantly reduces the friction that has long been accepted as “part of the process.” ●



## WHAT EMPLOYERS SHOULD KNOW ABOUT DYNAMIC BILLING

**Dynamic Billing delivers meaningful benefits, and it's important to understand how it works in practice.**

It builds on systems employers already use. Dynamic Billing relies on eligibility and coverage updates from benefits administration or enrollment platforms. The quality and timing of those updates matter.

Updates are near real-time. Employee changes are reflected as they are received through API connections or scheduled file refreshes, depending on system setup.

Reconciliation work is reduced — not eliminated overnight. Most employers experience fewer discrepancies and clearer audit trails, though review and oversight remain part of responsible benefits management.

Technology supports people. Successful outcomes depend on clean data, thoughtful onboarding, and clear processes — especially during periods of workforce change.

Dynamic Billing is designed to adapt to employer realities, helping billing become more predictable, easier to manage, and less disruptive over time. ●



## HOW DYNAMIC BILLING WORKS (HIGH-LEVEL)

Traditional billing models invoice premiums before the coverage period begins, then rely on after-the-fact reconciliation when employee changes occur.

Dynamic Billing takes a different approach: employee eligibility and coverage changes are captured throughout the coverage period, invoices are aligned with updated records rather than static estimates, and a companion change report provides transparency into how premiums changed over time.

This model reduces the need for monthly “cleanup work” and creates a clearer audit path from projected to final billing.

(For a deeper technical walkthrough, refer to the “[How Dynamic Billing Works](#)” brief.) ●



## EMPLOYER OUTCOMES

Employers using Dynamic Billing often report:

- **Time savings:** Less time spent investigating discrepancies and reconciling invoices month after month.
- **Fewer disputes and smoother month-end closes:** Clearer invoices and supporting reports reduce questions and speed reconciliation cycles.
- **Improved cash-flow visibility:** Billing that reflects actual coverage helps employers plan with greater confidence.
- **A better overall experience:** Dynamic Billing adapts to existing HR workflows rather than forcing teams to learn new billing systems.



## DYNAMIC BILLING WITHIN THE PACIFIC LIFE DIGITAL ADVANTAGE

Dynamic Billing is a key part of Pacific Life's broader digital advantage — a 100% digital ecosystem designed to simplify benefits administration from quotes to claims.

Pacific Life built its ecosystem using a greenfield approach, allowing systems to integrate more easily with employer platforms and support near real-time data sharing. Dynamic Billing operates within this ecosystem, benefiting from seamless integration, unified data, and consistent visibility across the benefits lifecycle.

By connecting billing more closely to enrollment and eligibility data, Pacific Life removes one of the most persistent friction points in employee benefits administration. ●



## A LEGACY OF CARE, BUILT FOR TODAY'S WORKFORCE

For nearly 160 years, Pacific Life has focused on protecting what matters most to individuals, families, and businesses. Today, that commitment includes rethinking how benefits are administered — and billed — to better support employers, brokers, and employees.

Dynamic Billing reflects Pacific Life's belief that billing should not slow a business down. By reducing reconciliation work and improving clarity, employers can spend less time fixing invoices and more time supporting their people. ●





## The Hidden Cost of **Benefits Billing** in a Dynamic Workplace

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Pacific Life refers to Pacific Life Insurance Company and its subsidiary Pacific Life & Annuity Company. Insurance products can be issued in all states, except New York, by Pacific Life Insurance Company and in all states by Pacific Life & Annuity Company. Product/material availability and features may vary by state. Each insurance company is solely responsible for the financial obligations accruing under the products it issues.

The home office for Pacific Life & Annuity Company is located in Phoenix, Arizona.

The home office for Pacific Life Insurance Company is located in Omaha, Nebraska.