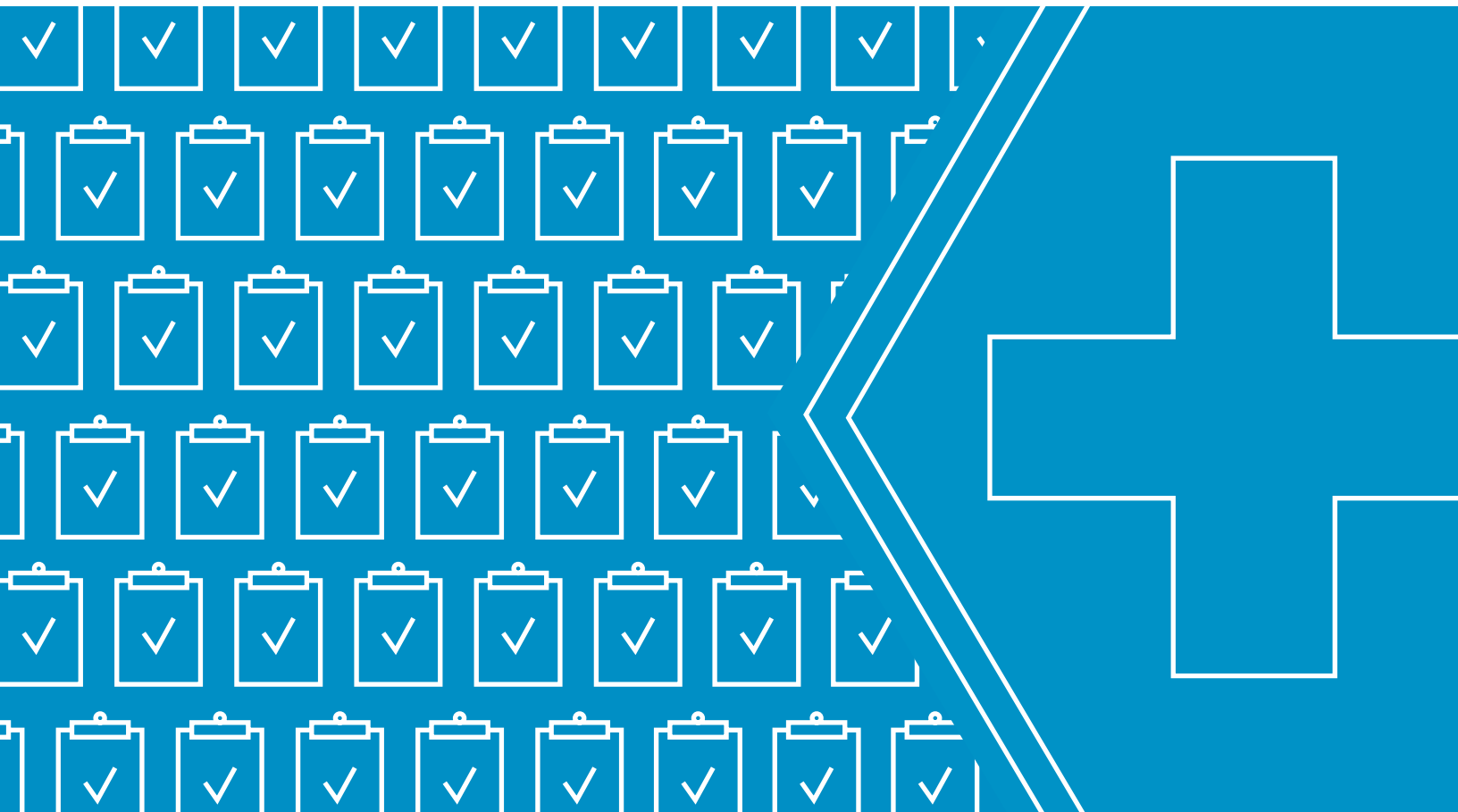


Improving the Member Experience:

Strategies for Healthcare Payers



Introduction

Healthcare payers must confront multiple challenges in order to simultaneously manage costs and provide a quality member experience. Improving member engagement is a fundamental way to address these challenges, as it helps to increase member ability to self-manage and make informed medical decisions. Additionally, when members are engaged by their payer organization, they have a more positive member experience which drives positive financial and clinical outcomes.

However, effectively engaging entire member populations and improving the member experience is no simple task. Today, individuals have the world at their smartphone-enabled fingertips and expect to be able to control their transactions, receive helpful information and have more efficient, productive conversations. Yet, as a healthcare payer, it is difficult to scale such personal interactions, and even harder to change member attitudes, whereas members often see their health insurer as nothing more than an approver (or denier) of medical services or the plastic cards carried in their wallets. As stated by Bob Karch, M.D., executive director at the Healthcare Performance Management Institute (HPMI),



“For the first time, millions of Americans are shopping for health insurance just like they do for other goods and services. Consumers increasingly expect to have more productive and responsive relationships... Employers, insurers and other participants in the marketplace must change their approaches accordingly.”¹

Through engagement, healthcare payers can improve the member experience, leading to reduced costs, increased revenues and a successful, comprehensive business strategy.



The Impact of Member Experience

Many payers have either created a “one-size-fits-all” approach to manage their member populations or they spend a majority of their resources on just the smallest percent of members who are chronically ill, which leaves a large portion of the member population untouched, unmonitored and largely at risk. In either approach, the member experience suffers, and there is limited opportunity for improved clinical and financial outcomes.

With rising consumer expectations, and increasing state and federal regulations and oversights, healthcare payers are challenged to improve the member experience in new and inventive ways in order to be successful.

As Tom Olenzak, managing director for Independence Blue Cross’ innovation portfolio and director of corporate development told the *Chicago Tribune*, “We’re really being asked to do things we’ve never done before. We traditionally used to sell to big companies, and the members kind of came along as part of the package. Now, we’re selling on the exchanges to individual members. We’re having to build brand recognition; we’re having to worry about consumer experience.”²

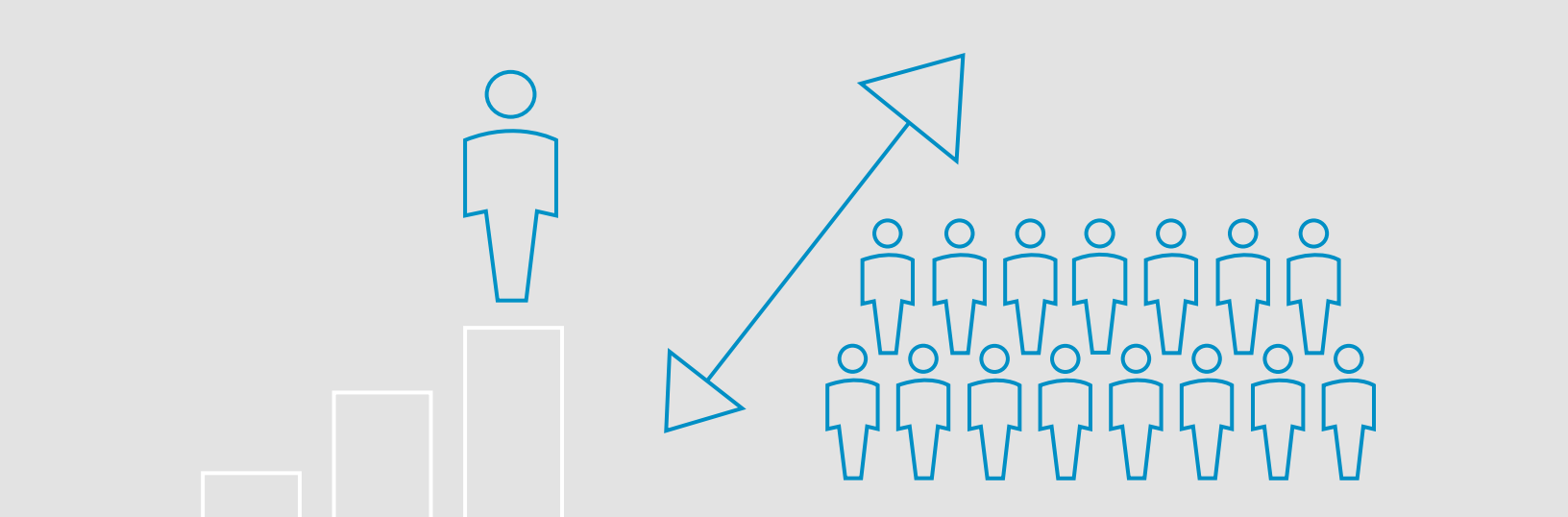
Consumer expectations are now vastly different than in years past. Members don’t simply want information faster, and to receive consistent answers. Their experience impacts their loyalty to their health plan partner and, if unsatisfied with their experience, they not only seek new partnerships, they express their dissatisfaction quickly and through public mediums that may impact other consumer’s choices.

On the contrary, however, if health plans successfully engage and satisfy their members by providing a positive member experience, individuals are more likely to be adherent with instructions and to follow through with self-management, which impacts their clinical outcomes and reduces costs for both member and payer.



So improving the member experience is essential, but health plans need to adjust operations in order to do so successfully. As consumers become savvy-shoppers, they spend less; as they spend less, payers are forced to cut costs. And, as stated in an analysis paper published by Cincom, “The result for health plans is flat or falling revenues that lead to tighter budgets for most departments. Even in cases where departments within the plan receive additional funding, that funding may be earmarked for specific purposes other than improvements in member service. As a result, health plans must typically come up with strategies for improving their member experience without hiring additional staff. In fact, they may even have to achieve such improvements despite staff cuts.”³

Therefore, healthcare payers cannot afford to provide poor member experiences. They need to deploy multi-layered, scalable approaches focused on engaging members in their health and wellness and improving the quality of their interactions—doing so will lead to a breadth of business benefits.



Strategies to Improve Your Business & Member Experience

There are several strategies attempted by healthcare payers to help improve the member experience and reduce costs, but they all have one basic and central theme – establish a relationship with members and engage them with useful information and tools that allow them to take action in their health. Some of these tactics include increasing health literacy levels, member access to health information, by providing member incentives as well as encouraging shared decision making.

Increasing Health Literacy Levels | Health literacy is a crucial area where payers are striving (and mandated) to improve their members' understanding of health terminology and procedures. Individuals with poor health literacy cannot understand or act upon information, leading to poor outcomes, dissatisfied members and higher costs.

Numerous studies such as one from Kaiser Permanente show the relationship between low levels of literacy and outcomes. The Kaiser study found patients with congestive heart failure and low health literacy rates were more likely to die in a given year compared to patients with higher literacy levels.⁴ The HHS National Action Plan to Improve Health Literacy supports this argument and other studies also claim literacy as a core part of the patient-centric care that is needed for safe and cost-effective health services. Yet, many healthcare payers have yet to fully recognize the need for increased levels of health literacy, and that every individual has varying health literacy levels.

As stated by Judith Hibbard, DRPH, a professor of health policy at the University of Oregon, “Most health plans treat all members the same, not recognizing, for example, that some people may not be ready for in-depth information while others are well informed already. People who are not activated or engaged may not understand their role in the care process, and may feel overwhelmed with the task of taking care of their health.”⁵



That's why Michael Sturmer, Cigna's senior director for consumer health engagement, argues healthcare payers have to go back to basics, starting with how they interact with their members.

“Our industry is really good at lecturing and telling people what they should do. Consumer experience in any other industry is about what the consumer wants.”²

With low health literacy, health plans have to interact with members in ways they understand and, with high consumer expectations, they have to communicate at members' convenience. Helping members understand their benefits alone is financially essential for payers.

As Sturmer states, “How we help them use [those] benefits to an optimal level? It's no longer a hundred-dollar decision, a \$20 co-pay decision. It's thousand-dollar decisions, thousands of dollar decisions.”²

Therefore, insurers have implemented literacy-related initiatives. For example, HealthPartners has a “Consumer Friendly Communications Checklist”, which was created to close the information gap members were experiencing. This checklist is part of the insurer's broader engagement efforts which also include “On Your Way” a disease management program for depression that offers educational newsletters and antidepressant refill reminders, and achieved a 96 percent engagement rate in 2014. It also alerted prescribers if they discontinued refills before the recommended interval.⁶

Improved health literacy is essential in order to improve member wellness, and it is also pertinent in improving clinical and financial outcomes. However, improving access to information is a separate challenge.



Improving Access to Health Information | When individuals are knowledgeable about their health, they are more likely to take action which improves clinical and financial outcomes. However, they cannot take action without the right tools. Therefore, a common and effective way for healthcare payers to start reducing costs is providing freer access to health information, whereby members have information that will help them manage their health.

Additionally, payers have access to a broad range of patient medical history data. Payers can improve the overall member experience by establishing systems that allow information to be shared with providers, so all parties can have a complete view of an individual's health history. Synchronizing this data streamlines business processes and encourages deeper communication.⁷

This expanded access to information is a core initiative of the Affordable Care Act, and one that has significant implications for the member experience.

Offering Member Incentives | Another common practice healthcare payers use to improve the member experience and reduce costs is offering discounts to individuals that demonstrate healthy lifestyle choices. Payers have altruistic reasoning for encouraging people to be healthier, but keeping their members well is also of financial interest. Yet, healthcare payers understand driving individuals to actually take action in their health is not a simple task, so they typically work in conjunction with employers to offer healthcare-related incentives to employed members. For example, employees often receive healthcare-related discounts from their payer organization for non-smoking behaviors, gym memberships and even body mass index (BMI) numbers. The State Employees Insurance Board (SEIB), which provides insurance to state employees in Alabama, operates a



mandatory wellness program that identifies high-risk members through BMI, cholesterol, blood pressure and blood glucose tests.⁸ The state charges tobacco users a set fee on their premiums, and also uses the “high risk” markers to alert members when they should proactively seek consultations in order to prevent serious medical problems.

When done correctly, such initiatives can provide members with the motivation necessary to start taking steps toward wellness, to improve their health status and realize decreased premium costs—improving their satisfaction and outcomes while reducing costs associated with high-risk populations.

Encouraging Shared Decision Making to Improve Appropriate

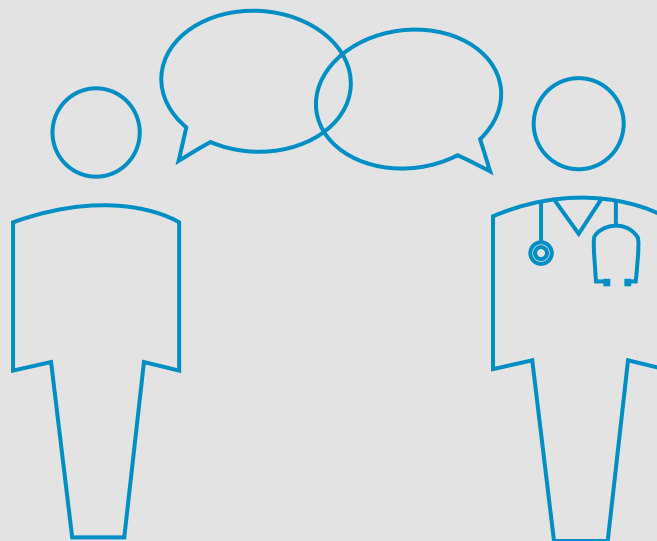
Care Utilization | In the United States, overutilization of healthcare services is often noted as the leading contributor to the high costs of care. According to a report titled “The Perfect Storm of Utilization,” the problem is mainly attributed to the usage of costly care such as screenings and procedures, not the actual volume of care. For example, the U.S. has a lower hospitalization rate than several other countries, but the overall costs are considerably higher.⁹

By encouraging members to participate in shared decision making with their providers, individuals can learn about all options available for their care and choose treatments that are most appropriate for their needs and preferences which, can often lead to members selecting less expensive and aggressive care options. For example, a group of individuals watched Emmi interactive, multimedia programs to help them think through treatment options for back pain and hip and knee osteoarthritis—three conditions with a commonly high rate of inappropriate use. That group was then surveyed about the programs impact on their treatment decision. Of the viewers that responded to the survey, 98% said that, after watching the program, they understood there was more than one way to



treat their condition, 88% said they had a better sense of which treatment option was right for them, and 30% said they were now learning toward less aggressive treatment options.¹⁰

Therefore, by encouraging shared decision making, payers can help members make informed choices about their health which helps reduce costs associated with inappropriate care utilization.



Member Engagement to Drive a Positive Member Experience

As seen by the strategies mentioned, an engaged member population is crucial in order to improve the member experience as well as clinical and financial outcomes. In fact, studies have correlated engagement with better outcomes, healthier behaviors and decreased costs. A report titled “When patient activation levels change, health outcomes and costs change, too,” found higher activation levels can corresponded to better outcomes and lower overall costs. The study further states increasing patient engagement can help healthcare organizations meet the requirements posed by healthcare reform.¹¹

However, specialized engagement solutions can provide payers scalable tools to help members become and stay engaged in order to self-manage and improve their health and wellness.

For example, Emmi interactive, multimedia programs are designed with a unique understanding of human behavior. They include language at appropriate health literacy levels, and are viewable on any device at a member’s convenience as well as through a member portal.

Additionally, Emmi programs are specifically designed for the unique challenges faced by healthcare payers. For example, Emmi programs help payers scalably:

- Target chronically ill members to drive self-management
- Connect with non-chronically ill members to promote preventive action
- Facilitate shared decision making, informing members about their treatment options to reduce inappropriate utilization of costly health services



The programs enhance and integrate with current technology, engage entire member populations with personalized, easily accessible health information and scalably interact with key populations – without requiring additional resources from staff. They are also accompanied by an experienced support team, dedicated to helping healthcare payers reach their business objectives.

For more information about driving member engagement and an improved member experience, visit www.emmisolutions.com./healthcare-payers



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