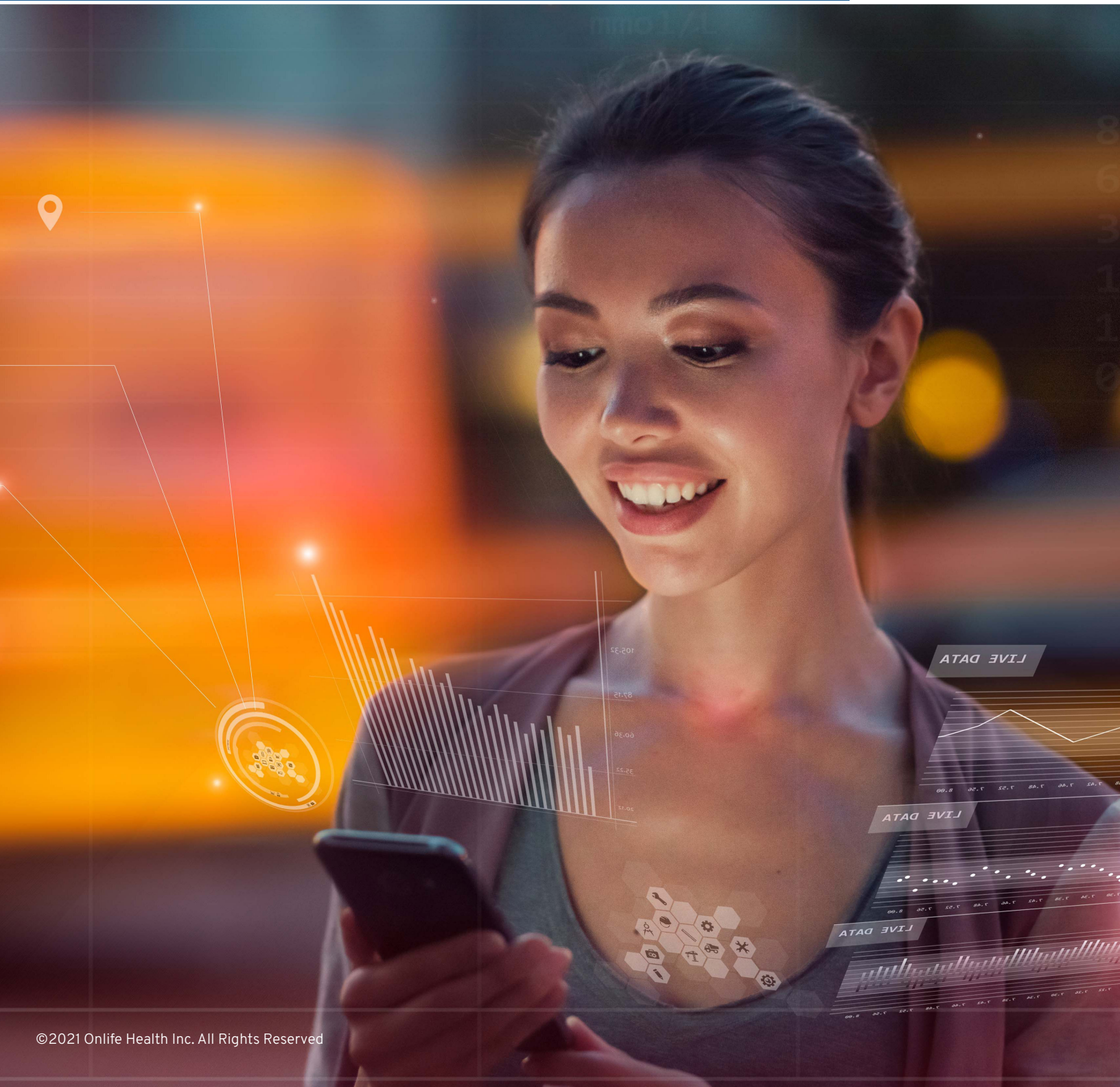


THINKING LIKE AMAZON:

4 Strategies Health Plans Can Leverage to Deliver a More Consumer-Centric Experience





Introduction

The Challenge of Consumerism—the ongoing market demand that healthcare become more consumer-centric—is perhaps the most pressing issue facing health plans today.

THE CHALLENGE IS BEING BROUGHT TO BEAR ON TWO FRONTS.

ON THE HEALTHCARE SIDE,

the move toward value-based care is transferring more purchasing power and decision-making authority into the hands of consumers. That shift requires health plans to provide their consumers (members) with the information, tools, financial incentives, rewards and other benefits that encourage and motivate them to become more involved in making their healthcare decisions and improving their health.

ON THE CONSUMER SIDE,

members are demanding more from their health plans. Having grown accustomed to the highly personalized and convenient consumer experience pioneered by the likes of Amazon, Netflix and most recently Peloton, they now expect that same kind of experience from every organization they do business with, including their health plan.

More than 70 percent of Americans now say they feel responsible for managing their own health but don't have the tools and resources to fully take on that responsibility.^[1]

The result is predictable. Members are looking for and signing up with health plans that provide the information, services, and transparency that help them manage their health expenses and improve their overall health.

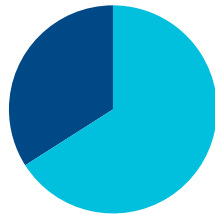
Unfortunately, at a time when almost every business sector has embraced a consumer-centric philosophy of customer engagement, some health plans are still trying to catch up. Consumers are understandably frustrated. Surveys consistently reveal that health plans score near the bottom of customer satisfaction. The average NPS for health plans is 24, the third lowest among 20 industries, ranking just above Internet services and cable TV.^[2]

As a result, the future belongs to the health plans who can adapt to this new business environment by embracing a consumer-centric philosophy. Larger health plans whose existing legacy infrastructure lack the necessary personalization capabilities are especially vulnerable to innovative disruptors—those smaller, more nimble companies that can respond more quickly to the demands of the market.

Health plans who invest in the necessary resources that can help them analyze data and understand their members so completely that they can then provide a highly personalized experience that anticipates their needs and preferences will gain a distinct competitive advantage. Simply put, health plans need to think like Amazon in order to satisfy the vast majority of consumers across all age groups who now want the same experience from healthcare companies as they demand from non-healthcare companies. This white paper discusses how health plans can meet The Challenge of Consumerism by employing four strategies that generate this member-centric experience and create the personalized, convenient experience that consumers are demanding.

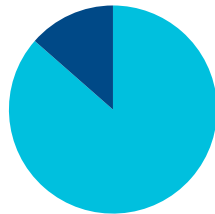
BUT FIRST, LET'S EXAMINE MORE CLOSELY SOME OF THE FACTORS THAT ARE MOTIVATING CONSUMERS TO EXPECT MORE FROM THEIR HEALTH PLANS.

Today's Consumers Expect More from Their Health Plans



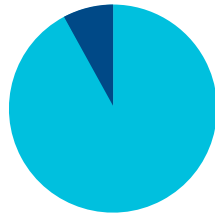
70%

want their health plan to assist with choosing a provider. ^[3]



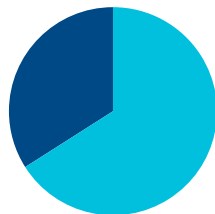
83%

want commercial health plans to provide accurate information about out-of-pocket expenses. ^[4]



91%

say comparing prices for healthcare services should be as simple as comparing prices on their favorite retail site. ^[5]



70%

want advice on how to lower the cost of a major surgery. ^[6]



Why Are Consumers Demanding More from Their Health Plan?

Members who once took a passive approach to health insurance are now much more engaged and have higher expectations about what their health plan should deliver. As discussed above, one factor driving this change is that consumers today expect the same level of personalized service and online convenience from their health plan as they've come to expect from other industries. So, what are some of the other factors that are causing consumers to increasingly take charge of their healthcare and demand more from their plan? It's a complicated question, but here are two major factors.

More Skin in the Game

For many years, consumers have been taking on a greater and greater share of healthcare costs and premiums. Consider these recent findings from a 2020 survey.

- // The number of covered workers enrolled in a plan with a general annual deductible of more than \$2,000 has increased from seven percent in 2009 to 26 percent in 2020. ^[7]
- // The average dollar contribution for family coverage has increased 40% since 2010. ^[8]
- // The average premium for family coverage has increased 55% over the last ten years. ^[9]
- // The average annual deductible for single coverage in 2020 is 111% higher than the average general annual deductible in 2010. ^[10]

It's human nature: having more “skin in the game” increases a person’s motivation to become involved, take charge of their health expenses and save money.



The Expedia Effect

Websites like Expedia and Travelocity revolutionized the travel industry 20 years ago by providing price transparency and online booking. As consumers enjoy the benefits of greater information transparency in multiple industries, they expect the same easy access to valuable data from their health plan. Today, technology has opened up what was previously a relatively closed healthcare market. Hospitals are now providing consumers with information on everything from physician ratings and pricing for medical procedures to comparison-shopping for health insurance plans. As a result, consumers are increasingly taking advantage of this information transparency in healthcare to acquire more power and control.



The Impact of the Affordable Care Act

With the passage of the Affordable Care Act in 2010, health insurance became a public commodity available to more than 47 million previously uninsured non-elderly Americans. Through the ACA’s health insurance marketplace, people can compare health insurance policies and purchase a plan that best fits their needs and budget. As a result, health plans must market their products to individual consumers as opposed to a general employee population and deliver an experience similar to an online retail setting, where consumer preferences and expectations are anticipated and met.



STRATEGIES FOR MEETING THE CHALLENGE OF CONSUMERISM

Because of the factors discussed above, as well as others, consumers today are expecting their health plans to provide the information, guidance and support they need to navigate the complex healthcare landscape quickly and efficiently. The following four strategies can serve as a blueprint for health plans that want to meet these high expectations. Let's begin with the lowest-hanging fruit—the strategy that health plans are already well-equipped to start implementing: leveraging big data.

- 1 **Go Big with Big Data**
- 2 **Implement a Digital Front Door**
- 3 **Expand Telehealth Services**
- 4 **Leverage Your Well-Being Program**



STRATEGY #1 – MEETING THE CHALLENGE OF CONSUMERISM

Go Big with Big Data

THINK LIKE AMAZON

To deliver a personalized customer experience that includes individualized recommendations, Amazon hosts an estimated one billion gigabytes of data across more than 1,400,000 servers. ^[1]

Data is the foundation of building a more personalized experience for consumers. “Know your customer” is the necessary first step to create direct, personal and meaningful communications that meet consumer expectations.

Health plans are better positioned than almost any other type of business to create this new level of personalization, possessing an abundance of member information obtained from multiple sources: health assessments, biometric screenings, social determinants of health, medical records, claims, member-generated data, pharmacy records, etc. This “gold mine” of information has the potential to provide a detailed portrait of each member’s general physical condition and specific health behaviors, from exercise and stress levels to smoking, eating habits and participation in preventive tests such as mammograms, Pap smears, dentist visits, flu shots, pneumonia shot and colonoscopies.

Unfortunately, many health plans have segmented application silos—claims, consumer management etc.—which make it difficult to create a unified platform that can analyze the data altogether and identify trends, gaps in care, etc., in a systematic and timely manner. Retailers have been using data analytics for years to understand the consumer so well that they can run 1-to-1 campaigns in mass, building a relationship that increases engagement as well as the use of their products and services. Health plans are starting to follow their lead and by leveraging analytics and technology to “mine” their data. By applying segmentation, risk stratification, personas and other techniques to existing consumer data, they can create an integrated customer profile that serves as the foundation for more effective marketing. In addition, data from third- party sources, including demographics pulled through a postal database, information about internet and social-media consumer interactions, and purchasing habits can also be incorporated to further refine and clarify the customer profile. The result is a precise understanding of what “the next right thing to do” is for each member and the ability to provide customized communications containing the information and resources each member needs to take charge of their health.

“Mining” data creates a more focused lens that produces a clearer vision of customers. As a result, marketers understand more precisely which modalities (email, phone, direct mail, etc.) and time of day a customer prefers to be contacted, which words and language to use, and what topics are most meaningful and relevant to their members. Instead of mass mailings, marketers can create customized and automated 1-to-1 communications consistent across all channels. Marketing becomes a dynamic two-way conversation as consumers provide further insights about themselves, their interests, preferred modalities, etc.—knowledge that continually refines and improves the effectiveness of the marketing efforts. Sensing that their communications are “speaking” directly to them, customers feel

more connected and loyal to their health plan, providing further motivation to use other services, whether it’s visiting the website or participating in a well-being program.

Benefit Summary:

GO BIG WITH BIG DATA

- // Create highly personalized, targeted communications and more effective incentive programs
- // Know more precisely the specific behavior changes that could lead to cost-avoidance for each member
- // Identify and close gaps in care



STRATEGY #2 – MEETING THE CHALLENGE OF CONSUMERISM

Provide a Digital Front Door

THINK LIKE AMAZON

Just as Amazon has radically transformed retail shopping by moving it from a brick-and-mortar setting to an online experience, a digital front door can redefine the healthcare experience for members.

The term “Digital Front Door,” sometimes referred to as a “Hub,” has been around for decades. During that time, it has evolved into something of a buzzword, acquiring multiple definitions that can lead to confusion and misunderstanding. For our purposes here, we define the Digital Front Door as a consumer-first model of engagement that delivers a consistent, cohesive and personalized experience across all communication channels, meeting members where they are and providing the right information at each touchpoint—all available through a single point of access such as an app or website.

The demand is there: **79 percent of people with a high-deductible plan would like their health plan to provide an online tool or mobile app where they can manage all of their healthcare in one place.**^[12] So, what would this kind of dynamic and intuitive digital interface look like? Imagine a scenario in which multiple tools resources are made available to members. From a single “Benefits” web page, members can conduct

a provider search, research low-cost options, view treatment timelines and details, and even earn rewards for selecting high-quality, low-cost care. On a single “Payments” web page, members can view what every family member owes to every provider, make a payment and immediately see how this payment impacts their deductible. In addition, a personalized marketing platform generates and then sends personalized emails and timely notifications to remind members about upcoming appointments and prescription refills as well as suggest low-cost care options.

Unfortunately, in a recent survey, **70 percent of respondents said their health plan had not asked for an email address or a phone number to contact them or they weren't sure if the health plan had asked for this information.**^[3] Clearly, health plans need to be more conscientious about proactively requesting this contact information as well as each member's preferred channel of communication in order to remind members about appointments and prescription refills, suggest low-cost care options, send notices about new tools to manage their health, and other communications.

Benefit Summary

PROVIDE A DIGITAL FRONT DOOR

- // Meet a growing consumer demand for more accessible and convenient services, especially those with high-deductible plans
- // Position your health plan as the one-stop go-to source for members to manage their healthcare
- // Inform members about low-cost options, upcoming appointments and prescription refills



STRATEGY #3 – MEETING THE CHALLENGE OF CONSUMERISM

Expand Telehealth Services

THINK LIKE AMAZON

By offering next-day or even same-day delivery through its Prime service, Amazon is now the most convenient store on the planet. Health plans can follow its lead by embracing the new level of convenience made possible by telehealth.

Many health plans are now recognizing that telehealth is here to stay. Both consumer and provider willingness to use telehealth has increased significantly with the COVID-19 pandemic. During that time, telehealth offered a bridge to care in a time of need and now offers a chance to reinvent the way healthcare is delivered. Regulatory changes that enable greater access and reimbursement for telehealth services are being made with the goal of improving healthcare access, outcomes, and affordability.

Today, almost two-thirds (**62 percent**) of consumers say that they would be willing to **use telehealth in the future.**^[14] For younger generations, not offering telehealth services is a deal breaker, with 70 percent of respondents under 35 stating they would switch providers in order to have access to telehealth services.^[15]

Convenience is a major driver of the popularity of telehealth. Driving to a walk-in clinic is still time-consuming and has the disadvantage of seeing a provider who is probably not familiar with the patient's medical and personal history. Technology can sidestep these inconveniences with at-home consultations using telemedicine.

This is especially true for behavioral health, which has emerged as the shadow crisis of the pandemic and is a major driver behind a continued increase in virtual care. It's estimated that more than one-third of virtual care visits will be for mental health issues in 2021. Health plans that continue to expand their coverage of telehealth services for both physical and behavioral health issues will be well-positioned to attract the growing numbers of consumers who are comfortable with technology and value convenience.

Benefit Summary

EXPAND TELEHEALTH SERVICES

- // Provide a more convenient mode of access to health services that is becoming increasingly popular, particularly among younger members
- // Deliver more access to behavioral health services, especially in geographic areas that have a shortage of behavioral health providers
- // Position your health plan as a forward-thinking leader in providing reimbursement for telehealth services



STRATEGY #4 – MEETING THE CHALLENGE OF CONSUMERISM

Leverage Your Well-Being Program

THINK LIKE AMAZON

Amazon Prime members have a 98 percent retention rate after two years.^[16]

What can health plans do to improve their brand loyalty?

In the past, health plans have not had many opportunities to provide a positive experience for its members. Many of the most common touch points with customers are inherently negative: late payment on claims, coverage issues, etc. Customers simply don't perceive a claim that is paid in full and on time as a positive experience. It's what they expect at a minimum.

For health plans, a well-being program offers an opportunity to create an ongoing positive experience that helps build brand loyalty with customers. This is especially if the well-being experience is personalized, which provides a greater capability to effectively influence positive day-to-day behavioral changes. Providing a personalized well-being experience can increase both member satisfaction and brand loyalty.

Today's well-being programs can also go far beyond its traditional role of helping members improve their health by increasing physical exercise or eating a healthier diet. Indeed, a white-labeled well-being program can provide a Unified Digital Interface for your health plan members and become a value-added partner that provides the necessary support to achieve numerous business objectives. For example, a comprehensive well-being program with advanced data analytics can help your health plan address Social Determinants of Health, close gaps in care, guide and educate members as they start to make the transition to Medicare, and identify members with the highest risk for chronic medical conditions in order to provide early interventions that lower costs.

Benefit Summary

LEVERAGE YOUR WELL-BEING PROGRAM

- // Foster a sense of gratitude and good will toward your health plan when members achieve their health goals and feel better about their life
- // Improve engagement: Every member has the opportunity to participate in a well-being program
- // Build an ongoing relationship; well-being is not a sporadic or annual event such as year-end enrollment or finding a physician

Key Takeaways

- 1.** One of the most serious issues facing health plans today is the Challenge of Consumerism—the ongoing market demand that healthcare become more consumer-centric. To address this issue demand, health plans need to cultivate and incorporate a customer-first business philosophy that transforms all aspects of their business, from marketing and communications to product innovation.
- 2.** Some of the strategic initiatives that health plans can embrace in order to meet this challenge include leveraging data analytics to gain engagement insights about their members, initiating a Digital Front Door, expanding telehealth services and maximizing the potential of its well-being program.
- 3.** Health plans that adapt these and other consumer-centric approaches will gain a competitive advantage in a changing marketplace where their customers increasingly have greater control, more options and higher expectations.

ENDNOTES

- 1 www.facebook.com/nationalresearchcorporation. (2018, August 16). What is consumerism in Healthcare? NRC Health. Retrieved October 29, 2021, from <https://nrchealth.com/what-is-consumerism-in-healthcare/>
- 2 NPS-Benchmarks. Delighted. (2021, September 17). Retrieved October 28, 2021, from <https://delighted.com/nps-benchmarks>
- 3 2021 Annual consumer sentiment benchmark. HealthSparq. (2021, May 25). Retrieved October 29, 2021, from <https://healthsparq.com/resources/white-papers/2021-annual-consumer-sentiment-benchmark/>
- 4 Ibid
- 5 Ibid
- 6 Ibid
- 7 Published: Oct 08, 2020. (2021, March 17). 2020 employer health benefits survey - summary of findings. KFF. Retrieved October 28, 2021, from <https://www.kff.org/report-section/ehbs-2020-summary-of-findings/>
- 8 Ibid
- 9 Ibid
- 10 Ibid
- 11 Daniel Price. (2020, July 17). Infographic: How much data is produced every day? CloudTweaks. Retrieved October 28, 2021, from <https://cloudtweaks.com/2015/03/how-much-data-is-produced-every-day/>.
- 12 2021 Annual consumer sentiment benchmark. HealthSparq. (2021, May 25). Retrieved October 29, 2021, from <https://healthsparq.com/resources/white-papers/2021-annual-consumer-sentiment-benchmark/>
- 13 Ibid
- 14 PricewaterhouseCoopers. (n.d.). Consumer health behavior and the COVID-19 pandemic. PwC. Retrieved November 1, 2021, from <https://www.pwc.com/us/en/industries/health-industries/library/hri-insight-consumer-health-behavior-and-covid-19-pandemic.html>
- 15 2021 Annual consumer sentiment benchmark. HealthSparq. (2021, May 25). Retrieved October 29, 2021, from <https://healthsparq.com/resources/white-papers/2021-annual-consumer-sentiment-benchmark/>
- 16 Mariano Rodriguez. (2021, August 13). How Amazon maintains over 90% customer retention - updated 2020. Beamer. Retrieved October 28, 2021, from <https://www.getbeamer.com/blog/how-amazon-maintains-over-90-customer-retention-year-over-year#:~:text=As%20of%20September%2020%2C%20Amazon,It's%20an%20eCommerce%20dream.&text=Customer%20retention%20is%20a%20huge,t%20afford%20to%20go%20overlooked>

Onlife Health, a GuideWell Company, brings end-to-end simplicity to population health and wellness. Connecting and integrating people, technology, and benefit design through our user-friendly engagement platform we guide consumers on the “next right thing to do” in their health care journey. Our unique approach – personalized, supported, connected – drives engagement and delivers value. With its built-in agility, the Onlife platform can be quickly and easily configured and scaled to serve any market, from commercial health insurance to Medicare Advantage and Individual (ACA) lines of business.

©2021 Onlife Health Inc. All Rights Reserved