LOOK BEFORE YOU LEAP: WHAT HEALTH PLANS MUST DO BEFORE DIVING INTO DIGITAL

Abstract

Healthcare organizations are looking to leverage technology to improve consumer engagement and experience. Modeling these initiatives on the retail industry, health plans and providers are hoping to replicate their success at providing a seamless experience across channels – websites, social media, mobile apps, call centers, email, and paper-based promotions.

And they're putting their money where their mouth is. In their "Healthcare IT Payer Predictions For 2013", a leading analyst firm said that approximately 40 percent of U.S. healthcare payers planned to invest in establishing or renewing consumer engagement initiatives, including web portals. This in fact topped the list of priorities for planned investment.

So, sometime last year, when Mayo Clinic announced that barely five percent of the several hundred thousand patients registered on their web portal actually used it, it created quite a stir. This was after all the Patient Portal they were talking about, a poster boy of consumer experience in healthcare, and an inspirational model for the industry!

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Don't digitize without direction

Mayo Clinic's troubles are only symptomatic of an ailment that is plaguing most consumer engagement programs in healthcare. The root cause? A lack of directedness in the digitization drive behind such programs.

Over the years, we have seen a number of health plans rush headlong into digital media in pursuit of consumer engagement, or simply, a nimbler rival. In the process, they fail to do the necessary due diligence of questioning objective, mapping consumer need, enumerating constraints, quantifying end goals and identifying efficient methodologies. (See **Haste Makes Waste**) So it comes as a breath of fresh air – even a jolt perhaps – when the chief customer experience officer of a pharmacy benefit manager challenges even the engagement premise by candidly admitting that she is yet to find someone who wants to engage with a health plan. This is not as outrageous as it seems – data indicates that health apps are accessed far less frequently than social media or gaming apps. The Ruder Finn U.S. mHealth survey corroborates this statement with this finding: Three in four respondents are reluctant to engage with healthcare apps citing reasons such as lack of need or preference for seeing a doctor.

The message is clear: *Consumers are yet to engage with healthcare in the way they do with say, retail. Therefore, health plans that have acted in haste thus far must now introspect carefully before investing further resources in digitization to make sure all efforts are directed at improving engagement.*

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Haste Makes Waste

A vast majority of commercial healthcare plans are present in digital channels like website, mobile, and social. Their success stories spur much of the frenzy among health plans to replicate or outdo the competition. Unfortunately, this has led to a number of rash moves. Without adequate thought going into them, these plays for digitization have yielded disappointing results.

Take for instance, the mobile apps launched by several BCBS health plans. Because the apps were developed without taking the existing features of the portal into consideration, they ended up duplicating both effort and investment. BCBS health plans would have been better off simply making the features on their portal mobile browser friendly.

Here's another example. Until six months ago, many large health plans had different teams in charge of social, mobile, and website initiatives, each spending time and money on doing the same things. Worse, the teams often pursued conflicting strategies. Health plans realized the futility of this approach and have now switched to a holistic, unified strategy. This situation could have been avoided altogether with a little foresight and planning.

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Seek and ye shall find

But first, they must know what questions to ask. It is not enough to do this intuitively. What health plans need is a formal process, backed by a framework, to arrive at a list of critical questions that will have a bearing on the investment decision. The framework should be rigorous so as to provoke the organization to think about the big picture as well as see the small detail. It should lead the decision makers to ask all the right questions: *What is our objective in investing? Which digital channel should we use? Which technology enjoys the highest adoption? Where do we deploy resources first? How do we measure results?*

The answer to these questions must be mapped against the needs of different consumer segments, such as the need to manage chronic conditions among the elderly or the need to identify the best entry level plan among first time members, and so on. This should eventually drive health plans' decision of how much and where to invest in digital media.

An illustration might be useful here. Let's say a health plan is trying to decide which services to digitize. They have several types of services, categorized by complexity, volume, touch-intensity, requirement and so on. If the health plan's objective is to reduce the cost of delivering low touch services – such as appointments, claim status check, profile modification, etc. – the logical step would be to divert requests from the high cost call center to a low cost channel like kiosk or website. However before making any move, it is absolutely critical that the health plan assess its likely impact on consumers. For instance, if the primary users are seniors with a likely preference for an assisted channel, it would be foolhardy to migrate the interactions to self-service mode.

On the other hand, if the health plan's end goal is to improve experience for a new generation of consumers, they would do well to invest in mobile apps and social networks that could then perform the same functions as a traditional channel.

Besides core objective and consumer need, health plans must also factor rate of adoption into their decision. However, this is not as easy as it sounds. For instance, although healthcare portals are yet to hit their stride, they are ideal for disseminating information, and hence cannot be dismissed. Social media is great for engagement, but its performance metrics are still unclear. And while mobile is an obvious choice, the availability of different technologies complicates the investment decision. Clearly, there is no one size fits all approach and each health plan must decide based on what works best for them. (See **Technology Choice - App Versus Mobile Web** and **Marketing Choice - Email or SMS?)**

Technology Choice - App Versus Mobile Web

Health plans were late entrants to the mobility channel. But given that 104 million people in the U.S. own smartphones and about 50 percent of smartphone users download apps, a lot of health plans are giving serious thought to their mobility agenda.

They have two distinct options before them – mobility app or mobile browser. The choice depends on a combination of investable resources, marketing strategy, RoI expectations, and required functionality, such as shopping, searching, navigation, etc.

Both options have their advantages. A Mobile analytics firm's study of heavy smartphone user behavior indicates explosive growth in the 'mobile addict' segment – those who launch at least six times the number of apps that an average user does everyday. The number of mobile addicts has grown 123 percent between 2013 and 2014, whereas Super Users have grown at less than half that pace, at 55 percent, and Regular Users (16 or fewer app launches daily[1]) a mere 23 percent. These numbers make a strong argument in favor of the mobile app.

However, some mobility technology pundits have sounded the death knell for apps for a number of reasons, ranging from economic to functional. For instance, they claim that it is not possible to sustain separate app programs for iPhones, BlackBerrys, Android phones and other assorted devices on a limited budget in the long term.

Our experience with several BCBS health plans indeed shows that budget issues can derail a digital transformation program. In the face of such constraints, it would be prudent for health plans to go the mobile browser route to ensure continuity in consumer experience.

Marketing Choice - Email or SMS?

A study by the Pew Research Center's Internet and American Life Project says texting is still the reigning mobile phone activity. Email is ranked 3rd. 81 percent of mobile users text, especially the younger adults, the college educated, and those with higher income. On the other hand, only 50 percent of mobile users send or receive email. The profile of email users is similar to those who text.

Studies show that response rates – or more specifically read and respond rates – are higher for text messages. Yet most BCBS health plans seem to prefer email. This reveals a need for optimizing communication based on channel preference to make it cost effective. In other words, health plans should switch to text for soliciting business from their younger customers.

Compete wider and deeper

A health plan's digital foray must not only encourage consumer engagement in healthcare, but also contend with competition from a variety of healthcare organizations, all vying to engage with the same consumers on the same channels. Business and channel partners like providers, physician groups, pharmacy benefit managers, minute clinics, and specialists intersect with healthcare consumers at various touchpoints – digital and otherwise – throughtout the consumer life cycle. The graphic below depicts the different member touch points currently in use across different channels.

	Prospects / Conversion	Enrollment/ Onboarding	Health Management	Member Services	Post Care	💲	🎯
Social Media (f, twitter)			Social Collaboration via Health Forums / Health Boards	Provider Ratings & Reviews Engage members through health-tips, events, quizzes etc.	Patient Experiences	Low	High
Mobile App	Text based solicitation		Wellness Applications Fitness Applications	ID Card Manage Premium Payment Cost Transparency Tools Locate Provider Schedule Appointments	Claims Status OOP Payments	Low	High
Portal		Electronic Enrollment via Insurance Exchange Welcome Kit	Rx Reminders Fitness Tips & Trackers Wellness Tips & Trackers	ID Card Manage Premium Payment Cost Transparency Tools Locate Provider Schedule Appointments	Claims Status Bill Notification OOP Payments	Low	High
Call Center		Enrollment Clarifications	Prescription refill Appointments Care Coordination Wellness Tips	Locate Provider Benefits Manage Premium Payment		High	Low
Mail	Mail campaigns	Paper based Enrollment	Wellness visit alerts & reminders, Prescription re-fill reminders etc.			High	Low

💲 **Cost to Implement & Maintain**	🎯 **Impact on Consumer Engagement**

Notice the number of white spaces of untapped opportunity. Health plans can stand out among the healthcare crowd by leveraging digital channels like web, mobile, and social media to enter these spaces and garner first mover advantage.

The following graphic depicts a host of additional possibilities for engagement at each touchpoint.

	Prospects / Conversion	Enrollment/ Onboarding	Health Management	Member Services	Post Care	💲	🎯
Social Media	**Insurance Education** **Social Collaboration via Health Forums / Health Boards**	**Payer Assisted Enrollment Through online chats, posts**	Social Collaboration via Health Forums / Health Boards	Provider Ratings & Reviews Engage members through health-tips, events, quizzes etc. **Anonymous Chats with Members on forums / boards**	Patient Experiences **Provider / Specialist Engagement during Rehabilitation**	Low	High
Mobile App	Text based solicitation **Plan recommendation**	**Personalized content On Mobile applications to assist Enrollment** **Insta-Chat capability with Call Centre, other members**	Wellness Applications Fitness Applications	ID Card Manage Premium Payment Cost Transparency Tools Locate Provider Schedule Appointments **Telemedicine** **Health and wellness trackers**	Claims Status OOP Payments **Telemedicine and Remote Patient Monitoring**	Low	High
Portal	**Plan recommendation** **Dedicated member portal** **Health forums**	Electronic Enrollment via Insurance Exchange Welcome Kit	Rx Reminders Fitness Tips & Trackers Wellness Tips & Trackers	ID Card Manage Premium Payment Cost Transparency Tools Locate Provider Schedule Appointments	Claims Status Bill Notification OOP Payments	Low	High
Call Center	**Decision support Systems for purchasing plan** **Manage Member Attrition**	Enrollment Clarifications **Enrollment to Wellness, Care Management Programs**	Prescription refill Appointments Care Coordination Wellness Tips	Locate Provider Benefits Manage Premium Payment	**Medication therapy management** **Care coordination b/w different entities**	High	Low
Mail	Mail campaigns	Paper based Enrollment	Wellness visit alerts & reminders, Prescription re-fill reminders etc.			High	Low

💲 **Cost to Implement & Maintain**   🎯 **Impact on Consumer Engagement**

However, a big challenge is that most health plans do not have the technological capability to transform the above possibilities into reality. It is here that they must seek the services of a specialist.

Choose wisely

It is critical that health plans choose the right technology partner to help with their digitization strategy. While most system integrators have basic system integration capability, only a few have consulting acumen or transformation expertise, skills that are vital to the success of the program. Health plans must ensure that they take on a partner who can contribute at every stage, from conceptualization of strategy to implementation of technology.

The partners approach, including overall strategy, tools, methodologies, and frameworks, must figure among the top selection criteria. Ideally, they should bring the following to the table:

- *A roadmap to the right path, created using prior domain experience and a framework for assessing and prioritizing areas of focus.* The system integrator should be able to envision the impact of current and future digital capabilities on the health plan's core processes and systems, and factor this into their recommended strategy.

- *Ready solutions, frameworks, and accelerators in the form of mobile use cases or service dashboards to fast-track implementation.* Where they lack in-house capability, the system

integrator should be able to fill the gaps with offerings from alliance partners. They must have a proven approach for program and change management.

- *Predictable, low risk implementation, which assures value by leveraging best practices in digital in the areas of user experience, mobility, social media, analytics and so on.* The partner must assure integration with business processes and internal as

well as external systems, and set up sufficient business rules and decision management controls to enable the health plan's consumers to interact with them seamlessly on all channels.

- *Last but not least, demonstrated ability to measure and monitor the performance of the digital channels with the help of sophisticated analytic tools and metrics of consumer engagement.*

Go well

Healthcare organizations are making rapid investments in digital media with a view to attracting consumers. However, mobile apps, and indeed all other digitized offerings from health plans lack foresight and planning. In their eagerness to stay on top of the digital trend or keep up

with their competitors, health plans have committed vast resources without stopping to ask important questions – such as what they hope to achieve, what their consumers need, and whether the twain will meet. It is high time that health plans took a more considered approach to

digital, starting with introspection, then finding new ways of exploiting different channels, and finally, identifying the right technology partner to see the strategy through.

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