

# Member for Life

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How a Consumer-Centric Engagement Strategy Can Build Brand Loyalty and Give Health Plans a Competitive Advantage in a Disruptive Market

**Onlife**<sup>®</sup>  
HEALTH

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## Onlife Health

Onlife Health brings end-to-end simplicity to population health and wellness, connecting and integrating people, technology, and benefit design through our user-friendly engagement platform, guiding members on The Next Right Thing To Do in their healthcare 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 accounts to Medicare Advantage and Managed Medicaid plans.

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## | Executive Summary

By implementing a consumer-centric engagement strategy that delivers a personalized member experience, health plans can improve customer satisfaction, increase member retention, and differentiate themselves in a competitive market. Such a strategy provides health plans with the opportunity to position themselves more strongly as a caring, concerned, helpful and therefore valuable partner in the minds of consumers, transforming them into loyal customers and members for life.

## | Introduction

The business environment in which health plans operate today has never been more challenging or disruptive. A combination of new competitive pressures, market forces, innovative technologies, and rising consumer expectations is transforming the health economy at an unprecedented pace and scale.

In responding to these evolving market demands, health plans have two choices. Some will stay with the status quo and continue in their traditional role, serving as intermediaries between providers and patients, underwriting risks as well as adjudicating and paying claims. **At the same time, other health plans will decide to transform their organizations in order to meet the multiple challenges of tomorrow's marketplace.**

## With Challenge Comes Opportunity

At Onlife Health, we believe the future belongs to those health plans who choose the second option, who have the foresight to adapt by implementing a new business model that creates more value for both their members and the health care system as a whole.

Other health industry professionals agree with our assessment. For example, after conducting crowd-sourcing research that interviewed 28 industry experts, the Deloitte Center for Health Solutions found that “to prepare for the disruption, all health plans should and are likely to begin to transform their business models to deliver better value to purchasers and members.”<sup>1</sup>

For the purposes of this white paper, we will focus our attention on how health plans can deliver better value for its members. We will examine the necessary features and components for developing and executing a consumer-centric engagement strategy that meets each member at his or her point of need and provides the tools, services, and personalization to create a meaningful, long-lasting relationship that builds brand loyalty and creates members for life. We will also take a closer look at the market factors that are making such a strategy imperative as well as the economic benefits of pursuing such a strategy.

## Creating a Member Experience That Builds Brand Loyalty

What would it look like if a health plan offered a consumer experience that was focused more on the care and well-being of the member, one that was personalized, informative, convenient, and easily accessible? How would such an experience strengthen the members’ perception of the health plan as a valuable service and bolster their loyalty to it?

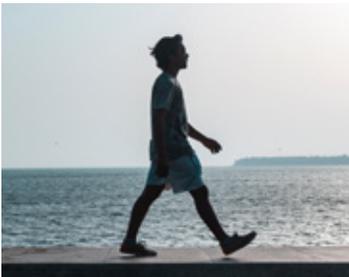
To find out, let’s take a look at a next-level engagement experience that delivers real value for members. Meet Joe, a 47-year-old executive engineer who has recently been hired by a new company whose health insurance provider has made a robust commitment to member engagement. Let’s follow Joe for the next 18 years and see how his interactions with the plan transform him into a member for life.

## 1. First Impression



The old adage “You don’t get a second chance to make a good first impression” is true for health plans as well as people. That makes the initial enrollment period an opportune time to engage the member and build the foundation for a long-lasting relationship. It starts with an introductory phone call to Joe immediately after he enrolls in the plan. The health plan also sends Joe an information packet that explains his benefits in clear, concise language, provides multiple two-way communication channels where Joe can ask questions, and encourages him to complete a health assessment and enroll in his employer’s wellness program, which is provided by the health plan.

## 2. Getting in the Game



Motivated in part by his positive first impression of the health plan, Joe decides to enroll in the wellness program. He also completes a health assessment and is rewarded with a \$50 deposit to his Health Savings Account (HSA). This is just the first in a series of opportunities for Joe to earn cash rewards or points that can be used to acquire additional services or discounts from his health plan. Because these points and rewards are transferable across all lines of business, Joe is now motivated to stay with the health plan when a life event requires that he consider changing his health insurance, for example, becoming eligible for Medicare.

## 3. Seeing Results



When Joe visits the home page of his wellness engagement program for the first time, he watches a short video that explains how he can maximize the benefits provided by his health plan. He also realizes the content of the page has been personalized with self-guided courses, videos, exercise programs, and other information to help him lose weight and prevent the onset of diabetes, the top two health priorities identified by his health assessment. When Joe is having trouble sleeping, he finds an educational video on his home page that helps him enjoy a good night’s rest. And just before flu season, Joe receives a reminder to get a flu shot as well as information about the three provider locations nearest him. Motivated by this personalized approach, Joe becomes a frequent user of the wellness program and successfully reaches both of his health goals. In addition, at the end of the calendar year, he receives a year-end summary of his medical expenses that provides valuable information for filing his taxes.

## 4. Adding Value



When Joe turns 50, his wellness engagement program sends a reminder that it's time for a colonoscopy. The program also provides information, all automatically posted on Joe's wellness home page, that explains the benefits of having a colonoscopy, dispels common misunderstandings about the procedure, and provides a list of in-network doctors who can perform the procedure. A few years later, Joe uses a digital self-guided program, *Managing Your Stress*, to help him through a particularly stressful time at work.

## 5. Staying in Touch



To generate further engagement, the health plan provides personalized information in its transactional communications, such as EOBs. These transactional communications are viewed by 97 percent of members for an average of two to five minutes, making them an ideal channel to connect with members.<sup>2</sup> In addition, to track his exercise, Joe has linked his favorite wearable fitness device to the wellness engagement program. And, when Joe notices that his physical activity has recently declined, he's able to set a more modest daily goal to create a small health habit that gets him back on track.

## 6. Building Loyalty



Joe's loyalty to the health plan grows stronger. He continues to fund his HSA by completing healthy activities and earning points, and he earns an additional loyalty discount on his health premiums for each year he is a member. During his annual wellness exam, Joe learns that his blood pressure is too high. Because his wellness engagement program is connected to his EHR, Joe's wellness home page is immediately updated with personalized recommendations and actions to help him bring his blood pressure back to normal.

## 7. Staying Loyal



At the age of 63, Joe decides to retire, but he still needs health insurance until he becomes eligible for Medicare. He has now been with the health plan for 16 years. Because of his overall high satisfaction with the plan, the effectiveness of his personalized wellness program in helping him stay healthy, and the transferable points and rewards he has earned and doesn't want to lose, Joe decides to stay with the health plan and buy one of its policies through the government's Health Insurance Marketplace.

## 8. Member for Life



Six months before Joe turns 65, helpful information about making the transition to Medicare is automatically posted on his personalized wellness home page. Because he enjoys good health, Joe decides that a Medicare Advantage plan is right for him. Once again, because of his overall satisfaction and the 18-year relationship he has enjoyed, Joe stays with the same health plan. And the chances are good that Joe is now a member for life. That's because seniors are a loyal bunch when it comes Medicare, and that loyalty increases with age. In a recent study, 70 percent of Medicare customers age 65 to 69 said they renewed their plan without shopping for a new plan in the past year. That percentage jumps to 76 percent for 71 to 74-year-olds and 81 percent for those 75 and older.<sup>3</sup>

## 3 Key Components for a Consumer-Centric Engagement Strategy

So how can health plans implement a consumer-centric engagement strategy as described above? The answer to that question is complex and will vary from health plan to health plan. For example, some insurers, burdened by a legacy core administrative system, will need to upgrade their computer technology and applications as a necessary first step to meet the challenge of consumerism. Others will need to invest in the resources required to better understand the needs, attitudes, and motivations of their members in order to serve them on a more personal level.

During Onlife's 23 years as a wellness engagement provider to health plans, we have found there are three key principles that are essential to implementing a consumer-centric engagement strategy.

### 1. Personalization

We define personalization as providing convenient and timely one-to-one interactions that provide the information, resources, and advice that meets the specific needs of each member. Simply put, personalization is giving consumers what they need, when, and how they need it.

Such an experience is what today's consumers expect and even demand. That's because B2C companies have made consumer engagement a high business priority, leveraging data science and advanced analytics to gain a deep understanding of consumer needs, habits, and preferences. With consumer experience giants such as Amazon and Netflix creating utopian user experiences that represent the pinnacle of personalization and convenience, the bar is set high for all consumer experiences to match such expectations. Today, 80 percent of consumers are looking for personalized offers, messaging, and information regarding their auto, home and life insurance, and health insurance is no different.<sup>4</sup> Businesses in the health care industry must work diligently to provide similar experiences in order to be viewed as partners who are relevant and contemporary.

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## Swimming in Data

Fortunately, while health plans have lagged behind some other industries in implementing a consumer-centric strategy, they do possess the one key and necessary component for creating a personalized member experience: DATA.

Health plans often have myriad data sources, well beyond the typical information generated from claims, which can be used to create a holistic view of their members. Smart health plans will take advantage of publicly available data to better understand member's socio-economic levels and vulnerabilities to social determinants of health. Additionally, securing consumer data provides insight into behaviors that may help the plan provide experiences or services that are more tailored to an individual. Finally, many health plans offer complementary services to medical and pharmacy benefits, such as wellness, virtual health, gap closure and medication adherence programs—each with their own data collection points related to member usage and behavior. As such, health plans are uniquely positioned to have well-rounded insight into their members, not just clinically, but from a preferences, interests, and communication perspective. All of this data can be leveraged to create deep levels of personalization.

For new members, health plans can benefit from data collected well in advance of a claim being filed. That data comes from health assessments, biometric screenings, self-reporting from clients, and verifiable data available from apps and wearable fitness trackers. This gives health plans insight into a member that otherwise may have remained invisible to them.

By implementing data analysis and techniques already used extensively by retailers, such as segmentation, risk stratification, and personas, health plans can create an integrated customer profile that serves as the foundation for more effective and personalized consumer engagement. Customized and automated one-to-one communications across all channels can deliver information and services on topics that are meaningful and relevant to each member. Sensing that their communications are “speaking” directly to their situation, goals, interests, and aspirations, members feel more connected to the health plan, building brand loyalty and providing further motivation to stay with the health plan and become a member for life.



## Life-Event Marketing

To optimize the effectiveness of its consumer-centric engagement program, health plans should consider incorporating life-event marketing into its strategy.

Life-event marketing is a systematic communication outreach to the right person at the right time with the right message. Life-event marketing recognizes that there are specific times in a person's life, moments of transition (changing jobs, getting married, become eligible for Medicare) when the consumer is facing a major decision and is therefore eager and more responsive to any expert advice that assists them in making a well-informed decision.

For members of a health plan, these life events can include:

- Birth of a son or daughter
- A family member reaching the age of 26 and qualifying for a Special Enrollment Period
- Aging into Medicare

By anticipating upcoming changes in the lives of members and reaching out with timely information, life-event marketing is an effective way for health plans to position themselves as a valued resource in the minds of members. In fact, highly personalized messaging that provides helpful information concerning a life event can deliver a response rate up to 10 times higher compared to messaging that is not presented within a life-event context.<sup>5</sup>

## A Real-World Application

Take for example the My Journey concept created by Onlife Health. Using artificial intelligence, machine learning, and high-level data analytics to review data from multiple sources, Onlife develops a step-by-step wellness plan that is personalized for each member. As a result, every component of the My Journey wellness program is specifically tailored to match each person's health goals and needs, preferences, demographics and interests. In addition, My Journey dynamically interacts with each user's action, guiding and informing them about "the next right thing to do" on their journey to better health, not only for wellness activities, such as losing weight or lowering stress, but also for the appropriate clinical services such as maternity, disease management, diabetes management, etc. Guided now by a plan that provides an easy-to-follow, step-by-step process for maintaining and improving their health, members now feel motivated to participate in the program. Additional support is provided by ongoing communications that encourage members to stay engaged and consumer tools, such as wellness challenges and incentives, that provide further motivation.

## Overcoming Barriers to Member Participation

For some members, however, certain barriers may be preventing them from fully engaging in the wellness program, in which case, simply presenting *'the next right thing to do'* needs to be supplemented by additional motivation and assistance. For example, if there's a fundamental unwillingness by the member to make healthy changes in their life, working one-on-one with a health coach either in person or digitally by telephone or secure messaging can provide the needed motivation.

Other common barriers to member engagement fall under the category of social determinants of health, the socio-economic conditions and physical environment of the communities where people live, work, and play. These barriers may include lack of transportation to and from medical appointments or living in a "food desert," where convenient access to healthy, affordable food is not available. In these cases, wellness engagement programs can either provide the services or connect members to the community resources that can help them overcome these barriers, such as food banks, transportations services, physician referral services, community clinics, free screenings, substance abuse programs and more.



## When It Comes to Communication, Give Members a Choice

Americans pick up their mobile phone 52 times a day, according to a recent survey.<sup>6</sup> And nearly 64 percent said they prefer digital communications, such as email, text, or secure message.<sup>7</sup> By recognizing and honoring member communication preferences, health plans can ensure that their message delivery system is enhancing, rather than interfering with, their relationship with the consumer.

Of course, it's important to remember that, although many seniors are comfortable with and use digital technology, a high percentage are not and still prefer more traditional channels of communication, such as direct mail.

## 2. Simplicity

Another key component for a successful member-for-life strategy is creating a unified, consistent, easily accessible member experience that positions the health plan as the single go-to source for advice and information.

Today's highly connected consumers expect on-demand answers. They want to find whatever they're looking for online with a few clicks or swipes and without moving from one platform to another. Unfortunately, in too many cases, consumers trying to navigate today's health space are forced to jump between multiple platforms and look for siloed information, all of which creates a disjointed, confusing, and ultimately frustrating member experience. This is especially true for the senior population, some of whom do not possess the technical expertise and familiarity with the digital technology that is often required to navigate the digital world of health care.

Given this consumer demand, health plans have a unique opportunity to better serve their members by integrating all of their benefits with the services they want to make available from niche vendors. This integrated approach simplifies the member's experience by creating a member journey that is both seamless and personalized. Such an "all-in-one" experience for the member can be further enhanced through private labeling. With this strategy, the health plan's brand identity is presented and leveraged across the entire wellness platform in order to market and position the health plan as the single source of value for all things health in the minds of members.

### Embracing Next-Level Thinking

In addition, it's also important to note that this "all-in-one" experience needs to include a host of new approaches to wellness that were considered irrelevant or dismissed as "soft thinking" just a few years ago. As the science of wellness continues to evolve, the scope of wellness services and activities continues to expand. Mindfulness meditation, financial well-being, addressing the adverse effects of loneliness and social isolation, and promoting the health benefits of altruism and volunteering are just a few examples of activities that have recently entered the wellness mainstream, supported by the hard science that provides conclusive evidence of the health benefits they produce. Consequently, a comprehensive and robust wellness engagement platform will need to continually add to its service offering and see wellness not merely within a traditional medical context but as a holistic endeavor that encompasses almost every aspect of a person's life.

### 3. Continuity

In the past, health plans have traditionally not paid much attention to developing efficiencies and coordination across all of their lines of business. Commercial, Individual, Medicare, Medicaid, and other markets have typically resided in silos, often on different websites, with little or no connection to help consumers transition from one market to another. The results speak for themselves. For example, it's our understanding that Blues plans nationwide lose up to 70 percent of their members when they make the transition to Medicare.

The lesson is clear: Creating a member for life requires that health plans provide a consumer experience that is consistent across all lines of business. Ideally, health plans should take a “One Platform, Many Markets” approach. In other words, a member should be able to find information about and enroll in a health plan for any market using a private-labeled single platform that consistently promotes the health plan's brand and message. This is an especially significant feature when members are moving from one market to another (Individual to Medicare, for example) as it gives the health plan the ability to communicate with the member, educate them about their options, and make the transition as easy as possible. In addition, the points and rewards earned by the member should be portable—easily transferred from one market to another—in order to motivate members to stay with the plan and facilitate their transition.

## I Looking to the Future: Loyalty Rewards

In the near future, other marketing strategies already used by major retailers could be employed by health plans. For example, what if a health plan created a “loyalty rewards program” like the ones used by national hotel chains to attract and retain customers? In this case, members can “unlock” different levels of services and benefits by earning a certain number of points or being a loyal customer for a certain number of years. The prospect of earning these rewards would serve as a recurring motivation for members to stay loyal to the health plan when their age, change of employer, or other life event requires them to consider other health insurance options.



## The Smart Business Case for Customer Retention

In addition to building brand loyalty and reducing member churn, implementing a consumer-centric engagement strategy that improves member retention produces a higher rate of return compared to member acquisition efforts.

According to one study, it costs five times more to attract a new customer compared to retaining an existing one.<sup>13</sup> Another study found that increasing customer retention rates by five percent increases profits by 25 to 95 percent.<sup>14</sup>

**\$1**  
RETAIN  
YOUR CUSTOMER

**VS**

**\$5**  
ATTRACT  
NEW CUSTOMER

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**1%**  
RETENTION

**=**

**25-95%**  
PROFITS

## Two Key Reasons Health Plans Should Implement a Member-for-Life Strategy

### 1. Consumers have more choice

With the establishment of the Affordable Care Act (ACA) and its qualified health plans, as well as the expansion of Medicaid to adults with incomes up to 138 percent of the Federal Poverty Level, government insurance programs have become a larger part of the book of business for health plans. As a result, a larger percentage of the members that health plans insure have individual plans—and therefore can switch plans easily each year. That increases member churn as people migrate back and forth between ACA and employer groups, and between Medicaid and exchange coverage, to give but two examples.

In addition, the health insurance market is becoming more competitive. Today, 91 percent of health insurance customers are able to choose from three or more health plans, up from 74 percent in 2014.<sup>9</sup> New health insurance companies are entering the market. Many are disrupters who come from outside the insurance industry and are applying their expertise in data, customer service, and emerging technologies to create a more engaging business model for the consumer.

### 2. Consumers want regular and personalized communications

Consumers are truly interested in receiving regular communications from their health plan, especially if those communications are highly relevant in terms of either helping them improve their health or save money. About two-thirds responded that they open messages from their health plans either always or most of the time.<sup>9</sup> Eighty-five percent were interested in information that would lower their drug prescription costs by using generics or other therapies.<sup>10</sup> Sixty percent would like to receive reminders for appointments or wellness checkups.<sup>11</sup>

It's also interesting to note the reasons people do not open their communications. For 28 percent of members, the number one reason they did not open a message from their health plan was because the notification did not seem relevant or wasn't personalized.<sup>12</sup> Clearly, such a high number indicates the need for health plans to offer communications that are more personalized and speak directly to the health issues of each specific member.



## Key Takeaways

In an increasingly competitive market, health plans must deliver a consumer experience that is valued by members in order to reduce churn and retain more members.

Data science and advanced analytics are the foundation of a consumer-centric engagement strategy that can deliver that value by:

- Identifying the specific wellness/health issues and needs of members, both now and in the future, and then provide personalized programs, services and information to meet those needs.
- Motivating members to make the desired behavior modifications to improve their health and wellness.

In addition, health plans need to:

- Integrate all of their wellness programs and services in a way that delivers a seamless “all-in-one” member experience.
- Implement a “One Platform, Many Markets” approach that provides members with support across all lines of business and makes their transition from one line of business to another as easy as possible.

Such a robust and comprehensive engagement strategy will position the health plan in the minds of the consumer as a helpful and valuable partner, a perception that builds brand loyalty and creates members for life.



## Endnotes

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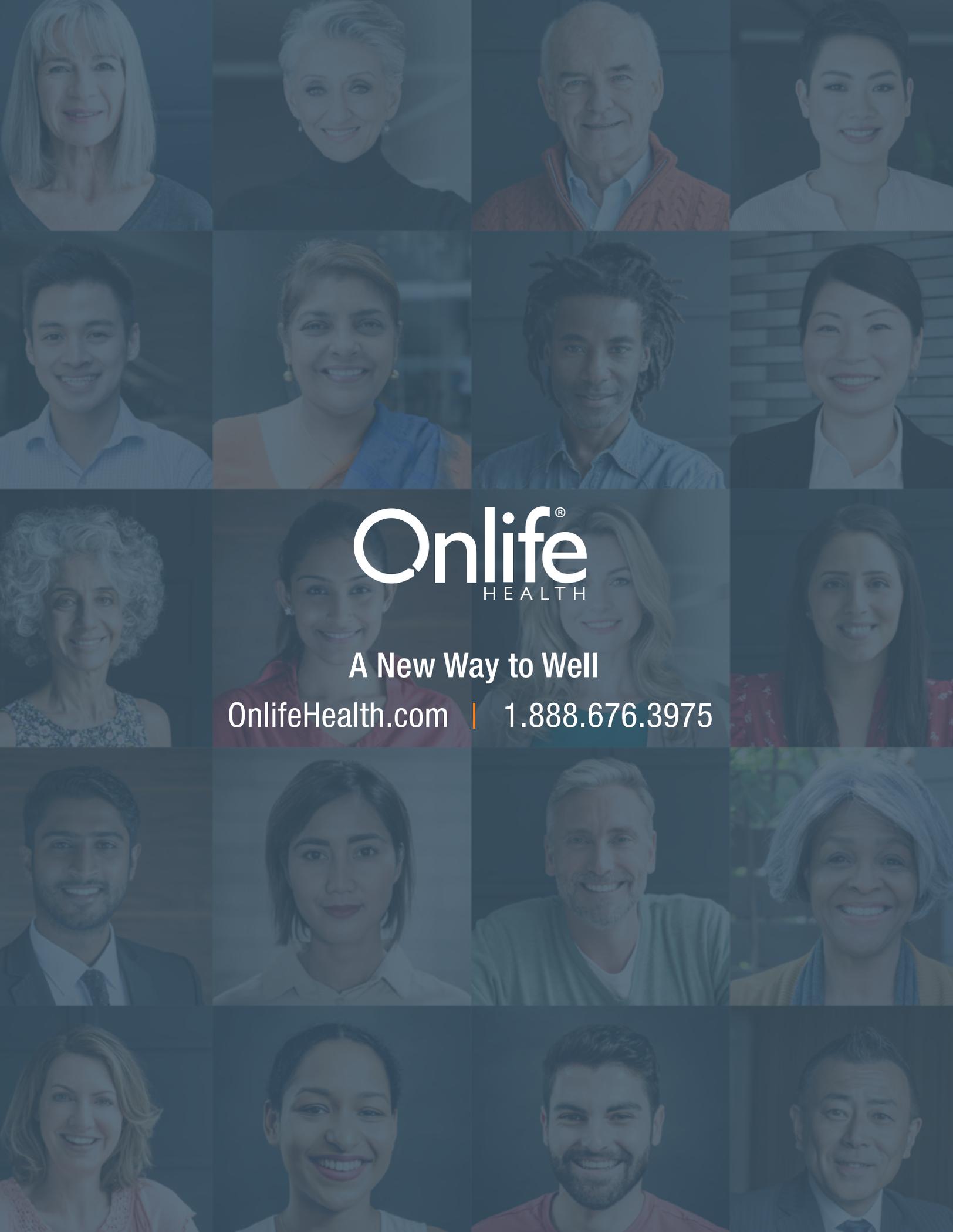
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