

A photograph of a path made of yellow bricks leading into a green field. The bricks are arranged in a grid pattern and lead from the bottom left towards the top right, where they meet a lush green lawn. The lighting is bright, suggesting a sunny day.

Deloitte.

Consumer
engagement
Guiding your
customers down
the yellow brick road

Strengthening the health care
customer journey

What's at stake?

Consumers are beginning to expect from health care companies similar levels and types of service and experiences that they receive in other parts of their lives (travel/hospitality, retail, e-commerce, etc.) — using more information to make increasingly complex sets of choices.¹ To compete in this new normal, health plans need to see individuals not as “members” but as “consumers,” and engage them as such.

- Health plans lag behind other industries — such as hospitality and retail — in consumer experience today, but they recognize that it is one of the most critical capabilities to compete in the market going forward, with over 90% of plans rating it as “highly important” or “critical” in a recent survey²
- Additionally, health plans, employers, and consumers can save considerable costs by encouraging and enabling more efficient benefit utilization and health and wellness behaviors
- Health plans that do not react to “consumerism” trends risk being left behind as capabilities that are differentiating now — i.e. only 30-50% of plans have them — will become table stakes in the next three years (see Chart 1 for details)³
- Health plans are also increasing their investments in analytics and emerging technology to further enhance consumer touchpoints (see Chart 2 for details)⁴



¹ Paul Keckley, et al. “Consumerism in Healthcare,” Deloitte Review, Issue 11, 2012

² “Highlights from Deloitte’s 2013 Health Plan retail capability survey,” April 2014

³ Ibid

⁴ Ibid

Chart 1 — The new normal⁵

		Current	1 year	3 years	Total
Customer segmentation and analytics	Leverage plan interaction data (e.g., member touch points with sales/service) to understand customers	36%	24%	33%	93%
	Use segmentation as a strategic tool to support key business drivers, (e.g. acquisition, engagement, retention)	43%	20%	33%	96%
	Employ a variety of research methods to generate insight into consumers behaviors, needs (both stated and latent), attitudes, beliefs and motivations	47%	16%	31%	94%
	Combine basic proprietary plan data (e.g., claims) and customer demographics (e.g., age, income) to define customer segments	49%	16%	27%	92%
Customer experience strategy	Leverage customer experience strategy to transform customer engagement across all touchpoints	33%	26%	33%	92%
Customer service	Offer mobile self-service applications	54%	24%	17%	95%

Number of respondents (n) varies between 45 and 46 respondents for these questions.

"New normal" defined as current + 1+1-3 years >= 90 percent

Note: numbers are rounded.

Chart 2 — Priority investments⁶

Top capability investments

		% planning to invest			Total
		Current	1 year	3 years	
"The new normal"	Leverage plan interaction data (e.g., member touch points with sales/service) to understand customers	36%	24%	33%	93%
	Leverage customer experience strategy to transform customer engagement across all touch points	33%	26%	33%	91%
"Emerging"	Apply custom, predictive analytics to personalize marketing, acquisition, service and retention	29%	9%	49%	87%
	Provide virtual customer service via web chat	26%	30%	26%	83%
	Combine behavioral data and lifetime value with plan data to segment customers	18%	18%	42%	78%
	Provide access to a 360-degree view of the member to all employees to support improved member service and engagement	14%	18%	39%	70%
	Automate bill payment reminders (e.g., upcoming payments, received payments) with the option for members to change these settings	13%	22%	35%	70%

Number of respondents (n) varies between 44 and 46 respondents for these questions.

Note: numbers are rounded.

⁵ "Highlights from Deloitte's 2013 Health Plan retail capability survey," April 2014

⁶ Ibid

Engagement across the consumer journey

Effective health care consumer engagement occurs across the consumer lifecycle and across various channels, not just at certain times of year.



Differentiated consumer engagement starts before a consumer ever becomes a customer, in the design of the product itself and the associated branding and marketing to target specific consumer segments, informed by deep understanding and analysis of consumer behaviors.



At enrollment, health plans can engage consumers through a targeted experience that educates about their benefits and provides decision support to select the health plans that can most effectively support their health and financial needs. Borrowing leading practices from other successful retail models, real-time customer support — though chat, video, etc. — can also greatly enhance the consumer shopping experience.



New technology enables engagement year-round to help consumers utilize their benefits in a cost-effective manner. Targeted alerts on cost-saving opportunities, timely prompts to buy new coverage (e.g. after a life event), and cost transparency tools all help ensure consumers have the right coverage and are using it optimally.



The same types tools that offer year-round support on cost savings and utilization can be used to support health and wellness, for example, with “gamification” apps or coaches to incentivize healthy behavior, multi-channel care concierge and care management offerings, and real-time condition management alerts.



Finally, health plans can enable personalized, efficient renewal by using claims and utilization data, combined with predictive analytics, to support consumers choosing the most cost-effective benefits for the next open enrollment based on their likely needs in the coming year.



However, health plans should be wary of the “shiny objects” of novel and emerging technology in the market. Attractive UX design is important and apps can deliver great value, but these tools should be supported by a shift in the health plan's focus and mindset toward consumers, across the organization's talent, culture and processes. Innovative technology tools can be much more impactful when fully integrated into the health plan's strategy, operations, and systems.

Our take

The horizons of consumer engagement capabilities have been broadened by new data, analytical tools, and technology platforms for delivering insights to consumers, but these capabilities should be integrated within the health plan's operations and other platforms to fully realize the desired health, cost, and retention objectives. For example, the impact of offering an exciting app that "gamifies" wellness can be amplified by the right organizational enablement; instead of just offering something fun and engaging for consumers, a health plan can:

- Use consumers' wellness and engagement data to target high lifetime-value consumers for retention, design more effective touchpoints, and refine its platform
- Offer timely, relevant cross-sell and up-sell opportunities based on consumer preferences, needs, and behavior patterns to maximize lifetime value
- Effectively measure the impact of the app on employer health care costs, and translate that into future sales
- Integrate with its clinical platform to spot potential health problems early and/or increase the efficiency and efficacy of doctor visits

These examples are just a small sampling of the powerful ways that a health plan can realize the value of its investments in new consumer engagement capabilities. In addition to investing in exciting new technology, health plans should take the following steps across their operating models in support of the emerging consumer-centric, retail business model:

- **Culture** of the organization should evolve from the traditional, paternal view of individuals as "members" to be cared for and shepherded through the health care process to a new view in which individuals are "consumers," which leads health plans to:
 - Put the consumer first in designing experiences that are as user-friendly and engaging as other consumer experiences in the consumer's life
 - Make decisions by asking how consumers will react, enabled by frequently getting the "voice of the consumer" through research and focus groups
 - Offer increased transparency and more data that consumers desire to make informed decisions

The impact of offering an exciting app that "gamifies" wellness can be amplified by the right organizational enablement

- **Structure and processes** should evolve from siloed functions to an organization in which consumer centricity and understanding are deeply integrated with all relevant functions and shared market insights can be used in a coordinated and integrated way to make decisions and take action
- **Talent** should be developed or acquired that can thrive in this new culture steeped in consumer understanding and consumer-centric marketing — this talent may be acquired from industries that are ahead of health care in engaging consumers, such as hospitality, consumer products, or e-commerce
- **Metrics** should reflect the new consumer-centric model by measuring consumer engagement — e.g. tracking increased usage of new tools, decreased usage of call centers, and improvements in wellness and health outcomes — and feeding that data back to product developers and marketers
- **Technology** infrastructure should be fully integrated around any new applications and tools to enable:
 - Integration with enterprise systems, including exchange, reporting, CRM, support, etc.
 - Deployment of the tool at scale, across consumer segments and geographies
 - Rapid configuration and customization to respond to local conditions or changing needs
 - Consistent experience across consumer-facing interfaces

Consumer engagement use case

Health care consumer journey

A major health plan has invested in new capabilities across the consumer's healthcare journey to better engage consumers, and has created a consumer journey that delivers consumers a better health plan, better experience, better care, and better information on their benefits than before:

The problem: Mike, a healthy young man in his early 30s, has had the same coverage for a few years but has a feeling he's been overpaying. Still, he thinks switching his coverage will be painful and he still won't know enough to make a better decision, so it's not worth it — he's not satisfied with his plan, but he's just going to stick it out.

Step 1: His employer rolls out a major health plan's new proprietary health insurance exchange. Mike loves the slick, intuitive design and even feels comfortable using it on his smartphone on his commute. By plugging his personal data into the analytics tools, Mike finds out he has been overpaying, and he elects the high deductible plan recommended by the exchange.

Step 3: Mike also wants to avoid surgery on his knee now that he will have to pay most of it out of pocket, so he's considering physical therapy to try to improve his quality of life and avoid being off his feet for six months. Using his plan's cost transparency tools, he is able to find in-network providers, weigh the costs of each course of action against their benefits, and make an informed decision.

Step 2: Soon, Mike starts to feel an old knee injury acting up and thinks he also might be coming down with strep throat. To handle the latter, he gets a telemedicine appointment, and the doctor reviews his symptoms and assures him it's just a cold, so he doesn't need to spend the money on an in-person office visit or the tests for strep!

Step 4: Now that Mike is feeling better, he wants to keep it that way and keep his medical costs down, so he downloads his plan's wellness app and links it to his wearable fitness tracker. Now, his activity is gamified and he's more motivated to be active and eat right. He even has a personalized wellness coach who keeps him on track, and he makes it through the rest of the year without hitting his deductible.

The outcome: One year later, Mike is satisfied with his plan, and his great experiences at enrollment and every step of the way after that have totally changed his view of the healthcare system. He's happy that he saved money — which indirectly made him more satisfied with his employer and its benefits — and he's healthier than ever, so his medical costs are likely to stay low for a long time.

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This is part four of a five part series focused on the "Five Consumer Experience Trends Health Plans Can't Ignore." For more information, please visit www.deloitte.com/us/Consumerism

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