



**Mirror, mirror what is the
fairest choice of them all?**

Digital transparency

Empowering consumers to make
informed decisions

What's at stake?

Health plans are operating in a complex environment often driven by the emergence of strong retail markets, rising health care costs, and evolving customer expectations. This means health plans will likely have to compete more actively to retain members each year, to be more involved in influencing medical management behavior, to build relationships with members who have very high expectations, and to provide truly personalized interactions to help drive loyalty. Health plans are increasingly challenged to attract, acquire, serve and engage their consumers and providers. Market forces, including the explosion of digital, demand that health plans improve the way they interact with their key stakeholders to deliver a superior customer experience. In light of these changes, it is critical for health plans to have a clear vision

and strategy for digital transparency. Sitting idly by while other large competitors invest in digital transparency solutions is not an effective option for traditional health plans. New tools, technologies and approaches are needed to help accelerate consumer engagement and create a more 'Connected Health Care Ecosystem', enabling:

- Growth and retention of membership by attracting and responding nimbly to consumers via their preferred channels
- Customer centricity by helping engage patients in their health care to reduce medical costs
- Operational efficiency in member outreach and service by layering and tailoring information to evolving levels of interest, need, and technical proficiency



Growing need for transparent information and tools

Results from Deloitte's Center for Health Solutions 2015 Survey of US Health Care Consumers show an overwhelming demand from consumers for tools to help them make health care decisions. As the share of health care costs continue to shift towards consumers, consumers are seeking reliable and easy-to-use information available at

critical moments along their health care decision making process. While health plans, providers, and niche technology companies recognize the health care consumer's need for information — access to accurate and timely cost and quality data can be critical to developing the next generation of consumer transparency solutions.



75%
of surveyed consumers between 18-34 said the total cost (premium plus out-of-pocket expense) was very important to them when shopping for insurance¹



Regulators and not-for-profit organizations are undertaking initiatives to **collect, analyze, and distribute** cost and quality information to multiple stakeholders²



Between 2013 and 2015, rates of searching for cost information have climbed from 11 percent to **16 percent** of those who report receiving care from a doctor or hospital (from 10 to 14 percent overall). Use of cost information has risen fastest among young consumers needing care (from 17 to 27 percent)³



71%
of surveyed consumers have not but say they are at least somewhat likely to use pricing tools in the future³

¹ Deloitte Center for Health Solutions: 2014 Survey of Young Adults and Health

² Deloitte Center for Health Solutions: Dig deep: Impacts and implications of rising out-of-pocket health care costs

³ Deloitte Center for Health Solutions: 2015 Survey of US Health Care Consumers

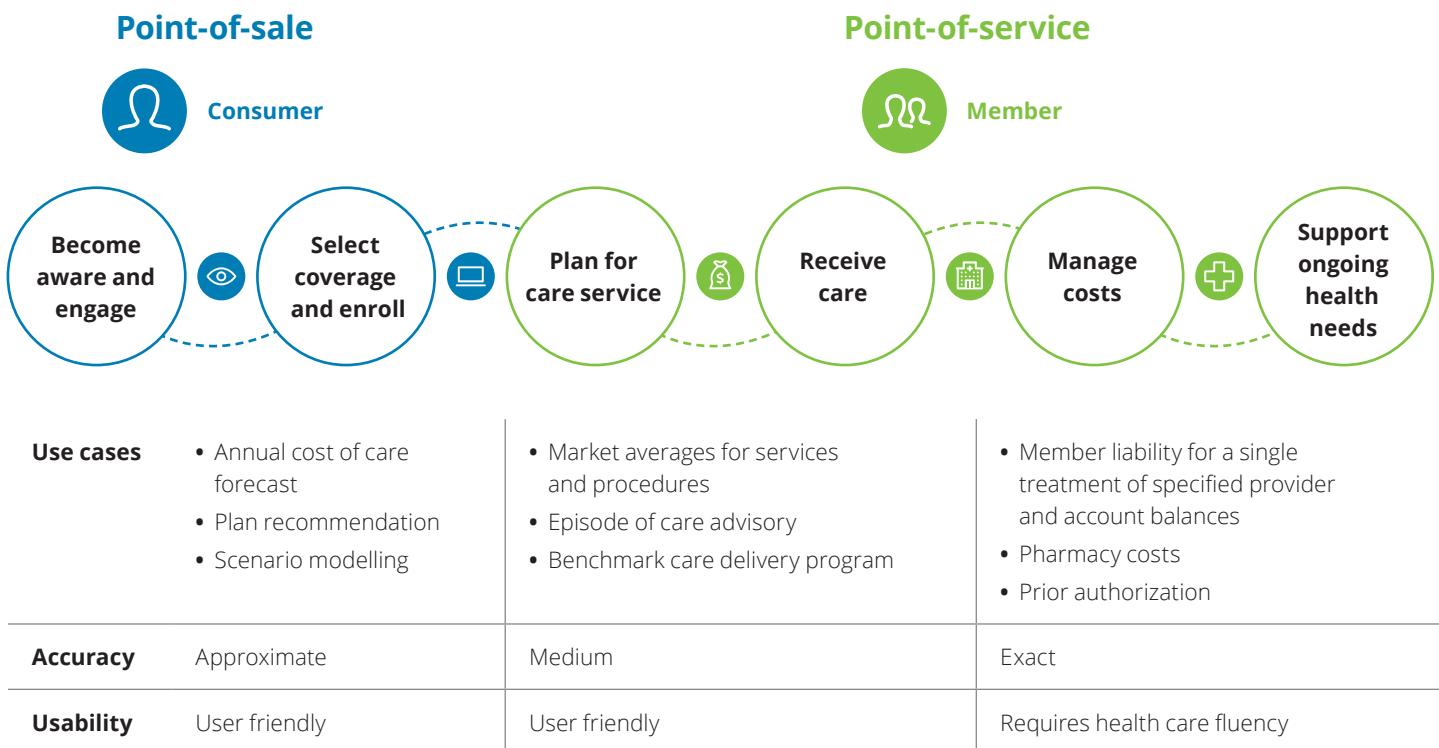
Our take

Striking a balance between simplicity and accuracy to address critical consumer questions.

Health plans can choose from a variety of use cases for transparency tools across point-of-sale and point-of-service. Most of the next generation of health care transparency solutions are seeking to strike the right balance between usability versus accuracy depending on the use case. Companies are exploring the powers of artificial intelligence, machine learning, and advanced analytics to draw greater

insights from available data to create a more user-friendly and accurate tool that consumers can trust and rely upon during their time of need when making critical health care decisions. More advanced member liability estimators that require health care fluency tend to be better for customer service representatives while more approximate calculators can be used directly by consumers.

Transparency use cases can fall across a spectrum of exact and user friendly tools



Accurate and simple-to-use transparency tools are a foundational building block in a health plan's quest to establish a trusting relationship with its members.

With greater access to data, higher consumer expectations for transparency and new state laws and regulations around transparency, health care stakeholders are increasingly making information available to consumers. Health plans, providers, government agencies, and non-profit organizations are exposing cost and service quality information in a digestible way that helps empowers consumers to make informed decisions about their health.

To remain competitive, health plans should consider enabling consumers to find low-cost care options specific to their insurance benefits, and provide consumers with relevant provider and service quality metrics. Providing increased transparency can span the entire health plan value chain and involves a multi-layer solution. Whether health plans choose to build or buy transparency tools, here are five guiding principles to consider for designing a transparent digital experience:



Limit surprises

Provide cost of entire episode versus individual parts of the care — this can be especially important for surgical procedures



Focus on value

Unintended consequences with focusing just on cost. Important to display provider quality ratings in correlation with cost



Keep it simple

Use simple language that features key measures on one page and provide members additional information on an as-needed basis with drill-down functionality



Be accurate and reliable

Regularly update information to ensure accuracy and instill confidence in consumers about the reliability of the data

The next generation of health care transparency solutions can ultimately lead to more engaged consumers and drive higher value across the health care ecosystem.

Increased consumer retention

Superior consumer experience and point of service decision support offerings can further brand loyalty with plan enrollees

Reduced medical costs

Reliable medical cost data to inform members when choosing services/providers as well as support members' financial planning needs

Reduced administrative costs

A point-of-sale guided selling tool that focuses on a consumer's health status and unique preferences may reduce call center volume

Increased sales

Customized point-of-sale solution that provides annual cost-of-care estimate and recommendation that a consumer can trust can increase the conversion rate from online shoppers to purchasers

Case study: Digital Disruption in Finance Industry

Some experts have attributed the slow adoption of simplifying and personalizing healthcare products and services to the technical jargon, regulatory and operational complexities associated with the healthcare ecosystem. While there are certain truths and merits to this argument, certain comparable sectors including finance and tax have harnessed the power of technology to create simple yet efficient products for the end user.

The U.S. tax code is highly dense with many policy changes per year – creating a high level of regulatory complexity for the average end user that needs to file taxes. TurboTax has helped simplify tax preparation for the end consumer by translating previously unapproachable concepts into an easy to understand interface that guides and empowers the end users to manage their own tax filing preparations through questions. TurboTax employed design principles that helped make a less enjoyable experience more relatable to the end-user:

- Simplified the complex tax code into questions that will only be visible to the user if applicable
- Proactively anticipated exceptions that can have tax implications, such as life events

- Included descriptive metadata to anticipate self-service questions, e.g. definitions and explanations on tax code definitions and exceptions
- Analyzed user navigation, input, and troubleshooting to dynamically update the site contents based on crowdsourcing

With the degree of challenges and complexities in healthcare such as: Explaining benefits coverage, bills, and provider networks, there is tremendous potential for the industry to leverage digital to help transform healthcare into an improved experience.

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This is part five 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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