Becoming consumer-centric with payer analytics

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Introduction

Today's health plans are facing a rapidly evolving environment that is prompting them to reconsider both their priorities and investments. One of the biggest changes is the seismic shift in the orientation of health plans toward individual consumers, which is the result of several broader trends.

Innovation models from other industries

The data-driven approaches of consumer-focused companies (such as Amazon, Netflix, and Uber) have demonstrated to health plans that innovation is feasible and is likely to expand their markets and impact.

New consumer expectations

Ubiquitous consumer-centric services and solutions have increased expectations for convenience, responsiveness, and simplicity.

Growth in consumer purchasing responsibility

The increase in direct-to-consumer health insurance (such as ACA, managed Medicaid expansion and increases in Medicare Advantage plan popularity) provides an essential business rationale for becoming closer to the individual needs and concerns of their members.

Increased understanding of the value of engagement

Health plans have recognized that many of the core challenges they face—afflicting the health and well-being of their members, ensuring that health care becomes more affordable, and ensuring their products are attractive to current and future members—all require engaging with individuals on their own terms and affecting the actions they take and the decisions they make.

Questions leaders should consider in investment planning

- How can individuals selecting a health plan receive personalized recommendations on what products to select based on their interests, likely needs and services used, and financial risk tolerance?
- How could primary care physicians, their patients, and the patients’ designated care support teams all use a prioritized care and health action plan tailored for patients’ specific needs and interests?
- How much money could a health plan save just by eliminating or combining communication efforts that compete for their members’ attention with other simultaneous communication efforts?
- How much better would members’ experiences be if health plan customer service representatives were aware of their members’ full range of health care needs and interests?
- How can plans most effectively communicate with members to support them when action is needed (for example, when public health is at risk)?

These are just a few of the questions health plan leaders frequently ask as they make decisions about how to invest in improving health outcomes, affordability, and member-centricity. They are also questions that a robust consumer analytics strategy can help answer.
Consumer analytics: Helping solve real-world problems

In fact, health plans that use advanced analytics and artificial intelligence to deeply understand individual consumer needs, interests, barriers, and motivators are better positioned to compete in the marketplace. Leading health plans have been able to harness the power of consumer analytics to derive value in several important areas, including growing and preserving revenue, containing medical costs, and reducing administrative costs (see below). As these diverse examples make clear, consumer analytics has the potential to deliver meaningful value.

Forward-thinking plans recognize that analytics on consumer interactions and behaviors can not only improve member experiences, but can also help them develop initiatives to positively influence consumer actions and decisions. These plans are also taking advantage of technological advances to more readily and securely ingest, integrate, and analyze diverse types and sources of data, often via scalable cloud-based technologies.

How health plans are deriving value from consumer analytics

### Growing and retaining revenue:
- Acquiring new members via high-impact marketing programs that are based on a deep understanding of segment-level and channel-level performance of campaigns
- Optimizing product recommendations for both individuals and group decision-makers
- Personalizing communication and support programs to improve member experiences and increase member retention
- Using incisive messaging to help members close clinical gaps and improve bonus payments from purchasers
- Establishing a consumer-resonant brand presence

### Containing medical costs:
- Engaging high-risk members in ways that connect with their health interests, aspirations, and capabilities; and address their health challenges, thereby driving healthy behaviors and smart decision-making
- Enabling behavioral, science-based, and tailored incentive programs to encourage health engagement
- Restructuring provider contracts to reward exceptional patient experiences
- Sharing personalized action and care plans with caregivers and primary care providers

### Reducing administrative costs:
- Prioritizing outbound communications across the organization to reduce ineffective and/or conflicting efforts
- Reducing complaints by reshaping authorization and claims management processes that cause the greatest member dissatisfaction
- Enabling chatbots and other automation processes to address frontline service inquiries
- Anticipating ebbs and flows in call center volume (such as recently experienced during the COVID-19 outbreak)
Where are plans investing in analytics?

In 2017, the Deloitte Center for Health Solutions conducted an online survey of 45 analytics professionals at health plans with 250,000 or more members to better understand the priorities and challenges of implementing analytics within a health insurance organization. The survey findings reveal a strong focus on consumer-centered business objectives and functions (figure 1).

Figure 1. Goals of analytics investments

Which of the following business goals currently drive your health plan’s analytics investments?

- Improve member/customer experience: 56%
- Improve medical costs/affordability: 49%
- Reduce operating costs/inefficiencies: 44%
- Pursue financial profitability and revenue growth opportunities: 44%
- Meet customer needs and requirements: 31%
- Drive innovation: 31%
- Reduce regulatory and compliance risk: 29%
- Collaborate with providers: 16%

Source: Deloitte Center for Health Solutions 2017 US Health Plan Analytics Survey.

The two most common business goals driving analytics investments are highly consumer-focused. To address the first, improving the member experience, health plans should diagnose current issues, understand and predict the drivers of positive experience, tailor support and other services to address key drivers of experience, assess the success of efforts to improve experience, and undertake other actions that leverage insights about and from consumers.

Improving medical costs and affordability will be partially enabled by efforts to identify high-need members and provide them with support for smart choices about their health and use of services. Other ways to increase efficiencies and profitability via consumer analytics insights include optimizing individual use of services, improving understanding of consumer interests in products, and driving sales through targeted marketing activities.

Survey respondents also provided information about investment priorities for analytics (figure 2). The investment areas that are of the highest priority rely on robust consumer analytics capabilities.

Figure 2. Priorities for investment

In which of the following areas are you prioritizing an increased investment? (Rank top three)

- Cost and utilization: 42%
- Customer experience: 40%
- Regulatory and compliance: 29%
- Care management: 29%
- Technology and facilities: 27%
- Strategic positioning: 24%
- Population health: 20%
- Network and value-based care: 20%
- Sales and client management: 18%
- Accounting and financial: 16%
- Back office operations: 13%
- Marketing and branding: 13%
- Product and pricing: 7%
- Human resources: 2%

Source: Deloitte Center for Health Solutions 2017 US Health Plan Analytics Survey.

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Three out of four of the respondents’ most frequent top choices—cost and utilization, customer experience, and care management—are likely related. Priority investments in these areas typically involve connecting insights on the needs, interests, and barriers of customers at the individual level.

Plans that embrace the industry’s shift toward consumer empowerment and affordability by building new analytics capabilities can realize competitive advantage. Mining consumer analytics can help improve care experiences and outcomes; build deeper connections with members; and deliver value for employer, individual, and government purchasers. However, there are significant barriers to expanding consumer analytics capabilities that require a deliberate strategy and consistent execution over multiple years (figure 3).

Figure 3. Barriers to analytics investment and implementation

Which of the following barriers are you experiencing to analytics investment and implementation efforts? (Rank top three)

<table>
<thead>
<tr>
<th>Barriers</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data quality</td>
<td>60%</td>
</tr>
<tr>
<td>Tools and technology</td>
<td>53%</td>
</tr>
<tr>
<td>Culture and politics</td>
<td>42%</td>
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<tr>
<td>Access to skilled resources</td>
<td>41%</td>
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<tr>
<td>Funding</td>
<td>38%</td>
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<tr>
<td>Data access</td>
<td>30%</td>
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<tr>
<td>C Suite sponsorship/leadership</td>
<td>17%</td>
</tr>
<tr>
<td>Fragmented ownership</td>
<td>15%</td>
</tr>
</tbody>
</table>

Source: Deloitte Center for Health Solutions 2017 US Health Plan Analytics Survey.

Respondents most commonly cite data quality as a barrier to analytics investments and implementation. Other commonly cited barriers include tools and technology, access to skilled resources, and funding. These barriers are all interrelated.

Most organizations, even those that lead in consumer analytics, struggle to maintain high-quality data that support reliable analysis. Common challenges include maintaining quality at the point of data entry, integrating data from disparate source systems, and maintaining consistent centralized data storage. Addressing these issues requires a large up-front investment in data preparation, talent, and technology, all of which can delay return on investment. These investment decisions are difficult, as they compete with other priorities that may have more immediate impact. Urgent concerns (such as the COVID-19 outbreak) can compound uncertainty about the right time to invest.

Furthermore, recent data breaches and a growing consumer concern with how large technology organizations are using data and analytics to drive their businesses present challenges for health plans. These issues have caused some plans to slow their efforts to integrate consumer data analytics into their operations.
How different plans approach consumer analytics

Deloitte conducted an in-depth analysis of participant responses to get a better sense of how different plans were approaching consumer analytics. Four distinct archetypes emerged, characterized by level of adoption and strategic coordination of consumer analytics initiatives.

01 **Dabblers**: These organizations are categorized by sporadic, one-off consumer analytics use cases championed. However, by and large, enterprise adoption is low, and there is no centralized strategy, leadership evangelism, or infrastructure.

02 **Skeptics**: These organizations have made sizable investments in consumer analytics infrastructure, but adoption is low. They feel like they are doing all the right things and often wonder what is holding them back.

03 **Scattershots**: These organizations have high adoption of consumer analytics for targeted use cases. Functions have embedded analytics talent able to quickly solve for ad hoc analytics models at will, but the depth of insights gathered and effort required to execute tends to vary from use case to use case, and as a result, stakeholder perception of consumer analytics value is mixed.

04 **Pack leaders**: These organizations have laid out a clear consumer analytics strategy and built a sound infrastructure. There is high overall adoption, along with an enterprise-wide roadmap of prioritized use cases and robust demand management for ad hoc analyses.

By assessing their current state, plans can decide how deeply they need to invest in data platforms, new analytics approaches (including "next-best-action" capabilities), and improving consumer engagement.
The appropriate course of action for a health plan will depend on which archetype best describes it. An ideal approach for dabblers is to identify three or four high-priority use cases that can be overseen by business leaders who can champion adoption. Good examples of such use cases include:

**Customer satisfaction:** Performing root cause assessments to determine reasons for poor member satisfaction ratings and implementing member and call center educational efforts to address them. Revising care management identification and stratification models to incorporate member-collected and real-time triggers.

**Communications:** Analyzing member communications initiatives in order to eliminate low-value efforts or those that overlap with high-value efforts.

Skeptics need to focus on promoting organizational buy-in and encouraging demand for new analytics capabilities. Essential to this is having some high-profile successes that can be used to rally support—for example, building and executing an actionable consumer segmentation strategy across the enterprise or creating integrated approaches to rigorously test new member engagement strategies.

For scattershots, achieving a shared understanding of consumers across the enterprise is critical. The biggest opportunities for these organizations can be realized by forming or realigning enterprise-level data and analytics structures and analytics operating models. One common approach is establishing 360-degree data structures that power self-service analytics for new customers.

Finally, pack leaders should focus on how to use consumer analytics as a differentiator in the marketplace. They should use their deep capabilities to expand into areas such as consumer applications that leverage artificial intelligence approaches that connect disparate data, such as electronic health records, member communication, claims, and external data sources, to deliver profound new insights to business leaders.

An underlying question relevant to all plans—regardless of archetype—is how to array technology and data platforms to enable high-quality analytics that support improving the human experience in health care. The decisions about building or buying technological and other solutions can be complex and challenging. Industries are seeking straightforward approaches to rapidly build new capabilities or supplement current ones in order to better collect and manage consumer data, leverage the data for decision-making, and drive delivery of improved experiences and engagement.

**Riding the consumer-centricity trend**

The rise of consumerism and digitization has fundamentally changed the health plan marketplace, increasing expectations for more personalized and simplified experiences. Health plans can take advantage of this trend to deepen customer connections and influence customers in ways that both improve outcomes and lower costs. Successful health plans will be the ones that are able to embrace ever-more-sophisticated consumer analytics in ways that consistently deliver measurable value to consumers, providers, and associates.

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