

Loyalty and Retention

Impact and Measurement: Individual Retention-Rate Action and Wellness Outreach Program

Key Results



8%

reduction in terminations



15,000

members reached



400k

retained in annual premiums

Overview

With health plan member turnover estimated across the industry at as much as 20 percent annually, retention strategies are a vital component of cost management. It's much less expensive to retain an existing member than it is to replace lost revenue by acquiring a new member. One health plan was looking to implement a relatively low-cost communications program to positively influence the retention of members notified of pending rate increases. The plan turned to Welltok/Silverlink for help with further developing its retention capabilities and improving its overall communications outreach.

There are several programs that health plans utilize to try and minimize turnover during rate increases. Reminder notices and calls are common. The health plan already employs programs aimed at getting late-payers current, winning back un-enrolled members, and when all else fails, offering lower-priced options. Nonetheless, substantial rate increases generally prompt a high rate of attrition.

Fostering Loyalty

Together with the plan, Welltok/Silverlink developed an outreach program aimed at testing member loyalty. The program focused on members within a three-state region who were due for renewal and subject to rate action. Welltok/Silverlink split those members into three pools: one control group and two test groups. The control group received no communication beyond a traditional "rate action" letter. One of the test groups received an automated "rate-action" call in addition to the letter, which included an option for the member to transfer directly during the call to a health plan administrator

To learn more about Silverlink a Welltok Company, please contact:

One Burlington
Business Center
67 South Bedford St.
Suite 300E
Burlington, MA 01803

✉ info@silverlink.com

☎ 781.425.5700

🌐 silverlink.com

to further explain enrollment options, including the ability to “trade down” to a lower-priced plan.

The third group also received the “rate-action” call, but two months prior were also contacted with a “wellness” call that offered members the option to listen to information about the flu season, germ prevention and nutrition. The goal of this third program was to generate positive identification with the health plan to test the hypothesis that such good will would enhance customer loyalty and thus increase overall member retention rates.

Incremental Benefits

With health care costs continuing to escalate far ahead of other industries, annual rate hikes can be steep and prompt members to reevaluate their premiums for benefits they may use infrequently. In the program, the control group’s termination rate was approximately 26 percent. With each subscribing member representing about \$4,400 in annualized revenue to the health plan, such attrition is a significant challenge. The group receiving the wellness call ahead of the rate action call experienced 8 percent fewer terminations than the control group. In this program that uptick represented retention of more than \$400,000 in annual premiums; such savings can generate millions of dollars in continued revenue for a large plan.

The program also supplied the plan with rich data analyzing the impact of communications across various member rate actions, genders and family status. These observations are now used to tailor future outreach programs in an effort to maximize the retention of the plan’s most profitable members.

