Improving health outcomes through member engagement.

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Members with chronic conditions can be a drain on health plan resources. Proactively engaging at-risk populations through automated cross-channel interaction is a smart way for payers to control costs without sacrificing quality of care.

There are a number of challenges facing healthcare insurers and payers around member interaction. Clinical staff (nurses and care coaches) are a scarce and expensive resource.

One-third of the U.S. population fails to adhere to medication instructions or self-care, resulting in $390 billion in additional medical costs per year. Baby boomers are aging, the Affordable Healthcare Act is driving up enrollment and regulatory compliance is putting constraints on care.

Customer interaction management experts Nuance and EXL, a business process solution company agree that more and better interaction with members, especially at-risk groups, could go a long way to alleviating these pressures, saving payers time, money and resources. The key, according to these industry leaders, is scaling outreach to connect with more members, drive higher engagement and yield better outcomes at a lower overall cost.

Economies of scale

In the payer world, member populations are widely diverse and often changing. There is also a vast disparity in levels of care, especially around emerging and chronic conditions. It's a constant struggle to reach these members and get them to manage their care while keeping costs in check. To reach more of their target population, payers need to scale outreach efforts and be proactive in engaging these member groups on a regular basis.

But where do you start? Basically, it comes down to a simple case of math. There is a finite number of clinical and non-clinical staff available and a large, diverse population with which they need to engage. Typically the ratio is millions of members to hundreds of clinical staff.

If we look at the Centers for Medicare and Medicaid Services (CMS) statistics for the U.S. with a total population of 300 million consumers, high-risk members (chronic and catastrophic) represent

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around 10 percent of that population; medium-risk groups represent another 20 percent. That means multiple-condition, chronic and at-risk populations equate to roughly 90 million Americans. The average payer represents 2 to 4 million covered lives. Thirty percent of that population (high- and medium-risk groups) is between 900,000 and 1.2 million members.

As a payer, your engagement efforts are naturally focused on these 1.2 million members because it makes sense financially to do so. The challenge is determining the best way to apply finite, expensive resources to successfully reach and engage these target groups.

Through traditional outreach methods, this effort can seem futile. An EXL study of major payers and wellness management companies showed that, on any given day, nurses and agents get through only 50 to 70 percent of their calls. At best, they're conducting seven or eight conversations an hour, which equates to roughly 50 engagements a day. That leaves a wide margin unreached and unengaged. And it's been show than unmanaged conditions are directly linked to decreased outcomes, lower member satisfaction and increased exponential spend.

Take Diabetes as an example. This is a chronic, growing trend in the U.S. with 11 percent of adults affected. Health plans claim they can reach 22 percent of these members with nurses. That leaves 78 percent unmanaged. According to CMS analysis, a well-managed diabetic member costs payers $8,000 while an unmanaged diabetic member costs $26,000—that's more than a 300 percent variance in cost exposure. That doesn't include the pre-diabetic population—the sick (who could become sicker) and the well (trending towards sick). This population tends to get deprioritized or go unmanaged altogether due to time, resource and cost constraints.

Clearly, there is an economic driver with respect to focusing resources on members with chronic conditions. And given the resources and costs involved in engaging these high-risk and sometimes medium-risk populations, payers are unlikely to even attempt to engage low-risk groups.

Competing for attention

Let's face it; consumers don't always take action on a timely basis. Why? Because they are busy.

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Consumers generally have at least one healthcare relationship. They also have dozens of other relationships—with their bank, mortgage lender, retailers, utility companies, employer, school, and a myriad of other service providers. In fact, most consumers have 26 digital relationships all vying for their attention. That's a lot of interaction—and distraction. So much so, that leading cardiologist, geneticist and researcher Dr. Eric Topol labeled this phenomenon "homo distractus."

The result is a deluge of digital communications, with every company in the country trying to engage consumers through mobile channels. Not surprising given that 90 percent of North Americans own a cell phone; half of these are smartphones. But it takes more than a blast of messages to cut through the noise.

Healthcare organizations typically attempt to treat patient and member populations two ways: through a website or through the contact center.

The problem is that neither of these channels sufficiently engages patients at a high enough percentage.

> "...most consumers have 26 digital relationships all vying for their attention."

Half of consumers don't visit a website within the first 90 days. Contact centers have to work within certain restrictions (hours of operation, calling times, time zones), so there is little or no control over the "when" of the engagement through either of these channels. A payer could potentially engage with 100% of its population through the contact center, assuming nurses and agents could adequately handle inbound call volumes. This is rarely the case.

Then there are the costs. Typical spend for a website is $5 million. Payroll for nurses and agents is upwards of $20 million. Direct mail is another $10 million. Add it up and you are looking at $35 million annually to try and mitigate the medical loss ratio on a subset of your population. Yet, you still aren't reaching all your members or sufficiently engaging them at the desired outcome level.

Channel choice, preference and orchestration

A 2012 Wakefield Research study revealed that consumers have a preference for five channels – voice, email, text, direct mail and mobile apps. Each channel has various levels of adoption and preference. And these channels need to be orchestrated. Meaning that, there are mitigating factors for when a given channel may work

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best such as time of day, member preference, age, desired action (appointment reminder, prescription refill, health screening) and frequency of engagement. The key is utilizing the appropriate channel at the appropriate time. Getting this balance right is how payers manage cost and drive engagement.

Channel preference also varies by population. Most groups converge on the most prevalent channel: voice. For the other channels, different demographics have different levels of adoption.

The younger generation prefers text. Middle-aged, upper income brackets prefer email. Most people now engage on mobile, but 10 percent of the population is still on a landline.

Members will often self-select channel preference, but can also be conditioned to expect and accept interaction on specific channels through regular engagement. For example, a recent Nuance study, on behalf of a leading healthcare organization, followed members' interaction patterns for seven months. Over time, behaviors modified based on the engagement strategy applied. By the end of the study, the percentage of members that were accustomed to a given channel doubled.

As a payer, you have to weigh these channel preferences against your 1.2 million at risk and chronic condition population. Once you have propensity of channel, you can layer in condition (COPD, Diabetes) and source of insurance (Medicaid, Medicare, commercial). Now you have the data needed to orchestrate your channels and create personalized engagement strategies.

The good news is that, from a behavioral adherence point of view, consumers embrace automation. They welcome digital interaction and will take timely action provided communications are delivered at the right time on the right channel.

Driving better outcomes

Like providers, payers are held to certain standards when it comes to quality care and improving health outcomes. Automated interactions are a smart, efficient, proven way to improve these metrics.

First, automated interaction is highly effective at improving reach. In a study with one payer, adding automation led to a 15 percent increase in reach, increasing from 70 percent to 85 percent.

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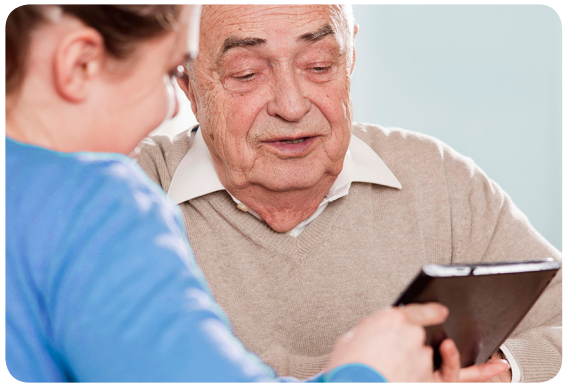
Other customers reported similar results, with most achieving 94 percent or higher rates of engagement.

There is also good news for the contact center. Through automation, a percentage of members will self-serve, alleviating stress on the contact center and taking the load off nurses and coaches to make routine care calls. Nuance best practices show these spikes in productivity can be as high as 40 percent. In one case, when applied to a 300-care nurse wellness management center, the result was an additional 140,000 conversations a year.

Proactive interaction is also effective in enrolling members in disease management and wellness programs and identifying gaps in care. In one pilot program, gaps in care coverage improved by 54 percent.

Missed appointments can also be decreased significantly through cross-channel appointment management applications. Some organizations reported upwards of 25% decrease in no-shows as a result of informing and reminding members of appointments, screenings and vaccinations.

Even with automated interaction, some patients will still want to or need to speak to a nurse or care coach. But a healthy percentage will also self-service, reporting data back, confirming information or receipt of guidance and promising to follow a certain set of behaviors. This proactivity directly translates into measurable outcomes and cost savings for the payer.



Beyond automation: data, analytics and interaction design

Interactivity is key to effective member engagement. Intelligent, personalized interaction over time is what incentivizes members to stay on track and stay engaged. It's also ultimately what leads to better outcomes including improvements in health, management of chronic conditions and key clinical quality measures that impact the bottom line.

However, without robust data, analytics and reporting, you can't get an accurate read on how your member populations are responding to your engagement strategy.

This insight is critical in helping make decisions around changing or modifying interactions if

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needed to maximize impact. For example, one member might respond more when contacted at noon on Thursday. Another member may respond better to text messages versus voice messages. Capturing these preferences and acting intelligently on that data is critical to understanding what motivates your members. This knowledge, in turn, translates into powerful interactions that lead members to take desired action.

How communications are crafted is also key. The right message script or "interaction design"—how you word the message, branding, even the voice or language used, can radically change the percentage of engagement.

When these elements—channel orchestration, rich data, analytics and interaction design—are combined with best practices gleaned from years of expertise through proven partner providers like EXL and Nuance, that's when you really begin to see lift in reach, engagement, and outcomes.

For more information on how EXL and Nuance can help you create a member engagement strategy to maximize use of clinical staff resources, increase program enrollment and adherence, close gaps in care or improve meaningful use and clinical quality measures, please contact us at 866-828-8263. Let us know if you'd be interested in having us conduct an analysis of your organization's unique challenges and opportunities and create a custom action outlining benefits, timelines and cost savings.

About Nuance Communications, Inc.

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