Looking back on key developments from the reform period, health plans will emphasize the fundamental reordering that enabled customers to truly own their insurance-buying decisions and, ultimately, their own health care. The ability to easily shop among multiple options and seamlessly assemble customized solutions that meet personal needs. The same ability we’ve come to expect in numerous markets that embraced the consumer-centric business model and tailored, differentiated shopping experiences much earlier.

Driving preference and loyalty — or member enrollment and retention — are universal business development objectives achieved by creating and sustaining relationships. Given this context, certain key realities in the emerging health care marketplace confirm the inevitability of moving away from the top-down, product-centric benefit model toward engaging customers on their terms.
Public and private exchanges have transformed the mechanics of buying and the way in which purchase decisions are made.

One out of five consumers will buy health insurance through an exchange in the next four years. About 30 percent of employers plan to shift their employees into a private exchange in three to five years.

Figure 1
Projected public and private exchange increases over the next four years

![Projected public and private exchange increases over the next four years](image)

Insurance consumers are unprepared for the exchange structure.

Most don’t understand what an exchange is and how they will utilize it to navigate and make decisions about multiple, aggregated options. Meanwhile, the health care system remains complex and confusing. It is highly problematic that while the average American reads at an eighth-grade level, the industry typically presents health care information at the 10th-grade level or higher.

Real-time, online subsidy calculation is a prime example of a consumer-centric philosophy at work in an exchange-driven marketplace. The calculations significant in stratifying confused callers to distinguish between consumers who must purchase their plan through the exchange or marketplace, and those who can enroll directly and may be exposed to more options.
Prospects and existing members in classic consumer mode are wired to prefer personalized purchases.

At this time, 57 percent of the population want to customize health benefits according to individual needs, even with the knowledge that selections can affect cost. In fact, 50 percent of consumers prefer to shop for customized benefits rather than take an employer offering.1

The traditional customer contact model (see Figure 2) is ill-suited for these realities because it is a reactive mechanism for inbound calls. For most plans, the member service or customer service department is a resource existing members use when they have problems with their plans. These departments are centered around products vs. consumers. Similarly, from a sales perspective, plan representatives are equipped only to market broadly, moving prospects toward products rather than shaping each interaction around personal needs. Engagement on reactive terms offers low value to the customer. The traditional model also dramatically limits payer ability to cross-sell, up-sell and facilitate renewal.

Figure 2
Traditional customer contact model (Reactive)
A consumer-centric model, Figure 3, is a proactive, assessment-driven and segmentation-based approach. Assessment and segmentation enable the plan to tailor consumer engagement across each touch point in acquiring, servicing and retaining members. Payers also are applying tailored messaging and channel-of-choice technologies to initiatives like improving medication adherence and promoting wellness programs that engage members in their health care. This ultimately creates a new relationship with the consumer, a relationship of trust and simplicity.

The hallmarks of an outbound-oriented, consumer-centric model include conducting assessments before placing someone in a product, and delivering the related information in the contact's channel of choice.

It's also important to note — as one way to establish the ROI of a consumer-centric model — that the ability to time and deliver one proactive outbound call can replace the much costlier responses to up to nine future inbound and reactive calls.

Figure 3

**Consumer-centric model**

- **Existing/Prospective Member**
- **Contact Center**
- **Community/meetings/retail**
- **Web/portal/mobile**
- **Needs assessment**
- **Right product recommendation 1**
- **Right product recommendation 2**
- **Right product recommendation 3**
New technologies, tools

Today’s innovative outreach and relationship management technologies — particularly as catalysts for the industry becoming more consumer-centric — are major differentiators from previous reform eras. Predictably, validation comes directly from the consumer. Using videoconferencing to conduct check-ups and follow-ups is an interest for 67 percent of respondents in a recent study. Similarly, 40 percent have interest in using apps and smartphones to manage conditions and medications.

The microsite is one of the most significant consumerism-friendly technology tools. It is essentially a small website, with a distinct and personal URL, established for ongoing engagement with a specific individual. In this scenario (see Figure 4), a payer-delivered email engages a prospect or member using a link to their personal microsite. The technology is dynamic because the platform permits deploying sophisticated online functionality that is not necessarily available within an email-only environment.

Consumer microsites

The health plan also can use microsites to monitor — in real time and with precise detail — how contacts interact with outreach. Knowing if a microsite was accessed and where a consumer spent time can inform and shape tailored downstream sales and renewal interactions.

Microsite technology enables similar one-to-one customization on the post-transaction or service side, providing high-potential opportunities to drive performance against 5-star metrics. A conversation with a customer service representative regarding difficulties understanding a bill, for example, becomes an opportunity to upload an instructional video to the member’s site. Or, a provider-related inquiry triggers an outbound link to a list of urgent care centers in the member’s area — along with estimated wait times.

Figure 4
Microsite technology
Consumerism’s greatest impact

Health care is an environment where rising to the consumerism challenge is more significant than enhancing enrollment, retention and net gain performances. The ultimate goals are keeping healthy members healthy and putting sick members on a better path to health or quality of life. Payers and providers alike have a responsibility — and the opportunity — to help consumers make the best health care choices.

Tapping consumerism to drive improved, cost-efficient health care engages consumers on their terms; uses tailored, personalized and seamless communication to mitigate health literacy; and empowers members with the right tools to own their health.

Health care lags other industries in adopting a consumer-centric approach to driving preference, loyalty and satisfaction. But given what is at stake — from improving care quality to controlling unsustainable costs — creating unique shopping and support experiences will help health care catch up to, and surpass, the consumerism inroads that other industries have achieved.

How Optum can help

Optum works with health plans to:

- Identify opportunities to improve consumer engagement through multi-modal technology
- Conduct member segmentation techniques to better meet the needs of consumers and their families
- Acquire, service and retain those consumers over their entire member lifecycle

Contact us

To learn more call 1-800-765-6807 or visit empower@optum.com

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2. Congressional Budget Office