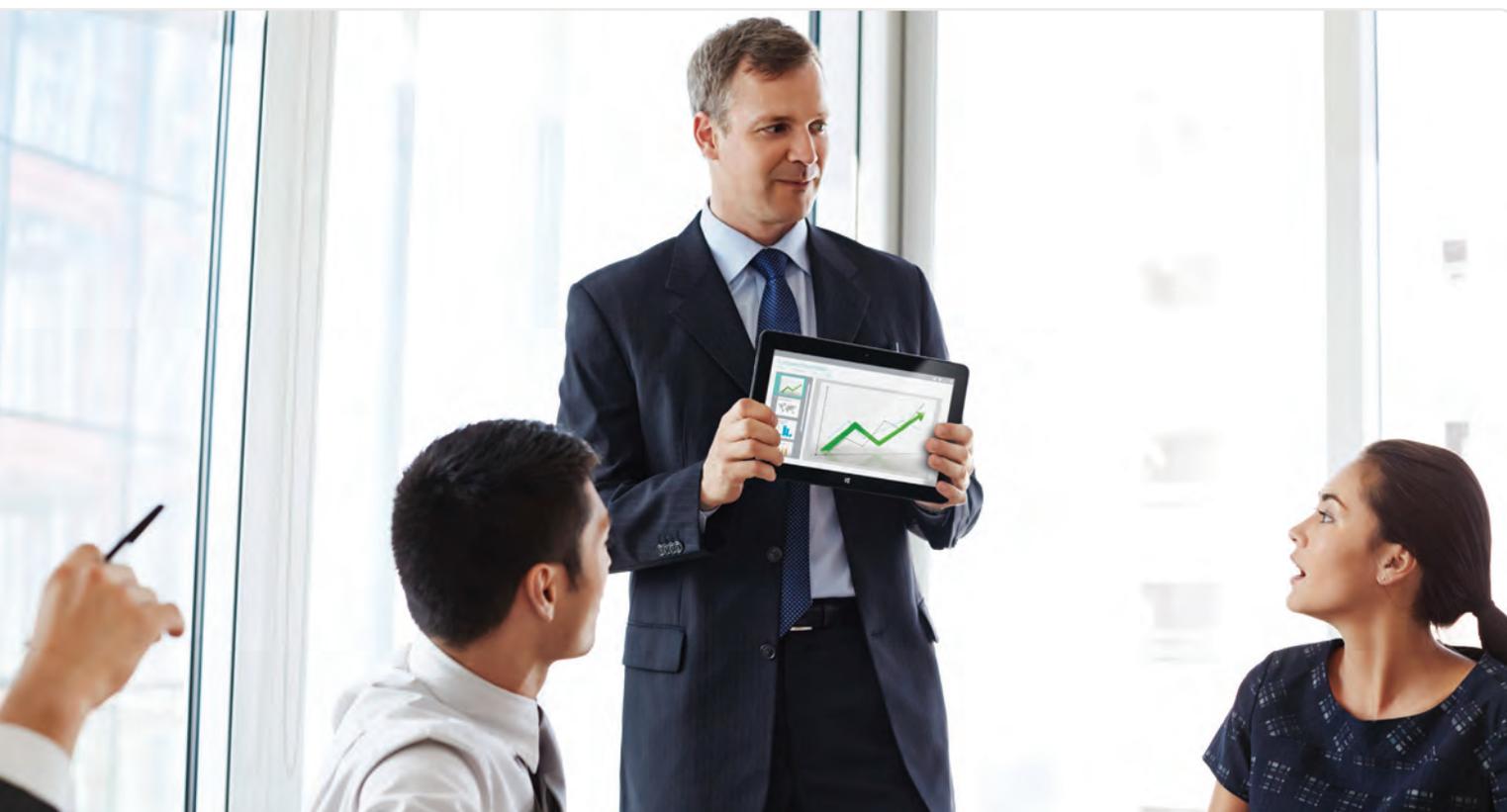




Creating a Multichannel Digital Platform for Health Plans

What Health Plans Need to Know about Multichannel Interactions

May 2015



With expected enrollment growth in the individual health insurance market, consumerism has taken center stage in future product and service strategy discussions for health plans. Insurers have already begun brainstorming how to capture a larger share of the 50 million uninsured people.

Historically, insurers have primarily sold health plans to employers and brokers. However, the market is shifting its focus to individual consumers, with new business models designed to help people manage their healthcare spending. To compete and grow their business in this new landscape, insurers must focus on three key strategies:

- **Acquire new customers:** Understanding customer profiles and targeting those segments with the right messaging and products will help insurers drive membership growth
- **Engage consumers:** Providing a satisfying customer experience with an emphasis on promoting wellness and preventative care will be critical to attracting and retaining healthy people
- **Grow profitably:** Promoting preventative care and helping people change their unhealthy habits will help health plans grow more sustainably

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The healthcare industry has been slow to adopt new digital technology and continues to use the web as an information-sharing channel only.

Relevance of digital media for health plans

These three strategies mirror other consumer-centric industries such as retail, hospitality and travel. These industries have created innovative ways to penetrate new markets while providing best-in-class services resulting in a loyal customer base. Over the last decade, these industries have relied heavily on digital channels to achieve their goals.

Ten years ago, a web portal was the only digital interface between an organization and its clients. Some early adopters, such as the retail, hospitality and travel industries, started using the web to connect to their customers to create new major revenue channels. The healthcare industry, however, has been slow to adopt new digital technology and continues to use the web as an information-sharing channel only.

Today, the number of channels through which buyers interact with sellers has increased dramatically. As smartphones and tablets become more prevalent, mobile applications and websites have gained momentum in the market, along with social media and Open API (Application Programming Interface) technologies that allow partnering organizations to collaborate and create e-franchises.

A survey conducted by eMarketer showed that by 2015 the smartphone user base will increase to 46 percent of the total population — up from 28 percent in 2011 — while the tablet user base will increase to 28 percent by 2014 — up from 11 percent in 2011. More and more organizations are starting to use social media as an integral part of their

business. This is quite a change from the early days when the extent of social media included a Facebook page or a Twitter account to publish marketing events.

Another eMarketer report on purchasing patterns showed that more people are shopping online. While traditional brick and mortar sales remained largely unchanged from 2003-2010, digital commerce grew by more than 150 percent to become a nearly \$175 billion industry in the United States. It is expected to grow to more than \$200 billion by 2015. Amazon.com alone has become a nearly \$50 billion giant from its humble beginning in the late 1990s.

In support of these projections, ComScore's July 2012 report provides some interesting data points:

- Amazon had 49.6 million unique visitors, 46 percent of whom used a smartphone or tablet
- Wal-Mart had 16.3 million unique visitors, 15.3 percent of whom used a smartphone or tablet
- CVS had 4.5 million unique visitors, 4.2 percent of whom used a smartphone or tablet
- Walgreens had 3.7 million unique visitors, 3.5 percent of whom used a smartphone or tablet

Unfortunately, no health plans appear in the Top 500 Guide® of ebusiness operations, which is led by retailers, e-tailers and the travel industry. We recommend that health insurers create a multichannel digital media strategy rather than a separate portal, mobile or social strategy.

Ten elements of a successful multichannel digital media strategy

1. Create an integrated experience.

Successfully integrating communities across multiple channels will be critical to long-term success. Integration offers a significant opportunity to enhance the customer experience — allowing you to both attract and retain existing members.

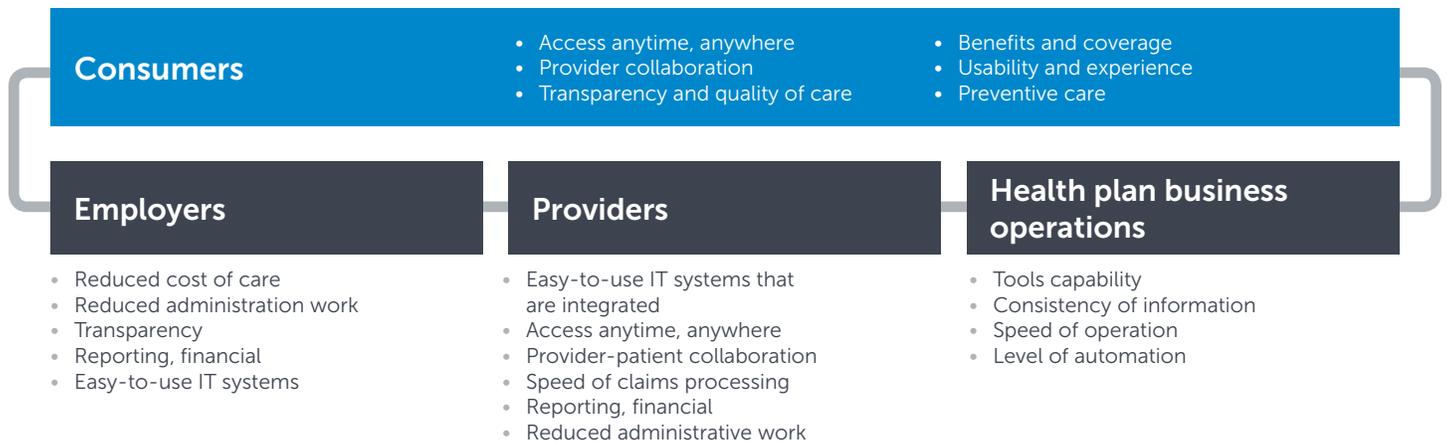
Sample use cases:

- A. While traveling, Jane falls and sustains an injury. She uses her tablet to check her coverage, find a hospital with a doctor in her network and make an appointment. She then uses her smartphone to get driving directions. Once at her appointment, Jane uses her smartphone to display an insurance card (similar to an electronic boarding pass at the airport) while the admissions desk uses a PC to confirm her eligibility and any necessary pre-authorization. The receptionist verifies eligibility and the physician offers care.
- B. An employer/broker uses the internet to buy health insurance plans. One of the company employees, John, chooses a plan, enrolls, enters his health concerns (e.g., high blood pressure) and sets a healthy goal plan. The insurance plan provides information to help lower blood pressure and offers John the ability to track blood pressure on his smartphone. John uses a mobile application that connects to devices (e.g., treadmill) to feed information into the system, allowing the insurance plan to adjust accordingly. Since John is considered a high-risk patient, his updated information and plan adjustments are sent to the primary care physician for care management.



2. Put consumers' needs at the center of your strategy.

Traditionally, health plans have not been consumer-centric because plans were primarily sold to the employers or brokers — not to individuals. This is likely to change as employers are starting to show a declining interest in managing their employees' health insurance.



Health plans should consider how they can prepare for an expansion in the individual market by creating tools for individuals to purchase plans, manage costs and select providers. This is not limited to the shopping and purchasing experience alone. Regardless of whether a member has enrolled through individual shopping or through the employer, health plans should consider enhancing member experience by creating tools and content to help them become more health conscious, manage health conditions and connect with primary care physicians and registered nurses to check symptoms.

3. Be transparent across all digital functions.

Functionalities can be divided into three broad categories:

- A. Pre-enrollment (shopping and sale):** For direct-pay and Medicare plans, consumers may use the health plan’s digital channels to browse, search, compare and shop. For small and large group plans, employers or brokers may use the health plan’s digital channels to browse, search, compare and shop. Similarly, providers may use the health plan’s digital channels to apply to be in network.
- B. Enrollment:** For direct-pay and Medicare enrollment, consumers are able to access member resources as soon as the purchase is complete. For small and large groups, employee enrollment may begin on digital channels provided by the health plan or the employer once it is integrated with the health plan’s systems.
- C. Post enrollment (reactive and proactive services):** Consumers may use the health plan’s digital channels for reactive and proactive services in the diagram. Employers, brokers and providers also may use digital channels for these services.

Pre enrollment			Post enrollment	
Shopping	Sale	Enroll / onboard	Reactive services	Proactive services
(Direct pay, Medicare, group) Marketing Catalog Pricing Browse/search Compare Shopping cart Provider finder Community	(Direct pay, Medicare customers) Purchase, validation, payment underwriting, eligibility and enrollment (Employer / broker) Purchase Validation Initial payment Group setup	(Employer / member) Eligibility Underwriting Member enrollment Recurring payment	(Consumers) Claims Account management Appeal, dispute EOB, billing (Employers, brokers) Financial reporting Account management Member management Reporting	(Consumers) Behavior Wellness Cross/up-sell Care management Retention (Employers, brokers) Behavior Wellness Analytics Care management Retention
(Provider) Network development and incentives		(Providers) Provider registration	(Providers) Claims Account management Appeal, dispute Financial, billing Patient profile	(Providers) Wellness Analytics Cross/up-sell Care management Retention
Customer support team, payer business operations, payer sales team				

The health plan’s business operations and customer support teams may use various digital tools and applications to support all external communities across the spectrum including consumers, providers, employers and brokers.



4. Define each unique digital channel and map behaviors to those channels.

After finalizing the strategy and functionality set for each community, health plans should consider making the functionality set available on multiple digital channels, e.g., web, mobility, social, Open API, voice, etc. All functionalities that have been finalized should be included in a subset of these digital channels for each user community. For example, functionalities that are targeted for consumers and providers should be available in as many digital channels as possible, whereas it may be okay to use only web, tablet or Open API channels for employers and brokers, and only web and tablet for business operations.

5. Customize the experience with unique channel characteristics in mind.

Though functionality should be consistent across each of the digital channels, the experience on each channel needs to be designed with the unique strength of each channel/device in mind. For example, accessing automated enrollment on the web using a laptop or PC allows the user to enter information on longer forms, whereas on a smartphone or tablet, it may need to be entered into multiple smaller forms due to the screen and keyboard size limits. Using voice as a channel to enable visually-impaired consumers, along with other accessibility measures may be included in the user experience design strategy of each channel.

6. Understand your customers and position yourself as a trusted advisor.

Consumers look for health plans that meet and exceed their changing need for medical information and options throughout their life. To reduce the risk of becoming irrelevant, health plans need to offer dynamically delivered content, messages and products based on consumers' profile, behavior and engagement history. They should also use data analytics to determine the individual needs of their customers. In an age where consumers are overwhelmed with information, they need a trusted healthcare advisor.

7. Collaborate with key stakeholders.

While consumers should be at the center of your strategy, it is important to reflect the unique needs of all key stakeholders, including providers, employers, brokers and the health plan's own business operations (customer support, BPO, business teams, sales teams). When developing your digital media strategy, consider ways to collaborate with these communities to achieve a two-pronged objective: (1) meet the unique needs of each community and (2) create tools for each community to equip themselves to serve consumers better. Even with health reforms and the advent of individual market, employers and brokers continue to be the major source of revenue for a health plan.

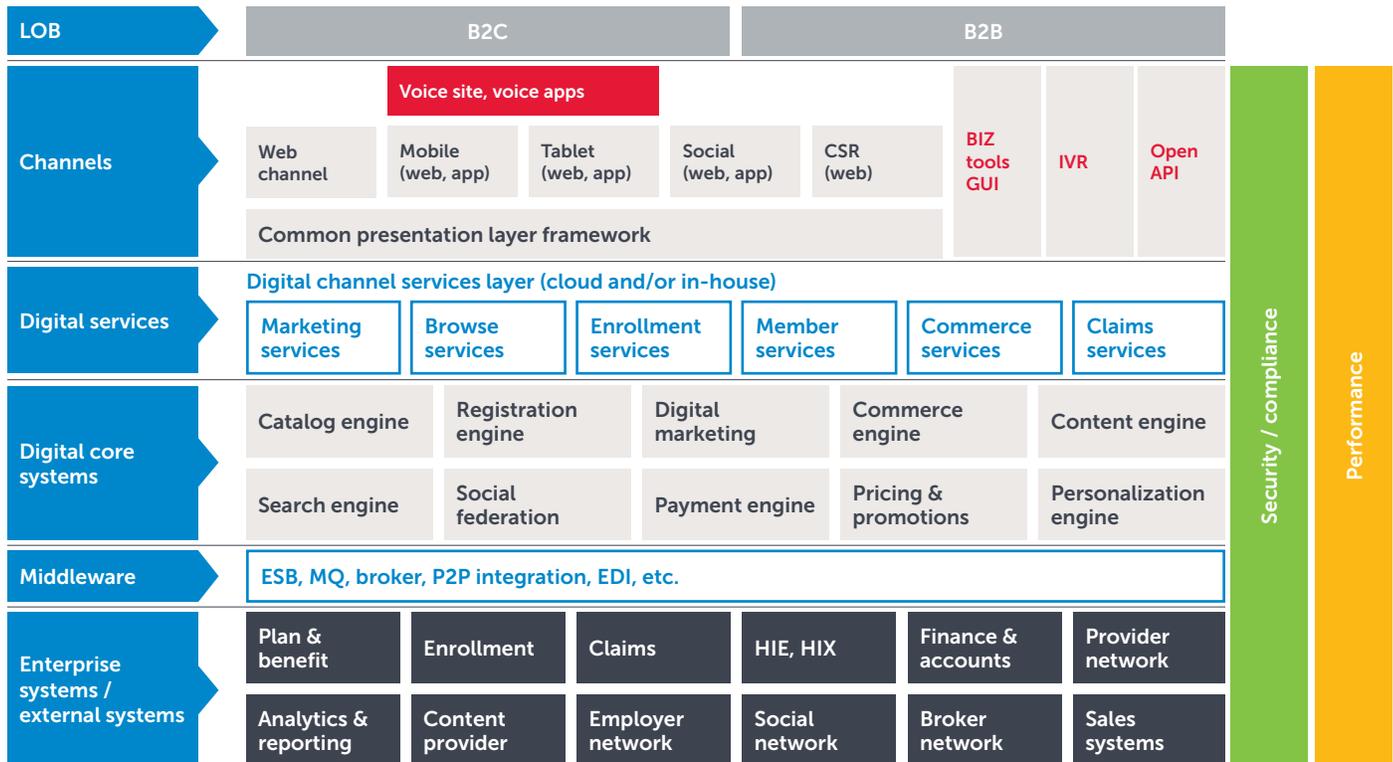


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8. Build a scalable and flexible architecture.

With a strategy of providing end-to-end functionality set for all communities across devices, it is very important to create an architecture foundation that is modular and heavily service oriented to ensure maximum reusability and pave the way for rapid, cost-effective development.



The unique experience design for each channel/device should be handled only on the edge layer (i.e., UI layer), which is powered by same set of services and underlying systems. This will help prevent creating channel-specific monoliths. A reference architecture we recommend is depicted below. Like matured e-tailers understand, it is more important to first stabilize the foundation of your architecture than buy various products or packages. A modular and service-oriented architecture foundation helps release new functionality in small packets to multiple channels simultaneously.

9. Establish an agile delivery process.

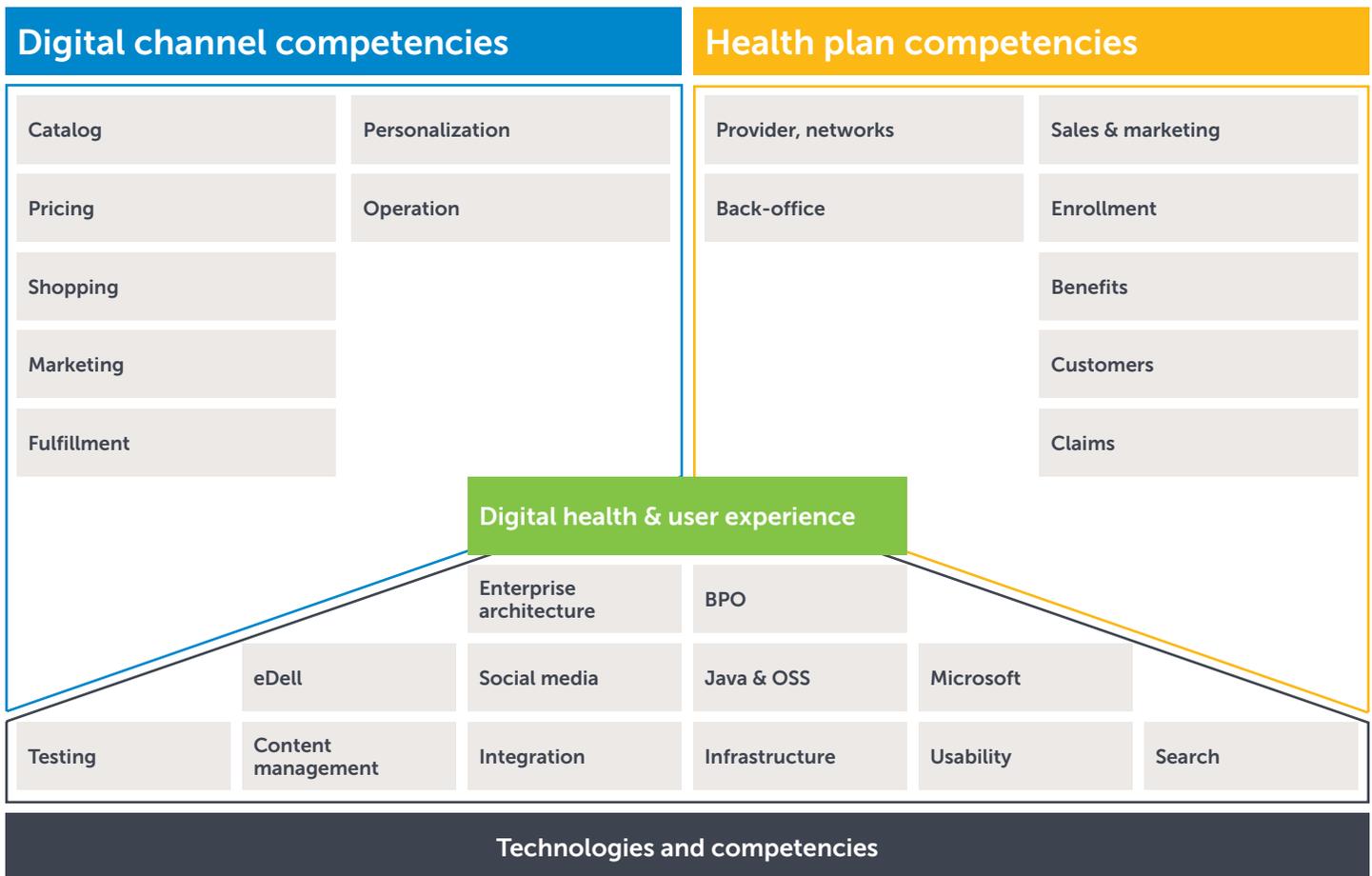
A strong architecture foundation, along with a lean and agile delivery team, tools and processes are all requirements for frequent and rapid development across channels.

10. Support with a cross-functional operations team.

With a strong architecture and delivery methodology in place, new functionalities need to be run by an operations team that has access to best-in-class tools and processes. Areas like web content management, search engine administration, site look-and-feel management, along with around-the-clock support are key components of a well-run digital platform that will help your digital presence stay fresh and relevant to user communities.

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For more information on how to create your multichannel digital media strategy, please contact a Dell representative.



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