From the Document to the Discourse

Why Interactive, Multi-Channel Customer Communications
are Key for Insurance Carriers' Growth & Success

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ABSTRACT

HEALTH INSURANCE CARRIERS ARE INCREASINGLY FACED WITH COMMUNICATING TO A DEMANDING AND DIVERGENT BASE OF
SUBSCRIBERS. AND COMPETITION FOR ACQUIRING NEW SUBSCRIBERS—AS WELL AS HOLDING ON TO THEIR CURRENT BASE—
GETS TOUGHER EVERY DAY. CUSTOMER COMMUNICATION MANAGEMENT (CCM) SOLUTIONS ARE A HIGHLY STRATEGIC TOOL TO ATTRACT
AND RETAIN CUSTOMERS. CCM ENABLES CARRIERS TO MOVE FROM LEGACY DOCUMENT AND CONTENT MANAGEMENT SYSTEMS TO
MULTI-CHANNEL "REAL TIME, ANY TIME, ANY DEVICE" INTERACTIONS WITH SUBSCRIBERS AND INTERNAL AUDIENCES.

THIS PITNEY BOWES BUSINESS INSIGHT WHITE PAPER EXAMINES CCM, AND HOW IT ADDRESSES CRITICAL BUSINESS AND TECHNOLOGY
ISSUES FACING HEALTH INSURANCE CARRIERS.

CCM "IMPROVE[S] THE CREATION, TARGETING, DELIVERY, STORAGE AND RETRIEVAL OF CUSTOMER-DIRECTED MESSAGES." —GARTNER INC.

Carriers positioning themselves for growth face a tumultuous set of demographic, economic, regulatory and technology changes. As they plan their business strategies, they're seeking to improve their internal processes, develop new products, extend their reach into new markets and geographies, ensure regulatory compliance, and effectively engage with prospects, existing group and individual subscribers, and all their "stakeholders."

Anticipating intense competition for subscribers, many are investing in new processes and technologies that will enable them to better understand their existing customers, identify targets for recruitment, create offerings that meet their needs, comply with the radically changing regulatory environment, and improve service levels—while maximizing cost efficiency.

The enabling solution is Customer Communication Management, or CCM.

Gartner Inc. defines CCM as *"Applications [that] improve the creation, targeting, delivery, storage and retrieval of customer-directed messages."*

CCM represents a step change from legacy document composition or enterprise content management systems. It's designed to get the right message to the right person at the right time, through that person's preferred delivery channel.

CCM touches every step of the insurance operations lifecycle —product definition and development, marketing, underwriting, issuance, billing and claims. As its name would imply, it is especially important in improving the customer experience.

A New Era in Customer Communication

Today's customers span three generations of people, and multiple technology-driven communication revolutions.

Analog Nation. Twenty-five years ago, subscribers and carriers used at most two forms of customer communication. The main transaction vehicle was the printed document— the marketing pieces, application forms, policies and EOBs, claims communications, and paper invoices and statements. CSRs in the call center backed up the printed document stream, interacting with subscribers, speeding problem resolution, and adding a human voice and dimension to the carrier-subscriber relationship. A sizeable cohort of today's customer base remains faithful to this model—served by pre-printed documents and "hardened" (via PDF) on-demand communications.

Digital Immigrants. Younger Baby Boomers share an analog past with older customers, learning computing technology as a second language. Generation Xers came of age during the Internet and Web 1.0 era. They're very comfortable with email, they comparison shop using search engines and web sites, and they are familiar with and use "on-demand" communications such as filling in forms that are on the web, or downloaded from it.

Digital Natives. These "20-something" Generation Y and Millennial users were born into a digital world. They prefer smart phones and personal digital assistants—some even shun laptops—and many communicate via text messages and social media like Twitter and Facebook. They're experts in "joining the conversation" and viral communication, instantaneously sharing their likes and dislikes with thousands of networked friends.

In the past, seeking out the best healthcare plan might not have entered the consciousness of younger customers. But consumer-directed healthcare, the rise of self-funded insurance, and, now, the evolving world of universal health coverage driven by the Patient Protection and Affordable Care Act of 2010 have created a large, diverse and discerning base of subscribers.

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Personalized Customer Communication— "My Way, Right Away"

The three types of subscribers have common needs, however. They want to be treated as an individual with the ability to have a dialogue with you:

In real time. Whether it's delivered by a printed document, an email, a text message, or a contact center agent, they want the information that they require at their point of decision—with maximum accuracy and security.

At any time. They want instantaneous response to their inquiries, claims, benefits questions, or any "inbound" communication that they have with a carrier.

Via any channel. They demand to be served through the medium (and media) they most prefer, from interactive channels such as text, chat and social media; to less immediate and "store and forward" channels like email; to hardcopy channels such as mail or fax.

Healthcare Summary document sample

The documents shown are completely fictitious and are intended for illustrative purposes only. GRN (Insurance), the individual names and account information contained in these statements have been made up by Pitney Bowes Business Insight. Any resemblance to real companies, people or accounts is strictly a coincidence.

Responding to External and Internal Pressures

Carriers recognize that they face intense competition for subscribers as they position for growth during both an economic recovery and a radically changing regulatory environment. In late 2009, Gartner Inc. noted a "steady rise" in client inquiries about customer communication management (CCM) solutions—driven largely by insurers.

Moreover, the Patient Protection and Affordable Care Act "amount(s) to a mandate for technology modernization," *Insurance & Technology* wrote in April 2010. It identified "core claims and policy administration systems [and] e-commerce and customer service technology" as among the key processes that will need to be transformed through investment in new IT solutions.

CCM represents a strategic part of this investment. It enables self-service portals and a range of solutions that effectively, consistently and (through some channels) immediately communicate with the customer base, and harness the flow of both structured (or forms-based) and "unstructured" data (from voice, email, text, social media and other such channels) flowing between subscribers and carriers.

CCM is designed to support three modes of customer-carrier interaction, including:

• **Transactional/structured communication** comprised of documents such as financial statements, bills, printed marketing materials, policy packets, and Explanation of Benefits (EOB's).

• **On-demand communication**, generated and communicated in real time and often "hardened" into PDF documents, for activities such as web to print, online quotes, account notices, order confirmation, proof of service customer documents, online statements, and on-demand correspondence.

CCM GETS THE RIGHT MESSAGE TO THE RIGHT PERSON AT THE RIGHT TIME, THROUGH THE RIGHT CHANNEL.

• **Interactive communication**, real-time interactions (most often used in underwriting, claims, and customer service) that drive creation of negotiated documents, welcome kits, day-to-day correspondence, and other deliverables or modes of subscriber contact.

The move to CCM is also the result of significant internal pressures. Carriers are striving to improve processes across functional areas and lines of business, and leverage IT investments as they retire legacy technologies and content.

Rita E. Knox, an analyst with Gartner Inc., noted in her 2009 report, *Re-Energized Users and Vendors in the CCM Market*, that "many enterprises have multiple CCM applications without enterprise-wide knowledge of what's deployed or how it's used across the organization."*

She cited an example where "silos" in product development, marketing, customer service and accounts payable could result in the deployment of four separate CCM solutions. The dawn of the new reality mandates the sharing of CCM resources and data.

To grow in the post-recession environment, they also will require the agility to identify new business opportunities (by geography as well as by product development strategy), and maintain momentum and continuity during any merger or acquisition activity.

Significantly, they must address the need for interactive, multi-channel customer communication, and the expected explosion in unstructured data. Data is growing at a CAGR of 60 percent and its growth rate is "speeding up all the time," according to *The Economist* (February 25, 2010). This data—from traditional hardcopy channels to social media conversations—must be consolidated, cleansed, categorized, integrated, accessed and securely archived.

Managing Effective Communication

Customer communication management is comprised of a suite of interrelated functions that—as individual components or as an end-to-end solution—improve the customer experience and drive down costs.

These functions include:

Personalization/Customization. These capabilities tailor the content, format and delivery channel—optimized for each individual customer. They leverage accurate customer data, often consolidated from multiple sources, to create effective, targeted communications.

Document Design. Effective, engaging multi-channel communication reduces customer churn, builds loyalty and brand awareness, and drives new revenue with *transpromo* messaging—the ability to include highly customized and personalized promotional messaging content on transactional documents. Document Design solutions automate document composition, and integrate data acquisition, content management, and multi-channel delivery capabilities. For insurers, they are used in EOB's, policies, welcome kits, ID cards, and more.

Centralized Management. To ensure message consistency, data accuracy of data, and compliance with HIPAA and other privacy mandates—and to maximize productivity—Centralized Management enables insurers to design and manage all transactional, on-demand and interactive communications from a single controlled environment.

* Knox, Rita E. (Nov. 30, 2009). "RE-ENERGIZED USERS AND VENDORS IN THE CCM MARKET." Gartner, Inc. http://www.gartner.com/DisplayDocument?ref=g_search&id=1238413

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Multi-Channel Communication Generation and Delivery. Designed to deliver consistent, personalized and compliant communications across all channels, these solutions help carriers create and centrally control the three main types of communication—transactional, on-demand and interactive. They also enable them to deliver them effectively through multiple channels, via the mail, fax, Web, e-mail or SMS text messaging.

Data Archiving and Retrieval. These are high-speed, high-volume solutions that allow carriers to store, search and retrieve critical consumer documents, including both forms-based data and email and SMS communications.
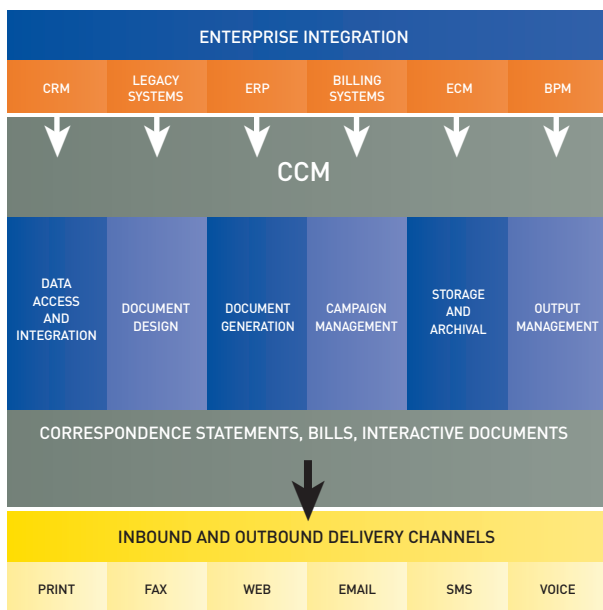
Data Quality and Data Integration. Data Quality technology gives carriers consistent, reliable and more accurate information by standardizing, validating and consolidating disparate data into actionable information. Data Integration extracts and harnesses the power of data assets that are residing across the carrier enterprise in different customer databases, customer relationship management (CRM) systems, enterprise resource planning (ERP) systems, and other locations.

Location Intelligence. Almost 70 percent of business data contains location or geographic components. Carriers that integrate precise of geographic locations with high-quality subscriber or prospect data can gain clearer understanding of growth opportunities and product development strategies, and ways to improve customer service, manage provider relationships, and control risk.

MAKING AN IMPACT ON KEY BUSINESS PROCESS

CCM MAKES AN IMPACT ACROSS ALL KEY BUSINESS PROCESSES FOR HEALTHCARE INSURERS

PROCESS	BENEFIT
Product Development & Business Planning	Know who your subscribers are and where they are.
	Create products and programs that meet their evolving needs (i.e. wellness programs, special prevention programs, etc.)
	Identify and better manage providers
	Identify potential areas for geographic expansion; retire inefficient or non-productive offerings or branch locations
Marketing	Develop superior campaigns to recruit new subscribers and retain desirable existing ones
	Develop powerful and *personalized* communications that articulate product value and brand differentiation
	Include "transpromo" messaging that powerfully and personally enable cross-selling or up-selling of services
	Pro-actively and reactively communicate with subscribers through their preferred channels
	Retain subscribers through superior customer service
Customer Service	Use 360-degree view of subscriber to set terms of policy and create personalized EOBs and other key documents
	Swiftly respond to prospect or subscriber communications
	Capture subscribers quickly through fast response and effective communication
Claims	Have productive dialogue with subscribers to resolve issues quickly and cost-effectively
	Optimize operational efficiencies and reduce contact center traffic
Billing	Swift, accurate and efficient billing processes
	Superior transaction processes with providers
Compliance & Security	Ensure compliance with HIPAA and evolving requirements of Patient Protection and Affordable Care Act
	Maintain secure, accurate and comprehensive subscriber data
	Ensure timely, confirmable delivery of critical subscriber communications

ENTERPRISE INTEGRATION					
CRM	LEGACY SYSTEMS	ERP	BILLING SYSTEMS	ECM	BPM

CCM

DATA ACCESS AND INTEGRATION	DOCUMENT DESIGN	DOCUMENT GENERATION	CAMPAIGN MANAGEMENT	STORAGE AND ARCHIVAL	OUTPUT MANAGEMENT

CORRESPONDENCE STATEMENTS, BILLS, INTERACTIVE DOCUMENTS

INBOUND AND OUTBOUND DELIVERY CHANNELS

PRINT	FAX	WEB	EMAIL	SMS	VOICE

Customer Communication Management plays a huge role in the integration of various business functions and the long-term direction of the organization.

A Must-Have Tool for Growth

Customer communication management enables carriers to move from legacy document and content management systems to multi-channel "real time, any time, any device" dialogues with subscribers and internal audiences.

Sophisticated, forward scaling and field-proven CCM technologies on open or host platforms currently exist— along with integration experts and methodologies. They are being tested and deployed as carriers grapple with the sea changes in demographics, technologies, the volume and nature of the data they collect, and competitive and regulatory conditions.

Touching all key subscriber types and affecting multiple business-critical carrier processes, CCM will have a far-reaching impact on healthcare insurance providers as they plan for future growth.

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