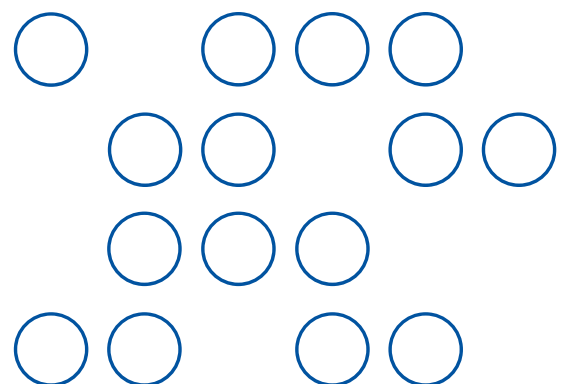




A 'Wellness Plan' for Subscriber Documents

Best Practices in Document Design and Delivery for
Superior Customer Communication Management





Introduction

What we have here is failure to communicate. The often-quoted line has been applied to many situations since *Cool Hand Luke* hit the movie screens in 1967.

But it's especially apt when we consider the conundrum facing health insurance carriers as they seek to improve the subscriber experience, retain their loyalty, and – through that – to extend their brand strength.

The problem is basic. The rise of consumerism is driving changes to the health care industry, and it is becoming imperative that communication between carriers and subscribers be designed and delivered from the consumer's perspective.

According to industry analysts, up to 90 percent of carrier-to-subscriber interactions are based on written documents. Yet consumers consistently find health care-related documents hard to read and hard to understand. Very often, important information is either missing or relegated to an inconspicuous part of the document.

Survey after survey of consumer “health literacy” over the past decade has estimated that between 35 and 50 percent of Americans with English as their first language cannot fully understand, access and use health-related information services.¹ Carrier surveys frequently reveal subscriber dissatisfaction with the quality of communication they receive: explanations of benefits and other key communications are full of jargon, poorly written and presented, and make it hard to find important information.

As a result, carriers who want to improve their relationship with subscribers are rethinking what they present to their subscribers. The goal of these initiatives is communication intelligence: harness accurate, subscriber-specific data; design clear and understandable documents that use plain language; and deliver consistent and clear communication through the subscriber's preferred channel.

This executive white paper suggests best practices in customer communication management (CCM) – specifically applied to health care insurance carriers – to guide such programs.

Addressing and Alleviating Pain Points

Five common pain points and business objectives drive these initiatives.

- **New health-management paradigms.** Shifting the responsibility for health-care management to consumers and the advent of Health Savings Accounts, Health Reimbursement Arrangements and Consumer-Directed Health Plans demand better subscriber communication. Such improvement puts useful information at the subscriber's fingertips and empowers each individual to better understand options, make better decisions and optimally utilize benefits.
- **Intense competition for subscribers among carriers.** Health insurers are located at the intersection of the subscriber – and, for some groups, hundreds of subscribers – and multiple providers. How they handle this relationship is critical to their long-term brand image. Providing superior customer communication – as an integral part of a superior overall customer experience – supports their brands and customer recruitment and retention efforts.
- **The sheer volume and nature of subscriber communication.** Member handbooks, pre-authorizations and predeterminations, eligibility lists, invoices, group billing statements, EOBs and notice of payments, checks – the types of documents that manage provider/carrier /group/subscriber relationships seem endless. One hospital visit can generate 60 or more documents. The U.S. Census Bureau recently estimated that over 31 percent of health care spending is dedicated to processing paperwork. To control production and mail costs, and to ensure that they comply with privacy mandates and other regulations, carriers must optimize mailstream efficiency.

¹ SOURCES: *The Health Literacy of America's Adults*, U.S. Dept. of Education, 2003, “Health Literacy: A Review,” *Pharmacotherapy*, March 2002.

- **Realizing ROI from electronic presentment and payment systems (EBPP).** Forrester Research has estimated that up to 75 percent of invoice processing costs could be reduced through EBPP. Many carriers have invested heavily in on-line EBPP systems to control costs, shrink time-to-payment and cater to individual consumer needs for document delivery. To maximize those investments, they need to enroll more subscribers in EBPP services by making them more relevant and easy to use.

Four Steps to Better Customer Communication Management (CCM)

Savvy carriers understand they must create a 1:1 relationship with their customers, be they groups or individuals: a relationship based on accurate, relevant and understandable information that improves the end-to-end customer experience. That personalized, optimized experience starts with customer documents, the most important touch-point in health insurance. And that demands fixing customer communications.

How, then, can carriers improve the customer experience through “best practices” in document design, composition and delivery? The answer lies in applying key principals of customer communication management, a core business process that integrates customer intelligence, production intelligence and channel intelligence to enable fast, efficient and personal communications with masses of individual subscribers. Here are four critical CCM principles as they apply to health insurance carriers.

(1) Adopt a project team and framework that drive to specific objectives.

Often, the responsibility for designing and developing customer communication has fallen to insurance carriers’ IT departments. The reason, usually, has been that document creation has been technology-constrained, not technology-enabled. (For example, some inflexible data aggregation tools require software engineers to write “custom scripts” for legacy applications to access critical subscriber data.)

IT does play a critical role in a revamped CCM-driven process, but as an integrated part of a team that is sponsored – ideally – by a chief marketing officer or business unit manager whose job description is focused on attracting and retaining customers.

This document redesign program should be “owned” at an executive or management level. This project leader identifies a cross-functional team from marketing communications/design, legal, customer service, operations and IT. The team then defines overall objectives; creates a plan with a budget and a detailed time line for specific benchmarks and project completion; and stays engaged throughout the project lifecycle.

BLUESTAR INSURANCE HEALTHCARE

Statement date: December 31, 2003
Your plan number: 123456
Your certificate number: 2345678
Group name: tech
Benefit paid to: BLAKE BLACKLASH
Deposited to your bank account: 1234567
Total health benefits paid this plan year: \$1,234.56
Your remaining HCSA balance: \$1,000.00

Your health claim statement

Questions?
Internet: www.com/groupbenefits
Call: 1-800-268-6195
Write: Group Health Claims
P.O. Box 1650, Bater IL 31

Summary of your claim

Description	Amount submitted
TOTAL FOR BLAKE	733
TOTAL FOR BARBARA	994
TOTAL FOR BLAIR	480
TOTAL FOR BEAUREGARD	557
CLAIM TOTAL	\$2,765

Details of your claim

BLAKE (insured)
Description
Service date: January 2, 2003 to March 14, 2003
Service: Chiropractor – 10 visits
Service date: November 6, 2002
Drug (ID number: 8930259 Quantity: 30)
Drug (ID number: 8110276 Quantity: 20)

	24.65	24.65	0.00	80%	19.72	0.00
TOTAL FOR BLAKE	\$733.84	\$167.59	\$0.00	\$157.00	\$100.00	

NOTES FOR BLAKE
1. Our records show that this expense has been previously submitted and considered.
2. According to your plan, Chiropractor's fees are eligible for consideration after you have received the maximum benefit under your provincial health insurance plan.

Continued on back
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Summarizing claims information for multiple members of the same household is among today's best practices.



If necessary, the team should identify outside resources that provide end-to-end experience or solutions in the planning, implementation, delivery and long-term establishment of new document creation technologies, processes or standards. Specifically, these resources should provide an integrated offering of products and design and implementation services, including:

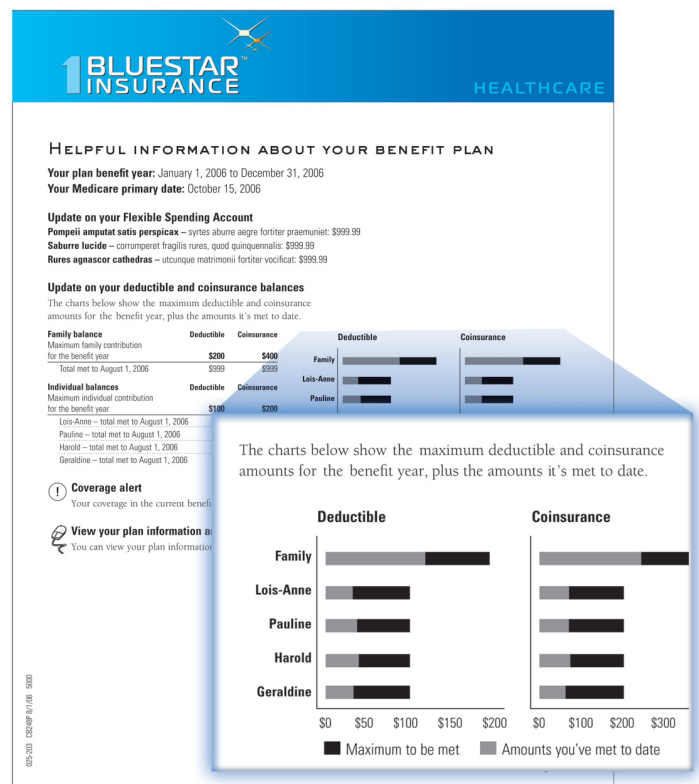
- Experienced designers and consultants.
- Flexible data access, aggregation, cleansing, and integration capabilities.
- Advanced automated document design and production solutions.
- Printstream engineering, to manage information-based production processes.
- Electronic presentment and self-care enablement.

(2) Customer Intelligence: Focus on subscribers/members and their individual needs.

Gaining a single and comprehensive view of the subscriber enables carriers to provide accurate, personal information and an understanding of individual needs that contribute immeasurably to customer satisfaction.

At a project-wide level, we recommend a multifaceted effort to make sure you adopt the customer's perspective: get feedback from contact center agents; inventory your document creation resources and technologies; conduct focus groups; and evaluate and position yourself against competitors' documents.

At the subscriber level, this step entails accessing and aggregating data from disparate sources – often multiple providers – and, through data quality technologies, ensuring a very high degree of accuracy regarding services rendered, applicable benefits, billing, and other key data points.



A well-organized statement, including the use of appropriate graphics, can increase customer comprehension and satisfaction.



Moreover, this focus on the subscriber can help identify value-added services – wellness programs, for example – or information that would contribute to a positive customer experience and foster a long-term relationship.

(3) **Production Intelligence: Integrate customer information into a design that maximizes readability, comprehension and accuracy.**

Production intelligence encompasses both sound design principles and technology solutions that enable the efficient creation of effective communications, including "mass customization" of customer documents.

The design imperatives should flow from Steps 1 and 2: create a design strategy from the consumer point of view; deliver accurate content from both provider and subscriber databases; organize the information logically and clearly to improve comprehension; and use direct, jargon-free language. The design process incorporates its own set of best practices – concept development, prototyping and rigorous review and testing of multiple approaches. Then, upon agreement on a final design, create design specifications and standards.

Intelligent enterprise production systems integrate document production and management technologies, sorters, inserters and other equipment to automate the production and processing of huge volumes of mail and other communications. These solutions are integrated with customer intelligence and channel intelligence systems to deliver the right information to right subscriber in the right format.

(4) **Channel Intelligence: Deliver the most effective communication through the preferred customer channel.**

Channel intelligence can create more consistent and more effective customer experiences. Through the seamless management, distribution and analysis of both physical and electronic communications, you can satisfy channel preference, increase retention and maximize returns.

HEALTHCARE

Important messages
Please keep this document for income tax purposes, or if coordinating benefits with another plan. This document is sufficient for income tax purposes. If you need a replacement copy, we charge a fee.

Key terms
Following are some explanations of key terms used in this Claim Statement.

Amount submitted – the amount you were charged for a product or service.

Amount eligible – the portion of the *amount submitted* that is eligible for whole or partial reimbursement by your plan.

Deductible – the eligible expenses we deduct from your claim before we pay. If you have a deductible, you must pay it before we pay. If you have a deductible, this column will show \$0.00.

Percent paid – the percentage of the *amount eligible* that your plan covers. If your plan covers 80% of the *amount eligible*, then you will not be reimbursed for the remaining 20%.

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Help prevent claims fraud!
• Be informed about the services received. Ask questions!
• Never sign a claim form before a service is performed.
• Take care when disclosing benefits coverage to others.
Large or small, fraud costs you and your employer.

Report any concerns or suspicions confidentially by calling: 1-800-441-1111

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Personalized FAQs, terms and other helpful information can help lower overall servicing costs.

In addition, channel intelligence is a part of CCM's "closed loop," cycling insights about customer preferences across the entire process. Customer intelligence helps insurers understand what they expect a customer to do, while channel intelligence helps them learn what the customer actually did. Moreover, channel intelligence lets them map their investments in proliferating communication channels to the specific behaviors of individual customers.

Group 1 Software, Inc., a Pitney Bowes company, and strategic partners such as Simplified Communications Group, Inc., provide end-to-end technology, design and process solutions for best-in-class document design and customer communication management for insurance carriers. We can tell you more about what your organization needs to do to align subscriber communication with your overall goal of improving customer relationships. To find out more, contact Pitney Bowes Group 1 Software at 1-888-413-6763 or visit www.g1.com.

Harnessing the Power of Customer Communication Management

In an era of higher costs, consumer empowerment and subscriber churn, health insurance carriers must present clear, straightforward and understandable information so consumers can make better-informed decisions about their coverage and better understand their options.

Harnessing the power of customer communication management and implementing forceful and customer-focused design can have a profoundly positive impact on the overall customer experience, and – through that – on branding, customer loyalty and retention. CCM's communication intelligence optimizes the flow of the mailstream: the documents (electronic and physical) and packages that flow within and between carriers and subscribers every day.

