

Using targeted marketing strategies to optimize healthcare plans

Targeted benefits communications can improve member health and lower program costs

WHITE PAPER



Introduction

Today, organizations are finding that rising healthcare costs can negatively impact their bottom line. Both health insurers and self-insured providers are after the same two goals: 1) reducing the cost of employee benefits, and 2) driving healthy outcomes by influencing member behavior.

Influencing behavior is, of course, what marketing is all about. It's interesting to note that for years, health benefits professionals have asked marketing experts to design, write, and produce their member communications. In some instances, marketing people were basically used to "dress up" an existing monolithic tactical communications program already in place, applying the marketing expertise to the *back end* of the process.

Instead, by providing strategic and tactical assistance at the *front end* of the process, marketing professionals can truly help managers reduce costs and influence healthy member behavior. Why? A key component of meeting today's healthcare challenges is creating impactful communications that inform, influence and motivate plan members to take positive actions that improve the quality of their lives. To accomplish this, benefits professionals need to think like marketers right from the start.

The marketing mindset

Communicating healthcare benefits is not merely sharing facts and figures. The real communications challenge is marketing the healthcare plan to program members and driving the desired behaviors and outcomes. To do this, the benefits organization needs a well thought out targeted communications program.

The program starts with understanding members' wants and needs, likes and dislikes, and recognizing and addressing their special traits. Where do they live? What language do they speak at home? Who is the "healthcare CEO" of the household? Each individual is unique and in most organizations, employee populations are incredibly diverse. So, how can you reach members with targeted communications that improve their use of healthcare benefits?

By thinking of every benefits challenge as a marketing problem, managers can start employing marketing practices to help reduce communications complexity and plan costs, and drive healthy outcomes.

Segmenting the audience

Employing marketing techniques that segment your member audience geographically is the first step. Establish where they live and work. Determine their proximity to care and support services and what hours those services are available. Also, track how members behave in different geographic sectors, from urban to suburban to rural locales.

Next, explore demographic segmentation. Group members by specific characteristics, regardless of where they are located. Without using sensitive personal health records, you can uncover demographic insights to align communications with segment attributes and drive significant improvements. Messaging can be made more relevant to the targets, which is key to engaging them. Members who are more involved in their healthcare program tend to make better decisions about their consumption of benefits, which in turn helps them become healthier and more productive.

In addition, demographic segmentation can uncover new approaches to reaching members in traditional and non-traditional ways by leveraging messages and media vehicles that will help generate the desired behavior from each segment of your audience.

The role of targeted marketing

Targeted marketing is the deployment of differentiated messages, strategies and tactics for each audience segment. Targeting helps you answer questions like:

- When should members be contacted?

- In which channel?
- Does one plan work for all segments?
- What is the segment's "health literacy"?
- How frequent is engagement?
- Who is the healthcare decision-maker (the "healthcare CEO") of the household?

Targeted marketing helps you effectively deploy the full range of communication vehicles now available: direct mail, email, texting, radio events, websites, blogs, podcasts, call centers, social networks, TV, partner sites, and search. While these channels provide benefits managers with more ways to reach members than ever before, *hard copy printed materials still remain the dominant format for healthcare communications.*

A recent omnibus survey commissioned by Pitney Bowes Management Services clearly shows members' preference for print communications. This is particularly important in families where options for coverage, care, and providers need to be shared with others. This member preference for print communications can make "transpromo" opportunities quite effective. As an example, a wellness message embedded in an Explanation of Benefits can be a very efficient way to influence a recipient.

Targeted marketing also enables you to tailor communications to each stage of the member relationship. A communications strategy should evolve throughout the member life cycle, from onboarding to engagement to reinforcing or redirecting the relationship, to points that require recognition and reward. As the member ages, behavior and preferences may change. Member life events – such as the birth of a child or the diagnosis of a chronic disease – also impact your communications approach. Any of these factors can influence both the message and how you will be delivering it. Maintaining an ongoing conversation with your membership often helps you anticipate changes so you can be ready with meaningful messages.

The bottom line: tailored messaging in a targeted marketing program can dramatically increase the effectiveness of healthcare and wellness communications.

Targeted marketing tools

There are many effective marketing tools to help you target the right message to the right audience through the most effective media channel. Benefits managers can use these tools to help cut costs and influence healthy behaviors by positively impacting member decisions. The following marketing tools are particularly useful in the healthcare arena:

Segmentation Analytics and Experience Design. Segmentation Analytics breaks down a population into groups that need different messaging approaches. It enables you to choose the

message that will resonate most with each unique segment. Experience Design is a service provided by experts who interpret member data to determine the best way to reach each audience segment and the best cadence, or frequency of contact.

Location Intelligence and GIS (Geo Information Systems). These tools allow you to relate data to geographic areas, either visually in maps and charts or as conventional tables. This allows benefits managers to collapse the amount of information sent to members, who need only receive information about participating pharmacies and Primary Care Providers (PCPs) in their area. This cuts printing and postage costs, and reduces the need to warehouse huge preprinted directories for onboarding programs.

Variable Composition. This tool enables you to create customized templates that tailor communications to specific audiences. For example, the same letter can be produced with a picture of a family with children, a young married couple, or seniors on a golf course. The appropriate template can then be selected and printed automatically as the mailing is produced. You can even use Variable Composition to produce communications in the language spoken in the member's household.

Address and Data Hygiene. These tools cleanse bad/undeliverable addresses and other erroneous input to make sure that what you put in the mail will be delivered to the intended recipient.

Typical applications: Real world case studies

Here are some examples of how organizations use targeted communications programs to reduce healthcare costs and improve member health:

Saving money with more effective pharmacy benefit onboarding kits

Ineffective and unnecessarily expensive onboarding kits can start member relationships off on the wrong foot. They can flood your help desk with calls each time new kits are distributed. They can extend the learning curve for new members, resulting in low referral and retention rates. In contrast, effective onboarding kits are easy to understand, simple to navigate, and contain only relevant content.

One organization had a special challenge with their pharmacy benefit onboarding kits. They were mailing new subscribers a huge packet of ID cards, network directories, and program information. The packages were costly to produce and unwieldy for members to use.

The solution: configure a workflow to accept data feeds that could be translated into an order for variably printed materials. The system used recipient addresses to trigger a retail

pharmacy provider selection. This reduced the size of the provider directories from the entire state or region to just those pharmacies within 20 miles of the member's home.

Using Variable Composition tools and Print-on-Demand (POD), the total cost for onboarding kits was reduced by more than 70 percent.

Increasing preventive screenings among members

This organization was experiencing poor participation in preventive care by new employees. New members and their families simply needed guidance for the proper use of health benefits.

The solution was to create a highly personalized and versioned mailing from the benefits services provider with the simple title, "Why preventive care is important." The piece included an easy to follow "Guideline for maintaining your health" which contained individualized wellness guidance tailored to the age, gender, and family composition of the recipient. Each family member had preventive screening guidance tailored to their specific needs.

The result: Wellness testing increased by 25 percent. The success of this program also illustrates the importance of creating an ongoing dialogue to enhance member relationships. Such dialogue puts the benefits administrator in a position of trust and respect from which to steer desired behaviors and drive deeper engagements. It's important to first know your members' current behaviors and engage each one with information that relates directly to their personal situation.

Replacing ER use with primary care provider visits

In a targeted program, as data is collected and analysis uncovers potential problems, remediation or reactivation communications can guide members back to preferred practices. Here, the degree of success is impacted by how strong the relationship is between the benefits group and the member through ongoing dialogue. Most importantly, this "redirect marketing" requires ongoing usage monitoring and the necessary flexibility to drive differentiated programs and communications.

Another organization was experiencing significant challenges around some members' frequent use of the Emergency Room as their source for primary care. This is an expensive approach for both the payer and the employee.

The solution: create a targeted enrollment mailing to the population segment most likely to use health benefits inappropriately. Location intelligence tools were used to create mail pieces that included a listing of the three participating PCPs closest to the member's home. Depending on age, gender and family composition, some mailings also included the three closest participating pediatricians and OB/GYN practices.

The result: Primary Care Provider visits increased an astounding 41 percent!

Increasing adherence with multi-channel communications

Healthcare benefits providers often use traditional marketing tactics in order to achieve an effective member communications program, including:

- Segmenting their member base to better inform decision, expenditures and communications strategy;
- Understanding the member's stage in the relationship and communicate appropriately;
- Using all available channels to communicate and influence behavior;
- Monitoring outcomes and adjusting communications tactics accordingly.

This broad approach is illustrated by an organization who wanted to increase member adherence to the treatment for a high-profile chronic illness. First, they had their data analyzed to determine the five key challenges their patient program was facing and then identify solutions. Next, they implemented a multi-channel communications program that focused on the patient experience from onboarding to ongoing benefits usage. This effort included:

- A differentiated approach based on audience segmentation;
- Differentiated messaging and channels (communications channels, delivery channels, etc.) based on the member's stage in the relationship.
- A concerted effort to bridge gaps in the experience between the healthcare provider and patient;
- A match-back approach to measure the program's impact on patient adherence and compliance.

This work resulted in an effective, multi-channel relationship marketing program for both new and existing patients that is both scalable and cost-effective. The organization more than doubled its initial registration targets. The tiered, segmented patient experience, based on potential value, resulted in a lifetime cost reduction per patient of approximately 60 percent. And, the engagement levels for both web and email have been consistently well above industry benchmarks, with positive trending month-over-month.

Getting started and evaluation considerations

Here are the steps you need to take to begin. They also will help you determine how to evaluate the success of your targeted communications program:

1. Determine the outcome or outcomes you're seeking in the member population, such as a shift from retail to mail order drug purchases, an increase in preventive screenings, or a lowering in claims for ER services.
2. Identify natural segments within the member population such as career stages with the organization – new employees, single members vs. families, etc.
3. Define the initial segment hypothesis for which to test. This could be triggered by issues like younger employees not participating in prevention screenings at the levels you would like.
4. Inventory and understand the member behavior and demographic data you have available. This includes examining all the facts – medical claims, age, gender, language preference, and home address.
5. Determine what additional information you might need to establish correlations between member segment attributes and existing behaviors. This may involve tracking distance to care providers, household income, etc. Please note that this analysis will be somewhat iterative. Additional data insights will likely be pursued following the initial correlation studies.
6. Conduct the initial analysis plan design with the analytics team to probe hypothesis cases and seek additional correlations.

A marketing opportunity

There is no question that in terms of controlling costs and improving member health, benefits plans contain truly high value communications. It is important to emphasize though, that these efforts need to be approached as marketing opportunities which leverage targeted marketing disciplines, tools and tactics to promote the best use of benefits. The key elements include:

- Segmentation
- Location Intelligence
- Differentiated Messaging
- Differentiated Multi-Channel Delivery
- Response Evaluation

With help from targeted communications experts, these marketing tactics can be applied to encourage behaviors that improve overall health. This can result in lower costs for benefits providers and improved healthcare outcomes and cost savings for members.

Every connection
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