

# IMPROVING MEMBER EXPERIENCE: THE RISE OF CONSUMER ACCESS AND CHOICE

## Perspective

The introduction of the Affordable Care Act (ACA) in 2010 created unprecedented change in the insurance markets, giving individual consumers new levels of access to healthcare coverage. While these changes have opened new opportunities for payors to add members and capture revenue, it has also forced them to be acutely aware of the member experience. This new landscape where consumers have more choice has proven challenging to navigate, while creating new opportunities for payors to gain competitive advantage.

Payors that are willing to focus strategic priorities, resources and critical operations on the moments that matter most in the member experience can reduce churn, improve brand reputation, lower costs, and increase revenue, among countless other benefits.

On the other hand, payors that fail to give serious attention to member experience face multiple risks, including:

- Loss of market share
- Internal distractions
- Drains on employee morale

Additionally, there's the risk of wasting significant money and time on patch repairs and remediation, rather than on understanding and transforming areas that have the greatest impact on member experience and brand perception.

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## Understanding Brand Implications when Individuals have More Power to Choose

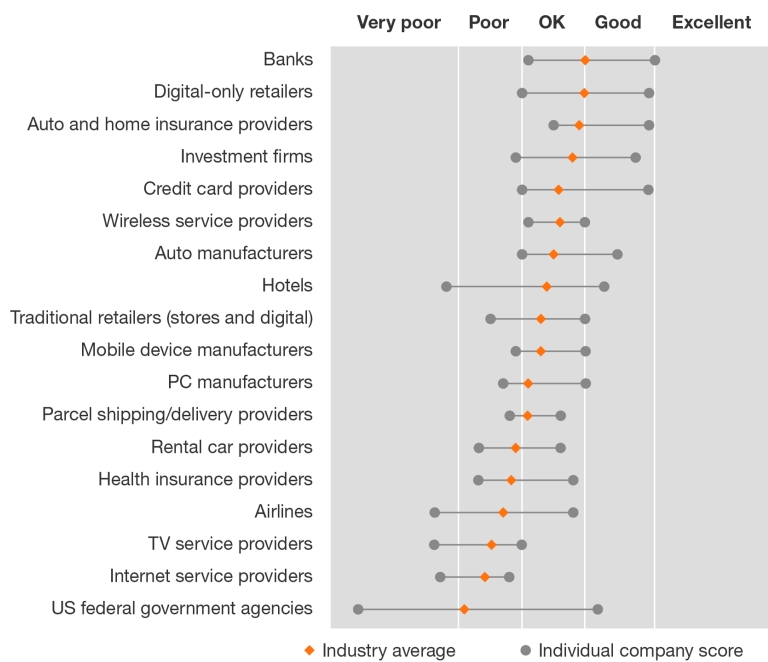
While some payors have begun to intensify focus on customer experience, the industry overall has lagged far behind. Forrester's Customer Experience (CX) Index scores more than 900 brands across 18 industries and eight

countries on CX quality. According to the 2015 Q3 Index, health insurance providers scored among the lowest industry averages for CX quality. Further, the report notes that as health insurance exchanges take hold, the direct-pay group will only get larger, making CX quality levels more critical to the industry's future.<sup>1</sup>

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### Distribution Of Scores For Forrester's CX Index™, US Consumers Q3 2015

*The US Customer Experience Index, Q3 2015*



Base: 45,320 US online adult customers (ages 18+) of at least one industry who interacted with that industry within the past 12 months (bases vary by industry)

Source: Forrester's Customer Experience Index Online Survey, US Consumers Q3 2015

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Studies such as this reinforce that payors are in the spotlight as consumers have access to information such as peer reviews, pricing and comparison tools, and the power to choose products based on features, pricing, network and service. In response, some payors have taken measures such as appointing Chief Customer Experience Officers. Yet many of these very skilled leaders do not fully understand which touch points are having the greatest impact on their members' perceptions, and if they do, they may struggle to prioritize efforts and focus resources in order to achieve rapid, high-impact results.

<sup>1</sup>Forrester's Customer Experience Index Online Survey, US Consumers Q3 2015.

## How to Build a Better Member Experience: A Relentless Focus on Moments that Matter

We believe payors can start by scrutinizing the following high-yield areas in order to generate measurable, authentic improvements to member experience:

### Strategic:

- **Product architecture and naming** – Are meaningless, non-descriptive names such as “Bronze” or “Gold” clear to your employees but confusing to members or potential members who are trying desperately to understand plans and make the right choice?
- **Member communications** – Have legalese and regulatory requirements trumped common sense in when and how you communicate with members? Are your messages to members as clear, friendly, plainspoken and targeted as they should be?
- **Voice of the customer (VOC) listening posts and programs** – Do you have the right posts in place? And are you making the best use of ones you already have? Are you making the highest and best use of call monitoring, chat transcripts, member advisory programs and social media channels to create real, meaningful change to your processes and policies?
- **KPIs and executive ownership** – Do you have the right member focused KPIs, are they clear to all levels and across all functions, and is there true cross-functional cooperation and accountability against those measurements?

### Tactical:

- **Call center and IVR** – Is the experience as simple, customer centric and as seamless as possible? Or are outdated systems or internal organizational tangles being imposed on members?
- **Billing and payments** – Are your bills accurate, on time and clear? Can members pay easily, quickly and with confidence by whatever means they prefer? While many payors have made improvements in areas such as this one, there is still tremendous opportunity to improve accuracy and convenience in this critically important influencer of member satisfaction. Members can and do walk away based on this aspect of the experience alone.
- **Product selection tools** – Are you making it easy for members to shop and compare your family of offerings to one another and to other payors? An increased menu of plan options and network changes confuses current and prospective members. To reduce confusion and differentiate themselves as a beacon of stability, smart healthcare payors are shoring up their member experience capabilities. This is another critical area where payors can stand out and consumerize the shopping experience with better tools.

## In Summary

Regulatory forces are re-shaping the healthcare industry landscape. ACA has paved the way for a rise in individual access and choice. Payors are finding ways to adapt to the new rules in terms of how they direct their business efforts, but must recognize that individual consumers are struggling to understand the new landscape as well.

By making a rigorous examination of the entire member experience, payors of all sizes and brand stature can find opportunities to drive business growth and innovation through small and large changes in the member experience.

This commitment to the longer view can be their true source of brand differentiation.

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## ABOUT NORTH HIGHLAND

North Highland is a global management consulting firm that delivers unique value, relevant big ideas and strategic business capabilities to clients around the world. The firm solves complex business problems for clients in multiple industries through an integrated approach and offers specialty services via its Data and Analytics, Managed Services, and Sparks Grove divisions. North Highland is an employee-owned firm that has been named as a “Best Firm to Work For” every year since 2007 by Consulting Magazine. The firm is a member of Cordence Worldwide ([www.cordenceworldwide.com](http://www.cordenceworldwide.com)), a global management consulting alliance. For more information, visit [northhighland.com](http://northhighland.com) and connect with us on [LinkedIn](#), [Twitter](#) and [Facebook](#).

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