The Financial Case for a Frictionless Experience

Four priorities to guide member experience improvement
1. The never-ending experience problem

2. The case for a frictionless experience

3. Four priorities for a spend-conscious experience
Our never-ending customer experience problem

Health plans lag behind other industries on NPS®, with minimal gains

Net Promoter Scores across industries by company

2018 Temkin Group Consumer Benchmark Survey

<table>
<thead>
<tr>
<th></th>
<th>2018 Score</th>
<th>2017 Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Airlines</td>
<td>4</td>
<td>18</td>
</tr>
<tr>
<td>Comcast</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Sprint</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Health plans (2018)</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Amazon.com</td>
<td>51</td>
<td></td>
</tr>
<tr>
<td>Netflix</td>
<td>49</td>
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<tr>
<td>Apple</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>USAA</td>
<td>65</td>
<td></td>
</tr>
</tbody>
</table>

“The small improvements that the best insurers have made are not good enough to win, serve, and retain their customers in the long run”

FORESTER ANALYSIS TEAM


1) Net Promoter, Net Promoter System, Net Promoter Score, and NPS are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.
No shortage of consumer experience (CX) investments

Plans investing in multiple initiatives with no next step

Increase in plan CX expenses

Median health plan customer experience expenses\(^1\), 2013-2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenses as percent of premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1.37%</td>
</tr>
<tr>
<td>2016</td>
<td>1.42%</td>
</tr>
</tbody>
</table>

\(^1\) Sherlock Benchmarks for Blue Cross Blue Shield Plans—includes expenses for enrollment/billing/membership and customer services for all products. Data from 14 BCBS plans.


CX top of mind for health payer executives in 2019\(^2\)

1. Customer-centricity/experience—87%
2. Data and analytics—83%
3. Organic growth—81%

Examples of health plan CX initiatives

- High-touch concierge services
- Predictive analytics
- Technology Investments
- Journey mapping
- App improvements
- Loyalty and rewards programs

**Common health plan CX initiatives**

1. Increase in plan CX expenses
2. Median health plan customer experience expenses, 2013-2016

Introducing our 2019 Health Care Experience Study

Which member frictions correlate with costly care use?

We wanted to answer the key question:

We defined a friction as the following:

A friction is anything that inhibits a consumer from intuitively and painlessly achieving their goals causing the consumer to hesitate or abandon the health care interaction altogether\(^1\)

Friction prioritization

<table>
<thead>
<tr>
<th>Service frictions</th>
<th>Outcome</th>
<th>Impact on costly care use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waited too long on the phone to schedule doctor’s appointment</td>
<td>YELP review</td>
<td></td>
</tr>
<tr>
<td>Waited too long for prior authorization to see in-network doctor</td>
<td>Out-of-network use</td>
<td>✓</td>
</tr>
<tr>
<td>Failed to speak with health plan nurse hotline</td>
<td>ED use</td>
<td>✓</td>
</tr>
<tr>
<td>Did not receive reminder from plan or provider to get flu shot</td>
<td>Skips flu shot</td>
<td>✓</td>
</tr>
</tbody>
</table>

\(^1\) Common user experience definition.

Source: Health Plan Advisory Council interviews and analysis.
A closer look at the respondents

Respondents skewed slightly older and wealthier than average

**Participant demographics for web-completed questionnaire**

**Eligibility criteria**

- 3225 respondents
- 95% consumers who used care in the past 12 months
- 5% consumers who attempted to use and abandoned care in past 12 months
- 55% females

**Payer distribution**

- Employer-Sponsored
- Individual

**Age distribution**

- 65+ 20%
- 55 - 64 31%
- 35 - 54 34%
- 26 - 34 11%
- 19 - 25 4%
- < 18 0.4%

**Income distribution**

- <25K 13%
- $25K - < $35K 9%
- $35K - < $50K 13%
- $50K - < $75K 20%
- $75K - < 100K 15%
- $100K - < $150K 18%
- $150K + 12%

Source: Health Plan Advisory Council interviews and analysis.
Do storks deliver babies?

Correlation does not imply causation

Relationship between stork populations and human birth rates

*Country-level stork and birth populations in 1990*

![Graph showing correlation between stork populations and human birth rates](image_credit: pricenomics blog)

显著的关联程度。然而，一个简单的变量会影响出生率和鹳群的数量，即**每个国家的大小**。
1. The never-ending experience problem

2. The case for a frictionless experience

3. Four priorities for a spend-conscious experience
The top line: Not a pretty picture

Majority of members experience frictions as they use care

Many members experience frictions

*Proportion of members reporting frictions and average number of frictions*

n=3,255

Did not experience any friction

- 30%

Experienced at least one friction

- 70%

*average number of frictions experienced by members who experienced at least one friction*

3

Source: Health Plan Advisory Council interviews and analysis.
The good news?: It’s everyone’s fault!

Provider and insurer frictions equally prevalent

Fairly equal proportion of provider and insurer frictions

Proportion of consumers reporting provider or insurer frictions

n=3,255 consumers

1) Provider and insurer frictions assigned according to who is interacting with the consumer and likely to receive blame from the consumer.
Care experience, cost and coverage are top concerns

Consumers complain most about care experience, confusion around costs and coverage

Proportion of members reporting each friction¹ (Top 10 most prevalent)

<table>
<thead>
<tr>
<th>Experience</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I was not satisfied with my doctor’s services</td>
<td>18%</td>
</tr>
<tr>
<td>I did not spend enough time with my doctor</td>
<td>18%</td>
</tr>
<tr>
<td>My insurer didn’t cover the full cost of services I got</td>
<td>17%</td>
</tr>
<tr>
<td>My OOP was higher than I expected</td>
<td>14%</td>
</tr>
<tr>
<td>My doctor didn’t know how much care would cost</td>
<td>9%</td>
</tr>
<tr>
<td>The EOB was unclear</td>
<td>9%</td>
</tr>
<tr>
<td>The provider sent me a bill my insurer was supposed to pay</td>
<td>8%</td>
</tr>
<tr>
<td>I couldn’t get an apt to see my regular or in-network doctor soon enough</td>
<td>8%</td>
</tr>
<tr>
<td>My insurance company denied a service</td>
<td>8%</td>
</tr>
<tr>
<td>My doctor didn’t know if the medication was covered by my insurer</td>
<td>8%</td>
</tr>
</tbody>
</table>

n=3,255

¹) In the past 12 months, did you have any of the following experiences?

Source: Health Plan Advisory Council interviews and analysis.

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Poor experience results in many interrelated effects

Hard to focus on a single metric

Potential impacts of experiencing service frictions

- NPS
- Experiencing friction
- Retention
- Costly care use

DISCUSSION

Which of these metrics do you care about most?

Source: Health Plan Advisory Council interviews and analysis.
Poor service hurts NPS

NPS decreases as members encounter more frictions

Promoters encounter fewer frictions

*Member likelihood to recommend plan and average number of frictions*¹

n=3,084 who used care

<table>
<thead>
<tr>
<th>NPS type</th>
<th>Average frictions²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoter</td>
<td>1.97</td>
</tr>
<tr>
<td>Passive</td>
<td>2.09</td>
</tr>
<tr>
<td>Detractor</td>
<td>2.53</td>
</tr>
</tbody>
</table>

¹ On a scale of 1-10, how likely are you to recommend your plan to a friend or colleague? [1-6: Detractor, 7-8: Passive, 9-10: Promoter]

² Number of frictions calculated for consumers who used care only.

Source: Health Plan Advisory Council interviews and analysis.
Two strikes and you’re out

Propensity to switch increases with more frictions

Members likely to switch if they experience two or more frictions

*Average number of frictions by likelihood to switch plans*

1) If given the chance to, would you switch your health plan?

Source: Health Plan Advisory Council interviews and analysis.
Advisory Board Insight

Service frictions negatively impact plans’ NPS and lead to members wanting to switch, even if it’s just 2 frictions
A costly experience

Poor service experience leads to costly care utilization

Sovereign Valentine’s dialysis nightmare: The cost of poor service in healthcare

Valentine experiences symptoms of kidney failure and begins dialysis at out-of-network facility

Valentine receives bill for $524K for 14 weeks of OON dialysis care1

Friction:
- Bill higher than expected

Valentine finds an in-network dialysis clinic that had not turned up in her insurer’s online search directory

Friction:
- Inaccurate information

Insurance case manager notifies Valentine of OON care, but does not give in-network option

Friction:
- Inadequate information

Valentine asked insurance company and provider how much they could be charged, but received no answer

Friction:
- No response

$504,181
Estimated total cost that could have been avoided2

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1) Since the airing of this story, Fresenius, the company that provided dialysis to Sovereign Valentine, has agreed to waive his $524,600.17 bill.

2) Based on a recent study that shows commercial payers on average pay 4 times the Medicare rate ($235 per session) for kidney dialysis.

Survey analyses explained

Odds ratio measures association across different groups

**Example**

Is there a relationship between purchasing ice cream and weather?

**Odds of buying ice cream on a hot day**

\[
\frac{\text{Number of times you buy ice cream on a hot day}}{\text{Number of times you didn’t buy ice cream on a hot day}} = \frac{4}{2} = 2
\]

**Odds of buying ice cream on a cold day**

\[
\frac{\text{Number of times you buy ice cream on a cold day}}{\text{Number of times you didn’t buy ice cream on a cold day}} = \frac{1}{1} = 1
\]

**Odds ratio of buying ice cream on hot vs. cold day**

\[
\frac{\frac{2}{1}}{\frac{1}{1}} = 2
\]

**Interpretation:**

You are 2 times as likely to buy ice cream on a hot day compared to a cold day

Source: Health Plan Advisory Council interviews and analysis.
Insurer frictions lead to likely OON\(^1\) care and ED use

Incremental chance of costly care outcome for provider and insurer frictions

*Odds ratio for ED and OON with by type of friction*

n=171 members received OON care; n=540 members went to the ED

- **OON\(^2\)**
  - Provider: 3.3X
  - Insurer: 12.3X

- **ED\(^3\)**
  - Provider: 2.1X
  - Insurer: 2.5X

**Interpretation:** A member is **12.3 times more likely to go to the OON** if they experienced a friction while interacting with their insurer.

1) Out-of-network care.
2) In the past 12 months did you receive a medical bill that was higher than expected for out-of-network care?
3) In the past 12 months, did you go to the ED to get care for yourself?

Source: Health Plan Advisory Council interviews and analysis.
Insurers play a direct role in costly care

### Incremental chance of ED or OON use for each individual friction experienced

#### Odds ratio for OON use for each of friction

- **n=171** consumers received OON care

  - My insurer told me to ask my doctor 6.9
  - My insurer gave me information about services covered different from my doctor 5.9
  - I couldn’t find the portal/mobile application/website 5.1
  - The website or mobile application crashed 4.4
  - My insurance company could not give me the cost/coverage information I needed 4.4
  - The digital customer service agent (chat bot) did not respond to my query 4.4
  - The online portal was too difficult to navigate so I gave up 3.9
  - I couldn’t log onto my health insurance company’s online portal, application or website 3.8
  - I received inconsistent information from different staff at my insurance company 3.6
  - The online tools gave me inaccurate information on healthcare costs and in-network doctors 3.3

#### Odds ratio for ED use for each of friction

- **n=540** consumers went to the ED

  - It took too long to get approval or denial information about medical services 4.5
  - I couldn’t log onto my health insurance company’s online portal/application or website 3.8
  - My insurer gave me information about services covered different from my doctor 3.4
  - The online tools gave me inaccurate information on healthcare costs and in-network doctors 3.1
  - I received inconsistent information from different staff at my insurance company 3.0
  - The online portal was too difficult to navigate so I gave up 2.7
  - Too many transfers from one person to another at the insurers office 2.5
  - My insurance company denied a service 2.5
  - The website or mobile application was too slow 2.4
  - The digital customer service agent (chat bot) did not respond to my query 2.3

Source: Health Plan Advisory Council interviews and analysis.
Likelihood of costly events increases with frictions

Single service failure can lead to 30% increase in chance of OON use

Incremental chance of costly care outcome with each additional friction

Odds ratio for ED, OON use, and having an unmanaged condition with each additional friction

1) Trends similar in Medicaid and MA but unmanaged chronic condition outcome not significant in either LOB.
2) In the past 12 months did you receive a medical bill that was higher than expected for out-of-network care?
3) In the past 12 months, did you go to the ED to get care for yourself?
4) In the past 12 months, have you skipped medication, gone to the ED or get admitted because of your chronic condition?

**Interpretation:** For each additional friction, you are 20% more likely to go to the ED
Advisory Board Insight

While members experience provider and insurer frictions equally, it’s the insurer frictions that correlate most with costly care.
The case for a frictionless experience

Service frictions impact Net Promoter Score (NPS), retention, and cost

Three reasons to improve service frictions

1. **NPS**
   Members who experience frictions have lower NPS

2. **Retention**
   Members with fewer frictions are less likely to want to leave their current plan

3. **Costly care use**
   Members with more frictions are more likely to use costly care

Source: Health Plan Advisory Council interviews and analysis.
Four priorities to focus your experience improvements

1. **Initiation**
   - New members most vulnerable to frictions

2. **Recovery**
   - Fixing digital frictions can improve NPS, care outcomes

3. **Access**
   - Quick access to a provider offers greatest experience gains

4. **Navigation**
   - Updated information supports members trying to navigate properly

Source: Health Plan Advisory Council interviews and analysis.
1. The never-ending experience problem

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Four priorities to focus your experience improvements

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Source: Health Plan Advisory Council interviews and analysis.
Members constantly operate in new environment

Majority of switching involuntary due to employment and eligibility

More than a quarter of MA and Medicaid enrollees are new to the plan

*Proportion of members switching plans or insurers within the past 3 years*¹

No switching=2,140; yes=914

<table>
<thead>
<tr>
<th></th>
<th>New plan</th>
<th>New insurer</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA</td>
<td>34%</td>
<td>11%</td>
</tr>
<tr>
<td>Individual</td>
<td>26%</td>
<td>15%</td>
</tr>
<tr>
<td>Employer</td>
<td>17%</td>
<td>10%</td>
</tr>
<tr>
<td>Medicaid</td>
<td>15%</td>
<td>11%</td>
</tr>
</tbody>
</table>

More than a quarter of MA and Medicaid enrollees are new to the plan

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 I changed jobs</td>
<td>11%</td>
</tr>
<tr>
<td>2 My employer changed the insurance offerings</td>
<td>15%</td>
</tr>
<tr>
<td>3 Premiums were too high</td>
<td>10%</td>
</tr>
<tr>
<td>4 OOP was too high</td>
<td>11%</td>
</tr>
<tr>
<td>5 I no longer qualified for the plan</td>
<td>17%</td>
</tr>
<tr>
<td>6 My plan was discontinued</td>
<td>26%</td>
</tr>
<tr>
<td>7 My plan did not cover the services I wanted</td>
<td>17%</td>
</tr>
<tr>
<td>8 My plan network did not include doctors I wanted</td>
<td>15%</td>
</tr>
<tr>
<td>9 I was frustrated by my insurer’s services</td>
<td>11%</td>
</tr>
<tr>
<td>10 I did not like the doctors in my network</td>
<td>10%</td>
</tr>
</tbody>
</table>

¹ Have you changed your health plan or insurer within the past 3 years?

Source: Health Plan Advisory Council interviews and analysis.
Network inclusion top of mind for new members

New enrollees report more frictions and costly care, especially in Medicaid

New members encounter more frictions than established members (at least 3 years)

Average number of frictions for new\(^1\) and established enrollees (at least 3 years)

<table>
<thead>
<tr>
<th></th>
<th>Average # of frictions(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New enrollees</td>
<td>2.6</td>
</tr>
<tr>
<td>3-year enrollees</td>
<td>1.9</td>
</tr>
</tbody>
</table>

New members use costly care more frequently than established members (at least 3 years)

Proportion of members with ED, OON use and unmanaged chronic conditions among new vs. established enrollees

No switching=2,211; yes=1,039

- **OON care**: 20% (20%), 8% (8%)
- **ED**: 17% (17%), 21% (21%)
- **Unmanaged chronic condition**: 25% (25%), 30% (30%)

1) New enrollees includes both those who are new to a plan and those who are new to the insurer.

2) P-value <0.005 for difference in average number of frictions.

Source: Health Plan Advisory Council interviews and analysis.
New members can’t quickly see product value

Inability to get to provider appointments more prevalent for new members

Proportion of members reporting each friction within past 12 months

No switching=2,140; yes=914

- I couldn’t get an apt to see my regular or in-network doctor soon enough: 58% (38% switched, 25% not switched)
- I couldn’t log onto my health insurance company’s online portal/mobile application or website: 35% (11% switched, 18% not switched)
- My insurer gave me information about services covered different from my doctor: 25% (18% switched, 18% not switched)
- I couldn’t find the portal/mobile application/website: 27% (18% switched, 8% not switched)
- The digital customer service agent (chat bot) did not respond to my query: 11% (11% switched, 3% not switched)
- The online portal was too difficult to navigate so I gave up: 11% (3% switched, 3% not switched)

Source: Health Plan Advisory Council interviews and analysis.
Advisory Board Insight

Members who are new to a carrier or product encounter more frictions. These members face exceptional challenges seeing providers, increasing their likelihood to have unmanaged chronic conditions.

Plans should:
1. Partner with providers to block appointment times for new members
2. Consider virtual physician visits to expedite access to care
3. Teach members to use digital tools in provider offices
Humana pilots new virtual primary care product

Telehealth platform, Doctor on Demand, manage patient relationship

Humana’s “On-Hand” virtual product

Virtual access to services

- Virtual PCP: Members assigned dedicated PCP from Doctor on Demand
- Medical device kit: Given digital blood pressure cuff, thermometer, and log

Lower costs

- Affordable coverage: $0 copays for video visits; $5 copay for lab tests and prescriptions
- Downstream navigation: Doctor on Demand’s “smart referrals” feature ensures all referrals remain in-network

Decrease in average monthly premiums compared to industry standard plan (expected)

Source: “Humana and Doctor on Demand launch virtual primary care plan to bring more services with lower costs to patients, insurers, and employers,” Business Wire, April, 2019; Livingston S, “Humana announces virtual primary-care plan,” Modern Healthcare, April, 2019; Health Care Advisory Board interviews and analysis.
Humana Inc.

- Health insurance company with over 16M covered lives
- Based in Louisville, Kentucky

► Launched a virtual primary care plan in partnership with Doctor on Demand—a telehealth platform that provides urgent care, preventive care, and behavioral health services through video visits

► Members have a $0 copay for doctor visits using Doctor On Demand and a $5 copay for common labs and prescriptions; plan premiums are expected to be up to half the cost in comparison to an industry-standard plan

► Doctor on Demand’s Synapse platform offers a single patient profile that allows for synchronization with connected devices and in-network referrals for all in-person visits

Source: Health Care Advisory Board interviews and analysis.
Kaiser onboards new members to system platform

Kaiser addresses new patient churn proactively

**New member welcome program**

- Members choose their personal physician and easily get care and medication as needed
- Register and utilize member portal\(^1\)
- Front desk staff supported to acknowledge first time patients and create welcoming experience

**CASE EXAMPLE**

**Kaiser Permanente**

Integrated health plan with 12.3 M members• Oakland, CA

- Conducted ethnographic and market research studies on loyalty improvement
- Formalized new member welcome program based on member insights and data-driven analysis

**1–2 years**

Time period within which new member onboarding materially impacts member retention

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\(^1\) Rx management, schedule appointment, view test results, access health record.

Source: Health Care Advisory Board interviews and analysis.
Four priorities to focus your experience improvements

1. **Initiation**
   - New members most vulnerable to frictions

2. **Recovery**
   - Fixing digital frictions can improve NPS, care outcomes

3. **Access**
   - Quick access to a provider offers greatest experience gains

4. **Navigation**
   - Updated information supports members trying to navigate properly

Source: Health Plan Advisory Council interviews and analysis.
Digital interactions increasingy common

Proportion of people with digital interactions\(^1\) vs. live phone interactions\(^2\)

- 25% with no communication with insurer (n=813)
- 35% used phone to contact insurer (n=1,150)
- 40% used digital tools or website (n=1,333)

26% of members experienced friction while using their insurer’s digital tools.

Top reported frictions:

1. “The website or application was slow”
2. “The information available was not up-to-date”

1) In the past 12 months, did you use your insurer’s digital tools to access information about your coverage?
2) In the past 12 months, did you communicate with your health insurance provider?

Source: Health Plan Advisory Council interviews and analysis.
Digital service saves improve NPS and costly care

Service recovery associated with lower incidence of unmanaged care

**Impact of fixing digital frictions on NPS**

*Difference in NPS for members with and without fixed digital frictions*

1. **+23** The website or mobile application was too slow
2. **+22** The website or mobile application crashed
3. **+19** The information available on my billings and claims wasn't up to date
4. **+17** I couldn't log onto my health insurance company's online portal/mobile application

**Impact of fixing frictions on unmanaged chronic conditions**

*Difference in prevalence of unmanaged chronic conditions among people with and without fixed frictions*

1. **-30%** The digital customer service agent (chat bot) did not respond to my query
2. **-16%** The website or mobile application crashed
3. **-9%** The website or mobile application was too slow
4. **-7%** I couldn't log onto my insurer's online portal/mobile application or website

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1) Difference of NPS for consumers who had their frictions fixed vs. those that did not.
2) Difference in prevalence of unmanaged chronic conditions for consumers who had their frictions fixed vs. those that did not.
Digital frictions happen—and they lead to costly care. But fixing them (particularly speeding up the website) can improve members’ health outcomes.

Plans should:
1. Time how long it takes to log onto or navigate their site
2. Look at which members abandon the website and target for outreach
Retarget consumers

Amazon directs ads to consumers with abandoned cart items

Using abandoned cart data to target ads to members

**Amazon action**
Place product ads to retarget members based on on what added to their cart and abandoned

Using member-sourced data to ID members

**Portal log-in**

**Search term**

**Plan Action**
Mail list of high-quality in-network providers

Call and enroll in care management

**Provider type:** Child asthma

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Source: Health Plan Advisory Council interviews and analysis.
Members frequently skip preventive care and tests

Inability to schedule appointments quickly is a persistent barrier

Members frequently skip preventive care visits and tests

*Percent members that skipped preventive visits by visit type*¹

<table>
<thead>
<tr>
<th>Preventive Visit Type</th>
<th>Percent Skipped</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skipped colonoscopies</td>
<td>69%</td>
</tr>
<tr>
<td>Skipped flu shots</td>
<td>57%</td>
</tr>
<tr>
<td>Skipped pap smears</td>
<td>41%</td>
</tr>
<tr>
<td>Skipped mammograms</td>
<td>36%</td>
</tr>
<tr>
<td>Skipped wellness visits</td>
<td>24%</td>
</tr>
</tbody>
</table>

n=1,377  
n=1,874  
n=752  
n=497  
n=781

Top reported reasons for skipping preventive care

1. “I couldn’t get an appointment to see my regular doctor soon enough”
2. “I couldn’t figure out how to use my regular doctor’s online scheduling tool”

¹) Did you have the following preventive care tests/visits?

Source: Health Plan Advisory Council interviews and analysis.
Members abandoning care more likely to be sick

Foregoing care leaves lasting impression on members

NPS for members who used care vs. those who attempted to use and forewent care
n=3,084 who used care; n=69 attempted to use and forewent care

<table>
<thead>
<tr>
<th>Temkin industry standard</th>
<th>Members who used care</th>
<th>Members who attempted to use and forewent care</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>11</td>
<td>-26</td>
</tr>
</tbody>
</table>

Percent members with and without chronic conditions among those who attempted to use and forewent care
n=58 w/o chronic conditions; n=111 with chronic conditions

- 34% Have no chronic condition
- 66% Have at least one chronic condition

Source: Health Plan Advisory Council interviews and analysis.
“Convenient care” options taking too long

Most members try to go to the physician’s office or urgent care

Sites of care that members attempted to use and abandoned

n=169 attempted to use and forewent care

<table>
<thead>
<tr>
<th>Sites of Care</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physician’s office</td>
<td>78%</td>
</tr>
<tr>
<td>Urgent care clinic</td>
<td>72%</td>
</tr>
<tr>
<td>Telehealth/virtual visit</td>
<td>64%</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>62%</td>
</tr>
<tr>
<td>Emergency room</td>
<td>61%</td>
</tr>
<tr>
<td>Hospital</td>
<td>56%</td>
</tr>
</tbody>
</table>

Members who forego care most likely can’t find available appointments

Percent members with friction among care users vs those who attempted to use and forewent care

n=3,084 used care; n=169 attempted to use care

I couldn’t get an apt to see my regular or in-network doctor soon enough

Attempted to use care: 49%
Used care: 8%

I couldn’t log onto my health insurance company’s online portal/mobile application

Attempted to use care: 24%
Used care: 4%

My insurer gave me information about services covered different from my doctor

Attempted to use care: 22%
Used care: 5%

I couldn’t find the portal/mobile application/website

Attempted to use care: 22%
Used care: 1%

I received inconsistent information from different staff at my insurance company

Attempted to use care: 11%
Used care: 5%

Source: Health Plan Advisory Council interviews and analysis.
Advisory Board Insight

Members aren’t willing to wait for care—even at “convenient sites” like urgent care and telehealth. And it’s not just the healthy that abandon care, our sickest members won’t wait.

Plans should:
1. Offer preferred appointments at retail sites
2. Invest directly in provider availability
HealthHubs deliver convenient primary care

CVS HealthHUBs® seek to create a new front door to health care

Cost reduction opportunities with Aetna integration

- **Chronic disease management**: Connect members to screening services, smart devices, and disease management apps
- **ED avoidance and downstream navigation**: Offer low-cost alternative to ED; direct members to lower-priced downstream care sites
- **Member engagement in wellness**: Provide on-site dieticians and group activities (e.g., yoga classes, weight management, smoking cessation)

**20%**

Of CVS stores dedicated to health services

**1,500**

HealthHUB® locations planned by 2021

CVS Health

- Pharmacy, retailer, PBM, and integrated Aetna health plan that has 22.8M members
- Based in Woonsocket, Rhode Island

- Opened three HealthHUBs® in the Houston market that dedicate 20% of CVS stores to health services with plans to have 50 locations by the end of 2019 and 1,500 by the end of 2021

- The locations offer new products such as digital health tools, durable medical equipment, and supplies to manage chronic health needs (e.g., sleep apnea and diabetes care)

- In addition to MinuteClinic and pharmacy services, there is an on-site dietician and an on-site care concierge that helps with navigation throughout the consumer experience; 95% of customers accept help from the concierge in initial pilot

- Community spaces are available for health classes, nutritional seminars, and health insurance benefits education. “Learning Tables” allow customers to explore health and wellness apps and shop for additional CVS services. On-demand health kiosks help customers measure and track their blood pressure, weight, and BMI

Source: Health Care Advisory Board interviews and analysis.
Investing in member access

Expand network by funding provider practices

IEHP¹ Network Expansion Fund (NEF)

Specialist network availability before NEF

Plan commitment
Funding for 50% of new clinician salary in first year

NEF agreement

Practice commitments
Clinic new to plan and area access for three years

Specialist network availability after NEF

Greater member satisfaction NCQA score²
2x
62 New specialists
76 New PCPs

1) Inland Empire Health Plan.
2) From 1 to 2 on a 5-point scale.

Inland Empire Health Plan

- Not-for-profit Medicaid and Medicare health plan serving 1.2 million members in California

- Allocated $31 million for the Network Expansion Fund in response to rapid member growth after the ACA leading to limited access

- The Network Expansion Fund was created in Fall 2014 to motivate health systems, counties, provider groups, hospitals and provider practices to hire or contract with new providers to increase access for members

- The program provides a subsidy offsetting up to 50% of the first year cost of the provider to a maximum amount of: $75K for mid-levels, $100K for PCPs, and $150K for specialists advertised through a fax blast to all current physician practices, word of mouth, and provider relations meetings

Source: Health Plan Advisory Council interviews and analysis.
Four priorities to focus your experience improvements

1. Initiation
   New members most vulnerable to frictions

2. Recovery
   Fixing digital frictions can improve NPS, care outcomes

3. Access
   Quick access to a provider offers greatest experience gains

4. Navigation
   Updated information supports members trying to navigate properly

Source: Health Plan Advisory Council interviews and analysis.
Appointment availability can’t prevent ED use

A third of members attempt to avoid the ED

A third of members try to avoid ED

Member attempts to avoid ED

n= 540 members go to ED [171 tried to go elsewhere, 369 did not try to go elsewhere]

ED avoiders can’t find available appointments elsewhere

Member-reported reasons for ED use

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;I couldn’t get an appointment to see my regular doctor soon enough&quot;</td>
<td>61%</td>
</tr>
<tr>
<td>&quot;Other doctors’ clinics such as urgent care and primary care were closed at the time I needed care&quot;</td>
<td>54%</td>
</tr>
</tbody>
</table>

1) The last time you went to the emergency room, what was the reason you went there instead of somewhere else such as urgent care or your regular doctor for care?

Source: Health Plan Advisory Council interviews and analysis.
Preventable inaccuracies lead to OON care

More than a third of members attempt to avoid OON care

**More than a third try to avoid OON care**

*Member attempts to avoid OON care*

n= 172 members with OON use [78 tried to go in-network, 94 did not try]

- **45%** Tried elsewhere
- **26%** Emergency and ED was OON
- **28%** Did not try elsewhere

**Inaccurate network information top reasons for OON use**

*Member-reported reasons for OON care*

- **54%** “My insurer incorrectly told me the facility was in-network”
- **46%** “The facility staff incorrectly told me it was in-network for my health insurance company”
- **46%** “The online tools gave me inaccurate information on the in-network doctor (e.g., the phone number was wrong, the network status was incorrect, etc.”

Google search more accurate than Medicare Advantage directories, study finds.


1) The last time you charged for an out-of-network doctor or facility, why did you end up going there?
Advisory Board Insight

Members want to avoid costly care—plans make it impossible for them to succeed. Basic info on websites must be up to date to help members who want to comply

Plans should:

1. Update provider directories and use machine readable formats
2. Fund same day services at primary care
**Time for care**

Standing availability allows for same-day appointments

**Sample provider schedule**

*Kelly Phoenix, NP – Monday*

<table>
<thead>
<tr>
<th>Time</th>
<th>Patients</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 – 9 AM</td>
<td>John S&lt;br&gt;Will L&lt;br&gt;Phoenix B</td>
</tr>
<tr>
<td>9 – 10 AM</td>
<td>Baxter O&lt;br&gt;Rachel S&lt;br&gt;Russell D</td>
</tr>
<tr>
<td>10 – 11 AM</td>
<td>OPEN</td>
</tr>
<tr>
<td>11 – 12 PM</td>
<td>OPEN</td>
</tr>
<tr>
<td>12 – 1 PM</td>
<td>Marcus H&lt;br&gt;Matt P&lt;br&gt;Marissa S</td>
</tr>
</tbody>
</table>

**Walk-ins**

- **Ms. Hughes** brought in her newborn baby with a fever
  - Avoided ED visit

- **Mr. Swanson** comes in for minor laceration on hand
  - Avoided urgent care visit

- **Ms. Pope** had an asthma attack and ran out of her medication
  - Improved medication adherence through education

Source: GHCSCW, Madison, WI; Health Plan Advisory Council interviews and analysis.
Fewer visits—more care

Top-of-license practice opens doors to primary care

**Resource utilization**

- **13.3%** Decrease in ED visits
- **9.3%** Decrease in urgent care
- **2.6%** Decrease in hospital admissions

**Primary care optimization**

- **17.9%** No-show rate reduction
- **2.7%** Increase in PCP/care team seeing assigned patients

**Patient Satisfaction**

- **96.9%** Patients able to get appointment as soon as needed

Source: GHCSCW, Madison, WI; Health Plan Advisory Council interviews and analysis.
Group Health Cooperative of South Central Wisconsin

• Not-for-profit managed health care organization
• GHCSCW has its own physician practice that provides care for 82,000 members in the Dane County area.

► GHCSCW launched a same-day primary care access program three years ago
► GHCSCW supported nurse managers that marshalled provider groups for delivery and encouraged flat primary care team structures for easier communication on patient hand-offs
► Members of the extended primary care team keep approximately 30-50% of their schedules open for same-day visits

Source: GHCSCW, Madison, WI; Health Plan Advisory Council interviews and analysis.
Four priorities to focus your experience improvements

1. **Initiation**
   - New members most vulnerable to frictions

2. **Recovery**
   - Fixing digital frictions can improve NPS, care outcomes

3. **Access**
   - Quick access to a provider offers greatest experience gains

4. **Navigation**
   - Updated information supports members trying to navigate properly

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### Potential impact of eliminating each additional friction on costly care and NPS

1. **0.1**
   - Increase in likelihood to recommend plan

2. **9%**
   - Reduction in prevalence of unmanaged chronic conditions

3. **17%**
   - Reduction in ED use

4. **24%**
   - Reduction in OON use

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1) P-value < 0.05 but R²=0.00999, On a scale of 1-10, how likely are you to recommend your plan to a friend or colleague? [1-6: Detractor, 7-8: Passive, 9-10: Promoter].

Source: Health Plan Advisory Council interviews and analysis.
Success reliant on provider ownership?

Flurry of insurers acquiring providers in 2018-2019

“Reigniting the physicians arms race, insurers are buying practices”

“Insurers on a Shopping Spree For All Sorts of Providers”

“Blue Cross joins the doctors practice party”

Can we improve member experience without owning providers?

Health care experience questions?

- Does having a primary care provider prevent costly care use?
- Are members less satisfied when they end up going to the ED or using out-of-network care?

USE OUR DATA

Survey results from 3,225 members on what they hate about their health care experience and which frictions drive them to costly care
Key takeaways

6 insights from the 2019 health care experience survey

1. Service frictions negatively impact plans’ NPS and lead to members wanting to switch, even if it’s just 2 frictions.

2. While members experience provider and insurer frictions equally, it’s the insurer frictions that correlate most with costly care.

3. Members, particularly those in Medicaid, who are new to a carrier or product encounter more frictions. These members face exceptional challenges seeing providers, increasing their likelihood to have unmanaged chronic conditions.

4. Digital frictions happen—and they lead to costly care. But fixing them (particularly speeding up the website) can improve members’ health outcomes

5. Members aren’t willing to wait for care—even at “convenient sites” like urgent care and telehealth. And it’s not just the healthy that abandon care, our sickest members won’t wait.

6. Members want to avoid costly care—plans make it impossible for them to succeed. Basic info on websites must be up to date to help members who want to comply.

Source: Health Care Advisory Board interviews and analysis.
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