

## PROACTIVE MEDICINE: ADVANCING THE STATE OF HEALTHCARE WITH FLEXIBLE, INNOVATIVE, NEXT-GENERATION PORTALS

New Capabilities Allow Health Insurers to Effectively Leverage Portals for Improved Efficiency and Increased Business Growth

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How can healthcare companies ensure that their existing portals are innovative, flexible infrastructures built to rapidly capitalize on new market opportunities and ensure ongoing efficiency and cost savings? To answer this question, assess the following possibilities: Does your portal infrastructure allow brokers to request and receive quotes in real time? Can customers or group plan members use your portal to locate and switch to new primary healthcare providers (PCPs), add additional riders or dependents, or simply renew plans? Can a plan administrator manage all member information online? Does your portal offer decision-support tools to help customers navigate Medicare Part D prescription drug plans (PDPs) and Consumer-Directed Health (CDH) plans in the United States, or private insurance supplements to national healthcare for both individuals and companies in Europe?

In today's marketplace, health insurers must take advantage of every opportunity to differentiate their offerings, attract and retain customers, and reduce overall internal costs. Many portal infrastructures, however, expose very few business processes online, and furthermore, do not take optimal advantage of health insurers' CRM investments and capabilities. That is why, as consumer healthcare options dramatically increase, so too does the importance of creating advanced portal infrastructures constructed for fast change, and with capabilities that include self-administration, online claims submissions, CRM tie-ins, and cross- and up-selling, to name a few.

In its work with the health insurance industry, Innoveer has found that the best portal improvement plan is one that separates a portal evolution into many small, discrete stages, and focuses first on options requiring small investments, yet which promise high rates of return. For example, exposing additional business processes to customers and group plan administrators via a portal — including something as simple as the ability to change an address or PCP online — allows insurers to decrease overall call center costs. Also, by generating quotes online, insurers become the provider of choice for busy brokers, and may even be able to sell directly to consumers in the future. On top of these quick-win opportunities, a flexible portal infrastructure allows insurers to test, hone, and introduce new products straightaway, further increasing competitive agility and business growth.

## TAPPING INTO NEW MARKETS

What is causing health insurers to launch portal improvement plans? Many health insurers finally have the long sought-after CRM capabilities and customer data in place, and

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directing such functionality onto a portal is the next logical step for enhancing sales and service efficiency, increasing revenue, and improving the overall customer experience.

Many health insurers also want to capitalize on the recent, dramatic increase in market opportunities. In Europe, leading employers are supplementing free, nationalized insurance with private insurance add-ons for their employees, and many individuals also pay out-of-pocket for supplemental insurance plans. In the United States, health insurers now have programs such as Medicare D and CDH. Already, 10.4 million U.S. seniors (those aged 74 years and older) have enrolled themselves in Medicare D's standalone PDPs, another 10 million have Part D plans, and at least 20 million more are potential customers. Another trend: 46 million Americans lack health insurance, leading some states to consider mandatory private (though state-subsidized) health insurance.

## ADVANCING TODAY'S HEALTHCARE

### SMALL CHANGES, INCREASED PAYOFFS:

Seven phased-in portal features Innoveer's customers have found especially useful:

- *Decision-Support Tools*: Decode products to attract new members, and cross-sell or up-sell to existing members
- *Automatic Price Quoting*: Speed quoting process to capture additional business
- *Changing PCPs*: Move PCP change requests away from costly call centers
- *Pre-Certifying Procedures*: Allow doctors and hospitals to receive medical procedure authorization online
- *Spotting Errors Immediately*: Build error validation — especially for personal information — into the portal interface to decrease customer service follow up
- *Logging Claims Disputes*: Record members' claim-adjustment requests online
- *Billing Immediately*: Move beyond batch processing to invoice customers more effectively

To identify which portal improvement path offers the greatest opportunities, start by studying existing business processes: Which can be automated via a portal to save time and money and increase business opportunities and competitive advantage? Typically, the most effective portal plan specifies multiple stages to allow an insurer to focus on specific business processes and isolate individual problems. When pursuing such a strategy, begin by tackling those improvements that require minimal effort to automate, yet offer maximum return. If possible, allow members to offer feedback and their opinions regarding how a portal can make their healthcare-related workload easier and their experience more efficient.

For example, when helping Norwich Union Healthcare, the largest private health insurance company in the United Kingdom, design a portal improvement plan, Innoveer began by studying the insurer's end-to-end business processes: from identifying insurance prospects, to nurturing them, to generating quotes, to closing sales and turning them into orders, and to invoicing and supporting new members. After identifying these steps, Innoveer created a plan to expose these business processes via a portal, systematically and as time and resources allow. While Norwich Union's

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portal enhancements are still underway, it has already eliminated numerous paper-based processes, saving valuable time and money. Part of Norwich Union's portal success stems from its precise implementation strategy. Before it releases any of its new portal modules, for example, it first tests them with a group of customers with a vested interest. Based on their feedback, Norwich Union makes additional changes and iterates the design until it is ready for general release.

## TARGETING VALUABLE IMPROVEMENTS

When pursuing a phased portal implementation, which features ensure maximum cost savings and provide the most return on investment (ROI)? The answers to these questions depend in part upon a health insurer's client-base. Typically, health insurers work with three groups: brokers and dealers who supply rate quotes to individuals and enroll them; individuals once they are health plan members; and the health plan administrators who manage company health plans. Each group has slightly different portal needs.

## BROKERS & DEALERS

Brokers and dealers, as independent agents licensed to sell insurance, often solicit quotes from multiple insurance companies. Brokers prefer insurers with whom they can interact quickly and efficiently because they work on a commission basis and time is money. Hence, once brokers receive a few quotes, they share these with the prospect, and laggards are left behind.

At least, that is what Innoveer customer Group Health Incorporated (GHI), a \$2.1 billion, not-for-profit health insurance company with three million members in New York State, found. As a result, GHI opted to automate and expose its quoting process via a portal. Ultimately, by improving the efficiency of its quoting capabilities — and eliminating paper-based processes — GHI decreased the time required to generate a quote by 60 to 70 percent, and also eliminated the agents who previously generated such quotes, resulting in substantial cost savings. All told, GHI streamlined its business processes, reduced personnel expenses, attracted additional customers, and boosted its overall bottom line.

Brokers, however, are also targeting consumers with more full-featured and personalized portals. For example, take another Innoveer customer, Independer, the Netherlands' leading broker for retail financial services products. With Independer, people can receive unbiased information about which health plan is most appropriate for them. (Independer

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earns a commission for each lead it sends to insurers.) Health insurers who want to sell directly to individuals will face increased challenges from well-organized and neutral brokers, such as Independer.

## HEALTH PLAN MEMBERS

For members, many health insurers' portals already offer some access to online information and basic self-service capabilities. Simply put, the more a member can accomplish online, the less they require customer service representatives, which saves money and time for insurers. In addition, consumers often prefer the efficiency of conducting business online to waiting in customer service telephone queues, which leads to increased customer satisfaction and loyalty. To go one step further, health insurers can use the portal to up- and cross-sell health plan products and services to existing clients to maximize revenue.

Another Innoveer customer, a U.S.-based HMO, studied its customer call centers and discovered that 20 percent of all calls were members changing their PCP. Based on this information, it moved PCP changes online, generating substantial cost savings, while improving the overall customer experience at the same time.

When Norwich Union studied which business processes to expose via its portal, it identified customers who were calling to update their address or personal information as taking the most significant amount of customer service time. Now, the insurer handles such requests via its portal, which has allowed the company to retain fewer customer representatives, saving money and reducing administrative overhead. As an added incentive to use the portal for updating customer information, Norwich Union also offers new members a discount if they apply for their health plans online.

## GROUP ADMINISTRATORS

When a company enrolls in a group healthcare policy, it is up to the in-house health plan administrator to transmit all employee data to the insurer, and oversee employees' health plan needs and changes. Savvy insurers are doing everything they can to lighten administrator workloads, such as allowing administrators to upload all employee information electronically in a format it specifies. This has an obvious upside for the insurer: it does not have to enter information manually or work with mail or faxes, which saves time and money. Furthermore, new accounts are processed immediately, increasing customer satisfaction and loyalty, while allowing the insurer to handle an increased customer-base.

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To further improve the overall customer experience, a user-friendly portal can allow an administrator or even employees — with proper authentication — to log on and update information, add dependents, change optional riders, and so on. On top of that, an insurer can add Web Services functionality, so that a company can reference all insurance information, and allow employees to make changes via the company's own intranet.

Offering these types of features makes an administrator's workload easier, and requires much less intervention and oversight from the insurer. Furthermore, doing this correctly provides a competitive advantage as health insurers who offer better services retain more customers. With all employee information stored electronically and accessible, especially with Web Services capabilities, plan administrators will be much less inclined to change their group insurance providers.

## PORTAL DESIGN PAYOFFS

In closing, health insurers who want to capitalize on new healthcare market opportunities must advance the current state of their portals. Only flexible and innovative portal infrastructures will help take advantage of existing CRM capabilities, streamline business processes, decrease costs, and rapidly test, deploy, and then cross- and up-sell new products and services, one high-value feature at a time. This is also proactive medicine, as a health insurer who targets the above groups with these advanced capabilities, via a portal, becomes the insurer of choice, improves overall customer satisfaction and retention, and increases overall business opportunities.

## ABOUT INNOVEER SOLUTIONS

INNOVEER SOLUTIONS, an award-winning customer strategy and solutions consultancy, provides advanced customer management services to healthcare and high-technology companies, among others, in the areas of planning and strategy, technology implementation, and optimization. The company's deep industry knowledge, broad technical skills, and Multishore methodology enable organizations to address their critical customer-facing issues and achieve an integrated view of all customer information. With an exclusive focus on customer management since 1998, Innoveer has worked with more than 300 organizations to increase their overall business growth, improve internal efficiency, and enhance the customer experience.

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