

# The Rx for Health Insurance Communications

Survey insights provide roadmap for health insurers to help engage members, build loyalty and reduce costs

WHITE PAPER



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*These are challenging times for health insurance providers. A tough economy, demanding customers, and healthcare reform all contribute to an environment where money is tight and competition is on the rise. Customers will have more choices than ever as employers review their position on healthcare, insurers change their strategies, and health insurance exchanges come into play. To gain and retain customers, increase overall wellness and adherence to chronic care and reduce operational costs, health insurance providers need to change customer behaviors, nurture loyalty and build trust while communicating with members in more cost-efficient ways. Keeping consumers informed about their options will be more important than ever, and health insurance providers will need to do so in ways that comply with individual member preferences and needs.*

*This white paper offers important insight, gathered through a recent survey of approximately 1,000 U.S. consumers, into ways that health insurance providers can address these challenges. Conducted by ORC International, the survey explores consumers' channel preferences for health insurance communications and reports on consumers' impressions regarding current interactions with health insurance providers. It also highlights areas for improvement and offers reflections on customer communications solutions that can help health insurance providers to both address their business challenges and improve customer relations.*

## A matter of trust

In every industry, customer satisfaction and loyalty are key contributors to overall profitability. Further, in light of mandated changes to the health insurance industry and the ongoing need for confidence in the privacy and security of consumer health information, satisfaction and loyalty are becoming increasingly important to providers of health insurance. Trust is fundamental to satisfaction and loyalty and to maintaining open and effective lines of communications with customers.

When asked in the survey if they trust their health insurance provider, consumer responses were largely positive: In total, 82 percent of respondents reported that they trust their provider, with 27 percent saying completely and 56 percent saying somewhat. This is good news for health insurance providers as they work to change customer behaviors, as trust is essential to influencing change.

The highest levels of trust are among those 65 and older (96 percent), most likely reflecting their experiences with Medicare. In the 45 to 54-year-old age bracket, the fewest consumers expressed trust in their provider (77 percent), evidence that there is still room for improvement, especially with certain age groups. To build trust and loyalty, health insurance providers need to consider how to make the most of every member interaction, outbound and inbound.

## Outbound communications

### Understanding consumer preferences

Today, the vast majority of consumers have ready access to a computer, and the number of active mobile phones in the U.S. exceeds the size of the country's population. This explosion of technology has prompted predictions of a wholesale shift in consumer preferences from physical to digital communications—yet current survey results clearly indicate that when it comes to health insurance, demand continues to be mixed.

Close to 40 percent of respondents indicated that they preferred a multi-channel solution, given the choice of receiving their insurance communications by mail, through the Internet, or both. These responses were consistent across age groups.

## Improved communication clarity may have potential to decrease inbound calls from consumers and improve overall customer satisfaction.

An additional 46 percent responded that they preferred just mail. Thus, at 84 percent in total, the demand for receiving some or all of communications by mail continues to be very high. Conversely, across all ages, the percentage of respondents who preferred Internet-only communications is still very small.

This study did not ask respondents about the reasons for their channel preferences. However, other research and anecdotal information suggests that the continued inclusion of mail may be due to a variety of factors including privacy concerns, previously established record-keeping habits, and the need to get the information to the person within the household who manages insurance matters. Whatever the reasons, the need to serve health insurance customers through multiple channels is on the rise, and this may grow in importance as other channels, such as mobile, begin to take a more substantial role in healthcare communications.

Rather than the wholesale shift to digital that some anticipated, health insurance providers are instead faced with the ongoing complexity of a multichannel communications process. They must manage that process as cost-effectively as possible while ensuring the integrity and privacy of patient information according to HIPAA guidelines, no matter what channel is used. Additional survey questions explored ways in which providers could potentially improve the communications themselves, adding value to the process in other ways.

### Making the most of outbound consumer communications

Communications costs continue to rise; and, consumers show decreasing tolerance for communications that are not relevant to their needs. As a result, insurance providers find themselves under increasing pressure to optimize every communication and in particular each mailpiece. A number of survey findings provide insight that can help:

- **Clarity:** While consumer trust is high, the survey showed there is room for improvement when it comes to message clarity. Nearly two-thirds of respondents gave their provider top grades for how clearly they communicate information in statements. However, 37 percent gave ratings of average or below average.

Interestingly, those 65 and older awarded their providers the best marks—almost a full one-third (31 percent) received an A rating; and another 44 percent gave their providers a B. Providers received the lowest grades from the 45 to 54 year-old and 55 to 64-year-old age groups with 16 percent of both groups giving a “D” or “F.”

Improved communication clarity may have potential to decrease inbound calls from consumers and improve overall customer satisfaction. A closer look at the 65-and-up age group and at Medicare statements (those most likely to be received by the 65-and-up group) may provide some insight into ways to improve statement clarity.

- **Frequency:** While more than half of respondents stated that they prefer to receive billing and claim information from their provider following a doctor’s appointment or procedure, close to one-third overall (and 36 percent of those ages 65 and over), indicated they prefer monthly statements. This is another area in which providers could, and perhaps should, offer member choice if they do not do so today.

After gathering information on consumer ratings of statement clarity and statement-frequency preferences, the survey proceeded to ask which one step their insurer could take to make the information in their statements more clear.

Use of simple, easy-to-understand language rated highest on its own (36 percent); however, 41 percent cited a frequency preference (24 percent for per visit/procedure; 17 percent for monthly). This further emphasizes the value of choice. For providers who already offer both per-visit and monthly options, it may also indicate a need to make consumers more aware of the choices they have available to them.

60 percent of survey respondents indicated that their providers offer some amount of information on healthy living and/or wellness programs; of these respondents, half reported taking advantage of it.

What ONE step could your healthcare insurance provider take to make the information in your statements more clear?	N=1000
Use simple, easy-to-understand language on statements	36%
Send one statement per doctor visit or procedure so it's clear what is being billed	24%
Send a monthly statement that indicates cumulative claims/deductible information for the year so I have a better viewpoint and understanding	17%
Highlight the most important information so it stands out	15%
Make contact information clear for any follow-up questions/inquiries	8%



• **Savings and Discounts:** The survey included a question on the types of additional content that would most appeal to consumers. Sixty-four percent of respondents indicated that information on ways to save money would be most helpful.

This was highest with 18 to 24-year olds at 72 percent and lowest with 65 year-olds and over (58 percent).

Out of the following options, what information would you find the most helpful in receiving from your health insurance provider?*	N=1000
Ways to save money (coupons and discounts)	64%
Ways that I can improve the health of my family	41%
Ways that I can improve my appearance/health	28%
Other	5%

\* Multiple selections permitted.

• **Health and Wellness Information:** Many insurance providers today offer some amount of information on healthy living and/or wellness programs; and, close to 60 percent of survey respondents indicated that their provider does so. More important, of those who said that their provider offered this type of information, half reported taking advantage of it. This is promising news for insurance providers, as there is a significant cost benefit to helping consumers stay healthier. However, of concern is the number of consumers (22 percent) who reported that they did not know if their provider offered this type of information. This was the highest with the 18 to 24-year-old group (42 percent). Increasing offer awareness may increase the benefits to consumers and insurers of providing this information in the first place.

Today's technology makes it easy to add color and graphics to documents at a relatively low cost. For example, health insurers can add customized messaging to promote specific health and wellness initiatives.

### Options for more effective messaging

Constrained by ongoing consumer demand for both mail and digital communications, survey results appear to indicate that health insurance providers need to look for ways to increase communications effectiveness and decrease their mailing costs. At the same time, keeping patient health data secure and private is critical. A number of different direct marketing techniques and mailstream technologies can help to get messaging cost-efficiently distributed, noticed, opened and read:

**Wrappers:** Insurance providers can now increase their mailstream productivity and reduce materials costs up to 40 percent by using wrappers rather than traditional boxed envelopes. Wrappers offer the structural appearance of standard envelopes. However, their design uses less paper and reduces the need for equipment downtime. Wrappers also provide an eye-catching way to get recipients' attention: by using pre-printed wrap material or printing in-line after completion of the mailpiece, insurance providers can add full-color messaging to both the inside and outside of their mailpieces.

**Outer Envelopes and Subject Lines:** While wrappers offer an ideal way to create engaging mailpieces, there are other ways to make the most of the "outside" of messages to customers. For e-mails, the equivalent of the outer envelope is the subject line: add something relevant, topical and inviting, and the chances that the e-mail will get opened are greater. Adding relevant, targeted promotional messaging to subject lines and outer envelopes can also go a long way toward helping to ensure that customers gain a better understanding of the choices they have through their provider.

**Color:** Today's digital color print technology makes it easy to add color and graphics to documents at a relatively low cost. For example, health insurers can add customized messaging to promote specific health and wellness initiatives, or use a graph to indicate the status of the member deductible. Using high-quality, variable data print, health insurers can create more valuable and engaging communications for their customers.

**Targeted Messaging:** Inside current transactional mail and e-mail, there are also opportunities to increase impact and share information. This is particularly cost-effective for mail since each mailpiece—between paper, production and postage—can cost as much as fifty cents, even when the most advantageous postal discounts are applied. Today's technologies enable providers to take advantage of available white space on transactional documents to supply targeted and relevant messaging such as health and wellness information that can help to reduce customers' needs for healthcare services, improve their quality of life, and reduce their cost to the insurance provider.

**QR Codes:** Health insurance providers can also add QR (Quick Response) codes to mailed documents and other promotional materials to distribute additional, targeted and relevant messaging. With the current focus on health and wellness and managing chronic conditions, QR codes can be an effective, low-cost means to provide highly specific information.

**Mail Management:** In the most effective targeted documents, the messaging, both transactional and promotional, is personalized to apply to the activities, needs and interests of the specific consumer. Often, these documents are trigger-based to ensure both relevance and timeliness. Customer communications management (CCM) software can be used to help align customers and messages. Production technology should be selected to help ensure the quality, integrity and security of every mailpiece. Today, technology exists to design and produce each communication starting with plain white paper. In this way, the layout can be maximized for impact—and documents can be produced from different streams for different customers with different schedules—all with personalized content to accommodate a range of preferences and needs. Top document messaging technologies include single-platform solutions for producing personalized paper and digital documents at high speeds with extraordinary document integrity and security

## Inbound communications

When consumers have a problem or question with claims or benefits they overwhelmingly prefer to contact their health insurance provider by phone (78 percent). Far fewer indicated a preference for e-mail (17 percent), live online chat (10 percent) or mail (7 percent). Therefore, the call center continues to be the key touch point for inbound customer service interactions.

Maximizing the clarity of outbound communications can help to reduce problems and questions. There is also technology available to improve the efficiency of customer calls—and these can help boost first-call resolution, reduce call time, and improve overall customer service.

**Document Access:** Call-center support technology provides real-time access to native-format documents. With it, call-center reps can immediately pull up an exact replica of what the customer sees. Access to the identical document adds clarity to the conversation and increases the efficiency of call resolution.

**Real-time Decisioning:** Technology also exists that can add value to these customer calls by identifying, in real-time, additional health and wellness information and/or available discounts that align with the customer's needs. This software can enable reps to insert valuable information into the course of transactional calls—or to automatically generate follow-up communications and offers.

## Operating effectively in a multichannel world

Inbound and outbound, this survey demonstrates that a range of channels, including mail, phone and web, will all continue to play an important role in addressing consumer needs and preferences in the healthcare insurance industry. Savings and efficiencies will come from more effectively managing multiple channels rather than cutting back on physical channel usage.

Innovative software and hardware solutions can add efficiencies to current processes, and help to make the most of current communications. More and more, health insurance providers are turning to end-to-end communications providers who offer and can combine customer communication management (CCM) software with powerful mailstream production technology. In combination, these can introduce greater speed, integrity and cross-channel coordination. They can also enable use of color for impact, more targeted 1:1 document personalization across channels—and more personalized and efficient call-center interactions.

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