



Enabling payers to succeed with a member-centered digital transformation

Introduction

Payers find themselves in the midst of enterprise-wide digital transformation to improve member experience, maintain regulatory compliance, and remain competitive in a crowded marketplace. While these efforts predate the pandemic, the public health crisis proved to be a catalyst accelerating the pace of change. The speed of transformation, however, is likely to create problems for health plans lacking a clear direction and resources necessary to tackle highly technical projects and activities. To ensure that these tech-centered initiatives are successful, healthcare organizations should leverage strategic partnerships to complement and build off of their existing competencies and futureproof their operations as the healthcare industry continues to evolve. Information and technology leaders across the payer market must have a clear strategy and access to skilled personnel and modern technology to ensure their digital transformation leads to tangible benefits for members.

Drivers of digital transformation

For decades, payers have focused predominantly on the financial side of healthcare, setting provider rates, collecting member premiums, processing claims, and reimbursing providers. Today, they understand their ability to influence healthcare spending by driving better care utilization and playing a more significant role in care management.

The shift in focus is driving health plan leaders—especially those overseeing data, analytics, and innovation—to make member service and engagement their leading strategic goal. According to a recent [Deloitte survey](#) of chief technology officers, chief information officers, chief digital officers, and chief analytics officers, 57% identified better customer service as a top outcome of their digital transformation efforts, outranking reduced regulatory and compliance risk in importance (34% to 23%) and followed more closely by increased agility and scalability around technology (26%). Given trends in healthcare consumerism, technological flexibility is essential to delivering a modern and secure experience to members and doing so into the future.

“Health plans that can succeed in this future are those that recognize the need to transform their business from managing enrollment and pooling risk to taking care of members’ health and well-being over their lifetime,” noted Preston et al., emphasizing the need for the healthcare industry to meet the standards set by other industries.

For payers, standing up an agile and scalable digital infrastructure requires a close inspection of legacy platforms and services. Based on the research, most health plans found themselves in the process of modernization but not in the areas necessary to achieve their most desired outcome.



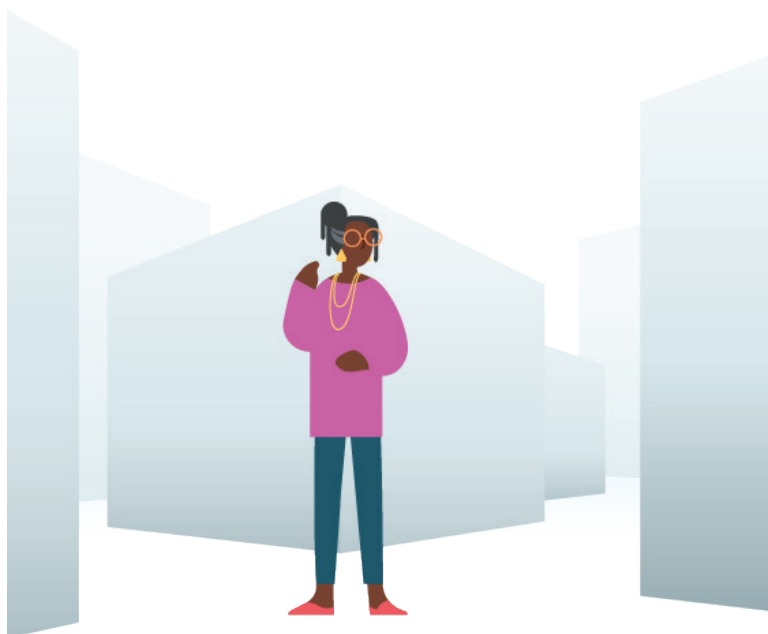
Engagement and customer service platforms lagged well behind modernization efforts focused on clinical and core administrative platforms, which were slated to be completed within 12 to 24 months. While 34% and 26% of respondents were in the process of modernizing engagement and customer service platforms, respectively, 40% and 46% reported plans to begin modernization efforts no sooner than a year or two.

“How organizations approach platform modernization is informed by their existing infrastructure, previous technology investments, vision, and growth strategy,” add the authors. Clearly, payers have much work to do to ensure they have the people, process, and technology necessary to meet the demands of the marketplace.

Obstacles in the way of advancement

Health plans want to improve member retention, care outcomes, and operational efficiency. And they recognize that technology is an integral part of achieving those ends. But when it comes to member engagement, their current digital approach is getting in the way, as are competing priorities and viewpoints.

Earlier this year, Wellframe surveyed more than a hundred payer decision-makers about their member engagement technology, with findings highlighting a disconnect between their future objectives and current capabilities. More than half of respondents sought to provide members with care management offerings (67%) and access to virtual services (60%). Similarly, high percentages reported a desire to be more proactive in their outreach to members, such as in the form of appointment reminders (82%) and medication information (54%). According to respondents, these offerings go a long way toward building member trust and loyalty.



But the majority (58%) did not view their current member experience technology as fit for the task. Call centers remain a dominant feature of customer service for nearly all respondents (98%), as do generic web-based portals (79%). While other industries are making strides through increased personalization, customization, and communication, healthcare generally and payers specifically are lagging in their ability to make a seamless, personalized, and secure consumer experience a cornerstone of their business.

So what is keeping payers from making tangible progress? The answer to that question is a combination of factors.

Cost represents a significant challenge for any business, and health plans are no different. Nearly two-thirds (62%) listed their main obstacles to improving member engagement as financial in nature. But in a crowded market, investments in member engagement are the cost of doing business, with those costs likely to rise as organizations fall behind and are forced to close the gap. Additionally, federal requirements for health plans to share more information with members introduce the likelihood of financial penalties for non-compliance.

A closer look at payer operations reveals that internal factors are having a more immediate impact on their ability to modernize member service and engagement. A lack of organizational alignment is holding many health plans back. Fifty-six percent of respondents indicated that their organizations lacked a cohesive plan, a significant impediment to widespread change. Know-how is another compounding factor. Forty-one percent of payer decision-makers stated they lacked confidence in their existing personnel to achieve their objectives around member engagement and experience.

The lack of strategic vision and technical resources explains why payers are looking outside their four walls for solutions. Forty-four percent of respondents are looking for a partner organization with technology to quickly enable payers to provide a modern member experience. But the solution to improving member engagement and digital transformation extends well beyond technology.

The power of partnerships

While digital transformation is set to positively impact how payers interact with members alongside the activities that have historically defined their operations, at its core, it is much more than that. The goal must be more comprehensive and far-reaching, rethinking and reshaping an organization's overall approach to data and technology.

"Healthcare is a complex space and a moving target. In three to five years, there's going to be some other digital transformation that's happening," says Madhu Rajagopalan, Vice President & Head of Engineering at Wellframe.

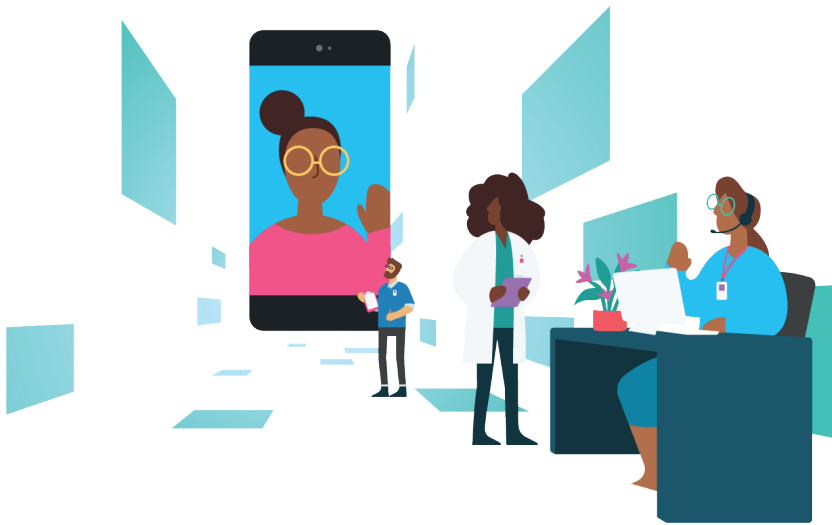
"To keep pace with continuous change, payers need a unified tech stack to be able to provide flexibility and scalability," he continues. "A modernized digital infrastructure makes it easier to meet the security and compliance demands and an ever-shifting marketplace and regulatory environment with software and hardware adhering to trusted and proven standards."

With consumer expectations changing daily, organizations need insight into how these changes impact their operations and how they can bring new services and functionalities to market more quickly.



“There’s a cliché to build something, fail fast, and course correct. A modern digital approach starts with setting a framework of experimentation. Health plans need a suite of systems and functionalities guided by a holistic approach to member engagement and experience. All that comes from conducting user research to identify the best experience, from care management to digital advocacy. Doing so lays the groundwork for future action,” Rajagopalan explains.

With payers facing regulatory and market pressures, the ability to dedicate resources to these tasks can present a serious challenge. Gathering information about members is a continuous activity. The same goes for analyzing data points to derive new insights. Successful payers must build new capabilities and skill sets to support these activities.



“Healthcare has become increasingly competitive for health plans,” he emphasizes. “Today’s members expect high-value care and experiences, and we all want to participate in our healthcare. When looking at any technology solution all the way from consumer solutions to Netflix to healthcare systems, we are more likely to be engaged when things are personalized. A consumer perceives real value in that approach. The challenge for health plans is meeting these expectations despite the complexity of their existing systems.”

Even those health plans seeking to manage their digital transformation projects internally should expect to face hurdles as modernization cycles become more and more frequent. Not only must they interoperate externally, but they must also be able to integrate disparate systems and resources from core administrative to care management within their own institutions.

“What’s needed is a real shift in mindset,” Rajagopalan maintains. “Plans should not be reinventing the wheel. In the long run, payers must prepare to continually invest to be able to leverage the latest technologies. That’s FHIR, streaming APIs, and related capabilities—the infrastructure necessary to consume and integrate with a multitude of digital systems and services.”

Successful modernization efforts hinge on the right combination of personnel and expertise. As other major industries have learned, the smarter and safer bet looks to leverage external resources that understand the people, process, and technology required to deliver a secure and powerful digital experience to members.

“For a health plan to build that infrastructure or a solution on its own is unrealistic. The right strategic technology partner can add immediate value, provide the external expertise to identify the right digital footprint, and ensure investments lead to the desired results,” Rajagopalan advises.

While a modern member experience has become the top priority of payer leaders, it is part and parcel of a much wider approach to data and infrastructure—one with the ability to layer in new services and capabilities without having to modify the underlying infrastructure.

“With the right foundation in place, payers can achieve new levels of operational efficiency and be ready to incorporate future advancements in technology,” Rajagopalan concludes.

Conclusion

In the era of connected health, payers must put in place sustainable digital infrastructure capable of new economies of scale and agility to not only keep pace with change but also emerge as innovators in the space. A solution for member service and engagement is only as powerful and flexible as the digital foundation on which it is built, optimized, and maintained. Legacy systems unable to provide new insight into consumer and market trends put health plans in a tenuous position. By working with a strategic partner that understands the delicate relationship between digital services and infrastructure, payers can ensure the success of their digital transformation efforts and the downstream benefits for their members.



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