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## Now It's Personal

**HUMANA** IS PROVIDING CUSTOMERS WITH THE HIGHLY PERSONALIZED INFORMATION THEY NEED TO MAKE SMART HEALTHCARE DECISIONS, REPORT CHRIS NICHOLSON (L), DIRECTOR, INTEGRATED CUSTOMER EXPERIENCE, AND PAUL RATNER, VP, IT.

# From Me to You

Insurers are moving from simply providing a good standard of customer service to delivering a highly consistent, personalized experience better described as **customer intimacy**.

By Anthony O'Donnell



**I**F YOU'RE AN INSURANCE EXECUTIVE and a fellow airline passenger begins to talk to you about his or her coverage, you're generally better off not mentioning your vocation. That bit of common sense was likely on the mind of a vice president of Humana when the elderly woman next to her broached the subject of her health insurer. Somewhat to the VP's surprise, however, the retired schoolteacher began to extol Humana's SmartSummary benefits statement, producing a copy of the personalized document that she had received from the carrier. "When she saw that the conversation had taken a positive turn, I think she was willing to raise her hand and say, 'Guess where I work?'" remarks Chris Nicholson, Humana's director, integrated customer experience.

According to Nicholson, the fellow passenger went on to explain that even though she hadn't heard of Louisville, Ky.-based-Humana before she signed on to the plan, she was going to stick with the company because of the quality of information it provided. She also mentioned that she carried the SmartSummary Rx prescription drug benefits summary document with her at all times because it detailed the medications she was taking — which potentially could save her life in an emergency.

Humana (\$21.4 billion in 2006 consolidated revenue) produces both SmartSummary and SmartSummary Rx statements to provide members with highly personalized information in an easy-to-understand graphic presentation and language. SmartSummary is a giant leap forward for the explanation of benefits (EOB) form, transforming a dry, technically oriented and content-sparse document into a readily intelligible, comprehensive record of members' medical services and contacts with their carrier, and how their financial accounts are impacted by healthcare decisions. The documents begin with a table of contents and include personalized messaging about potential cost savings, drug information, relevant articles on medical topics, coupons and, in the case of SmartSummary Rx, vital information about regular prescriptions, including full-color illustrations of pills and refill schedules.

The airborne testimony heard by the Humana executive would have represented a triumph if it had merely expressed a favorable opinion of the insurer. It was all the more impressive as an endorsement of the quality of Humana's customer service — particularly in an era when service is measured not only against other insurers but also against cross-industry standards of excellence.



Humana's Chris Nicholson (l), director, integrated customer experience, and Paul Ratner, VP, IT, collaborated to produce the insurer's SmartSummary, a highly personalized benefits statement that makes traditional industry EOBs look primitive.

Compared to other consumer-focused industries, insurance companies are challenged to meet customer expectations of consistency and personalization. Merger-and-acquisition activity and line-of-business orientation make developing a unified view of a customer relationship difficult, especially if the customer holds multiple policies. The com-

members with the relevant information that they need to make those decisions.”

During 2004, the carrier focused on determining which communication vehicles would best serve that goal, guided by four principles, according to Nicholson. The first principle, consolidation, focused on

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plexity of products also presents challenges in being able to marshal the right information to present to the customer when needed. For an industry that generally still is transitioning from a policy-centric to a customer-centric world, “It comes down to having enterprise data in a form [in which] it can be accessed and analyzed,” says Matthew Josefowicz, the New York-based manager of Celent’s insurance group.



The one advantage that insurers have is the information they own about their existing customers, in terms of both quality and quantity. Unfortunately, carriers continue to struggle to leverage that information, often leading to substandard interaction with their customers. That is particularly the case with multiline carriers, according to Josefowicz. “People expect to have one relationship with the company,” he says. “They don’t want to be handed around to various organizations that don’t know what the others are doing.”

#### Service as Competitive Advantage

When customers get to the point of calling an insurer, it is precisely because their inquiries are not the kind they feel can be handled by other channels, remarks Ben DiSylvestre, management consultant and chairman of Robert E. Nolan Company (Dallas). “The customer is hoping that you understand their problem, you can fix it and you won’t ask a lot of questions about information you should already have,” he says. “Making sure that customer service representatives [CSRs] can access systems properly, and have scripts to better understand the questions and better answer them are all very basic and important things that companies need to do.”

But insurers should think past the baseline to use customer service as an opportunity for competitive distinction, DiSylvestre urges. Good customer service is one thing; customer intimacy is another. To ensure that they get a larger share of their target markets, insurers must appeal specifically to the individual customer within that segment, DiSylvestre explains. “The issue is understanding the needs of the customer and designing the service model around those specific needs,” he says. “The differentiation comes when customers are interacting with the company and they’re hearing something different than they hear from another company, which leads them to say to themselves, ‘This company understands me and it understands my needs.’”

If Humana has succeeded at that objective with its personalized SmartSummary documents, it is only after a long look at its systems and processes beginning in 2003. “Our work focused on a number of areas, including ethnographic research, following members home to understand how they managed their healthcare, how they made plan selections, how they budget and claim for health finance expenses,” says the company’s Nicholson. The goal, he adds, was “to provide

inventorying existing communications, such as periodic mass mailings, in order to concentrate them into one vehicle, he explains. The second, personalization, sought to increase the communications’ relevance and impact by making it specific to the member. The third, distillation, aimed to synthesize the relevant information into language intelligible to the lay-reader. And the fourth, and perhaps most important, according to Nicholson, was actionability — giving members clear direction as to what they needed to do with the information.

As Humana put prototypes before focus groups toward the end of 2004 through early 2005, it set about seeking the means to deliver the final product. “We realized we didn’t have tools to provide the kind of personalized communications that our members were asking for,” Nicholson recalls. The carrier evaluated about a dozen vendor solutions, as well as two tools already in-house, he relates. “We were trying to get a good assessment in terms of cost, flexibility, scalability and integration with our print systems and [data] outputs,” Nicholson says. “We were looking for a broad solution that not only fit in the print space but also the Web.”

By May 2005, Humana identified Exstream’s (Lexington, Ky.) Dialogue product as its document creation and automation tool and signed a contract with the vendor. Humana then worked both to identify the sources necessary to produce the right member communications and evaluate how those sources could be integrated into Dialogue, according to Jackie Hardison, director, clinical guidance and pharmacy applications, Humana. Hardison notes that Dialogue draws data from 13 different applications. “From establishing exactly what information needed to be presented through to the first delivery took about six months,” she says.

The first mailing of SmartSummary occurred in October 2005 to a group that included 17,000 Humana employees, according to Nicholson. Humana then conducted follow-up research to gauge members’ experiences. “That helped us with planning for call center staffing and determining the kind of questions we were likely to receive, which in turn helped prepare us for a broader rollout in January 2006,” Nicholson explains.

#### Direct Communication Model

Humana had powerful incentives to get the rollout right, as the business case for SmartSummary was largely predicated on the carrier’s strategic growth strategy. Taking advantage of the Medicare Modernization Act of 2003, the carrier aggressively pursued Medicare business in 2005. As a result, the company went from being focused on commercial business to being about 50 percent Medicare-based, according to Nicholson. The shift expanded the carrier’s geographical reach and its

customer-needs profile. "It changed our business from one that primarily communicated to employer groups to one that communicated directly to consumers," Nicholson comments.

Around the time application development for the SmartSummary initiative was being completed in the latter part of 2005, Humana faced a decision about how to handle the printing of the documents, according to Paul Ratner, VP, IT, Humana. "We weren't sure how many Medicare members we were going to have," he says. "We had estimates from 2 to 4 million, a significant portion of whom would receive some kind of statement monthly, with mailing windows of only a few weeks during the month."

Lacking the production capabilities in-house, Humana considered outside vendors, Ratner says. However, realizing that very high-quality standards would be needed for the high volumes anticipated, the carrier decided to build the necessary capabilities itself. "We built out a 60,000-square-foot print facility with digital full-color equipment," Ratner relates.

That facility was built and fully staffed within 100 days, adds Alan Ainsworth, director, data center operations, Humana. "There is some feature integration between the letter inserters we utilize and Exstream Dialogue that enable us to do intelligent letter insertion," he says. "We have virtually zero insertion problems through the automated process."

While Humana declines to disclose its investment in the Dialogue product or the SmartSummary initiative as a whole, Nicholson says he expects to see a return on the investment within about 18 months, based on consolidation of communications alone and excluding harder-to-quantify gains, such as new business. In 2006, the carrier saved about \$2.7 million, he reports.

As a result of the recruitment push, Humana now has approximately 4.5 million Medicare members, as opposed to about 400,000 prior to the initiative. Based on research conducted several months after the rollout, Nicholson sees SmartSummary as an important tool in retaining that business. Following the release of SmartSummary, the carrier saw a 14 percent increase in Medicare members who said they would stay with Humana based on the types of communications they receive and a 17 percent increase in respondents who said they would recommend the plan, according to Nicholson. "That's a pretty big number because Medicare is a very word-of-mouth type of business," he comments.

Humana also has received significant informal feedback revealing that the newly expanded senior/Medicare customer population finds the SmartSummary documents helpful, Nicholson reports. "They really do read and like the documents because of everything from the full-color pictures of their pills to the pocket guide where they can cut out a little folding document to actually hold their drugs," he says. "Whether it's the coupons that are specific to their health needs or the articles specific to them, it's very much a customized document that they find valuable."

### Single Point of Contact

Indianapolis-based WellPoint (\$51.5 billion in assets) is driving greater customer intimacy in its care management programs through what it calls a single-point-of-contact strategy. In addition to the consolidation of personalized information, the strategy provides for members within care management programs — including the carrier's Maternity Management program and its High Intensity (Risk) program — to have a single nurse manager to contact via a single phone

## Don't Listen to Your Customers!

**G**IVEN HIS ROLE as The Hartford's property/casualty operations' director for user-centered design, Ben Hoffman probably would be hard-pressed to dispute the time-honored maxim that the customer is always right. And yet, Hoffman advocates another maxim: "Don't listen to what users say — watch what they do."

Hoffman's work in maximizing the quality of a user's experience with The Hartford's (Hartford; \$27.1 billion in revenue) customer interaction systems — especially Web interfaces — takes a quasi-anthropological approach, leaning on observation of the customer in his natural habitat, so to speak. According to research by The Standish Group, the No. 1 reason that IT projects succeed is end-

as we design."

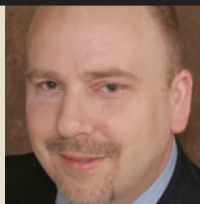
During the design process The Hartford constantly seeks user feedback. "Our motto is to engage end users early and often," Hoffman says. In early stages of the design process, users are presented with simple "wire-frame" interface prototypes, he explains. "Those tend to be more informal, almost focus-group-type activities," Hoffman adds.

"We then do more-rigorous usability testing, which involves bringing in users to use the product as if it were the real system, in order to gauge usability in terms of effectiveness, efficiency and satisfaction," Hoffman continues. "We videotape it, we record their voice and watch them use the system. That way

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user involvement, and so prerequisite to providing a high-quality experience is "getting a deep understanding of who the users are and understanding their tasks," Hoffman contends.

Profiling and segmentation is a key first step in understanding a customer's needs and likely interaction style, according to Hoffman. Within a given segment, The Hartford performs an "ethnographic" study to get a more precise understanding of that type of user's experience. "You are observing how they prefer to interact and what they actually do," Hoffman explains. Through the studies, he adds, "We understand the context within which they will be using the system, and we can take that back



we're able to record where they made errors, where they got confused and then build some knowledge not only about how this particular end-user group is going to use the system, but also about how use considerations might affect the insurance product as well."

Whatever other areas in which an insurer might seek to differentiate itself, far more often than not, what will end up driving business to a particular insurer is the customer experience, Hoffman asserts. But understanding and shaping that experience requires close observation. "I'm a strong believer in getting people to use one's products within context," he says. "That's a key component because people aren't very good at telling you what they think they're going to do." ■ —A.O.

number. The strategy is being carried out by wholly owned subsidiary and internal technology solutions provider WellPoint Health Management Corp. (WellPoint HMC, New York), which has been positioned to deliver the carrier's 360 Degree Health initiative, a suite of programs designed to address preventive care, health improvement and care coordination.

A prerequisite to the single-point-of-contact strategy was the technological unification of the various WellPoint programs with which a given member may be engaged, according to Joan Kennedy, a WellPoint SVP and president of Wellpoint HMC. Programs aimed at providing a better overall experience to members tended to be functionally siloed and to sit on disparate technology platforms, she notes. As a result, a member could end up interacting with three or four different organizations within WellPoint, and potentially multiple people within those organizations.

"We consolidated all of those products in WellPoint into a single application, allowing the person designated as the single point of contact to have access to all kinds of information," Kennedy says. "That primary nurse has various tools, content and information around the particular disease program, information drawn from the 24/7 call center, enabling that person to become an effective single point of contact."

WellPoint HMC currently is implementing a VOIP-based phone system to orchestrate the primary nurses' interactions with members in care management programs. The solution — which will concentrate all HMC nurses within five call centers — consists of a Genesys (Mississauga, Ontario) call center platform, including a CSR desktop and call-routing capability; an Avaya (Basking Ridge, N.J.) IP PBX switch with unified messaging; Verint (Melville, N.Y.) call recording; and a Viacore (Mahwah, N.J.) IVR (interactive voice response) system. WellPoint issued an RFP in June 2006 and kicked off the project in mid-August 2006, according to Bob Cecchini, a senior management consultant with Robert E. Nolan Co., which is providing call center and process redesign support. The new system is scheduled to go live in April 2007.

The single point of contact is critical to establish the kind of trust and accountability required to facilitate the behavior changes essential to care management, Cecchini notes. While customers have a single number to reach their personal contacts, the normal course of interaction is through scheduled outbound communication from WellPoint. The communication intends to establish something analogous

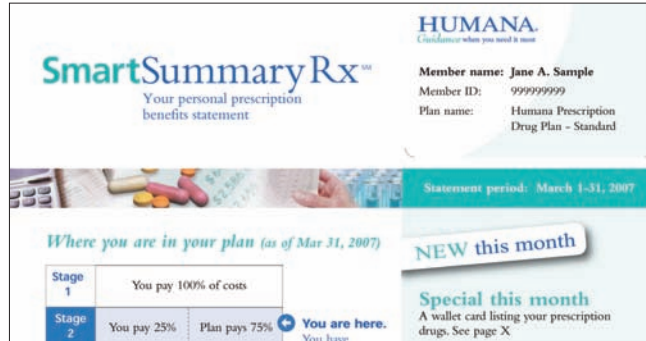
to a patient's relationship with his or her primary care physician, Cecchini describes.

WellPoint's existing customer-contact capabilities tended to result in members not being called at the appointed time — an all-too-likely problem when nurse managers may have dozens of members whom they call regularly. Under the new system, according to Cecchini, nurse managers will receive a pre-call screen pop in advance of their appointment with a given mem-

ber, accompanied by "call prep" — member information, such as a record of prior communication, needed to brief them for the upcoming call. If the primary nurse manager is unavailable for any reason, the screen pop will be routed to a colleague within a small virtual group, he adds. If in the future the primary contact is unavailable, the system will favor routing the call to the colleague or colleagues who have spoken to the member before. "The idea is to keep the number of people talking to the member as low as possible, to reinforce the one-on-one, or when necessary, the small team helping the member to accomplish their goals," Cecchini explains.

Planning is under way for extending outreach to members with reminders and other forms of contact via mobile devices, including cell phones and handheld devices, such as the Research In Motion (Waterloo, Ontario) BlackBerry. "We want to become real time in the patient's day-to-day activities," says WellPoint's Kennedy.

In addition to helping members accomplish the goals to foster greater well-being, the single point of contact strategy also will improve the bottom line for the employers that typically purchase the service for members, Kennedy notes. "Technology is the vehicle to allow us to create the necessary intimate trust relationship." ■



Humana's SmartSummary Rx statements include vital information about a member's regular prescriptions, including full-color illustrations of pills and refill schedules.