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CDHP Strategy: Educate Clients Or Lose Sales Opportunity

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Two years ago a pack of startup Consumer Driven Health Plan (CDHP) companies were hoping to carve out a niche for themselves. Today, mega health insurers seem to be jumping into the market every week.

This is a sign that CDHPs are emerging from their infancy. The next step? Brokers need to educate customers about what these plans are and how they work.

CDHPs are health insurance plans that, with the help of price and quality consumer information tools, give customers control over benefit decisions at point of enrollment, and medical choices at point of care. Most combine high deductible health policies with a health savings account (HSA) that employees can draw from to pay for certain medical costs.

In this market, innovative product design is important. Robust technology tools are essential. Tightly integrated claims processing is vital. Customer-focused service is mandatory. And, like any viable insurance program, financial stability is imperative.

Still, the difference between winners and losers is coming down to customer education.

Employers and employees alike must understand – upfront – that they are taking on new responsibilities and, new financial and clinical exposures. That means they need to understand the “rules of engagement,” or the basic CDHP tenets. It’s not a product built on buyer diffidence. Reliable customer education is therefore crucial.

Here are a few strategies that should help bridge the consumer education gap.

Employ Change Management – For instance, note that co-pays are often out under these plan designs. The underlying goal of Consumer Driven Health Plans is to change customer behavior by transforming the way consumers interact with their health care benefits and medical decisions. CDHPs introduce new cost sharing mechanisms and a benefit structure using intimidating tools to communicate volumes of information about price and quality of care. Providing an ID card to flash a \$15 co-pay at the billing office won’t cut it anymore.

Set Appropriate Expectations – From point of sale to point of care, setting realistic expectations about the consumer experience is crucial. Anticipate and address your customers’ questions: Is there a chance of balanced billing? Are there restrictions on Health Savings or Reimbursement Account funds? Do I have to use the Internet to find a provider? Remember, this is a new product, with new features, new roles and new responsibilities. By openly setting customer expectations at the front-end, you will help your clients avoid problems and disappointment with CDHPs at the back end.

Keep Up A Baseline Communication With Your Client And Keep It Simple – You might as well throw-away years of health insurance jargon and industry acronyms. Use the launch of a Consumer Driven Health Plan to change the way you present benefit plans. That is, use fewer words, more pictures and larger typeface. Make sure you clearly explain the “rules of engagement.” Give your communications the acid test by showing draft sales collateral and member handbooks to someone outside the industry. If you get that “glazed-over” look, go back to the drawing board!

Provide Superior Customer Service – Keep in mind that content is king, and consistency is queen. CDHP plan designs have thrust consumers into the middle of determining benefits and choosing “the right” providers. These plans raise the financial and clinical stakes. This elevates the importance of customer service. Service representatives must be adept at answering a multitude of questions quickly and accurately – benefit tradeoffs, provider selection, HSA-HRA management, clinical support, pricing comparisons and quality of care benchmarks.

Provide Clients With Continuous Education – Sales presentations, Web interface and fulfillment collateral lay the groundwork. But ongoing visibility through frequent customer “touches” makes a consumer-driven plan work. That’s because continuous communication strengthens the company-broker-member connection and reinforces product functionality. It is a process of repetition; educating customers on scheduled events such as plan activation and renewal, as well as transactional events like HSA-HRA rollover and care management.

Emphasize That This Really Is Consumer Driven – Too often, Consumer Driven Health Plans are positioned as a low cost alternative to traditional managed care. In some cases, they are touted as the new-reality – a way for an employer to shift costs to employees. If low price is the powerhouse behind a sales strategy, you’re in trouble. Inevitably, a price-based decision that forces a CDHP onto unsuspecting employees leads to broken promises and dashed expectations.

CDHP customers are asked to drive upfront benefit decisions and stay involved throughout care delivery. To do this, they need to be motivated “health care consumers” that voluntarily make economical, efficient choices about services they want, and their willingness to pay.

An information-based customer education strategy is the lynchpin for success. Consumer Driven Health Plans don’t sell themselves, and customer satisfaction doesn’t come without an investment in practical, education-based consumer communications.

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