MEDORION

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HEALTH PLAN MEMBER RETENTION

a study by Medorion

This case study aims to show how Behavioral AI supersedes conventional AI-driven systems, allowing Medicare Advantage plans to learn more than *what* plan sells, but *why a member enrolls in a plan*.

THE CHALLENGE TO RETAIN

When employees decide to retire, it is generally hard to predict whether they will stay with their current insurance provider or switch plans – even if they have been with their commercial insurer for years. A 'one-size-fits-most' approach is common in U.S. healthcare; whether or not the employee likes their insurer is mostly irrelevant. What's more, employees are overwhelmed with Medicare options – and questions. 'Should I stay with my current insurer?' 'Can I really afford this?'

Traditional marketing tactics lack the ability to tap into members' emotions, habits and hidden considerations because they rely on mass communication messages instead of a personalized approach. These marketing campaigns are missing the key emotional component behind members' decisions, and as it turns out, most people ultimately choose to change their insurer.

REDEFINING HEALTHCARE COMMUNICATION

This case study is inspired by Medorion's work with U.S. health plans in a concerted effort to positively change this trend. Leveraging its behavioral AI-powered technology platform, Medorion tapped into existing claims and demographic data to understand member preferences, behaviors and psychological triggers in order to tailor Medicare products and messages that were proven effective in enrolling 'Commercial Members' in 'Individual Medicare Advantage' plans. This case study aims to show how Behavioral AI supersedes conventional AI-driven systems, allowing Medicare Advantage plans to learn more than what plan sells, but why a member enrolls in a plan - offering insight into hidden behavior that influences their enrollment decisions.

THE STUDY

After a brief period of deployment and training, the Health Plan's marketers implemented these 7 steps:

STEP 1

Create various subsegments of the population by analyzing and interpreting tens of thousands of combinations of clinical, demographic and geographic data in order to find out what factors most impact people's decisions. For example, one of the segments discovered revealed that people with multiple chronic conditions but without hypertension were highly likely to remain members.

STEP 2

Now that we know what factors are most likely to determine whether members will stay, the next objective is to understand why, since this is what drives people's decisions. This is where conventional AI stops and where Behavioral AI begins. Medorion's Behavioral AI applies best practices from Behavioral Sciences to find these underlying emotional triggers. Continuing with the above example, we discovered that the underlying reason those members with multiple chronic conditions were likely to stay was the cost of switching to another plan. The people in this cluster actively consume complex health services and are comfortable with their current care providers and insurer. Mildly highlighting the costs of switching to a new insurer was the key motivator for them to stay.

STEP 3

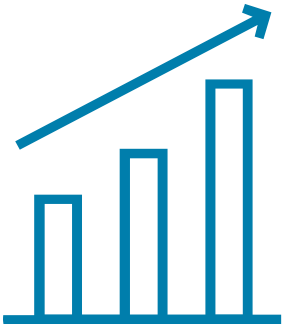
Medorion took this data and applied the second round of AI to match a plan that best fits the specific market segment. In this example, the recommended plan was a middle-tier PPO as it is best suited to this group's needs.

STEP 4

Using Medorion's Behavioral AI, the healthcare marketers then draft a personalized campaign with messages that target the identified emotional trigger: cost of losing access to an existing network of providers and physician handling of members' personal medical history. In this case, the message theme is reinforcement with indirect hints at the cost of switching.

STEP 5

The campaign is launched using the marketing automation tools while the Medorion system collects feedback for analysis, reporting, and further optimization. Every movement is clearly visible for the healthcare marketers; data, behavior, and response are monitored inside the system.



under
12 MONTHS
to retain
1000s
of members

X9
return on the initial investment

21%
improvement in retention rates in just 12 months

STEP 6

Steps 1 through 5 are repeated on additional, identified sub-segments of the population where each member receives personalized messages.

STEP 7

The communication strategies are continuously optimized using live data derived from member feedback of existing campaigns, or any change in market environments.

A NEW WAY TO COMMUNICATE

This study highlights the importance of understanding the individual member and matching up common goals with the organization. Measuring how various factors affect the success of an organization in the long-term is not just about data intelligence, but also about understanding member behavior and what drives people's decisions. Results of the Medorion study revealed more than 21% increase in retention rates in less than 12 months of engagement, demonstrating an ROI growth of more than ninefold.

According to a study by McKinsey (2016), members seek value, provider options, and experience when deciding to 'stick with a plan'- three factors that insurers need to pay constant attention to. Furthermore, these factors suggest that healthcare is personal. Medorion's Behavioral AI platform targets these three determinants using easy-to-apply principles from Behavioral Sciences and combining them with the most advanced AI platform to transform healthcare communication. By tapping into the hidden triggers highlighted by Behavioral AI, Medicare Advantage plans have the power to reinforce relationships with members, optimize credibility, increase retention, and use these strategies to strengthen member retention and exponentially drive organic acquisition in the long-term.

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