



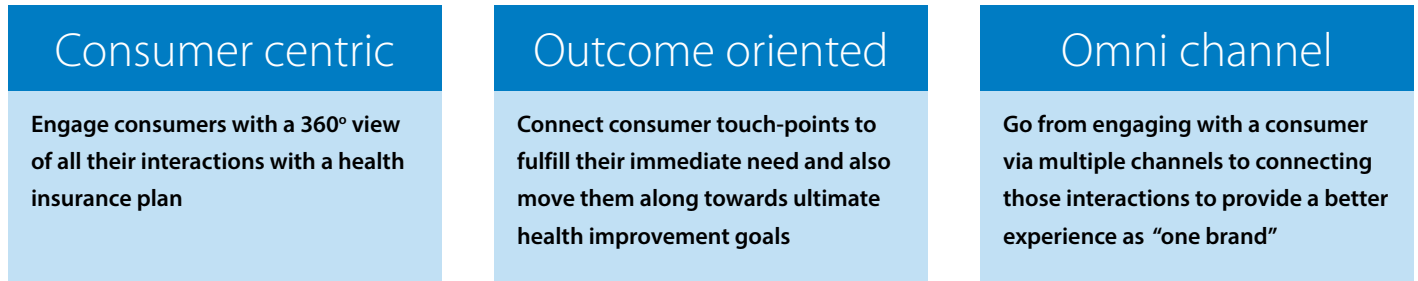
CREATING A CONSISTENT AND CONNECTED EXPERIENCE ACROSS THE CONSUMER LIFECYCLE

Abstract

Infosys Public Services conducted a panel discussion on creating a consistent and connected experience for consumers at a flagship healthcare industry forum in June 2014 with leaders from Aetna and HealthSparq. The session produced practical perspectives and insights on understanding consumers and their needs, motivation to engage with health insurance plans, and what it takes for the plans to create personalized and connected experiences that consumers want AND expect.

The US health insurance business model is transforming in fundamental ways and is driven by consumerization. Healthcare consumer expectations are now set by their experience with retail and other consumer industries. Multiple studies have shown that consumers are rapidly embracing digital channels for healthcare – 39% of consumers will visit a website to research a new health insurance plan, 76% will sign up for a mobile app to track health goals, one-third use social media and online forums to address health concerns, and two-thirds who have good experiences stay with the insurer. The onus is thus on health insurance plans to close the gap on engaging with consumers.

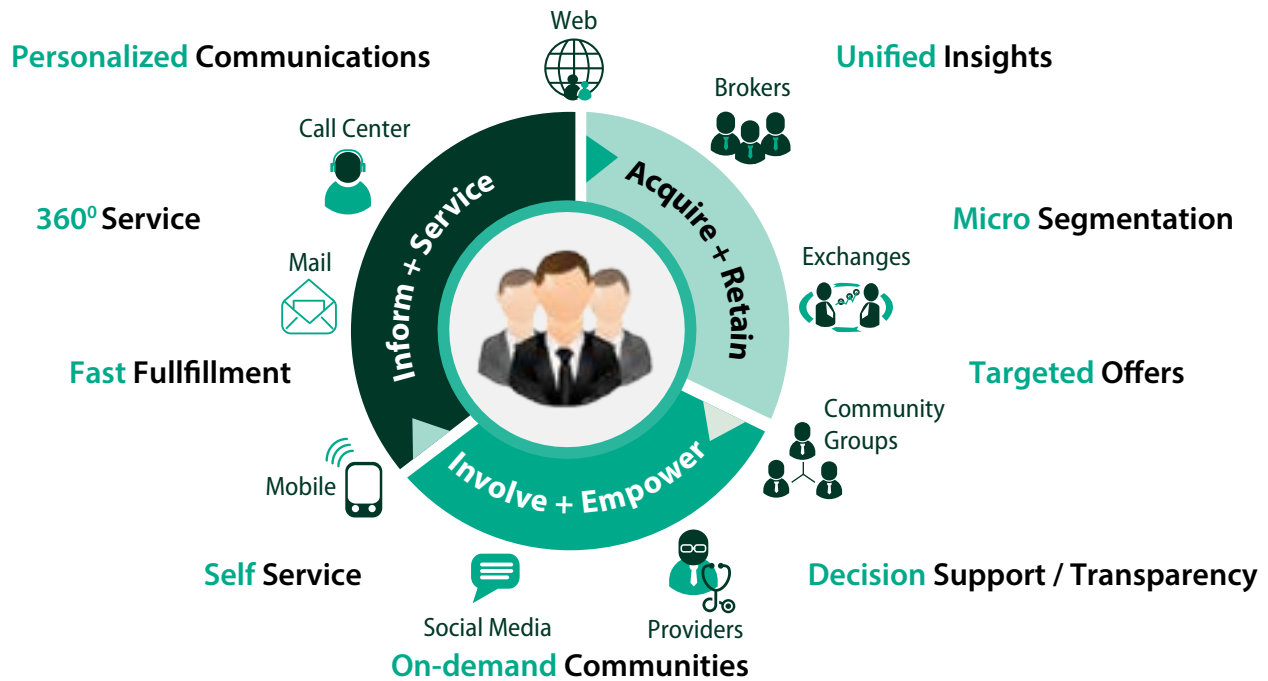
Three essential principles drive consumer engagement that leads to accountability and sustainable behavior change, and thus improves health outcomes and lowers costs:



Digital Transformation is key to consumer engagement:

The shift from group (employer) to individual (consumer) market is an opportunity for health plans to gain new members to drive growth. But health insurance plans need to compete to acquire and retain consumers, inform and service them, empower and engage with them to improve health outcomes and lower costs. Digital transformation is key to the successful transition from an employer-centric to a consumer-centric model.

There has been a paradigm shift from one-to-many to one-to-one communication and engagement, delivering a consistent message and connected experience to consumers across channels – digital and traditional, direct and indirect. *Health insurance plans that deliver better digital consumer experience will gain a competitive edge.*



Panelists



Aneesh Kumar

Head-Consumer Engagement Strategy,
Aetna

In his role as the head of consumer products group, Aneesh's team focuses on developing solutions for individuals who have choice in their healthcare and healthcare financing. Rather than tweaking their group-oriented solutions to become prettier and consumer friendly, the team develops solutions that holds the consumer as the center and then builds the business back.



Tamara Khan

VP of Products,
HealthSparq

Tamara leads product, user experience, and informatics at HealthSparq. She has over a decade of product management experience in consumer web, health, gaming, electronics, and AI. Tamara specializes in creating intuitive user experiences that have driven large scale growth at brands such as Practice Fusion, Kiva, and Nickelodeon. She plays many roles – that of a designer, behavioral economist, and technologist. She drives positive behavior change online and brings a data driven approach to creating products that users love.



Eric Paternoster

President & Chief Executive Officer,
Infosys Public Services

As chief executive of the Infosys subsidiary, Eric oversees strategy and execution for profitable growth. He advises CxOs in healthcare and government on technology and operations. Eric has over 30 years of experience with firms in healthcare, consulting, and business technology. Eric's team combines healthcare expertise with insights and practices from industries such as retail and banking to bring innovative solutions for consumer engagement and other big challenges in healthcare.

Moderated By: Eric Paternoster

Panel Discussion

Eric: *What are the organization, processes, and technology implications of delivering a consistent, connected, personalized consumer experience?*

What health plans need mostly doesn't have to be invented but can be adapted from retail, telecom, banking, and other B2C industries. There is opportunity for technology to support transforming every aspect of understanding and engaging with consumers so that the focus can shift to health and costs.

Aneesh: Organizational challenges are really the main challenges that we face and anybody at a big company can probably empathize. Benefit managers, CFOs, and government program administrators, are our current stakeholders. They have not only tolerated complexity but in fact have asked for it in terms of organizational-specific customization. They have a conservative approach, and a paternalistic attitude toward consumers who, of course, "cannot manage their own health." It is difficult to move away from the capabilities and payment models that have made us successful towards a new model where the consumer is empowered to make choices that affect their health. Today, we don't know consumer segmentation, we don't know how to make money selling to consumers, because we don't have the track record. This goes a little bit into Christensen's innovator dilemma where new business opportunities frequently are less profitable than today's business, and almost always require new skills, but will eventually be profitable.

The approach that we have taken is identifying a different set of people to focus on the new businesses and with that we've seen quite a bit of success, at least in

terms of formulating some of our business models. I'm also heartened by the fact that the people who are working in today's group-specific model, are even more keenly aware of some of the shackles that the organization has put on itself. So I find that the relationship is very collaborative. The key message for health plans is that some separation of this new group focused on consumers from a group that is focused on employers and government program administrators is necessary if you want to address this new market in a simple way.

Tamara: The need of the hour is to rationalize information. Information is in dispersed locations and customized to employer groups - to turn this data into a solution is a cumbersome process. One of the tenets of a great personalized experience is consistency. So, when I use a health plan site this year to buy Plan A and next year to buy Plan B, I shouldn't have a wildly different experience. I shouldn't have to learn again from start to finish.

As we innovate with new types of plan designs and preference-based pricing, the complexity adds more layers to the consumer experience to a point where it becomes incredibly challenging. This becomes the real operational, organizational impact: re-thinking how we design products and continue to achieve that personalization without necessarily sacrificing member experience, and thinking about new ways to gather and record information so that it continues to serve consumers in more ways beyond what is intended now. Now we have a new goal, which is the purpose of empowering consumers with enough information to make decisions, just as in a retail store.

The big practical impact as we work with organizations trying to enable better consumer experience is figuring out how to take information and layer the meta-

data onto it, so that an end-user can read it, understand the terms we are using, ensure it's appropriate for the location and so on.

Aneesh: Let me add a little bit to the consistency point that Tamara brought up. Product design skills in our industry are lacking. You need somebody like an Amazon of healthcare to define products as human constructs. Managed care companies and employers have not done a good job defining healthcare products. This is a unique industry where MCOs have the opportunity to connect with consumers from the time they can make a purchase—let's say when they become an adult—to the time they die, and we haven't really taken advantage of that. But we can, once we think of the product differently.

Audience Question: *I think health plans are missing a huge opportunity with separating focus for individuals and groups. I understand, 10 years from now it will probably be all consumers, but if you look at the next 2-3 years, I think it's an opportunity to provide consumer-like experiences through the group engagement -- may be through private exchanges that help get that brand-stickiness vs. wait for this evolution to occur.*

Aneesh: Consumer Engagement is a journey and I have frequently characterized private exchanges as graceful disengagement, in the sense that an employer can pick multiple points along their entire journey from today's paternalistic model to the future, where choice, responsibility, and spend, move completely to the consumer. The employer will then be a facilitator. But this journey is not going to happen overnight or over one year.

So an employer can say, "Let's get to private exchanges because we can, for the first time, provide an experience to the consumer where they have greater choice, where they have the notion of trade-off between premiums



and co-pays and network sizes and they get more used to taking care of their own health and their own healthcare spending.” Over time, I do believe that benefit design will move away from employers, because they do not really belong in the healthcare business. But that is over time, we cannot tie our success only to that event. It has to be tied to the entire transformation of increasing consumer choice.

Eric: *Tamara, you have great experience in the EHR world before your current role. I'd like to ask you how health plans can leverage digital capabilities through tools like that to start providing this connected experience?*

For example, Avivia Health from Kaiser Permanente has built a gamification platform so they can provide an interactive

experience for consumers with their wellness products through rewards and other game mechanisms. This is driving a more sustainable behavior change, which is key to drive down healthcare costs. A health solutions company we are working with is integrating public social networks onto their web portals to bring more comprehensive health data or condition information and resources to consumers. We see this as a growing trend.

Tamara: EHRs have a lot of valuable information. However, the information could be across countries, in different formats, and not necessarily be in usable form. There is a lot of interest at the federal level and from EHR vendors to turn this information into actionable insights

that healthcare organizations can take advantage of. There is a really interesting opportunity to partner with EHR vendors, because those that are mining data, know exactly what interventions and actions lead to real measurable outcomes (EHR deals with biometric data from all labs). We can start to think of the EHR strategy and interweaving and doing research around how claims data correlates to labs data from a specific population set, which would help us find interesting insights. For example, women who take prenatal vitamin of a certain type have C-sections – the kind of things that might inspire new plan designs that would be cost-effective and offer pro-healthy choices. These discoveries could then be fed into health plan designs.



Eric: *To build a great consumer brand you need to have omni-channel capabilities that all fit together. I'd be interested in each of you talking about the implications to the role of "indirect channels" such as providers, brokers and community groups in ensuring a consistent experience to consumers?*

Aneesh: I have two thoughts. The first is that a direct connection with consumers is critical. The panelists before us showed what is possible once you develop that direct connection. The previous examples did not even begin in the healthcare space but now we have an offering that is truly valuable. We need to develop that capability as an industry and we are really at the beginning of the maturity curve. At the same time, Eric, to your point, there will be social media groups, **patients-like-me** type of groups that will not be completely controlled by us, and neither should we try to control them. Then the thing that a managed care organization should hope for, in my opinion, is to be a part of the conversation.

Therefore, the relationship between the consumer and the health plan and consumer and the physician, both of which have been highly asymmetrical relationships for two or three generations, are becoming equal conversations. Being an honest, plain-speaking party in the conversation within all these indirect channels is the underlying premise for success.

Tamara: I will answer it a bit differently, based on which ones I see as more strategic. Engaging consumers is only one step of the converging funnel (prospecting to converting into members). It is right there in the middle. Acquisition of our new potential customers through viable mechanisms like brokers, providers, etc., is all the more interesting to mention.

If you look at the system as is today, providers are a terrible advocate for insurance plans – *"they don't pay me; they don't reimburse my claims"*. Changing that dynamic and relationship is really key to ensuring that the funnel is healthy. Health

plans either do that or find new ways of getting people to refer via some other mechanism, but I can't imagine displacing the provider in that funnel. So, the strategic value is in figuring out how health plans make providers "like" them – but not necessarily by acquiescing to whatever prices they want, because health plans still need to deliver value to the end-user. I would propose that there is a way to make providers happier by getting into their cost structure in a different way.

Aneesh: The Provider is the central hub of the healthcare system - they are the sellers and the consumers are the buyers. One of the systemic problems in the industry is that there are too many entities in the middle. Part of where Health plans could have done a better job is to pay the Providers in a way that made economic sense and then transfer some appropriate risk to Providers. The moment you set the system such that there is meaningful risk transfer at say a product level, and let a consumer shop, the consumer would become knowledgeable on where the money is going. That is absolutely necessary for changing the dynamics of the relationship. And when that does, I absolutely believe that consumers will be more satisfied, and the cost of the entire healthcare system will go down.

Audience Question: *Consumers, especially those with poly-chronic conditions who drive most of the healthcare expenses, are they really empowered to make choices that benefit them the most by taking care of their health?*

Aneesh: My belief and observation are, yes. It is a cultural shift, it is not going to happen in the next two weeks, and it is going to be a rocky road. But I fundamentally believe that consumers are

capable of taking care of their health. Do they need a support system? Yes, all of us do, in everything we do. And companies such as ours are well-positioned to create the right support system.

If you look at the United Kingdom, their macro-health outcomes are better than ours, their total healthcare cost is 40% of ours, there's no employer in the middle, and they have the same mix of millennials and boomers, pretty much as we do. So I do believe that that is possible, because other countries have shown that to be true.

Tamara: I would take a step further to not only say that it is possible but also very

likely. If you look at search trends today and see what people look for online, it is by and large information about healthcare. Curiosity is enormous. Companies like WeightWatchers are catering to that interest; BestBuy decided to open floor space in their stores to support this desire for health tracking and applications. There's a huge appetite in America to manage conditions like obesity and diabetes and just general health concerns. So, the question is "Are we going to be participants in that? Are we going to partner with the people who are innovating? Or, are we going to accept that it's not our strong suit and let that

opportunity pass." I would challenge and say it is a huge opportunity for everyone. If we combine our knowledge of the system, the payers, other players, and how to navigate various stakeholders and partner with those who are engaging the consumer, then we would have a strong offering that changes the health dynamic quite dramatically.

Eric: Thank you for all your questions, insights, and engaging discussion.

In closing, building a consumer-centric business model and becoming a consumer brand is a multi-year journey. So, bringing in proven practices from other industries and pre-built solutions can make a big difference in accelerating the journey. As we discussed, there are numerous capabilities – particularly on the digital front – but health plans have limited resources and competing priorities. Value realization frameworks should be used upfront to prioritize areas to focus, investments needed, and roadmap to execute. In healthcare, as in other industries, strong business ownership from the health plan to drive change is crucial to build momentum and see these initiatives through.

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