

## HEALTH PLAN HANDBOOK

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# Opportunities to Optimize for Ongoing and Disruptive Change

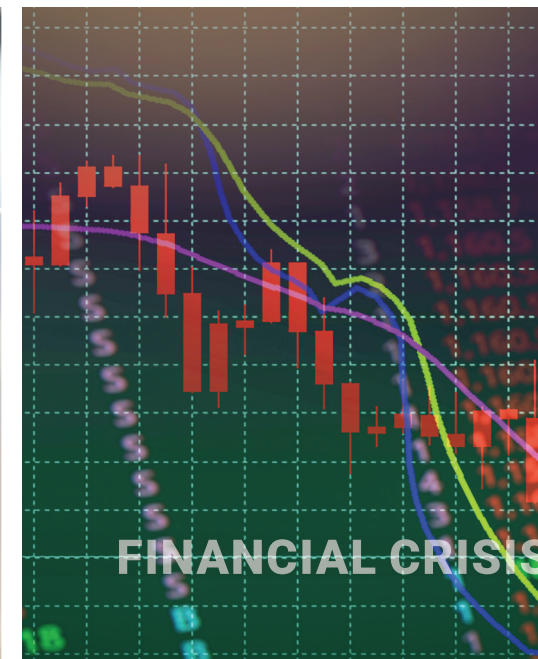


AFFORDABLE CARE ACT



MEDICARE PART C & D

COVID-19



FINANCIAL CRISIS

## INTRODUCTION

# Change Brings Opportunity

There are three universal truths about the healthcare market: It's highly competitive, it's complex and it's constantly changing.

The strongest carriers have always been driven with these realities in mind, and their decision-making culture is a strength in light of the COVID-19 crisis. The strategies they leverage to differentiate themselves and succeed in uncertainty are learning opportunities for all of us as we navigate this latest unprecedented change.

There is a lot we don't know about the short- and long-term impacts of today's pandemic. For example, we don't know how much shifts in membership will disrupt health plan revenue.<sup>1</sup> Likewise, we don't know when — or how much — plan utilization will rise as elective services resume.<sup>2</sup>

In the face of systemic uncertainty, we see our customers' strategies pointing towards seizing opportunities that are anchored by a sustainable, long-term business model that optimizes administration and makes inevitable change an opportunity.

1. Advisory Board Expert Insight. How Covid-19 will impact payer enrollment mix. Advisory Board. April 2020. <https://www.advisory.com/research/health-plan-advisory-council/members/expert-insights/2020/how-covid-19-will-impact-payer-enrollment-mix>

2. Rogers H, Mills C and Kramer MJ. Estimating the impact of COVID-19 on healthcare costs in 2020: Key factors of the cost trajectory. Milliman Inc. April 2020. <https://milliman-cdn.azureedge.net/-/media/milliman/pdfs/articles/estimating-the-financial-impact-covid19.ashx>

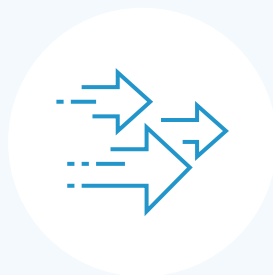
# Build a Sustainable Business Model

Business models that are built upon strong foundations ensure sustainability and growth for both the short-term and long-term—even through times of disruptive change.

There are three key pillars to creating a strong foundation:



**Control of administrative costs and revenue opportunity**



**Agility, flexibility and scalability**



**Strategies for future sustainability, with a focus on immediate return**

# Control What You Can Control

You can't control the pace or uncertainty of change. But you do have the power to control two critical elements that are essential to your core business:

## 1 | Administrative costs

## 2 | Revenue opportunity

### Manage Your Administrative Costs

Administrative costs need to be sustainable despite fast-moving market change. Let's look at the impact of COVID-19 as an example.

The market is going to continue to demand the rapid delivery of highly customized products and services. However, these demands are going to evolve quickly as the market begins to think differently about their health and healthcare services. These might include new coverages for alternative care methods or unexpected events, or maybe even financial reserves for future pandemics. Responding successfully without increasing resource utilization or costs, requires:



#### Increased workflow efficiencies

Configuring new products and executing bulk updates for existing products, for example, can take days and not weeks (or months) with automated workflows.



#### Reduced redundancies and errors

Ensuring compliance for thousands of products and documents, if done through automated product data solutions rather than error-prone manual processes, can be done faster and with better accuracy.



#### Enhanced data sharing

Implementing a single source of truth will generate consistency, accuracy and economies of scale.

## Drive Product Sales

Unemployment always threatens premium revenue. It also increases the pace of competition as the member pool shrinks and employers require more cost-neutral solutions. Despite such fluid economic conditions, you can control your revenue opportunity by ensuring your organization is positioned to differentiate based on responsiveness and innovation.

### **Lead with innovative product design.**

Without limits on your ability to customize products, you are able to meet your customer's sophisticated and personalized demands better than the competition.

### **Sell better and faster than your competitors.**

By creating the ability to be flexible and transparent at the point-of-sale, your sales team is poised to offer product customizations on-demand to accelerate sales and renewals.

With data-driven visibility across your organization, there are multiple places where you can garner cost savings across the product lifecycle. Depending on your health plan's priorities, savings might come from avoiding:

- ① Costly plan document inaccuracies
- ① Claims adjudication errors
- ① Document reprinting to correct mistakes
- ① Overtime and temporary staffing costs
- ① Resources' time that could be better used elsewhere
- ① Mispriced offerings

# Create Agility, Flexibility and Scalability

Setting a stable foundation with technology that is agile, flexible and scalable enables you to pivot smoothly in response to ongoing change.

Consider how COVID-19 has touched benefit structures, for example.

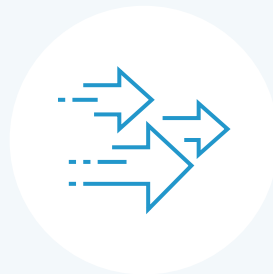
How are you preparing for new telehealth coverages despite uncertain future mandates, reimbursement and consumer demand? Without agile product data management technology powering a bulk plan update, changing your benefit structures en masse might look like this:

Hypothetical Health Plan operates in a single state serving roughly **1 million** members and offers **5,000** products.

## MANUAL

### 3 weeks

To update benefit structures for a single regulation change, managed by 30 FTEs and using a series of two dozen manual spreadsheets



## AUTOMATED

### 5-10 minutes

To make plan updates across the enterprise

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Investing in such solutions also ensures product changes feed easily into downstream processes, including member service and claims – aligning your entire organization with every update.

# Benefits of the right foundational investment

Automating and creating efficiencies		<b>\$ millions</b> in immediate cost savings
Data visibility and scalability		<b>Unlimited opportunity</b> to innovate and customize
Customized benefit plans		<b>More competitive, affordable, profitable products</b> for the short- and long-term
Single source of truth for streamlined downstream data sharing		<b>Better claims reconciliation and payment</b>
Smarter selling with on-demand customization		<b>Faster sales, happier customers</b> and a solid competitive advantage

# Strategize for Immediate Return + Future Sustainability

Successful businesses focus on immediate return while planning to win in the long-term. This is easily achieved with a strategy that accelerates time to value with an incremental approach to optimization.

## Example:

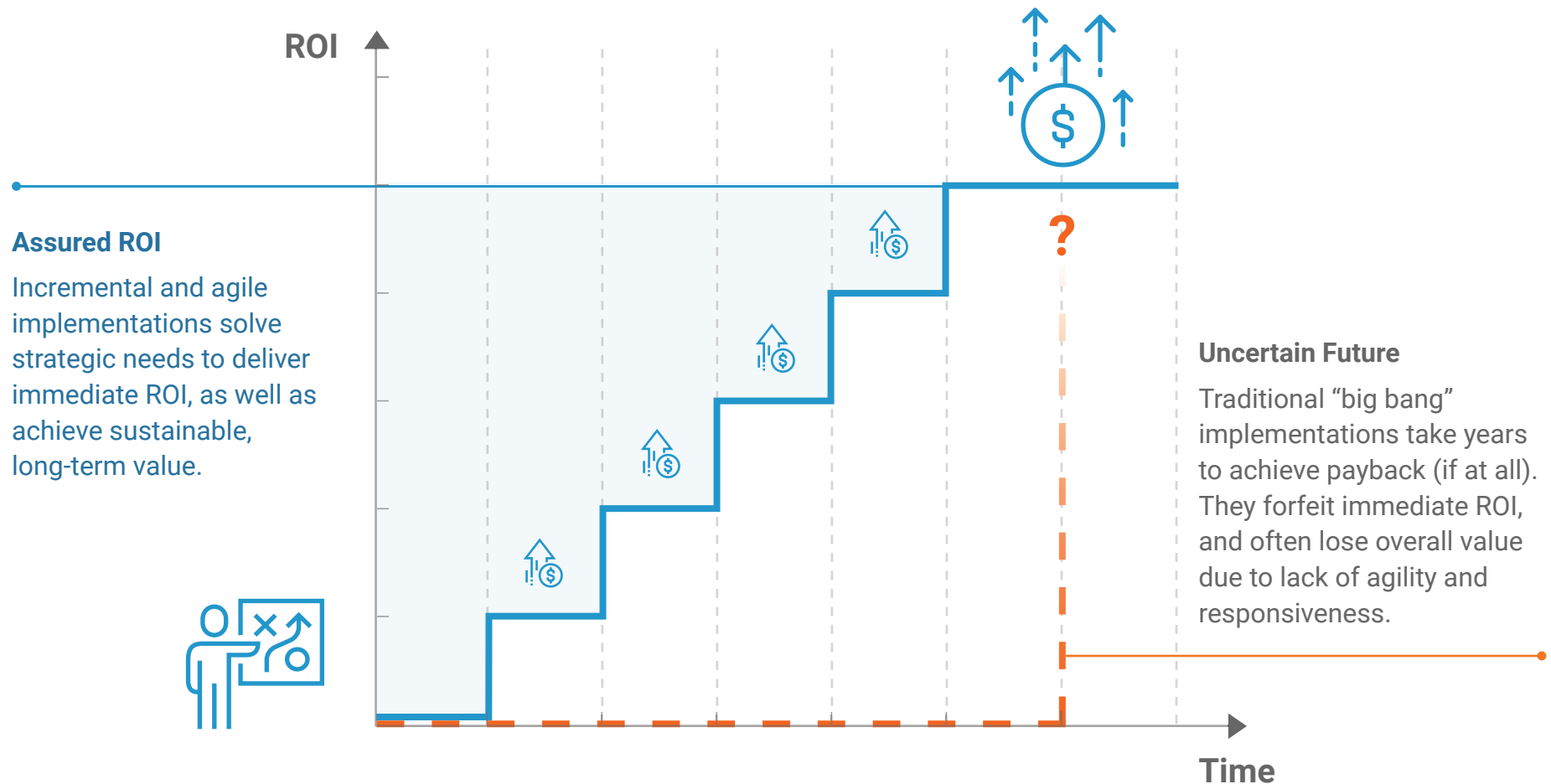
One multi-state health plan facing a document generation challenge recently decided to transform existing manual inefficiencies rather than taking the “band-aid approach” of hiring additional FTEs. By quickly automating its product data management functions, the company met its short-term goals of generating compliance and plan documents faster, more accurately and more efficiently. The health plan is also prepared to get its products to market faster, driving revenue.

This approach gave the company immediate ROI, while also positioning itself for long-term growth and scalability by speeding revenue capture and reducing operating costs. In many instances like this one, solving an incremental need with a long-term solution accomplishes both immediate and sustainable benefits.





# Approach: The Key to Achieving Both Short- and Long-Term Value



# Create Opportunities to Optimize for Ongoing and Disruptive Change

History teaches us that an ounce of prevention is worth a pound of cure.

The healthcare landscape is certainly changing – but we're not sure exactly how. So, what does COVID-19 teach health plans about preparing for complex, ongoing change?

**1 Embrace incrementalism for immediate return and long-term sustainability.** Waiting years to see results isn't a viable option; you need to see immediate value. However, decisions made now must also support long-term strategic growth.

**2 Focus on what you can control.** We know that cutting administrative costs and selling effectively is always good. It is even more evident during times of change when you need to respond, adapt and continue to grow.

**3 Invest in your foundation.** A solid foundation supports stability and growth even as everything around it changes. It produces opportunity to continually deliver, lead the industry and remain competitive.

**4 Optimize now.** Technology solutions built to optimize processes and workflows offer opportunities to achieve savings, as well as the agility, flexibility and scalability needed to master constant change.

Health plans can't always predict what will happen in the future. But they can embrace change and complexity by optimizing administration and seeking opportunity to drive sustainable growth through smart technology investments.



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