

# How Existing Product Lifecycles Are Suffocating Health Plan Innovation, and What to Do About It

## THE RETURN ON INVESTMENT VALUE OF SINGLE SOURCE OF TRUTH SOLUTIONS

Single source of truth platforms automate processes using a shared data repository. They deliver significant bottom line savings and top line revenue generation opportunities that grow exponentially year after year. For example, a typical health plan covering 1MM fully and self-insured members can realize \$15-20MM\* in the first year post-implementation by capitalizing on the following:

\*Predictions based on HighRoads' proprietary return on investment model

# \$15-20 MM

CLOUD-BASED SAAS SOLUTION

- API that provides on-demand access to accurate data, rules, and processes

A SINGLE DATA SOURCE

- Complete tooling of product development from ideation to launch
- Rapid portfolio analysis to determine product viability and profitability
- Plan innovation and customization at the point of sale
- Simplified *versioning* and revising processes with a documented audit trail
- Enterprise-wide collaboration and communication with rules-based permissions

FLEXIBLE WORKFLOW TOOLS

- Workflows integrated directly into product and plan management, document generation, and other operational processes
- Management by data vs memory and ad hoc processes

FULLY INTEGRATED CALL CENTER

- First call resolution of member inquiries using tools that deliver accurate and up-to-date plan information

AUTOMATED DOCUMENT GENERATION

- Accurate plan communication materials developed at the point of sale for new products and updated benefit plans
- Enterprise-wide consistency of plan documentation

PRODUCT OPS

- Full integration across all required functions, including customer service, claims, product development, and sales
- Capture and communication of accurate changes in benefit data for medical, pharmacy, dental, vision, and other non-medical benefits data
- Dissemination of all cost share and plan configuration information cross-organizationally to facilitate tiering and more complex designs
- Custom benefit matrices developed for internal consumption
- Accurate and consistent data that supports compliance with state and federal regulations

SALES ACCELERATION

- Point-of-sale product and pricing customization via self-service capabilities
- Automatic benefit plan updates that streamline renewals
- Rapid response to competitive threats and emerging market needs
- Increased customer loyalty driven by responsiveness to unique needs

DIRECT INTEGRATION WITH CLAIMS CONFIGURATION

- Increased accuracy of claims adjudication with automatic and validated updates
- Easy accommodation of complex plan configurations, eliminating manual adjustments

## Introduction

The way health plans go to market today threatens their long-term survival. Offerings are mispriced, extensive and inefficient review cycles delay launches, and the process from start to finish is both byzantine and slow. Instead of forcing prospects to navigate an obstacle course, plans have an opportunity to meet market demand by delivering what customers want: Customized products and pricing that meet their specific needs, leveraging fast and straightforward processes. Without flexibility and transparency at the point of sale to close during the first meeting, customers are forced to forego loyalty and shop around. And plans are left with millions in lost potential revenue.

Plans implementing a single source of truth solution can realize substantial annual returns as administrative efficiencies build over time and sales more effectively pursue revenue generation opportunities.

This discussion proposes to quantify how traditional product lifecycle strategies contribute to missed revenue opportunities, and explores solutions that will enable plans to thrive in a marketplace driven by consumerism.

### **RAPIDLY CHANGING TRENDS IN BUYING BEHAVIOR**

Customers today have meaningfully different expectations of their suppliers, driven by well-established societal and technology trends toward consumerization. Individuals and enterprise buyers have become accustomed to the self-service selection of product features available in the mobile and retail industries. They are now seeking the same flexibility and transparency from payers. As purchasers exert greater control over decision making, health plans unable to respond to these new market requirements stand to lose significant market share and customer loyalty.

Adopting a retail mindset as an approach to product development is critical for plans repositioning to meet a growing “customer of one” trend. But the intersection between consumerism and health care presents multiple challenges for payers. Most continue to rely on legacy systems that cannot support rapid product innovation and price transparency. Continued dependence on these outdated tools and processes will impede business growth, as groups and individuals have demonstrated their willingness to shop around for products that meet their specific needs.

New technologies and product mastery tools are available to facilitate alignment with evolving market needs. Innovators like HighRoads offer an enterprise-wide solution that enables plans to reengineer their go-to-market strategies. Leveraging cloud-based technology, these solutions deliver the capability to streamline and personalize the sale process via a single source of truth, shared within the enterprise and with external constituents. Ultimately, these tools will generate millions of dollars each year in administrative efficiencies and increased sales.

### **PRODUCT LIFECYCLE CHALLENGES IMPEDING SUCCESS**

Ultimately, the point of a product lifecycle is to enable sales by creating products that the market will embrace, at a price point that supports profitability. In dynamic industries like health care, products are in a continuous cycle of innovation. Competitive differentiation and sustainability are derived from the ability to create these new products at a lower cost per unit than one’s competitors. Health plans today are struggling to achieve value and return on investment, because they lack access to the tools and technology that facilitate cost-efficient innovation.

To understand how and where new technologies deliver significant return on investment in the product lifecycle, it is important to identify inefficiencies and redundancies that impede growth and impact profitability.

## DATA CHAOS

The products that health plans market may be different from the products they sell. In turn, what is sold may be different from what is operationalized. How does this happen? Multiple sources of truth are leveraged throughout the product development process, and data is often managed via spreadsheets and other manual productivity tools that are impossible to maintain with accuracy.

The lack of a centralized data repository has a significant downstream impact on customer service, operational efficiency, sales, and account management. Discrepancies between what was sold, what was reported to regulators, what was communicated in marketing materials, and what is actually being managed on the ground result in widespread dissatisfaction. Customers regularly complain about ongoing claims adjudication issues, poor customer service, and inaccurate plan documentation.

There is both regulatory and operational exposure when a plan cannot accurately track and audit product changes. These changes occur continuously as part of regular benefit cycle updates, new regulatory requirements, natural product evolution, and customer requests. The inability to accurately capture, communicate, and determine the origin of these updates can lead to damaged credibility and regulatory penalties.

Housing data in disparate sources also impedes a plan's ability to analyze a product portfolio for market viability. It's challenging to develop a profitable go-to-market strategy when it is unclear how your product portfolio addresses market segments and how the portfolio matches what your customers want. Without an enterprise-wide source of truth, plans will continue to guess at what products will sell versus making product decisions based on market data.

Relying on outdated processes to handle non-medical benefits information such as pharmacy, dental, and

vision poses a different data challenge for plans. Administering non-traditional riders to accommodate benefits related to holistic health and managing the increasing number of stacked and tiered coverages adds new layers of complexity. Quite simply, legacy systems are ill-equipped to handle the increasingly complex benefit configurations required by the market.

Perhaps the biggest obstacle resulting from the absence of an enterprise-wide truth is the impact on business growth. Sales teams are unable to close deals quickly because they are constantly validating customer requests with product teams. Product teams cannot respond in a timely fashion because accessing and interpreting data from multiple sources is slow and cumbersome. The sales cycle gets bogged down, leading to frustrated customers who will look elsewhere for the products they want.

As if these challenges weren't enough, managing data complexities against the backdrop of ongoing changes to state and federal compliance regulations is impossible without superhuman effort or an automated tool that facilitates the process.

## PAINFUL DOCUMENT GENERATION PROCESS

While delivering a single source of truth is critical, so is the ability to share this truth with constituents who require paper documentation. Today, many organizations manage document generation through clumsy manual processes augmented by industry-agnostic tools that do not natively support unique health plan requirements. As a result, creating plan documents is both inefficient and error prone.

Routinely, situations arise when ad hoc prototypes require rapid document preparation. For example, federal and state regulators often change requirements with little notice. Errors or clarifications are identified by customers, or new groups require custom products. In each instance, updated communications must be developed quickly to satisfy buyers. When these unplanned changes are needed, hundreds or thousands of documents require manual updating. A simple word replacement can translate into hours of lost productivity and delays in the sales process.

## ONE-OFF WORKFLOWS

Ensuring that teams across the enterprise adhere to standard processes is particularly challenging. Oftentimes, complicated and intricate processes have been developed to ensure regulatory compliance. Even with exhaustive documentation, mistakes occur. Dropped balls, missed deadlines, and miscommunication can jeopardize a plan's adherence to state and federal mandates.

## IT CONSTRAINTS

IT teams are eager to support their business partners, but limited capacity, budget constraints, and misaligned skillsets impede responsiveness. These barriers cause delays in providing much-needed software and configuration support, which in turn impacts sales.

## POOR CUSTOMER SERVICE

Providing excellent customer service is incredibly difficult, especially when technology does not facilitate the delivery of accurate information. Most plans still provide data via product management spreadsheets that are updated infrequently. CSRs struggle to easily access and interpret information, leading to frustrated members who call repeatedly to get their questions answered. Administrative costs escalate and member satisfaction scores take a hit.

## EXPENSIVE CLAIMS MISTAKES

Accurate claims adjudication is highly dependent on accurate benefits configuration—an obvious point. Less obvious is the impact associated with delays that arise when creating an accurate configuration. Today, benefit configuration is typically manual and dependent on the institutional expertise and experience of a few long-tenured employees. While this strategy is long standing, the pain associated with planning for the inevitable retirement of these valued employees is considerable. Plans invest months to train new staff, who then take years to attain the level of proficiency required to maintain the system.

Because updates are manual and often require idiosyncratic manipulation to pay claims accurately, relying on claims benefit configuration as the source of truth is problematic. Rife with potential error, the configuration is subject to limitations inherent in the adjudication engine, and may not reflect the true complexity and characteristics of plan design.

## SLOW SPEED TO MARKET

At the end of the day, what matters most to plans is selling and maintaining business to ensure profitability. Given the obstacles outlined above, it's a wonder that sales teams can perform their jobs at all. Challenges associated with product design confirmation, point-of-sale product customization, agility in response to market changes and competitive threats, and pricing clarity lead to lost business. Moreover, the time wasted chasing administrative issues prevents sales teams from pursuing new business that supports top line growth.

The most cost-effective strategy for eliminating these challenges is implementing an agile and scalable single source of truth that increases operational efficiencies and enables the self-service product flexibility that customers want.

## Conclusion

To ensure long-term viability, health plans must re-think their go-to-market strategies. No longer content with a one-size-fits-all approach, enterprise buyers and individual consumers will continue to seek partnerships with payers that can deliver highly-targeted, customized products. And with health care reform still an open item in Congress, adapting quickly to new regulatory requirements will remain a factor for the industry in the foreseeable future.

Innovators like HighRoads are partnering with health plans to deliver a single source of truth that enables a “customer of one” sales strategy while facilitating a nimble response to changes in health care law. By automating processes using a shared platform, these solutions deliver millions in return on investment by reducing administrative costs and supporting sales to generate new revenue. Plans that are struggling to deliver products that customers want to buy should embrace this technology as a means of ensuring long-term profitability.