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## How the prescription drug program will shape the future of healthcare communications

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On October 1, the starting gun went off and the marketing of Medicare Part D plans began. In past months, bidders for MA-PD (Medicare Advantage Prescription Drug) plans and PDPs (Prescription Drug Plans) have had the unusual task of teaching Medicare beneficiaries about the government sponsored program without marketing their own plans. Now that CMS has officially announced MA-PD and PDP awards (September 23) and has told those plans that they can begin marketing (October 1), potential beneficiaries will be bombarded with information about the plans for which they qualify, their relative merits, and the enrollment process.

Without a doubt, marketing Medicare Part D is a challenge. Despite early education efforts by the government and plans, there is still significant confusion about the program. The legacy of the generally unsuccessful Medicare Drug Card program is adding an element of skepticism. Furthermore, the Part D program is complex and being offered to a segment of the population that consumes a disproportionate share of drugs while being largely unfamiliar with modern managed care.

And marketing is only the beginning. The goal is to provide clear communications to large numbers of people efficiently and in a digestible form not only as they learn about the plan but also as they enroll, file claims, and consume ad-

ditional services. If plans get communications right, they stand to earn and retain more beneficiaries, avoid the expected deluge of inbound calls, and successfully deliver to and collect information from beneficiaries that is critical to improving outcomes and financial results while reducing administrative costs.

Thinking about communications from the member's perspective is not a natural act. Today, communications about enrollment, claims, collections, coordination of benefits, and disease management come from silos within the plan with little coordination around timing or content. Once the plan has dispersed information, it generally waits for the member to call into the call center and speak to someone to resolve issues. This is an ineffective and costly mode of operations. Even worse, it's frustrating to the consumer.

Now that consumers are becoming more involved in the management of their own healthcare, communication strategies are getting attention from the highest levels of health plans. As healthcare becomes more of a consumer product, it will become increasingly strategic for plans to manage the consumer experience.

Medicare Part D is really the first large-scale example of a true consumer healthcare product. Before Medicare Part D, elements of consumerism in the healthcare marketplace included coinsurance, Consumer Directed Health Plans

(CDHPs), Healthcare Savings Accounts (HSAs), and tiered copay systems. These all compel increased consumer participation and include financial incentives. But the only true test for a consumer product is free choice, the ability for a consumer to walk across the street and meet the same need at a different store. This is almost never a possibility with traditional consumer plans or plan features.

Even when employees have the option of choosing a CDHP over a traditional plan, they almost never have the option to choose which CDHP to use. In Medicare Part D, 42 million Americans have the ability to choose. First they'll choose a plan based on the brand, the formulary, the premium and services offered. Once enrolled, they'll have to make choices about drug switching encouraged by the plan and whether they want to participate in available services. They'll have to determine how to fund expenditures incurred in the "donut hole" (the period after a beneficiary has used up the initial allotted amount of coverage but before he or she has reached catastrophic coverage). Finally, they'll be evaluating their own level of satisfaction with the plan, assessing other available options, and determining whether to re-enroll or choose a new plan at the end of the year.

The information needed to help make these choices, and the impact of these choices on the plan and on the beneficiaries, is creating new urgency around member communication issues. It has become clear that Medicare Part D can and should be a transformational event for member management, and by extension, member communications. All program sponsors are taking steps to manage the changing communications demands of Part D. Typically, this effort involves making significant increases in call center resources and the training provided them. In many cases, companies are tailoring communications to be clearer for this unique audience. What we're seeing from our customers is that a successful transformation will go far beyond these efforts and will entail learning to approach member communications in a holistic way.

I see managed care organizations approaching this transformation in two phases. Initially, plans will work to coordinate member communications between departments and business units and across clinical and administrative events. Once they've

perfected the art of "cross silo" communications, a daunting task in of itself, they can begin working toward the Holy Grail of member communication: a member lifecycle driven strategy. In this world, plans will master the ability to deliver the right information, to the right people, at the right time. This will require integration of information from many departments and functions within payers, providers, pharmacy and other healthcare services.

Communications will have to be capable of delivering and collecting information simultaneously in streamlined and appealing ways. For example, a member diagnosed with diabetes might receive an automated call offering a disease management program, encouraging increased contribution to an HSA, and conducting a Coordination of Benefits survey. This kind of thoughtful and efficient communication is as good for the plan as it is for the member. When members start to consistently get information they need, when they need it, in digestible increments, they will begin to perceive that their plans are organized and managing their care holistically. Plans will save time and money as their communications with members become more efficient.

Healthcare consumerism is real and it's happening now. Medicare Part D will give us real insight into a healthcare consumer product. As a function of this trend, we're increasingly pushing risk and responsibility to the consumer. They deserve, and will demand, the information they need to make the most of this position. I believe that healthcare companies have a real opportunity to differentiate themselves by meeting the communications needs of their newly empowered customers. It's an enormous challenge, but developing the service standards today to operate as if your members could walk next door to another plan tomorrow is a very smart discipline to have. Communications is the core of this service model and developing a holistic, lifecycle driven strategy is key to health plans' future success.

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