



Shift Happens: Healthcare's Ecosystem in Turmoil

By Lindsay Resnick, Chief Marketing Officer, KBM Group: Health Services

The Affordable Care Act's (ACA) biggest moment, Wednesday January 1, 2014, is rapidly approaching. Dealing with health reform's directives is a daunting task. Health plans, providers and consumers are in various stages of readiness.

What's it going to take to come out on the other side of 2014 as a sustainable, winning healthcare enterprise? And what about consumers...what does their future look like? They'll need to be engaged and empowered with information that allows them to take action so they feel confident about their financial and clinical choices. To make this happen, payers and providers alike will have to rely on data-driven insights to inform their outreach, deploy

multi-channel communications and selling tactics. The big winners will make a C-Suite commitment to have a customer-centric organization that delivers a superior experience throughout the member lifecycle.

Payers

From the health plan perspective, emerging as a trusted community resource for consumers to seek and obtain guidance will determine the future of a health plan's brand. There are two imperatives:

1. retain existing members by understanding the most valuable (i.e., Life Time Value) and most vulnerable (i.e., highest risk of leaving), and speak to them following a sequenced, personalized communication roadmap, and;
2. acquire a fair share of new market entrants by understanding the needs and migration patterns of various segments (e.g., subsidy eligible, parental age-offs, penalty gamers, small employer opt-outs, pre-ex time bombs, pre-Medicare) and create tailored acquisition campaigns assuring there's a "no wrong door" sales process that aligns with consumers' fragmented path to purchase.

Over the next eight years it's estimated that \$1 trillion in ACA revenue will be in-play, with \$23 billion in subsidies expected to flow through Exchanges in 2014. Shift has to happen.

Providers

For providers, consolidation and competition are creating a new care delivery ecosystem. Physician practices are being swallowed-up by hospitals in an unprecedented buying binge. Hospitals are under a national microscope as they wrestle with dramatic variations in price, quality and outcomes among local rivals.

And, the five largest Pharmacy Benefit Managers have over 50 percent market share and show no signs of letting up. Is anyone thinking about demand management...preparing for the onslaught of 25 million patients ready to use their shiny new insurance cards? As a nation, we're about to witness a convergence extraordinaire: pent-up demand from chronically uninsured who have been forgoing needed medical care and devoid of preventive services banging heads with a primary care system already stretched to its limits with 65 million Americans lacking adequate access to primary care due to a shortage of physicians in their communities. Holy shift!

Consumers

And finally, the consumer, aka: member, beneficiary, insured, patient...whatever you call them, they're customers! The ACA asks Americans to step-up and take an active role in shopping and purchasing health insurance coverage and become more engaged in their clinical decision-making. This new personal responsibility comes with an abundance of complex, confusing and intimidating choice. The burden of enlightenment falls on payers and providers to help prospects and customers make smart, individualized choices so they can take control of their healthcare destiny. Doing this won't be easy. Explaining the inner working of a Health Insurance Exchange or Marketplace (42 percent of Americans are unaware the ACA is still the law; 90 percent don't know when Exchanges are set to open) or describing new rules around premium calculation and "limited networks"...really? Consumers need to know how the ACA affects them and what to do. They need help making the right choice: What does it mean to their situation? What are their options? When do they have to do something, how and where?

Engagement Wins

Coming out on the other side of 2014 as an ACA winner won't be stress-free. Health plans and providers must refresh their brand messaging and rethink in-market tactics as they attempt to fill the role of trusted ACA counselor. There's a fine line between education-based mass communication and value-driven direct-to-consumer outreach that leverages the urgency of a deadline to influence behavior and drive action. Add to this the challenge of interacting with today's perpetually connected customer whose expectations are set around receiving relevant information anywhere, anytime and on the device of their choice...it's all about convenience, I want it now. What's at stake? Taking Joe and Jill American from clueless healthcare consumer to informed buyer to engaged customer to brand loyalist. So yes, shift will happen.

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