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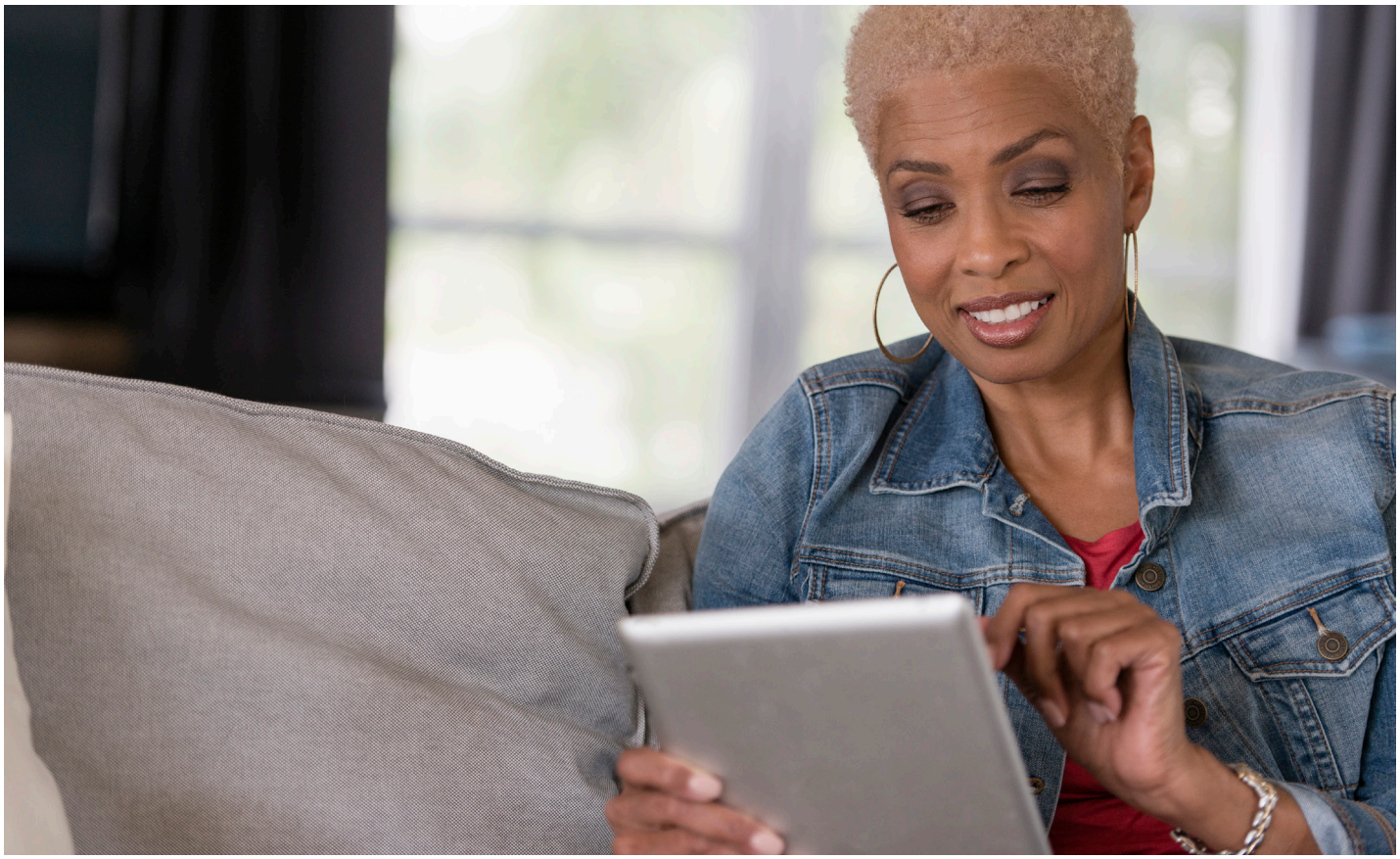
Healthcare Systems and Services Practice

Next-generation member engagement during the care journey

Next-generation member engagement tools empower members to make higher-value care decisions and enable health insurers to improve care quality, increase member satisfaction, and reduce medical spending.

by Jenny Cordina, Greg Gilbert, Nevada Griffin, MPH, and Rohit Kumar



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July 2019

Health insurers have long recognized the importance of engaging members to improve the value of care,[1] particularly in the context of traditional care/disease management. Yet efforts to date have rarely achieved the desired impact. The promise of member engagement throughout the care journey remains, however, and the underlying capabilities required to drive impact—especially data liquidity, advanced analytics, and digital solutions—are rapidly advancing. In fact, it is estimated that digitally enabled capabilities could reduce medical costs in the United States by as much as $175 billion to $220 billion annually.[2]

Few insurers today are aggressively pursuing the next generation of personalized engagement opportunities that occur during a member's care journey.[3] This cautiousness is understandable given past challenges, especially the fact that member engagement has long been over-hyped and its promise in supporting members to make higher-value care decisions has not yet been realized at scale. Until recently, the primary challenge payers have faced has been how to drive the required member behavioral modifications.

This is changing—early signs indicate that payers are beginning to convince members to modify their behavior—and we believe that success is now within reach. Until recently, health insurers have typically relied on algorithms based on mostly static factors to identify members potentially at increased risk. Once identified, the members are usually contacted by phone by call center specialists. Now, however, health insurers are beginning to leverage the digital, advanced analytics, and personalization capabilities developed and refined in other industries to create new, more effective digital member support tools and to scale the member engagement solutions already available. Collectively, these capabilities and tools, when applied broadly, are starting to improve clinical outcomes, enhance member experience, and reduce near-term medical costs.

In this paper, we provide a perspective on how health insurers can engage members to improve the value of care. We start by focusing on a member's care experience, then outline our recommended approach and the core enablers needed to move solutions from the drawing board to members' hands.

The member experience today

In this paper, we use low back pain as a case example to highlight the value of next-generation member engagement in the context of a specific care journey. However, the approach we describe can be applied to a wide variety of use cases.

Low back pain is a common problem for millions of Americans and a top contributor to US health-care spending. The affliction costs the country more than $100 billion annually when medical spending, lost wages, and reduced productivity are considered.[4] An illustrative patient journey for someone with low back pain is shown in Exhibit 1.

Our research has shown that, contrary to evidence-based protocols, many members with low back pain undergo surgery without receiving first- or second-line therapies.[5] For instance, among the patients in our analysis who were operated on within six months of initial diagnosis, fewer than half had received spinal injections first. These findings highlight that a data-driven patient journey approach can help health insurers identify significant opportunities to improve care delivery and reduce unnecessary medical spending. In the low-back-pain patient journey, for example, next-generation member engagement could be used to help patients understand their treatment options and guide them to higher-value care facilities where evidence-based protocols are reliably followed.

1 In this article, we define the value of care in terms of both the benefits delivered to patients (such as better outcomes, greater satisfaction with care, lower out-of-pocket costs) and the advantages health insurers derive, especially the ability to reduce spending without harming—and often improving—the quality of care.
2 Atluri V, Cordina J, Mango P, Velamoor S. How tech-enabled consumers are reordering the healthcare landscape. November 2016. mckinsey.com.
3 These opportunities can be identified through a comprehensive effort to identify the patients with the greatest unmet care needs, understand those needs, and proactively engage the patients in a personalized way to address their needs so that outcomes and the member experience can be improved and costs can be lowered. Although many health insurers have undertaken activities in areas related to member engagement (broadly defined), few have done so in a scalable, comprehensive, digitally enabled, and personalized way.
4 Crow WT, Willis DR. Estimating cost of care for patients with acute low back pain: a retrospective review of patient records. *Journal of the American Osteopathic Association*. 2009;109(4):229–33.
5 Danning H et al. Low back pain: Two insights on treatment patterns from a patient journey analysis. November 2017. mckinsey.com.

Critical enablers to realize and amplify value

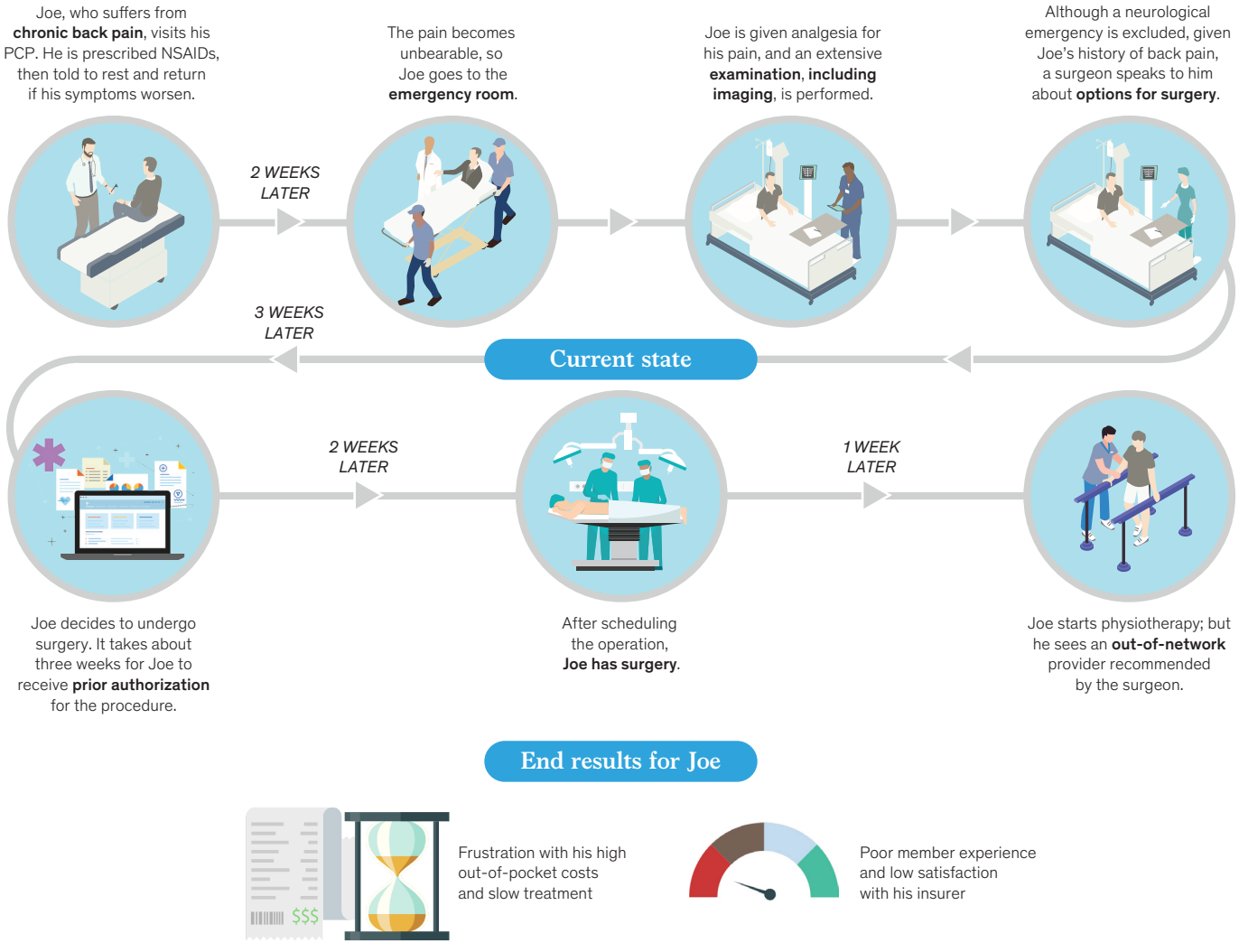
Most health insurance companies lack the critical enablers required to provide measurable impact through member engagement. These B2C capabilities have been developed and proved in other industries to deliver high-value, personalized experiences to consumers, yet they have only recently gained traction in healthcare.

Advanced analytics

Data science and advanced analytics are foundational to all aspects of next-generation member engagement, but this is especially true when it comes to supporting a member during his or her care journey. Advanced analytics enables the swift development of actionable personas (identifiable member segments with distinct known features and preferences). Real-time signal interpretation makes it possible to track member behavior and enables rapid multivariate testing of different member experiences. Episode analytics allows health insurers to identify and size highly granular sources of value and undertake an array of other applications.

Exhibit 1

Example of a typical patient journey today



NSAIDs, nonsteroidal anti-inflammatory drugs; PCP, primary care provider.

In each case, advanced analytics leverages claims and other traditional health insurer data as well as touch-point information (such as website usage, contact center details) and third-party data (including consumer data, clinical data from providers, information about relevant social determinants of health).

Consumer engagement and personalization
Consumer engagement is a core competency of B2C companies. These companies employ advanced analytics to deeply understand customer needs, develop products and services to meet those needs, and engage (market to) consumers through hyper-personalized messages and content across an array of traditional and digital channels. Retailers, for instance, are now able to provide relevant, personalized recommendations delivered digitally, especially when consumers are in a shopping mode. A clothing company found that shoppers who visited one of its physical stores or its online store were more likely to open and respond to messages that were delivered either later the same day or exactly one week later.[6]

Our research has shown that healthcare consumers are no different from retail customers: they want to be good consumers who can make informed choices about the care they receive and expect digital to be a core part of this engagement. In our Consumer Health Insights survey, for instance, about 70 percent of respondents said they prefer digital healthcare solutions to phone or in-person solutions for all major aspects of their care journey.[7] Using personalization techniques pioneered by other industries, health insurers can drive higher engagement and better support the needs of their members.

Behavioral economics applied to healthcare
Academics have long believed that deploying more nuanced insights from behavioral economics could lead to increased member engagement and deliver dividends for individuals, insurers, and employers.[8] Put simply, behavioral economics is a hybrid of psychology and economics that provides robust insights into the drivers of behavior while acknowledging human irrationality. Insights from behavioral economics can be used to guide human behavior and perceptions via unobtrusive "nudges," an approach increasingly being employed by companies to improve customer satisfaction.

In healthcare, previous studies have shown that behavioral economic incentives—the use of standard economic incentives in combination with psychological factors, such as probability weighting or regret aversion—can promote healthy behaviors, such as smoking cessation and weight loss.[9,10] It has been more difficult, however, to show significant medical cost reductions directly attributable to behavioral nudges. This difficulty is partly due to the limited use in healthcare of advanced analytics and digital consumer-engagement capabilities, which are core requirements for tracking and optimizing the incremental value of behavioral economics efforts in real or near-real time.

The member experience reimagined

If all three critical enablers were effectively employed by a health insurer, the patient journey for someone with low back pain would look very different. Exhibit 2 shows the same member from Exhibit 1, this time receiving targeted support through personalized interventions at the moments that matter. This example of next-generation member engagement illustrates some of the potential benefits to both the member (higher-quality care, lower out-of-pocket costs, improved experience) and the health insurer (lower unnecessary emergency department [ED] utilization, fewer unnecessary procedures, increased member satisfaction).

6 Boudet J et al. What shoppers really want from personalized marketing. October 2017. mckinsey.com.
7 Cordina J et al. Healthcare consumerism 2018: An update on the journey. July 2018. mckinsey.com.
8 Loewenstein G et al. Behavioral economics holds potential to deliver better results for patients, insurers, and employers. *Health Affairs*. 2013;32(7):1244–50.
9 Volpp K et al. A randomized controlled trial of financial incentives for smoking cessation. *Cancer Epidemiology, Biomarkers, & Prevention*. 2006;15(1):12–8.
10 Volpp K et al. Financial incentive-based approaches for weight loss: a randomized trial. *JAMA*. 2008;300(22):2631–7.

Implementing next-generation member engagement

Through multiple client engagements over the past several years, we have identified three steps health insurers can take to realize measurable value from next-generation member engagement during the care journey (Exhibit 3).

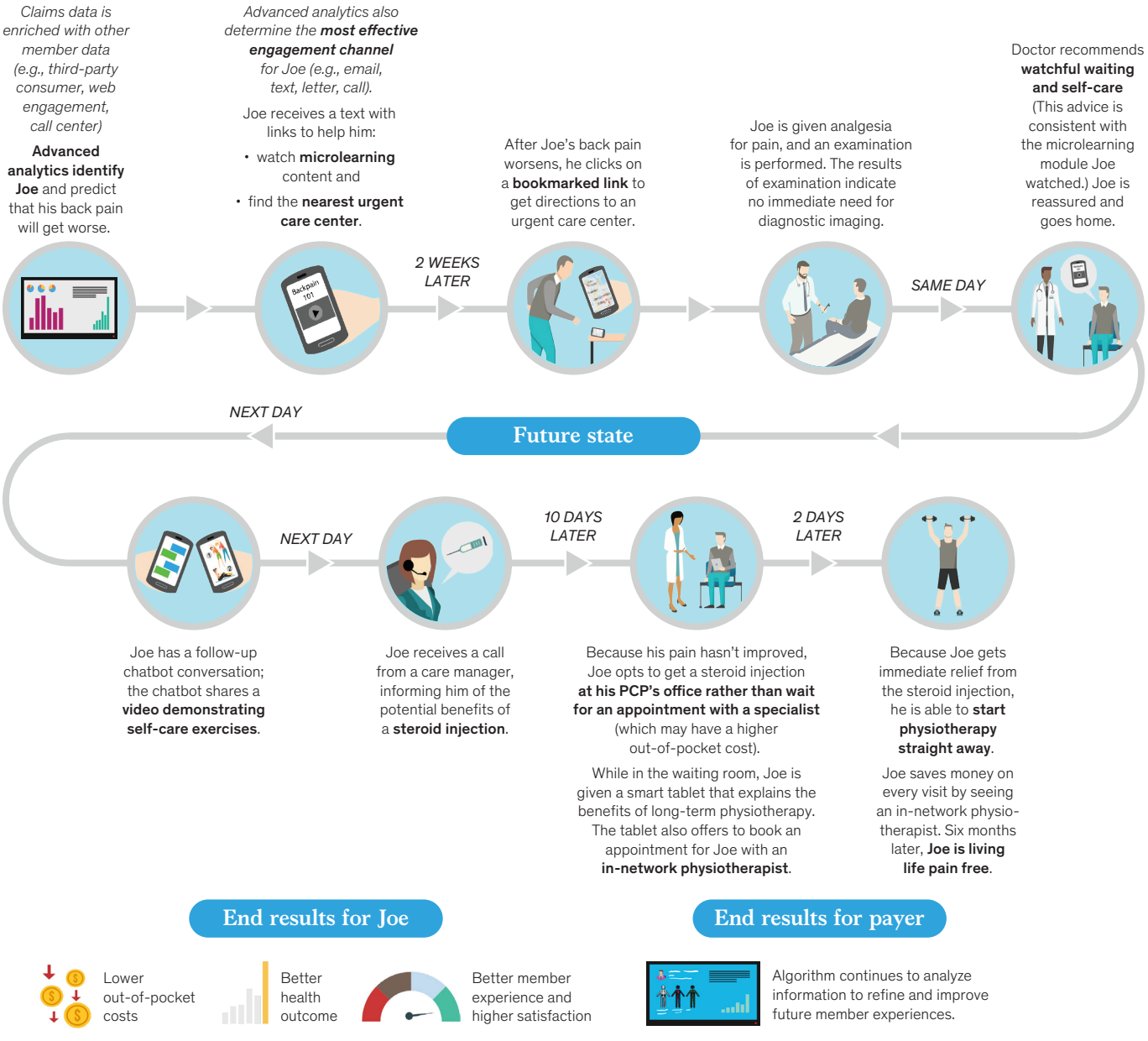
Step 1. Identify members for engagement

A health insurer's members collectively make millions of healthcare decisions each day. Which medications to take? When to schedule an appointment? Which doctor to see? What treatment path to follow?

The first step in effectively engaging members is to understand these decisions and,

Exhibit 2

Example of targeted support at moments that matter

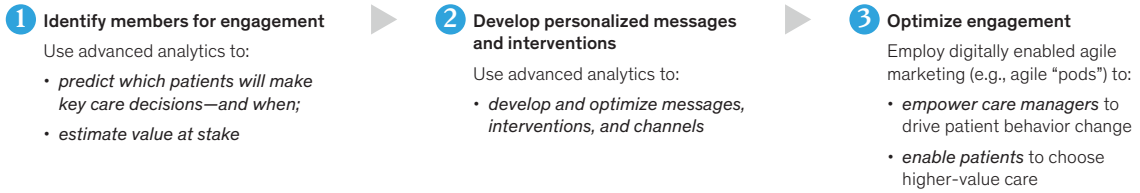


PCP, primary care provider.

Exhibit 3

Three steps to realize measurable value from next-generation member engagement

By engaging patients with personalized experiences at moments that matter, health insurers can help them make better healthcare decisions.



ultimately, what each member needs at a given point in time.

Take a patient journey lens. We recommend that health insurers first define a set of prioritized patient journeys, either specific to a disease area or procedure (colonoscopy, for instance) or more general (such as whether to visit the ED for acute nonemergent symptoms). Patient journeys can be prioritized based on potential value (in terms of quality, experience, and cost) to the member and payer, as well as the feasibility of execution (such as the payer's ability to identify and engage members who might benefit from targeted support). As we showed in the low-back-pain example, each journey involves a unique set of decisions and value opportunities (the potential for out-of-pocket savings if an unnecessary ED visit is avoided, for instance). Some decisions are highly journey-specific (whether to choose anesthesia versus light sedation for a colonoscopy is an example), while others are common across multiple journeys (such as whether to have a planned procedure in an outpatient hospital, stand-alone ambulatory surgery center, or physician office).

Identify the care decisions that matter. McKinsey has pinpointed a core set of approximately 100 care decisions that can deliver meaningful value to members and payers. This set was developed from among several hundred potential decisions we identified using episode analytics, clinical guidelines, and expert review.

— *Episode analytics.* We found over 500 potential sources of value that were associated with defined episodes of care. For each of them, we determined the specific decisions members could make that might affect costs or health outcomes, as well as the potential impact of each decision on both costs and outcomes.

— *Cross-cutting sources of value.* We also looked for targeted care decisions (site of care selection, for instance) that would enable members, regardless of their clinical condition, to save out-of-pocket costs, while also reducing a payer's liabilities.

— *Members' ability to affect a source of value.* We then considered the potential impact members could have by asking such questions as: Does the member have the ability to make a decision, and if so, does he or she have access to the right information to make an informed decision?

— *Health insurer's ability to anticipate the decision.* We also investigated the extent to which an insurer could anticipate or predict that a member will be faced with a given decision, and when. In this way, the payer can ensure that the engagement is tailored to a member's needs, at the moments that matter most to that member.

Understand each member's needs. Next, advanced analytics techniques are used to identify each member's unique set of needs, specific to his or her journey. A 25-year-old woman looking for a doctor for an annual physical exam has very different needs from a 60-year-old man seeking an oncologist to treat a recently diagnosed cancer, and the two will have very different patient

journeys. Empathy maps and similar tools, which can highlight specific member needs and pain points, help machine learning algorithms identify signals that reflect the needs and intentions of each member.

Step 2. Develop personalized messaging and interventions

Personalized engagement is a two-way street: the member provides signals—information about his or her needs and intention—through such activities as physician visits (with associated diagnoses and procedures), website use, contact center inquiries, and changes in life (such as marriage or children).

Listen and respond: Plan in advance to react quickly to member signals. Health insurers can quickly respond to signals from members with a personalized engagement approach specifically designed to address the triggers and tailored to each individual. The response should have three components: the insight/solution, the message, and the channel.

- *The insight/solution.* The most important component of the response is the specific insight being given to each member (for instance, the estimated cost of a procedure or drive/wait time) and/or the solution the member needs (such as a telemedicine visit or appointment scheduling).
- *The message.* While the insights and solutions may be common across member segments, the underlying needs often vary. Personalizing the message for each member (such as emphasizing a procedure's risks versus its cost or convenience) strongly influences whether a member ignores or responds to the support offered.
- *The channel.* Choosing the most appropriate channel or channels—email, text message, reminder alert in a web portal, outbound call from a nurse, etc.—to deliver messages is critical. More innovative digital channel strategies include text/in-app engagement, virtual chat assistants powered by artificial intelligence, and phone call scripts/talking points that change in the middle of a conversation with a member by leveraging natural language processing and sentiment analysis. In all cases, the anticipated return on investment of each channel should be considered when the choice of channel(s) is made.

Successful member support is often multichannel and relies on dynamic workflows that tailor the messaging and channels based on the member's engagement (for instance, a member is emailed first; if the member clicks through the email, an outbound call is triggered).

Step 3. Optimize engagement

Going from a traditional member engagement approach, such as care/disease management or nontargeted outreach campaigns, to personalized engagements sent in response to an individual's signals requires health insurers to shift to a radically different way of working. In our experience, many insurers are challenged by this shift. The key to kick-starting the needed changes is to empower a small, cross-functional group of people with the right capabilities and skill sets.

Build the pod: Empower a small group of the right people. We call the small cross-functional teams "pods" (they are also sometimes referred to as "war rooms" or "command centers"). The teams are typically led by a single business area or function and staffed with a small number of people with carefully selected, cross-functional profiles, including a campaign manager and staff from the creative, digital media, analytics, operations, clinical, and IT departments. A small health insurer may need only one or two such pods; large organizations could have five to ten pods or more working at once. To be successful, the pods need to have a clear understanding of the business problem they are solving and strong executive sponsorship to remove roadblocks and ensure their ability to implement changes.

The pod is not a task force in which people come together for a few hours a week while staying in their current jobs; rather, team members must be dedicated to the pod. The focus of their job is on driving business results—not merely member responses, but material and measurable results (for instance, lowering the proportion of total joint replacement patients that require a post-

surgical hospital readmission and thereby reducing the average cost of care for that episode of care). The pod's tactics often vary depending on specific goals. To select the right tactics, the pod should continually search for the member signals with the highest predictive value (such as a flu outbreak in a specific region) and then develop, launch, and iterate on personalized engagement approaches to find the ones that produce the desired results (for instance, notifying parents about convenient locations that offer flu shots or informing them about more appropriate sites of care, including available virtual care alternatives, *before* an ED visit).

Rewire and hardwire: Focus on the processes and technology that really help teams work faster. For successful delivery at scale, agile processes must replace traditional ones. The pods must be able to act quickly to test and iterate on different ideas and zero in on what works well. Mistakes are inevitable; leadership must be prepared to accept and learn from them, and then move on.

The second facet of maintaining pace at scale is using the right digital marketing technology. Assembling and operating a digital marketing tech stack[11] can be challenging, however. Thousands of tools are available, but despite vendor claims, few offer a true end-to-end solution. Health insurers are therefore left on their own to determine which technology to purchase and to implement integration. The result, all too often, is mass-marketing software spitting out millions of messages that amount to little more than spam.

Digital marketing technology should enable pods to identify member needs quickly and deliver personalized member engagement in the moments that matter. Thus, the member engagement use cases pursued by the pods should dictate the functionality and evolution of the tech stack. By tailoring their technological needs to specific sets of use cases, health insurers can establish precise requirements and parameters that will help them invest in the tech-stack solutions that create real value.

Health insurers have yet to realize the full potential of digital member engagement. By empowering members to make higher-value care decisions, next-generation member engagement tools can improve clinical outcomes, enhance member experience, and reduce near-term medical costs. While many health insurers have invested in digital member engagement efforts, most lack the needed capabilities in advanced analytics and personalized engagement at scale, which are the critical enablers required to realize and amplify value. Where they do exist at health insurers, these capabilities are often fragmented, residing across multiple domains or functions within the organization.

Establishing integrated next-generation member engagement capabilities requires a focused effort, typically led initially by a single business vertical or function (care management, for instance) with support and coordination from other key domains or functions. Once these capabilities are established, health insurers should be able to identify unique member needs in the moments that matter, develop personalized interventions tailored to each individual, and continuously optimize engagement through digital agile marketing capabilities. By investing in digital member support capabilities, health insurers will soon be able to realize measurable value from next-generation member engagement.

11 A tech stack is a combination of software products and programming languages used to create an application.

Jenny Cordina (Jenny_Cordina@mckinsey.com), a partner in the Detroit office, leads McKinsey's Consumer Healthcare capability and is a leader in the firm's Healthcare Systems and Services and Marketing and Sales Practices. **Greg Gilbert** (Greg_Gilbert@mckinsey.com), a partner in McKinsey's Washington, DC, office, leads its Payer Digital Practice. **Nevada Griffin, MPH** (Nevada_Griffin@mckinsey.com) is an expert consultant in the New York office. **Rohit Kumar** (Rohit_Kumar@mckinsey.com) is a partner at the Chicago office and an expert in digital and consumerism in healthcare.

The authors would like to thank Robert Nieuwenhuizen, Serge Ozbek, Ellen Rosen, Chin-Chin Lin, and especially Benjamin Edelshain, MD, for their contributions to this article.

Editor: Ellen Rosen