With so much energy focused on AEP efforts each year, how much focus are you putting on member retention?

Create a proactive plan to improve member engagement, longevity, and create personal relationships at the plan purchaser level.
WHO IS GORMAN HEALTH GROUP?

_Gorman Health Group_ is the leading solutions and consulting firm for government-sponsored health programs.

**Government Programs**
Leading enterprise of national consulting services and software solutions for payers and providers.

**Our Mission**
Our mission, as the industry’s most active professional services consultancy and provider of technology-based solutions, is to empower health plans and providers to deliver higher quality care to beneficiaries at lower costs, while serving as valued, trusted partners to government health agencies.

**Washington, DC**
Headquartered in Washington, DC, with more than 200 staff and contractors nationwide with over 2,000 combined years of Government Programs experience.

**Leadership**
Deep payer and provider knowledge coupled with Centers for Medicare & Medicaid Services (CMS) regulatory expertise.

**Privately Owned**
Founded in 1996
Our clients have one-stop access to expert advice, guidance, and support, in every strategic and operational area for government-sponsored programs, across seven verticals.

**CLINICAL**
Changing how you approach Medical Management, Quality and Stars.

**PHARMACY**
Leading experts in Part D, PBM, formulary and pharmacy programs.

**HEALTHCARE ANALYTICS & RISK ADJUSTMENT SOLUTIONS**
Implementing cross-functional risk adjustment programs for medical trend management and quality improvement.

**PROVIDER INNOVATIONS**
Supporting network design and medical cost control implementation.

**COMPLIANCE**
Offering guidance and support in every strategic and operational area to ensure alignment with CMS.

**OPERATIONS**
Bringing excellence to every aspect of your implementation from enrollment to claims payment.

**STRATEGY & GROWTH**
Driving profitable growth and member retention through strategic marketing, sales, and product development.
AGENDA

• Why Is Member Retention Important?
• Member Experience
• Understanding Your Members
• Comprehensive Approach to Member Retention – Model
• Beneficiaries’ Decision-Making Strategies
• Agent Role

• Key Member Communication
• Member Meetings
• Member Engagement
• Provider Relations
• Competitive Analysis
• Setting Goals
• Strategy
• Open Discussion
## MEMBER RETENTION ECONOMICS

### The Impact of a Single Member

<table>
<thead>
<tr>
<th>$ Per Member Per month</th>
<th>New Member</th>
<th>Retained Member</th>
<th>Impact of Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$850</td>
<td>$893</td>
<td>Risk Adjustment success is realized on retained members</td>
</tr>
<tr>
<td>Medical Expense</td>
<td>($757)</td>
<td>($741)</td>
<td>Population management returns show up in subsequent years</td>
</tr>
<tr>
<td>Administrative Cost</td>
<td>($68)</td>
<td>($65)</td>
<td>Additional costs of new members – welcome, assessment, etc</td>
</tr>
<tr>
<td>Acquisition/Renewal</td>
<td>($36)</td>
<td>($18)</td>
<td>Commissions or cost of sales</td>
</tr>
<tr>
<td>PMPM EBIT</td>
<td>($10)</td>
<td>$69</td>
<td>Earnings before Investment &amp; Taxes</td>
</tr>
</tbody>
</table>

Assumptions are based on a plan with 25,000 members and is an average performing plan.
WHY IS MEMBER RETENTION IMPORTANT?

Retention is essential to realizing the value of care management and risk adjustment efforts which have delayed impact.

- High Retention Rate = Customer Satisfaction = Recommendation = Revenue
- Customer Satisfaction = Star Quality = Bonus

Each retained member contributes an incremental $947 annually to EBIT.

Revenue and Income impact of Member Attrition:
Example: 25,000 member plan

<table>
<thead>
<tr>
<th>Member Attrition Rate</th>
<th>Revenue Impact ($M)</th>
<th>EBIT Impact ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>($1.3)</td>
<td>($2.4)</td>
</tr>
<tr>
<td>20%</td>
<td>($2.6)</td>
<td>($4.7)</td>
</tr>
<tr>
<td>30%</td>
<td>($3.8)</td>
<td>($7.1)</td>
</tr>
<tr>
<td>40%</td>
<td>($5.1)</td>
<td>($9.5)</td>
</tr>
<tr>
<td>50%</td>
<td>($6.4)</td>
<td>($11.8)</td>
</tr>
</tbody>
</table>
THE MEMBER EXPERIENCE:
Now Half of Stars
Rating of Healthcare Providers, Rating of the Plan, and Rating of the Drug Plan

Rating of Health Care Providers
- Getting appointments and care quickly
- Rating of personal doctor
- Care Coordination
  - Doctor Communicate re: Tests
  - F/U with Test Results
- Getting seen within 15 minutes of appointment

Rating of the Plan
- Benefit Design and Cost Sharing
- Customer Service
  - Getting Information Needed
- Willingness to Recommend Plan for Drug Coverage
- Answer as soon as needed from doctor’s office
  - Wait time for call back from doctor’s office

Rating of Drug Plan
- Getting Needed Rx
- Getting Information about Rx
- Drug Coverage and Cost
Factors when selecting a plan:
- Premiums and out-of-pocket costs
- Access to desired providers and hospitals
- Familiarity with company
- Favorable experience with a plan representative
- Adequate coverage
- Quality Star Rating
- Part D coverage
- Ease of enrollment
COMPREHENSIVE APPROACH

Member Retention Model

- Agent Role
- Key Member Communication
- Member Meetings
- Member Engagement
- Provider Relations
- Setting Goals
- Competitive Analysis
- Use of Data
AGENT ROLE

• Face of the plan
• Affect **Star Ratings** and customer satisfaction
• Agent’s professionalism and accuracy are very important to some of the performance categories measured by **CMS**
• Agent can positively impact these measures by:
  o Proper **Needs Assessment**
  o Being accurate when they present the plan
  o Encouraging members to use their benefits, complete an annual **Wellness Visit**, seek appropriate care
  o Member Meetings
    • Benefit plan review
    • Support/online resources
    • Savings tips
KEY MEMBER COMMUNICATION

Make the Member Your Own

• **Welcome** – Create a positive impression, ensure member understands his/her plan and knows how to access care

• **Educate** – Build awareness around preventive care and medication management

• **Engage** – Pursue feedback to drive satisfaction by building strong communication between the member and the health plan

• **Retain** – Provide reminders for care and service
KEY MEMBER COMMUNICATION

Member communication plays a critical part in the success of any retention plan. Key member communication should include several components for the overall member experience.

<table>
<thead>
<tr>
<th><strong>Welcome Communication</strong></th>
<th><strong>Education Communication</strong></th>
<th><strong>Engage/Retain Communication</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Welcome Call – welcome new enrollees and create a positive first impression</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Confirm they have received their ID card, plan materials, and understand benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Assistance with network considerations, PCP changes, and coordination of care</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Invite new enrollee to an upcoming member meeting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Socio-economic needs, financial support, transportation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Note: Welcome communication should occur within first 30 days of member’s effective date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Preventative care</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Medication</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Emergency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Care Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Note: Education communication should occur within 60 days of member’s effective date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Loyalty programs, over-the-counter (OTC) products, gift cards for annual exam</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Surveys: new members and those who have disenrolled</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Reminders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Customer complaints</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Thank you calls</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Note: Engage and retain communication should occur throughout the year – coordinate this with specific milestones and enrollment periods</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SAMPLE AEP COMMUNICATION CALENDAR

September
• ANOC
• Low Income Subsidy Letter
• Service Area Reduction
• 1st AEP Notification

October
• Diabetes Testing
• EOB Insert
• Premium Impact Letter
• Invite to Live/Online Member Meetings

November
• Year-over-Year Formulary Changes
• 2nd AEP Notification

December
• Monthly Bill – Premium Payment Info
• ID Card Mailing
• Referral Requirements
• PCP Assignment Letter
• Invite New Members to Q1 Live/Online Member Meetings
MEMBER MEETINGS

To help member get to know his/her selected plan and get the most from everything that might be available to the consumer:

- Create tools/resources for distribution during an in-home, telephonic, seminar, or online enrollment
- Navigate the healthcare system
- Provide post-enrollment documents for distribution:
  - EOC, SB, Provider Directory (online resources), EOB

SAMPLE AGENDA

1. First Steps
2. Plan Benefits and Programs
3. Prescription Drug Coverage and Savings Tips
4. Local Network Advantages
5. What’s Next
6. Contact Information/Questions
MEMBER ENGAGEMENT

Engaging Seniors

74% of older adults 64-69 use the internet.

40% use social networking sites like Facebook and Pinterest.

84% of older adults 64-69 have a mobile device.

51% of all emails are opened on mobile devices.

References

http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-State/mo.html
http://kff.org/medicare/
http://www.northcarolinahealthnews.org/2013/03/13/medicaid-story/
MEMBER ENGAGEMENT

Member engagement and outreach is a powerful way to drive satisfaction and build loyalty

**STRATEGY**

1. Incorporate specific member retention strategies in your yearly business planning
2. Create a strategy for customer complaints
3. Develop a system to track client touch-points
4. Benefit plan
5. Utilizing ancillary providers/feedback

**TACTICS**

- Each year, evaluate the success and make a plan for future growth
- Empower employees to solve customer issues
- Document member contact – know when they called, what they needed, and how it was resolved
- Survey customer benefit usage
- Ensure each member knows additional support for financial and health stability are available
The provider is the focal point of patient care in an MA plan.

- Patient’s family involvement, housing situation, lifestyle, and even their culture.

Providers should also know how the patient’s benefits can help support the overall model of care.

- Both doctors and support staff have their preferences and opinions.
  - Opinions can directly affect patient satisfaction.

**SOLUTION:**

- Provider Advocates – manage the relationship between the provider and the MA plan.
  - By managing this relationship, the Provider Advocate and providers can help navigate factors directly affecting provider payment, Star Ratings, claims, contracting, and any other business-related obstacle that may hinder the patient-doctor relationship.
COMPETITIVE ANALYSIS

Strength
- People and Culture
- Flexibility
- Reputation

Weakness
- Customer Service
- Access to Care
- Network
- Price

Opportunity
- Collaboration
- Technology
- Tools and Resources

Threat
- Competitor Plans
- Lack of Awareness
- Communication
What is a good retention rate?
• Cross-functional leadership
• How will you accomplish your retention rate goal?
• Where do you start?
• Expectations?
• Who will lead the project?
• When will you begin?
• Reward?
  • Member
  • Employee
STRATEGY

- Set customer expectations
- Be the expert
- Build trust through relationships
- Implement proactive services
- Make use of technology
- Go above and beyond
QUESTIONS
Gorman Health Group, LLC (GHG) is a leading consulting and software solutions firm specializing in government health programs, including Medicare managed care, Medicaid and Health Insurance Marketplace opportunities. For nearly 20 years, our unparalleled teams of subject-matter experts, former health plan executives and seasoned healthcare regulators have been providing strategic, operational, financial, and clinical services to the industry, across a full spectrum of business needs. Further, our software solutions have continued to place efficient and compliant operations within our client’s reach.

GHG offers software to solve problems not addressed by enterprise systems. Our Valencia™ software reconciles membership of more than 10 million members in Medicare, Medicaid and the Health Insurance Marketplace. Over 3,000 compliance professionals use the Online Monitoring Tool™ (OMT), our complete Medicare Advantage and Part D compliance toolkit, while more than 25,000 brokers and sales agents are certified and credentialed using Sales Sentinel™. In addition, hundreds of health care professionals are trained each year using Gorman University™ training courses.

We are your partner in government-sponsored health programs

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