



Using Voice Self-Service to Enhance the Customer Experience for Health Care Insurance Companies

2010

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I. Executive Summary

The healthcare industry is under siege. It's clear that the government and the public – payers, providers and plan members – are displeased with the current state of medical insurance. The recently enacted healthcare legislation is certain to bring major changes to the industry.

Insurance companies are unfairly blamed for many of the nation's health care woes because they are the "middlemen" in the process. Although they are not directly responsible for soaring medical costs, they are accountable for the poor and inconsistent service that they often provide to customers. It's one thing to tell prospects and customers that you care about them via advertisements, and another to demonstrate it when people need help. Delivering outstanding service to people in need is the most effective and proven technique for attracting and retaining customers. It's also a concept and practice that has eluded too many insurance providers.

Insurance companies need to change the public's opinion and take control of their own complex operating environments. They need to demonstrate their commitment to clients by consistently delivering an outstanding customer experience while eliminating the complexity and inefficiencies that are the source of the dissatisfaction. The winners will be the companies that institute a culture dedicated to delighting their customers through creative and innovative, but cost-effective solutions. For insurance companies, this includes a focus on customer-centric solutions, like voice and Web-based self-service portals that prioritize customer needs. It also means empowering contact center agents with the information they need to resolve customer inquiries at the point of initial contact.

II. Building a Culture Dedicated to Providing an Outstanding Customer Experience

Many insurance companies are in need of a major operational overhaul, independent of regulations. The goal, which has been achieved by many other industries, banks, retailers and even some utilities, with enviable results, is a simple one: Make it easy for clients to obtain the right information or products during the first contact. To achieve this objective, insurance companies need to build and implement a customer-centric strategy that prioritizes customer needs. Adopting this all-encompassing, enterprise-wide strategy will alter how companies manage the data required to support customer needs, resulting in a vastly improved and agile servicing environment enabled by knowledge

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management. It will drive insurance companies to invest in their contact center agents, transforming them into well-informed customer advocates who are committed to providing a consistently outstanding customer experience. It will build a culture of commitment and dedication to ongoing quality improvements and optimization. No one is expecting health care insurers to change overnight, but with the right investments, they can begin to build cost-effective servicing environments that get the job done right the first time.

This paper presents a framework for reducing contact center and back-office operating expenses while dramatically improving first call resolution rates, accuracy and the overall customer experience. Insurance payers who follow this plan will see a significant improvement in customer satisfaction that will enhance their brand, strengthen advocacy and improve staff satisfaction, resulting in improved margins.

III. Going Back to Fundamentals: Creating an Enterprise Customer Contact Strategy

Changing regulations have created a great deal of complexity for health insurance providers, but have not changed their fundamental goal of delivering quality service to their customers. Consumers, enterprises (profit and not-for-profit) have the freedom to select their health insurance provider. Insurance companies that prioritize customer service needs will win and retain business.

Companies that want to build profitable and lasting relationships with their customers must be willing to demonstrate a consistent commitment to them through their actions, staff and products. It's not easy to build or institute a customer-centric culture, but it is an important characteristic of leading companies around the world. The first step is to create a customer contact strategy that all enterprise constituents buy into. This is a complex process that requires support from all levels of management to succeed. Senior management must strongly support this initiative or it can be easily derailed by internal politics. Use the following steps to facilitate this process for your organization:

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Customer Contact Strategy Project Plan			
Task	Owner	Due	Status
A. Appoint a project manager who is politically adept, respected by peers and has a track record of success.			
B. Create a Customer Contact Strategy project team with influential department leaders from sales, marketing, customer service, back-office organizations, finance, compliance, human resources and IT.			
C. Craft a Customer Contact Strategy document that is dedicated to providing a consistently outstanding and differentiated customer experience cost-effectively.			
D. Assess front and back-office operating and technology environments in order to identify the needs of the various customer-facing business units and propose ways to better address those needs through a combination of technology and best practices.			
E. Conduct a technology audit of current systems and applications to see how they are used and to identify efficiency and enhancement opportunities.			
1. Gain an understanding of all systems currently used by each contact center or business unit			
2. Identify new systems or system enhancements that would simultaneously increase productivity and improve the overall customer experience (some of these systems should also improve staff satisfaction)			
3. Identify self-service automation opportunities			
i. Review all interactive voice response system (IVR) scripts			
a. Identify ways to increase the use of IVR by enhancing existing scripts			
b. Identify ways to enhance the use of IVR by adding new options and better utilizing speech recognition			
c. Identify activities/capabilities offered in the Web self-service environment that could be offered via the IVR			
ii. Review all options available in the Web self-service environment			
E. Conduct a technology audit of current systems and applications to see how they are used and to identify efficiency and enhancement opportunities.			
F. Design a customer contact architecture and servicing environment that can standardize service delivery across channels but is flexible enough to support expansion and growth.			
G. Build detailed project plans that phase in innovations without disrupting current operations. This will include identifying, quantifying and prioritizing short, intermediate and long-term initiatives. (The plan must also address modifications to policies, procedures and staff training that are required to support the system changes.)			
H. Identify/assign dedicated internal and/or external resources to implement the new Customer Contact Strategy. (Do not expect managers who are already over-extended to find time in their day to take on another full-time job.)			

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It is essential to break the project into phases that last an average of 3 to 4 months. This will greatly increase the chances of success, as it will allow senior management to rapidly identify and fix initiatives that have gone off course.

Best Practice Tip: Invest the time and resources to build an enterprise Customer Contact Strategy. Get buy-in from all relevant constituencies before implementation to speed up project adoption and improve the likelihood of success.

IV. Self-Service is Critical for Improving the Customer Experience

The use of self-service solutions is an important aspect of most Customer Contact strategies because it is a proven technique for improving the customer and agent experience while reducing operating expenses. Self-service is a highly effective way of automating calls and interactions that previously required the assistance of live agents. By combining advanced speech recognition technology and best practices with sophisticated call steering and routing and computer telephony integration (CTI), health insurance companies have been able to vastly improve call automation rates and improve customer perception of their company. The key to building highly effective self-service solutions is to prioritize customer needs and invest in continuous improvement programs to enhance self-service solutions.

For health insurance companies, this involves the delivery of different IVR applications for providers and members. It also means dedicating business and IT resources on an ongoing basis to identify ways to optimize the applications and the voice user interface (VUI).

All customers expect and deserve to be able to transfer to an agent at any point in an IVR interaction and to have their account information and status transferred with them. If insurance companies were to address this point alone, they would realize a significant improvement in customer satisfaction and an increase in IVR utilization.

Many insurance companies are using speech-enabled IVRs that automate as much as 10% of inbound member calls and 30% to 40% of calls from providers. Inbound IVRs are used primarily to address claim status, benefits and

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coverage/eligibility. Additionally, members can obtain information about bills, identification cards, forms, and lists of medical providers included in their plan. IVRs are also used to conduct surveys. Leading users of IVR in the insurance industry are seeing automation rates in excess of 50% when they are able to keep providers in their self-service application. Since agent-handled calls cost approximately \$5.00 to \$10.00, versus \$0.05 to \$0.25 per IVR interaction, the value proposition and business case for investing in IVR is highly compelling. Well-managed and implemented IVR initiatives frequently realize a payback in 6 to 9 months.

One large Medicare provider that serves millions of customers re-designed their IVR and added speech recognition in order to deliver different menus and options to their two primary customer bases – clients and providers. The updated solution presented options from the customer’s perspective; it avoided industry jargon for clients and used it only for providers. Now, 76% of customers are willing to attempt to use their IVR, versus only 40% when they offered only touch-tone-based service. The 41% increase in the use of their self-service application indicates that customers are more satisfied with their IVR experience. The results are fairly typical for insurance companies that are willing to re-think their self-service strategy.

Best Practice Tip: Ensure that the information delivered by your IVR matches the information available on your Web site, and that it is consistent with what is communicated by live agents.

V. Engage and Retain Customers with Outbound IVR

Outbound IVR, also known as proactive customer care or outbound notification, is the fastest growing technology sector in the contact center market today. Enterprises of all types have discovered that outbound IVR is a highly cost-effective method for delivering an outstanding customer experience. The Figure below shows the many applications and benefits that health insurance providers can realize from using a multi-channel outbound IVR solution. (Sophisticated outbound solutions can communicate with customers via a variety of channels, including voice, email, short message service (SMS) or fax. These solutions

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should also provide a means to connect customers to live agents, when requested.)

Engaging customers is a highly effective way of demonstrating that your organization is committed to their success. Here are some best practices that can help your organization succeed with a proactive customer care program:

1. Design an outbound communications strategy as a component of your company's overall Customer Contact Strategy.
2. Obtain explicit permission to send customized offerings. (For new customers, ask during welcome calls. Engage existing customers during service calls and send other requests soliciting their participation, as appropriate.)
3. Use a multi-channel outbound server that allows your organization to interact with customers via their channel(s) of choice.
4. Use analytics to segment customers for outbound campaigns.
5. Send customized communications that recipients have a high probability of finding useful.
6. Allow customers to transfer from the IVR to an agent at any point during an outbound campaign.
7. Have marketing work with the contact center when designing the outbound campaign to prepare agents to convert complaints and questions into positive events for the company.
8. Take customer complaints seriously and avoid making the same mistake twice. (If a customer claims that they did not authorize the contact, apologize and rectify the situation.)

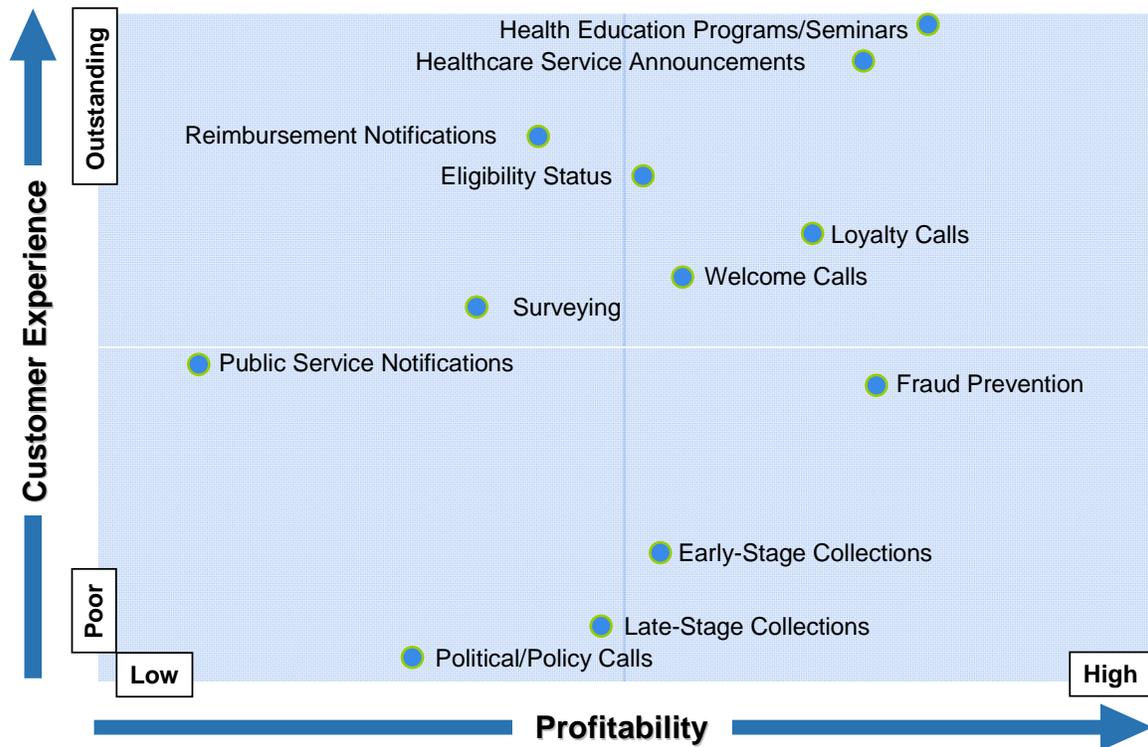
Proactive customer care can help improve the cost dynamics and nature of inbound interactions by reducing the volume of low-value inbound calls. Consider a company that uses analytics to identify which customers call constantly when an insurance reimbursement is due. Instead of waiting for these calls, it makes financial sense and is a great service strategy to reach out to them proactively when their reimbursement is sent.

Outbound contacts can be used proactively to reduce inbound calls and emails, but they can and should also be used to extend an enterprise's relationship with their customers. For example, innovative companies are using outbound to notify customers of seminars that could improve their lifestyle and possibly even extend

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their life. While an insurance company must be very conscious of customer sensitivities, when authorized, they can notify customers about relevant seminars on health-related issues such as obesity, diabetes, high blood pressure, etc. These programs can help customers improve their lifestyle and health while reducing the insurance company's payouts.

Figure x: Proactive Customer Care Applications for Healthcare Insurance Providers



Source: DMG Consulting LLC, March 2010

Best Practice Tip: Proactively reach out to customers via welcome or loyalty calls in order to sign them up to receive outbound notifications. Use analytics to segment and customize outbound campaigns and service interactions.

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VI. The Future of Voice Self-Service for Insurance Payers

Inbound IVRs are the leading contact center productivity tools in insurance companies. When used properly, they can automate more than 50% of inquiries, reducing the need for callers to speak to live and expensive agents. Proactive customer care/outbound notification multi-channel IVR solutions can reduce operating expenses by reducing inbound interactions while engaging customers with value-added services that improve the customer experience. Depending on the services offered, outbound solutions have the potential to generate incremental revenue by extending relationships to additional services. Using IVRs for educational services, for example, may result in customers signing up for additional insurance programs.

Inbound and outbound voice self-service solutions are an essential element of any enterprise customer experience strategy. Insurance payers need speech-enabled voice self-service solutions, call routing and steering solutions and CTI to manage customer interactions efficiently and cost-effectively. Leading organizations routinely solicit feedback from customers and agents to help them optimize the performance of their IVRs. The result is a winning IVR solution that delivers an outstanding customer experience while reducing operating expenses.

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About DMG Consulting

DMG Consulting is the leading provider of contact center and analytics research, market analysis and consulting services. DMG's mission is to help end users build world-class, differentiated contact centers and assist vendors in developing high-value solutions for the market. DMG devotes more than 10,000 hours annually to researching various segments of the contact center market, including vendors, solutions, technologies, best practices, and the benefits and ROI for end users. DMG is an independent firm that provides information and consulting services to contact center management, the financial and investment community, and vendors in the market.

More information about DMG Consulting can be found at www.dmgconsult.com.