

The Digitalization of Healthcare Payers



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Overview

Digital technology has touched and changed lives in a multitude of ways, a fact that cannot be disputed. Digital technologies in healthcare include IT tools and services such as telemedicine, electronic health records, and mHealth (mobile health) which help diagnose, treat, and communicate with patients and healthcare providers in order to deliver better care. These applications streamline operations, communication, and improve productivity of organizations with their customers.

Digital technology has also affected our personal healthcare; it is helping us all live our lives longer. Digital tools allow patients to empower themselves to monitor their health in conjunction with their healthcare professionals. The market opportunity in this space is only getting bigger. According to a study done by Research and Markets in 2016, the Global Digital Health Market size is approximately at \$55.3 billion and expected to grow at a CAGR of 21.4 % through 2020.

There are many types of digital applications available for the healthcare market; however, this document will focus on health payer technologies. The first of these technologies are mobile devices and applications (“apps”). Mobile devices and apps allow customers to be involved with the management of their fitness and then track activity and biometrics that count steps, sleep patterns, calories, and other vitals. These devices communicate through integration with apps, smartphones and wearables. They are particularly helpful to those that are homebound and need to communicate with caregivers and health professionals. Many firms have already adopted cognitive computing or Artificial Intelligence in order to make the process more efficient for the consumer to search for and utilize more efficient health plan and healthcare options. IBM Watson is a prime example of using unstructured data to optimize information in order to provide a better overall user experience for the consumer.

Population health and wellness tools/analytics are also on the rise for the digital healthcare market. Payment providers invest in their consumer’s health through online access tools to assist with diet, exercise, and nutrition. There are many options for communication such as scheduling, messaging, CRM, and others. Vendors include Welltok, Sharecare, and Jiff. Finally, patient/member portals provide consumers a key role in the management of their wellness. Health records are now available online with clinical data, communication availability with health providers, and virtual care via online CRM. The Epic electronic health record ecosystem of products is an example of a patient/provider connectivity widely used in the health realm. Telemedicine provides communication between doctors and patients in a virtual care setting. These technologies are in a growth phase as services can be provided regardless of geographic location. Hence, if a patient requires a specialist in a remote location in an emergency, a video can be streamed through the internet.

Challenges

While there are many technologies available to the health payer community, there are real barriers to implementation. Obstacles include compliance requirements for the health industry in terms of Personal Health Information (PHI), Health Insurance Portability and Accountability Act (HIPAA), keeping up to date with regulatory changes, and in general the overall security of patient/member data. As data becomes

accessible through networks and the cloud, companies are reluctant to spend dollars to ensure that controls are in place. Finally, the cost of tools to improve access for digital implementation for consumers is always difficult to manage with the focus on increasing market share and revenue growth more of a focus for corporations.

The primary barriers for the patient (consumer) have been how to master digital tools. In fact, according to a study done by Forrester Research in 2016, healthcare organizations have failed to meet consumers' digital expectations. See Figure 1.

Figure 1: **FORRESTER RESEARCH**
Healthcare Organizations Fail To Meet Consumers' Digital Expectations
Healthcare Must Embrace Digital To Win In Consumer Engagement

Digital features that consumers want	Today's reality
Websites that help them easily find the right doctors, see what their insurance will cover, and navigate the hospital	<ul style="list-style-type: none"> Disjointed websites Poor user experience Difficult to navigate
Healthcare organizations that provide information at an accessible reading level with visual aids and multilingual options	<ul style="list-style-type: none"> Medical language is too complex Not enough multilingual options
Accessible and up-to-date content from medical centers and insurance providers	<ul style="list-style-type: none"> Hard to find online Outdated content
Online scheduling tools and transparent pricing for services and treatment	<ul style="list-style-type: none"> Inconsistent availability Price transparency is lacking
Mobile websites that are easy to navigate and provide features like appointment reminders and important discharge information	<ul style="list-style-type: none"> Built for desktop Difficult to navigate

Source: Forrester Research, Inc. 2016

Consumers want to navigate websites easily, find updated content, and use portals that allow them to derive the content that they are seeking for their health. Unfortunately, what is generally available today is usually not adequate. The industry overall is simply not where their counterparts are in terms of providing the user consistent data, user experiences, and navigation available, for example, in the travel industry such as Expedia.com, retail such as Amazon.com, or entertainment such as Netflix.com

Utilize an Omni-Channel Strategy

In order to address these barriers, healthcare payers should utilize an omni-channel strategy. The digital omni-channel experience of interacting with a health plan or "consumerization" is a process to improve the customer experience. Consumers can't hope to be satisfied by using one or two tools. From their perspective, it is necessary

for a multi-prong approach to allow the user the ability to use many tools, and possibly integrate them with other applications. As seen in Figure 2, a survey over 2000 global decision makers: Top Digital Transformation Goals: Customer Experience IT Agility, and Cost when asked “Which of the Following Objectives are/were key drivers of your firm’s most recent digital transformation?” 50% of respondents stated their main objective was to improve the customer experience.

Customers pick and choose from the digital tools available. For example, online search mechanisms assist patient engagement- to participate in their health. The tools mentioned earlier, such as telemedicine, provide patients the ability to address concerns through Skype with the doctor. Wellness apps and wearables also contribute to providing another piece of the overall puzzle, with the end result being a more satisfied consumer.

Figure 2: FORRESTER DATA

Top Digital Transformation Goals: Customer Experience, IT Agility, And Cost

Your Digital Transformation Is Not Bold Enough — Five Signs Of Trouble And Key Fixes

“Which of the following objectives are/were key drivers of your firm’s most recent digital transformation?”
(Multiple responses accepted)



Base: 2,484 global services decision makers who are involved in their company’s digital transformation
Source: Forrester Data Global Business Technographics® Business And Technology Services Survey, 2016

Source: Forrester Research, Inc. 2016

Digitalization: Future of Customer Service

Given the multitude of offerings available in the digital health space, consumers must use the tools offered. However, the bar has been set very high by other verticals such as travel and retail as stated earlier. If companies use their investment and digital strategy to meet the expectations of consumers, then rewards will be better in line with future goals. This will not happen overnight. The digital transformation will continue to define the order of future processes.

Make the Investment

In order to make the transition to digital, it is necessary to make the investment from the corporate perspective. Vendors such as IBM, Oracle and Microsoft have spent considerable resources to ensure that the technology available supports the consumer. Companies must make the difficult decision to make the long term investment in order to have the digital strategy support the customer if they want to use the various tools for their care. Once the investment and strategy is in place, only then will the returns be seen. In a study done by McKinsey and Co., [Why Digital Transformation Should Be a Strategic Priority for Health Insurers](#), the estimate for savings for digital transformation was found to be that “The average payor would save roughly 10% to 15% of their SG&A costs - \$15 to \$25 billion worldwide.”

HM Health Solutions (HMHS): The Enterprise Health Solution—A Winning Solution

HMHS is uniquely positioned to provide a winning combination of technology and digital applications for our clients and partners. We are helping drive some of this digitalization of the healthcare payer ecosystem through our flagship cloud platform, the Enterprise Health Solution (EHS). “Like many of the companies surveyed by Forrester, we believe that improving the customer experience is key to the digitalization of the healthcare consumer experience. We are driving research, development, and innovation into our own EHS platform to help provide health plans and health insurance consumers a better overall experience”, says Scott Gaydos, Chief Technology Officer for HM Health Solutions.

EHS empowers healthcare payers with an omni-channel strategy for interacting with health insurance plan members, brokers, employers, sales agents, and providers. Various channels including web, mobile, social, and print enable payers to successfully serve their constituents. EHS integrates with various wellness vendors to help support a member/patient’s ongoing healthcare journey.

Success in the digital environment requires key technology partnerships and tools for member and patient engagement. Adobe Experience Manager as the core platform for digital delivery at HMHS provides for intelligent consumer engagement. Our Provider Search solutions showcase our strategic partnership with IBM. The solution, powered by IBM Watson Explorer, addresses key capabilities such as correlating providers based on custom, multi-tiered plans and benefit designs, enabling the use of a single intelligent natural language search bar to simplify the customer experience and address the complex structured and unstructured provider data.

Delivering an experience that is targeted requires an omni-channel strategy. Since healthcare has not caught up to other industries and consumers have their own expectations, HMHS is ready to leverage digital solutions to improve their experience. We look forward to this journey together with our consumers and partners.

About the Authors

1. Scott Gaydos and Namrita Sethi are part of HM Health Solutions. At HM Health Solutions, we create the IT products and services that Power the Future of Healthcare. We partner with health plans around the country to invest in, create, and deliver the technologies that allow our customers to optimize their healthcare operations and ultimately serve their health plan members better.

About HM Health Solutions

HM Health Solutions (HMHS) delivers business solutions to health plan payers so they can run their organizations efficiently in a competitive and ever-changing market. By offering cutting-edge technology and unparalleled industry knowledge, HMHS meets the many operational needs of health plan payers. A wholly owned subsidiary of Highmark Health, HMHS is partnered with eight health plans serving 10 million members. Headquartered in Pittsburgh, Pennsylvania, HMHS has more than 3,500 employees. Visit hmhs.com.

1. McKinsey and Co. [Why Digital Transformation Should Be a Strategic Priority for Health Insurers](#), 4/2016
2. Forrester [Your Digital Transformation Is Not Bold Enough –Five Signs Of Trouble And Key Fixes](#) Liz Herbert 5/2017
3. Forrester [Healthcare Must Embrace Digital To Win In Consumer Engagement](#) Kate McCarthy, Canny Little, Alex Cullen, Alex Kramer 11/28/2016