Voice of the Market Survey Series
Modern Technology is a Key Enabler to Reduce Costs and Achieve Member Satisfaction
Health plans understand that their world is changing. They can no longer function solely as financial entities; they must transform to health companies and take their place in the health care ecosystem. Transformation of everything related to their business is critical for ongoing and future success. Thus, to fully understand the priorities of those leading the payer landscape, HealthEdge, in partnership with Survata, an independent research firm, interviewed 73 health plan executives to determine what are the top goals, challenges, and strategies to meet those challenges for health plans in today’s market.

For the first time, when asked what their most important goal is for 2018, health plan executives cited **member satisfaction**. Payers seem to understand that increasing member satisfaction - and the resulting loyalty that comes with it - is the top goal for the next year. These executives are now ready to embrace the third component of what was always valued in the Triple Aim – patient experience. Health plans are realizing that “members” are customers whose needs must be met. Members hold health plans accountable for the availability of accurate data delivered on-demand and look to their health plans for less costly care options. Customer service ratings for health plans have traditionally ranked below many other industries such as retail, travel and financial services in consumer surveys. A positive member experience must include effective customer service, with ably trained and technology-savvy customer services representatives, and consistent, accurate information available to internal staff, providers and members in real-time.

When asked what the single greatest barrier to achieving member satisfaction and other top organizational goals, 62% (nearly two-thirds) of survey respondents cited cost structures that are preventing innovation. The health plan executives see prohibitive costs standing in the way of necessary innovation. Health plans leaders recognize the need and value of transformation, but current administrative and healthcare costs are preventing them from taking the first step and allocating precious resources for innovation. The lack of ability to lower administrative and healthcare costs is keeping them awake at night and preventing them from taking the critical steps to move their organizations forward. The response citing cost structure barriers was followed up with concerns around lack of alignment between stakeholders and failure to make internal processes assist with new ways of doing business.

These three top barriers taken together tell us that health plans are struggling to align on priorities, lower costs to create resource pools to fund innovation and are facing challenges updating critical processes that will allow their people and technology to work effectively in concert together. With resources scarce due to the inability to lower costs, and key stakeholders not aligned on how to prioritize...
key initiatives, and outdated processes needing an overhaul, health plan executives also identified the necessary starting points for transformation and making their businesses more competitive.

To overcome their most daunting challenges standing in the way of transformation and enabling member satisfaction, 59% of health plan leaders cited the need to modernize technology to become resilient to change. Implementing next-generation technology even beat out updating workforce skills - the second-most cited strategy - by more than 10 percentage points. When you combine these two results with the outdated processes response to the prior question, it demonstrates that the latest people skills, business and technical processes and next generation technology are all required for a health plan to truly transform and compete.

Despite all the uncertainty surrounding health care reform legislation, regulatory compliance was the second-lowest priority, barely edging out shifting to value-based models. Even with the uncertainty coming out of Washington D.C., this survey shows us health insurers are more concerned with the tremendous pressure to innovate and serve their membership, especially as unconventional partnerships in health care continue to make headlines.

Health plan leaders are increasingly recognizing the critical need to invest in modern, next-generation technology to achieve transformation and become true health care companies in the continuum of care. The right technology is a foundational necessity in the rapidly changing health care landscape, and recognized as a key enabler to help operationalize lower administrative and healthcare costs and bring business and technical teams together. The leaders planning to effect change are committed to updating workforce skills and improving internal business processes in 2018. Solutions that allow for cost savings, innovation, and the need to update people skills and bring internal teams together will be the path of success going forward for health plan organizations.

Survey Data

1) What is the most important organizational goal you have for 2018? Please rank in priority order from most to least important.

1. Increase member satisfaction
2. Lower costs
3. Improve provider relationships
4. Increase membership
5. Regulatory compliance
6. Shift to value-based models
2) What are the top three most significant challenges currently facing your organization?

- 61.6% Cost structures that prevent innovation
- 42.5% Lack of alignment among key external stakeholders
- 32.9% Need to update processes to reflect new ways to do business
- 31.5% Keeping up with constantly changing regulations
- 28.8% Skill sets of our people
- 27.4% Technology that cannot keep up with change
- 21.9% Lack of alignment among the internal IT and business teams

3) What steps are you planning to take to overcome the challenges and achieve your organizational goals? Check all that apply.

- 58.9% Modernize technology to enable resiliency to change
- 49.3% Update the workforce skills to fit our business model
- 43.8% Improve engagement strategies
- 31.5% Transform our business processes to fit our business model
- 23.3% Align the business and IT organizations towards common goals
- 19.2% Make significant investments in innovation
- <1% Other

METHODOLOGY DETAILS

This survey was conducted by Survata, an independent research firm in San Francisco. Survata interviewed 73 online respondents between February 26, 2018 and March 01, 2018. For further information, visit survata.com.