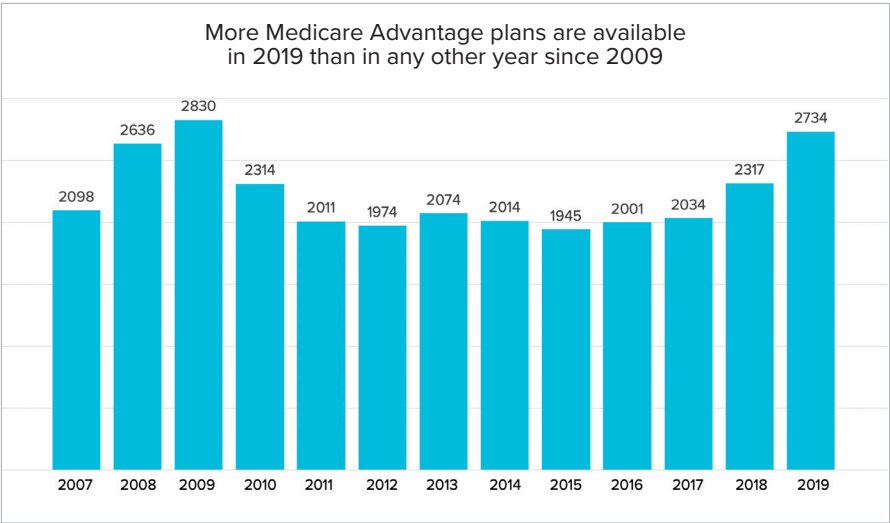


Medicare Enrollment Form

A FIVE-PART PLAYBOOK WINNING STRATEGIES FOR THE MEDICARE ADVANTAGE MARKET

Last year marked a watershed moment for the Medicare Advantage market. According to the Kaiser Health Family Foundation, health insurers offered more than 2,700 plan varieties to eligible seniors. Despite the growing number of options, the annual rate of enrollment has slightly slowed in recent years. In short, the competition for Medicare-eligible seniors is fierce.

Just as aging consumers face tough decisions, health plan marketers preparing for enrollment campaigns are confronted with expansive options for their marketing mix. From direct marketing to digital engagement, health plans must choose wisely when crafting their go-to-market strategy.



Note: Excludes SNPs, employer-sponsored group plans, demonstrations, HCPPs, PACE plans, and plans for special populations. Other category includes cost plans and Medicare MSAs.
Source: Kaiser Family Foundation analysis of CMS's Landscape Files for 2007-2019

To succeed, health plans need a playbook that builds on innate competitive advantage, clarifies business priorities, breaks down barriers between internal teams, eliminates friction between their brand and consumers, and prepares the organization for an uncertain future.

- Part 1: Planting the seeds of success—strategic segmentation
- Part 2: A roadmap to business outcomes—why measurement frameworks work
- Part 3: The antidote to common pain points—mapping the consumer experience
- Part 4: Tapping into hidden value—how data drives accountability
- Part 5: Accelerating the path to an addressable future



Fig. 1, Five Pillars of Marketing for Medicare Advantage

PLANTING THE SEEDS OF SUCCESS—STRATEGIC SEGMENTATION

Gabrielle Bedewi, PhD, *Lead, Data & Analytics Center for Excellence* at Butler/Till, asserts that the combination of competition and consumer choice has forever changed the dynamics of the health insurance industry. Many health plans no longer enjoy the comfort of high market share. Moreover, many health plans have lost touch with the needs of their members and the influencing factors that drive enrollment decisions.

“For me, segmentation should be the first step,” said Bedewi. “Segments provide marketers with a starting point, but they also help health plans go much more granular.”

However, Bedewi has seen too many health plans oversimplify segmentation as a targeting exercise.

“First, health plans that use segments for targeting alone often exclude an entire segment completely and miss out,” warns Bedewi. “Second, if health plans fail to customize their communications and messaging and blast the same content to everyone, they’re not leveraging the true value of segmentation.”

| STRATEGIC SEGMENTATION APPLICATIONS - ENTERPRISE DASHBOARDS | | | | | | | | |
|---|---|---|--|---|--|------------------------|----------------------------------|------|
| SEGMENT | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| DESCRIPTION | Young Minimal Relationship Lower Income | Middle Age Borrowers Loyal & Profitable Valuable | Young Minimal Relationship Higher Income | Middle Age Multi-Relationships Least Profitable High Potential | Middle Age Savers Loyal & Valuable | Older Middle Income | Young Poor Cash Management | |
| STRATEGY | Watch & Learn | Retain & Diversify | Grow | Retain & Grow | Retain & Reward | Maintain | Educate & Manage | |
| INDICES | NUMBER OF SERVICES | 83 | 175 | 85 | 201 | 166 | 88 | 92 |
| | REVENUE | 37 | 1014 | 34 | 55 | 703 | 42 | 1894 |
| | TOTAL BALANCE | 30 | 710 | 50 | 244 | 759 | 50 | 69 |

Fig. 2 Strategic Segmentation Example

From an acquisition standpoint, segmentation helps marketers identify the right touch points across the member journey such as e-mail, call center, or advertising.

“Most importantly, segmentation establishes operational alignment. Everyone is working toward the same goals across the business based on the most important needs of five or six segments,” said Bedewi. “Every segment has an objective. Marketers need to step back and ask themselves, ‘Are we building a plan around that objective?’”

A ROADMAP TO BUSINESS OUTCOMES—MEASUREMENT FRAMEWORKS

The best plans help to structure and organize teams around shared goals and common expectations. However, many health plans lack clarity on how best to advance this effort.

“Media is rapidly evolving and this evolution results in key metrics that do not always help measure success; every metric is not a key performance indicator,” said Kristen Paganin, *Director, Reporting & Measurement* at Butler/Till. “Key performance indicators must answer the question, ‘Were we successful?’”

Still, Paganin views success for health plan marketers as multi-dimensional.


“The number of competing plans in most markets requires health insurers to consistently build awareness of the brand and offerings to fill the funnel with new or returning members,” said Paganin. “In many instances, paid media campaigns push consumers to trained and knowledgeable advisers who can help convert active shoppers to an enrollment.”

Paganin works with clients to build a roadmap that defines what success looks like and establish the requirements, components, and processes to best support teams toward each outcome. This process results in a “measurement framework,” which ultimately informs all dashboards and reporting.

Client:

Campaign:

Date:



BUSINESS OBJECTIVE:
Why do we exist?

MARKETING OBJECTIVE:
What do we want our campaigns to do?

| CAMPAIGN PURPOSE | CAMPAIGN GOAL | KPI | KPI VALUE | SEGMENTS |
|---|--|---|---|---|
| <i>What are we trying to achieve?</i> Awareness, lead generation, engagement | <i>What do we want to happen?</i> Increase brand awareness, increase enrollment, increase content consumption | <i>How will we measure success?</i> Brand awareness %, # of phone calls, # content downloads | <i>How will we know if we are successful?</i> 10% lift, 500 phone calls, 1,000 downloads | <i>How will we look at results?</i> By tactic, market, affiliate, week |
| | | | | |

Fig. 3 Measurement Framework Example

“Without a measurement framework, many clients do not know what data to visualize and therefore lack any type of methodology for measuring or optimizing toward success,” said Paganin. “Anyone can calculate click-thru rates and visualize them in a dashboard, but if we have not validated the role of that metric toward business outcomes, we are just throwing numbers up on a screen.”

Measurement frameworks also help to balance near-term priorities with long-term goals.

“Each framework includes the organization’s mission and corresponding business objectives. This helps us understand how specific campaigns fit within a greater purpose,” said Paganin.

THE ANTIDOTE TO COMMON PAIN POINTS—MAPPING THE CONSUMER EXPERIENCE

From advertising to the user interface, brands with a successful purpose deliver on consumer expectations with reliability and consistency.

While health plans are beginning to experiment with digital experiences and technologies, many fail to bring them together in a way that solves authentic consumer needs.

“Too many marketers are not thinking holistically about how things work together,” observes Mike DiCaprio, *Director of Communications Planning*, Butler/Till. “From sales to marketing to IT, teams do not speak the same language and, as a result, they do not think through practical applications for real consumer member journeys.”

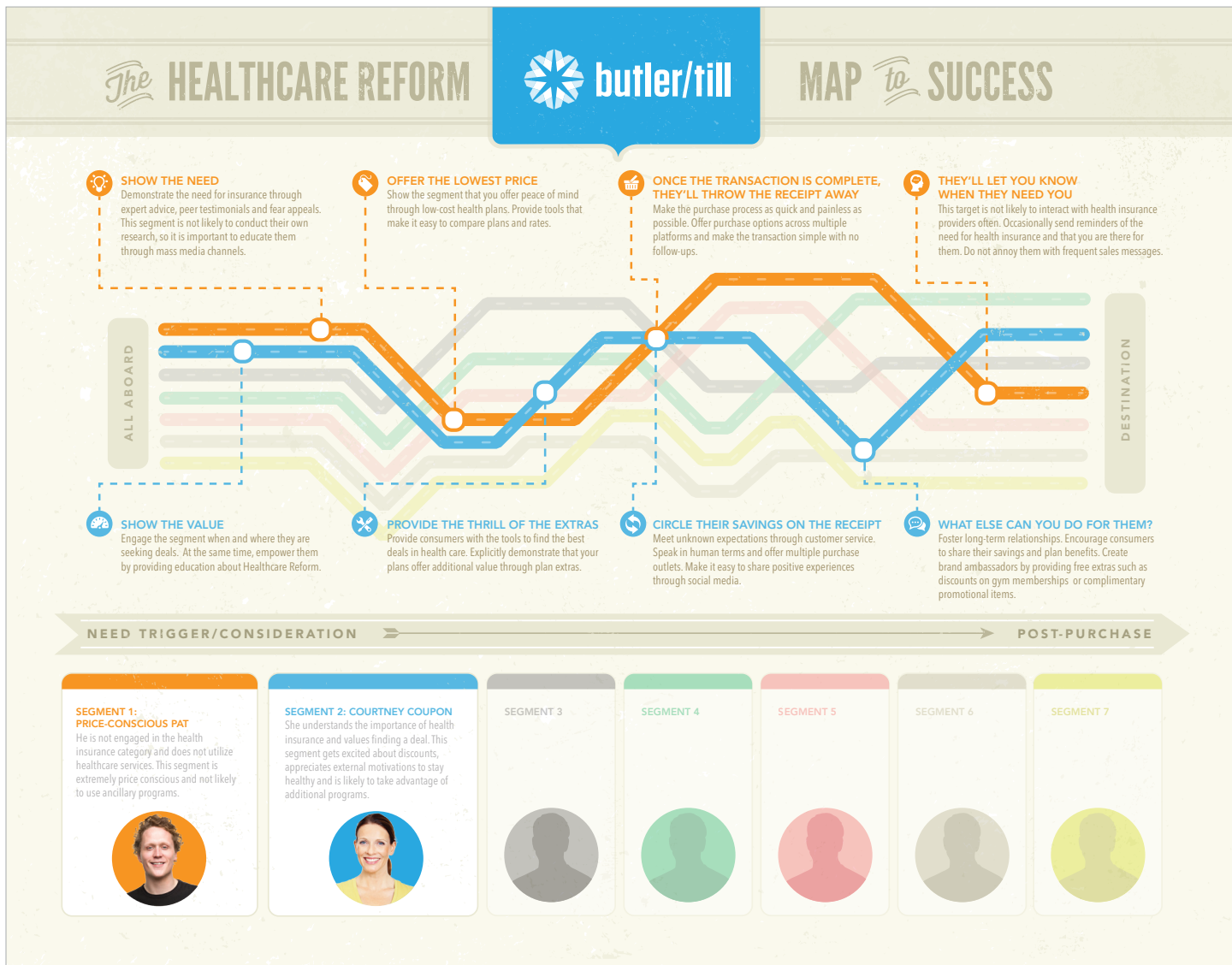


Fig. 4 Healthcare Reform Map

For example, DiCaprio points to last-touch attribution such as phone calls or lead generation as a blind spot that can entirely exclude other channels from marketers’ consideration.

“It’s not about the channel alone,” suggests DiCaprio. “It’s about the types of connections brands make with a consumer. That should be the ultimate goal.”

Health plans too often concentrate on enrollment periods, which can unintentionally create friction between the consumers’ wants and needs. DiCaprio foresees emerging digital touch points as an exciting way for more health plans to build additional personal connections.

DiCaprio hopes the more people grow comfortable with digital technologies, the more ways health plans can operate as a seamless enabler of health care instead of an inconvenient intermediary between patients and their doctors, care, treatments, and prescriptions.

TAPPING INTO HIDDEN VALUE—HOW DATA DRIVES ACCOUNTABILITY

For Scott Ensign, VP, Media, Butler/Till, the most successful health plans will approach digital as a conversation about strategy over tactics.

“Among health plans, a big portion of their budgets exist in places that are not addressable. Transforming this investment, however, requires data-driven decisions,” said Ensign. “Marketers need to seek out more data and then take steps to get that data in order. Data is a strategic business asset, but too few businesses view it this way.”

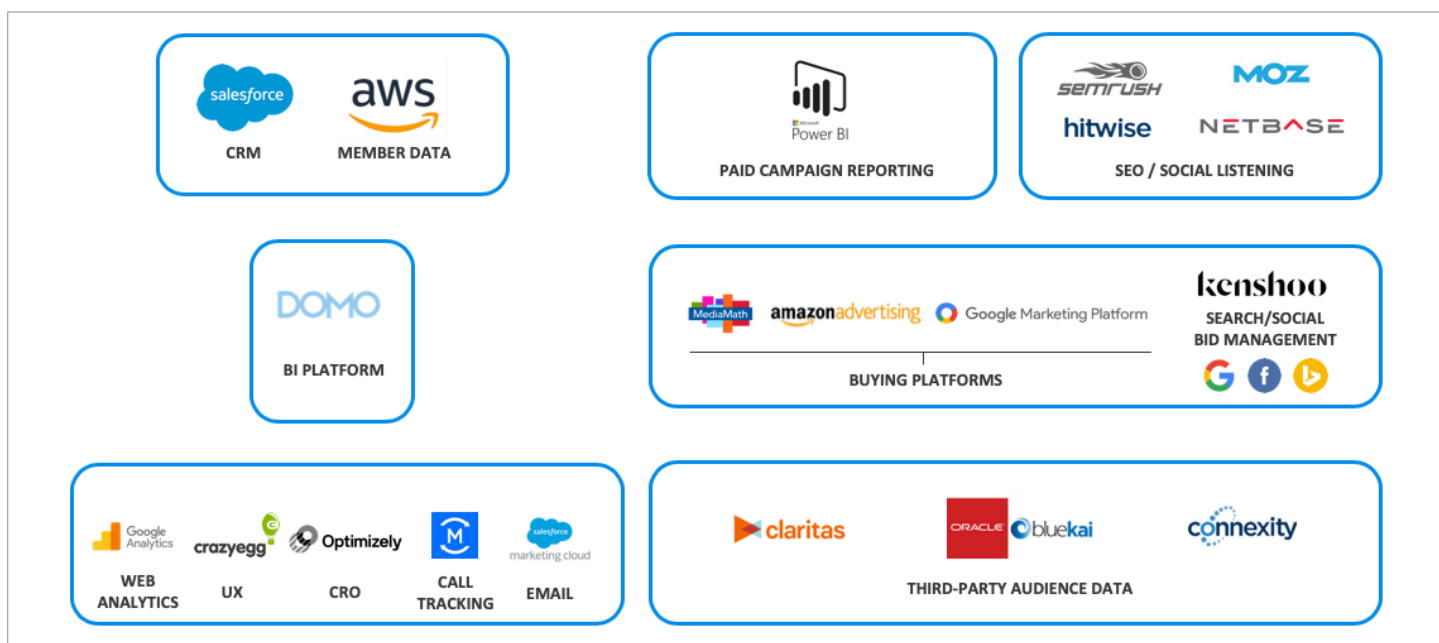


Fig. 5 Agile Media Infrastructure

Six advantages of an agile media infrastructure

- Influence key audiences with proof points and useful messages along the customer journey.
- Monitor and capture in-market demand.
- Target competitor spaces.
- Create a feedback loop for continuous improvement across both online and offline channels.
- Optimize campaigns throughout the funnel.
- Maximize lead gen with optimization of biddable channels.

Once health care marketers organize and understand their data, they can begin to rethink how they spend each dollar.

“Success in health care is clearly on an arch toward accountability and addressable media such as search, social, and programmatic digital, which will continue to play an influential role in connecting the dots between marketing spend and business outcomes,” said Ensign.

Despite the rise of mobile platforms and digital ad inventory, the largest screen in the home remains a formidable ally for marketers.

“We live in the golden age of TV, but not necessarily just TV advertising,” said Ensign. “Digital enables TV to transcend old definitions and shift the conversation to how brands ‘extend’ their traditional TV buys.”

ACCELERATING THE PATH TO AN ADDRESSABLE FUTURE

Ensign views the promise of addressable media as a major component that will enable greater customization along the modern consumer journey. Health plans must prepare for a future when more media becomes addressable.

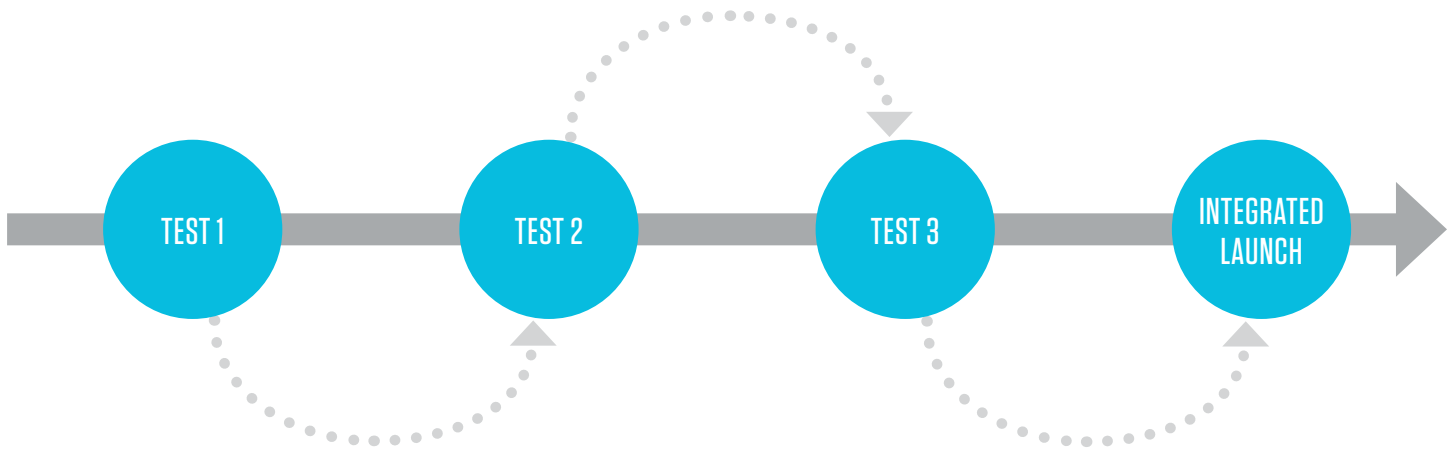


Fig. 6 Consumer Journey Example

“This outlook requires an alignment to the way consumers navigate self-selected choices and make real-world decisions,” said Ensign.

Data and the numbers give health plans a way to bridge the gaps between sales, marketing, and member services. The most successful health plans will regularly assess how effectively they leverage their data. This includes technology investments, reporting practices, and optimization schedules.

“Design tests that drive accountability and forge relationships with a definition of the future,” suggests Ensign. “My instinct says do this all the time and consistently ask, ‘How do we get there faster?’”