Business Impact

All of the top four national plans and 90 percent of midsized regional health plans place "analytically-driven consumer marketing" as a top five corporate priority.

SAS Health Plan Engagement Survey, July 2012

Challenges

- **Getting started.** To begin predicting behavior and financial outcomes, plans aren't equipped to know which factors are predictive and therefore what to include in models.

- **Manual processes** for consumer engagement don't allow plans to quickly test and deploy, get accurate results or continuously improve in a timely manner.

- **The marketing mix.** Plans need to be able to determine the best possible combination of marketing offers, including channel and contact strategy, to achieve plan-specific business outcomes.

- **Current infrastructures** don't provide the means to gain customer intelligence to answer critical questions, such as: What's the right consumer mix to ensure optimal performance?

How can we acquire, retain and manage the health of individual consumers?

The Issue

The landscape of health care is changing rapidly, fueled by dynamic market shifts, changing regulations and a shift toward a consumer-driven, retail model. This transformation from wholesale to retail is creating complex business challenges involving new individuals, products, pricing and contact strategies, and competing business objectives. The only way to be successful in understanding consumers with this much uncertainty is by applying customer analytics and evaluating results – faster than the competition.

Health plans of all sizes are aggressively building capabilities to successfully acquire, retain and serve the right mix of individual consumers in the health insurance marketplace. They're doing this by making sense of all the variables, testing strategies and taking the best possible action to optimize financial results and improve health outcomes.

The SAS Approach

SAS offers an innovative, modular set of solutions that provide health care organizations a competitive edge in the new consumer marketplace. Our software and services help you:

- **Create a data foundation.** SAS® provides the capabilities to integrate diverse data sources (social, EMR, credit, call center, Web, email, account, transaction purchase, Rx, demo, etc.) with existing member and prospect data.

- **Build and deploy consumer models** to predict critical behavior and financial outcomes, and configure them for ongoing enhancement and monitoring. Easily get started with a consumer database

to identify which factors are correlated with optimal outcomes. Then build initial profiles and validate them against your objectives. Simulate models to predict risk, price sensitivity, lifetime value, propensity to engage and general segment clusters.

- **Automate your engagement with consumers.** Deliver different offers through multiple channels (email, text, phone, direct mail, call center/retail, agent), while providing offer information to the inbound channels (call center, portal, agents, retail). SAS collects and measures results for quick insight into what works.

- **Optimize for the best possible offer combinations.** Consider every possible combination, including product, channel and consumer scores/profiles – as well as business rules and contact strategy. Your output is an optimized combination at the individual/household level aimed at achieving a specific objective, such as maximum revenue, membership, customer lifetime value or program return.

With SAS, you can assemble, integrate and prepare the right data as a foundation for consumer analytics. Our sophisticated models allow you to streamline consumer engagement and marketing for better results and enable rapid testing and learning. And easy access to information enables decisions that get the best possible financial and membership returns from consumer engagement initiatives.

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THE POWER TO KNOW®

The SAS® Difference:
Easily acquire the right mix of members

Reducing costs and time to marketing for campaigns can be achieved by integrating your available data and applying analytics to a broader audience. SAS approaches marketing as a continuous process of learning from campaigns and adjusting to improve future results. With SAS:

- **Business users can create predictive models and customer segments quickly and easily**, then rapidly test and improve these models to constantly improve business results.
- **SAS automates the entire process of consumer contact for fast response collection** and near-immediate course correction. Rapid experimentation allows you to investigate and answer questions such as: "What is the ideal portfolio of members to ensure profitable growth?", "Which clinical programs deliver the highest ROI?", and "Which outbound script encouraged the highest level of asthma patient engagement?"
- **Thousands of scenarios can be generated in hours, not weeks.** You can assign every prospect with a projected claims and premium amount. Run optimization scenarios with real-world assumptions and constraints. And run simulations across single or multiple geographies.

SAS enables you to increase the reach of direct marketing campaigns without increasing costs. You can update your database in days rather than months, and create data for modeling in hours instead of weeks. With streamlined campaign reporting, you can ensure reports are accurate and timely. And lastly, SAS lets you experiment with different marketing plans to see which are the most effective and then design and execute campaigns more easily – and with more impact.

Case Study: Insurer slashes marketing costs

Situation

A large insurer and its subsidiaries that provide health-related products and services to more than 15.8 million people in 16 states were having difficulty segmenting customers efficiently. They wanted to be able to test different marketing options to see which ones were worth a broad effort. And they needed to establish new marketing procedures and workflow to handle increased campaign volume.

Solution

The company has a marketing analytics data mart that gathers enrollment and product information, demographic data, high-level claims information, customer service behavior and customer revenue information in one location. It does predictive modeling and customer segmentation, campaign management and post-campaign reporting and analysis using SAS. Its hosted solution saves processing time, and the company's even given subsidiaries access to predictive analytics and advanced reporting capabilities while maintaining a secure data environment.

Results

The insurer increased direct marketing campaigns by eight times and reach by nearly 200 percent without increasing costs. They also decreased cost per sale by more than 70 percent. Now they can design and execute 12 times the number of marketing campaigns, and database updates that once took months now take days.

What if you could…

Have confidence on a data foundation

What if you could easily assemble clean and accurate data while creating a single view of the customer?

Build consumer models

What if you could quickly build, then constantly monitor and improve your consumer models to grow over time and become exponentially more powerful?

Automate engagement

What if you could automate the creation and distribution of consumer offers and enable your internal resources to help consumers take advantage of those offers while tracking their effectiveness to improve performance over time?

Optimize

What if you could model and analyze thousands of new market entry scenarios in hours, and determine which scenario would provide you with the ideal MLR performance or choose to optimize revenue or optimize membership?

You can. SAS gives you THE POWER TO KNOW®.

SAS facts

- More than 3,000 industry leaders use SAS for marketing, including the top 10 US banks, top five US retailers and top five US telecommunications companies.
- SAS helps government and health care organizations meet the specific needs of payers and providers in both the public and private sectors.
- SAS has been in business since 1976 and through innovative solutions, helps customers at more than 65,000 sites improve performance and deliver value by making better decisions faster.

Learn more about SAS software and services for health insurance at: **sas.com/healthinsurance**

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