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Evolving AEP Marketing to the Modern Age-In

Eight Strategies for 2018 Acquisition

Evolving AEP Marketing to the Modern Age-In

Open enrollment period for Medicare Advantage and Medicare Part D occurs annually from October 15 to December 7. During this time, Medicare beneficiaries can add, change, or drop Medicare health plans and/or prescription drug coverage for the following year. In the months leading up to this period, Medicare Advantage plans must deliver marketing communications that build brand reputation and product differentiation among age-in prospects in order to drive new member acquisition.

While October may seem far away, now is the time for health insurers to begin outlining and strengthening their pre-AEP marketing programs. As they do so, they must ensure that their strategies account for the major shifts occurring in the marketplace and in age-in media and purchase behaviors.

Adapting to a New Generation of Age-Ins

With 3,500,000 Boomers turning 65 in 2017, and with most of them becoming eligible for Medicare enrollment around their 65th birthday, marketers are presented with a target-rich market for their AEP campaign strategies.[1]

This year's group of age-ins, however, are distinct from their predecessors in several ways. In order for health insurers to effectively reach them, they must take the time to understand how this unique group of age-ins differs, and modify their marketing tactics accordingly.

The first major difference to understand is that the majority of age-ins are coming to Medicare from Individual. These consumers now make up the majority of new age-in enrollees, with 95% of age-ins from the Individual market planning to enroll into Medicare at 65, according to Deft Research's 2016 Age-in study.[2] In fact, age-ins make up nearly 40% of the Individual market and will likely account for more than 50% of new Medicare sales. Age-ins with Individual also have a higher propensity to purchase Medicare Advantage and switch to a new insurance provider. According to Deft Research's 2017 Medicare Age-In study, age-ins with individual and family plans (IFP) are 29% more likely to purchase Medicare Advantage than age-ins with employer-sponsored insurance, and only 24% of age-ins with an IFP plan on enrolling with their current insurers' Medicare offering.[1]

Another difference is that they have been pre-conditioned to an online health insurance shopping experience that mirrors that of retail. They are accustom to more transparent pricing and more accessible plan comparison tools. While their past experiences with health insurance are different, so too are the ways in which they expect to be able to interact with a health plan. Seniors are increasingly adopting online shopping, social media and mobile engagement behaviors. The notion that seniors prefer in-person and telephone forms of engagement with sales representatives no longer rings true.

Age-ins are evolving and so too must Medicare Part C and D marketing strategies. As a healthcare communications company carrying over thirty years' experience managing the creation to distribution lifecycle of health insurance marketing and member communications, we actively work to help plans adapt their strategies to these changes. In doing so, we have identified eight strategies health insurers can apply for maximum AEP 2018 marketing acquisition and retention success.

1. Improve Measurement & Attribution:

Connecting all interactions, including direct mail, to a real-time, online campaign reporting system can deliver the analytics and insights required to support attribution modeling, single customer view and budget maximization.

Attribution Modeling

Attribution modeling can be achieved by assigning a value percentage to each touch point of the buying journey. This is called fractional attribution, where all supporting players, meaning all channels and tactics that may affect the buyer's journey, are accounted for. For example, you may deploy a campaign that includes both display print advertising and direct mail. If you were receiving phone call inquiries via the phone number listed on the direct mail piece, you might attribute conversion to direct mail, but a control test without the pre-hand advertising might reveal a decline in sales lift, indicating that the display ad is a necessary precursor.

Creating control groups and conducting testing for different media mix approaches can help you identify what exact channels and tactics are best working to drive conversion. The analytics garnered from these test pilot programs are what your attribution models should be built upon.

Single Customer View

Analytics give you the power to build a single customer view, delivering insights into individual responses to different marketing tactics across channels in relation to one's demographic, geographic, lifestyle and plan history data.

Creating a single customer view also permits two other key initiatives. First, it allows you to engage with prospects on a more 1:1 level by enabling segmentation and personalization.

The more data you have stored in your individual profiles, the greater ability you have to create segments based on channel preference, product interest, benefits interest, plan eligibility and shopping or switching propensity. You can then create targeted content for each of these key identified segments that better engages and drives response. Second, single customer view allows for predictive models to be created as you observe behavioral pattern trends across segments in relation to different tactics and timing. In doing so, you can ensure you are delivering the right messages at the right times via the right channels to best drive response.

Conversion Cost Tracking

Real-time engagement reporting can enable you to define your highest value prospects and focus marketing efforts on them, while decreasing activity to prospects with continuous low response rates in order to maximize budget.

Response rates should be tracked in your campaign reporting system, as well as cost per lead, cost per sales and conversation ratios in relation to available budget. Having access to this data will enable you to better allocate budget spend across segments and better predict the likelihood of response and purchase at the group and individual level.

Better Analytics—Better Insights—Better Results

Analytics give you the power to understand your prospects, giving you power to dramatically improve your results and make more profitable use of your budget. Once you understand your data and can predict future buying propensities and preferences, you become empowered to successfully acquire, grow and retain your best members.

2. Enhance Operational Efficiency:

Healthcare marketers tend to put a big focus on perfecting their marketing materials during AEP, such as letters, postcards, brochures, digital ads, booklets, sales kits, emails, television spots and more. But improving the creative design and messaging of these pieces is only one part of the puzzle. In order to deploy them in a timely, efficient and well-sequenced manner, a health plan must maintain operational excellence, which means addressing the behind-the-scenes planning and processes that drive the production, fulfillment and distribution of the key AEP marketing deliverables.

Cross-Functional Planning

Effective planning should begin with a cross-functional meeting in April that includes your production and agency partners, as well as all key internal and external project managers. The meeting should review the process gaps of last year and how they will be addressed this year, from project management to reporting to production workflow and quality control

opportunities for improvement. The meeting should also get all parties to agree upon a realistic production calendar, which should specify the dates of when final approved files must be received from the health plan in order to hit target mail distribution. Health plans should ensure they factor the necessary time for compliance sign-offs when providing file provision dates. Inventory should also be planned for all static pre-sale and enrollment materials for each Medicare plan type.

Escalation Produce Preparation

Aside from addressing past challenge areas and agreeing upon a production calendar, escalation plans should be established should any potential issue occur in file processing, proofing or production, to ensure no target drop date goes unmet. This escalation plan should include having an on-call, ready-for-anything emergency response team in place for the season as well as rush production and distribution strategies.

3. Optimize Timing:

Often by the time health plans begin sending their largest volumes of direct mailers, the market has been pre-conditioned by what can be found online. Conclusions will have been reached, and preferences established. Don't allow your direct mail to arrive in age-ins' mailboxes too late to be persuasive—start early.

Building the Pre-AEP Foundation

The closer seniors get to age 65, the more inundated they will be with marketing from competitors, so it truly is a competition of who gets there first. Approximately 50% of seniors will start researching Medicare plans at 63 years old and this peaks when they turn 64, when almost 80% are actively researching, according to a Kern Health report.[3]

Start Early—Win Later

While most plans typically begin their age-in campaigns six months prior to one's 65th birthday, the ideal strategy is to reach a lead as early as a month or two months after they turn 63. Doing so will allow you to establish your presence early-on, before the competition reaches them, and nurture them through each subsequent milestone leading up to and following their birthday. Once prospects opt-in to receive educational emails, marketers can employ marketing automation. This the best way to provide timed email campaigns that nurture age-in prospects through the decision process. Each marketing touch along the lifecycle should then follow a clear progression plan, with one-year marketing messaging significantly differentiated from six and four-month, and with each piece working to move the prospect along the plan selection process.

4. Leverage Cross-Media:

Today's Medicare-eligible Boomers are tech savvy. They go online to learn about topics of interest to them, particularly for health information and shopping Medicare options. While television and direct mail are still the best offline channels to get people interested in offers or to search online for more information, search marketing techniques such as content marketing, SEO and PPC will continue to play a bigger role in lead generation and acquisition of new members.

With this in mind, it is critical that you have a multi-channel marketing approach that includes direct mail, email, paid search, and social in order to capture growing media preferences and be in front of your prospects in both the physical and digital world.

Optimizing Online Presence

Coinciding with the growth of the Individual Market is the growth of internet shopping, which has outpaced all other media channels. For the first time in their 11 years of conducting their annual Age-In study, Deft Research found that internet shopping is the most predominant way in which those age 64-68 who are not yet enrolled in Medicare shop for health insurance.[1] In any given month in the year prior to age 65, a predictable and consistent percentage of Age-ins (40-45%) are using the internet to shop for health insurance.

In response to increasing online shopping behaviors among seniors, the DMN3 Medicare Advantage Marketing Benchmark Study found that Medicare marketers are integrating digital marketing more heavily to drive leads.[4] 62% of the Medicare marketers surveyed reported that they expect their digital marketing budgets to increase and 93% reported that they plan to use a digital tactic beyond having a website.

Incorporating Social

Seniors are now the fastest growing age group to use social media. In fact, according to Pew Research, in 2015, 35% of people 65 and older said they use social media, compared to only 11 % in 2010.[5]

Today, 34% of Americans ages 65 and up use Facebook or Twitter, with social networking most common among those who have at least some college experience and those whose annual household income is $50,000 or more, according to Pew Research's 2017 "Technology Use Among Seniors" report.[6]

Rethinking Direct Mail

Direct mail was found to be the most effective method for driving age-in consumers to websites, according to the Deft 2016 Age-In study. Mail drove three times more visitors to websites than Internet or TV advertisements. The most likely visitor to a health plan's website was found to be a more sophisticated consumer than others though, with sophistication gauged in terms of education, income, and health insurance literacy. That is why the creation of several, segment-focused websites, if not fully personalized landing pages, should be created to best communicate to different groups with different needs and levels of understanding, rather than driving to one generic webpage.

In a rich media environment, direct mail should be used less as generic plan awareness pieces, and more as deliverers of unique online shopping experiences, driving recipients to personal online support tools, advice, and targeted incentives.

Leveraging Landing Pages

Effective landing pages often remove distractions found on a typical website, like navigation and links to other sections of the site, and drive a user toward a specific and singular goal. Health plans can use this digital marketing tactic to create a simple open enrollment page that provides a clear message that inspires visitors to fill out a form or contact sales for more information. These pages should include terms the visitor would use in their everyday life to describe what they seek, e.g., "health insurance quote." Including these keywords in both the landing page's content as well as the campaign that drove them to the page instills confidence in the user that they have found an insurance company that can help them easily acquire the information they need. Links to these landing pages should be leveraged across direct mail, email campaigns, social and other digital and non-digital promotions to maximize leads during open enrollment.

Encouraging Email Opt-In

Email is still one of the most effective ways to communicate with current and prospective clients. If your contacts are already organized in a prospect management system, then email can provide an easy way to keep your company at top of mind and a click away when a prospect is ready to take action. Email can be used to send reminders about upcoming deadlines for open enrollment and for delivering educational content, promotions or incentives to drive more rapid enrollment.

Multiplied Outreach—Multiplied Opportunity

These research findings make it clear that multiple channels need to be deployed in order to effectively reach age-ins and address diverse media preferences, and that channels must be employed in different ways than before.

5. Support Sales Enablement:

Empowering representatives with digital technology tools makes their processes easier and makes them feel more confident, while simplifying lead nurturing and conversion tracking.

Lead Management Dashboards

Sales dashboards can allow for a nimble sales machine and transparency before, during and after lead acquisition. An ideal sales dashboard should integrate both customer service call data and online information request data so that sales can review active leads from a centralized location. The dashboard should track each lead follow-up measure taken by the representative, and allow them to set automatic email notifications for when it's time to make a call or send a follow-up item. This will allow management to better track sales activity while facilitating a well-synchronized lead nurture program.

On-Demand Ordering Storefronts

Having a dashboard in place to track lead acquisition and activity is important, but in order for sales to quickly and effectively respond to these leads, there must be an automated process in place for both direct mail and digital sales response. Online sales material ordering portals can deliver this necessary follow-up automation, ensuring no lead goes un-nurtured.

An efficient online ordering portal should be able to integrate a health plans' complete array of sales materials and allow for real-time assembly of dynamic sales kits. Portals should also have the ability to directly connect with an on-demand print vendor in order to support live order trafficking for rapid distribution.

In addition to supporting automated production, your ordering portal should also feature cross-media campaign automation. For example, the sales portals we have built for several of our health insurance clients allow their sales reps to upload direct mail distribution lists. Through portal integration with our personalization technology, the portal automatically integrates the data from their uploaded mailing list into a pre-templated personalized postcard and auto-generated personalized landing page, which is leveraged as the postcard call-to-action. The postcard with live PURL then gets sent to production, and every lead on the mailing list receives a fully personalized print-to-web experience in a matter of days.

Customer Service Training

In addition to empowering sales with reporting dashboards and cross-media ordering portals, health plans should also ensure customer service is aware of running campaigns and marketing messaging, and that they are provided with updated scripts.

Customer service must be trained and ready on marketing messages, with a seamless transfer protocol in-place. Doing so will enable consistent marketing messaging from the initial point of campaign awareness to the final stages of enrollment.

6. Integrate Self-Service Options:

Currently in healthcare, we see mobile apps that offer medication reminders, prescription refill options via photo snap and automatic pharmacy profile updating via mobile insurance card scan. We see minute clinic services that can be booked and paid for online, provider portals that empower patients to self-manage their health and wearable AI technology that offers health suggestions based on behavioral patterns.

The self-service movement is rapidly taking over healthcare, and as consumers are increasingly exposed to new forms of digital health engagement, their customer experience expectations rise.

Personalized Plan Selection Tools

One example of how we integrated self-service functionality to simplify the plan selection process for a client was through the development of a personalized health plan builder. Housed within personalized landing pages, the health plan builder consisted of a form-based questionnaire, which asked for basic demographic and health plan requirement data. The landing page then utilized the form data to auto-generate a personalized plan selection guide, featuring a side-by-side comparison of the plans' most suitable for the individual in a visually dynamic, colorful chart. With the personalized plan builder urls featured on pre-AEP direct mail postcards, the program worked to drive online conversion and collect prospect data, while showcasing the plan as one's personal healthcare complexity navigator—dedicated to guiding them to the right choice.

Choice & Convenience

Choice and convenience are competitive differentiators for today's busy consumers—in all aspects of their lives. Consumers gravitate toward businesses that let them complete tasks rapidly, easily and at their own convenience. The plans that will rise above the competition will be the ones that showcase their ability to make complex healthcare decision-making easy. These will be the plans that do not require prospects to have to call customer service or their sales rep to get answers, instead offering self-service online and at-retail tools.

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7. Communicate & Deliver Value:
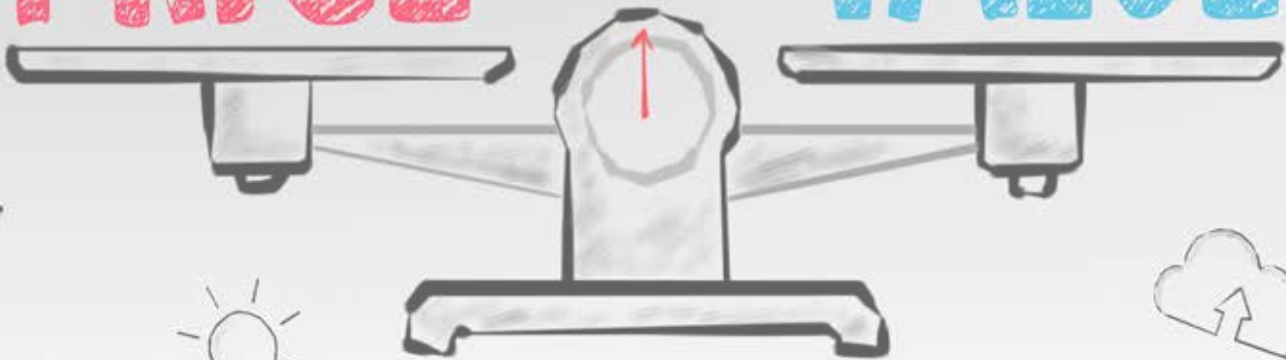
Contrary to popular perception, most people, including seniors, do not make healthcare product purchasing decisions based on price alone. They want value, and define value in three key ways: access, brand reputation and local presence.

Emphasize Network Size & Access

Research finds that seniors are willing to pay higher premiums for a wider physician network. Access is of utmost importance to seniors, including having one's current physician and preferred hospital in network, as well as having a wide array of doctors and hospitals to choose from. According to a McKinsey AEP survey, keeping their physician was the most important attribute identified by more than 60% of Medicare age-in respondents.[7] Leveraging network size and access can be a very effective pre-AEP marketing tactic.

Build Brand Reputation

Another top-ranking plan selection factor is brand reputation. However, once individuals have enrolled in Medicare Advantage, the health insurer's brand reputation often takes a backseat, and member experience fails to meet expectation. Member experience is of paramount importance in determining how satisfied members will be—and whether they'll shop around come enrollment season. Member experience is also what build brands reputation and generates brand advocates, critical to new member acquisition. For this reason, insurers must view their Medicare enrollment experience in the context of the total member journey, ensuring that promised value is consistently carried out along every key interaction point.

Medicare customers who renew their plans cite that the top drivers of overall satisfaction are their experiences conducting the following three activities: paying bills, making claims and getting answers to questions or concerns. Plans should consider focusing on these three member experience activities when mapping their member journey and predicting retention.

Leverage Local Familiarity

Familiarity with the name of the insurance company is almost as important as cost and access to preferred providers in choosing plans. Building local familiarity typically involves strong community involvement and hosting education events, as well as sponsoring noteworthy causes or groups. It involves engaging people at local retail locations and community events—reaching them on their own turf at a grassroots level. It also involves creating positive PR around the positive impact health plan employees and providers are making in the community.

Create a Unique Value Proposition

The National Research Corporation (NRC Health) conducted a study in 2015 of 3,000 consumers, entitled "The New Payer," which found that quality is one of the top consumer health plan selection factors, but the way health insurers define and communicate their quality needs work.[8] This is because many insurers fail to build a unique brand identity and deliver consistent and simplistic marketing that hones in on one or two real brand differentiators.

Health plans can build their unique value proposition by learning their target market's perception of their provider organization and Medicare Advantage plans. They can conduct surveys to learn what their target audience values, desires and finds compelling. Where possible, they should segment responses by some level of commonality, such as similar points of service, unit of service, demographics, etc. Plans should find out where their current brand stands in the minds of their targeted audiences and decide where they want to be. The difference between the two is the gap that must be bridged. Plans also want to improve their brand's perception relative to competitors. Knowing how your competitors' perform and their brand's position in the target market is essential to building your unique brand identity. This is why conducting an in-depth competitor and market analysis is vital prior to pre-AEP marketing campaign development.

Differentiate & Deliver

In order to adapt to a value-driven market, health plans must consider how they can better communicate what they do, how they do it and why it makes a difference in their pre-AEP Medicare marketing—ensuring that cost is always communicated in alignment with value, and then demonstrating that value in the member experiences they deliver.

8. Optimize Ease of Understanding:

In a National Research Corporation "New Payer" study, nine in ten consumers reported that they would appreciate a singular guiding force to help educate and simplify their benefits selection decision.[8] Seniors are frustrated by the volume of information they are exposed to during the enrollment period. In spite of information overload, they remain confused about what plan is best for them and how the different plan types work. They feel unqualified to compare things like costs, coverage, provider networks and other benefits and while they want to make well-informed and financially-sound decisions, they do not feel confident in their ability to do so, preventing many from switching.

With so many plans and options to review, beneficiaries find the process of comparing and selecting plans overwhelming and seek a provider who can make things simple.

Clear. Concise. Comparable.

With tiers, exclusions, medical terms, mandated language, legal disclaimers, etc., insurance content can sound like a foreign language. Insurers can reduce confusion and rise above the jargon by making their pre-AEP communications simple, to the point and benefits-driven. Insurers should make it easy for age-ins to visually compare their plans' various coverage options so they understand what the value and cost is for each. They should also make it make clear how their coverage compares to what they would receive with Original Medicare.

The smartest tactic health plans can employ is content that is simple, accessible and helpful for those who are confused and looking for answers. If the answers are easy to understand, you're likely to build trust and a lasting relationship with consumers. Clear, concise and easily comparable information, presented in a digestible format and focusing on the factors most important to consumers, namely cost, provider networks, and coverage, will draw consumers to your plan.

Integrating Educational Offers

Medicare is a new world age-ins are seeking to understand, which is why AEP marketing should not just be about your plans—it should be about education. Effective pre-AEP communications should include resources and tools to help age-ins learn how all aspects of Medicare coverage work. This includes descriptions of Parts A, B, C and D, as well as enrollment periods and penalties for missing these windows. Providing objective and helpful information about Original Medicare, private insurer Medicare plan types and the entire enrollment process can be one of the most valuable strategies you can employ to connect and build relationships with age-ins.

Educational offers in multiple media formats can also help generate responses from online media you may not have used in the past. Video content offers, in particular, can differentiate a provider from its competitors. In an online survey DMN3 did with 1,000 Boomers, they found that consumers ages 64 - 69 love YouTube.[9] This finding presents new opportunities to educate prospects who might never attend an educational seminar at a physical location via online video.

From health plan terminology definition resources and educational videos, to fully personalized plan selection guides, integration of items such as these can drive acquisition by showcasing that your brand is committed to taking the complexity out of healthcare and creating consumer confidence.

Analytics Driven…
Cross-Media Integrated…
Maximum AEP
Member Acquisition

Pre-AEP marketing must start early and must include personalized, multi-touch outreach to both existing members and prospects in order to be effective. The health plans that will achieve unprecedented levels of acquisition this enrollment period will be the ones who transform their expired direct mail marketing models into fully integrated cross-media campaigns that incorporate interactive self-service tools, real-time online engagement and personalized content —creating brand value at every touch.

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Who We Are

Cierant Corporation is a leader in customer communication innovation within the health insurance industry. Housed within the CommONE Customer Communications Management (CCM) suite, Cierant offers health insurers a portfolio of software and services that simplify and enhance dynamic composition, optimize and cost-reduce production processes and manage distribution across offline and online channels, all while ensuring security and compliance. For more information on Cierant's marketing and member communications management services, please call **203-731-3555** or email **inquiries@cierant.com**.

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