

COVID-19 DIGITAL LISTENING for

HEALTH INSURANCE

Group and Individual Benefits Insights and Competitor Trends

Health Insurers Focus on Digital, Accessible, Whole-Person Member Care to Mitigate the Impact of COVID-19.

SUMMARY BRIEFING



MARKETBRIDGE



Health Insurers Focus on Digital, Accessible, Whole-Person Member Care

AN INDUSTRY RECAP: APRIL TO JULY 2020

COVID-19 disrupted the private health insurance industry unlike any other moment in recent history.

The pandemic has forced insurers to accelerate **digital care delivery**, improve **care accessibility** by removing administrative and cost barriers to care, and provide **whole health support** to help members receive needed care during isolation.

As the industry adapted to public health needs, multiple trends began to emerge. This report will cover 5 notable trends – most of them showing no sign of dissipating.

*"It's the executives at these large traditional insurance companies that will lead the charge to **make changes that dramatically shift the way carriers interact with consumers.**"*

– Zipari CEO

*"It is important during this time of uncertainty that **people can find some answers and also some guidance on when to get care, and where to go for care.**"*

– Highmark VP of Customer Experience

*"By collaborating with these leading community partners, **we are ensuring critical aid is deployed quickly and effectively to those in urgent need.**"*

– President, United Health Foundation



Overview of Five Key Health Insurance Trends

Trend 1

Telehealth and Digital Communication

Digital Care Delivery

Telehealth adoption grew quickly from member demand for safe, socially distant care

Trend 2

Telehealth and Digital Communication

Lack of Communication

Some 50% of health insurance members experience a lack of outreach from insurers during the pandemic

Trend 3

Reducing Barriers to Care

Care Accessibility

As consumers lost their jobs and income, insurers removed traditional barriers to care

Trend 4

Social Determinants of Health

Whole Health Support

Americans are seeking behavioral health services to combat mental stress

Trend 5

Social Determinants of Health

Community Investment

As jobs were lost, food insecurity became a more prominent issue during the pandemic

01

Telehealth and Digital Communication

Insurers and Consumers Are Embracing Digital Care Delivery



As COVID-19 caused the entire nation to transition to contactless services almost overnight, health insurers scrambled to accommodate the growing need for effective digital healthcare-related experiences.

According to research conducted during the early stages of the pandemic, telehealth interactions among consumers are set to reach 1 billion by the end of the year due to the increasing demand for telehealth.¹

To address pandemic-induced transformation, insurers are making strides to build digital communication channels that better reach consumers – channels like AI chatbots and text outreach – all with the goal of supporting members.²

As the pandemic continues to disrupt the health insurance industry, insurers will continue to update their telehealth strategies to increase care accessibility, as well as their digital member communications to better promote member-centricity.

Telehealth adoption grew quickly from member demand for safe, socially distant care



Consumers quickly adopted telehealth as an alternative to in-person care

Why? Many were under stay at home orders or felt unsafe seeking in-person care during the pandemic.

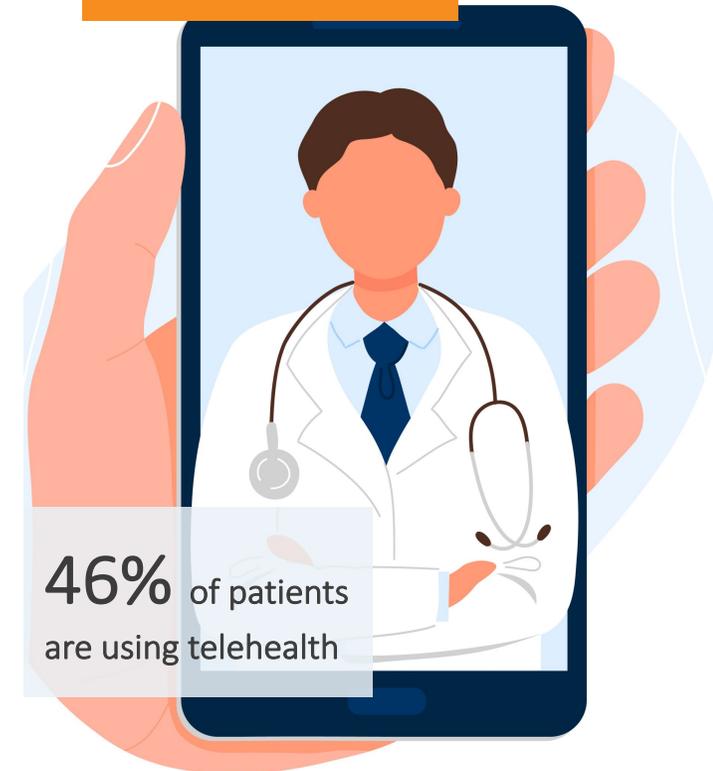
- ▶ 41 percent of consumers felt unsafe visiting a hospital at the start of the pandemic.¹
- ▶ 4 in 10 patients started using a new app or digital technology to stay connected to providers.²
- ▶ 46 percent of patients are using telehealth to replace canceled health care visits.³



Insurers expanded their telehealth capabilities to address member needs

Why? To allow members to continue to receive needed care.

- ▶ Regence Blue Cross telehealth utilization was reportedly up 4900% at the start of the pandemic.
- ▶ In one instance, Geisinger expanded telehealth services to include primary care and more than 70 specialties.



Some 50% of health insurance members experience a lack of outreach from insurers during the pandemic



Consumers felt they were not receiving key support from insurers

Why? Many had not heard from their insurer at the start of the pandemic.

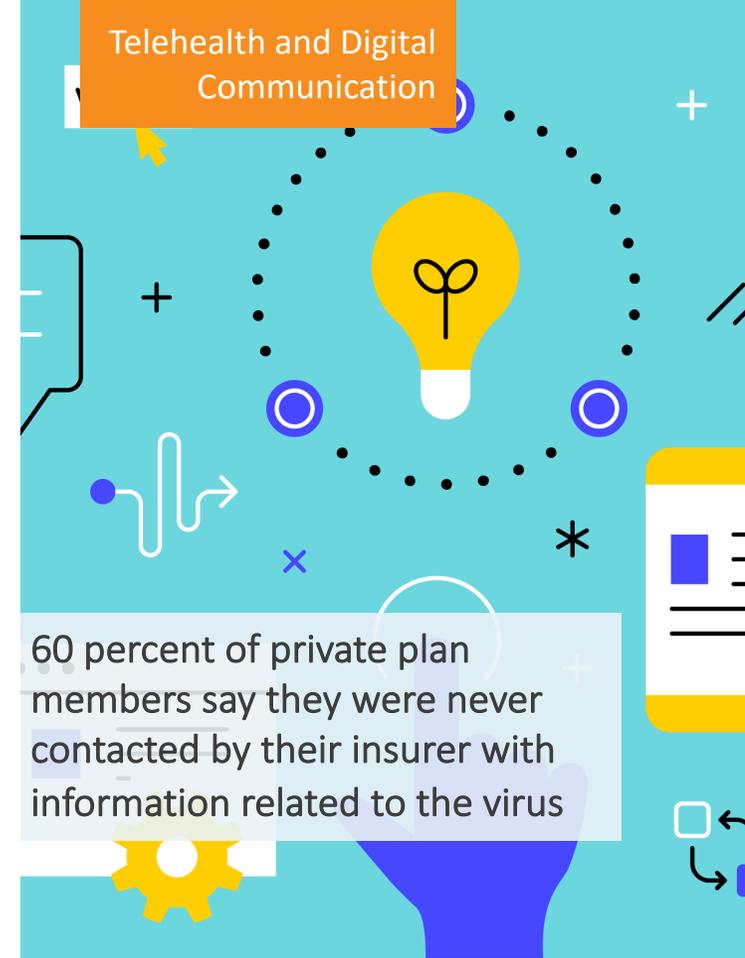
- ▶ 60 percent of private plan members say they were never contacted by their insurer with information related to the virus.¹
- ▶ Almost half of consumers said they feel their insurer has not shown concern for their health since the pandemic reached U.S. shores.¹



Insurers instituted communication methods to better reach members

Why? Members were unaware of the risks posed by COVID-19.

- ▶ **AI Chatbots:** Highmark and Florida Blue both implemented AI chatbots into their websites to help navigators understand COVID-19 symptoms.
- ▶ **Text Alerts:** Texas Health-Aetna and Kaiser Permanente both incorporated text alerts to help inform their members about COVID-19 symptoms.



"Health insurers at the forefront of this effort are focused on creating a consumer-centric, digitally enabled and fully integrated healthcare ecosystem to enhance the member experience, bend the cost curve and carve out an essential (and expanded) role for themselves in the future of healthcare." – National Law Review

Looking Ahead at Telehealth and Digital Communication Trends

Long-Term Trends

- **Personalized Digital Experience** - Consumers are going to start expecting high-quality and personalized digital interactions from their health insurance companies now that many have embraced virtual experiences.
- **Provider Network Expansion and Enablement** - Providers will need to continue to adapt to telehealth's wide adoption among the populace; Insurers will need to partner with providers and technology platforms to ensure there is a viable infrastructure and network of providers to serve increased consumer demand for telehealth appointments.
- **Telehealth Appointment Fees and Reimbursement** – Most insurers will need to work with providers and regulatory agencies to develop a new payment model for provider telehealth appointments that is closer to current in-person appointments, as well as an expedited reimbursement plan.

Recommendations

Invest in developing best-in-class digital and virtual healthcare experiences

- Now, more than ever, consumers want to work with a company that provides them the best digital experience. Carriers need to ensure their technology is on-par with industry standards to meet the needs of post-pandemic consumers.
- The pandemic has required many consumers to pilot new virtual care technology. Carriers need to bolster their current virtual care offerings to provide comprehensive solutions for members.

Curate personalized member experiences for improved member outreach and health care

- Additionally, investments should reflect the need for personalization – both in the form of member messaging and of advanced, data-driven preventative care to better address member health needs.

02

Reducing Barriers to Care

Insurers Are Working to Reduce Consumer Costs and Provider Administrative Burdens



As many businesses froze operations due to the spread of the coronavirus, millions of Americans were laid off, losing both their income and, in many cases, health insurance.

At the start of July, about 30 million Americans were collecting unemployment benefits. On top of this, almost 5 million had lost their health insurance coverage which deterred many from seeking care.¹

Providers felt similar pains – while being inundated with COVID-19 patients, many were forced to lay off their own employees – hospitals laid off 1.4 million workers in April due to a lack of patients for non-COVID services.²

To support both members and providers, insurers enacted processes to reduce the barriers to care. Many Insurers provided premium rebates to address member anxiety about costs while also streamlining or removing traditional administrative burdens for providers.

As consumers lost their jobs and income, insurers removed traditional barriers to care



Consumers began to avoid health care amid the pandemic

Why? After losing their jobs, fear of costs and surprise bills kept them away from providers.

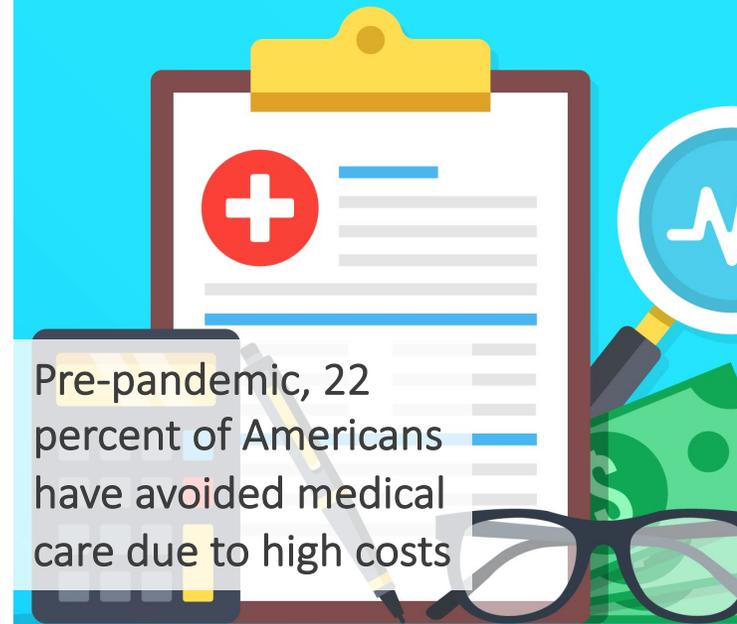
- ▶ Even before the pandemic and ensuing crisis, 22 percent of Americans have avoided medical care due to high costs and 1 in 5 will receive a surprise out-of-network bill.¹
- ▶ To mitigate fear and encourage members to seek care, health insurers across the country waived COVID-19 treatment costs.



Insurers announced protective measures to reduce care barriers

Why? To encourage members to seek care and remove provider administrative burdens.

- ▶ **To help providers:** Insurers removed prior authorization requirements to streamline the administrative process for encumbered providers.
- ▶ **To help members:** Many insurers offered premium rebates during the pandemic to pay back members who may have not used their health insurance.
- ▶ **To help members:** Notably, Cigna implemented a new Customer Protection Program to help members avoid surprise bills.



"During these unprecedented times, we are standing with our customers, so those with COVID-19 can focus on fighting this virus and preventing its spread – not on their medical bills." – Cigna CEO

Looking Ahead at Reducing Barriers to Care Trends

Long-Term Trends

- **Care Accessibility** – Anthem's digital kiosks are meant to increase care accessibility for non-English speakers. These kiosks are likely to become widely adopted if proven successful in improving care.
- **Customer Protection** – Programs like Cigna's Customer Protection Program, created to help members avoid surprise bills, will likely catch on in some form or another as more insurers look to reduce surprise bills in the future.
- **Reducing Administrative Burden** – Carriers will likely continue to improve provider relationships through structural changes that reduce administrative burden and ultimately streamline care.

Recommendations

Temporary relief of barriers to care should translate into actionable initiatives to help all populations receive care

- Although member premium relief and free care is not sustainable in the long-term, carriers should consider how they can create more accessible avenues for members to receive health care.
- Members will likely be drawn to customer protection initiatives, like Cigna's new program, that show carriers are putting their members first.
- Carriers should also consider coordinating with providers to offer services that help make care more accessible to all types of members – this can be through reducing traditional administrative burdens or implementing new services to help providers reach all audiences.

03

Social Determinants of Health

Consumers Are Searching for Behavioral Health and Food Insecurity Relief



As social distancing took root during the pandemic, the general population suffered from various behavioral health symptoms.

Research on the current state of mental health during the pandemic found, among U.S. workers, 46% either have or know someone with a mental health issue. These numbers are even higher among Millennials (59%) and Gen Z (64%).¹

In addition, specific segments of local communities felt the increased impact of social determinants of health. This put already at-risk communities during the pandemic at even greater and varied risk due to circumstances such as food insecurity.

People who are food insecure are disproportionately affected by diet-sensitive chronic diseases such as diabetes and high blood pressure.²

The pandemic exacerbated food insecurity in the U.S., along with the mental health repercussions of isolation, leaving many consumers seeking help from the health care community.

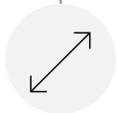
Americans are seeking behavioral health services to combat mental stress



Consumers reported high levels of mental distress

Why? Isolation and other pandemic-related stress took many by surprise.

- ▶ 47 percent of those sheltering in place reported negative mental health effects resulting from worry or stress related to coronavirus.¹
- ▶ Over half of those who lost income or employment reported negative mental health impacts from worry or stress over coronavirus.¹



Carriers quickly expanded behavioral health offerings

Why? To address members' needs for behavioral health resources.

- ▶ Kaiser Permanente provided all members with free access to Livongo's mental health app.
- ▶ Centene expanded its partnership with Quartet Health to reach its members nationwide.
- ▶ Cigna added Talkspace, an online mobile therapy provider, to its network.



47 percent of those sheltering in place reported negative mental health effects

"The pandemic is likely to have both long- and short-term implications for mental health and substance use, particularly for groups likely at risk of new or exacerbated mental health struggles." – Kaiser Family Foundation

As jobs were lost, food insecurity became a more prominent issue during the pandemic



Many consumers struggled with food insecurity

Why? With limited incomes, many were unable to afford necessities.

- ▶ 1 in 5 Households during the pandemic are now reporting food insecurity, double the pre-pandemic rate.¹
- ▶ Over one-third of households with a child age 18 and under are currently food insecure.¹



Carriers devoted large sums of money to aid vulnerable communities

Why? To ensure in-need communities have their social determinants of health needs addressed during a time of crisis.

- ▶ UnitedHealthcare committed \$60 million to help vulnerable communities cope with the pandemic. Some of the money was distributed to food banks across the U.S.
- ▶ Centene announced it would donate 1 million meals a month for the next 12 months to support in-need communities.

Social Determinants of Health

1 in 5 Households during the pandemic are now reporting food insecurity

"Food insecurity undermines the physical and mental health of everyone it affects and amplifies the health disparities and economic differences for people who were already among our most vulnerable." – Providence.org

Looking Ahead at Social Determinants of Health

Long-Term Trends

- **Increased Demand for Behavioral Health Benefits** - Employers will continue to adopt behavioral health benefits to support employees on an ongoing basis - making these types of benefits mainstream in the future.
- **Improved Community Health Management** - Insurers will measure the return on their community investments as programs begin to improve community health outcomes and use those measures to set a new standard for addressing population health needs.

Recommendations

Emphasis should be placed on meeting behavioral health needs

- Carriers should conduct behavioral health awareness campaigns to help communities and members understand how mental and emotional health can impact the whole health of the body. Messaging should showcase the various solutions available to address their ongoing needs.

Insurers need to remain vigilant in managing the long-term health impact on vulnerable communities

- When caring for vulnerable communities, initiatives should support donations made to improve the community food insecurity and social determinants of health.
- Carriers should consider working with local non-profits and government organizations to facilitate an overarching and integrated approach to improving population health.

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