



FEATURE

A Healthy Dose of CRM

Healthcare organizations are striving to improve customer relationships in three critical ways.

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Suppose your customers were so dependent on a product you offer that without it their health would deteriorate, or worse, they might die.

The repercussions for bad customer relationships may not be as serious for most industries, but they are very serious for the healthcare industry. Add to these such industry-exclusive demands as the need for prompt refills on medication, the need to alert those who require immunizations, and/or the need to accurately manage patients' transactions, and CRM efforts become particularly challenging.

These problems, while common in the healthcare industry, are not unlike those found in other industries, where they might appear in the form of product delivery efforts, customer communication campaigns, and account visibility issues. However, because so much is at stake in the healthcare industry, there is considerable pressure on healthcare companies to manage customer relationships well.

All these elements make it especially important for pharmaceutical companies to keep track of their customer data. Here, CRM magazine presents examples of how healthcare companies are using CRM strategies to solve some of these common, but critical, business problems.

Healthcare organizations can benefit by using call centers to check on people who use mail-order pharmacies and have not filled their prescriptions. Sometimes patients just forget, but in the worst case, they aren't taking the drug appropriately and can be risking their health or even their lives. "If you call an [elderly] person and they still have a full bottle of pills, you need to have a conversation with them about how often to take the medicine. People get confused," says John Quinn, a partner in Accenture's health and life sciences practice. "Calling to remind them about prescriptions is more efficient than inbound callers [needing to rush] when their pill bottles run out. Clinical data points to efficiency and cost reductions." A healthy dose of CRM often requires outside assistance.

Mail Order Pride

It may be hard to imagine that an automated outbound call would encourage customers to take action, but that's exactly what Aetna is counting on. One of the country's largest pharmaceutical healthcare organizations, Aetna experienced integration headaches in 2004 when it moved into the retail mail-order space. The company had purchased Eckerd Health Services' mail-order pharmacy, and operating challenges resulted in delayed deliveries. Products were supposed to arrive within seven days, but were taking as many as 10, which triggered a lot of inbound calls from nervous members. "There's a leap of faith that when

[customers] place [an] order, it will arrive within a few days. We were trying to get a comfort level to say, 'It's delayed, but rest assured it will arrive shortly,'" says Brian Fox, head of communication for Aetna Pharmacy Management and marketing manager of Aetna Rx Home Delivery. Aetna turned to Silverlink Automated Voice Services to deliver automated outbound calling services. That choice drove down the amount of inbound calls: In the first month after the deployment Aetna saw a 10 percent reduction in inbound calls (6,200 fewer calls). The inbound call rate continued to slow until the automated calls were unnecessary.

Once its operations were under better control, Aetna shifted toward growth and retention efforts. "The immediate impact of using Silverlink was lessening the strain on the call center. This improved customer satisfaction and reduced costs associated with handling inbound calls," says Bill Brodnitzki, vice president of enterprise services for Silverlink. "Over time, we have started programs that are more revenue-generating in nature that started out having high ROI and have improved as we have optimized the programs by managing the message and call times." Silverlink continued working with Aetna to understand its areas of concern-- typically, revenue growth, cost containment, and customer satisfaction.

The first step was to communicate to members about a mail-order pharmacy that was already part of the members' plan. Older members often have transportation challenges, for example, so delivering products to their home helps, and several pharmacy plans make it cheaper. Aetna alerted a small, targeted segment to the program and saw a \$35,000 to \$40,000 ROI from February to June 2005.

The most beneficial service Silverlink provides Aetna and its customers, according to Fox, is refill reminder calls. On an average day, anywhere from several hundred to 1,000 members were 85 days from having their prescriptions filled, a potentially dangerous problem, as the company works on 90-day supplies. "You're close to being in a noncompliant, uncomfortable situation in terms of managing your health to the highest level," Fox says. "We made outbound calls to those individuals...and had them call us or go online to place the refill," generating a 58 percent increase in responses. This kind of service improves customer satisfaction and protects Aetna from hospital bills and other costs that could result from patients not taking their medicine. It is a well-received concept that Fox says blends well with Aetna's idea of integrating its entire healthcare operation. "What we're ultimately trying to accomplish is opening and maintaining dialogue with our customers and potential customers, regardless of the situation."

The Best Shot

If automated outbound calls are a hard sell for your organization, enlisting the help of a technology outsourcing company may cure some business process ailments. AmeriHealth Mercy is one of the top-three managed Medicaid providers in the United States, and operates healthcare plans for roughly 1.4 million people in five states. The organization was struggling to locate parents of children under age 2 to make sure they were getting immunizations. Because about 40 percent of AmeriHealth Mercy's adult members are in that category, the company was trying to develop customer education programs to help get parents in the habit of taking their kids to get immunized. "We decided we weren't doing an adequate job," says Jane Israel, executive director of clinical initiatives for AmeriHealth Mercy. "We just had people on phones dialing out, hoping to reach the members. We couldn't track outcomes."

The organization reached out to Connexions Health, which provides outsourced contact center tools that enable healthcare organizations to develop more personalized, meaningful relationships with members. The technology segments the customers and tracks phone calls to determine whether the contacted parents actually took their children to get immunizations. Member relationship management programs focusing on one-to-one communication between patient and provider enable Connexions Health to report contact rates, types of information people are gathering, and customer comments. If someone has a concern, a rep can launch an email or transfer that person to AmeriHealth, and the process is seamless to members.

Inbound call capabilities are included, so parents who aren't home for the initial phone call can still get the necessary information about their children's health.

As a result, AmeriHealth Mercy knows it is reaching about 40 to 50 percent of eligible members, which Israel says is "tremendously better" than before, and about 20 percent are listening to education topics. The tool also can administer follow-up calls to see why certain parents are refusing service, which may indicate possible child abuse. Because AmeriHealth chose to outsource its call center operations, its 10 reps are being used for other initiatives, including a program that reaches out to high-risk, high-cost customers. The program uses predictive modeling to identify people with complicated health problems, and those who might need to coordinate aspects of their care to resolve day-to-day concerns, such as transportation.

As clinical emergencies arise, AmeriHealth simply provides Connexions Health with new telephone scripts that can be marketed to the correct segmentations, usually within 48 hours. In the past, Israel says, her organization had to identify resources to place the calls and figure out how to track the information in a Microsoft Access database. Using the Connexions solutions, AmeriHealth Mercy's National Commission on Quality Assurance scores continue to go up. "We've had an excellent status for many years and the goal is to continue to improve quality of service to members, Israel says."

Exposing a Mismanaged System

Not only do hospitals, pharmacies, and health insurers have to monitor their customer relationships, but government institutions responsible for Medicaid payments must also watch those organizations. Every year the percent of local Medicaid funds that Chemung County, New York, had to shell out increased by \$3 million to \$5 million (10 to 15 percent). County officials wanted to find ways to cut this cost by exposing flaws within the system resulting from poor data storage, poor analysis, and poor customer tracking.

"I was a big believer that in a \$45 billion program, there must be inefficiencies and waste and lack of discipline," says Tom Santulli, Chemung County executive. "In Chemung, 96 percent of the money we raise in property taxes goes to the local shares of Medicaid. It has driven property taxes through the roof." The county of 91,000 people spends \$115 million on Medicaid each year, \$20.5 million of which are local dollars--and no one knew how that money was being spent.

Guy Amisano, president of BPM provider Salient, told Santulli that Salient could provide Chemung County solutions to quantify the problem, which would allow the county to make its case to higher government authorities. Santulli asked the state's permission for Salient to access the Medicaid data warehouse using Salient's Muni-Minder Medicaid module to figure out how much was being spent in what categories and by whom.

What the tool found was alarming, and it confirmed Santulli's suspicions. Physicians were dispensing \$3 million to \$4 million a year in brand-name drugs when cheaper generic equivalents were available. Of the 19,000 people on Medicaid, 17,000 of them accessed the program an average of 46 times, and on the high end, 300 times, in one year. And one patient--though this was an extreme finding--received \$250,000 worth of the same drug from seven different physicians. "There's no checks and balances," Santulli says. "The program is a recipe for abuse and overspending, because there's no gatekeeper."

Extracting the data enabled the county to work with healthcare organizations to hire a design company to come up with a system to fix the problems. The first project will focus on disease management. If it succeeds, another one-year pilot program may be undertaken as a model for other counties around the state.

Amisano is careful to say that overspending is not entirely abusive. "You see these commercials where people are having a wonderful time in life using a very expensive drug, and at the end it always says, 'Ask your doctor.' The patient asks the doctor, and [she's] left in a bad position if [she says] no. Physicians have a right to prescribe a drug they think is necessary, but the person who pays for it has an agent who has to look out for it--the government. We've enabled the government to see all these things so [it doesn't] just end up paying bills. This system enables vigilance. We've demonstrated very forcefully that there is a way to bring all of these problems to light. How [they're] solved is a political issue."

Regardless of what part of the industry a company falls into, success lies in managing the vast amount of data it collects about its customers. Vendors who focus on CRM strategies and invest in the proper tools and outside assistance can save themselves money and potential lawsuits, while bolstering consumer confidence through demonstrated customer care.

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