

MANAGED HEALTHCARE EXECUTIVE®

FOR DECISION MAKERS IN HEALTHCARE

{ **VISIONARY** }

Consumer CONNECTION

Jack LeFort aligns CRM with CDHC to improve service and strengthen loyalty and retention



Jack LeFort

CEO and founder,
Connexions Health

CONVENTIONAL WISDOM says that to introduce real change, you need to bring in someone from outside. Jack LeFort, CEO and founder of Connexions Health, a company in the emerging field of consumer-directed healthcare (CDHC), has brought a similar paradigm shift to healthcare from the outside.

“I have no background in healthcare,” LeFort says. Connexions Health was established by LeFort as a logical extension of lessons learned while building Connexions Inc., a supplier of contact center and fulfillment services that continues to serve corporate clients such as Federal Express, Mercedes-Benz and Sprint. “I migrated Connexions into the healthcare segment about four years ago. At that time, it was clear to me that the technology and established Customer Relationship Management [CRM] disciplines that work so well for other industries would align perfectly with the evolution of CDHC in the United States—which increasingly will assign all aspects of healthcare-related decision-making to individual consumers.”

Prior to founding Connexions, LeFort ran Philadelphia-based InterSpace, one of the nation’s largest commercial interior architectural firms. InterSpace completed projects for well-known organizations such as DaimlerChrysler and The World Bank, as well as the federal government. During his tenure at InterSpace, LeFort came to appreciate the importance of delivering tangible business value to clients, rather than supplying services that could be easily replicated by competitors. He learned how to build long-term working relationships by treating clients as “partners” rather than customers. This partnership approach has become Connexions’ calling card. “That approach, supported by the customer-centric disciplines we’ve built, are why we think we have an advantage in not

coming from the depth and historical background of the healthcare industry, where CRM is just beginning to be understood and applied,” LeFort says. “We began with our CRM expertise, then combined it with leading clinical and decision-support technologies, and recruited a team of highly skilled healthcare professionals. We have no pre-conceived notions of how healthcare should be delivered.”

Q Do you see CDHC as a panacea, a solution or a way station?

A All healthcare industry participants are attempting to figure out if CDHC is just a passing fad, or truly represents the future of healthcare. No one has the answer to that question right now, but this uncertain environment demands flexibility, innovation, speed and a high degree of courage. Our own business focus is not yet directly on consumers, but rather on enabling industry insurers, providers and employers to gain traction in this rapidly evolving movement.

Q How does the concept of CRM fit in to CDHC?

A Healthcare delivery will adopt many characteristics of CRM that have proven to be successful in other industries for decades. In healthcare, we believe CRM will work best as a member/patient retention strategy.

At Cedars-Sinai, for example, we helped that hospital build its CRM ca-

pability through more effective management of its patient scheduling and internal referrals to its many specialty clinics. This ongoing program has not only produced qualitative results reflected in higher levels of patient satisfaction and loyalty, but also has generated substantial quantitative benefits measured by higher revenue in its specialty practices.

Q Describe the paradigm shift in healthcare.

A The CDHC movement is the catalyst for a healthcare paradigm shift of a magnitude not seen since the introduction of Medicare in the 1960s. A host of factors—including the skyrocketing cost of care, emergence of the Internet, aging of the boomer generation—are all driving significant pressure to the traditional healthcare supply chain, and as a result, the industry's institutional roles, economics, politics and delivery platforms will all change. New industry participants also will emerge.

Q What are the keys to success in this new paradigm?

A The most critical component of this new paradigm is marketplace education. We believe the educational effort required for CDHC is similar in scope and complexity to the introduction of 401(k) plans in the 1980s. To succeed, this educational effort must provide access to information through multiple mediums, including telephone, Internet and video. As the population becomes more computer savvy, Web-based techniques such as co-browsing, Web chat, video-casting and podcasting will become standard for education, as well as for transacting healthcare-related business.

Q How will CDHC education convince consumers to change their behavior?

A Education alone will not cause consumers to assume greater responsibility for their personal wellness.

at a glance

HEADQUARTERS:
3600 eCommerce Place,
Orlando, FL 32808



CONNEXIONS

EXPERTISE: CDHC and CRM integration

MARKET FOCUS: Central hub that aggregates, analyzes and applies patient data, wellness content and financial information into a single, coherent resource.

MARKETS SERVED: Healthcare providers, health insurance plans, employers, government agencies and healthcare policymakers.

INDUSTRY OUTLOOK: The healthcare industry's CDHC-related repositioning of institutional roles and new financial dynamics have forced payers and providers alike to scramble for position in an uncertain landscape. Multi-channel access to consumers will be critical elements for success. Company role is to 'operationalize' CDHC for healthcare industry participants by providing the customized tools and resources.

ESTIMATED 2006 REVENUE: \$70.5 million

GROWTH PLAN: Manhattan-based private equity firm New Mountain Capital purchased a majority ownership position in Connexions.

AWARDS: Named to the Top 50 Teleservices list, determined by *Customer Interaction Solutions* magazine.

ACCREDITATIONS: URAC and NCQA accredited; HIPAA compliant

However, access to information removes all of their excuses for not living a healthy lifestyle. Education will motivate some people to become healthier, but I believe that tangible incentives and penalties—ranging from rewards programs to the actual cost of coverage—will ultimately drive meaningful behavioral change. Healthcare eventually will involve loyalty plans similar to frequent flyer or credit card rewards programs and offer redeemable points and other incentives, such as health club membership.

Q Will consumers support programs that help health plans to lower their medical costs?

A CDHC is not a conspiracy by health plans to increase profits. Employers in the United States simply no longer can shoulder the economic burden of healthcare. Many employers are dropping health coverage entirely. As a result, American consumers must now assume responsibility for their personal wellness,

and also bear a more significant portion of the cost of healthcare. If CDHC succeeds in lowering medical costs, it also will make health plans more cost competitive as they seek to attract and retain members.

Q What are some of the inherent challenges and risks of CDHC?

A We are only in the second inning of CDHC, and the industry still has many challenges to address; most notably involving coverage and financial issues. However, the shortcomings of first-generation health savings accounts (HSAs) and health reimbursement arrangements (HRAs) are being addressed on a real-time basis, and similar to other paradigm shifts, it will take at least a few years for the delivery infrastructure to be refined. The more significant issue still facing healthcare and our nation involves coverage of the uninsured, which will require inspired leadership at the national and state levels. **MHE**