Optimizing Member Engagement Strategies for Diverse Medicare & Medicaid Populations

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Introduction

In the intricate landscape of healthcare, where diverse populations meet the challenges of member engagement, health plans need to reevaluate and optimize how they interact with Medicare and Medicaid members.

Addressing the barriers to communication, such as regulatory constraints and low health insurance literacy, is key to fostering trust and engagement. Health plans not only need to consider a robust omnichannel communication strategy, but communications tailored to individual preferences. Tailoring member engagement for specific populations, especially in the dynamic landscape of Medicare and Medicaid, becomes crucial for health plans to remain competitive.

Member engagement is key to standing out in the competitive Medicare Advantage space, as well as to state leaders who manage Medicaid programs. How many CMS Stars a plan has, a plan's Healthcare Effectiveness Data and Information Set (HEDIS) score and performance across member-based satisfaction surveys matter. Higher satisfaction and scores can lead to enrollment growth, revenue optimization and member retention.

Engaging members effectively can also curb excessive spending. Healthcare expenditures are rapidly growing and plans are paying the costs. Guiding members to preventative care, chronic condition management and other behaviors that encourage wellness and wellbeing can reduce spending in the long term.

However, how plans engage with Medicare and Medicaid populations is changing. Health plans need to recognize evolving digital habits among older adults and the need for more targeted, refined communication calendars. Social determinants of health also underscore the intricate relationship between non-clinical factors and healthcare outcomes. Health plans must acknowledge the impact of economic instability, lack of transportation, food insecurity and other non-clinical factors on member engagement and identify strategies to overcome these barriers.

As the healthcare industry navigates toward increased spending and enrollment rates, health plans must address the challenges of member engagement by seizing the opportunity to optimize communication and benefit design. Leveraging data, incorporating insights into program design and collaborating with vendor partners can aid health plans in overcoming barriers and tailoring engagement strategies effectively.

Setting the foundation for member engagement across populations

Member engagement has wide-ranging benefits, from improving health outcomes and controlling costs to ensuring consumer satisfaction, optimizing risk adjustment and encouraging adherence to treatment plans. Health plans should be built on a strong foundation of member engagement to be successful in today's competitive markets. Yet, there are cracks in the foundation. Many health plans struggle to engage members within their healthcare journeys, whether it be choosing a more cost-efficient location for recommended medical services, attending their annual wellness visit or managing a chronic condition.

In particular, plans encounter challenges with engaging members of certain populations, such as older adults qualifying for Medicare or highly complex Medicaid populations And there's good reason for that. Member satisfaction is waning.

Only 31 Medicare Advantage plans received five stars — the highest CMS star rating — in 2024, compared to 57 plans the previous year and 74 in 2022. While some of the reduction is attributable to the end of pandemic-era flexibilities, member satisfaction is waning — a sign that health plans are missing the mark with member engagement strategies.

Trust and communication are major barriers health plans have to overcome to connect with members.

"Almost everyone can relate to experiences with health plans sending them an explanation of benefits (EOB) or a claim filing that ultimately led to them owing dollars that they didn't really owe. That is an issue of trust," explains Kristen Gasteazoro, senior vice president of SmartShopper Sales and Client Performance at Zelis.

Healthcare is complex and many people do not understand the communications they receive from health plans. More than half of Americans have low health insurance literacy. Many Medicare beneficiaries also avoid switching Medicare Advantage plans due to the confusing nature of Medicare advertising. Yet, research shows Medicare Advantage enrollees have slightly higher healthcare literacy compared to traditional Medicare beneficiaries.

Where health plans lack, providers tend to deliver. A recent study from NRC Health found that trust in local hospitals and health systems has increased, especially after the COVID-19 pandemic. However, growing trust in providers does not necessarily lead to cost savings or higher quality for members.

"People inherently have so much trust in their doctor, but they don't think about the cost ramifications when they get a recommendation for an MRI, for example," Gasteazoro states. "There is a significant difference in cost between getting an MRI at the hospital where the doctor is employed versus a freestanding facility. However, the member doesn't usually think about engaging with the health plan for that."

Health plans must get the consumer to understand how their behaviors, including those recommended by their doctor, impact them from financial and quality perspectives. This depends on communication—the other top pain point for health plans.

"Healthcare still doesn't know how to communicate with members because of the regulatory environment," Gasteazoro says. "We have to send mail because we have limitations on text messaging, and we can't necessarily do outbound calling with interactive voice response. So, we are not meeting members where they are."

Uncovering how members want to communicate and when is vital to improving member engagement across populations.

"All the investments that payers are making irrespective of line of business, whether they are products, features or partnerships, don't matter if people aren't using them," explains Gasteazoro. "It is critical for every health plan, as part of their overall marketing strategy, to align a member engagement strategy that meets members wherever they are. But that's really hard to do in healthcare because that implies you have to customize everything."

Plans need to have a robust communications strategy to tailor communications. Companies in other industries have executed similar strategies. For example, airline companies leverage omnichannel communication methods within a single app to offer AI-based chat, human representatives and self-service shopping.

"In healthcare, that just doesn't quite exist yet," Gasteazoro explains, even if health plans have omnichannel communications in place.

Communication, whether via chat, phone, text or mail, must be meaningful. Members, particularly in the Medicare and Medicaid spaces, already receive a plethora of mailings and other communications, and as consumers, they are bombarded with advertisements. Plans need to tailor their communications to provide members with the most important information or assistance; otherwise, communications could be lost in the shuffle.

"Most health plans do a really good job of integrating tech strategies, mail strategies, digital strategies and so on. But it's less about how great of a job they're doing and more about how these different strategies weave together, so they understand when a member ingests communications via text, mail or email," Gasteazoro stresses.

A robust omnichannel communications strategy is key to achieving ROI on tailored member health and wellness programs.

Health plans create programs based on behaviors or outcomes they want their members to achieve, whether it is managing their diabetes or navigating them to higher-value utilization options. To be successful, plans need to ask themselves what specific problem they want to solve, what outcomes they want to achieve and what success means. These are foundational components of program design that plans can use to tailor programs, according to Gasteazoro.

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Plans then need to execute their programs. What are the communication channels and frequency? Do plans need to use triggered communications or broader communications? What additional support will plans offer if members don't interact with the communications?

"Program execution and feedback are very important because you should be monitoring the performance and expectations around those communications," Gasteazoro says. "Health plans should also think about where they stand from an ROI perspective. Is the investment meaningful? Are they getting feedback that implies a potential transition or shift in strategy?"

Health plans have had more success garnering feedback in the commercial space because of market dynamics. In contrast, plans encounter challenges in the Medicare and Medicaid space because of CMS requirements.

Focusing on member engagement can help plans overcome the challenges of program design and execution to improve outcomes for members and payers. Member engagement can lead to higher quality ratings, risk adjustment optimization and lower total costs of care. However, plans need to communicate effectively to encourage members to engage appropriately with their plans and the healthcare system at large.

Member engagement is personal; every population and every member has different preferences for communication and interaction with their health plans. Personalization is key, but health plans must fortify the foundation of member engagement to offer populations the experience they need from healthcare.

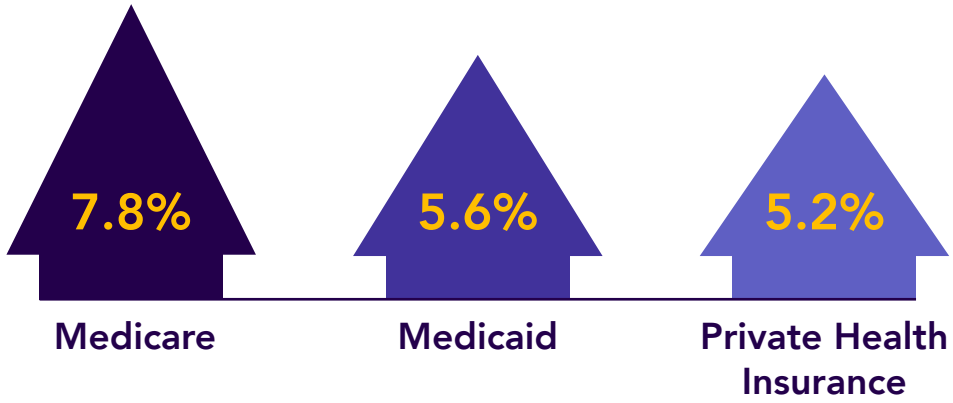
How to tailor member engagement for Medicare, Medicaid populations

Healthcare spending in the US is on a fast track. Federal actuaries expect total expenditures to reach $7.2 trillion by 2031, with Medicare and Medicaid spending projected to increase rapidly. For health plans, these spending and enrollment rates create an opportunity to optimize member engagement.

Medicare spending is expected to increase 7.8 percent per year through 2031, while Medicaid expenditures are slated to rise by an average of 5.6 percent annually during the period. In contrast, private health insurance spending is projected to grow by 5.2 percent, according to federal actuaries.

As spending grows, health plans are experiencing record enrollment rates in Medicare Advantage plans and Medicaid offerings through state programs. At the same time, rapid spending growth means plans need to focus on cost efficiency. Plans must ensure their members utilize high-quality care at the lowest cost to control spending and avoid excessive expenditures. Helping members receive preventative care can also dampen the growth rate by minimizing spending and improving outcomes.

Expected spending increase per year through 2031:



Delivering tailored, meaningful communications to potential enrollees can increase enrollment, especially since many Medicare-eligible people avoid switching plans because of confusing processes. About half of members, including those eligible for Medicare and Medicaid, also tend to leave their Medicare Advantage plans after five years, a recent study shows. Plans can retain members through optimized member engagement for these specific populations. Research finds strong member engagement, including communication between members and health plans, can boost satisfaction levels.

"It's important for Medicare and Medicaid plans to prevent members from voluntarily leaving, especially with Medicare Advantage. There are a lot of competitors," emphasizes Gasteazoro. "The way plans communicate with members could influence members' changing plans. When members switch plans, you lose the value of the work you've done year over year to understand them, manage their costs and support their well-being."

Effective communications — messages delivered through the most preferred medium with the most meaningful information at the appropriate time — can also drive behavior changes in members, whether plans are looking to get members to attend annual wellness visits, manage a chronic condition or receive critical vaccinations. Guiding members also benefits the plan. For example, effective engagement can improve a plan's risk adjustment and consequently, revenue.

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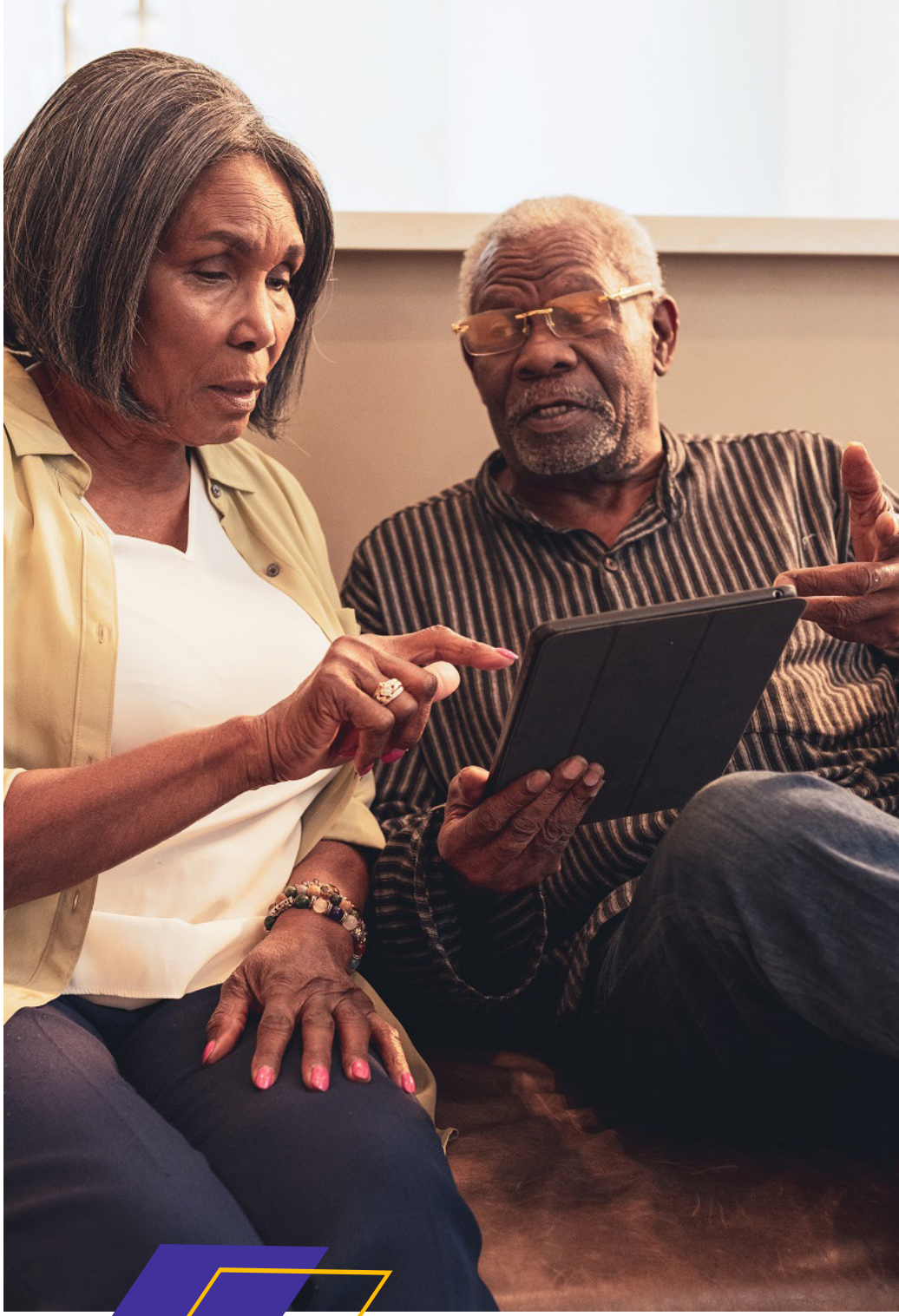
“Every year, health plans have to risk-adjust their members,” Gasteazoro explains. “CMS requires members to be charted on an annual basis to determine the premium. If plans have a high-need, high-cost population, their risk adjustment will support a larger premium to take care of those members’ health and well-being. The good news is that risk adjustment pushes everybody to get their annual wellness visit and this visit is a great way to establish member satisfaction and create a retention opportunity.”

To capitalize on member and plan benefits, health plans need to focus on what drives engagement with Medicare and Medicaid populations. However, payers cannot simply recycle the strategies they use for employer-sponsored and other private coverage plans.

“In Medicare and Medicaid, you want to think about your targeting criteria,” Gasteazoro stresses. “What is important for the health plan to solve? Do you want to improve quality measures or member satisfaction? Or are you trying to attract new members or retain existing members as new competition enters the market? There are different strategies that come with each of those buckets.”

Health plans need to turn to the member engagement toolbox to customize strategy according to population and objective. This means going beyond the required mailing plans must send as part of their contracts with federal and state governments.



"On average, plans send 80 to 100 pieces of mail to their Medicare members in a year," says Gasteazoro. "That's a lot of mail. Instead of adding more mail to the process, could they refine what the member communication calendar looks like? How can they augment their strategy with existing communications that the plan already sends?"

The challenge with Medicare and Medicaid populations is that mail has become a default communication method because of regulations. It can be very difficult to change a Medicare member's preferred communication method, Gasteazoro explains. However, any time a plan can convert a Medicare member, the more cost-efficient they can be.

"These communications should be dynamic and thoughtful. You don't want to give members the option to interact with the health plan via mail and have that be it," she states. "You always want to provide the opportunity to scan a QR code or give them the web service information to potentially participate online. They should also provide telephone numbers for telephonic service. You want to give them options because mail is the most expensive method of engaging that population."

More older adults are comfortable using smartphones, including texting and emailing, after the COVID-19 pandemic. Many Medicaid members also have at least one phone or subsidized phone service through the government making them more connected than plans have traditionally thought.

"They're highly digital and not mail-based, considering broader access to WiFi," Gasteazoro says. "Plans need to think about that."

For Medicaid populations, health plans also need a boots-on-the-ground strategy for members impacted by social determinants of health, such as housing insecurity. Plans may need to be out in the community to connect with people living in transition, for example. Plans can also address issues such as lack of transportation by tailoring benefits to overcome barriers to care access, such as offering transportation to and from appointments or pharmacies to pick up medications.

Additionally, caregivers must factor into the member engagement equation when plans serve dually eligible and/or special needs populations.

"Any strategy has to encompass caretaker engagement," Gasteazoro explains. "There is a lot of evidence now on how caretakers have significant fatigue navigating the healthcare system. The health plan can get a lot of value from investing in these individuals because it will ultimately keep that population healthier."

Understanding who and how to communicate with members is key. This engagement with members and potential enrollees also needs to be purposeful. Plans need their communications to stand out from the typical mail and advertisements in the highly competitive Medicare Advantage space, but they also need their messages to relate to the member to motivate action.

Medicare and Medicaid populations, after all, tend to be older, have one or more chronic conditions, and face greater social determinants of health challenges.

Supporting a highly engaged member can be the difference between receiving a two-star rating from CMS versus a five-star rating. Getting to that level of excellence and maintaining it through member engagement can improve health outcomes, minimize spending, enhance risk adjustment and boost marketing.

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Leveraging social determinants for medicare, medicaid engagement

Medicare and Medicaid populations encounter significant obstacles to care because of social determinants of health, such as economic instability, lack of transportation, isolation and food insecurity.

Social determinants of health, according to the Office of Disease Prevention and Health Promotion, are "the conditions in the environments where people are born, live, learn, work, play, worship and age that affect a wide range of health, functioning, and quality-of-life outcomes and risks." These conditions have the largest impact on health outcomes, with social determinants impacting as much as 50 percent of county-level variation in health outcomes. In contrast, clinical care accounts for just 20 percent, per the Office of Health Policy.

Populations most impacted by social determinants of health include older adults, children, people with disabilities and people with chronic conditions. Many of these individuals are covered by government-sponsored programs, such as Medicare, Medicaid and the Children's Health Insurance Program (CHIP).

Engaging members in Medicare and Medicaid plans is a major challenge for payers, largely because of these social determinants of health. However, health plans can leverage data to identify the social determinants affecting their members and incorporate those insights into member engagement and benefit design.

"One of the more important things to consider for a member engagement strategy is the propensity of a member to engage," says Gasteazoro.

Member engagement is highly personal. Some members prefer email, while others are more likely to respond to a phone call. How a plan communicates with a member affects if and how they engage. Plans also need to consider the type of programs these populations will respond to. Do they need a nudge to get their flu shot or a more concerted effort to improve chronic condition outcomes? Do members respond to incentive programs?

What social determinants are prevalent within a population can significantly impact the effectiveness of member engagement and messaging.

"If there is an individual who is interactive in their daily life — going out with friends, going to the post office, has a driver's license, maintains day-to-day activities — they're probably more likely to interact with the healthcare system in general," Gasteazoro says.

In contrast, members who face social determinants like social isolation or lack of reliable transportation may not be as active in their healthcare decision-making and, therefore, may be part of a harder-to-reach population, according to Gasteazoro.

"You can look at that behavior to find how it correlates with member engagement," she states.

Program design must take into account how a person interacts with the environment around them to be successful. Health plans understand this and many are investing significantly in ancillary services, such as ridesharing and virtual care to bridge the gaps left by transportation insecurity, economic instability and other social determinants. Another major benefit plans are offering is food-as-medicine programs that aim to mitigate the impact of food insecurity and economic instability.

Research shows that these benefits can improve outcomes for members, especially those with chronic conditions and excessive healthcare spending. Consequently, these benefits also align with other health plan priorities, such as Healthcare Effectiveness Data and Information Set (HEDIS) and other quality scores, risk adjustment optimization and member satisfaction.

However, health plans should also incorporate what they know about social determinants of health into their member engagement strategies in order to be successful in Medicare and Medicaid markets.

"Messaging should be different based on social determinants data," Gasteazoro states. "The messaging a plan uses should be different for each member, as well as the vehicle it uses to communicate that messaging, like using app notifications versus an email message."

For example, members may not be compliant because messaging and/or the way plans communicate do not resonate with them. Text reminders may not work for older adults who are not confident smartphone users. Additionally, some members with lower education or health literacy levels may not respond to messaging because of knowledge gaps, which plans need to address with more teaching opportunities and educational content.

Similarly, plans may consider a member population's income level when designing programs to encourage healthy behaviors. Incentives are likely to resonate with lower-income populations to encourage them to get a vaccination or attend a wellness visit.

"All of that can play into member engagement. For that reason, it becomes challenging for plans to implement the right programs," Gasteazoro explains.

Adding to the challenge is data collection. Health plans sit on a gold mine of claims data, but research indicates that information on social determinants, even race and ethnicity, are not always present on claims. Many EHRs also lack space for providers to record and code items like food insecurity, lack of transportation and other lifestyle factors. This was especially an issue for Medicare Advantage providers, according to the study.

Health plans need to leverage other sources of data, including health risk assessments, direct member surveys and outside data sources, like the US Census.

"Collecting social determinants of health data may not be a health plan's strongest capability, and they should be collecting more than just social determinants data to tailor member engagement," Gasteazoro elaborates. "Plans can tap into credit data or financial data to gain a clearer picture of members and how they might engage."

However, accessing this type of data depends on a plan's size and access to resources, she notes.

Health plans, like most stakeholders in the healthcare industry, need help identifying, capturing and addressing social determinants of health to improve outcomes and reduce avoidable spending. Plans can turn to vendor partners that specialize in member engagement to shoulder the load. These partners focus entirely on understanding how consumers engage with healthcare and their plan, whether that is which doctors they choose to see, how they like to be communicated with or what motivates them to achieve wellness.

Barriers to data collection, regulatory burdens and budget limitations make it difficult for plans, especially in the Medicare and Medicaid space, to prioritize the many layers of member behavior and engagement.

Incorporating social determinants of health data into member engagement and benefit design is vital to improving outcomes and spending associated with Medicare and Medicaid populations. These members are disproportionately affected by non-clinical factors that impact the way they engage with the healthcare system. Plans need to have a strategy in place to identify and address social determinants of health in order to implement a communications strategy that leads to positive change.

Conclusion

Member engagement is paramount for health plan success. How and when a member interacts with their health plan can not only impact health outcomes and spending, but also health plan satisfaction, payer revenue and member enrollment. Member engagement is not only beneficial for individual health but also plays a crucial role in the overall success of health plans by improving health outcomes, reducing costs and enhancing the overall member experience. Plans may also see greater satisfaction from members, leading to better retention and satisfaction and quality ratings. Plans can use that data to market themselves in new or increasingly competitive markets.

Still, there are cracks in the foundation, particularly with Medicare and Medicaid populations, which can be harder to reach and even harder to actively engage. The decline in high-rated Medicare Advantage plans and the prevalence of trust and communication issues underscore the urgency for health plans to reevaluate and refine their engagement strategies for these populations.

Member engagement is a dynamic and personalized endeavor that requires continuous adaptation to the evolving needs of diverse populations. The success of health plans in achieving positive outcomes, cost efficiency and member satisfaction hinges on their ability to fortify the foundation of member engagement and navigate the intricacies of a rapidly changing healthcare landscape.

About Zelis

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About SmartShopper® Propel

SmartShopper® Propel is an engagement and activation solution that makes closing care gaps easy and convenient for healthcare consumers. With an omni-channel approach, Propel focuses on meeting the consumer where they are to build engagement and trust, enhancing your quality rating programs. Propel is there to help you meet your plan goals, whether it be improving scores (HEDIS, Star, CAHPS) or lowing your total cost of care. Propel is here to help. To learn more, contact us at **SmartShopper@zelis.com, or visit our website.**

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