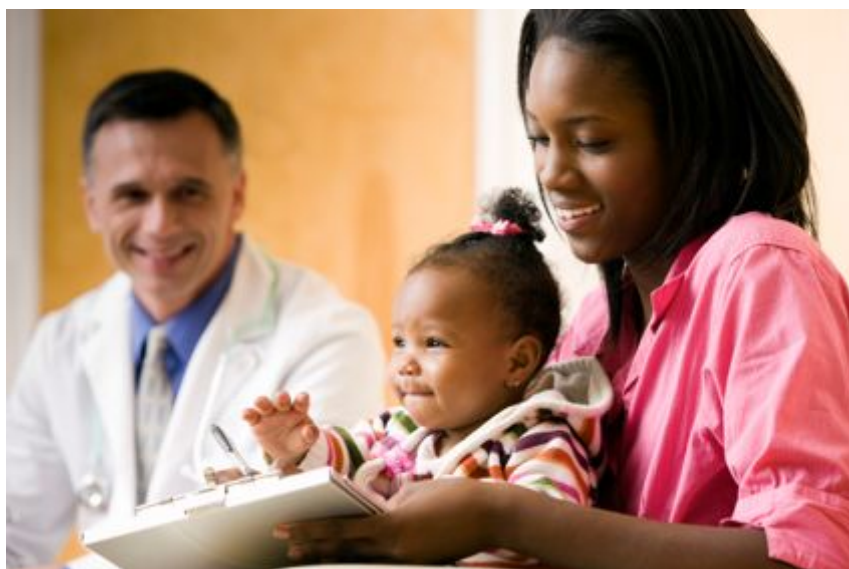

THOUGHT LEADERSHIP SERIES VOL.1

2013 Key Insights — Mobile Messaging & Medicaid Managed Care



Mobile messaging has become a C-level priority at Medicaid plans.

When we first started HealthCrowd, a progressive Chief Medical Officer told us, “One day, every payer and provider will communicate with their members and patients this way.” As it turns out, that day is not so very far away.

As pioneers of concepts like dynamic content in health messaging and advocates of the paradigm shift from outreach (one-way communications) to persuasive engagement, we are thrilled for the future of our industry.

Our first series for this year brings you key insights from 2013 in a brief 10-point format. These insights were gathered from our daily client operations, observations and volumes of conversations with health plan and hospital executives.

#1. Readiness.

Mobile messaging has become a C-level priority at Medicaid plans. We have seen the mindset change from tactical buy to strategic investment. Why? First, it's an established fact that Medicaid beneficiaries have mobile phones. Very often, it's their only phone. Second, mobile messaging is ubiquitous. Everyone's got it, everyone uses it. Perhaps the clearest indicator of readiness is that Medicaid health plan executives are now much savvier buyers than before, from their vendor evaluations to the mobile strategies they share with us.

#2. Member validation.

While some states are more conservative than others, we are seeing a turning point. For us, 2013 largely established a few key fundamental building blocks. The first is that Medicaid plan members want to communicate using mobile messaging, as evidenced by their participation and the spectrum of text conversations. Second, they are willing to use their personal text message plan to communicate with their health plan, even with clear disclaimers that “Msg&Data rates may apply”. Last, we were pleased to observe that our approach results in sustained high engagement rates and low opt out rates.



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“Mobile messaging offers cost-effective year-round engagement

#3. HEDIS+

90%+ of health plans that deploy mobile messaging target HEDIS improvement as Phase I of their implementation. This is likely because the use case is low risk and quick to deliver early results (if structured correctly). Furthermore, as compared to a mailing that may cost over \$10,000 per batch, mobile messaging offers cost-effective year-round engagement. Why HEDIS+? Because our

analysis of how members interact with our platform indicates very strongly that they want to use texting for a myriad of other health plan communications.

#4. TCPA.

FCC changes to the Telephone Consumer Protection Act (TCPA) took effect on October 16, 2013. The highlights are a new “Prior Express Written Consent” requirement and the elimination of the “Established Business Relationship” exemption. In short, what this means for health plans is that any phone calls or texts to members for communications that are not covered by HIPAA (marketing communications, most typically) will require express written consent from the member. Compliance is one of the pillars of HealthCrowd and we typically manage the consent marketing and collection process for our health plan clients.



#5. HIPAA.

We saw positive posture changes at HHS last year. The language in the preamble to the final rules states that if a health plan (or other covered entity) notifies a member of the risks of sending unencrypted PHI via email or text, and the member provides consent, then the health plan will not be held responsible if the information is breached in transit. The HealthCrowd platform is HIPAA-compliant and audit-ready.

#6. ACA.

With the advent of the ACA, we started to see nascent demand for mobile messaging not only as an engagement solution, but also for education, eligibility and enrollment, or more aptly, member acquisition. Moving forward, we expect to see health plans use mobile messaging to administer reduced HRAs as a first level risk profiling mechanism.

Health plan executives want to make sure that the solutions that they adopt address compliance and are enterprise-grade.

#7. Enterprise.

As it becomes more apparent that mobile — be it messaging, mobile web or apps — will ultimately be a mainstream member engagement channel, health plan executives are paying more attention to scale and robustness. Rightfully so, they want to make sure that the solutions that they adopt are enterprise-grade, scaling gracefully from pilot to multi-state implementations.

#8. Integration.

While an SaaS-based offering allows health plans to rapidly leverage the benefits of a solution with minimal IT investment, the need for more elegant and real-time data exchange is now surfacing as they expand beyond pilot programs. Moving forward, health plans will require that vendors increasingly integrate with their member services systems.

“The key takeaway: entitlement does not equal engagement.”

#9. Lifeline phones.

There was a time when we were bullish on Lifeline phones as a facilitator of member engagement. After all, it made perfect sense, that is, until we were proven wrong by burdensome hurdles and low uptake rates. The key takeaway: entitlement does not equal engagement.

#10. Multimodal.

It's no secret that member engagement is a multi-prong approach. However, while health plans have been using multiple modalities for outreach and engagement for quite some time, there is still not a true single solution for healthcare customer relationship management (CRM) on the market today. At the same time, health plans know that they are entering a new world where “health happens everywhere”: hence, the burgeoning need to holistically track every single interaction and touchpoint with a member. In the next chapter of HealthCrowd, we will build on our core competency in mobile engagement to deliver the first truly unified, multimodal engagement platform for healthcare.

Indeed, the industry has evolved.

Feel free to contact me at bing@healthcrowd.com or call/text 408.674.9930 to learn more.



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