



# Use AI to Build Member Loyalty as Medicare Eligibility Dates Draw Near

Combine data, AI, experience design and marketing automation to improve conversion and retention rates to tap this growing market.

## Executive Summary

In 2020, 24.1 million, or 39%, of 62 million Medicare beneficiaries were enrolled in Medicare Advantage (MA) plans.<sup>1</sup> That's a 9% increase from 2019 and double the enrollment from 2010. Projections indicate there will be 81 million Medicare beneficiaries by 2030,<sup>2</sup> of which 51% may be enrolled in MA plans.<sup>3</sup>

Competition is increasing for this business. For the MA plan year 2021, insurers offered 3,550 MA plans nationwide for individuals, a 13% increase from 2020

and the largest number of plans ever available.<sup>4</sup> Many payers need to look no further than their existing member base for MA plan candidates. Approximately 10,000 individuals in the U.S. become eligible for Medicare every day. Depending on plan sizes, approximately 100,000 members in payers' group business plans become eligible for Medicare annually. Our analysis indicates that payers currently convert only about 10% to 20% of those eligible to their MA plans.

Based on our internal analysis and work with several payers in the U.S. healthcare industry, we have identified critical conversion strategies that leverage next-generation technologies to help payers significantly grow Medicare lines of business. These conversion strategies can potentially increase the conversion rate to greater than 40%. That represents an annual opportunity to capture more than 40,000 MA plan members and approximately \$480 million in annual revenue. These strategies will help improve member satisfaction, retain members in MA plans and help sustain revenue increases annually. Once converted, about 90% of MA plan members tend to remain in their plans for the long term, resulting in opportunities for payers to enhance care quality and reduce cost outlays.<sup>5</sup>

Payers without conversion strategies will cede this growth opportunity to their competitors. Several large payers already have significant MA market share. Still, other payers can adopt a conversion strategy that integrates next-generation AI tools, interactive experience design and marketing automation to help build loyalty in the years before members reach their Medicare eligibility dates. Working within the regulatory constraints around MA plan marketing, payers may proactively reach the right members with relevant information about MA plans and benefits that suit their needs to improve conversion rates instead of watching members age into competitors' offerings.



## Developing an intelligent MA plan conversion strategy

AI tools make it possible for payers to effectively and efficiently position their MA plans to their existing commercial members. An AI engine can be configured to continuously monitor and gather data from every member touchpoint (see Quick Take, page 8) and create a robust view of members' needs and their preferences that enhance member experience.

- Member segmentation:** Payers need to identify potential MA plan members in advance of their Medicare eligibility date. An AI model can help accomplish this by helping payers evaluate their members' experience and recent interactions with the plan. Payers also can use AI tools to better understand members' medical risk profiles and their related preferences. A member managing a chronic illness would have greater concerns about prescription pricing, as compared to a healthy member who would be focusing on access to health clubs and wellness services.
- Identification of best-fit plans:** Analytics, algorithms and cognitive AI tools draw on utilization, demographic, geographic, cost and member behavior data to identify best product fits. Payers can then emphasize benefits of high value to specific members, whether those are low co-pays, access to specific providers or supplemental benefits, such as hearing aids and dental coverage.
- Optimized outreach:** AI-based behavioral analysis can help payers create customized enrollment journeys for their prospective MA plan members. Initial information shared can build awareness of a payer's MA plans, such as by sharing Star quality ratings issued by the Centers for Medicare & Medicaid Services (CMS) and basic education about the MA plan concept. As the conversion date nears, marketing automation tools can help ensure members receive messages tailored to their specific health situations. Cognitive tools give service representatives talking points based on sentiment analysis and member history to make interactions more meaningful. AI can help plans make offers to members through their preferred channels, whether direct mail, phone call or digital, at the right time to maximize conversion rates.<sup>6</sup>
- Enrollment concierge:** In 2020, the average Medicare beneficiary had access to 28 different MA plans.<sup>7</sup> Plans typically vary greatly in their benefits and structures. AI tools act as force

Cognitive tools give service representatives talking points based on sentiment analysis and member history to make interactions more meaningful.

multipliers and equip enrollment concierges with the data they require to be health advocates for members and guide them through these choices. Concierges may use the real-time AI-derived insights about best-fit plan data to help members evaluate the plans most appropriate for their health and financial situations. They can provide a memorable level of white glove service, greatly simplifying the selection and enrollment process for members.

- I Simplified enrollment process:** Combining AI, experience design and automation enables payers to offer one-click enrollment into the selected MA plan. The simplified enrollment process should eliminate reentering of data for currently enrolled commercial members who have given the necessary consent. The member’s enrollment experience should be seamless

irrespective of the channel selected, driven by a centralized data store that feeds and consumes data and insights from across multiple channels including call center, web, mobile and paper.

- I Proactive relationship management:** Our research indicates that for seniors one of the key influencers on decision-making is word of mouth from their trusted sources. Payers should have a long-term strategy in play to ensure strong brand loyalty to create influencers among their existing members. Proactive AI monitoring of member transactions and utilization can help payers accomplish this by anticipating and addressing possible issues to improve member satisfaction. Flagging members who have not used supplemental plan benefits could signal a possible cost issue or indicate that they need help accessing the services.

## Examples of algorithms that can enhance member loyalty

A core-learning engine will look for certain key constructs in each of the areas below to generate actionable insights and recommendations.

	Key Constructs	Statistical Algorithms
 <b>Member Segmentation</b>	<p><b>Potential segmentation dimensions include</b> social determinants of health, health acuity, chronic conditions/comorbidities, preventive health, utilization and behavioral health.</p>	<ul style="list-style-type: none"> <li>Clustering: K-means, multi-class, hierarchical</li> <li>Random forest</li> <li>Latent class analytics</li> <li>Support vector machine (SVM)</li> </ul>
 <b>Optimized Outreach</b>	<p><b>Recommendation engine</b> for outreach channel, timing and message recommendation based on both quantitative insights and anthropological-studies-driven insights.</p>	<ul style="list-style-type: none"> <li>Decision tree</li> <li>Poisson regression</li> <li>A/B testing</li> </ul>
 <b>Identification of Best-Fit Plans</b>	<p><b>Member utilization forecasting</b> considering historical utilization, member’s health condition and social determinants of health.</p> <p><b>Proactive health needs assessment</b> using machine learning models (historical data) and surveys.</p> <p><b>Plan roster</b> from health plan to do network analysis, cost and member savings projections.</p>	<ul style="list-style-type: none"> <li>Forecasting models — time series and others</li> <li>Optimization techniques</li> <li>Clinical pathway analysis</li> <li>Physician referral analytics</li> </ul>

For member segmentation, the engine will consider whole person aspects, including social, demographic, psychographic and behavioral. Depending on data sparsity and quality, the engine will harness relevant statistical and machine learning algorithms to build member segments. These algorithms could be relatively simple standard clustering techniques like K-means/ hierarchical (if most of the data can be converted to numerical form) or could go to complex SVM-based models.

Figure 1

## Apply AI to amp up retention

While MA plan members typically are slow to change plans once enrolled, about 7% to 10% of enrollees do annually switch their MA plans.<sup>8</sup> For a 100,000-member plan, that can equate to about \$120 million in lost revenue, according to our analysis. MA plan members leave plans for a variety of reasons, ranging from overall poor experiences with a plan<sup>9</sup> to costs being higher than anticipated and physician access less than expected.<sup>10</sup>

The key to retention is proactive outreach to solve member issues before they become critical. AI and analytic tools, such as cognitive AI, Evolutionary AI™<sup>11</sup> and sentiment analysis, can help MA plans identify and address potential and emerging member issues before they become severe. Figure 2 (next page) illustrates how the various tool sets and algorithms will orchestrate to create a self-learning engine and recommend the next best action to help retain the member. The following are key reasons why MA plan members switch plans and how AI can help prevent that.

- I Evolving health conditions:** AI tools like Evolutionary AI can help payers continuously monitor their MA plan beneficiaries' changing needs and flag whether an original "best-fit" plan is no longer right for a member's current situation. Payers must proactively reach out with options to help members manage new health issues, from participating in home monitoring programs to wellness activities.
- I High out-of-pocket expenses:** Advanced analytics can identify members who are spending more than forecasted on prescriptions and services so that service representatives can proactively reach out with possible solutions. The solutions include moving members to cost-effective in-network providers and guiding them to an alternate plan in the next open enrollment period.
- I Lack of physician access:** Members may switch plans to follow a favorite physician or access a specific provider. Proactive outreach about changes in a plan's network with information about other highly rated physicians and providers could help payers retain these members. Payers should also track members' satisfaction with their physicians. These insights may help payers identify physicians to recruit to their networks. Satisfaction analysis may also signal a need to educate members about existing in-network physicians with high quality ratings who are more cost-effective than their current providers.

AI tools like Evolutionary AI can help payers continuously monitor their MA plan beneficiaries' changing needs and flag whether an original 'best-fit' plan is no longer right for a member's current situation.

**I Poor experiences:** Payers must closely track member interactions using AI tools and sentiment analysis and reach out whenever indicators suggest a member had a suboptimal interaction. The AI engine can help provide context-aware self-service tools and improve member interactions by equipping service representatives with the appropriate next best action. As members increasingly adopt digital technologies, payers will also have to evolve and offer a range of self-service options aligned to members' preferred channels.

**I Limited knowledge of plan options and benefits:** Based on member preferences, interactions and historical claims data, payers can understand the member's current utilization of their plan options and benefits. Augmenting this with advanced analytical tools, payers can then develop a comprehensive member outreach strategy by utilizing the right channels to connect with members and provide them with a better understanding of how to use their benefits.

## Member retention through ongoing proactive monitoring

The core of our solution is a learning engine that constantly monitors critical events that could affect a member's experience and guides service representatives through next best actions that help resolve the issue.

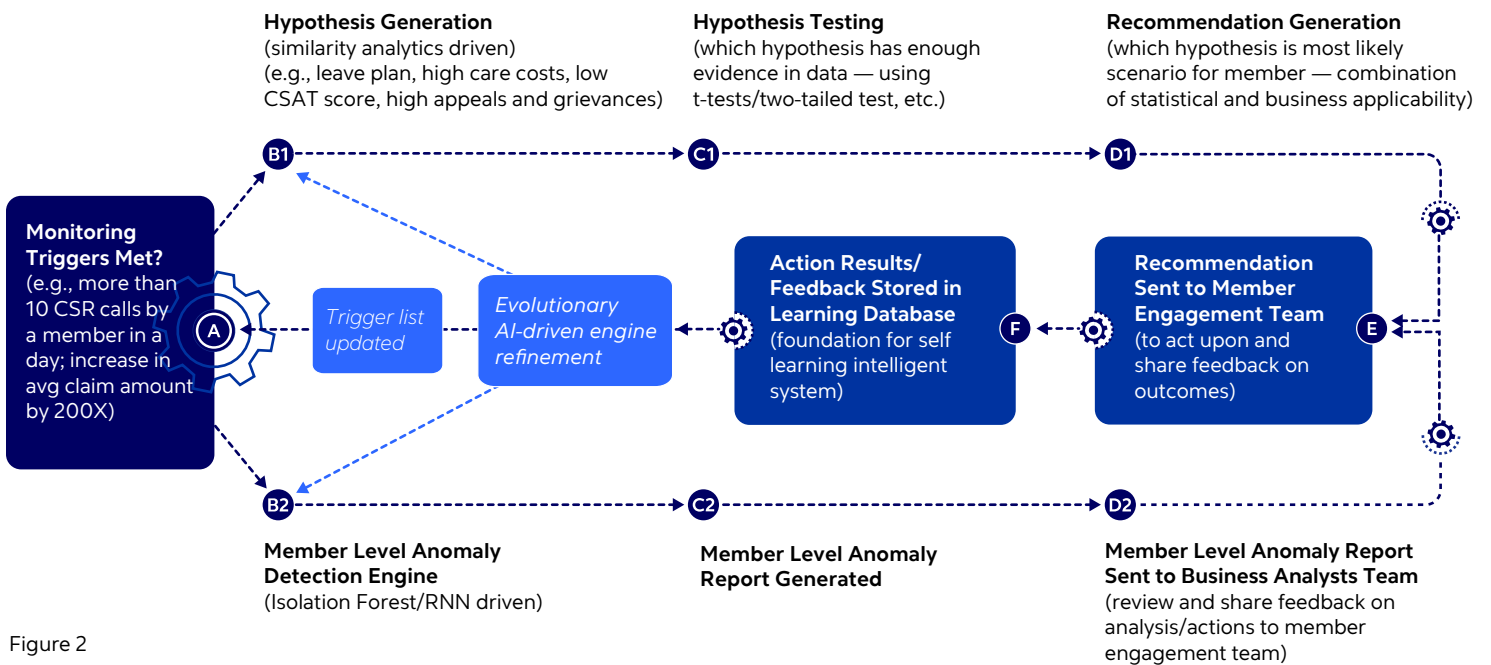


Figure 2

## Next steps

Creating a Medicare conversion strategy will help payers attract and retain members in an increasingly competitive industry and ensure members receive the right quality of care. Because effective MA conversion steps unfold over multiple years, payers must start now to develop their strategy. Here are the key initial steps:

- I Understand the current MA conversion baseline.** Begin by developing a clear view of the baseline, answering such queries as how many members are converted annually from commercial lines of business to MA plans and how many MA plan members leave their plan every year.
- I Develop a view of the challenges.** Get a robust view of your current conversion/retention processes and identify critical friction points. These may include complex enrollment processes; low Star Ratings from CMS; misalignment of benefits to member needs; and limited member knowledge of MA plan benefits. Benchmark performance against competitors in the market.
- I Create a case for change.** Develop a plan that identifies the ROI with respect to growth in MA membership, reduced cost of care and enhanced member experience.
- I Implement a proof of concept (POC).** Identify the target MA market, scope a small subset of members, capture their interactions for a short period of time (e.g., three months) and develop a comprehensive member view. Then build out the hypothesis engine and review the results of the next best option on this target group (A/B testing) and expand to other markets based on the results. Additional expansion should be done in an iterative manner.

While developing an MA conversion strategy, payers should consider that the conversion process first begins when a healthcare consumer becomes a member of a commercial plan. Members who are unhappy with their commercial plan experiences likely will seek a new payer for their MA plan needs. Payers can apply AI-powered member retention strategies across all lines of business to deliver great experiences. That likely would help persuade members to make their current payer their first choice for MA plan coverage.

While developing an MA conversion strategy, payers should consider that the conversion process first begins when a healthcare consumer becomes a member of a commercial plan.

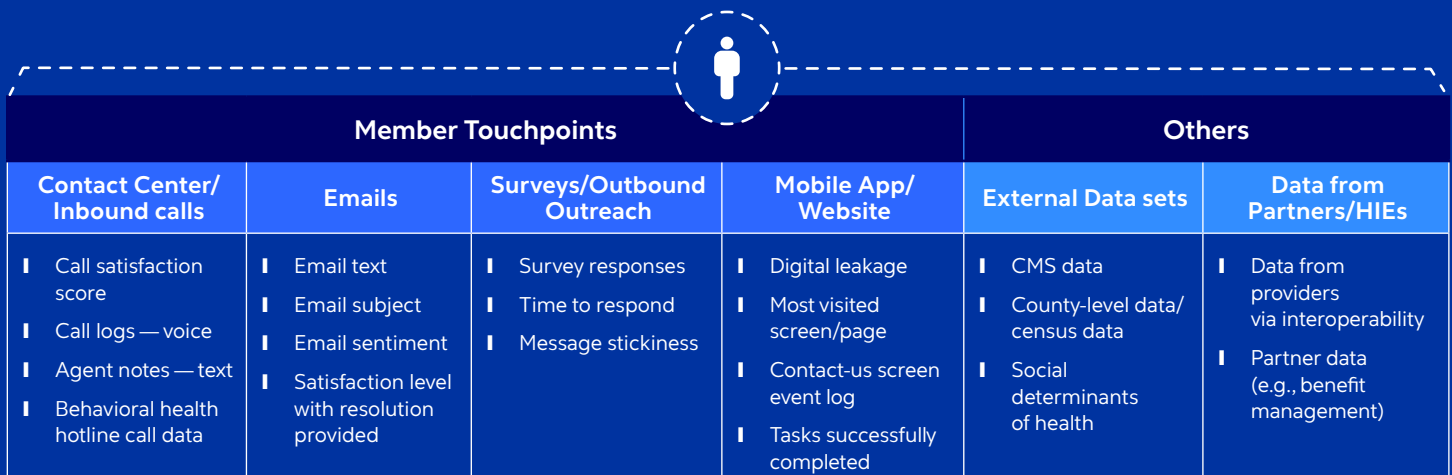
# Quick Take

## Intelligence Powers Member Loyalty and MA Conversion Strategies

Proactive outreach that resolves members’ potential questions and concerns will help deliver the white-glove service that builds member loyalty and improves retention.

This outreach strategy must be powered by an intelligent engine that continuously captures every member interaction and develops a holistic member portrait. This portrait includes insights from across all member touchpoints, external data sources and compliant partner data. On top of this engine is a continuous monitoring service (based on Evolutionary AI) that looks for critical events that could affect the member’s experience and overall health status (see Figure 3). This engine is based on industry standard healthcare dictionaries like the Unified Medical Language System (UMLS), Systematized Nomenclature of Medicine Clinical Terms (Snowmed CT), National Council for Prescription Drug Programs (NCPDP), Logical Observation Identifiers, Names and Codes (LOINC), and the Picture Archive and Communication System (PACS) standard for imaging.

### Continuous data monitoring for conversion and retention strategy



Member Touchpoints				Others	
Contact Center/ Inbound calls	Emails	Surveys/Outbound Outreach	Mobile App/ Website	External Data sets	Data from Partners/HIEs
<ul style="list-style-type: none"> <li>▮ Call satisfaction score</li> <li>▮ Call logs — voice</li> <li>▮ Agent notes — text</li> <li>▮ Behavioral health hotline call data</li> </ul>	<ul style="list-style-type: none"> <li>▮ Email text</li> <li>▮ Email subject</li> <li>▮ Email sentiment</li> <li>▮ Satisfaction level with resolution provided</li> </ul>	<ul style="list-style-type: none"> <li>▮ Survey responses</li> <li>▮ Time to respond</li> <li>▮ Message stickiness</li> </ul>	<ul style="list-style-type: none"> <li>▮ Digital leakage</li> <li>▮ Most visited screen/page</li> <li>▮ Contact-us screen event log</li> <li>▮ Tasks successfully completed</li> </ul>	<ul style="list-style-type: none"> <li>▮ CMS data</li> <li>▮ County-level data/census data</li> <li>▮ Social determinants of health</li> </ul>	<ul style="list-style-type: none"> <li>▮ Data from providers via interoperability</li> <li>▮ Partner data (e.g., benefit management)</li> </ul>

Figure 3



The core learning engine will analyze the data from different sources and monitor for insights across key dimensions (see Figure 4) that may then trigger appropriate actions. The engine also will monitor for other anomalies and those additional insights will help payers add to the dimensions they monitor — making the dimensions list intelligent and representative of a payer’s unique landscape.

## Initial dimensions for monitoring

The learning engine continuously evolves, optimizes and expands the list of monitoring triggers and actions to enhance member satisfaction and retention.

Dimension	Monitoring triggers	Potential actions
<b>Evolving health conditions</b>	<ul style="list-style-type: none"> <li>During annual check-up, member’s cholesterol levels are trending higher.</li> <li>Missed prescription related to management of a chronic health condition.</li> </ul>	<ul style="list-style-type: none"> <li>Educate member about diet and lifestyle changes to manage cholesterol.</li> <li>Potential to move prescription to mail order.</li> </ul>
<b>Likelihood of readmission/ER visit</b>	<ul style="list-style-type: none"> <li>Missing follow-up doctor’s appointment after surgery.</li> <li>Member takes multiple medications.</li> </ul>	<ul style="list-style-type: none"> <li>Educate caregivers to ensure appropriate post-acute follow up.</li> <li>Omnichannel reach out to member and caregivers for effective medication therapy management.</li> </ul>
<b>Cost-of-care increase</b>	<ul style="list-style-type: none"> <li>New high-cost prescriptions.</li> <li>Diagnosis of new ailments/conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Identify potential generic options.</li> <li>Enroll members to appropriate care management programs.</li> </ul>
<b>Medication review need</b>	<ul style="list-style-type: none"> <li>New and/or multiple prescriptions.</li> <li>Evolving health conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Care management and medication therapy management.</li> </ul>
<b>Appointment scheduling</b>	<ul style="list-style-type: none"> <li>Multiple cancellations.</li> <li>Repeated appointment reminders but no appointments scheduled.</li> </ul>	<ul style="list-style-type: none"> <li>Schedule appointment with specialists and check if additional transportation needs are present (Uber/Lyft).</li> <li>Follow up with members and authorized caregivers with reminders for appointment.</li> </ul>
<b>Member service</b>	<ul style="list-style-type: none"> <li>Multiple/lengthy calls within a short period of time.</li> <li>Anomalies for real-time sentiment analysis of member calls.</li> </ul>	<ul style="list-style-type: none"> <li>Proactively check in with members to review recent experiences.</li> </ul>

Figure 4

## Endnotes

- <sup>1</sup> Freed, Meredith, Damico, Anthony and Neuman, Tricia, "A Dozen Facts About Medicare Advantage in 2020," Jan. 13, 2021, [www.kff.org/medicare/issue-brief/a-dozen-facts-about-medicare-advantage-in-2020/](http://www.kff.org/medicare/issue-brief/a-dozen-facts-about-medicare-advantage-in-2020/).
- <sup>2</sup> "Medicare Enrollment Rate Will Peak in 2030," Dec. 10, 2018, Healthcare Financial Management Association, [www.hfma.org/topics/article/62593.html](http://www.hfma.org/topics/article/62593.html).
- <sup>3</sup> Op. cit., endnote 1
- <sup>4</sup> Biniek, Jeannie Fuglesten, Freed, Meredith, Damico Anthony and Neuman, Tricia, "Medicare Advantage 2021 Spotlight: First Look," Oct. 29, 2020, [www.kff.org/medicare/issue-brief/medicare-advantage-2021-spotlight-first-look/](http://www.kff.org/medicare/issue-brief/medicare-advantage-2021-spotlight-first-look/).
- <sup>5</sup> Koma, Wyatt, Cubaski, Juliette, Jacobon, Gretchen, Damico, Anthony, Neuman, Tricia, "No Itch to Switch: Few Medicare Beneficiaries Switch Plans During the Open Enrollment Period," Dec 02, 2019, [www.kff.org/medicare/issue-brief/no-itch-to-switch-few-medicare-beneficiaries-switch-plans-during-the-open-enrollment-period/](http://www.kff.org/medicare/issue-brief/no-itch-to-switch-few-medicare-beneficiaries-switch-plans-during-the-open-enrollment-period/).
- <sup>6</sup> Sarathi, Nikhil, Shrimali, Shashi, Kondaveeti, Sridhar, "AI at Your Service: Modernizing the Payer Contact Center," Cognizant, 2020, [www.cognizant.com/whitepapers/ai-at-your-service-modernizing-the-payer-contact-center-codex5098.pdf](http://www.cognizant.com/whitepapers/ai-at-your-service-modernizing-the-payer-contact-center-codex5098.pdf).
- <sup>7</sup> Jacobsen, Gretchen, Freed, Meredith, Damico, Anthony, Neuman, Tricia, "Medicare Advantage 2020 Spotlight: First Look," Oct 24, 2019, [www.kff.org/report-section/medicare-advantage-2020-spotlight-first-look-data-note/](http://www.kff.org/report-section/medicare-advantage-2020-spotlight-first-look-data-note/).
- <sup>8</sup> Op. Cit., endnote 5
- <sup>9</sup> DuGoff E, Chao S, "What's Driving High Disenrollment in Medicare Advantage?" Inquiry, 2019, [www.ncbi.nlm.nih.gov/pmc/articles/PMC6466458/](http://www.ncbi.nlm.nih.gov/pmc/articles/PMC6466458/).
- <sup>10</sup> "CMS Should Use Data on Disenrollment and Beneficiary Health Status to Strengthen Oversight," April 2017, [www.gao.gov/assets/690/684387.pdf](http://www.gao.gov/assets/690/684387.pdf).
- <sup>11</sup> [www.cognizant.com/us/en/ai/evolutionary-ai](http://www.cognizant.com/us/en/ai/evolutionary-ai).

## About the authors

### Nikhil Sarathi

Lead Partner, Healthcare Practice, Cognizant Consulting

Nikhil Sarathi is a Lead Partner in Cognizant Consulting's Healthcare Practice. Nikhil has a strong track record of success in leading large digital transformation programs, developing AI-first consumer-centric strategies, identifying and implementing next-generation capabilities, and evaluating partnership models for healthcare organizations. Nikhil specializes in the areas of digital transformation strategy development and execution, business value realization, platform strategies, next-gen technologies and consumer engagement. He has an MBA from Emory University's Goizueta Business School, a master's degree in computer science from Kennesaw State University and several patents in the healthcare industry. Nikhil can be reached at [Nikhil.Sarathi@cognizant.com](mailto:Nikhil.Sarathi@cognizant.com) | [www.linkedin.com/in/nikhilsarathi/](https://www.linkedin.com/in/nikhilsarathi/).

### Sridhar Kondaveeti (Konda)

Managing Partner, Healthcare Practice, Cognizant

Sridhar Kondaveeti is a highly accomplished healthcare executive who currently serves as the Managing Partner for one of the company's largest customers. Konda's responsibilities include partnering with client C-suites to help drive digital transformation across the enterprise. With over two decades of innovation-driven strategy, solution and core platform experience, Konda brings in-depth domain knowledge of the U.S. healthcare industry and a strong understanding of how next-generation technologies (AI, NLU, ML) can help digitize platforms and accelerate the business change in healthcare. In his prior roles, Konda established and grew Medicare and Medicaid service lines and Cognizant's Healthcare Product Group (focused on payer platform services) into mature, industry-leading practices. Konda is a Fellow of the Academy for Healthcare Management, is certified as an 'Emerging Partner' from Harvard Business Publishing and holds a bachelor of technology degree from Nagarjuna University. He can be reached at [Konda@cognizant.com](mailto:Konda@cognizant.com) | [www.linkedin.com/in/sridharkondaveeti](https://www.linkedin.com/in/sridharkondaveeti).

### Kapila Monga

Director, Digital Business AI & Analytics Practice, Cognizant

Kapila Monga is a Director in Cognizant's Digital Business AI & Analytics Practice and focuses on designing and delivering machine learning and AI solutions for healthcare payers and providers. She has led teams to deliver AI, ML and advanced data science solutions that yielded >150 times the ROI. Kapila is a regular contributor to the Data Revolution blog and the Illuminating Informatics column of *Journal of AHIMA* on topics related to the application of machine learning in healthcare. Passionate about bringing industry, technology and academia together to accelerate the pace of AI adoption and of healthcare ROI realization, Kapila is also an advocate of reciprocal altruism and its ability to make the promise of AI a reality for healthcare, i.e., by making the field simpler. Kapila has 14-plus years of experience and holds a master's degree in mathematics from the Indian Institute of Technology (IIT) Delhi, and an MBA in strategy and leadership from the Indian School of Business, Hyderabad. She can be reached at [Kapila.Monga@cognizant.com](mailto:Kapila.Monga@cognizant.com) | [www.linkedin.com/in/kapilamonga](https://www.linkedin.com/in/kapilamonga).

## Acknowledgments

*The authors would like to thank Sabyasachi Mukherjee, Manager, and Vijay Cheruvu, Director of Cognizant Consulting, for their invaluable contributions to this paper.*

---

### About Cognizant Healthcare

Cognizant's Healthcare business unit works with healthcare organizations to provide collaborative, innovative solutions that address the industry's most pressing IT and business challenges — from rethinking new business models, to optimizing operations and enabling technology innovation. As a global leader in healthcare, our industry-specific services and solutions support leading payers, providers and pharmacy benefit managers worldwide. For more information, visit [www.cognizant.com/healthcare](http://www.cognizant.com/healthcare).

---

### About Cognizant

Cognizant (Nasdaq-100: CTSH) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 194 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at [www.cognizant.com](http://www.cognizant.com) or follow us [@Cognizant](https://twitter.com/Cognizant).

---

## Cognizant

### World Headquarters

300 Frank W. Burr Blvd., Suite 600  
Teaneck, NJ 07666 USA  
Phone: +1 201 801 0233  
Fax: +1 201 801 0243  
Toll Free: +1 888 937 3277

### European Headquarters

1 Kingdom Street  
Paddington Central  
London W2 6BD England  
Phone: +44 (0) 20 7297 7600  
Fax: +44 (0) 20 7121 0102

### India Operations Headquarters

#5/535 Old Mahabalipuram Road  
Okkiyam Pettai, Thoraipakkam  
Chennai, 600 096 India  
Phone: +91 (0) 44 4209 6000  
Fax: +91 (0) 44 4209 6060

### APAC Headquarters

1 Changi Business Park Crescent,  
Plaza 8@CBP # 07-04/05/06,  
Tower A, Singapore 486025  
Phone: + 65 6812 4051  
Fax: + 65 6324 4051