

# The Dawn Of Digital Revolution in Healthcare. A Focus On Building Real-time Health Plan

Healthcare payers are facing unprecedented volatility in their industry during the age of the customer (aka member). Payers' historical business role — as a necessary financial intermediary between healthcare providers and the insurers' plan members — has focused primarily on cost containment, with a strategy built on forcing down provider fees, narrowing and controlling provider networks, passing costs to their members via deductibles and copays, and coordinating care to ensure members are seen by high-quality, in-network providers in an appropriate care setting (i.e., not the emergency department). As a consequence, payers' member engagement focuses on explaining, adjudicating, and managing coverage, claims, and premiums.

COVID-19 has changed healthcare forever. The pandemic has forced payers to accelerate their path to digital transformation from years to weeks. Seemingly overnight, member demand has shifted to convenient access through virtual care. The changes in today's markets have extended to the payers — and therefore increased the need to invest in a comprehensive experience platform that leverages digital technology to guide members to the appropriate form of care, provide a great engagement experience, and remove barriers throughout the care journey.

**A real-time health plan has become a strategic priority for payers; ensuring its support in the market will enable member engagement and retention.**

## KEY FINDINGS

- › Healthcare delivery is going digital. As a result, payers are preparing for digital transformation.
- › Good member experiences enabled by digital engagement platform and technology adoption drive better business outcomes for payers.
- › Antiquated processes and existing legacy systems are major barriers to payers' transformations.



Infosys commissioned Forrester Consulting to leverage Forrester research and Business Technographics® and Consumer Technographics® data to evaluate the changing role of payers, including the perceived challenges, drivers, and benefits of investment in a real-time health plan.

## METHODOLOGY

The data and insights in this study are based on existing research findings from Forrester's research on health insurers.

The Forrester Analytics Global Business Technographics Business And Technology Services Survey, 2020, was fielded between August and October 2020 in Australia, Canada, China, France, Germany, India, the UK, and the US.

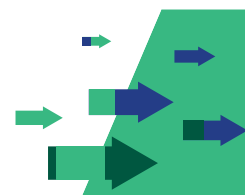
The Forrester Analytics Global Consumer Technographics US Healthcare Recontact Survey, 2020, was fielded from March through May 2020 and included 4,821 respondents in the US between the ages of 18 and 88.

# Embracing Digital Change Leads To Win-Win Scenario For Payers

The past few months have seen a tremendous amount of upheaval in the payer industry, from new regulatory and market dynamics to a dramatically shifting understanding of member relationships. Traditionally, caregivers and health plans made all the decisions, and members were passive participants. Recently, however, the fundamental structure of the market has been shifting for payers. Why? Members are increasingly aware and have a strong preference for how they want to receive care (see Figure 1).

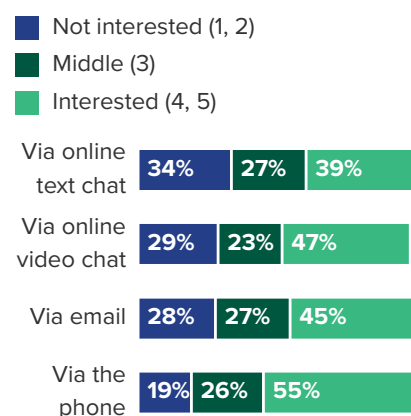
Four key factors drive demand for payers to invest in digital engagement platforms for transformation:

- › **Accelerating virtual/retail care delivery is motivating new engagement platforms.** Outcome-based care delivery is surging due to a variety of financial, quality, and environmental factors, including greater focus on safe and low-cost settings such as home and retail-clinic care delivery. These changes create rich sets of complexity and opportunity — and risk. Member requirements for different capabilities and the need for new ways to document care create new challenges for payers. Engagement platforms and tools such as mobile health monitoring, wearables, and biometrics help to track actions and remind members of their healthcare providers’ mandates.
- › **Large-scale data is increasingly providing insights into payers’ risks.** Visibility into care modality delivery and results, which will help uncover actionable insights from the use of artificial intelligence and cognitive computing, has become an important requirement for payers’ risk optimization. Obligatory electronic health records, increasingly sophisticated wearables, continuous monitoring through software-wrapped equipment, and acceleration of technology platform adoption are providing payers with data to discover what works and what doesn’t. Regulatory mandates to adopt mature and open API protocols are also increasing access to data.
- › **Care delivery transparency is challenging traditional approach; members are shopping for effectiveness and price.** The transparency of individual payer realities will soon become a dominant part of the healthcare landscape, driven by new entrants and digital disruptors. Price transparency laws are also exposing the true financial picture of both payers and providers. Some will impact care shopping imminently, but others, including those that will directly impact payers, will also come into effect by the next year. Traditionally, members have not shifted easily among payers because they felt locked into a feeling of false confidence based on lack of information and the resulting fear generated by healthcare’s complexities. But increased transparency — and a greater proportion of member-paid fees — will change that as member loyalty starts to reflect a provider’s actual effectiveness/cost ratio.
- › **Legacy technologies and operational focus limit change.** Payers never expected that these systems would need to support a member-driven business model. As a consequence, taking advantage of these new opportunities requires building brand-new architectures: systems of engagement or systems of insights built on abstraction layers like managed APIs.



**Figure 1**

**Please indicate your level of interest in each of the following ways you could receive care from your healthcare provider.**



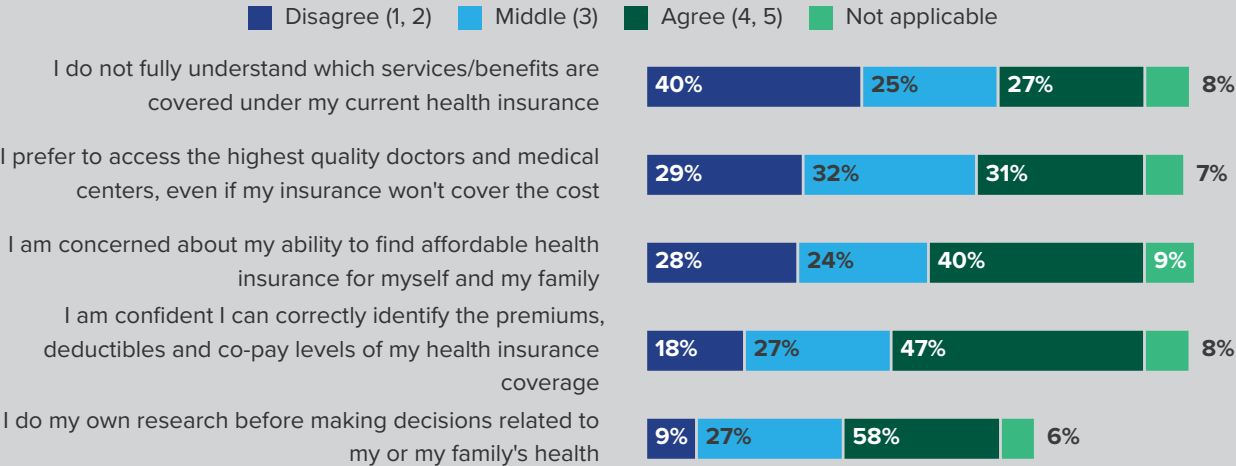
Base: 4,821 online adults  
 Source: Forrester Analytics Consumer Technographics® US Healthcare Recontact Survey, 2020

# Key Pillars For Successful Execution Of A Real-Time Health Plan

Today’s technology marketplace is rich with vendors that specialize in helping payers overcome healthcare-specific regulatory and technical challenges. Payers are racing to catch up to digital offerings and capabilities that have long been hallmarks of other B2C industries, including financial services and retail. To do so, these payers look for assistance; most payers need help responding to digital disruption.

The driving force for everyone is value: Members become more involved in decisions that drive value for them, and payers seek more ways to lower costs, offer intuitive health plans, and drive new opportunities for improved member retention and better health outcomes (see Figure 2). Empowered members demand quality, price transparency, and virtual support via mobile apps. In turn, this has pushed payers to look for a digital platform that enhances member engagement and accelerates technology investment in APIs, advanced analytics, AI/machine learning (ML), process automation, and software-as-a-service (SaaS) adoption aimed to manage population health data and outcomes, providing greater transparency, improving business operations, and enabling easy access while reducing costs.

**Figure 2**  
Please indicate how strongly you agree or disagree with each of the following statements about your health insurance and your health.



Base: 58,166 online adults  
Source: Forrester Analytics Consumer Technographics® Benchmark Survey, Part 2, 2020

This study outlines six key technology capabilities and steps payers should take to design an effective member engagement:

**1. Engagement platforms, once deployed, connect digital experiences.**

Engagement platforms aim to help members in their moments of need — when they begin to feel symptoms but don't know what exactly they should do about them. Payers want to engage members before they walk out the front door to seek medical help. They want to influence where they seek care; this is where the cost savings and member experience improvements lie. Experience-driven payers understand that driving member experience through the use of a digital engagement platform is often easier compared with legacy and disjointed systems. When a platform is intuitive, payers can provide quicker information to members. This, in turn, increases satisfaction and enhances the digital experience, trust, and member engagement (see Figure 3).

**2. Applying advanced data analytics drives member engagement.**

Systems of insight and engagement will reshape the future. Successful firms use new, broader data sets to get deeper insights and prepare benefits and health plans more accurately. Doing so will help not only speed up care but also drive innovations in care delivery and member engagement. While analytics provide insights to improve health plans, digital engagement platforms are effective at driving treatment plan adherence and compliance.

**3. APIs are critical to reducing management complexity.** APIs improve member experience and efficiency by decoupling engagement applications from insurance legacy systems. APIs significantly reduce complexity and enhance digital experience for members.

**4. Automation-focused machine learning is crucial to digital transformation.** Machine learning technology underpins digital transformation, improving underwriting and claim processing, differentiation through personalized coverage, and enhanced fraud detection. Payers can drive better member engagement and gain competitive edge.

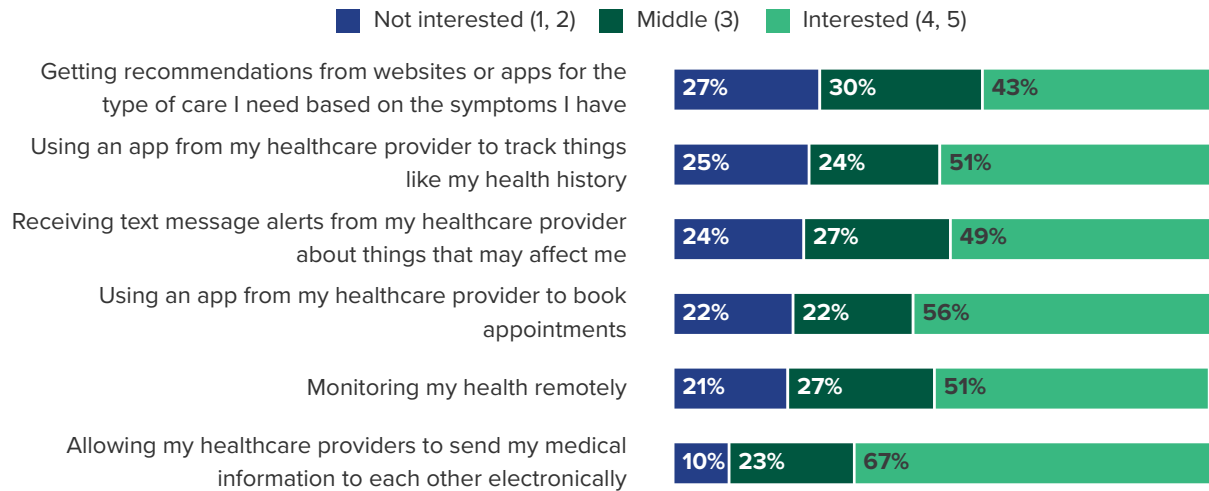
**5. Artificial intelligence and internet of things (IoT) predict behavior and care needs.** Many payers struggle to utilize insights about their members. AI promises to help payers scale to serve more members with better outcomes at a lower cost. Payers can also send IoT-connected medical devices to their chronically ill members to monitor disease states and predict deterioration before it spirals out of control and results in an emergency room visit. AI can decipher big data and advance care insights. Embedding AI via cognitive computing and machine learning helps payers process big data more efficiently. These advanced computing technologies can also help solve member enrollment or claim mapping issues. AI can find and surface critical pieces of data in minutes or hours that otherwise might take days or weeks.

**6. SaaS enables essential digital experiences.** As healthcare executives try to meet the accelerating needs of patients, more firms are turning to SaaS solutions to provide the agility and flexibility needed to be successful. In addition, payers can take advantage of scalability, lower capital costs, ease of operations, improved collaboration, and disaster recovery readiness with SaaS-enabled solutions.

Internal systems such as enrollment, claim management, claim adjudication, and preauthorization with SaaS-enabled digital platforms can become more agile and offer many benefits, such as real-time decision-making, automated alerts/approvals, good usability, better collaboration, and faster time-to-value, compared with traditional systems.

**Figure 3**

**Please indicate your level of interest in each of the following ways you could engage with your healthcare provider.**



Base: 4,821 online adults

Source: Forrester Analytics Consumer Technographics® US Healthcare Recontact Survey, 2020

# Key Recommendations

As payers prioritize improving member experience, they must not wait any longer to invest in systems that will facilitate member engagement and/or derive insights from the many sources of data available to them. The future of healthcare includes an expanding range of technologies to increase understanding and drive better member satisfaction and health outcomes. To succeed, payers should:



› **Align tech strategy with a clear vision of a real-time health plan.**

Cocreate your vision with other execs. CIOs may be the most visionary members of the exec team, but CIOs who take it on themselves to sell a vision will have a frustrating uphill battle. CIOs should bring co-ownership by fostering cocreation with externally sourced insights and by guiding execs' conclusions. Once the vision is co-owned, it will be effective as a guidepost to shape real-time health plans.



› **Prioritize technology investments that will best serve your members.**

Investments in technology and tools that meet member requirements are critical. Healthcare leaders should consider integrated, multifunctional platforms that can be leveraged across the care continuum, as well as look for application development tools to deploy apps, mobility tools, and other engagement tools to personalize their offerings at scale.



› **Tie your governance, strategy, and execution back to KPIs that are relevant to long-term growth.**

Seize the opportunity to lead. The essence of strategy is deciding where you will place your bets — and where you won't. For payers, the best way to decide is to start linking the execution back to KPIs. Look across the whole connected and interdependent healthcare ecosystem, see where there is friction and waste that you can remove, and then base your long-term vision on that insight.



› **Choose and reengage with visionary and trusted partners.**

Given the pace of change and innovation across healthcare, most decision-makers will need help crafting a strategic plan. Moving to digital requires a new set of competencies best acquired from those who have already won the right to play. Partner with vendors with strong competencies and technical depth to speed up organizational success in the shift to digital.

# Appendix A: Supplemental Material

## RELATED FORRESTER RESEARCH

“The Top Trends For Health Insurers In 2020,” Forrester Research, Inc., March 20, 2020

“Audio: The Long-Term Impact Of Emerging Technology On US Health Insurers,” Forrester Research, Inc., July 7, 2020

“Healthcare 2020: The State Of The Doctor-Patient Relationship In The US,” Forrester Research, Inc., March 11, 2020

Forrester Analytics Global Business Technographics Services Survey, 2020

Forrester Analytics Global Consumer Technographics US Healthcare Recontact Survey, 2020

Forrester Analytics Global Consumer Technographics Healthcare Topic Insights 1 Survey, 2020

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