UPMC Insurance Improves Broker Effectiveness and Loyalty

UPMC's customer relationship management implementation improves broker selling effectiveness and loyalty and eliminates costly paper processes associated with broker submission and group enrollment processes.

UPMC Health Plan is a subsidiary of UPMC Health System. The health benefits company, based in Pittsburgh, Pennsylvania, provides enhanced access products, including health maintenance organization (HMO), point of service and preferred provider organization (PPO), to approximately 400,000 members. UPMC Health Plan members are served by more than 5,700 physicians in partnership with 74 hospitals throughout western Pennsylvania. Like most healthcare insurance providers, UPMC Health Plan works with a broker network to identify and sell its health benefits products to employers.

UPMC has two primary business areas: Medicare (government-subsidized) and commercial. UPMC demonstrates a best practice for extending a relationship with a customer relationship management (CRM) suite vendor. UPMC first implemented the Windows version of Onyx for its commercial and Medicare business. UPMC then successfully upgraded Windows-based deployments to Onyx 3.0 and extended its Onyx deployment via the Onyx Partner Portal to its brokers.

**Problem:** UPMC identified a number of business problems when developing its CRM strategy:

- It took too much time for brokers to get quotes out to group administrators (employers)
- Broker inventories of plan and enrollment information became outdated
- Lost business opportunities occurred because UPMC was unable to track renewal dates for groups and trigger campaigns when renewal was needed
- UPMC wasn't able to track what competitors or plan prices were causing it to lose business
Objective:

- Increase broker effectiveness by providing a simple, yet effective, solution to its brokers so they could write more business faster
- Enable the sales force to manage broker selling opportunities more effectively
- Track information to generate more-effective marketing campaigns, such as: renewal dates for lost business, allowing them to trigger targeted marketing campaigns; competitive win/loss analysis, including prices to enable UPMC to fine-tune plan prices; demographics, such as average age, gender, risk level, coverage tier and location, so UPMC can properly trend the direction of its business
- Reduce administration expenses

Approach: UPMC had already implemented the Onyx Employee Portal for its commercial business and wanted to do something similar with its brokers through use of Onyx Partner Portal 3.0. However, even though UPMC had experience with Onyx, UPMC took eight months developing requirements, developing processes and identifying critical data required to support its brokers.

The following were key processes and functionality implemented to meet UPMC’s commercial business objectives:

*Instantaneous Rate Quotes and Integration With Sales Increased Broker Selling Effectiveness*

UPMC wanted to gain "mind share" from its brokers. One way to do that is to make it easier to do business with UPMC than with the competition. This was accomplished by working with Onyx to tailor a rating wizard to generate quotes during the proposal process. The tool helps UPMC convert a higher percentage of preliminary rate quotes into executed contracts, and enables the health plan to process group enrollments up to 75 percent faster. The brokers log into Onyx Partner Portal and submit a group’s information to obtain an instantaneous quote. The Onyx Partner Portal analyzes the group information and generates an instant soft quote the broker can use to quote the group. An e-mail is automatically sent to one of UPMC’s sales representatives and a task is created in the Onyx Employee Portal. If a group accepts the quote, the broker marks it in the system for underwriting to review the group information and soft quote. Once the group is satisfied, underwriting marks the group as active and assigns the
group a number. The group is ready for enrollment. Assigning a
group a number often was tied up before UPMC used Onyx
Partner Portal; now beginning enrollment more quickly leads to
satisfied customers. By allowing brokers to obtain instant quotes,
UPMC is more likely to be presented as an alternative provider
when brokers are showing plans to groups. The Partner Portal
also ensures that each group is assigned to a UPMC Health Plan
sales representative based on market segment and territory to
assist the broker in the sales effort.

Targeted Marketing Campaigns Increase Business Opportunities

For brokers to obtain instant quotes from UPMC, they are
required to answer a few selected questions at the end of every
month to close out open leads. These questions give UPMC vital
information for targeting and segmenting its market and allow
UPMC to create more-effective marketing campaigns. The
brokers must answer questions about what company UPMC lost
the business to, the cost of the plan the group selected and the
renewal date for the group. UPMC now has the ability to initiate
campaigns at 240, 120 and 60 days out to groups based on their
renewal date. This enables UPMC to effectively target its market.
The demographic information on a group was captured when the
broker submitted the group’s information for a quote.

Reduce Administrative Expenses

Before Onyx Partner Portal, brokers would submit group
information by fax to obtain a rate quote. The papers sometimes
got lost or were difficult to read, and UPMC had to employ
several data entry clerks to make sure the information was input
correctly in the underwriting system. With Onyx, UPMC has been
able to reduce the data entry staff by 50 percent.

Onyx Partner Portal also streamlines the mailing of enrollment
kits that contain vital plan information for members of the group.
Brokers can now select the number of kits they want mailed
online and have them sent automatically from UPMC’s fulfillment
house. When brokers select the number of enrollment kits, an e-
mail is automatically sent to the fulfillment house, and the kits are
subsequently shipped. A business rule within the Onyx system
makes sure the number of contracts received by the group is
equal to or less than the number of eligible employees the broker
submitted information for, to ensure accurate rates for the group.
If these numbers do not match, a sales representative at UPMC
is notified automatically by e-mail, and the enrollment process is
halted until the issue is resolved.
Results:

- UPMC eliminated costly paper processes that take place during the quoting and enrollment stages. Now that quotes are generated instantly online, UPMC has been able to reduce its data entry staff by more than 50 percent.

- Online broker access to information and automated quote generation reduce administrative costs by allowing UPMC’s sales staff time to focus on higher-value tasks.

- Group enrollments are processed up to 75 percent faster.

- The small-market sales group manages more than 500 sales opportunities per person per month.

- The Partner Portal instantly alerts brokers and UPMC employees of a census difference when multiple quotes are produced for the same company. This system eliminates the possibility of there being varying quotes for the same group.

Critical Success Factors/Lessons Learned: The key success factor UPMC identified was to avoid the temptation to shortcut the CRM deployment process when it already owned the CRM technology. UPMC had experience installing the Windows version of Onyx for its employees in its commercial and Medicare business but did not rush the implementation for its brokers. Identifying critical data and developing business processes to meet desired business objectives were just as important as the logistics of deploying the technology. Requirement setting was particularly important in this case, because UPMC was customizing Onyx to support rating calculations. Carefully developing requirements before customization will limit the risk of deploying insufficient functionality.

Bottom Line: UPMC shows the value of extending and integrating CRM to broker and partner channels. The integration with its sales force provides a consistent closed-loop process for managing sales opportunities. Enterprises that have indirect channels should avoid CRM strategies that isolate partner sales and marketing processes but integrate them with internal functions, such as sales and marketing development organizations. Enterprises should focus on specific partner processes that they can influence that have the greatest effect (for example, real-time rate quotes for UPMC).

Acronym Key

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<tr>
<th>Acronym</th>
<th>Definition</th>
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<tbody>
<tr>
<td>CRM</td>
<td>Customer relationship management</td>
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<td>HMO</td>
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