



CONNECTIONS
Your Business Solutions Partner

Third National Consumer Driven Healthcare Summit

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Presentation Topics

- Connexions Overview
- Industry Supply Chain Disruption
- Lessons from Financial Services Industry
- Building a Value-Added Customer Experience
- Best B2C Practices in Healthcare
- Our Healthcare Crystal Ball

Connexions Overview

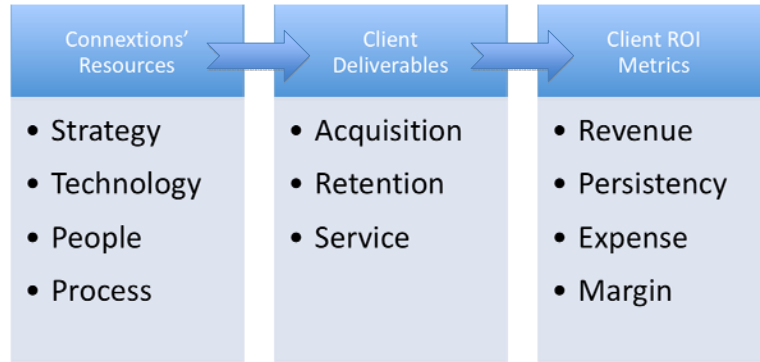
- Founded in 1992. Roots as technology-based Business Process Outsourcing (BPO) firm in B2C Commercial sector.
- Gained blue chip Commercial client base (Sprint, FedEx, Mercedes-Benz, Logitech, TiVo).
- Leveraged B2C experience to enter Healthcare vertical in 2005 as ConnexionsHealth. Now a leading ASP delivery and BPO provider in healthcare individual / small group segment.
- 2,500 licensed and non-licensed professionals. 24 / 7 multi-lingual, in- & out-bound capabilities.
- Contact center operations in FL, NC and IN. Technology development center in Boulder.
- Fully HIPAA and CMS compliant facilities and processes.

Our Healthcare Industry Credentials



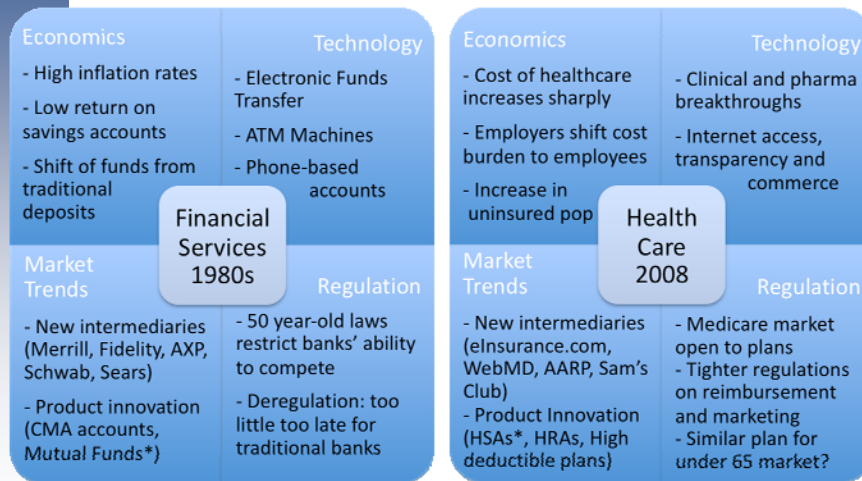
These organizations have agreed to be identified as our clients.

ConnexionsHealth's Value Proposition



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Industry Supply Chain Disruption



*Mutual Fund Growth: \$4 billion in 1978; \$178 billion in 1981

*HSA Growth: \$0 in 2004; \$3.9 billion in assets in 2008

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Financial Services Industry Today

The financial services industry's current crisis notwithstanding, retail consumers currently:

- Have a wide range of products to choose from
- Make their own financial / investment decisions
- Are provided with transparency and disclosure
- Can transact whenever and however they want
- Are confident transacting with self-service tools
- Trust that information is correct and secure
- Believe service issues will be properly resolved
- View financial providers in a positive light

How Many of These Consumer-Experience Attributes Does the Healthcare Industry Provide?

Healthcare Industry Today

Challenges facing healthcare companies that seek a role in the individual / small group market:

- Supply chain disruption / new intermediaries
- Shift in distribution from brokered to direct sales
- Ongoing revisions to federal & state regulations
- Near-term prospect of major healthcare legislation
- Emergence of consumer directed plans
- High cost of acquiring / retaining individual members
- Rapid consumer adoption of new technologies
- Boomer-driven demand for speed, choice, attention
- Consumer-driven demand for 24/7/365 access
- Higher consumer expectations for service level excellence

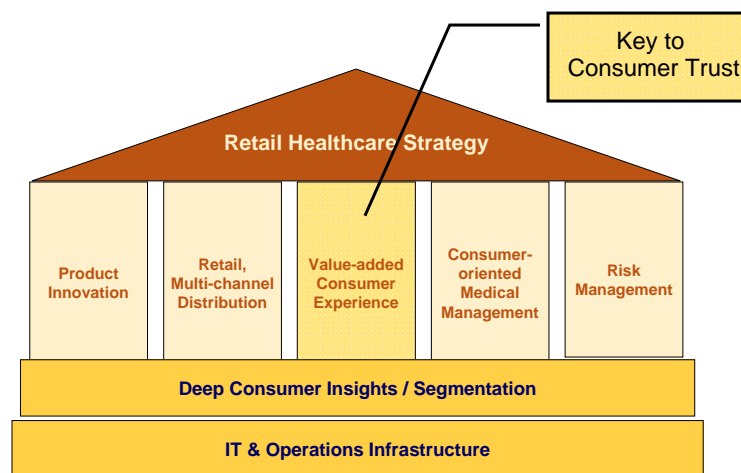
The Payoff for Addressing These Challenges?
Part of a \$115 Billion Market Opportunity*

(* Carl Doty, Forrester Research)

Lessons From Financial Services Industry

- To succeed, health plans must make strategic, operational and cultural shift from B2B to B2C...and the window of opportunity will close quickly.
- Some current market participants will fail, some will succeed, new players will emerge and lead.
- Good news for health plans: the roadmap for building a consumer-centric enterprise exists in many other industries, including financial services.
- Toughest B2C hurdle for health plans: **building consumer trust and confidence...** changing market perception as the unfriendly deniers of care and reimbursement.

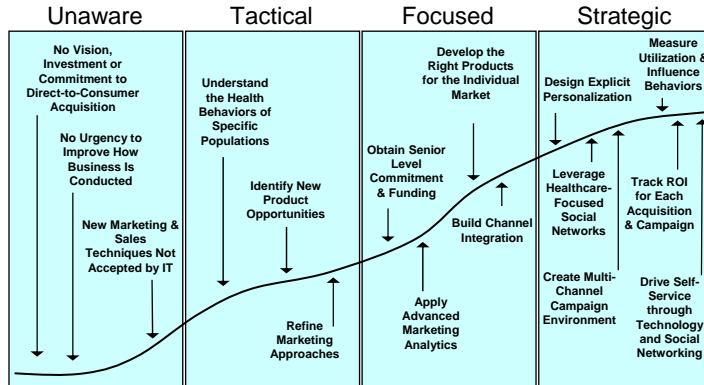
Healthcare Retail Market Requirement #1: Establish a Value-Added Consumer Experience



Source: McKinsey & Company

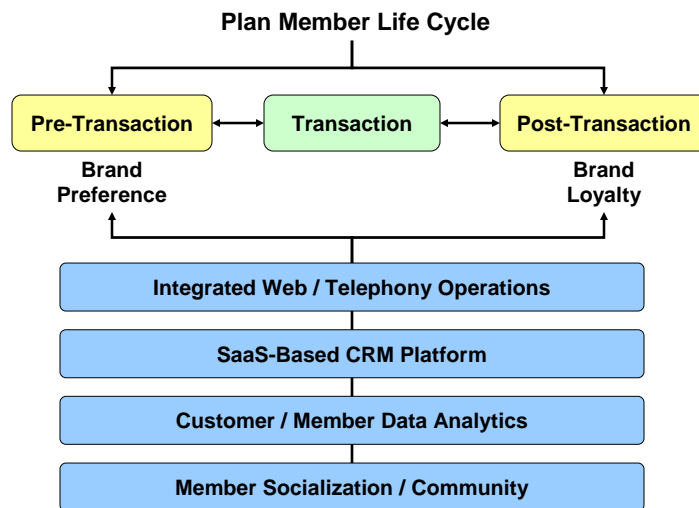
Value-Added Customer Experience Is the Result of Enterprise Planning

Individual / Small Group Market Sophistication



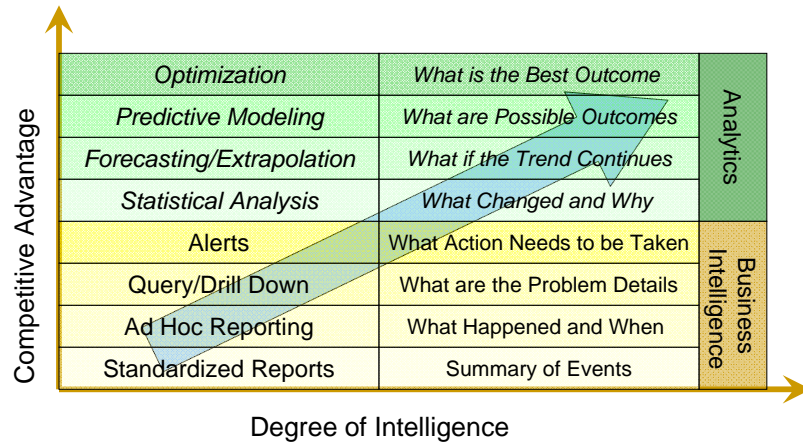
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Technology is the Cornerstone of Value-Added Customer Experience



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Data Analytics is the “Secret Sauce” of Value-Added Customer Experience



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Building Value-Added Customer Experience

Gartner

“Customer Relationship Management should include member acquisition, retention and service (MARS) strategies, based on the notion that effectively managing the customer relationship from initial contact through the sale and follow-up services yields the greatest chance of keeping the health insurer's best members satisfied.”

Joanne Galimi, Research Vice President
Gartner Inc.
July 2008

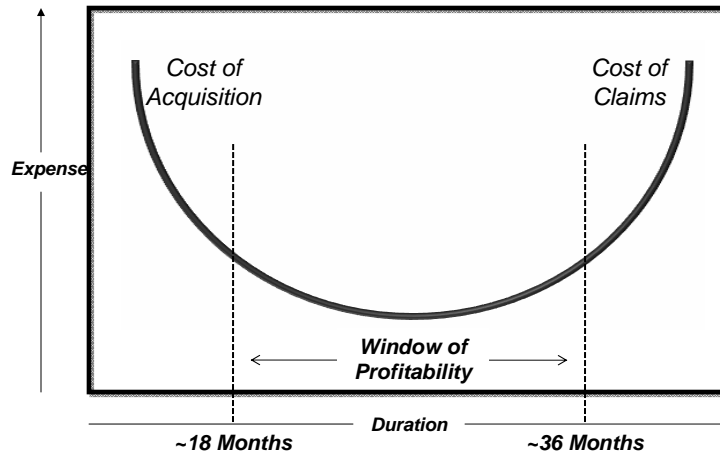
Value-Added Customer Experience Is Delivered through a MARS Platform

Connexions' Healthcare MARS Portfolio[®]

Consulting Services		
Acquisition	Retention	Service
<ul style="list-style-type: none"> • Marketing & Sales Strategy • Inbound & Outbound Sales • CRM Technology • Campaign ROI Analytics • Sales Training & Support • Web Portal Management • Self-Service Online Tools • Sales Material Fulfillment 	<ul style="list-style-type: none"> • Retention Strategy Design • Outbound Campaigns <ul style="list-style-type: none"> - Automated Calling - Calendared Contact - Risk-based Outreach • Save Desk • Member Triage 	<ul style="list-style-type: none"> • Customer Experience Design • Plan Administration Support <ul style="list-style-type: none"> - Eligibility - Benefits - Claims - Wellness • Communications Technology <ul style="list-style-type: none"> - Click-to-Chat / Talk, eMail • Socialization / Community

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Value-Added Customer Experience Is the Key to Health Plan Profitability



Source: McKinsey & Company



Best B2C Practices: Member Acquisition

- Program must be flexible, scalable & value-driven
- Staffed by cross-licensed insurance agents
 - Plan-specific, CMS and HIPAA trained and certified
 - Tight management and QA supervision
- Web-based front-end must be supported by member data analytics
 - Actionable feedback for marketing ROI and product customization / development
- Lead management / conversion capabilities
- Multi-channel options for customer / member access
 - Phone, email, Click-to-Chat, Click-to-Talk
 - Coverage of all demographic segments



Best B2C Practices: Member Retention

- Program based on assumption that retention is a process, not a collection of tactics, that begins in the acquisition strategy
- Builds retention outreach programs based on market segment analytics / risk modeling
 - Offers escalated strategies based on membership duration and profitability
- Identifies existing members at risk to dis-enroll
 - Seeks optimal payment method (i.e., EFT)
 - Routes triage calls to skilled Save Desk agents
 - Tiered incentives (i.e., life / dental, free months)



Best B2C Practices: Member Service

- All non-licensed and licensed agents must be CMS/HIPAA trained and certified.
- Provide sensitivity training geared to member demographics (senior, disabled, ethnic, etc.)
- Build multi-channel integration with the understanding that consumer adoption may be gradual with some market segments,
- Leverage outsourced expertise to manage channel migration. Outsourcing can reduce customer contact center costs by 15-25%.
- Focus on Click to Chat technologies as a multi-channel priority. Chat can reduce phone-based transactions. Concurrent Chats can generate million dollar savings in operating costs.
- Educate / direct members to online self-service.



What Our Healthcare Crystal Ball Tells Us

- Healthcare is only in the 3rd inning of supply chain disruption.
- Competitive landscape of healthcare will be totally reshaped over the coming decade:
 - Government assumption of high-risk / high cost members
 - Regulation of <65 population similar to Medicare population
 - Significant industry consolidation
 - Diminished participation of broker-based distribution
 - Increased volume of consumer-direct transactions
- Member aggregators (AARP, WalMart, Costco, etc.) will replace large corporations in healthcare market influence.
- Fence-sitting and toe-in-water B2C strategies most likely to fail, as players with full commitment gain market advantage.
- Keys to B2C success will be based on ability to:
 - Measure, forecast and optimized marketing ROI
 - Identify, select and retain specific market segments
 - Drive self-service through technology and socialization tools