

# Attracting and Retaining New Medicaid Members

## Aquisition, Retention, Service

With 2014's Medicaid expansion, millions of Americans are entering the Medicaid system. Although these new enrollees create the prospect of new customers for health plans, they also put an additional administrative burden on plans — many of which are already struggling to attract and retain new members through health care exchanges.

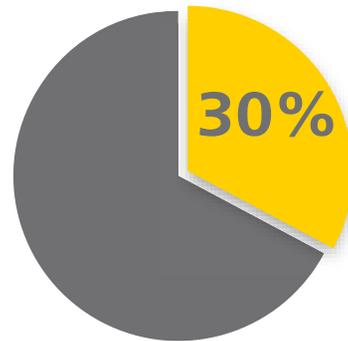
### The Medicaid population presents a variety of unique challenges:

- A lack of communication between stakeholders can impact quality care, while increasing duplication of care and, as a result, lead to higher costs.
- A lack of consumer engagement and understanding of eligibility results in poor use of benefits and poor member loyalty.
- Medicaid member churn is high due to a lack of awareness and confusion around certification periods and eligibility requirements.

**Medicaid churn can be especially costly for plans, yet it also can be preventable.**

**8.5** months

Average amount of time per year an adult on Medicaid is covered. The average child is on the Medicaid program for fewer than 10 months a year.<sup>1</sup>



Percentage of disenrollments that are the result of a lack of understanding of Medicaid and plan benefits.<sup>3</sup>

**50%**

The average monthly medical expenditure for an adult enrolled in Medicaid for 12 months is about half the monthly medical expenditure of a person enrolled for just one month.<sup>2</sup>

## Health Care Literacy

In addition to the costs associated with a lack of communication, engagement and churn, the Medicaid population tends to struggle with health care literacy.

- Most health care material is written at a **10th-grade reading level** when the national average is an 8th-grade reading level. Also, **1 out of 5** American adults reads at a **5th-grade level or below**, which is where most of the Medicaid demographic falls.<sup>4</sup>

- **Only 12%** of American adults have proficient health literacy suitable to being able to manage their health.<sup>5</sup> **Individuals with low health literacy have a 50% increased risk of hospitalization<sup>6</sup>** and are less compliant with treatment adherence, resulting in higher hospitalization rates and health system costs.

1, 2. Ku, L. Improving Medicaid Continuity of Coverage and Quality of Care, Sept. 10, 2013  
 3. Optum, "Payer Medicaid Enrollment" guide, May 16, 2014  
 4, 6. National Patient Safety Foundation  
 5. Health.gov

### Improving the Quality of Care

To combat the burdens associated with Medicaid enrollment, plans should focus on three areas of enhancement:



#### Engage

- Shift from product to consumer mentality
- Invest in multimodal technologies
- Understand consumer segmentation



#### Educate

- Hire advocates, not agents
- Address America's health literacy problem
- Provide tools to educate before, during and after enrollment



#### Empower

- Give individuals the right tools to own their health
- Maintain proactive communications
- Invest in this population throughout their lifetime

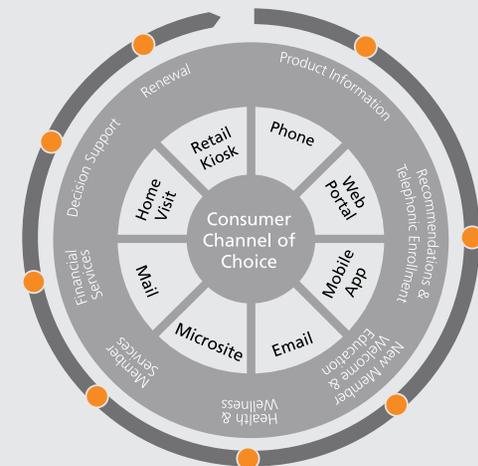
To address these keys to enhancement, Optum Distribution Services provides a multitiered strategy including:

- Improved telephonic enrollment systems
- Improved coordination of care
- Smarter plan and provider utilization
- Targeted strategies for reaching Medicaid-eligible individuals and at-risk members
- Retention strategies (proactive and reactive)
- Licensed, multilingual health care specific agents trained to support member acquisition and retention through our bConnected™ platform

**To learn more, visit [optum.com](http://optum.com) or contact Optum at 800-765-6807 or [empower@optum.com](mailto:empower@optum.com).**

### Empowering Medicaid Consumers

Using their preferred channels, we guide consumers through the complete membership process. This ensures total lifetime value.



By employing a better, simpler and more personalized experience, we've seen improved results. Consumers are over **30% more responsive** to outreach when done through their communication channel of choice. Our proactive outreach has **reduced disenrollment rates by almost 45%** and improved customer satisfaction with scores consistently exceeding 97%. Total lifetime value is achieved for members when guiding them through every step of their journey.



13625 Technology Drive, Eden Prairie, MN 55344 [www.optum.com](http://www.optum.com)

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