

# Lessons Learned from The Individual Marketplace

## Horizon Blue Cross Blue Shield of New Jersey

### NIHCM Webinar: The Future of Exchanges

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# Discussion Points

## Horizon's Learnings in the Individual Segment

- Key environmental/market factors
- Product and pricing actions
- Consumer engagement and go-to-market strategies



# Horizon BCBSNJ Individual Market – Lessons Learned

## Market Factors

### Pre-ACA Marketplace

- **Horizon had the leading market share pre-ACA:** Horizon entered the ACA world with a large block of members in the Basic and Essential (B&E) plan. Biggest challenge was how to retain these members with the withdrawal of the B&E, with new plans at higher premiums.

### High Risk and Uninsured Population

- **High risk consumers had access to specific plans (NJ Protect) prior to ACA.** However, with ACA, they became part of the same risk pool as the rest of direct consumer buyers.
- **Pre-ACA uninsured rate was about 12%, or 1.2 million residents.** Of these, we expected about 161K would come into the exchange.

### Transitional Plans

- **We decided against offering transitional plans,** meaning we did not offer the “old” products as an alternative to the new products. We have a single risk pool.
- Many other plans (outside of New Jersey) decided otherwise and had more than one risk pool, resulting in adverse selection.

### Pre-ACA testing

- Given all the uncertainties, we conducted a significant amount of consumer research prior to ACA to refine our product line up, pricing, membership forecasts and marketing messaging.
- Research included product simulations to test our proposed product line-up and pricing, conjoint analysis to understand trade-offs between specific features and premium pricing, and focus groups with uninsured and insured to better understand consumer needs and motivations.



# Horizon BCBSNJ Individual Market – Lessons Learned

## *Product & Pricing Factors*

### Prudent Pricing

- **We intentionally went with conservative assumptions about morbidity and priced for a reasonable margin in 2014.** Our conjoint and product/pricing simulation research helped us in guiding our pricing decisions.

- For 2015, our posture was “competitive but not reckless.”

### Simple Product Offerings

- **We offered 5 products in 2014, under a philosophy of “keep it simple.”** Product simulation testing again helped us determine our final product portfolio, including not offering a Platinum product in either 2014 or 2015, and only offering a Gold tiered network plan in 2014.

- In contrast, some other NJ plans offered 50 or more products, only to withdraw many of them, forcing consumers to shop around.

### Use of Tiered Networks

- **We developed tiered network products and offered them as a lower-premium alternative to traditional broad networks.** Note that these tiered products still offered access to Horizon’s broad managed care network.

### Off Exchange Presence

- **We offered our products both on and off exchange.** Our competitors play either exclusively or primarily on the exchange.



# Horizon BCBSNJ Individual Market – Lessons Learned

## *Consumer Engagement/Go-to-Market*

### Consumer Analytics

- We leveraged our consumer analytics to develop a segmentation model and an approach for identifying potential uninsured segments.
- We used a multi-channel marketing strategy to not only build awareness but to directly target likely uninsured populations.

### Integrated Marketing

- Outdoor, transit and social were used primarily to build awareness for Horizon products.
- Direct mail, targeted digital and email were focused on specific segments.
- We developed a simplified enrollment process and more consumer-friendly welcome kits patterned after credit card welcome letters.

### Latino Market Focus

- We recognized that the Latino market was underserved and comparatively healthy; we launched a Spanish website and a grass roots effort to sign them up.
- We ran separate Spanish language marketing campaigns using transit, direct mail and digital.
- We grew from 8,000 Latino members to 30,000 by OEP 2016.

### Retail Presence

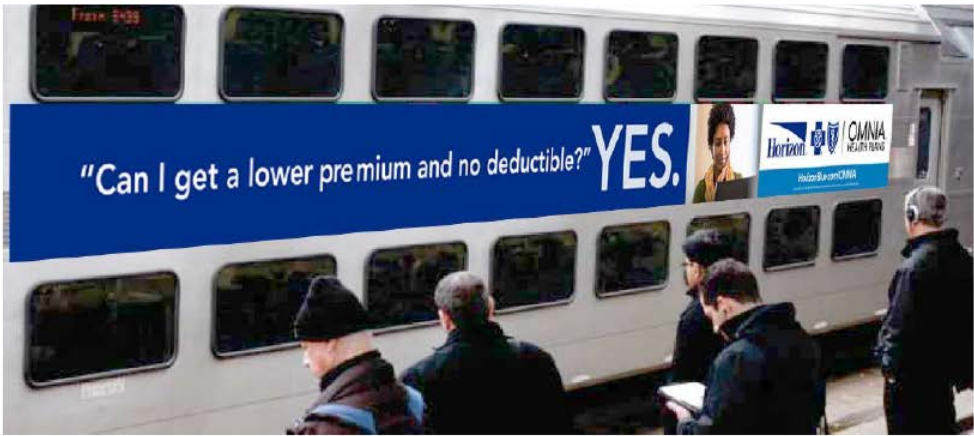
- We set up a retail center in South Jersey and also deployed pop-up retail kiosks in major NJ malls during open enrollment. We also deployed our Blue to You vans at community events.
- In 2015, we also launched a Hispanic retail center in a major NJ city with a high percentage of Hispanic residents.

### Retention

- We stepped up our retention efforts beginning 2015, including addressing major consumer pain points in enrollment and billing, outbound welcome calls to new members, handing off “at risk” members from CSRs to sales, and targeted marketing to reinforce benefits (beyond access to doctors) to demonstrate more value for monthly premiums.



# Horizon Outdoor and Transit Ads





# Horizon Social, Digital and Direct Mail

## SOCIAL MEDIA

Horizon BCBSNJ @HorizonBCBSNJ 11 Dec 2015  
 "Plan options with lower premiums, lower copayments, and no deductible?" YES.  
[shout.it/bl6vm](http://shout.it/bl6vm) #OMNIANJ



Horizon BCBSNJ @HorizonBCBSNJ 9 Nov 2015  
 "Plan options with lower premiums, lower copayments, and no deductible?" YES.  
[shout.it/bhKWN](http://shout.it/bhKWN) #OMNIANJ



## DIGITAL

## DIRECT MAIL

### YOUNG INVINCIBLES

### FAMILIES

### EMPTY NESTERS

# Spanish Language Campaign

"¿Opciones de planes con tarifas más bajas, copagos bajos y sin deducible?"

**¡Claro que SÍ!**

**PRESENTAMOS**

**Horizon**  **OMNIA HEALTH PLANS**

Nuestros nuevos Planos de salud OMNIA ofrecen tarifas más bajas para obtener acceso a nuestra red completa de doctores y hospitales, la más grande en New Jersey. Además, usted y su familia pueden ahorrar aún más en gastos de bolsillo cuando utilizan a ciertos doctores, hospitales y otros profesionales del cuidado de la salud de OMNIA. Todo sin necesidad de ser referido y con una docena de beneficios en bienestar para usted y su familia.

Es otra forma en la que decimos, ¡Claro que Sí!  
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"¿Un mejor cuidado de la salud puede costar menos?"

**Sí.**

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**Sí.**

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**Horizon**  **OMNIA HEALTH ALLIANCE**

EL PODER DEL SÍ [Leer más](#)





# Retail Presence

## Mall Pop Up Retail Kiosks



## Blue 2 You Travelling Van



# Horizon BCBSNJ Individual Market – Lessons Learned

## *Membership Trends*

### 2014 – 2016 Individual Business Highlights

Year	Enrollment
2013	120,000
2014	128,000
2015	168,000
2016 est.	200,000

