20 strategies for marketing your managed care plan

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Abstract

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Twenty strategies to help healthcare executives market their managed care plans are presented. Strategies include: 1. Focus on local market needs. 2. Constantly reinvent yourself. 3. Promote your willingness to partner with purchasers. 4. Sell "choice." 5. Think like a retail marketer. 6. Compete on strategies other than price. 7. Include and educational component in your marketing plan to help potential customers understand what contributes to plan value. 8. Emphasize your differences. 9. Focus your effort. 10. Hire sales people to sell your plan.

Full Text

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IN TODAY'S FIERCELY COMPETITIVE MANAGED CARE MARKETPLACE, HEALTHCARE EXECUTIVES MUST FIND A WAY TO SET THEIR PLANS APART FROM THE COMPETITION AND BUILD A SUFFICIENT CUSTOMER BASE. AT THE SAME TIME, THEY MUST CONFRONT A GROWING ANTI-MANAGED CARE BACKLASH AMONG A WARY AND CONFUSED PUBLIC. HEALTHCARE EXECUTIVE MAGAZINE TALKED WITH MANAGED CARE EXPERTS TO GATHER THEIR VIEWS ON KEY STRATEGIES TO HELP EXECUTIVES MEET BOTH OF THESE CHALLENGES. HERE'S WHAT THEY SUGGEST.

1 Focus on local market needs. Because healthcare is a product that is bought and consumed locally, national marketing strategies won't work in every market. For example, price may be important in the Southwest but it is not as important in New England. In Boston, where there are many well-known and prestigious teaching hospitals, purchasers place a high value on having one in their network. In markets where people are more rooted in their community, the ties between a doctor and patient hold a much higher value.

2 Constantly reinvent yourself. Successful plans that have been longtime players in the managed care business don't take their status for granted. Instead, they continually look for new and better ways to meet consumers' needs and promote these value-added services accordingly. Organizations that rest on their laurels eventually fall behind their competitors. Remember what happened to IBM's foothold in the U.S. computer market?

3 Promote your willingness to partner with purchasers. If employer groups know you are flexible and willing to work with them to design the best benefit package for their staff, they may be more apt to choose your plan over another. Successful health plan managers sit down with customers and ask what kind of benefit design they need to satisfy employees then develop a program accordingly.

4 Sell "choice." Few plans offer only one benefit design to customers anymore. Instead, they have a menu of benefits that customers can choose from or reshape to fit the needs of the groups they are covering. For example, a growing number of HMOs now offer point-of-service options, a reaction to employee concerns about the limits of managed care. The more you can demonstrate that choice of coverage exists, the more opportunities you will have for increasing your customer base.

5 Think like a retail marketer. Make customer requirements, interests, and needs the focus of your efforts. If you offer some of the following benefits, use them to woo customers: patient transportation, health education and screening programs, extended hours for urgent care, well-positioned primary care sites, treatment sites with flexible hours, extended primary care and urgent care locations, and around-the-clock pharmacy services.

6 Compete on strategies other than price. Using price alone is a risky marketing strategy because there is always a competitor who can match or beat prices. Develop broader expectations among payors to set your plan apart. Access to high quality providers and plan convenience are universal benefits that consumers want regardless of location or regional health practice patterns.

7 Include an educational component in your marketing plan to help potential customers understand what contributes to plan value. For example, good medical outcomes, a broad choice of providers, and a record of customer satisfaction are valued by consumers and steer contracting decisions by employers and other purchasers.

8 Emphasize your differences. List items that make your plan unique, then market those differences to distinguish yourself from the many competitors and health insurance hybrids popping up in today's market. For example, if your product is a physician hospital organization, emphasize that it is provider driven and easily tailored to a customer's needs.

9 Focus your effort. Don't attempt to sell too many things about your plan. Instead, pick one or two key factors that differentiate your plan from the competitor and promote them to current and potential customers.

10 Hire sales people to sell your plan. Don't rely on customer service staff or plan designers to sell your product. While they may be effective in their current job, they often do not possess the skills essential for sales. Once you have a sales team in place, provide ongoing training to keep team members up-to-date on changes in the product and marketplace.

11 Select a sales forces that reflects your potential customer base. Hire seniors to sell to seniors and women to sell to young mothers. Some plans use enrollee peers or neighbors as marketers, since they can offer the best testimonials and usually are more readily received.

12 Target your promotional tools. Younger customers with busier schedules typically do not read direct mail, so they would be better reached through television or radio. Seniors, on the other hand, do read their mail and are more likely to read newspapers, so print communications are an effective way to reach them. Remember, when developing written communications targeted at seniors, choose a large typeface that is easy to read.

13 Recognize cultural and societal differences. If you are marketing your managed care to a Hispanic population, develop Spanish language materials. With large Medicaid populations, your marketing efforts may be more effective if you play down the corporate angle--customers may be wary of the government or large corporations. One managed care plan's enrollment of Medicaid patients improved significantly after it removed corporate officers' signatures and the corporate logo from its mailings.

14 Sell service. To expand its patient base, one plan developed a well-trained, dedicated sales forces to handle all open enrollment activities. Another set up a toll-free hotline to provide 24-hour enrollment information. Other plans have offered tours of all network provider sites and provided potential customers with detailed information about the primary care physician options.

15 Use primary care physicians to promote your healthcare plan. Physicians can play an important role in marketing your plan by creating a vital link with potential enrollees. Many plans have found that using physicians as spokespeople establishes some personal contact between them and customers. By putting a name to a face and making it clear that physicians are on the front lines, plans can help counter people's fears about managed care. This strategy is especially useful when trying to attract seniors who are often concerned about changing physicians.

16 Communicate, communicate, communicate. Since many employees may not use their healthcare plan during the year, a lack of familiarity may diminish their preference for the next enrollment season. To maintain enrollments, communicate with employees on a regular basis, either through newsletters or health promotion mailings. Also, make an effort to contact enrollees at least one month before the reenrollment date to address their questions.

17 Track patient satisfaction throughout the continuum of care, then use the information you collect to promote your plan. Good patient satisfaction scores and outcome study results help foster customer loyalty and can differentiate your plan from competitors. If you rely on report cards to measure payor and patient satisfaction, make sure they are easy to use.

18 Don't sugarcoat problems. Admit to shortcomings customers may have experienced with your plan and point to improvements you are making to address them.

19 Demonstrate your plan's responsiveness. If you want to preserve customer loyalty, you must respond to concerns. For example, when one plan customer complained that he had to wait too long to see a doctor, the plan sent the patient a check covering the copayment. The patient was satisfied and the plan manager says the nominal expense was worth preserving that relationship.

20 Be an industry leader and help correct myths about managed care. If you position your plan as a knowledgeable leader in the field, you will create goodwill among current and potential customers and help stem the anti-managed care backlash. Some plans develop educational materials for consumers on how to use and evaluate managed care products. Others prepare materials and publications for employers to help them evaluate insurance options or set up toll-free health insurance information lines for consumers and employers.

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