

White Paper

Why Using LexisNexis® MemberPoint® to Keep Member Contact Information Current Could Save Payers Millions

Accurate member contact information is critical to payers for many reasons

August 2015

Executive summary

Ongoing access to current, accurate and complete member contact information is far more valuable than most payers realize. While the cost of returned and undeliverable mail is an obvious reason to seek a quality data hygiene solution, the inability to communicate and engage with members efficiently and effectively has far reaching negative consequences. Inaccurate member data can impede a payer's ability to: meet compliance regulations, deliver critical health information, satisfy members, and receive favorable HEDIS and CAHPS scores—all factors that contribute to bottom line losses. Simply put, bad data directly results in lost opportunities and lost profits—and the statistics show that most payers are operating with member data that is surprisingly lacking in quality. The good news is that technology and innovation have produced a highly-effective solution for keeping member data current.

Why is member data accuracy so valuable?

Inaccurate member data greatly impedes communication between the member and payer, potentially leading to:

- Delays and/or gaps in care when members fail to receive provider directories, policy updates and renewal materials, and outreach calls from the payer
- Enrollment packages and ID cards going to the wrong addresses resulting in returned mail and millions of dollars in losses
- A reduction in overall member engagement and satisfaction levels
- An inability to successfully survey members and enroll them in educational programs, which can negatively impact HEDIS, Star and other quality ratings

Why most payers' member data is surprisingly inaccurate

All payers face challenges stemming from poor member data. Not only are member files fraught with inaccuracies due to simple data entry errors, but the quality of member data continuously erodes over time as members change addresses and phone numbers.



45M individuals move annually



33% of movers never notify the Post Office



State agencies often rely on addresses from DMV records which can be very old



Data accuracy erodes at ~3% per month



Medicaid members are often more transient and harder to reach

MemberPoint maintains contact information based on over 9 billion unique name/address combinations

Many payers' primary source for member data verification is state public records, but statistics from a 2012 data test revealed that across all 50 states, less than 50% of addresses provided from state agencies were correct. Not surprisingly, using inaccurate, outdated external data to verify internal member data is not very effective. In fact, a data quality test run by Boston Consulting Group (BCG) found that:

- 5-10% of individual contact information provided by commercial carriers is incorrect
- 15-20% of individual contact information provided by employers is incorrect
- 25-30% of individual contact information provided by Medicare is incorrect
- 40-50% of contact information provided by Medicaid is incorrect
- Between 8-14% of medical records have erroneous information tied to an incorrect identity

How can payers maintain quality member data?

To ensure the ongoing quality and accuracy of member data, payers can easily implement the latest data technology available through LexisNexis® MemberPoint®. MemberPoint can verify, clean, enhance, and update membership files using supercomputing capacity to compare and link information (270M+ core identities including 40M underbanked* individuals) across vast public records repositories (>10,000 data sources). The result is member profiles containing the most current and comprehensive information available, which are automatically integrated into existing systems and operations enabling payers to quickly and easily:



Validate the integrity of new enrollee information



Maintain the accuracy of demographic data, in near real time, as it changes



Enhance compliance efforts



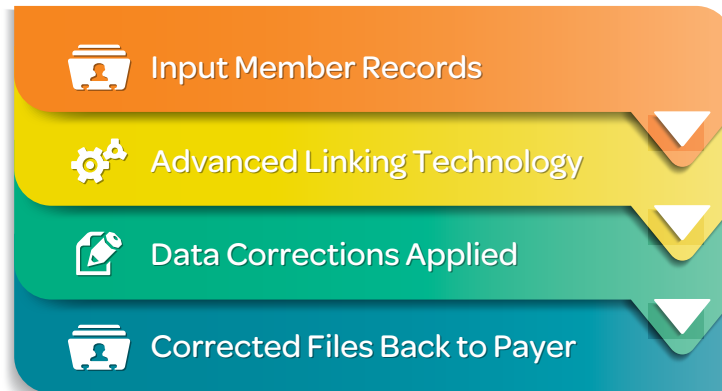
Reach, manage and clearly communicate with member populations



Reduce identity-based fraud by properly verifying and updating member identity information

MemberPoint aims to provide at least a 90% match rate against the payer member file

MemberPoint helps payers substantially improve the quality of member data file cleansing and updating key member attributes. Typically the payer sends monthly member records. MemberPoint uses advanced linking technology to identify the correct person, reconcile discrepancies and return a corrected and updated member file that includes member name, best address and best phone number. Payers then match the updated file to their own member master file. Additional options include member record de-duping, deceased member exclusion, or attribute add-ons, such as best email address, date of birth and gender.



Mini Case Study

To improve HEDIS scores a large health plan identified a need for more reliable, updated member contact information.

For approximately 1,000,000 members, they sent:

- Name
- Address
- Phone Number
- Date of Birth
- Social Security Number

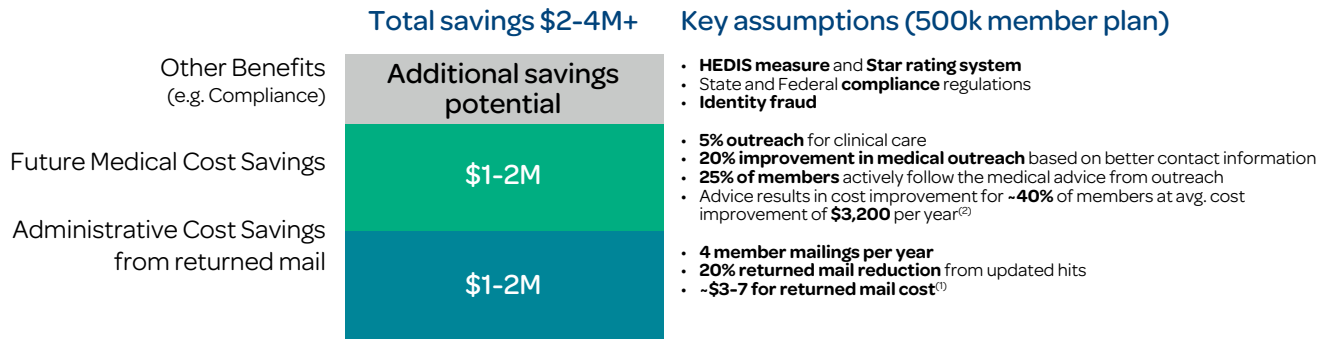
The results

MemberPoint was able to:

- Confirm 44% of addresses were correct (revealing the remaining 56% that were inaccurate or out of date)
- Update 45% of total files with correct address
- Show only 18% of input phone numbers were correct
- Update phone information on 65% of files

This corrected information is currently being leveraged for outreach efforts to those members affected by one or more HEDIS measure and in turn will assist the customer in improving their current score.

MemberPoint achieves hard administrative savings, future medical cost savings, and other benefits to generate a meaningful ROI



(1) Basic return mail costs vary from \$3-7 depending on type of mailing
 (2) Internal LexisNexis studies show average savings for members complying with clinical guidelines

Why aren't more payers already using advanced member data hygiene solutions?

It seems there are two main reasons why more payers have not already adopted this high-tech approach to data hygiene:

- 1. The status quo is good enough** – The first reason is simply that payers have been making the false assumption that their current data and processes are good enough—or as good as it gets. In other words, payers have assumed they're accessing and using the best data and resources available—unaware that superior alternatives exist (that's no longer an excuse if they're reading this).
- 2. Concerns about regulations** – The second reason is that some payers may have concerns about regulations surrounding the use of third party data for member fulfillment and communications. Some payers mistakenly believe they are only allowed by law to use data that has been provided by the federal or state entity on the enrollment and/or eligibility files e.g., 834 transactions.

What do the regulations say?

The Affordable Care Act (ACA) and its implementing regulations place an affirmative duty on insurers to establish and maintain contact with insureds accessing coverage through the Health Care Marketplace (also known as an "Exchange"). Nothing in either federal law or Texas law regulating Exchange insurers mandates exclusive use of Exchange-supplied information for contact purposes.¹

While differing regulations and State Department of Insurance (DOI) guidance may be hard to follow—particularly for differing use cases—there is no legislation prohibiting the use of third party data to enhance the quality and deliverability of member data. In fact, the Affordable Care Act rules (and corollaries) do require health plans to establish and maintain contact using all "reasonable" means. Ambiguities in the legislation lean toward affirming the use of third party data because it improves deliverability and therefore, the overall integrity of state health services like Medicaid and Medicare. Indeed, in the enrollment application itself, CMS issues a disclosure statement with regard to data quality and integrity. In that provision, CMS specifically points to third party data suppliers, including data collectors and consumer reporting agencies. Interestingly, individual states are also entertaining formal reference to commercial data suppliers in the state corollary statutes. For example, the Texas Health and Human Services

Commission (HHSC) currently leverages an extensive number of electronic data sources wherever they exist, including using vital statistics as a back-up for citizenship. We believe it will not be long before the state agencies pass this cost along to the health plans, along with the additional obligations associated with data accuracy.

Health plans have been cautioned to “take reasonable steps to ensure that personally identifiable information is complete, accurate, and up to date . . . and has not been altered or destroyed in an unauthorized manner.” Further, the obligation extends beyond the first enrollment. One other important attribute of the Exchange-data ecosystem is the concept of data reconciliation. The ACA regulations require the Exchange and Qualified Health Plans (QHP) to reconcile all enrollment information at least once a month. This happens through a series of 834 transactions, and the two data sources are matched up to determine whether any discrepancies exist. Discrepancies are reported to a reconciliation contractor that then helps to implement changes to the enrollment data. The burden rests with the health plan to ensure data accuracy in the reconciliation process.

These regulations also apply to any individual or entity that gains access to Exchange PII or that collects, uses, or discloses information gathered directly from applicants or enrollees while the entity is performing functions agreed to with the Exchange. Health plans must agree to abide by these provisions through a QHP contract with the Exchange/ CMS, and QHP Issuer Agreements further require health plans to impose similar requirements for verified, accurate member data on downstream entities. Not coincidentally, the federal government does not agree to indemnify or hold harmless the health plans with respect to the accuracy of the member information health plans receive in 834 transactions. Quite the contrary, many QHP issuers that are in year three of the ACA are retaining commercial data providers in anticipation of “spot” audits performed by the state agency and/or DOI.

Quality third party data hygiene solutions not only provide more accurate and timely delivery of health-related information, they help payers far exceed compliance standards. Understanding the errors and erosion present in their own public records data, some states are actively using and advocating for the use of third party solutions. Since better data benefits the state, the payer, and the individual member, it is only logical that a third party solution which is proven to greatly enhance data quality, would be welcome and encouraged by state agencies.

Conclusion

While MemberPoint is fundamentally a highly-advanced data hygiene tool, its benefits to payers are far reaching. MemberPoint lowers administrative expenses by greatly reducing returned mail volume, lowers clinical costs by fueling greater member engagement, improves member satisfaction linked to engagement and information sharing, and can drive higher HEDIS, Star and CAHPS scores.

MemberPoint enables payers to efficiently and affordably maintain pristine member files. Those that recognize the value of quality member data and respond by implementing the technology will gain a significant competitive advantage.

Many QHP issuers that are in year three of the ACA are retaining commercial data providers in anticipation of “spot” audits performed by the state agency and/or DOI

For more information:

Call 866.396.7703 or visit
www.lexisnexis.com/risk/healthcare

About LexisNexis Risk Solutions

LexisNexis Risk Solutions (www.lexisnexis.com/risk) is a leader in providing essential information that helps customers across all industries and government predict, assess and manage risk. Combining cutting-edge technology, unique data and advanced scoring analytics, we provide products and services that address evolving client needs in the risk sector while upholding the highest standards of security and privacy. LexisNexis Risk Solutions is part of Reed Elsevier, a leading publisher and information provider that serves customers in more than 100 countries with more than 30,000 employees worldwide.

Our health care solutions assist payers, providers and integrators with ensuring appropriate access to health care data and programs, enhancing disease management contact ratios, improving operational processes, and proactively combating fraud, waste and abuse across the continuum.



*Underbanked = individuals with little or no credit history

¹The scope of research performed in this memorandum includes: the Affordable Care Act implementing regulations at 45 CFR §§ 155 and 156; Texas Insurance Code; and select provisions of the federal Medicaid rules, as indicated.

This white paper is provided solely for general informational purposes and presents only summary discussions of the topics discussed. This white paper does not represent legal advice as to any factual situation; nor does it represent an undertaking to keep readers advised of all relevant developments. Readers should consult their attorneys, compliance departments and other professional advisors about any questions they may have as to the subject matter of this white paper.

LexisNexis MemberPoint is not provided by "consumer reporting agencies" as that term is defined in the Fair Credit Reporting Act (15 U.S.C. § 1681, et seq.) ("FCRA") and does not constitute a "consumer report," as that term is defined in the FCRA. Accordingly, LexisNexis MemberPoint may not be used in whole or in part as a factor in determining eligibility for credit, insurance, employment or another purpose in connection with which a consumer report may be used under the FCRA. Due to the nature of the origin of public record information, the public records and commercially available data sources used in reports may contain errors. Source data is sometimes reported or entered inaccurately, processed poorly or incorrectly, and is generally not free from defect. This product or service aggregates and reports data, as provided by the public records and commercially available data sources, and is not the source of the data, nor is it a comprehensive compilation of the data. Before relying on any data, it should be independently verified.

LexisNexis and the Knowledge Burst logo are registered trademarks of Reed Elsevier Properties Inc., used under license. Other products and services may be trademarks or registered trademarks of their respective companies. Copyright © 2015 LexisNexis. All rights reserved. NXR11146-00-0815-EN-US