# IMPROVING PERFORMANCE FOR HEALTH PLAN CUSTOMER SERVICE

## A Case Study of a Successful CAHPS Quality Improvement Intervention

Excerpt: The Case Study in Brief

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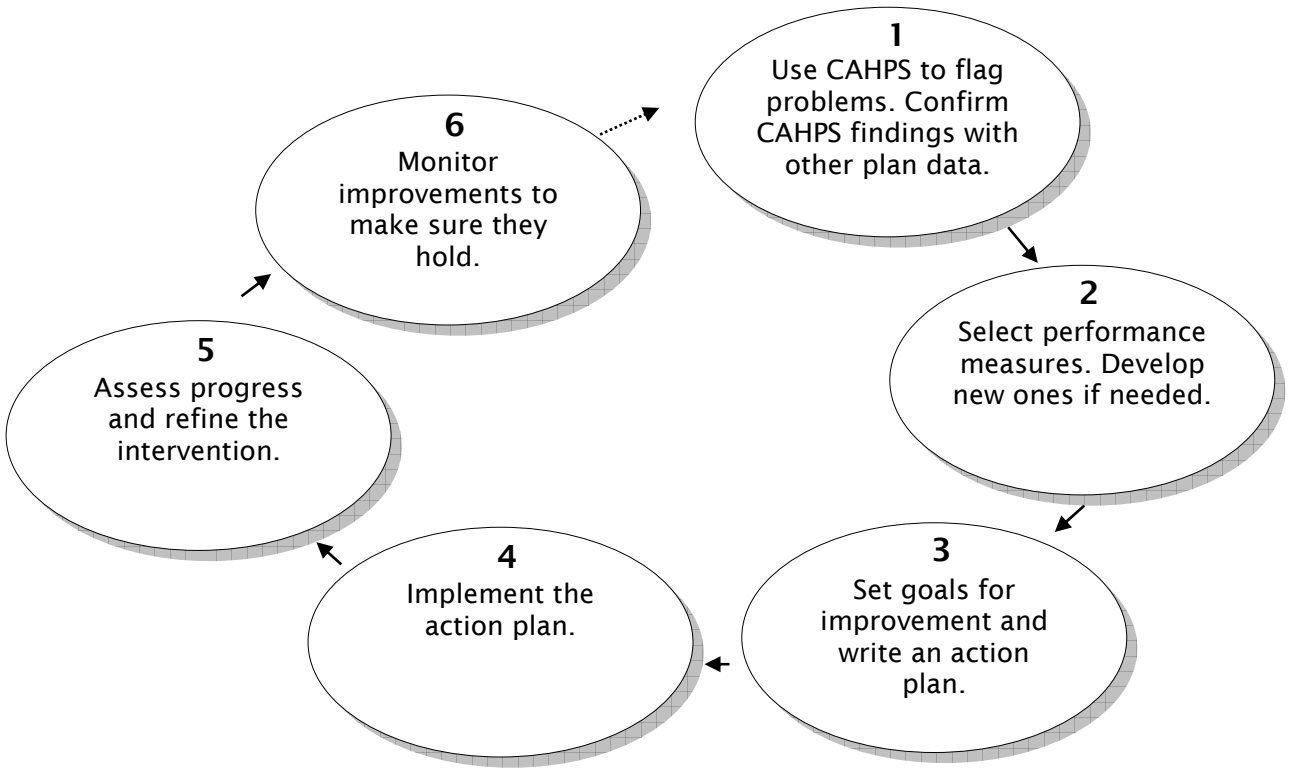
# THE CASE STUDY IN BRIEF

## Introduction

This report describes the successful efforts of one full-service health plan to improve customer service for its members. Customer experience ratings provided by the Consumer Assessment of Healthcare Providers and Systems (CAHPS®) survey, which the health plan fielded annually after CAHPS began in 1995, indicated that the customer service capabilities of the health plan needed to be improved. By the late 1990s, monthly reports from the plan's Member Services Department and surveys of the plan's members confirmed CAHPS's findings. This confirmation was the first step in the plan's six-step approach to quality improvement. Figure 1 shows the six steps, which are based on the well-established Plan-Do-Study-Act (PDSA) cycle.[1]

**Figure 1. Six Steps to Ongoing Quality Improvement**




This report begins with a summary of what the health plan did, what the results were, and what lessons were learned that may be helpful to others. The summary is organized around the six steps. For this particular quality improvement effort, the health plan went through the PDSA cycle twice—the process is intended to be iterative—until it developed a mix of intervention strategies that produced results. Following the summary is a more detailed description of the plan's quality improvement intervention.

[1] To learn more about the PDSA approach see the Institute for Healthcare Improvement's public website at www.QualityHealthCare.org.

## The Short Story

**Who?**

A full-service health care benefits plan founded in the 1980s, serving 500,000 members in the northeastern region of the United States.

**What?**

The plan implemented a successful quality improvement intervention to improve its customer service.

**Why?**

Data provided by the annual Consumer Assessment of Healthcare Providers and Systems (CAHPS®) survey and data developed by the plan itself indicated that the plan's Member Services Department was unable to meet current customer service needs and support the growing needs of the plan.

**When?**

A quality improvement action plan was implemented in 1999. The first performance goals were reached in 2000, but quality improvement is ongoing.

**Where?**

The plan focused on customer service and the Member Services Department.

**How?**

The plan developed a multi-faceted, iterative strategy to improve several aspects of customer service and to support continuous improvement based on lessons learned.

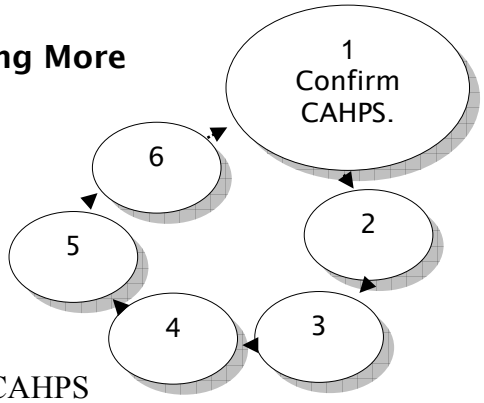
**So What?**

The health plan made dramatic improvements in its customer service function. The lessons learned during the effort may be helpful to others.

- While the CAHPS survey can signal that customer service problems exist, other surveys and assessment tools were needed in order to identify specific problems, their underlying causes, and actions for improvement.
- Operational and customer experience data are essential for ensuring that quality improvement interventions meet their objectives.
- To achieve lasting change, goal setting and quality improvement efforts need to take a systems approach.
- When implementing quality improvement actions, major changes in organization, staffing, and processes may be required.
- Organizations should expect to make mid-course corrections to their quality improvement action plans and longer-term adjustments to their goals and strategies as circumstances inside and outside the organization change.

## The Steps

### Step 1: Confirm CAHPS Findings by Gathering More Information




**What Did the Health Plan Do?**

- Continued participating in CAHPS as required for meeting National Committee on Quality Assurance (NCQA) accreditation standards.
- Gathered specific information to learn more about customer service problems identified by CAHPS survey data.
    - Conducted other member surveys to gather more information on the plan's performance in customer service and related issues.
    - Examined trends for three customer experience measures, one based on the CAHPS survey and two based on the member surveys:
        - Percent of members saying it was "not a problem" getting customer help (CAHPS measure)
        - Percent saying it was "easy" to reach a service representative
        - Average reported waiting time to reach service representative
    - Examined some operational performance measures that were based on the monthly reports from the Member Services Department.
    - Conducted employee exit interviews in 1998 and 1999 to identify staff issues.
- Benchmarked its performance on CAHPS against other regional and national plans by using Quality Compass (www.ncqa.org/Info/QualityCompass/index.htm), a comprehensive database of health plan performance data collected by the National Committee for Quality Assurance.

**What Did the Plan Find Out?**

Additional data from other sources confirmed what CAHPS data had suggested: the plan's customer service capabilities needed to be improved. The plan was unable to provide timely and efficient telephone service to its customers due to:

- Lack of experienced representatives to take incoming calls because of high staff turnover rate.
- The steep learning curve for new employees.

Surveys suggested that customers' experiences with the Member Services Department influenced their feelings about the plan in general and that service representatives' performance ratings improved as their length of employment increased.

Exit interviews revealed that the plan's compensation rate for service representatives was not competitive, training and educational opportunities were lacking, and workers perceived their positions as "dead-end" jobs with little or no chance for advancement.

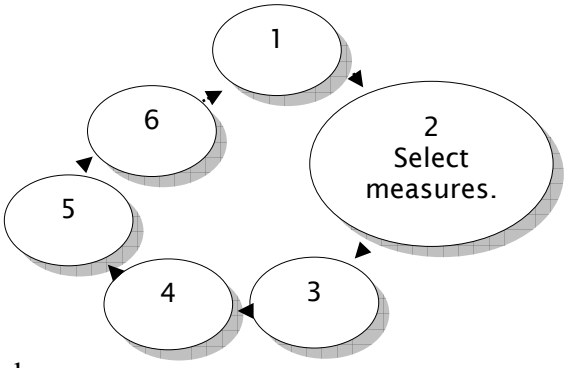
It was clear that improvements should focus on the Member Services Department and on staff retention.

**Take-Away Lessons**

- Participate in CAHPS—it is an important, nationally recognized, monitoring and diagnostic tool.
- Use CAHPS findings to compare your plan's performance to that of other plans.
- Don't rely on CAHPS alone to diagnose performance issues specific to the health plan. CAHPS is designed to fit all health plans and may be too general to use as a stand-alone measure of customer experience. Supplement CAHPS core data with other survey and measurement tools to identify specific problems, causes, and actions for improvement. Conduct member surveys and interviews, for example.

## Step 2: Select Measures. Decide What Should be Measured, Examine Data Gathered in Step 1, and Develop New Measures as Needed.

**What Did the Health Plan Do?**




- Focused on improving customer service, based on the CAHPS survey results showing poor customer service performance and on results from other surveys and staff exit interviews.

- In the first iteration of this step, the health plan selected the following operational measures from their monthly reports and tracked them.
    - Speed to answer customer calls
    - "Total service factor"—portion of calls answered in less than 30 seconds
    - Call abandonment rate
    - Employee turnover rate among Member Services staff

- In the second iteration of this step, the new director of the Member Services Department refined the measures so they were better aligned to the performance goal of more efficient handling of member calls.
    - Changed the main performance goal measure for service representatives from number of calls handled to increased "ready time"—the time a service representative is available to accept a call from the queue.
    - Continued to track total service factor, speed to answer customer calls, call abandonment rate, and employee turnover rate among Member Services staff

**What Were the Results?**

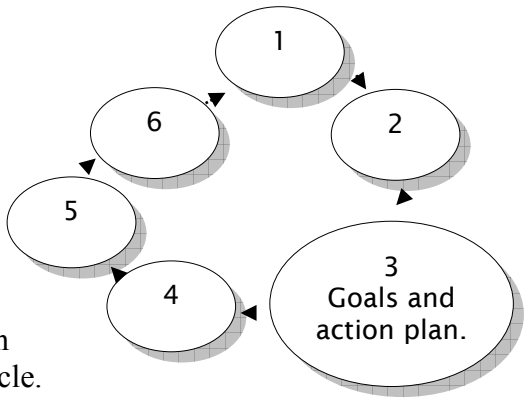
Customer service performance measures selected during the first iteration of the PDSA cycle improved during the second quarter of 1999. However, those gains were lost in the third quarter, and the health plan could not demonstrate improvement in customer service in 1999. Learning from this initial experience, it went back to the drawing board and selected measures that better represented its goal for efficient handling of calls.

**Take-Away Lessons**

- Gather and examine real-time information using data from both customer experience surveys and operational processes to ensure that quality improvement interventions meet their objectives.
- Establish process measures that address the various important aspects of the process being improved, making sure that the measures are aligned with the quality improvement goals.
- Develop baseline performance data for these measures, and then measure performance on them regularly as improvement actions are implemented, to identify where progress is being made.
- Be prepared to revise measures as needed, based on experience working with them, to ensure they represent the performance goal appropriately.

## Step 3: Set Goals for Improvement and Write an Action Plan

### What Did the Health Plan Do?




- Set performance targets for its customer service measures based on industry standards, using 1999 performance as the baseline for measurement going forward.
- Set a goal to demonstrate customer service improvements in two consecutive quarters in 1999, for upcoming NCQA accreditation cycle.
- Expected that its increased focus on customer service and some improvements in telephone service would lead to more positive customer feedback as measured by the plan's Member Services surveys and by CAHPS surveys.
- The director of the Member Services Department developed a plan to redesign career path incentives in order to recruit and retain qualified service representatives.

### Plan Has a False Start; Fails to Meet Customer Service Goals

Initial gains in customer service performance measures were made in the second quarter of 1999, but were lost in the third quarter, resulting in no improvement in customer service in 1999. The department's performance problems escalated to a point where the director's original improvement plan could not be implemented.

### Back to the Drawing Board

- Leadership of the Member Services Department changed as the director, manager, and training coordinator resigned.
- The health plan created two new manager-level positions: (1) Member Services manager, and (2) Compliance manager (to handle the member appeals process), which were filled in early 2000 with experienced external candidates.
- The plan committed to continuing to administer its member satisfaction survey at least through the next accreditation cycle in 2000.
- New Member Services manager revised the goals and action plan:
    - Revisited the measures (i.e. went back to Step 2) and selected additional measures—added a focus on "ready time."

- Revisited the action plan and developed a new plan with more detail and actions in a variety of areas/departments to address multifaceted problems.

- Commitment to the revised action plan was obtained from the plan's Quality Improvement Committee, Service Improvement Committee, Board of Directors and executive leadership.

- Based on results of the actions in 2000, the plan's quality improvement leaders established new customer service goals for 2001:
  - Sustain the improvements made in 2000 in Member Services telephone performance, and achieve 90 percent total service factor—the portion of calls answered in less than 30 seconds (an increase from the percentage set for 2000).
  - Continue to reinforce the department's focus on improved service.
  - Emphasize "one-call resolution" for member issues (even though a standard measure for one-call resolution among all plans does not exist, large employers were increasingly requesting whatever information was available about calls that were resolved with one customer service call).
- Along with the new goals in 2001, the plan's quality improvement leaders revisited the action plan and added several actions to support the progress made.

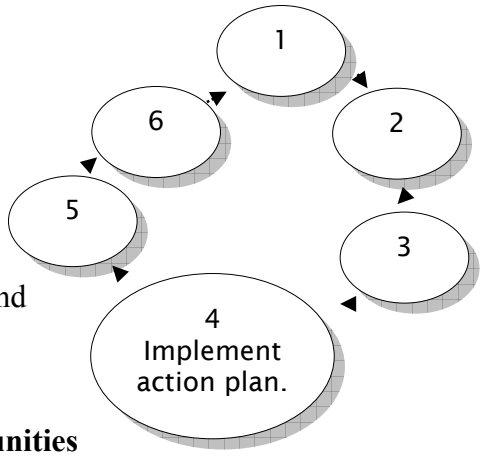
**What Were the Results?**

Within a few days after the new Member Services manager changed the performance goal for customer service representatives from call volume to ready time, the call waiting time dropped from several minutes to well under 30 seconds. This served as momentum for pushing forward on the additional actions and revised action plan.

**Take-Away Lessons**

- Take a multifaceted approach to improving performance, including setting goals that address multiple aspects of the issue and pursuing a variety of improvement actions, as it is unlikely that fixing only one process within a complex system will lead to significant and sustainable improvement.
- Proactively establish goals and action plans, and adjust them as needed using experience as a guide to find the best strategies and actions.
- Bring in a new pair of eyes or an entirely new set of people to examine problems and explore ways of fixing them.
- Get commitment and active support from leadership.

## Step 4: Implement the Action Plan




### What Did the Health Plan Do?

Undertook several specific actions in 2000 to strengthen the customer service function:

- **Redesigned training procedures and information systems** to support the call center and a culture of "How can we work together and get better?"
- **Developed career path and promotion opportunities** for service representatives to improve retention.
- **Increased the level of staffing to meet customer demand.**
- **Empowered the decision making of the service representatives** to improve customer satisfaction. Nine service representatives were trained to use a one-time, "pay and educate" approach to resolving issues that previously would have led to complaints or appeals. For example, when an HMO member sees a specialist without first getting a primary care physician referral, the specialist's claim for that visit will be denied. A representative may explain this policy to a member, but adjust the first such claim manually so that it is paid, while the member is on the telephone.
- **Re-energized education and training** for Member Services and Compliance staff with team meetings, online training materials, and daily and monthly newsletters.
- **Created a position for a Member Services data analyst** to facilitate shared reporting between Member Services and Compliance. The analyst developed charts that were updated with each month's new call performance data, enabling the plan to easily track changes in performance measures over time, to recognize improvements, and to identify new trends before they evolved into established patterns.
- **Introduced an after-hours call center** that was open until midnight and on weekends, and offered a combination of services including nurse advice/triage.

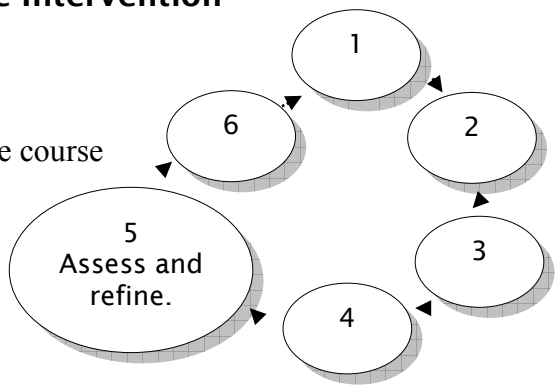
### What Were the Results?

By the end of 2000, a multi-faceted set of actions had been implemented and set into motion. The expectation was that its increased focus on customer service and some improvements in telephone service would lead to more positive customer feedback.

**Take-Away Lessons**

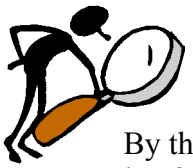
- To put in place the resources needed to bring about improvements, don't hesitate to make changes in organizational structure, staffing, or operating processes as necessary.
- Keep in mind that major changes are disruptive to organizations and individuals, so assess carefully what is "necessary" before making changes.
- Attend to the mindset of the organization and staff. Getting all involved staff "on-board" with a new concept or approach is essential for changing the performance of departments in which they work.
- Remember that the quality improvement process is iterative and continuous—don't hesitate to go back to previous steps when results aren't satisfactory.
- Use all available information to track progress toward improvement goals.
- Persevere in testing and reinforcing use of new practices and in seeking ideas and feedback from front-line staff and others with knowledge of the process being improved.

## Step 5: Assess Progress and Refine the Intervention




**What Did the Health Plan Do?**

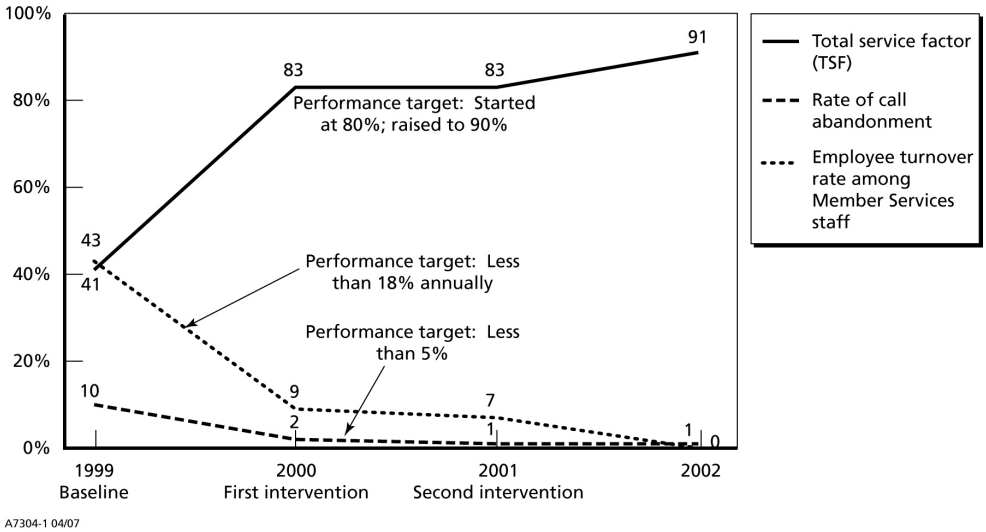
- Monitored performance measures over the course of the quality improvement intervention and compared them to performance goals.
- Discussed performance issues with the Service Improvement Committee after results were obtained and analyzed.
- Delivered annual performance reports to the Quality Improvement Committee and Board of Directors.
- Delivered Member Services annual report to the Service Improvement Committee, Quality Improvement Committee, and Board of Directors.
- Promoted Member Services and Compliance managers to directors in their own departments.
- Made plans to stay abreast of the changing competitive and regulatory environments.
- Took actions to enhance staff capabilities to support the progress made:
    - **Moved all Member Services reference material online** for easy access by service representatives.
    - **Reconfigured the plan's quality control contract tracking system** (the core system used in customer service, but tailored to an individual plan's needs) and implemented it in the second quarter of 2002.
    - **Established feedback reinforcement of improved performance** by celebrating with Member Services staff, who received gifts when goals were met, and by publicizing the successes throughout the organization so that individuals were appropriately recognized for their efforts.
    - **Set more ambitious performance goals for 2001,** building upon progress made in 2000.
- Developed new quality improvement projects and refined survey instruments and measurement tools.



## What Were the Results?

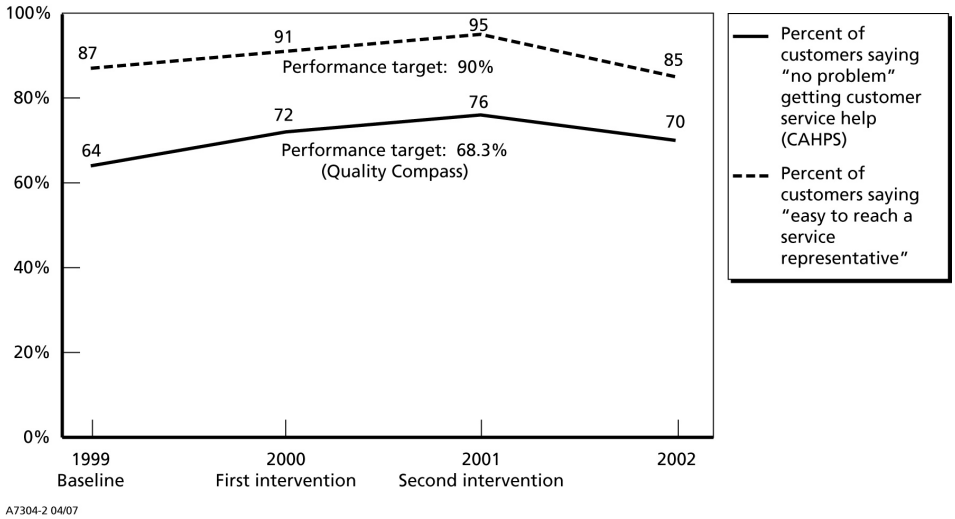
By the end of 2000, the plan had met all of its operational goals, including total service factor, call abandonment rate, and employee turnover rate among Member Services staff (see Figure 2). The plan also met its goal for average speed to answer a call.

**Figure 2. The Health Plan Met Its Operational Performance Goals by the End of 2000**




The plan also met its customer experience goals in 2000 (see Figure 3). Members reported that it was "not a problem" getting the help they needed when calling Member Services. Members also reported, "It was easy to get through to a Member Services representative."

**Figure 3. The Plan Met Its Customer Service Performance Goals by the End of 2000**



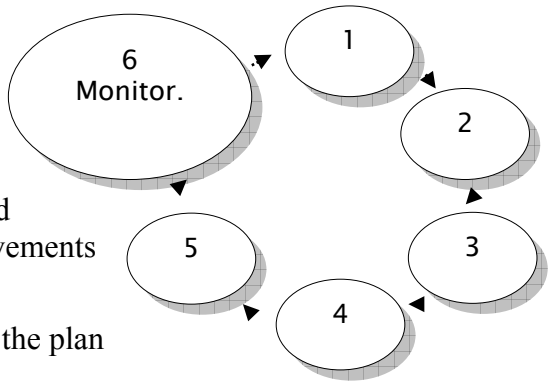
The Service Improvement Committee agreed that actions implemented in 2000 and 2001 had improved the level of service delivered to plan members, and the intervention was recognized by the National Committee on Quality Assurance as a meaningful quality improvement approach.

As a result of the additional actions taken in 2001, customer service continued to get better. All of the customer service goals achieved in 2000 were sustained through 2001, with the exception of total service factor (the revised 90 percent goal was not achieved until 2002).

**Take-Away Lessons**

- Be patient and persevere. Some actions may show positive results immediately; others may take several quarters; and others may not work at all.
- Be prepared to identify actions or measures that are not working, identify reasons why not, and seek alternative approaches.
- As circumstances inside and outside the organization change, expect to adjust to those new circumstances by making mid-course corrections to action plans and longer-term adjustments to goals and strategies.
- Be accountable for improvement results by regularly reporting goals and progress to leadership.
- Showcase successful process improvements and document their impact on members' experience of care.

## Step 6: Monitor Improvements to Make Sure They Hold




### What Did the Health Plan Do?

- Continued to monitor CAHPS scores and other measures to make sure that improvements continued.
- Conducted an analysis of the challenges the plan might face in the future.
- Responded to findings of analysis by addressing potentially troublesome areas.
- Worked with vendor to dig deeper and measure specific areas of concern.

### What Were the Results?

The plan held onto the gains it had made in improved customer service.

The plan was able to prepare for events that might compromise customer service. For example, the plan knew that when it sent letters to its members mandated by the Employment Retirement Income Security Act (ERISA) in the third quarter of 2002, Member Services would receive calls from members who had questions about the letters, so it added more staff.

### Take-Away Lessons

- Continuously monitor indicators such as CAHPS and proprietary surveys to make sure improvements stick.
- Try to anticipate challenges that may emerge due to changes in the organization, its environment, or its members' needs.