Enter the Individual Health Insurance Market:  
* A Top-Tier Carrier’s Success Story

Individual health insurance is one of the fastest growing segments in today’s healthcare market. However, potential government healthcare reforms, tax policy changes and insurance mandates make the rapidly changing landscape of this market a confusing place for carriers seeking to enter the space. Couple that with a land grab for coveted individual buyers, and insurance carriers are faced with a three-part quandary that includes appropriate funding, adequate technology and getting out to customers… fast.

One top-tier health insurance carrier with more than 10 million medical members had strategically positioned itself to launch into the individual health insurance market. Armed with internal funding and a vision, this carrier reviewed its internal capabilities and estimated a minimum five-year timeline for launch at a cost of more than $10 million. Additionally, they would have to endure a lengthy wait to gain priority on its internal IT team’s “to do” list.

Wanting to move more aggressively, the carrier investigated outsourcing options. After a thorough review of outsource providers, third party administrators (TPAs) and Business Process Outsourcers (BPOs), the carrier’s executives selected HealthPlan Services (HPS), an insurance business process and technology outsourcing leader. HPS was selected based on the company’s domain depth and expertise, system capabilities, proven processes and procedures and its ability to dramatically improve the carrier’s speed to market.

Challenges
Time is often not on a carrier’s side when developing or launching new plans or entering new market segments like individual health. Depending on the complexity, number of products, number of markets and unique business rules and state regulations, it can be a slow go with market opportunity slipping away with every passing month.

Adding to the time-to-market hurdle, this top-tier carrier also needed help articulating its scope of services within the individual market. Further, because its core competencies were in group coverage, the carrier was also seeking expertise to manage administration, including policy issuance (ID cards, certificate of insurance, welcome letters and premium invoices), premium billing and collection, renewal administration, and member services. Also required was a partner capable of keeping abreast of changing state and federal regulations and rapidly deploying best-practice based policies and procedures.

Finally, the carrier recognized that it did not possess the internal technology bandwidth necessary to launch quickly and efficiently into the individual market, or to expand its presence into additional states and product lines in a timely manner.

Solutions
HPS’ domain depth and technical expertise would prove to be the deciding factors in its selection as the carrier’s outsourcing partner for its individual plan business. HPS’ business standards, technologies and best practices could jump-start the carrier’s plan development and accelerate its drive-to-market process.

HPS has extensive experience implementing, supporting and providing a full scope of outsourced services, many of which are modular and can be unbundled as needed. For this top-tier carrier, HPS provided a complete administration solution that included:

- Sales and distribution
- Broker and individual web tools
- Integrated enrollment
• Policy administration
• Multiple product billing aggregation
• Renewal administration
• Commission and financial systems integration
• Customer care call center services
• Policy/document generation

A key HPS advantage was Platypus, the company’s patent-pending proprietary technology platform. Designed by HPS’ long-tenured and knowledgeable staff, Platypus specifically supports multi-product/multi-carrier proposal generation through billing aggregation and cash allocation to various constituents. For this carrier, Platypus continues to support multiple products and key functions assisting in the company’s speed to market initiatives.

Since HPS owns Platypus, resources could be exclusively dedicated to the carrier’s individual program, allowing HPS to respond quickly and efficiently to market, regulatory and plan changes. In the individual health insurance market, a wide variety of ongoing market demands are expected. Platypus ensures that this carrier is poised to respond.

Another key aspect of its technology offerings is HPS’ web expertise. In this case, HPS developed a website to showcase the carrier’s individual policies, certificates and rates, as well as enable agents to generate accurate rates for proposals. The site also includes a data feed that facilitates the exchange of new policy, member eligibility and financial reports.

**Results**

When the carrier came to HPS, it had no individual health business and zero members. By working with HPS, the carrier’s individual health program went live to five key states in just six months. It took significantly less effort to accomplish this launch – just a fraction of the time the carrier estimated it would have taken to do so internally, even if it had the resources to dedicate to the project.

Today, the carrier’s individual business line has almost 500,000 members and is one of its fastest-growing insurance offerings. Since go-live, HPS has helped scale the carrier’s individual health programs to more than 38 states, generating more than $700 million in annual premiums.

This launch is a text-book example of the type of impact HPS can have on a carrier’s market speed using its best practices, regulatory knowledge and specialized technology. HPS’ domain depth, proven processes and procedures and Platypus platform offered the carrier significant time-to-market and competitive advantages.

The carrier is now out-in-front in the individual health insurance market – a position made possible through the outsourcing leadership of HPS.

**About HealthPlan Services**

HealthPlan Services (HPS), a Water Street Healthcare Partners affiliate, is the largest independent provider of advanced business process outsourcing solutions and employee benefit services to the insurance and managed care industry. Since 1970, HPS has offered customized administration and distribution services to insurers of individual group, voluntary and association plans, as well as providing valuable solutions to thousands of brokers and agents that sell into this market. HPS proprietary, scalable technology provides innovative consumer-facing solutions that are turnkey self-service tools for our insurance carriers and distribution partners. HPS offers an ever-expanding array of services to a diverse and growing client base, and administers products that include medical (PPO, HMO, indemnity, medical group, and dental plans).
consumer-driven), dental, vision, life, disability, long term care, limited medical, Medicare Supplement and Medicare Part D, as well as various other ancillary insurance. HPS is committed to providing extraordinary service to its customers.

For more information about HealthPlan Services, please visit www.healthplan.com.