



Independence Blue Cross

Maximizing customer service while
minimizing inventory expenses.

“Xerox customized the
welcome kits, making them
easier to understand and
lowering postage and
production costs.”

Mark Campbell
Senior Director Enrollment Services
Independence Blue Cross

Policyholder documents must be personal, clear and error-free.

Client Profile

As the region's leading health insurer, Philadelphia-based Independence Blue Cross provides health insurance coverage to 2.8 million members locally and 3.5 million overall. For over 60 years, the company has offered healthcare products and services designed specifically to meet the changing healthcare needs of its customers in all segments of the marketplace, including managed care, traditional indemnity and Medicare.

Founded in 1938 as the Associated Hospital Service of Philadelphia, it was the first prepaid hospitalization plan in the region. Today, the company and its subsidiaries employ more than 9,300 people, who annually process more than 38 million claims and respond to over 6 million member inquiries.

The Challenges

Independence Blue Cross was faced with a new state regulation which required insurance companies to provide customized documents for its members—including *name, group number, coverage effective date and social security number*.

Until that point, Independence Blue Cross had been warehousing generic documents for manual pick-and-pack assembly before being distributed to members. Inventory costs were high and there was a degree of risk involved in that process.

Fulfillment of kits was labor-intensive and complicated.

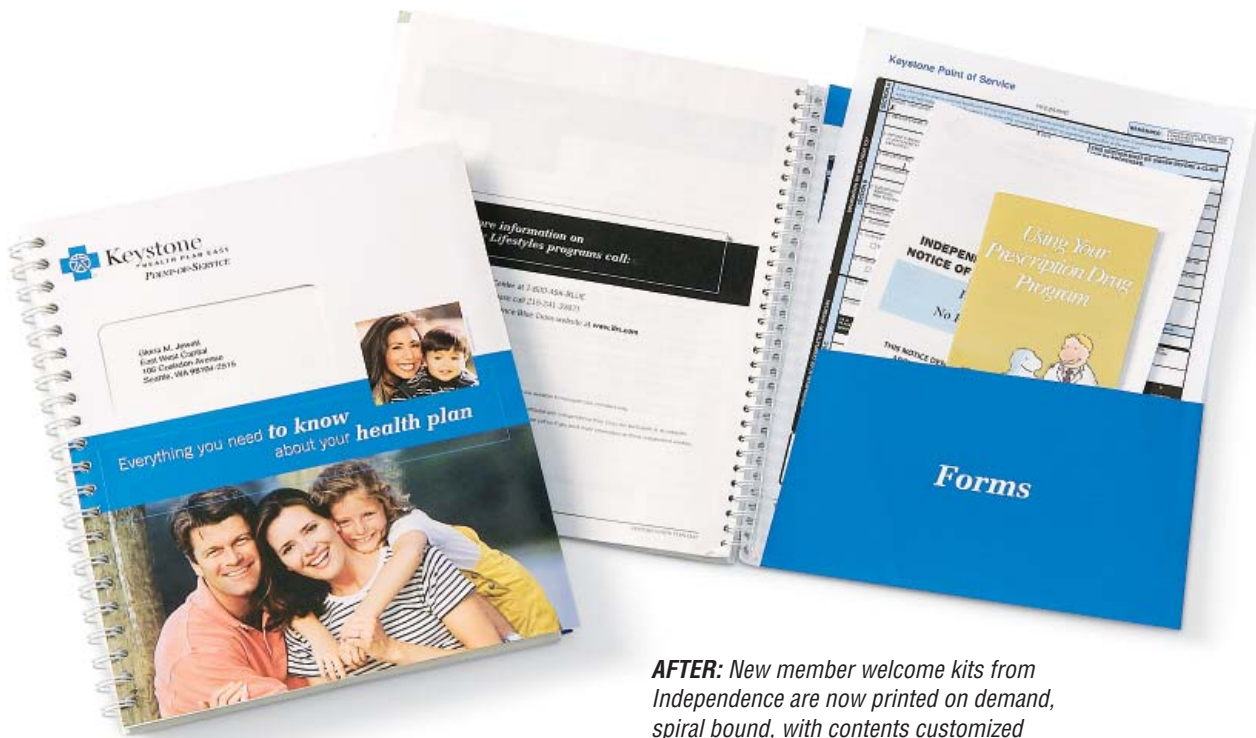
New member welcome kits from Independence consisted of 8.5" x 14" sheets placed in a folder and sent to members. This required readers to refer to multiple documents to find pertinent information.

Today's customers expect individual attention.

Instead of generic preprinted documents, personalized communications are what consumers have come to expect from companies they do business with. Such documents help create the positive relationships that increase retention, build enrollment and strengthen a company's brand.



BEFORE: Independence Blue Cross customers were obliged to sift through generic documents to find the information relevant to their healthcare plans. This required the company to sort member kits manually from a large, costly inventory of materials.



AFTER: New member welcome kits from Independence are now printed on demand, spiral bound, with contents customized to each member.

The Solution

Using a Lean Six Sigma approach, Mark Campbell, Senior Director of Enrollment Services at Independence, contacted Xerox to explore a workable, cost-effective solution.

“We wanted to create a cost-effective, customer-focused, post-sale fulfillment kit,” Campbell explained. “Xerox helped us do this by introducing customized software while leveraging the systems we already had in place at the company.”

The Xerox solution called for personalized welcome kits that not only included the state-mandated requirements but also contained customized content based on the member’s benefits.

Coverage information is no longer preprinted.

The overall look and feel of the document has also changed. The body of the kit is now printed on demand in black and white and spiral bound with color tabs and covers. The only preprinted materials are the covers, tabs and inserts.

Independence also took the opportunity to enhance the kit with more plan information. A section in the book describes how the plan works, and information that members once found confusing is now explained in detail.

HEALTHCARE ALERT

*Research sponsored by Xerox and HIAA found as many as one-third of consumers dissatisfied with their health insurance and six times more likely to switch plans if and when given the opportunity. Improving communications by providing more relevant and easy-to-understand documents can lead to improved customer satisfaction. Ultimately, satisfied members are more likely to stay loyal.**

*Xerox/HIAA 2000-2001 Tracking Study on Strategic Communications

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Independence Blue Cross data file identifies variable information to be used.

Today, Xerox prints and distributes 400,000 new member welcome kits annually for Independence. Kits now contain dynamic page numbering as well as a table of contents.

Xerox produces the kits using variable data supplied by Independence, a listing of documents to be included in each kit, and rules for data placement, composition and structure.

Xerox maintains documents in digital repository.

Once Independence has approved a document proof, Xerox places it in the repository as an “active” document, which may then be called up in the next data file processing. Prior versions of documents remain in the repository for future reference and/or reprinting of kits.

Independence no longer has to worry about maintaining warehouses full of documents. The result has been a 90 percent reduction in preprinted inventory.

The Results

Today, Independence Blue Cross continues to meet all state requirements—documents are customized and member information is always fresh.

Member response to the welcome kits has been positive. Instead of generic preprinted documents, kits with the member’s name, address and group name reflect their specific coverage choices.

Rather than make readers refer to multiple documents, pertinent information from multiple sources is easily merged into a single booklet that is easier to read and understand.

Extra effort differentiates Independence from the crowd.

Independence Blue Cross is one of the only insurers in the area that has this type of kit.

According to Campbell, the program improved productivity and substantially reduced costs. Along with lowering production and storage costs, the company’s postage rates dropped by one-third.

CASE STUDY SNAPSHOT

The Challenges:

- *A state mandate to provide customized member documents*
- *Reduce costs for production and assembly of welcome kits*
- *Achieve predictable, timely turnaround times*
- *Ensure consistent, professional design throughout the kit*
- *Reduce costs for preprinted materials in inventory*

The Solution:

- *A highly accurate and automated process that minimizes manual collation and handling*
- *A flexible database process to provide timely updates*
- *Provide new, more customer-focused, reader-friendly materials*

The Results:

- *Improved productivity and substantially reduced costs*
- *Reduced preprinted inventory by 90 percent*
- *Increased customer satisfaction via customized kits, which are easier to read and understand*