



How To Speak to Businesses and Enroll Them into Community Health Plans

A Presentation by
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Engaging Employers

- Asking employers to “participate” as customers
 - Engaging employers means “selling to businesses” the health product for uninsured employees
- Free entitlement products encourage employers NOT to buy coverage products for employees

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Community Health Plan Initiatives viewed as “Products”

- Products - Not entitlement programs
 - Safety net initiatives are “free” programs
- “Selling” products by targeting employers
 - Small group employers (micro businesses)
 - Mix of non-profit and for profit businesses
 - Historically uninsured business market

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Using business models to “sell to business”

- Step 1: Market Research
 - Demographic profile of target market
 - Uninsured status
 - Small group size
 - Geographic restrictions
 - Income eligibility
 - Survey and focus group profiles (age, gender, race etc.)

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Market Research - Critical Findings

- Customer Research
 - What product the employer will purchase
 - What the employer/ employees will pay
 - What business value is perceived in the product
- Redundant Methodology
 - Mailed survey cards, phone surveys, and focus groups

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Step 2: Target niche market sectors

- Target Niche Markets (locally owned)
 - Non-profit businesses
 - Professional service sector
 - Manufacturing
 - Food Services
- Non Target Niche Markets
 - National Franchises

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■ Step 3: Strategic Marketing / Sales Plan

- Domino effect within niche market sectors
 - Muskegon has 3500 businesses
 - 1100 fit the target market demographic profile
 - 800 are targeted within niche sectors
- Marketing to businesses in a niche sector
 - Niche sectors hire from the same skilled labor pool
 - 1 child care business led to 20 business competitors enrolling in the first year for Muskegon

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■ Marketing / Sales Plan Strategy

- Free Media Strategy
 - News stories to compliment paid ad campaigns
- Paid Media Strategy
 - Brand identity launch campaign
 - Annual product reminder campaigns
 - On-going direct mail campaign

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■ Ad Campaign Messages

- Brand identity product launch campaign
 - Product credibility with employer targets
 - Community partnership messages
- Price -point campaign
 - Fits employer budgets
 - Less costly than employee turnover
 - Equates to 30¢ per hour wage increase

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■ Marketing / Sales Direct Mail Messages

- Direct mail literature
 - Low cost per employee
 - Testimonials from other businesses
 - Message focus on cost and ROI to business

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■ ROI to Employers

- Impact on employee turnover
 - National studies on turnover costs in small businesses
 - Comparison costs of affordable health coverage
 - Savings to businesses bottom line
- Recruitment and Retention
 - Value of skilled employees to the business

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■ Turnover Cost Studies

- Coca Cola Retailing Research Council
 - Turnover cost average \$3,637 to replace a \$6.50 per hour cashier at supermarkets
- American Motel and Hotel Association
 - Industry figures show \$2,500 for direct cost and \$1,600 for indirect cost for employee replacement

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■ Coordinating Sales and Marketing

- Marketing to Set the Stage
 - Create Brand Identity (credibility)
 - Establish product price point and benefits
 - Reach targeted market with message
- Sales to Close the Deal
 - Sales personnel are the key to success

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■ Not A Field Of Dreams

- "Build it and they will come" ... NOT
 - Marketing alone will not result in sales
- Budget for Sales Activity
 - Direct Mail
 - Call Center personnel
 - Sales and enrollment staff

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■ Sample Budget - Mid Sized Community

- Marketing
 - Paid Media
 - Billboards - \$25,000
 - Newsprint - \$40,000
 - Broadcast - \$75,000
 - Direct mail
 - 3 mailings to 1,000 targeted businesses - \$15,000
- Sales staff
 - \$100,000 annual budget

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■ Sample Budget - Large Urban Community

- Marketing
 - Paid Media
 - Billboards - \$96,000
 - Newsprint - \$45,000
 - Broadcast - \$85,000
 - Direct mail
 - 3 mailings to 1,000 targeted businesses - \$25,000
- Sales Staff Budget
 - \$150,000 annually

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■ Leveraging Community Resources

- Chamber of Commerce partnerships
 - Direct mail services
- Insurance Brokerage partnerships
 - Building the "Farm Team" for brokers
- Business to Business events
 - Testimonial letters
 - Business appreciation picnics

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■ Tips on Engaging Employers

- The primary customer target is EMPLOYERS and not employees
- Community Health Plans must learn to think like a business and "Sell" their products
- The product must fit the customer's budget
- Businesses purchase when they see the benefit to their bottom line...not because of social good

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