

Minimizing Churn and Maximizing Member Retention

As health insurance markets become increasingly competitive, optimizing member retention – or reducing churn – is a key strategic priority for plans across all lines of business. Nationwide, average churn rates exceed 10% for Medicaid, 15% for Medicare Advantage, and 25% for Exchange plans. Churn rates are projected to significantly increase following the reinstatement of the redetermination process on April 1, 2023, and plans with Medicaid membership are busy engaging members to assess eligibility and match them with other products if needed.

Case Study

Siftwell accurately predicted churn from '21-'22 – 9 months in advance



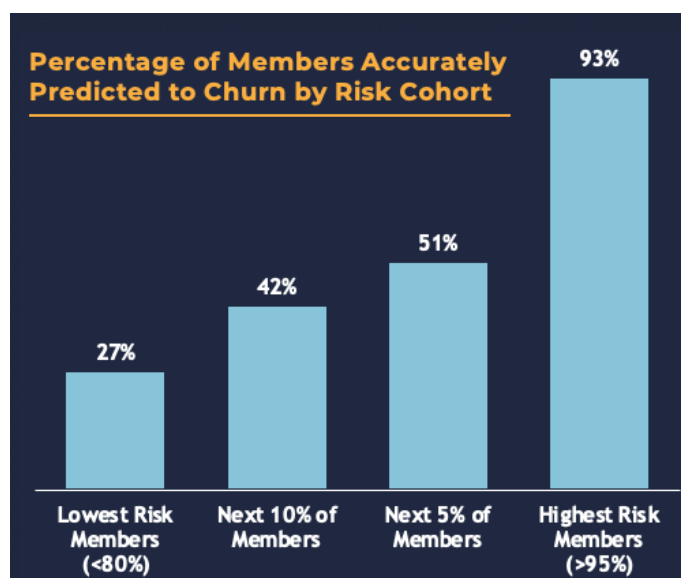
A Siftwell client with individual and commercial group lives sought to identify members who were most likely to exit the plan and not renew for the following plan year. As plans make investments in Member health and engagement, intentional efforts must be made in the prioritization of outreach and member retention plans.



The plan did not have strategies in place to understand who would be more or less likely to leave the plan. While strong marketing and outreach efforts were invested in, there was no established way for the plan to understand the value or return on these investments. These unknowns made it challenging to project revenue and determine investment priorities, year over year.



Given limited analytics resources, the client needed small and target-rich lists of members to prioritize outreach to educate around plan benefits and options. **With Siftwell, the plan was able to focus their efforts on the Most Likely to Churn cohorts and retain a significant percentage of these members.**



◆ The model correctly identified 93% of non-renewing members

◆ 9-month lead time enabled the plan to structure and execute on multiple retention initiatives before the annual enrollment period (AEP).

◆ Focused resources: Stratifying churn risk enabled the plan to prioritize the high-risk cohort over the lower 80% churn risk

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