



Curtis Kopf (left), a former Alaska Airlines customer experience guru, is now working with Molly Mariscek (middle) and Todd Manning (right) to transform Premera to a more customer-focused insurance provider. The first step: jargon jars. Say “formulary,” or “PCP,” put a dollar in the jar.

PREMERA'S MOMENT OF CLARITY

Insurance is not known as a customer-centric industry. Armed with an Alaska Airlines vet, Premera aims to change that.

BY CORAL GARNICK
cgarnick@bizjournals.com
206-876-5439, @CoralPSBJ

Five weeks into his new job at Premera Blue Cross, Curtis Kopf found himself in a meeting with the company's CEO explaining his strategic plan to make Washington's largest health insurer more “customer obsessed.”

Coming off five years at Alaska Airlines doing practically the same thing, Kopf walked into the meeting room confident with his game plan ready. Looking at the seven executives sitting around the table drinking coffee, he started by opening his first slide

and posing a question to the group: What would Amazon do if it were to get into the health insurance business?

“Amazon really starts with the customer and works backward all the way up to Jeff Bezos,” Kopf said. “I want us to be the Amazon.com of the health insurance industry.”

Kopf is the new senior vice president of customer experience for Mountlake Terrace-based Premera. The health insurer stole him away from Alaska Airlines where he put many customer experience initiatives in place and led the effort to rebuild its best-in-class mobile apps to better focus on the customer.

His newly created position and team at Premera are part of the health insur-

er's larger strategic reorganization to turn things around after declining profits brought on in part by the Affordable Care Act and, more specifically, adjusting to the changes that came with that in the form of the individual market. The company lost \$117 million in 2015 in that portion of the market (and profit fell more than \$50 million.)

Premera's strategic reorganization has come at a cost, though. Between November and April, Premera laid off about 165 employees. But by becoming “obsessed with the customer” like Starbucks, Amazon, Nordstrom and Zappos, and creating the customer experience team, Premera CEO Jeff Roe says he thinks everything else will fall into place.

"It isn't how many members you have or what your profitability was," Roe said. "If we do that, we know we'll get the other metrics. We are going to grow. We are going to be profitable."

University of Washington health policy professor Aaron Katz said the plan makes sense when looking at the struggles insurers have had adjusting to covering a new demographic with unknown risks. The customer-centric approach allows the company to be more competitive, he said.

"They are getting ahead of the game by setting themselves up as a customer-friendly purveyor of insurance," he said.

That way, Katz said, once the company figures out the right way to price its services, it's set up to win.

'Let's Be Clear'

In that first presentation – a year ago now – Kopf outlined the four objectives he thought would turn things around for the company, and has spent the last year getting a team in place and setting the plan in motion.

Those objectives are:

- ▶ *Embed the voice of the customer into everything the company does*
- ▶ *Create a customer-obsessed culture*
- ▶ *Make the experience simple, easy and caring*
- ▶ *Partner with providers to enable a great experience*

"If you're a health insurance company, it is not a secret what the pain points are," Kopf said. "You could walk down to a Starbucks and in an hour you could get a consensus. It costs too much. It is too complicated. ...It's a hassle."

Kopf is tackling the "complicated" part first.

With more than 2 million customers in Washington, Alaska and Oregon and 3,600 employees, it can be hard to get everyone on the same page when it comes to understanding health insurance. But with Kopf's help, Premera is working on improving communication inside and outside the company to do just that.

One way Kopf is hoping to make things easier for Premera customers is with an initiative the company calls

"Let's Be Clear," which it launched in January.

Rather than using words such as "premium," for example, Premera is now trying to get everyone at the company, no matter their role, to simplify their vocabulary and say "monthly health plan bill" instead. Rather than industry jargon words such as "adjudicate" and "formulary," they will now use "process" and "drug list."

"It is a culture shift," said Molly Marsicek, senior manager for customer experience projects, who is working on "Let's Be Clear" with Kopf.

"How do you move from old school insurance," she said, "to something that people can relate to and understand."

Kopf said it is not just the customer service agents that need to get on board with this initiative, though. The company has thousands of letters it sends to customers and multiple web pages full of information that it wants customers to be able to understand. To get the awareness and education out there, Premera has to work from the inside out, which is "a couple-year process."

"But we are going to blaze through it," Marsicek said. "The first step is acknowledgement."

One way the team has encouraged the rest of the company to get on board is with jargon jars. They are small jars different teams are now placing throughout the four buildings on the Mountlake Terrace campus and even in the Spokane office. Anytime employees use words or acronyms – such as network or PCP – they have to put money in the jar. The money will be collected and donated to United Way, Kopf said. Some people have opted to do push-ups or bake instead of dropping cash into the jar if they slip and use jargon.

'A firehose of feedback'

"Premera Listens" is another initiative. The reactive survey launched externally in July. It is about hearing directly from the customer, rather than making assumptions. Kopf launched a similar program when he was at Alaska, known as "Alaska Listens."

If a customer gives a low score at any point while taking the survey, a customer service representative will call the customer directly to find out what happened. It is not only about expe-

riences when dealing with Premera, though. The surveys will also be sent out after doctor visits, for example, to ask patients about their experience in the clinic.

While Premera does not actually have control over what happens inside a doctor's office, the goal is to collect this data and share it with its partners who work directly with patients so together they can make health care better, Kopf said.

"Having something like a real time feedback loop with our customers not only is a great thing for a customer in that particular moment, where they can provide us that feedback," said Todd Manning, "but the totality of the information we can gather over periods of time, in short feedback loops, allows us to just be able to innovate."

As the senior IT manager for customer experience, Manning and his team were the brains behind the Premera Listens survey. The team also developed new mobile applications that will soon change the customer's experience from being one of simple utility to that of interaction and engagement, Manning said.

The team is working with ideas to make the app provide "true value" when a customer needs it most, such as when he or she needs to find urgent care. Instead of logging in and doing some basic searches to find a location covered by Premera, the app would know so much about the user, her preferences and her claims history that it would personalize the experience and recommend, based on exactly where the user is, what location would be the best fit.

In another example, Premera could analyze data from claims filed and – if customers a certain geographic area were experiencing flu-like symptoms – the company could send out a push notification about a flu outbreak to customers in that geographic area and include tips about preventing the flu.

"We think that is where it is going next," Kopf said. "To actually deeply understand what customers want and then have the ability to think like an Amazon and move really fast. We think that combination could be really differentiating for us." 