verato®

The payer imperative

Moving beyond data silos with Member 360

Executive summary

Healthcare payers today face unprecedented pressures. Rising costs, evolving regulations, and the demand for consumer-centric experiences are stretching resources and exposing the limitations of traditional, fragmented data infrastructures. The rapid advancement of AI further amplifies these challenges, highlighting the critical need for a robust and unified data foundation.

This e-book explores the urgent need for a fundamental shift in payer data strategy. Moving beyond incremental fixes, we delve into the concept of a unified and trusted view of each member, powered by identity intelligence—the essential foundation for Member 360 and AI-powered innovation. This approach empowers payers to operate more efficiently, foster stronger member relationships, and proactively manage risk by breaking down data silos and unlocking comprehensive insights.

This isn't about a simple system upgrade. It's about a strategic transformation that positions payers to lead in a data-driven healthcare ecosystem.

The future belongs to those who recognize the power of integrated data to drive meaningful change.

Why Identity Intelligence is the Foundation of Member 360

You can't engage, enroll, or care for someone you can't accurately identify. That's why Verato solves the foundational challenge of "who is who" across systems—delivering the identity intelligence that powers complete and trusted Member 360 views, which in turn fuel AI, analytics, and next-best actions across payer operations.
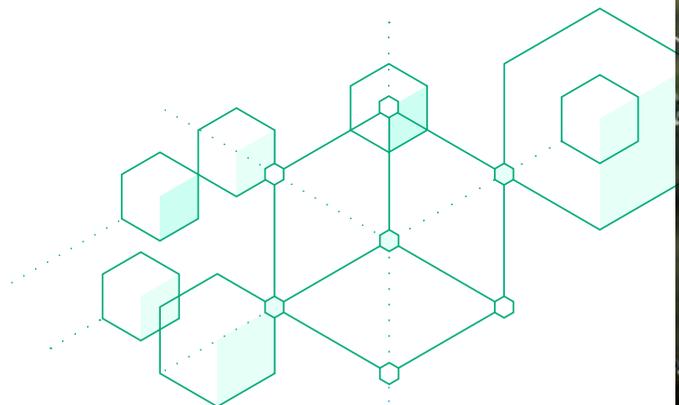
Introduction:
Navigating the Shifting Sands for Healthcare Payers

The landscape for healthcare payers is in constant flux. Escalating healthcare expenditures, an increasingly complex regulatory environment, and the expectation for personalized, digital-first interactions – mirroring experiences in other industries – are creating significant headwinds. Simultaneously, the emergence of artificial intelligence presents both immense opportunities and considerable risks for organizations whose data infrastructure isn't prepared.

The era of piecemeal solutions is over. Legacy systems, disparate data repositories, and tactical fixes are no longer sufficient to meet the demands of a value-based, high-performing healthcare system. What's required is a foundational transformation: a strategic approach centered on creating a comprehensive and trusted view of each member.

Consider this your guide to navigating this critical shift – a strategic framework for payers ready to embrace a new era of data-driven decision-making and leadership.

The Cost of Inaction:
Why a New Data Strategy Can't Wait

The consequences of fragmented data are no longer abstract concerns; they are tangible financial and operational burdens. Gartner estimates that poor data quality costs organizations an average of **$12.9 million annually** across all industries, and this figure can be even higher in healthcare where accuracy is paramount.[1]

- Significant financial losses due to inaccuracies in provider directories. The Council for Affordable Quality Healthcare (CAQH) estimates that the healthcare industry spends **$2.76 billion annually** on manual provider directory maintenance.[2]

- A substantial percentage of claim denials stemming from incomplete or inconsistent data. **76% of claim denials are tied to incomplete or inaccurate data**, leading to significant administrative rework and revenue leakage.[3] The mismanagement of provider data alone contributes to nearly **$17 billion annually** in unnecessary healthcare costs due to claims processing errors.[4]

The message is clear: disconnected data is more than an inconvenience – it's a significant liability. A forward-thinking data strategy is the key for payers to transform data chaos into clarity, achieve crucial cost efficiencies, and gain a sustainable competitive advantage.

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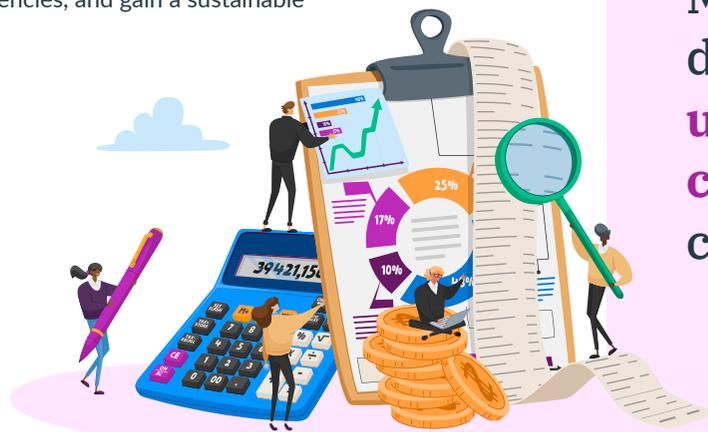
Unlocking Value: The Strategic Pillars of a Modern Payer Data Strategy

A holistic data strategy offers payers a distinct advantage, enabling them to operate with greater agility, optimize resources, and engage their members more effectively. Here's how a new approach delivers tangible benefits across critical areas:

1. Precision Customer Acquisition and Personalized Engagement

The Challenge

Healthcare consumers expect personalized, convenient, and proactive experiences—mirroring what they receive from top-tier digital retailers and financial service providers. Yet for many payers, fragmented member data, siloed systems, and incomplete household views make it difficult to identify the right audiences, tailor outreach, and convert interest into enrollment. High acquisition costs and member churn are often symptoms of poor data foundations that limit segmentation, targeting, and campaign performance.

The Strategic Shift

By creating a trusted and connected 360-degree view of members, payers can unlock precision outreach and acquisition strategies. Identity intelligence ensures that every campaign is based on accurate, complete member data—enabling smarter segmentation, more effective targeting, and better use of digital engagement platforms. With Verato, payers can link household relationships, enrich member profiles with key attributes, and power omni-channel campaigns that feel relevant, timely, and personalized.

Potential Impacts

- Increased enrollment conversion by reaching the right individuals and households with the right messages.

- Improved campaign ROI by eliminating redundant or misdirected outreach.

- Faster onboarding and engagement through streamlined identity verification and digital workflows.

- Higher satisfaction with the enrollment experience, leading to stronger first impressions and reduced early churn.

Key Considerations

Start by evaluating the performance of recent acquisition and enrollment campaigns. Where are members dropping off? Are targeting and segmentation based on trusted, connected data—or assumptions? Consider building member cohorts based on Verato-enriched attributes like SDOH factors, digital channel usage, and household insights to fuel your next campaign with precision and confidence.

> **Boost enrollment and ROI with targeted outreach, faster onboarding, and a smoother, more satisfying experience.**

2. Operational Excellence and Cost Optimization

The Challenge

Siloed systems and duplicate records create significant operational friction and financial waste. Manual processes, billing errors, and the need for constant reconciliation drain resources and hinder efficiency. Gartner indicates that 43% of IT staff time is spent on data extraction and harmonization, highlighting the significant resource drain caused by fragmented data.[5]

The Strategic Shift

By establishing a unified and trusted view of each member, payers can dramatically reduce administrative overhead, accelerate claims processing, and minimize errors across all touchpoints.

Potential Impacts

- Faster claims adjudication through streamlined data validation.
- Reduced call center volume by resolving identity-related issues proactively.
- Elimination of redundant member communications through accurate and consolidated contact information.

Key Considerations

Identify your most resource-intensive and error-prone workflows. Understanding the data dependencies within these processes will highlight the areas where a unified data strategy can yield the most immediate impact.

> **Fragmented data drains 43% of IT staff time.[5] Unifying member records reduces admin overhead, accelerates claims, cuts call volume, and eliminates costly errors.**

3. Risk Management and Enablement of Proactive Care

The Challenge

A comprehensive understanding of member risk extends beyond clinical data. Social Determinants of Health (SDOH) significantly influence health outcomes, with studies suggesting they account for up to 80-90% of a person's wellbeing, far outweighing the impact of clinical care alone. However, these crucial insights are often fragmented or inaccessible.

The Strategic Shift

Integrating SDOH data into a unified member view allows for a more holistic understanding of individual risk. This empowers payers to develop targeted interventions and proactive care strategies that address the root causes of health challenges.

The Benefits

- Opportunities for early intervention and preventative care, leading to better outcomes and lower costs. Food insecurity alone is estimated to cost the healthcare system an additional $53 billion a year.[6]
- Reduction in avoidable emergency room visits by addressing underlying social and environmental factors.
- Smoother integration and risk assessment during mergers and acquisitions through unified identity and risk profiles.

Key Considerations

Prioritize the integration of SDOH data for your highest-risk member populations to drive targeted and impactful interventions.

Up to 90% of health outcomes are shaped by social factors—not clinical care. Integrating SDOH data unlocks earlier interventions, reduces ER visits, and saves billions in avoidable costs.

4. Building a Foundation for Advanced Analytics and Competitive Advantage

The Challenge

The promise of predictive analytics and AI in healthcare relies heavily on the quality and completeness of the underlying data. Inaccurate or fragmented records can lead to flawed insights, skewed risk assessments, and compliance issues.

The Strategic Shift

Accurate identity resolution and complete, connected data provide a reliable foundation for leveraging advanced analytics. This empowers payers to gain deeper insights, optimize operations, and achieve a significant competitive edge.

Potential Applications

- Predicting member churn and implementing personalized retention strategies.
- Improving fraud detection and automating claims processing with greater accuracy.
- Optimizing provider networks for value-based care arrangements based on comprehensive data.

Key Considerations

Before investing heavily in advanced analytics, ensure the integrity and quality of your foundational data. A strong data foundation is essential for realizing the full potential of AI and machine learning.
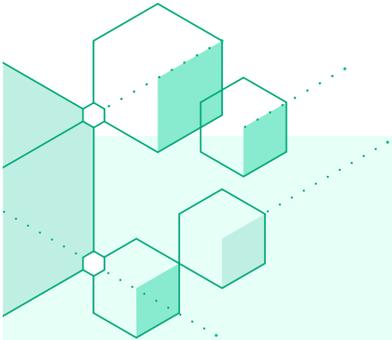
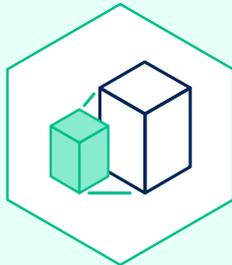## Taking the First Steps Towards a New Data Future

Evaluate your current data landscape:

How effectively can you identify and trust member data across your various systems?

Identify key areas of friction:

Where are data silos creating the biggest challenges in claims processing, member engagement, or operational efficiency?

Develop a scalable vision:

How will your data strategy support future growth, including potential mergers, AI adoption, and evolving population health initiatives?

Charting a Course Towards Data-Driven Healthcare

The evidence is undeniable: the traditional, siloed approach to data management is no longer sustainable for healthcare payers. The confluence of escalating costs, evolving regulatory demands, and the imperative to deliver exceptional, personalized member experiences necessitates a radical departure. As we've explored, the path forward lies in embracing a modern data strategy centered on a comprehensive and trusted view of the member. This isn't merely a technological upgrade; it's a fundamental shift in how payers operate, make decisions, and—ultimately—deliver value.

The benefits of this transformation are profound and far-reaching. By dismantling data silos, payers can unlock unprecedented levels of operational efficiency, translating directly into significant cost savings and a more agile organization. Cultivating a deep understanding of each member, fueled by unified data, fosters stronger relationships, enhances loyalty, and positions payers as trusted partners in their members' health journeys. Furthermore, the integration of diverse data sources, including the critical insights from Social Determinants of Health, empowers proactive risk management and the delivery of more equitable and effective care.

> **Siloed data is unsustainable. A unified member view drives cost savings, stronger loyalty, proactive risk management, and a more agile, data-driven future.**

From Data Chaos to Strategic Clarity: Your Blueprint for Innovation

Beyond these immediate advantages, a robust data foundation is the essential fuel for future innovation. Artificial intelligence, machine learning, and advanced analytics hold immense promise for transforming healthcare, but their potential can only be realized with high-quality, connected data. Payers who prioritize building this foundational strength today will be best positioned to leverage these powerful tools to predict trends, personalize interventions, optimize networks, and ultimately, drive better health outcomes for their populations.

The journey towards intelligent data management for healthcare payers requires a strategic and committed approach. It demands a willingness to challenge legacy systems and processes, to invest in the right technologies and talent, and to foster a data-driven culture across the organization. The challenges are real, but the rewards – a more efficient, member-centric, and financially sustainable future – are even greater.

The payers who will not only survive but thrive in the coming decade will be those who recognize that data is not just a byproduct of their operations, but a core strategic asset. They will be the organizations that can seamlessly connect the dots across every interaction, every claim, every piece of information to create a holistic understanding of their members. The time for incremental fixes is over. The era of intelligent payership has arrived. The question now is: are you ready to lead the way?

Sources

[1] Gartner. (2021). Poor Data Quality Costs Organizations Millions Annually.

[2] CAQH. (2019). CAQH Index: A Report of Healthcare Provider Directory Accuracy. Council for Affordable Quality Healthcare.

[3] Experian. (2024). The State of Healthcare Data: A Look at Data Quality and Its Impact. Experian Health.

[4] MedCity News (2024) Inaccurate Provider Data Hinders Value-based Care, But it Doesn't Have To.

[5] Gartner. (2023). Data and Analytics Strategy: Invest in Data Quality Improvement Initiatives.

[6] Feeding America. (2019). The Cost of Hunger: 2019 Report.

Legacy systems can't fuel the future. Intelligent payership demands connected data, bold action, and a commitment to transformation.
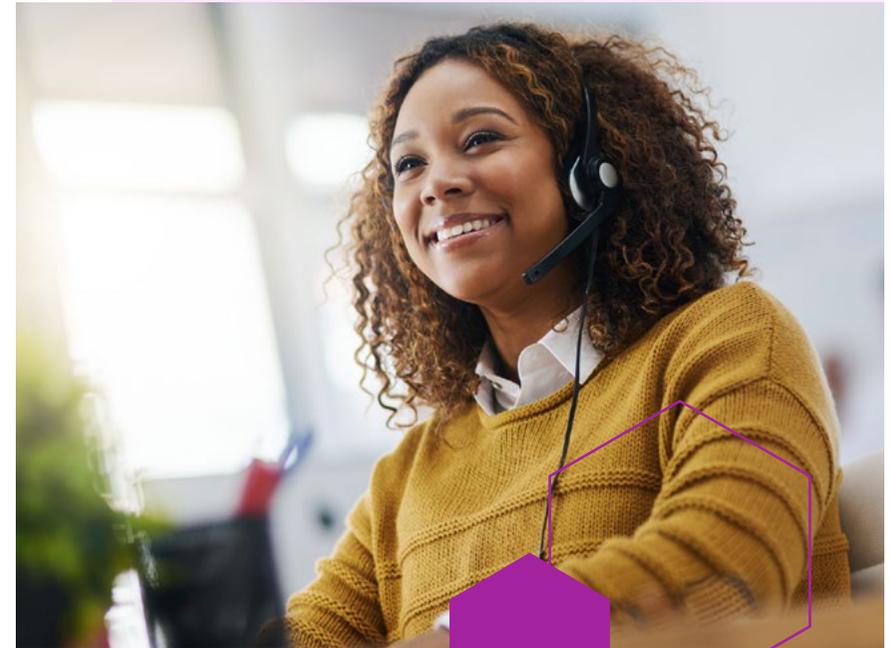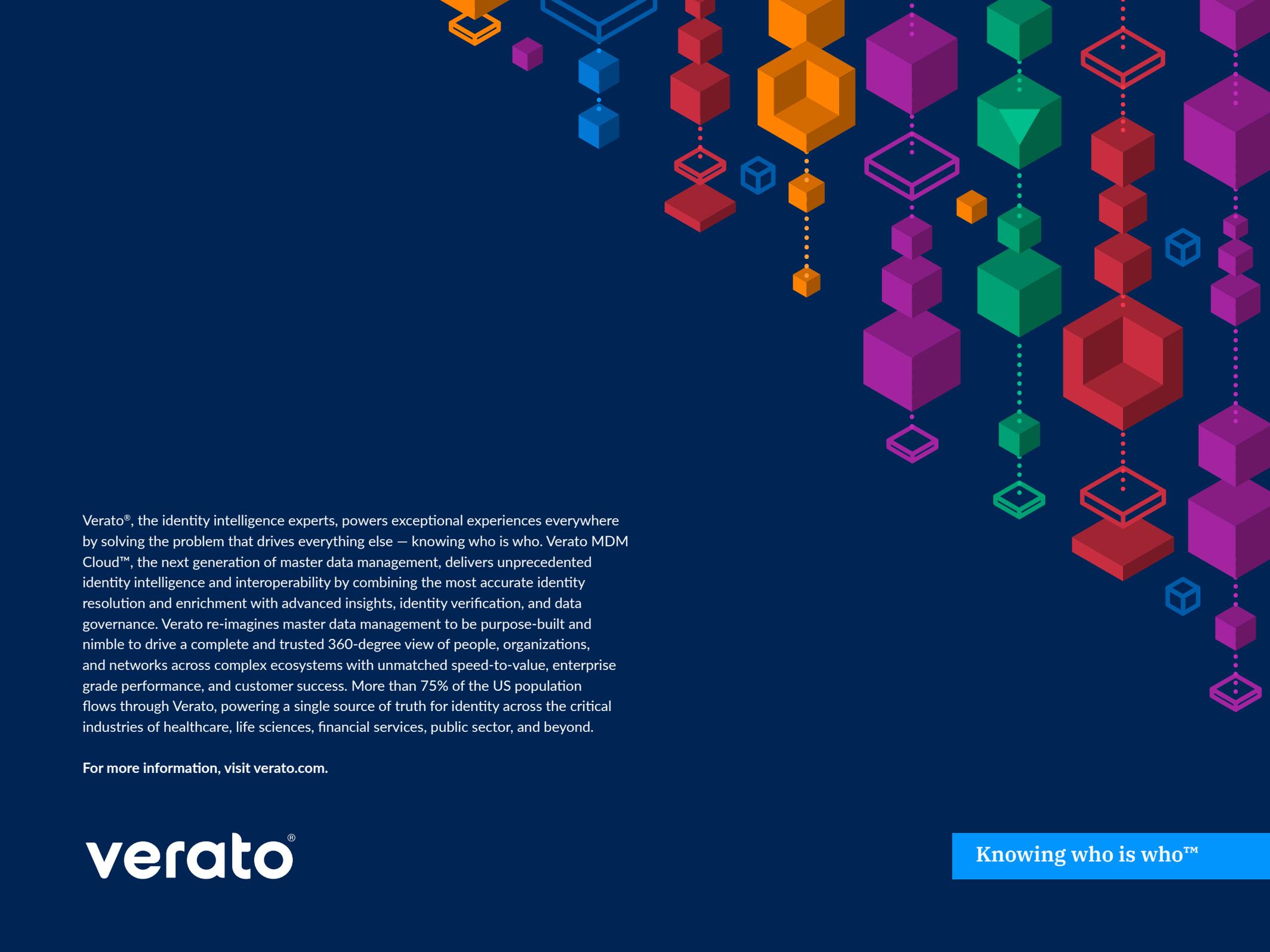
Verato®, the identity intelligence experts, powers exceptional experiences everywhere by solving the problem that drives everything else — knowing who is who. Verato MDM Cloud™, the next generation of master data management, delivers unprecedented identity intelligence and interoperability by combining the most accurate identity resolution and enrichment with advanced insights, identity verification, and data governance. Verato re-imagines master data management to be purpose-built and nimble to drive a complete and trusted 360-degree view of people, organizations, and networks across complex ecosystems with unmatched speed-to-value, enterprise grade performance, and customer success. More than 75% of the US population flows through Verato, powering a single source of truth for identity across the critical industries of healthcare, life sciences, financial services, public sector, and beyond.

For more information, visit verato.com.

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Knowing who is who™