

Date:

March 2018 – March 2019.

Local authority:

Worcestershire County Council

Submitted by:

Ogilvy & Worcestershire County Council

Case study title:

Reducing Fairer Charging Debt

Case study synopsis (100 words):

During September-December 2018 we conducted a randomised controlled trial (RCT) with 705 WCC domiciliary care users to reduce the number of unpaid service invoices and increase the number of people who sign-up to direct debit. We tested two behaviourally optimised conditions against the control across the Invoice, Reminder 1 and Reminder 2 phases. Relative to the control, our test letters significantly increased: direct debit sign ups by 61% ($P < .10$), people paying their invoice via the WCC website and automated telephone line by 33% ($P < .10$), and people calling the helpline by 36% ($P < .20$).

The challenge:

Many people receiving social care services at home are required to contribute financially to their service, but many invoices for these contributions often go unpaid. When invoices are not paid an investigation needs to be undertaken to determine the reasons behind non-payment. This is time consuming and involves looking at social care notes and possible discussions with social workers before making a decision on how best to contact the service user.

Focussing on the Invoice, Reminder 1 and Reminder 2 letters, we defined three key behaviours for successful payment:

- 1. Open** - Helping clients to notice their letter from WCC;
- 2. Accept** – Helping clients to understand the purpose of the letter and the information included;
- 3. Act** – Making it as easy as possible to pay the bill or get in contact with Worcestershire County Council.

To gain an understanding of our audience, and their perceptions of payment and the service we interviewed social workers and frontline staff, as well as analysing current

payment data. Using the COM-B¹ model of behaviour change, we then analysed the three sub-behaviours, and identified the barriers to completing each task:

1. Barriers to Open

- Some clients may not open their letters due to the high volume of received letters, or because they believed it could be bills or spam;
- There was no indication of who the letter was from.

2. Barriers to Accept

- The invoice didn't outline the previous agreement to undergo care, therefore some clients may not be expecting an invoice;
- Some service users may not agree that they have to pay for their care;
- Service users may be confused about the state of their current care plan.

3. Barriers to Act

- It wasn't clear on the steps necessary to make a payment;
- The helpline number included on the invoice was no longer in use;
- There was no perceived consequence for non-payment, as well as a lack of positive reinforcement for paying;
- There was no 'preferred' way to pay, to help guide the payer.

The solution:

To overcome these barriers, we optimised the Invoice, Reminder 1 and Reminder 2 letters with 58 behaviourally informed ideas. We then clustered these ideas into three themes: increase the ease to process information, increase the perceived value of the service and increase the consequences of non-payment.

The below details a selection of the behavioural principles executed within each theme:

1). Increase the ease to process information:

- **Chunking:** Parts are easier to process than “wholes”. Breaking information into chunks and highlighting important areas (eg ‘Your invoice at a glance’), helps the reader process the information more easily.
- **Ambiguity aversion:** We have an instinctive avoidance of the unknown. By describing each payment option in terms of the behaviour required for each (e.g. ‘I want to pay manually online every month’) with a time estimation and difficulty rating, we can increase service users’ understanding of what is required to perform each task.
- **Default:** We are more likely to go with the flow of pre-set options. By subtly highlighting the direct debit option with colour cues and framing it as the easiest, safest and quickest way to pay, we are suggesting that this is the ‘standard’ method of payment.

¹ Michie, S., van Stralen, M. M., & West, R. (2011) The behaviour change wheel: a new method for characterising and designing behaviour change interventions. *Implementation Science*, 6(1).

- **Social norms:** Our behaviour is heavily influenced by that of others. For the Reminder 1 and 2 letters, we also included extra information that helped those who felt they were unable to pay their invoice. Through stating that *‘we answer hundreds of calls from Worcestershire residents every month’* we highlighted how there are others who may also have money issues too. We also indicated when lines are “least busy”, to reinforce the norm of calling the helpline.

We applied these ideas to optimise each Invoice, Reminder 1 and Reminder 2 letter.

Using these redesigned letters as a base, we then included information that laddered up into two separate conditions for testing:

2). Increase the perceived value of the service:

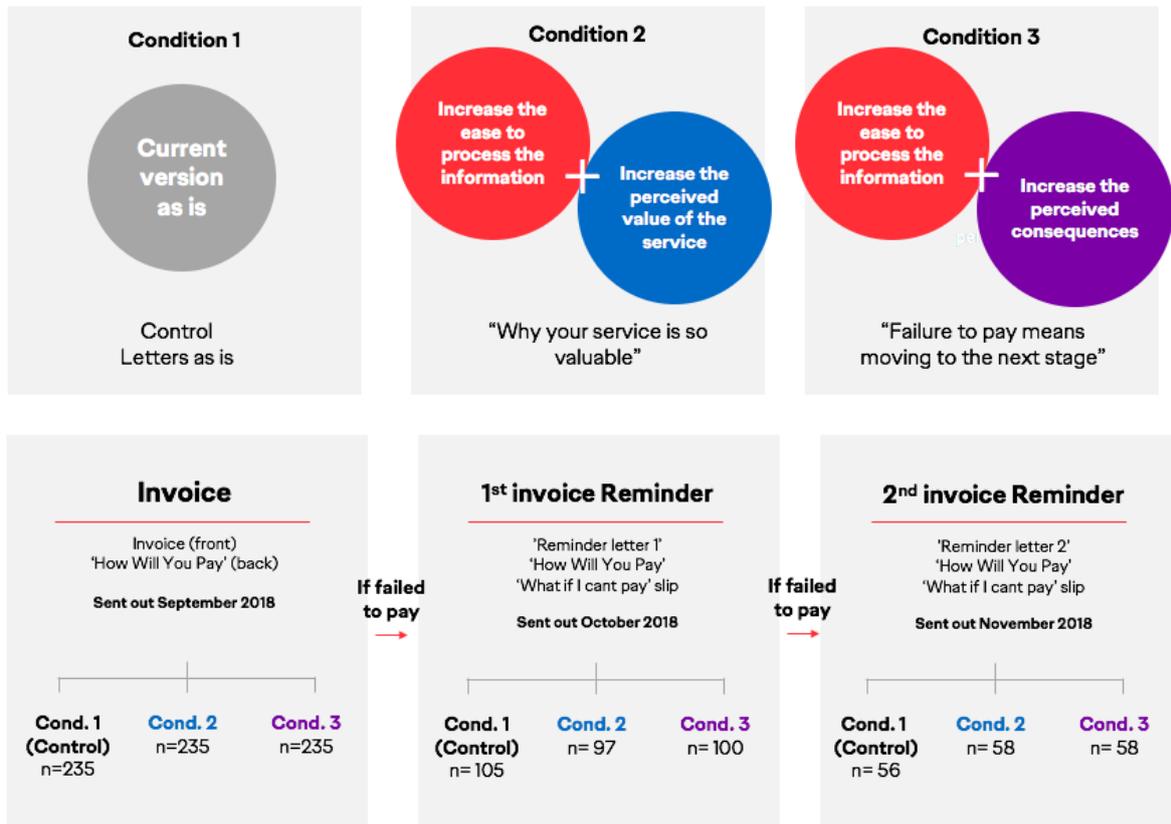
- **Concreteness:** We process concrete words easier than abstract words. Stating that ‘every penny you pay goes back into providing your care’ with an image of a penny increases the ease for users to understand how their care is funded.
- **Endowment Effect:** The prospect of owning something increases its value to us. Highlighting that the council is ‘providing your care’ increases the client’s feeling of ownership and control over their care.
- **Labour Illusion:** We value things more when we believe extra effort has been exerted on our behalf. Highlighting the effort that the care workers go to, to deliver ‘thousands of hours’ of care increases the perception of the service’s value.
- **Goal Gradient:** The closer we think we are to completing a goal, the more we try to achieve it. Showing the behaviours that the client has already achieved along the care journey, and indicating the fewer remaining steps to complete payment, helps to motivate users to complete the task.

3). Increase the perceived consequences of non payment.

- **Commitments:** We need to be seen to be consistent in our actions. Referring to the previous agreement signed by WCC and the service user increases their feeling of commitment and the obligation to pay.
- **Reciprocity:** We feel compelled to return favours done on our behalf. Communicating the actions of the council that go towards continuing the client’s care for them, ‘we have paid your care providers’ increases the incentive to act.
- **Goal Gradient:** The closer we think we are to completing a goal, the more we try to achieve it. Using a ‘negative’ goal gradient to show the user where they are currently in the journey and indicating the consequences of non-payment (e.g. ‘investigation commences in 14 days’).

The trial

We conducted a three-month RCT where we randomly assigned 705 domiciliary care receivers across 3 conditions, testing our two experimental conditions against the control in the Invoice, Reminder 1 and Reminder 2 phases. In each case, those who failed to pay their invoice then received a Reminder 1 and/or Reminder 2 letter.



The impact (including cost savings/income generated if applicable):

The increased value condition significantly increased direct debit sign ups by 61% ($P < .10$) compared to the control.

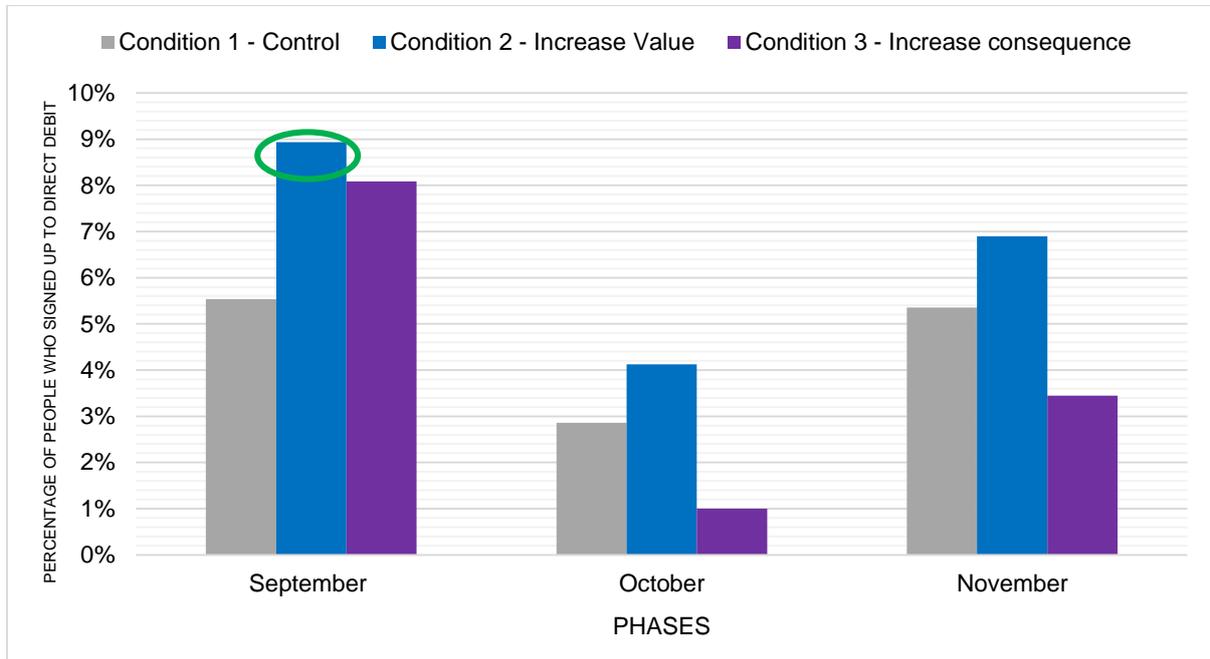


Fig 1. Percentage of Direct Debit signups within each condition and phase

The increased consequence condition significantly increased people paying their invoice via the WCC website and automated telephone line by 33% ($P < .10$), compared to the control.

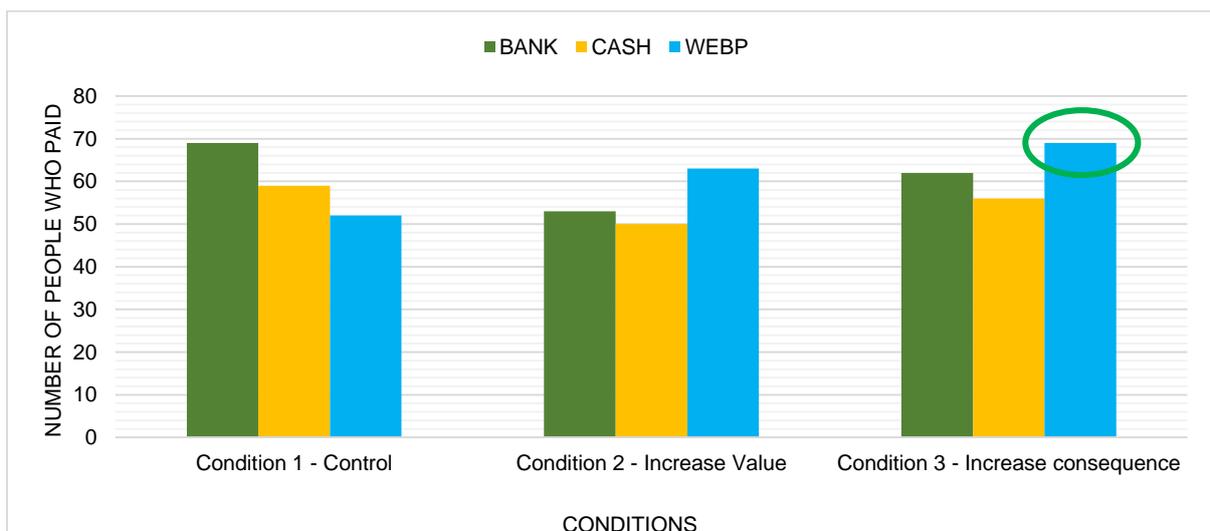


Fig 2. The number of people who paid via Bank, Cash and WEBP within each condition

The increased consequence condition significantly increased people calling the helpline by 36% ($P < .20$), compared to the control.

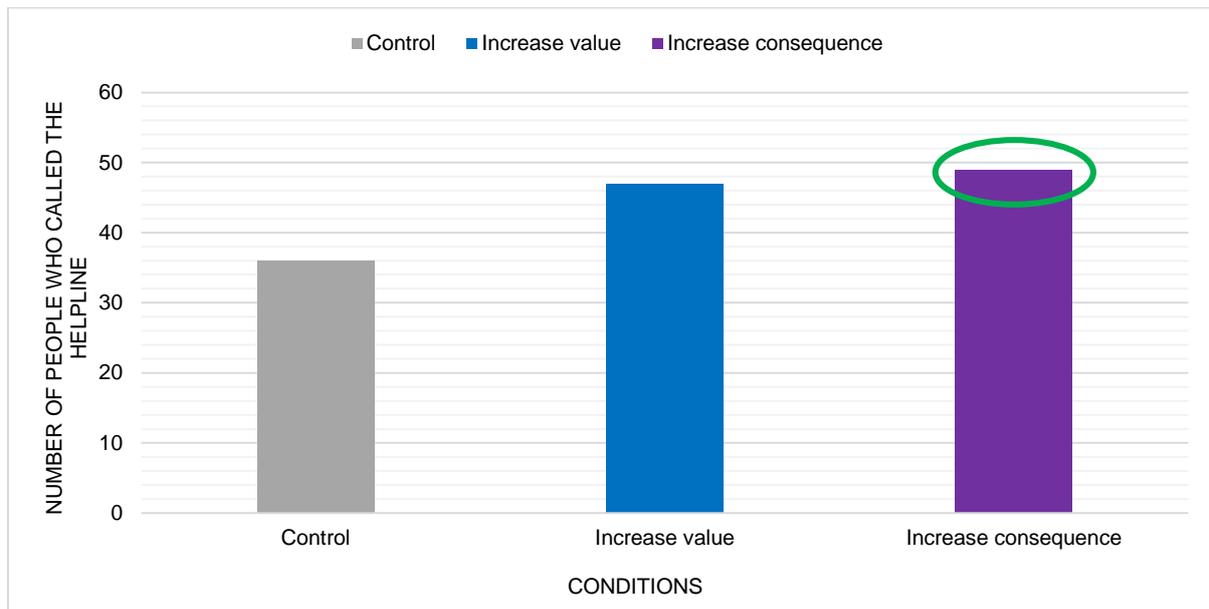


Fig 3. The number of people who called the helpline within each condition

If we were to roll out our direct debit intervention for the domiciliary care service within WCC, we could potentially see a total benefit of approximately £70,000² over the next 12 months (reduced invoicing costs and increased debt repayment). This assumes 100 new service users per month: a higher amount could be achieved if this intervention were rolled out across other Direct Debit applicable WCC services.

How is the new approach being sustained?:

- The Increase perceived consequence (condition 3) template is now being used for the first letters sent to all new home care service users to accompany their first invoice
- The Increase perceived consequence (condition 3) template has also been adapted into a 'Statement of Account' letter sent to the top 100 debtors across all WCC accounts.
- The 'How Will you Pay' section is being sent as a one-off letter to all current home care service users to encourage direct debit sign-ups

²Calculated at 100 new service users per month. Average invoice value per customer calculated at £305. Forecast calculated at 3.4% mean difference between people signing up to direct debit with Ogilvy's direct debit intervention, compared to the control. Final figure is calculated assuming 50% of cohort expected to pay at invoice stage, 17% at the 1st reminder stage, and 3% at the 2nd reminder stage. Assumed each individual is on book for a period of 15.7 months before service is cancelled. Individuals who signed up to direct debit are invoiced once per month after signing up.

We also propose to further roll out or interventions by:

- Updating the optimised direct debit 'ways to pay' information on all Invoice, Reminder 1 and Reminder 2 letters for all relevant services within WCC.
- Updating other communications domiciliary care users receive earlier in the customer journey, such as the Financial Assessment Confirmation.
- Adapting the effective direct debit sign up messaging to give front line staff 'conversation starters' to engage more sensitively and effectively with care receivers about their finances.
- Adapting the redesigned templates that chunk and highlight information for other relevant WCC communications.

Lessons learned:

As the first behavioural insights trail WCC have undertaken, it was important to involve colleagues from across the service firstly to gain buy-in for the project itself, but also learn different perspectives and insights for our audience. Staff input in the ideation workshops was crucial to generate relevant, effective ideas.

It was also imperative that the ideas we generated could also be adapted across other areas of the service and WCC as a whole to ensure they offered as much value as possible.

Colleagues across the Council – especially within the central research team and in the services - have now gained skills in developing behaviourally informed communications and WCC is looking to build upon this to ensure this approach spreads across the Council as a whole.

The project also identified issues with current WCC systems and processes; some of these were within scope of the trial but others are being addressed through wider pieces of work. The issue of debt owed to the Council has become more high profile within the organisation as a whole with more initiatives directed towards addressing the problem.

Conducting a robust RCT was necessary to give a 'business case' for future behaviourally informed trials to be conducted within WCC. A focus on the logistics of conducting the trial earlier in the planning process – and exploring possible automation for the production of the intervention letters – would have helped overcome any bottlenecks in internal resource.

With extra time and resource, we may have undertaken more primary research such as interviews and analysis of service users interacting with both the current and optimised designs. If possible, co-creating interventions with the service users themselves may have led to further insight and ideas.

Although we feel we have started to unearth trends for differences in some groups of people paying for their care over others, we recommend further research to understand 'why' some groups may not be able to pay. Also, an increase in the total cohort used in the trials may have helped to increase the opportunity of identifying a change in rates of payment overall.

Contact:

Mike Hughes, Ogilvy: mike.hughes@ogilvy.com

Claire Bloss, Worcestershire County Council: cbloss@worcestershire.gov.uk

Links to relevant documents: