

Reducing Churn

IN WELLCO APP

The Goal

Reducing Member Churn Through Targeted Outreach

The Challenge

WellCo is experiencing an increase in member churn and aims to reduce it through proactive outreach – but outreach capacity and cost are limited.

TRADITIONAL CHURN PREDICTION IS NOT ENOUGH

Traditional churn models answer: "*Who is likely to churn?*"

But outreach decisions need to answer:
"**Who will change behavior if we contact them?**"

Some high-risk members will not respond to outreach

Some medium-risk members respond well.

Our Approach

Using **Uplift Modeling** to assess the *causal impact* of outreach
Prioritizing members with the **greatest expected churn reduction**

HOW THE MODEL WORKS

How we identify the right number of members to contact

DATA SOURCE USED

App Usage
engagement
patterns

Web Visits
health content
consumption

Medical Claims
priority
conditions

Member tenure &
historical outreach

FOR EACH MEMBER THE MODEL ESTIMATES

Churn risk without outreach, Churn risk with outreach
Incremental impact (uplift) = expected churn reduction

This approach ensures that resources are directed to members who are most likely to respond positively.

MODEL RESULTS AND IMPACT

Model Performance

Training AUC: **0.81**

Validation AUC: **0.68**

Strong ranking performance for prioritization

Uplift Insights

- Average outreach impact: ~4.1% churn reduction
- ~97% of members show positive predicted uplift
- Strong alignment between engagement, health needs, and outreach impact

What This Means

Effective outreach – but only when targeted correctly
Smart targeting maximizes retention impact