The Changing Healthcare Landscape
A Payor’s Perspective

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TODAY’S DISCUSSION

The Payor’s Challenge:

• Facing multiple inflection points
• Rapidly evolving healthcare delivery model
• Rapidly evolving provider practice and payment models
• Rapidly evolving role of insurers
• Rapidly evolving role of the consumer
HEALTHCARE COSTS ARE BURDENING SOCIETY

• People are Getting Older

• People are Unhealthier

• Structure is Flawed

DOING NOTHING DOESN’T WORK

Medical Costs by Age and Risks

Annual Medical Costs

Source: Edington, Zero Trends, 2009
CONSUMERS ARE EMPOWERED

• Demand Easy

• Connect to Many

• Desire Customization

CONSUMERS ARE EMPOWERED

• Demand Easy – Quick, Uncomplicated and No Hassles

• Connect to Many

• Desire Customization
CONSUMERS ARE EMPOWERED

• Demand Easy

• Connect to Many – Enabled by Technology

• Desire Customization

CONSUMERS ARE EMPOWERED

• Demand Easy

• Connect to Many

• Desire Customization – Tailored to their Desires
LEADING COMPANIES EVOLVE FROM TRANSACTIONS TO EXPERIENCE

Why can’t health care?

HEALTHCARE IS EVOLVING

Fee For Service  ⟷  Quality / Cost Reimbursement Models

Employer / Government-Based Purchasing  ⟷  Consumer Choice

Industry Evolves from Sick Care to Health
PROVIDER PRACTICE AND PAYMENT MODELS ARE ALSO EVOLVING

From Insurance to Coordinating Health

CONVERGENCE OF MOBILE, SOCIAL, DEVICES AND ANALYTICS
INDUSTRY DISRUPTION

Opportunity for Disruption
Energy
Utilities
Manufacturing
Travel
Healthcare
Life-Sciences
Retail Banking
Insurance
Industries dramatically reshaped
News
Book Retailing
Movie Rentals
Personal Communications
Maps
Research / Encyclopedia
Classified Ads

CONSUMER-BASED TECHNOLOGY AND HEALTH CARE CHANGES
ATTRACTION INNOVATION

Integrates education, social reinforcement and game mechanics in service of preventive medicine.

Measures and monitors 21 key health indicators with a simple finger prick blood test.

Interactive Health Network and mobile apps connect doctors with patients in smarter ways.
FOR THE NEW HEALTH MODEL, MEDICARE ADVANTAGE IS AN EARLY SUCCESS

More Seniors Are Choosing Medicare Advantage

Source: April 22, 2010 Letter from the CMS Office of the Actuary (total expected enrollments), Kaiser Family Foundation
(MAPD Penetration)

A PAYOR’S EXAMPLE: HUMANA’S COORDINATED HEALTH MODEL
WIN-WIN PARTNERSHIPS

Providers
Integrated Care Delivery

Government
Quality and Cost Improvement

Members
Engaged in their health

Employers
Productivity

Thank you!