

New Care Models: **How insurers can rise to the challenge of older and sicker societies**

#RiskConversations webinar series

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Adrita Bhattacharya-Craven

Director Health & Ageing
The Geneva Association

New Care Models

How insurers can rise to the challenge of older and sicker societies



Report and summary can be downloaded at:

www.genevaassociation.org

Speakers



Adrita Bhattacharya-Craven

Director Health & Ageing
The Geneva Association



Nicholas Goodwin

Director, Central Coast
Research Institute
for Integrated Care



Christian Wards

Director of Group Healthcare
AIA



Margaret-Mary Wilson

Executive Vice President and
Associate Chief Medical Officer
UnitedHealth Group

The case for the New Care Models, evidence and applicability



Nicholas Goodwin

Director

Central Coast Research Institute for Integrated Care

The Need for New Care Models

- ◉ Shifting disease patterns leading to increase in people living with complex comorbidities and long-term care needs
- ◉ Rise in healthcare costs resulting in unsustainably high premiums and high-deductible plans – catastrophic costs for consumers
- ◉ Increased pressure on public health systems and growth of private-sector collaborations

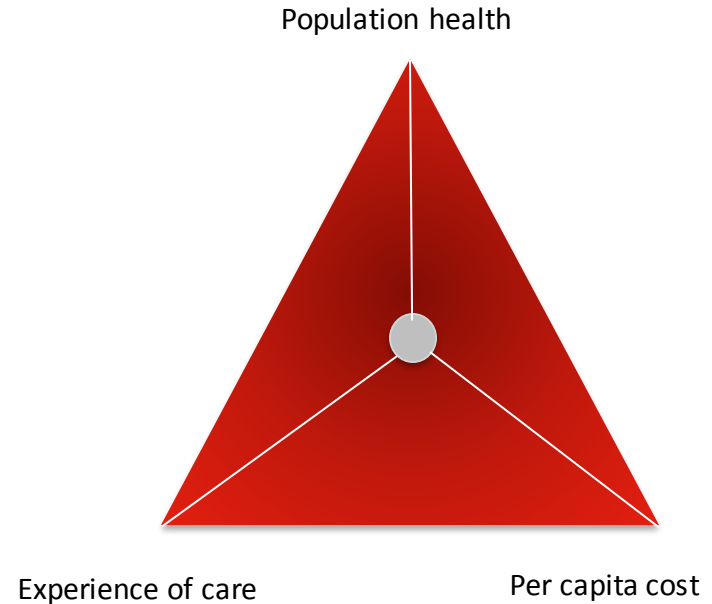
Table 1: Distinguishing NCMs from conventional healthcare and singular disease-focused models

Conventional medical-based care	Disease management programmes	New Care Models
Focus on illness and cure with some population health at primary care level	Focus on priority diseases	Focus on holistic care to improve people's health and well-being
Relationship limited to the moment of consultation	Relationship limited to programme implementation	Continuous care to individuals, families and communities across the life course
Episodic curative care	Programme-defined disease control interventions	Coordinated and people-centred care integrated around needs and aspirations
Responsibility limited to effective and safe advice to the patient at the moment of consultation	Proactive management of a patient's risk factors to meet targets	Shared responsibility and accountability for population health, tackling the determinants of ill-health through intersectoral partnerships
Users are consumers of the care they purchase	Population groups are targets of specific disease-control interventions	People and communities are empowered to become co-producers of care at the individual, organisational and policy levels

Source: Adapted from Goodwin et al.³⁰

The Evidence for New Care Models

- Good evidence for improvements in quality of care, care outcomes and care experiences
- Structural solutions often ineffective – focus on changes in care delivery at the interface between providers and consumers in ways that promote and coordinate health and well-being in primary and community care settings
- Potentially significant and sustainable comparative cost reductions have been demonstrated
- But depends on effectiveness of design and implementation which needs time to develop and mature



‘The Triple Aim’
The Institute for Healthcare Improvement

Table 2: The Project INTEGRATE Framework: A validated set of characteristics associated with the successful impact of integrated care projects

Dimension of care	Strategies associated with successful implementation
Person-centred care	The active engagement of patients and carers as partners in their care. Key strategies include: health literacy, supported self-care, carer support, shared decision-making, shared care planning and access to health data
Clinical integration	How care services are coordinated with and around people's holistic needs. Key strategies include: multidisciplinary assessments and plans; active care coordination; care transition management; integrated care pathways; case management; a rostered/enrolled population; and involvement of community partners
Professional integration	How care professionals work alongside each other to meet people's multiple needs. Key strategies include: shared governance and accountability for care outcomes; interprofessional training and education; working in teams; formal agreements to collaborate; and a positive attitude towards working together
Organisational integration	How care providers work together across organisational boundaries to enable professionals to work together. Key strategies include: shared finance and incentive schemes; aligned governance, regulatory and performance frameworks; common organisational goals; and effective care networks
Systemic integration	How the care system provides the enabling architecture to support organisational integration – for example through shared information and data systems; deregulation; financial flows; workforce investments; and other policies supporting and embedding new models of care
Functional integration	The capacity to communicate data and information across the system manifest in key capabilities such as patient identifiers, shared care records, and effective communication and use of such data in decision-making and care delivery
Normative integration	The extent to which different partners in care share the same norms and values towards care integration, for example in terms of: having a shared purpose and vision; building social capital and trust; promoting shared and distributed leadership; and having a collective emphasis on population health

Source: Adapted from Calciolari et al.³⁸

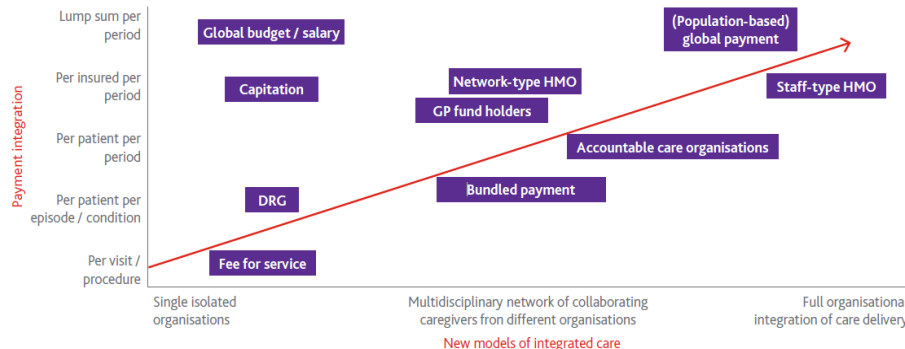
The core building blocks of effective New Care Models

Enabling New Care Models

Insurers as the 'Strategic Payer'

- Insurers use their purchasing power to act as the 'integrator' of care delivery to drive New Care Models
- Move away from fee-for-service models to pooled budgets and capitated funding
- Formal linkages and joint governance between purchasers and providers developed to establish dual accountability and risk sharing

Payment models



Broader key competencies



Pros & cons of different models of care

Accountable Care Organisation (ACO)



Source: Premier[®]

- Fully integrated care systems (e.g. Kaiser Permanente, USA)
- Direct to provider (e.g. Direct Primary Care)
- Consumer directed payments

Table 3: The potential strengths and weaknesses of NCMs

		Models of care						
		Traditional approach to procurement	ACO-prime contractor	ACO-prime provider	ACO alliance	Fully integrated	Direct to provider	Consumer-directed payments
Impact criteria	Improving health outcomes	Medium	Medium	Medium	High	High	Low / Medium	Low / Medium
	Potential consumer market	Medium	High	High	High	High	Low	Low
	Potential consumer attractiveness	Medium	High (to groups with specific needs)	High (to groups with specific needs)	High	High (to groups with specific needs)	High (to groups with specific needs)	High (to groups with specific needs)
	Provider management capability	Low	High	Very High	Medium / High	Very High	Medium	Low
	Influence over care utilisation patterns	Low / Medium	High	Very High	Medium	Very High	Very High	Low / Medium
	Required new organisational capability	Low	High	High	Medium / High	Very High	Medium	Medium
	Risk to insurer	High	Low / Medium	Low / Medium	Low / Medium	Low	N/A	Low / Medium
	Potential for cost containment	Low	High	High	High	Very High	Medium	Low

Source: The Geneva Association

Findings from key informant interviews and recommendations



Adrita Bhattacharya-Craven

Director Health & Ageing
The Geneva Association

Views on NCMs of key informants from life & health insurers

Who were involved?

- ◉ 15 key informant interviews
- ◉ Represent senior leadership of some of the largest global life & health insurers
- ◉ Wide geographical spread: Asia and the Pacific region, Europe, North America, Southern Africa and those with a global footprint



What was involved?

SIX THEMES

Rationale for NCMs

Characteristics of NCMs

Market buy-in

New opportunities

Effect on insurance value chain

Considerations for scalability

Finding #1: Rationale

What were the main reasons?

1 Customer experience

- Influence well-being
- Choice
- Control
- Quality
- Outcomes

2 Business sustainability

- Passive to active payer
- Balance liability with efficiency
- ↓ Unsustainable rise in premiums

3 Changing ecosystem

- Pressure on public finances
- System too polarised
- Align provider incentives
- De-medicalise health

4 Demographic and disease shifts

- Manage chronic illnesses
- Promote active ageing

Life insurers embracing NCMs

- Mitigate mortality in risk-based products
- Lower risks of expensive long-term care in savings-based products

*Traditionally, life insurers have sold a policy and then money is available to help in the event of death or for rainy days. Rather than focusing solely on providing financial protection for families after death, we wanted to make life insurance about living. **John Hancock***

Finding #2: But... implementation has a way to go

Characteristics

Strong tendency towards service innovation (i.e. expanding the range/scope of service).

- BUT few match these with supply-side & financing interventions.

NCMs have a focus on the whole continuum of care.

- However, the use of risk stratification to target services is limited.

Programmes are nascent but evidence is promising.

- Improved consumer experience.
- Addresses cost inflation.

Market buy-in

Consumer response to NCMs is positive.

- BUT the added value of NCMs over traditional services needs clarity to sustain loyalty.

Provider receptiveness is mixed.

- NCMs are seen to generate a sizeable volume of consumer.
- But strategic objectives not clear.

Unfamiliarity gets in the way.

- Patchy understanding of the provider landscape.
- Reliance on standard TPA models.

*We spent a lot of time relationship-building with our providers which eventually gave us some power to shape the market. But we had to build this power muscle by muscle. We got a lot of pushback initially, but that makes it even more important to make investments upfront and put actual dollars on the table. Providers can then see it is real and that they are being rewarded. **Discovery***

*This idea that there is a payer and there is a provider and never the twain shall meet won't work. **UnitedHealthcare***

Finding #3: But... implementation has a way to go

+

New Opportunities

- Use data to improve existing products
- Package and sell new competencies
- Reach more riskier groups
- Diversify from risk-based products to service-based products

Effect on insurance value chain

Marketing and distribution are the most functions in the insurance value chain influenced by NCMs

-

BUT concerns remain about

- articulating a value proposition to consumers
- achieving outcomes alongside volume
- understanding ROI
- adverse selection
- short-termism

BUT NCMs still unsupported by traditional distribution channels

Lack of focus on institutional structures to influence other parts of value chain to

- influence quality
- shape the supply of care

Consideration for scalability

The regulatory environment

- Licensing rules for life insurers
- Data protection
- Provider market reform

Data

- Systems for collecting, storing and analysing
- Better design, targeting and monitoring of NCMs

Leadership and cultures

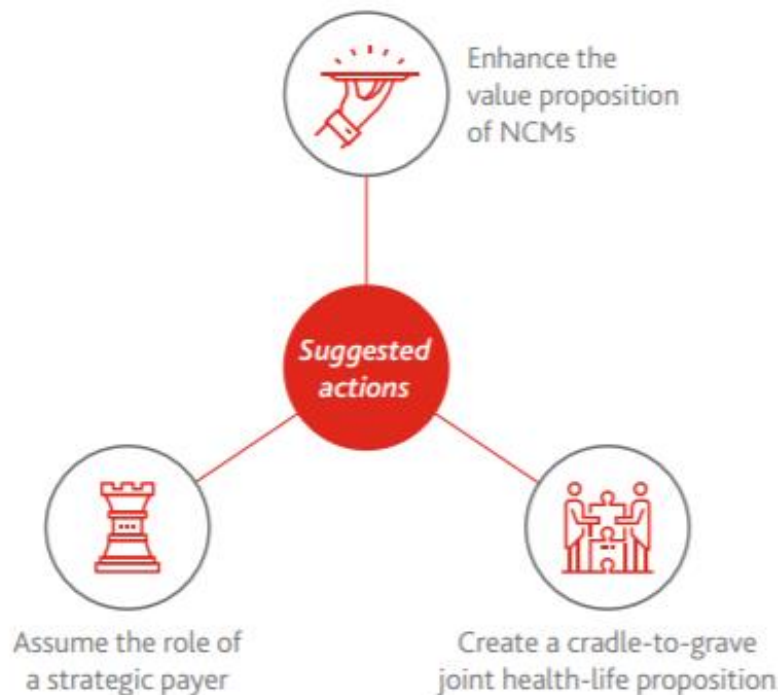
- Enable greater risk taking
- Longer-term horizons for NCMs to mature

Concurrent focus on key supply-side

- Provider management
- Payment reforms

Recommendations

- ◉ Go beyond the simplistic notions of choice and convenience to reflect 'the triple aim'
- ◉ Adopt a 'strategic payer' approach to ensure favourable supply-side condition that can optimise NCMs.
 - Stratify risks
 - Share risks
 - Plan the journey incrementally towards a value-based system
- ◉ Identify the strategic touchpoints of health and life insurance business lines.
 - Pooling, analysing and sharing data
 - Joint marketing and distribution plan
 - Develop a clear country-specific plan to navigate the external environment





Margaret-Mary Wilson

Executive VP and Associate Chief Medical Officer
UnitedHealth Group

Modernizing Healthcare Models: A Way Forward



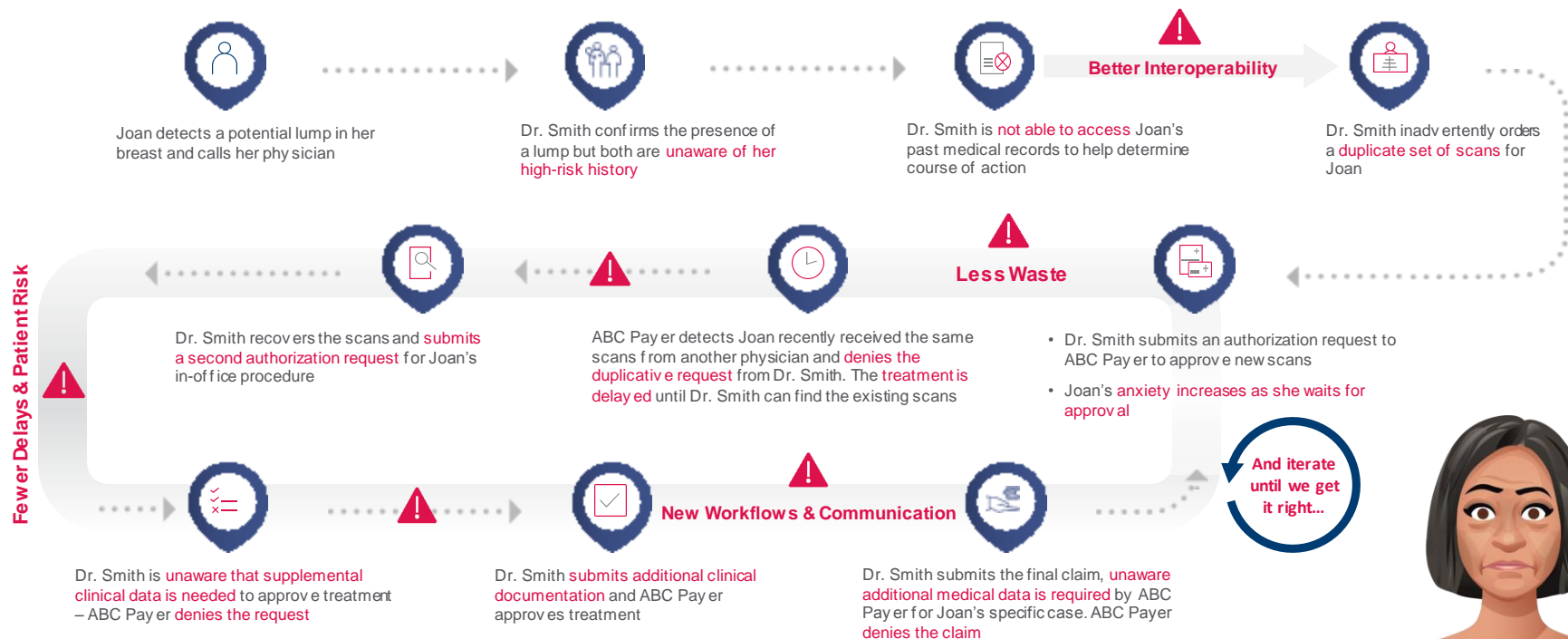
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Dr. Margaret-Mary Wilson

*EVP & Associate Chief Medical Officer
UnitedHealth Group*

We Want Something Different

For Joan, Dr. Smith and ABC Payer, the care experience is full of complexity.



Everyone Suffers

Dr. Smith

- An incomplete view of ABC Payer's payment policies
- Outdated clinical data for Joan
- An incomplete view of evidence-based, next best actions for Joan
- Unstable revenue stream

Joan



- Anxiety and stress during an uncertain and scary time
- Referee between Dr. Smith and ABC Payer
- Costs for every interaction with Dr. Smith are complicated and unclear
- Uncertain of what to do next

ABC Payer

- Incomplete clinical data for a Joan
- The most complete view of their own payment policy, which varies *by payer*
- Denials are time consuming and complex
- Limited data-sharing and lag time

Challenges Summarized

Health Care Challenges



Clinical / Cost Information Sharing

Connecting clinical and claims information for use in the right place at the right time with the right context is difficult and complex



Lag Time

Inherent delay and disconnected flow of information between providers, payers and patients



Limited Scalability

Provider, payer and patient interactions are focused on working through approvals, denials and exceptions



Financial Experience

Financial experience for providers, payers and patients is often manual and fragmented

Accelerating Our Approach to Improve

Joan, Dr. Smith and ABC Payer are counting on us



Clinical / Cost Information Sharing



Lag Time



Limited Scalability



Financial Experience

How We Will Address Them

Drive the right, real-time clinical information to point of care for more informed and clinically advanced patient care decisions.

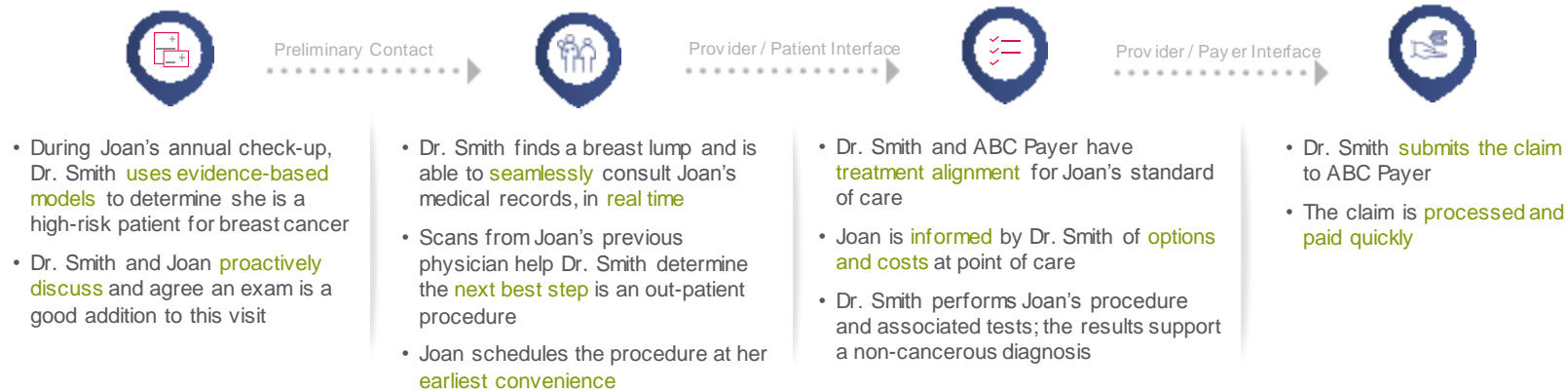
Proactively combine and share clinical and cost information across payer, provider and patient.

Facilitate the provider-payer flow of clinical and cost information.

Leverage digital technology to modernize and streamline the financial side of health care.



Joan's Ideal Health Care Journey Benefits Everyone



- Joan's care required one scheduled visit, with **predictable cost** for Joan
- Dr. Smith avoided the unnecessary scans, **saving Joan money and weeks of worry** between doctor visits and imaging results.
- ABC Payer and Dr. Smith **harmonize** their approval and payment processes to **create best overall experience** for Joan.



Everyone Wins with the Transparent Network



THANK YOU

New Care Models in the context of Life insurance in Asia



Christian Wards

Director of Group Healthcare
AIA



New Care Models in the context of Life insurance in Asia

Dr. Christian Wards

AIA Group Health & Wellness Transformation

Delivering AIA's brand promise of Healthier, Longer, Better Lives by empowering and enabling people to understand and manage their health, while meeting their long-term savings and protection needs

Life and Health insurer in Asia with geographic breadth across emerging to mature markets



Over a century of history in the region



Large geographic footprint with 100% ownership in 17 out of 18¹ markets



Our Purpose is to help people live **Healthier, Longer, Better Lives**



Ranked **Agency MDRT's #1** multinational worldwide 7 years in a row!



Over 16 million group scheme members



More than 36 million individual policies



Total assets of **US\$291 billion**



Over 14 million benefit payments were made during 2019



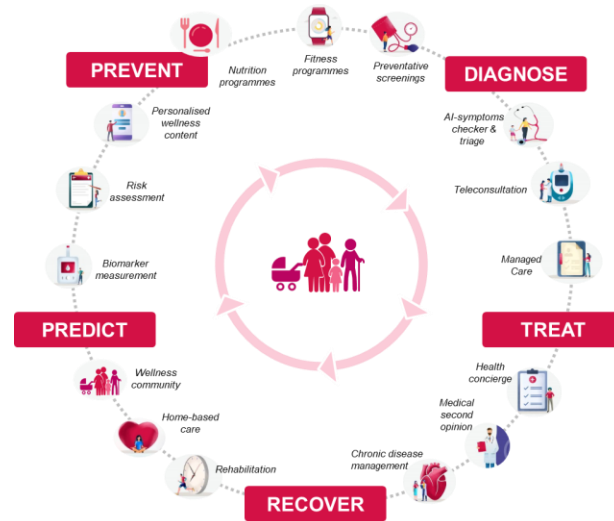
Provides protection to people across the Asia-Pacific region with **total sum assured of US\$1.74 trillion²**



A key pillar of our H&W strategy is to provide customers with an ecosystem of service partnerships across their health journey...

AIA Vitality

- **10m** health assessments
- **4m** mental health assessments
- **800k** workouts a day
- **73%** unhealthy to healthy glucose levels



Personal Case Management

- **11** markets live
- **22%** diagnosis change
- **58%** refined treatment plan
- **94%** customer satisfaction rate

Telemedicine and Local Health Networks

- **8** markets live
- During pandemic significant increase in monthly consultations and increase in number of eligible lives

AIA Regional Health Passport

- **8** markets live
- **Top 100** upper-tier hospitals in Asia
- **Leading US and European** hospitals
- **10k** providers globally

Enabling the *NCM TRIPLE AIM*

Better customer experience through digital journeys embedded in products



Improving accessibility through **cost-effective scalable** regional partnerships



Leading to **improved health outcomes**

...by integrating them into our products and accelerate AIA's transition from a payor to a "strategic payor" & partner



We have recognised the need for New Care Models and continue to innovate through our propositions to deliver shared value outcomes...

The rapid rise of lifestyle-related non-communicable diseases (NCDs) across Asia is placing an increased burden on health systems and insurance businesses

Recognising these trends, AIA was the first to launch a scientifically proven, incentive-based & integrated wellness programme in Asia
AIA Vitality and its shared value business model is more relevant today than ever before

AIA Vitality is a holistic wellness programme that improves health outcomes and rewards long term behaviour change

5 Lifestyle behaviours and Mental Health

Leads to

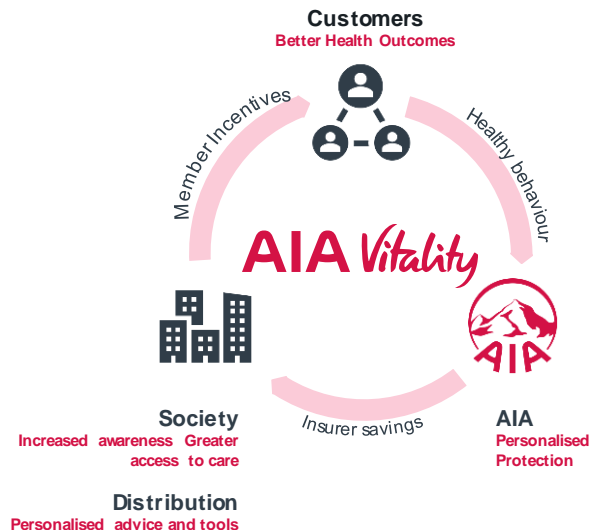
5 Main NCD risks and Air Pollution

Responsible for

70% of all deaths Worldwide

*With the global pandemic driving up mortality rates, increasing reports of burn-out culture amongst workers in Asia and poor air quality statistics across the region means there is more **focus on health and wellness***

Source: WHO 5-5-70

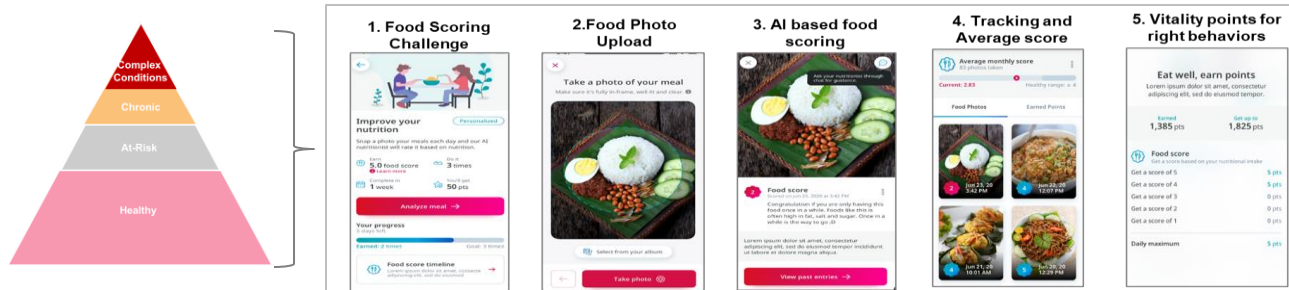


AIA Vitality customers earn points across multiple wellness dimensions, e.g. physical activity, nutrition, mental health & sleep and are recognized across 4 statuses

PLATINUM	30,000 points
GOLD	20,000 points
SILVER	10,000 points
BRONZE	0 points

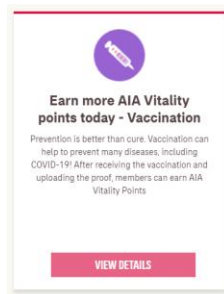
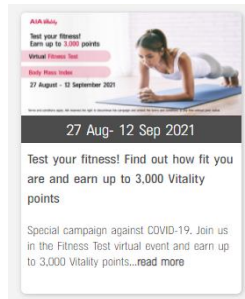
...constructing end to end health journeys with scalable digital engagement and awareness at a population level to enable interventions matched to risk & need...

A. Long term behaviour change and support through Real time AI- Food scoring and gamification : Create awareness through scalable dynamic solutions and triggers for appropriate risk-based journeys e.g. nutrition assessments, weight loss interventions and Condition Management



B. Adapting the programme to sustain relevant behaviour change through the pandemic: Engagement initiatives put in place to navigate extended lockdowns and restrictive movement

- 1 Virtualization of health assessments** performed at home through our verified third party tools
- 2 8 markets are now offering Vitality points for COVID vaccinations**
- 3 Conversion of “brick & mortar” benefits to online** e.g. healthy food grocers as a delivery service
- 4 Leveraging AI-nutrition scoring tool to create campaigns and competitions**

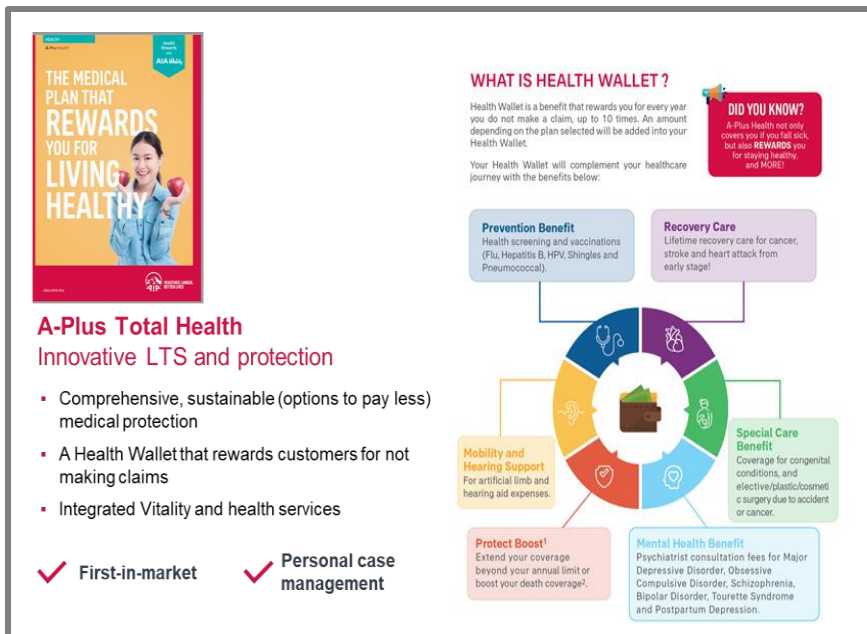


...ensuring relevant programmes available to achieve customer engagement

Delivering integrated insurance propositions in both our retail and employer channels that enable access to New Care Models

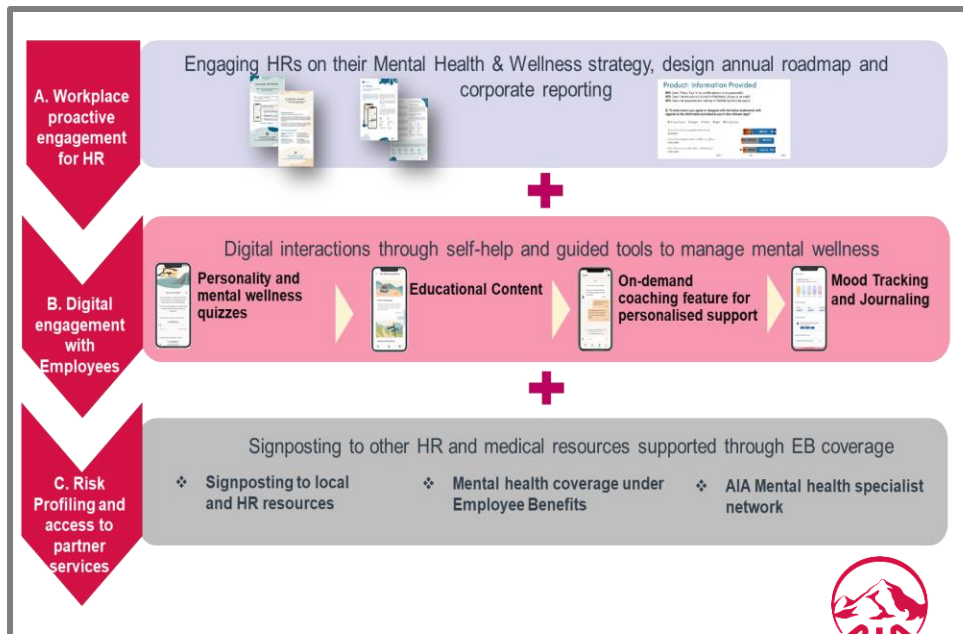
RETAIL

Customer empowerment by providing access to different benefits through personal choices enabling access to NCMs



CORPORATE

Leveraging our Employer base in Asia to make an impact in mental health & wellness - personalised digitally enabled tools integrated with the product



THANK YOU





INSURANCE FOR A BETTER WORLD

www.genevaassociation.org

