Capgemini

Health Insurance
Top Trends 2021

Drivers, opportunities, and risks shaping financial services


PRESCRIPTION
Rx
STAMP

TABLE OF CONTENTS

Introduction

This too shall pass

COVID-19 brought sweeping implications for all industries, but nowhere more so than in the health insurance industry. And now, firms continue to face **challenges on multiple fronts** as they work to meet the expectations of both members and employees. At the peak of disruption, the focus was on ensuring business continuity. These days efficiency initiatives are cropping up as insurers adapt to the new normal.

Our Top Trends in Health Insurance: 2020 (Q4 2019) identified guided user experience, interoperability, early intervention, transparency, and claims processing as high-impact focus areas. Since the outbreak of the pandemic, however, the trends gaining the most traction are telehealth and virtual care – both critical to supporting an already strained healthcare system.

In addition to lockdown-related complications, firms grapple with members' changing preferences, demographic shifts, and compliance mandates.

Our 2021 trends explore the strategies and tactics payers may take to manage these weighty external pressures.

Pivot fast to stay resilient

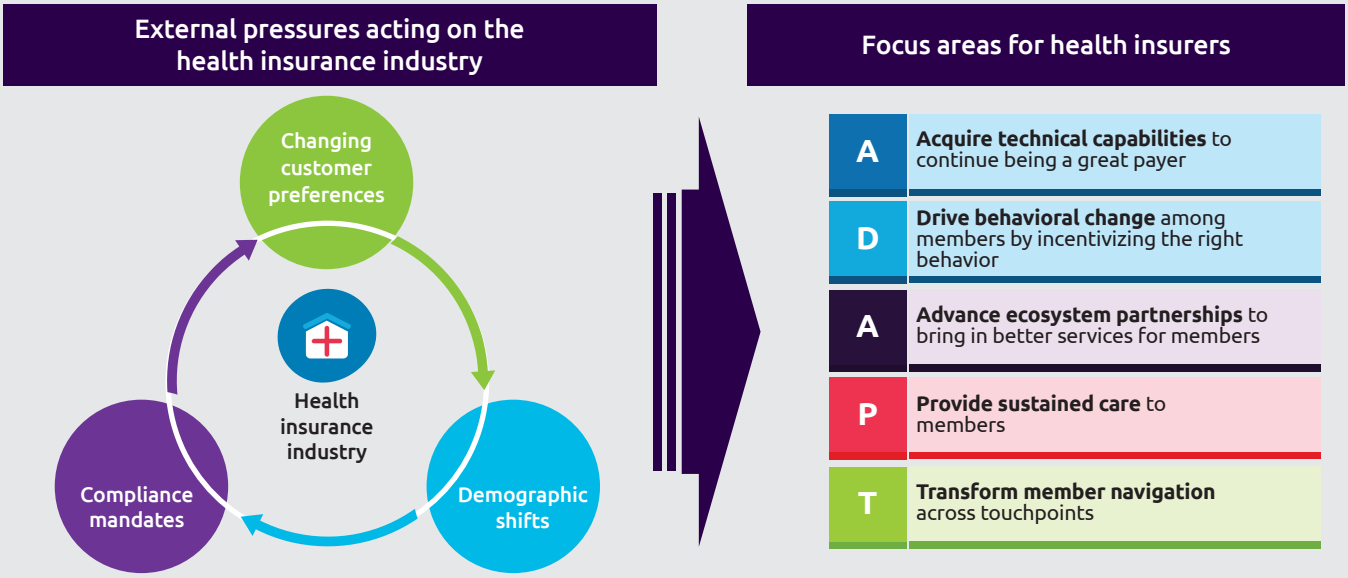
Healthcare costs continue to skyrocket. Pre-COVID-19, medical inflation was on course to increase by almost 7% in 2020.[1] Simultaneously, demographic shifts, such as an aging population and the rise in chronic conditions, continue putting pressure on expenses.

Customers are making their new preferences clear, and **omnichannel service is a must-have**. In fact, 75% of policyholders say they might switch providers in pursuit of seamless service and flexible coverage options.[2]

Regulators and governments are also updating **compliance mandates** around **data interoperability and transparency**. The US Department of Health and Human Services finalized the Fast Health Interoperability Resources standard to enhance interoperability and data exchange between health IT systems.

[1] Willis Towers Watson, "2020 Global Medical Trends Survey Report," November 20, 2019.
[2] Cagemini, "World Insurance Report 2020," May 14, 2020.

Exhibit 1. Health insurers must *ADAPT* to the external pressures acting on the industry



Source: Capgemini Financial Services Analysis, 2020.

Health insurers - possibly more than players in other FS sectors - can see that the **time to ADAPT is now, and swift response is critical.** The industry-shaping trends outlined throughout the pages ahead will require resilience and agility as market dynamics shift.

Exhibit 2. Top trends in health insurance – 2021

Acquire technical capabilities	TREND 1	Insurers are leveraging AI-based solutions to improve claims processing
	TREND 2	Cognitive automation powers intelligent, personalized member engagement
Drive behavioral change	TREND 3	Pandemic catapults health and wellness into the global spotlight
Advance ecosystem partnerships	TREND 4	Data interoperability enables seamless, coordinated care delivery
	TREND 5	Customer-centric BigTechs enter health insurance
Provide sustained care	TREND 6	COVID-19 accelerates telehealth adoption
	TREND 7	Insurers are stepping up digital capabilities to offer virtual care services
	TREND 8	Recognizing social determinants can improve health outcomes
Transform member navigation	TREND 9	Insurers guide members' health care journey to coordinate care, control costs

Source: Capgemini Financial Services Analysis, 2020.

Trend 01

Insurers are leveraging AI-based solutions to improve claims processing

Artificial intelligence (AI) can help insurers improve claims management system to enable real-time claims processing.

Context

Claim is "The moment of truth" for customers and given the current situation, this oft-repeated cliché is more relevant than ever. Health insurance claims are complicated and often require several hands-on staff interventions because of disparate systems, slowing down efficiency.

- *Old school* systems based on hard-copy documentation require manual processing that can be slow and prone to human error.
- Even with digital processes, several data exchanges between incongruous IT systems are typical.

Catalysts

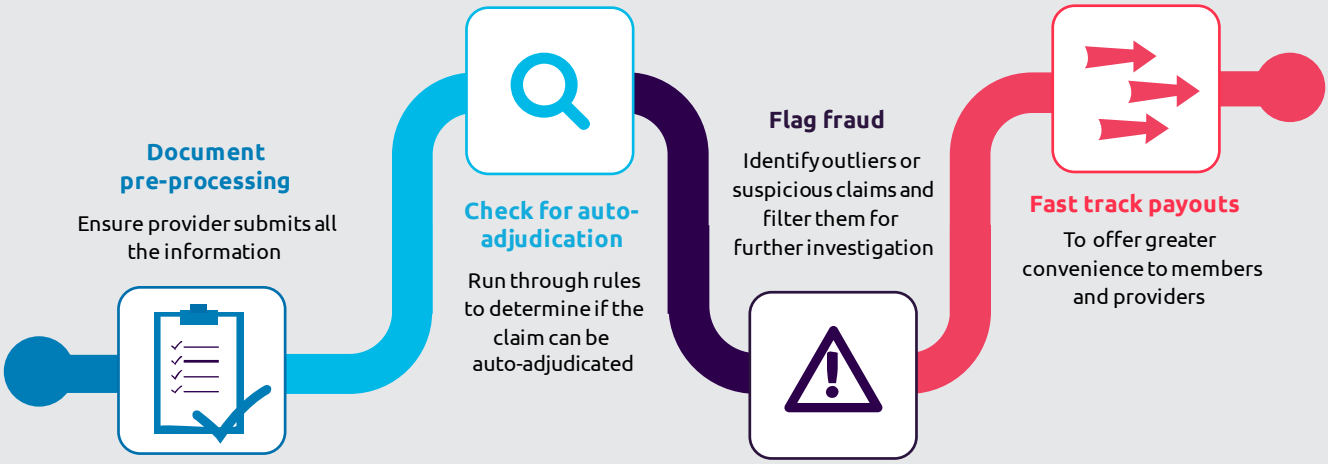
- As healthcare costs continue to rise, insurers are under pressure to manage their claims processes efficiently and reduce administrative costs.
- Members expect processes to be fast, simple, and low in complexity, urging insurers to explore different avenues for making the claims process faster and more efficient.

In a nutshell

- AI-based systems can be used as a pre-processing step to simplify and automate the processing of claims documents and to ensure that the provider submits all the information.
  - Omni:us, a German InsurTech, uses deep learning technologies and data-driven techniques to generate a holistic claims profile and support the claims team to make contextual decisions.[3]
- Insurers are transforming claims management by leveraging AI-based solutions to improve auto adjudication of claims, flagging fraud, and claims processing.
  - US-based health insurer Humana is working with Oracle to transform its claims management system and acquire real-time claims adjudication capabilities. The insurer is also exploring applications of AI to transform the claims process by enabling more informed decision making.[4]
  - In India, ICICI Lombard General Insurance uses artificial intelligence throughout its claims management system to extract data, determine claims admissibility, and adjudicate. The company also leverages AI to approve and streamline member treatment without upfront payment (cashless).[5]

[3] Omni:us website, accessed October 7, 2020.
[4] Oracle website, "On the road to real-time claims adjudication," April 8, 2020.
[5] The Hindu, "Cashless hospitalisation in 90 seconds thanks to AI: ICICI Lombard," December 11, 2019.

Figure 1. Real-time claims processing in health insurance



Source: Capgemini Financial Services Analysis, 2020.

Impact

- By offering members an automated, transparent, and enhanced claims experience, insurers can boost trust and loyalty.
- Fewer manual interventions can reduce error potential throughout the claims processing cycle.
- Real-time claims processing can reduce the risk of fraud.

Trend 02

Cognitive automation powers intelligent, personalized member engagement

Health insurers are leveraging cognitive automation to power emotionally intelligent, real-time interactions with members.

Context

Policyholder interaction with health insurers can be highly stressful, requiring emotionally intuitive, personal, and reassuring engagement.

- Customers expect swift response – which can be challenging when support systems are under stress caused by COVID-19 conditions.
- As streamlining customer support services by combining machine and human intelligence becomes critical, insurers embrace cognitive automation for superior CX.

Catalysts

- BigTechs have reshaped consumer expectations, and customers now expect similar experiences in all interactions. Health insurers now realize that capabilities to gain deeper insights into member psyches can enable tailor-made communications.
- Specialized artificial intelligence (AI) can detect emotions via a policyholder's tone of voice, pitch, facial expression, and other gestures, helping payers interact more personally and empathetically.
- Insurers are prioritizing real-time interaction management to keep customers engaged and meet expectations swiftly and accurately.

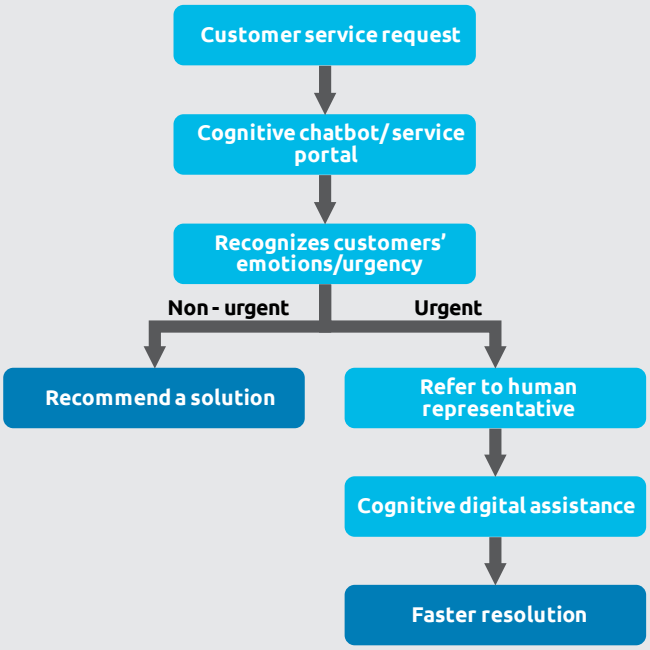
In a nutshell

- Insurers are enhancing service experiences by using cognitive digital-automation to assist staff during a customer support call.
  - In the United States, Humana uses an intelligent bot to collect member information across multiple systems in real time, which helps agents answer questions quickly. AI-based bots also offer tips to customer service reps based on members' vocal cues such as tone, pitch, and rhythm, helping them to respond with empathy.[6,7]
- COVID-19 has disrupted customer service operations, and now more than ever, insurers depend on AI-powered chatbots to provide members with self-care services. AI-based solutions can also help insurers understand the emotions of its members better to offer human-like experience with empathy.
  - California-based Molina Healthcare launched a digital multi-platform chatbot to help members find information about COVID-19. The chatbot allows members to access their risk profile, seek live help, and take appropriate action if symptoms prove positive.[8]
  - Fluid AI, an India-based startup offering AI-based interactive experiences, has developed a mobile avatar to make all the conversations with patients engaging, interactive, and human-like.[9]

---

[6] Forbes, "Humana Aims To Streamline Services With AI," March 2, 2020.
[7] Becker's Hospital Review, "Humana is deploying robots to coach empathy," September 11, 2019.
[8] Business Wire, "Molina Healthcare Launches Coronavirus Chatbot," March 24, 2020.
[9] Fluid AI website, accessed October 7, 2020.

Figure 2. How cognitive automation empowers intelligent real-time customer interactions



Source: Capgemini Financial Services Analysis, 2020.

Impact

- Cognitive automation can help insurers reduce servicing costs and ensure better member outcomes thanks to faster case handling and better decision making.
- Data generated from customer service interactions can help develop customized health insurance products while identifying the right time and channel to reach out to policyholders.
- Cognitive automation can improve employee productivity by enabling them to focus more on complex cases.
- The scalability offered by AI-based chatbots can help insurers swiftly respond to unexpected demand shifts.

Trend 03

Pandemic catapults health and wellness into the global spotlight

COVID-19 changed the way people led their daily lives in 2020, sparking challenges to mental and physical health. Insurers are responding with member-centric wellness initiatives.

Context

The pandemic forced everyone to stay indoors to protect their health, driving the need to address overall policyholder wellness.

- COVID-19 quarantine has led to higher health risks due to lower physical activity among members.
- Social distancing, loneliness, and isolation are leading to more significant mental health issues.

Catalysts

- With the rise in digital use among people of all ages and demographics, the insurers have an opportunity to connect with a broader section of their members through interactive wellness initiatives.
- A surge in pandemic-related mental and physical problems can lead to higher costs for insurers, so supporting members' overall wellness makes good strategic sense.

In a nutshell

- Health insurers are launching wellness initiatives and programs to improve members' physical and mental health while encouraging positive lifestyle changes.
  - Optum, a managed care company and part of UnitedHealth Group, introduced a virtual community center to help senior citizens stay healthy during COVID-19 by offering free online exercise, mental health classes, and nutrition tips.[10]
  - AXA launched a wellness platform *BetterMe* for its members in Hong Kong. The wellness platform can be accessed via Emma by AXA app and offers physical and mental health services, along with chronic disease management.[11]
  - Scan Health Plan, a California-based health maintenance organization, leveraged Optum's consumer digital health platform *Rally* to help older adults join online social communities, set and meet wellness goals, and learn more about mental wellbeing and chronic condition management.[12]
- Regulators encourage insurers to include value-added benefits in their existing health plans in the form of rewards.
  - The Insurance Regulatory and Development Authority of India advises health insurers to include wellness options or coverage add-ons, as well as rewards and discounts to members who maintain a healthy lifestyle.[13]

[10] UnitedHealth Group, "Optum Offers Free Online Wellness Program to Help Older Adults Stay Healthy and Active During COVID-19 Pandemic," May 12, 2020.

[11] International Adviser, "Axa unveils Hong Kong wellbeing platform," July 16, 2020.

[12] PR Newswire, "SCAN Health Plan Launches an Interactive Member Engagement Platform, Coinciding With Rise in Digital Use Among Older Adults," July 23, 2020.

[13] Financial Express, "Health Insurance: Policyholders to now get wellness rewards," September 11, 2020.

Figure 3. Health and wellness initiatives by health insurers

Source: Capgemini Financial Services Analysis, 2020.

Impact

- Health insurers can use wellness programs to strengthen policyholder trust, which will bolster customer loyalty and retention.
- Insurers can use the extensive data collected through wellness programs via fitness tracking devices to understand their customers better and offer more personalized services.
- By acting as a partner in the customer's health and wellness journey, insurers can significantly reduce health claims and ultimately boost profits.

Trend 04

Data interoperability enables seamless, coordinated care delivery

Interoperability of healthcare data will allow insurers and providers to have a holistic view of members' health, enabling them to deliver faster, more accurate, and coordinated care.

Context

Interoperability across different systems allows a timely and seamless exchange of patient medical information, enabling better care delivery. However, disparate healthcare IT systems often lack common standards for data sharing and interpretation.

- Fragmented care records restrict seamless data sharing among ecosystem players such as payers, providers, pharmacies, and labs.
- The inability to access a patient's health data may delay care or even spur fatal errors.

Catalysts

- COVID-19 has subjected providers to immense pressure - and a full view of patient health data enables care to be efficiently delivered.
- Greater adoption of API technology can enable a seamless exchange of information among players in the healthcare ecosystem.

In a nutshell

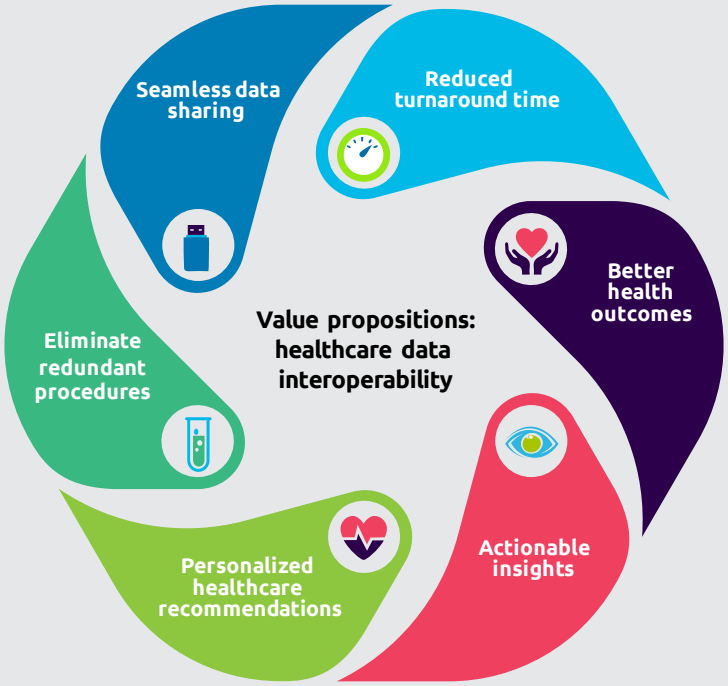
- Around the globe, governments are working to guide and regulate medical data interoperability – a step towards democratizing healthcare data.
  - Interoperability is a priority of the Global Digital Health Partnership, a 31-member global collaboration, formed to support the effective implementation of digital health services.[14]
  - The US Department of Health and Human Services enacted technical standards for healthcare data exchange as part of the 21st Century Cures Act for payers and developers. In the US, the Centers for Medicare & Medicaid Services (CMS) has also finalized the Patient Access API and Provider Directory API policies to further support interoperability.[15]
- Health insurers are developing electronic healthcare tools to empower patients to access and share their health data quickly and securely.
  - American insurer Humana collaborated with Microsoft using Fast Healthcare Interoperability Resource (FHIR) protocol to combine patient information from multiple sources (including social determinants of health) into one record. Now, Humana can create a structured view of aggregated medical data and use advanced analytics to track trends and factors that influence health.[16]
  - Techniker Krankenkasse, a statutory health insurers in Germany, launched a digital medical data storage, *TK-Safe*, to allow its members access their medical details and history such as doctor visits, documents, medications, and vaccination histories.[17]

---

[14] GDHP, accessed September 24, 2020.
[15] CMS, "CMS Interoperability and Patient Access final rule," accessed September 24, 2020.
[16] TechRepublic, "Microsoft + Humana partnership uses the cloud to make patient records actionable," October 21, 2019.
[17] KOBIL, "100% Secure Personal Data Storage and Access for a Leading Health Insurance Fund," accessed September 30, 2020.

- Analytical modeling of health records and insurance data will enable insurers to generate more significant insights into patients' health and improve coordination between insurers and providers.
  - Kaiser Permanente Washington Health Research Institute and scientists from leading US universities developed an electronic health record (EHR) tool, *eRADAR*, to diagnose dementia early based on 31 health and demographic markers. The tool enables early screening, quicker patient care, and better long-term health planning.[18]

Figure 4. Benefits of health care data interoperability



Source: Capgemini Financial Services Analysis, 2020.

Impact

- Comprehensive API-based solutions will enable insurers to exchange electronic health records securely under government and regulator mandates.
- Medical record interoperability will enable insurers and health providers to offer members better care management services.
- EHRs will give members more control over their health data and empower them to share it with providers safely and securely.
- Data interoperability will enable insurers to collect public data more accurately and identify factors that affect it.

[18] EHR Intelligence, "EHR Tools Flag High-Risk Patients, Detect Undiagnosed Dementia," April 24, 2020.

Trend 05

Customer-centric BigTechs enter health insurance

As tech giants step foot into the health insurance ecosystem via investments and partnerships, they are spinning out innovative solutions to improve CX.

Context

BigTechs are using their technological expertise to leverage health data sets generated within provider and health insurer ecosystems to create novel solutions.

- With the help of cloud-computing technologies, BigTechs use natural language processing (NLP) to mine and store data from numerous health data documents, including speech and text data arising from multiple touchpoints.
- BigTechs analyze these large datasets using AI and cognitive computing models to generate insights about health outcomes.
- While investing in HealthTechs and collaborating with ecosystem players to boost their expertise, BigTechs are also developing solutions to reduce policyholders' pain points, sometimes ignored by incumbents.

Catalysts

- Customers are trusting BigTech firms for insurance coverage, more so during the COVID-19 pandemic.
  - The willingness to purchase insurance from BigTech firms more than doubled from 17% in 2016 to 36% in January 2020, and it increased to 44% in April 2020.[19]
- Strong technology expertise and a wealth of customer data have empowered BigTechs to venture into health insurance.
- As COVID-19 boosted digital platform adoption worldwide, BigTechs saw the opportunity to develop data-driven and customer-centric health insurance solutions.

In a nutshell

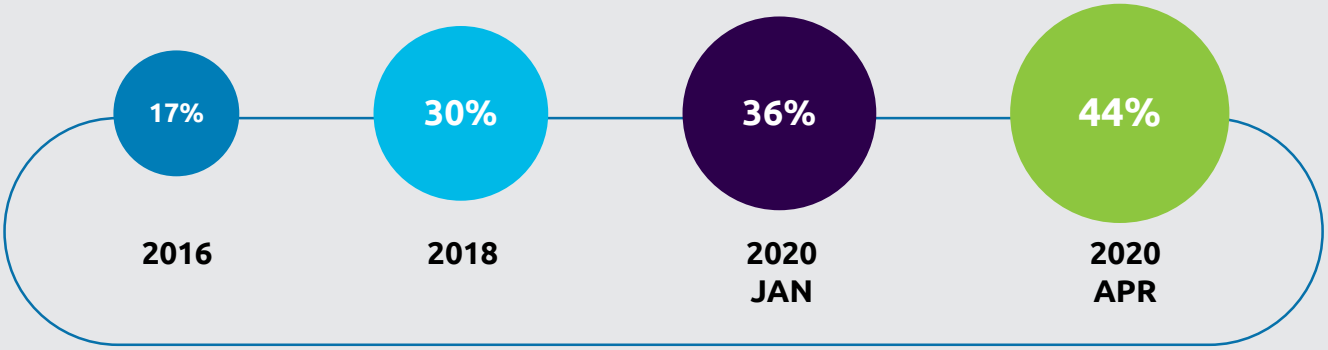
- BigTechs are entering the health insurance industry outside-in, through collaboration with health insurance providers.
  - Google invested in Oscar Health, a data-driven InsurTech that offers direct-to-consumer health insurance plans.[20]
  - Apple is collaborating with health insurer Anthem, HealthTech CareEvolution, and researchers at UC Irvine to study the impact of digital tools on clinical outcomes.[21]
- BigTechs are developing customer-centric health insurance solutions.
  - Xiang Hu Bao, an online mutual protection platform by Alipay, a subsidiary of Chinese BigTech Ant Financial, attracted more than 100 million participants in just over a year after its launch. The platform makes health insurance more accessible to low-income communities.[22]

---

[19] Capgemini | Efma, "World InsurTech Report 2020," September 15, 2020.
[20] MobiHealthNews, "Health insurtech company Oscar scores $225M in new funding," June 26, 2020.
[21] Business Wire, "Anthem Announces Research Study with Apple Watch to Help Improve Asthma Management," September 16, 2020
[22] Business Wire, "Alipay's Xiang Hu Bao Online Mutual Aid Platform Attracts 100 Million Participants in One Year," November 27, 2019.

  - Amazon Pharmacy partnered with Blue Cross Blue Shield of Massachusetts to help members manage medications. Blue Cross integrated its member app and website with *PillPack* by Amazon Pharmacy to make ordering prescriptions easier.[23]
- BigTechs are also creating niche insurance offerings.
  - Tencent's insurance platform WeSure collaborated with AXA and DingXiangYuan (an online community for physicians, healthcare professionals, pharmacies, and facilities) to launch a COVID-19 coverage plan for medical workers.[24]

Figure 5. Customer interest in purchasing BigTech insurance is on the rise



Source: Capgemini | Efma, World InsurTech Report, 2020.

Impact

- BigTechs enjoy immense customer trust due to the smooth, easy, and amazing customer experience. And through their customer-centric offerings in collaboration with health insurance players, they may soon assume a more significant role in policy distribution.
- BigTechs are combining their vast consumer data with leading-edge technological expertise to take on core insurance business value-chain elements - that are primarily data-driven - such as underwriting and product design.
- Regulatory and capital requirements may hinder BigTechs' full-fledged entry into health insurance, but that is not stopping them from enthusiastically investing in new-age HealthTech firms.
- Future-focused incumbent insurers seeking to grow their member base will realize the impact of BigTech-like customer-centric experiences and start innovating or collaborating with BigTechs to offer the same to their members.

[23] PR Newswire, "Blue Cross Blue Shield Of Massachusetts Simplifies Pharmacy Experience With PillPack," December 10, 2019.
[24] finews.asia, "Tencent's Insurance Arm Rolls Out Coverage For Covid-19," February 17, 2020.

Trend 06

COVID-19 accelerates telehealth adoption

Leading health insurers did not lose time scaling up telehealth operations during the 2020 pandemic to ensure seamless care delivery and experiences that mirror in-person care.

Context

COVID-19 has overburdened the healthcare system, resulting in a sharp increase in demand for remote care.

- Telehealth offers convenient access to clinical services from anywhere - enabling access to quality, cost-effective care irrespective of location.
- Lack of availability of Information and Communication Technology (ICT) or lack of ICT literacy can inhibit the adoption of telehealth.

Catalysts

- Telehealth services are gaining popularity as the demand for remote care is rising fast due to COVID-19 social distancing norms.
- Rapid advancements in information and communication technologies are enabling the adoption of telehealth.
- Due to the COVID-19 pandemic, regulators are offering flexibility for telehealth services.
  - The US Department of Health and Human Services allows healthcare providers to offer telehealth services via commonly used apps such as FaceTime, Facebook Messenger, Google Hangouts, Zoom, or Skype – even of if the applications are not fully compliant with HIPAA rules.[25]

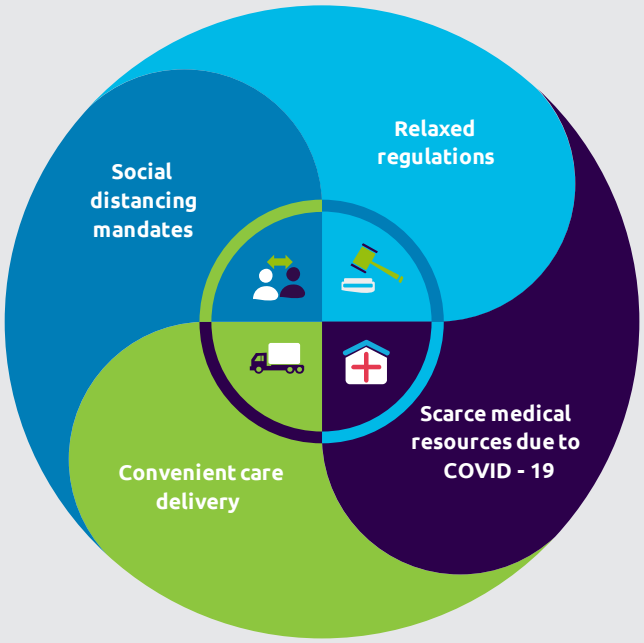
In a nutshell

- Health insurers are collaborating with virtual care providers and online health platforms to launch telehealth initiatives and offer their members timely and convenient access to medical consultation and care.
  - US health plan Texas Health Aetna collaborated with MAP Health Management, a behavioral health management company, to offer telehealth services for members struggling with substance abuse.[26]
  - AIA Thailand partnered with True Digital Group (a subsidiary of Thai communication conglomerate) and Samitivej, a provider network in Thailand, to launch a virtual COVID-19 clinic to handle patients' emerging needs.[27]
- Insurers are offering discounts to incentivize telehealth adoption.
  - Global healthcare and health insurance giant Bupa offered instant rebates to its members for the use of telehealth services in Australia.[28]

[25] HHS website, "Telehealth: Delivering Care Safely During COVID-19," accessed September 25, 2020.
[26] PR Newswire, "Texas Health Aetna and MAP Health Management announce expanded services for substance abuse," August 4, 2020.
[27] MobiHealthNews, "AIA Thailand partners with True Digital Group and Samitivej to launch Virtual COVID-19 Clinic," April 8, 2020.
[28] Bupa, "Bupa leads the way to instant telehealth rebates," June 15, 2020.

- Insurers are also expanding access to telehealth for individuals living in rural and underserved communities by distributing smartphones to patients.
  - US health insurer Centene collaborated with Samsung to expand telehealth access for patients by deploying 13,000 smartphones. The focus would be to cover patients who cannot access virtual healthcare.[29]

Figure 6. What's driving telehealth adoption?



Source: Capgemini Financial Services Analysis, 2020.

Impact

- Telehealth service may replace the traditional office visit, especially for primary healthcare, as patients and providers become more accustomed to it.
- Telehealth can enable seamless and convenient delivery of mental health services to patients while offering better accessibility and privacy.
- Telehealth reduces costs associated with in-person visits for all ecosystem parties - patients, insurers, and providers.
- Convenient care delivered via telehealth boosts member satisfaction and enhances customer experience.
- Seamless member navigation will become even more critical as the shift to telehealth gains ground, and insurers and telehealth service providers will have to make the process more robust.

[29] Centene, "Centene and Samsung Team up to Enable Virtual Care Options for Underserved Communities," September 14,

Trend 07

Insurers are stepping up digital capabilities to offer virtual care services

Health insurers are launching quick access to care management and risk assessment via digital channels.

Context

As prolonged lockdowns and social distancing norms prohibit in-person visits to hospitals and doctors, members' demand for virtual healthcare support is rising fast.

- Several health insurers have launched - or plan to launch - COVID-19 risk assessment tools and enhance their virtual care capabilities to allow users to check symptoms and contact doctors via digital channels.
- Payers are proactively identifying at-risk members and engaging via the web or mobile apps to deliver preemptive care support.
- Digital tools enable insurers to monitor members' vital health information continuously, leading to better delivery of care management services.

Catalysts

- With a sharp rise in the number of people using online health services because of COVID-19, insurers realize they must expand digital capabilities to serve members effectively.
- The pandemic has left the healthcare system overburdened and strained, driving insurers to deliver care services to members virtually.
- Healthcare costs are swelling and efficient, digitally enabled services and coordinated care can help to control expenses.

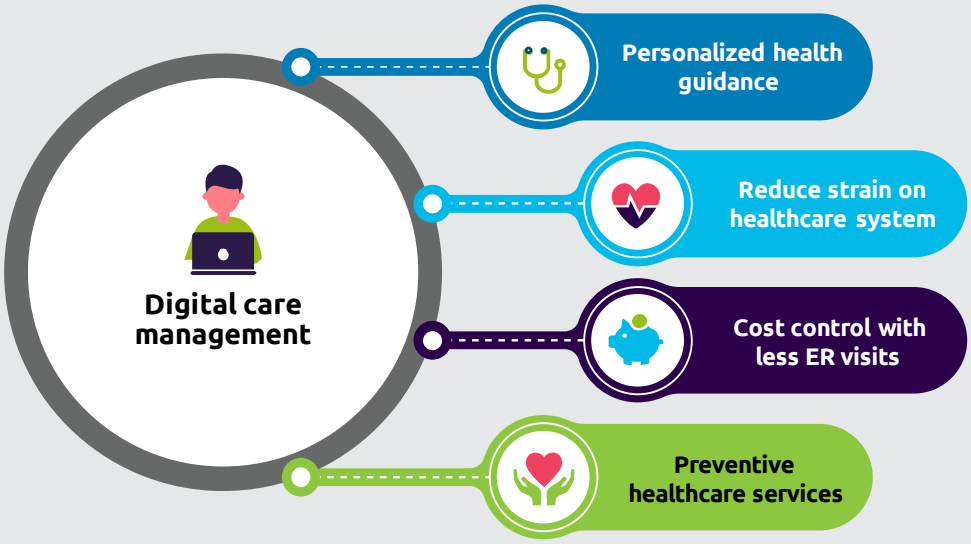
In a nutshell

- Health insurers are improving their existing virtual care capabilities to provide health support to their members. They are also ensuring that members can access the latest novel coronavirus information and care when they need it.
  - Aetna is reaching out to its members to inform them of COVID-19 health and safety issues and testing facilities. Members can take advantage of free home delivery of prescriptions, real-time virtual visits, and COVID-19 testing.[30]
  - AXA Global Healthcare extended its *Virtual Doctor* service to members with Global Health Plans and Islands Health Plans to support them during the COVID-19 pandemic.[31]
  - Cigna is engaging with its members to monitor their health and wellbeing, and use data analytics to identify members at higher risk for health problems and complications. Cigna is proactively helping these high-risk members with queries related to COVID-19 and health checkups.[32]

[30] Aetna, "COVID-19 FAQS," accessed September 24, 2020.
[31] Health Insurance & Protection, "AXA Global Healthcare extends Virtual Doctor service during coronavirus crisis," April 1, 2020.
[32] Cigna, "Cigna takes action to support social connections for seniors during COVID-19 pandemic," April 13, 2020

- Insurers are launching COVID-19 risk assessment tools to ensure that members are diagnosed and treated quickly. Policyholders can check their symptoms and contact doctors to discuss assessment results, receive treatment, and prescriptions.
  - Prudential Singapore has launched an AI-based mobile app *Pulse by Prudential* to improve healthcare access for users in Singapore. The app allows its users anytime, anywhere access to COVID-19 symptoms checker, digital health check, and video consultation with a doctor.[33]
  - In India, Acko General Insurance launched an AI-based COVID-19 symptom checker tool that anyone can use to assess the risk exposure. The tool can also facilitate consultation with a doctor, depending on the severity.[34]

Figure 7. Benefits of virtual care management services



Source: Capgemini Financial Services Analysis, 2020.

Impact

- Adoption of virtual care will enable providers to offer a more coordinated hospital-at-home service.
- Virtual care will enable members to receive instant and personalized health guidance without visiting a medical facility and, in the process, will reduce the strain on the health system.
- Virtual care services offer superior convenience, and patients will continue to use these services even after the COVID-19 crisis is over as they encompass preventive measures.
- Coordinated care delivery will enable timely interventions and help insurers control costs.

[33] Prudential, "Prudential launches digital health app, Pulse by Prudential, to make healthcare more accessible and affordable to everyone amid COVID-19 spread," April 27, 2020.

[34] The News Minute, "Acko launches free doctor consultation on call with COVID-19 symptom checker," April 3, 2020.

Trend 08

Recognizing social determinants can improve health outcomes

Insurers are expanding coverage to address social determinants that impact members' health to gain insights and improve outcomes.

Context

Social determinants of health (SDOH) include the environmental, economic, and social factors that affect an individual's health.

- SDOH, along with medical data, can provide a complete picture of patient health influencers.
- A deeper understanding of patients' health will enable insurers and providers to manage health access and outcomes better.

Catalysts

- Advancements in big data analytics have enabled insurers to capture more significant data points around members' health and derive actionable insights.
- COVID-19 considerably affected some communities, drawing back the curtain on healthcare disparities due to socioeconomic and demographic factors.

In a nutshell

- Insurers are coming up with health plans to address members' SDOH challenges.
  - US health insurer Humana launched a value-based care program to address social determinants such as food insecurity, social isolation, loneliness, and housing instability among its medicare advantage members.[35]
  - US healthcare and insurance company Highmark, along with healthcare firms Allegheny Health Network and Gateway Health, has collaborated with Aunt Bertha, a referral tool for connecting users with urgent need of resources, to address social determinants of health such as food, housing, transportation.[36]
- Analysis of SDOH can help insurers better manage members' health outcomes via timely interventions.
  - In the United States, Molina Healthcare launched an SDOH Center to explore best practices to address healthcare barriers created by social factors by collecting and analyzing member data.[37]

[35] Humana, "Humana Launches Innovative Value-Based Program to Address Social Determinants of Health," accessed September, 2020.

[36] Gateway Health website, "Highmark, AHN, and Gateway Health Launch Online Tool to Meet Critical Needs During COVID-19 Pandemic," April 14, 2020.

[37] Business Wire, "Molina Healthcare Announces Launch of Social Determinants of Health Innovation Center," January 30, 2020.

Figure 8. Five key areas of SDOH

Source: HealthyPeople.gov

Impact

- Addressing SDOH can help insurers improve health access and outcomes while reducing overall healthcare costs.
- Better health management of populations will help insurers and providers proactively manage members' wellbeing instead of providing treatment only when sick.

Trend 09

Insurers guide members' healthcare journey to coordinate care, control costs

Payers are collaborating and vertically integrating with providers to offer members streamlined and coordinated care - cost-efficiently.

Context

The Health insurers are taking advantage of value-chain capabilities by integrating financing and delivery to streamline customer experience and more tightly align care with financial incentives.[38]

- Payer and provider partnerships allow tighter control of healthcare delivery quality.
- Insurers can empower providers with analytical insights to improve care delivery efficiency and reduce the total cost of care.
- Tighter control over fraud, wastage, and abuse (FWA).

Catalysts

- As healthcare costs skyrocket, insurers are exploring multiple avenues to control expenses.
- Better control over FWA within in-network providers.
- The industry is shifting to a value-based care model, in which it is incumbent upon insurers to deliver cost-efficient care.

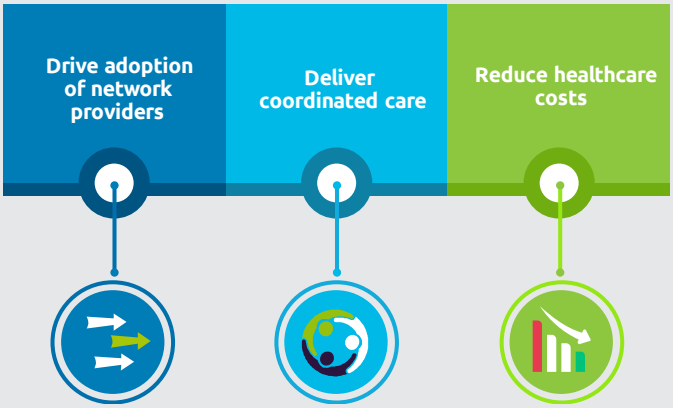
In a nutshell

- Health insurers are steering members to in-network top-performing providers to tighten and coordinate care delivery.
  - In the United States, UnitedHealth's *Harmony* health plan directs members to physicians in UnitedHealth's care delivery and health management division - OptumHealth. In addition to Optum doctors, the plan relies on a small network of outside providers to deliver comprehensive services via a coordinated network.[39]
  - US health insurer Aetna, a subsidiary of CVS Health, is taking steps to integrate its business with the parent company by launching a new *Aetna Connected Plan* that guides members to CVS health.[40]
- Pricing transparency is another approach that insurers leverage to empower members with information and steer their healthcare decisions.
  - Singapore HealthTech startup DocDoc's AI-based platform *HOPE* helps policyholders make informed physician-selection decisions. The platform matches patients with best-suited physicians based on their specific medical needs and provides quality- and cost-based recommendations.[41]

---

[38] Capgemini, "Top Trends in Health Insurance: 2020," November 20, 2020.
[39] Bloomberg, "UnitedHealth's Recipe for Lower Costs: Send Patients to Its Own Doctors," March 2, 2020.
[40] Fierce Healthcare, "Aetna launches new plan design that puts focus on CVS' health services," August 31, 2020.
[41] Capgemini | Efma, "World InsurTech Report 2020," September 15, 2020.

Figure 9. Why is member steering important for health insurers?



Source: Capgemini Financial Services Analysis, 2020.

Impact

- Tighter, coordinated networks can offer a seamless, straightforward member navigation experience.
- Coordinated care delivery will drive positive health outcomes for members.
- Steering members to network providers will help payers control the overall cost of care.

Conclusion

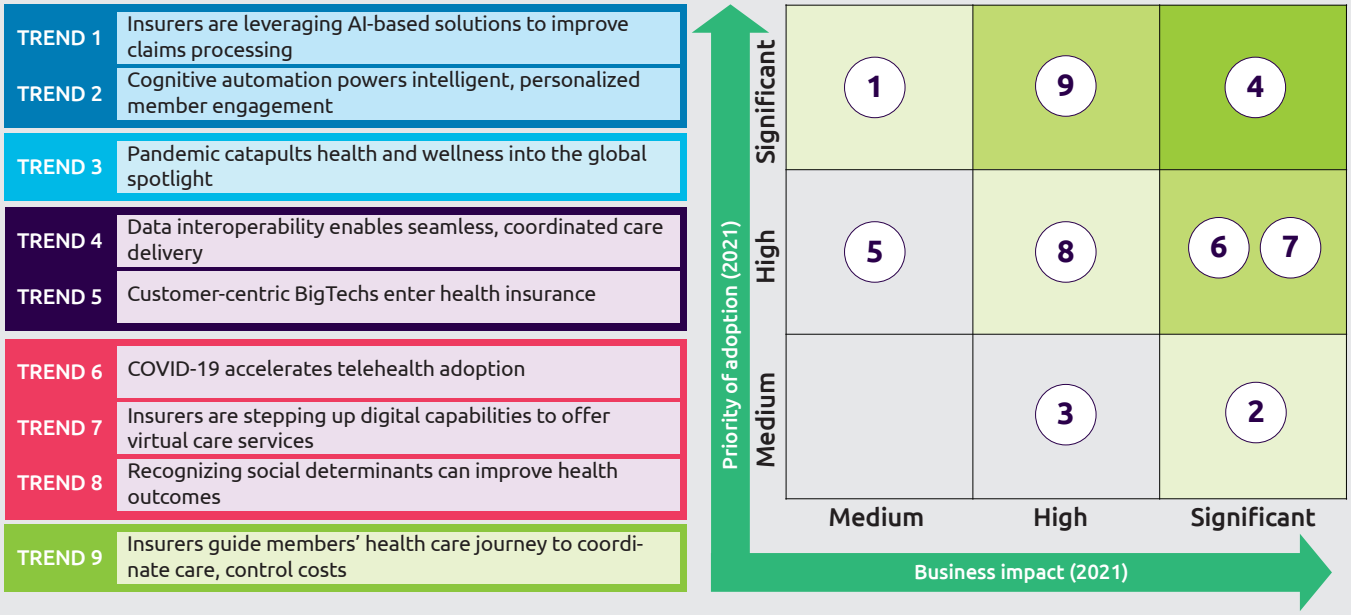
Some industry changes sparked by COVID-19 are here to stay. The sudden outbreak disrupted business as usual and tested the resilience of insurance companies around the globe. **Agile businesses** quickly implemented solutions such as telehealth and virtual care to offer members uninterrupted care delivery.

Customer-centric insurers will continue to build competencies to seamlessly guide members in their health care journey and meaningfully engage by acting as a health and wellness coach. Frontrunners will also leverage alternate data sources - such as connected devices and SDOH - to improve health outcomes.

Intelligent processes are the need of the hour, and insurers are taking significant steps in leveraging artificial intelligence for claims transformation, fraud prevention, and member engagement.

The ability to **leverage the expertise of ecosystem partners** is essential for bolstering capabilities, expanding reach, and achieving synergies and cost efficiencies. BigTech firms are doing precisely that and launching innovative insurance industry solutions.

Exhibit 3. Top health insurance trends in 2021 – adoption priority and business impact



Note:
1. Priority of adoption refers to the urgency of adopting a particular trend to maximize value creation in 2021. This rating is based on the identified trends for an insurer operating in the current environment.
2. Business impact represents impact of an identified trend on an insurer's business in 2021. The impact could be on customer experience, operational excellence, regulatory compliance, or profitability.
3. This matrix represents the view of Capgemini analysts for an insurer working in the current operating environment:
   - Low interest rate environment
   - Operational disruption due to COVID-19
   - Uncertain regulatory environment
   - High competitive environment and increased focus on customer centricity due to new-age players
   - Emerging consumer preferences.

The factors above will vary by insurer depending on business priorities, geographic location, and several other factors. For specific requirements, please contact insurance@capgemini.com

What will 2021 strategic plans cover? **Future-focused payers will explore business model enhancements that tackle market dynamics and boost resilience** in preparation for whatever may lie ahead.

Ask the experts

Elias Ghanem

Global Head of Financial Services Market Intelligence

elias.ghanem@capgemini.com

Elias Ghanem is responsible for Capgemini's global portfolio of FS thought leadership. Elias oversees a team of consultants and analysts who deliver strategic research to address complex issues related to the future of banking and insurance.

Shane Cassidy

Insurance Business Unit (BU) Leader

shane.cassidy@capgemini.com

Shane Cassidy is Executive Vice President and Head of Capgemini's Global Insurance Business Unit. Shane has been at the forefront of digital disruption and innovation for two decades, identifying and developing solutions to address market disruptions.

Ian Campos

Global Insurance Practice Leader

ian.campos@capgemini.com

Ian Campos is Executive Vice President and Head of Capgemini's Global Insurance Services team. Ian is an expert in core insurance transformation. He has worked across the entire FS consulting continuum — from strategy development to operational management.

Becky Rao

Healthcare Market Leader

becky.rao@capgemini.com

Becky Rao heads Capgemini's Health business and oversees the continued evolution of its Health specific innovation, solutions, and GTM strategies. Becky has over two decades of experience working with Health Plans and Health Systems.

Jayanthi Subramanian

Healthcare Market Solutions and Strategy Leader

jayanthi.subramanian@capgemini.com

Jayanthi Subramanian is responsible for the design and development of Capgemini's healthcare GTM strategies and solutions. Jayanthi is an expert on the regulatory, clinical, and business needs of the US healthcare ecosystem.

Aimee Sziklai

Health Business Unit Leader

aimee.sziklai@capgemini.com

Aimee Sziklai is a healthcare leader at Capgemini with strong experience in design, development, and implementation of strategy and operations. Aimee is an expert in vendor management, consulting, technology, business process outsourcing, sales, and M&A.

Milind Shah

Healthcare Leader, Capgemini Invent

milind.shah@capgemini.com

Milind Shah has over 20 years of experience in the consulting space with a focus on Healthcare. Milind is an expert in innovation, experience, design, and strategy and has driven transformation initiatives in areas such as wellness, cost adherence, care management, and member engagement.

Aruna Mahesh

Insurance Business Solutions and Innovation Leader

aruna.mahesh@capgemini.com

Aruna Mahesh is an insurance industry leader with deep domain expertise. She comes with a rich experience of over 21 years in Domain Consulting , Innovation, and Crafting business solutions leveraging Emerging Technologies to create tangible business value.

Vikash Singh

Insurance domain Leader, Global FS Market Intelligence

vikash.singh@capgemini.com

Vikash Singh leads the Insurance Practice in Capgemini FS Market Intelligence. Vikash has more than 17 years of experience in market intelligence and strategic analysis of insurance industry. He has authored several thought leadership pieces sharing his forward-looking POV.

For more information, please contact

Global

Ian Campos
ian.campos@capgemini.com

Seth Rachlin
seth.rachlin@capgemini.com

Stanislas De Roys
stanislas.deroys@capgemini.com

India

Kiran Boosam
kiran.boosam@capgemini.com

Ramesh Darbha
ramesh.darbha@capgemini.com

SE Asia

Ramesh Darbha
ramesh.darbha@capgemini.com

Sivakumar V
sivakumar.vankamaddi@capgemini.com

Kimberly Douglas
kim.douglas@capgemini.com

Australia

Manoj Khera
manoj.khera@capgemini.com

Mohit Jain
mohit.jain@capgemini.com

Susan Beeston
susan.beeston@capgemini.com

Italy

Daniele Di Maio
daniele.dimaio@capgemini.com

Michele Inglese
michele.inglese@capgemini.com

Spain

Christopher Stevens Diez
christopher.stevens@capgemini. com

Belen Molina Cabellos
belen.molina-cabellos@capgemini.com

Carmen Castellvi Cervello
carmen.castellvi@capgemini.com

Belgium

Jan Verlinden
jan.verlinden@capgemini.com

Robert van der Eijk
robert.van.der.eijk@capgemini. com

Japan

Hiroyasu Hozumi
hiroyasu.hozumi@capgemini.com

Masayuki Imazu
masayuki.imazu@capgemini.com

The Netherlands

Jimut Basa
jimut.basa@capgemini.com

Cuno van Diepen
cuno.van.diepen@capgemini.com

France

Thierry Loras
thierry.loras@capgemini.com

Olivier Hoarau
olivier.hoarau@capgemini.com

LatAM

Roberto Ciccone
roberto.ciccone@capgemini.com

Geovanni Alfonso Millan
geovanni.millan@capgemini.com

United Kingdom

Shane Cassidy
shane.cassidy@capgemini.com

James Kruger
james.kruger@capgemini.com

Kristofer le Sage de Fontenay
kristofer.le-sage-de-fontenay@capgemini.com

Germany

Gunnar Tacke
gunnar.tacke@capgemini.com

Thomas Hillar
thomas.hillar@capgemini.com

Nordics

Kevin Jiang
kevin.jiang@capgemini.com

USA and Canada

Shane Cassidy
shane.cassidy@capgemini.com

Becky Rao
becky.rao@capgemini.com

Aimee Sziklai
aimee.sziklai@capgemini.com

Keith Gage
keith.gage@capgemini.com

Market Intelligence core analyst team

Saurav Swaraj
Industry Analyst, Insurance
Financial Services – Market Intelligence

Avinav Chowdhury
Industry Analyst, Insurance
Financial Services – Market Intelligence

Vipul Mehta
Industry Analyst, Insurance
Financial Services – Market Intelligence

Acknowledgments

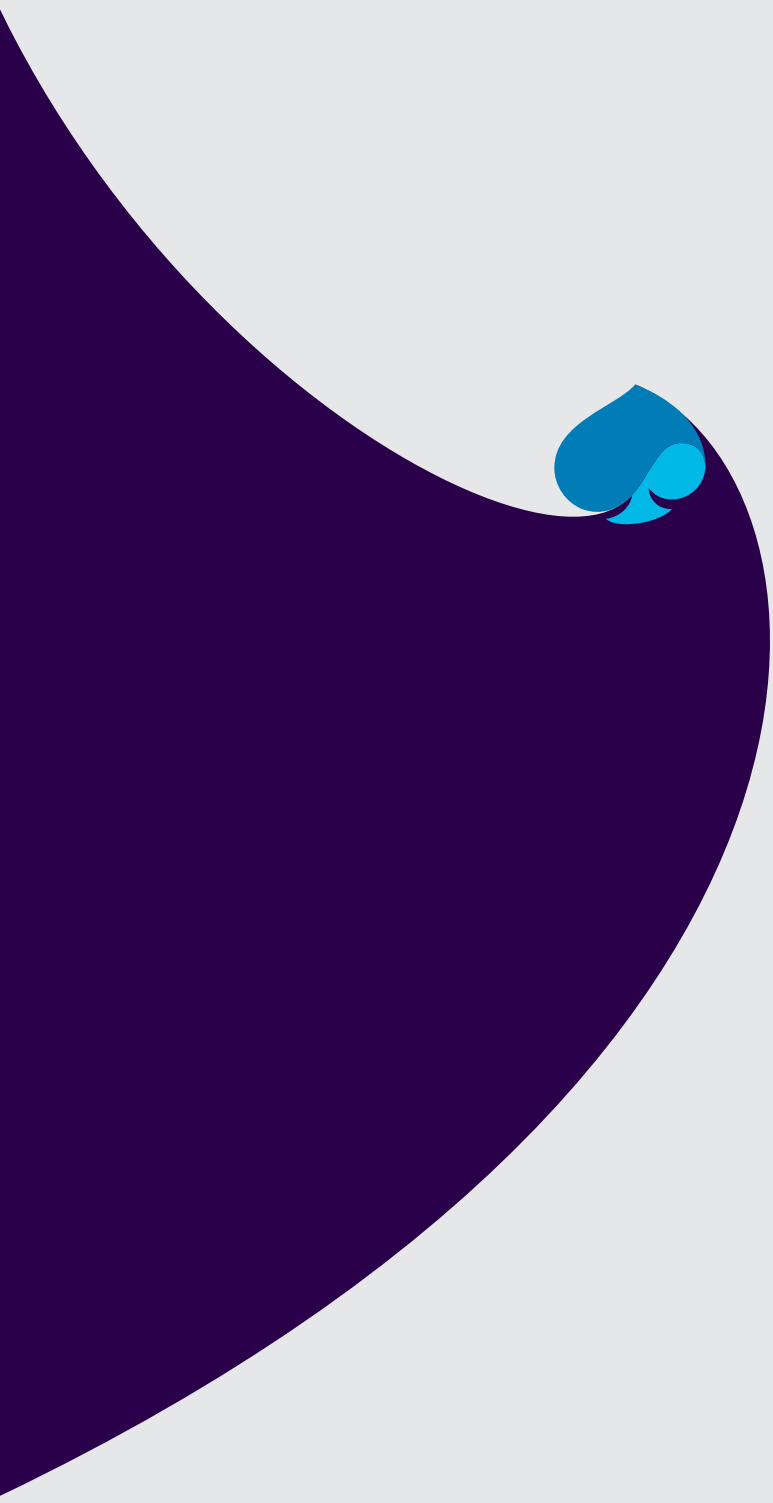
We would also like to thank the following teams and individuals for helping to compile this report:

Kumaresan A and Tamara Berry for overall leadership; Dinesh Dhandapani Dhesigan for illustrating the findings.

Ken Kundis, Mary-Ellen Harn, Marion Lecorbeiller, and Aparna Tantri for their overall marketing leadership for the report, and the Creative Services Team for producing the report: Jagadeeshwar Gajula, Suresh Chedarada, and Sourav Mookherjee.

Disclaimer

The information contained herein is general in nature and is not intended and should not be construed as professional advice or opinion provided to the user. This document does not purport to be a complete statement of the approaches or steps, which may vary according to individual factors and circumstances necessary for a business to accomplish any particular business goal. This document is provided for informational purposes only; it is meant solely to provide helpful information to the user. This document is not a recommendation of any particular approach and should not be relied upon to address or solve any particular matter. The text of this document was originally written in English. Translation to languages other than English is provided as a convenience to our users. Capgemini disclaims any responsibility for translation inaccuracies. The information provided herein is on an "as-is" basis. Capgemini disclaims any and all representations and warranties of any kind concerning any information provided in this report and will not be liable for any direct, indirect, special, incidental, consequential loss or loss of profits arising in any way from the information contained herein.



About Capgemini

Capgemini is a global leader in consulting, digital transformation, technology and engineering services. The Group is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms.

Building on its strong 50-year+ heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. Today, it is a multicultural company of 270,000 team members in almost 50 countries. With Altran, the Group reported 2019 combined revenues of €17billion.

Visit us at

www.capgemini.com

Learn more about us at:

www.capgemini.com/insurance or
email: insurance@capgemini.com

People matter, results count.