

FIDES2017
EL SALVADOR

XXXVI CONFERENCIA
HEMISFÉRICA DE SEGUROS

Topics

Healthcare - Now and the Future



5Ws & 1H



Our reality



Our future



Our solution

5Ws & 1H



Who

5Ws & 1H

Who, What, Where, When, Why & How



5Ws & 1H

Who, What, Where, When, Why & How

What

Health risk management services

Where

5Ws & 1H

Who, What, Where, When, Why & How



\$1.6B USD Claims
70% USA / 30% ROW

When

5Ws & 1H

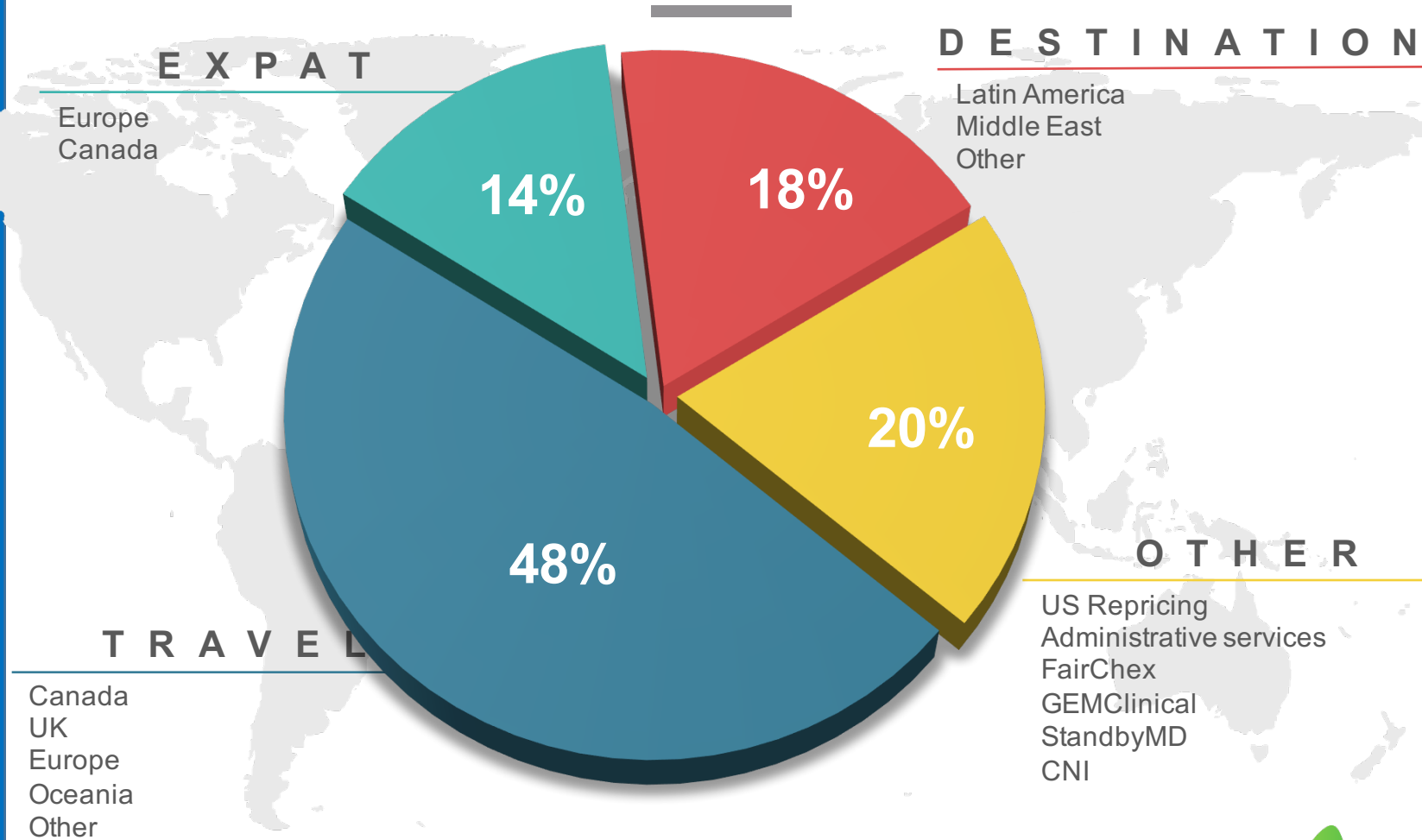
Who, What, Where, When, Why & How



Why

5Ws & 1H

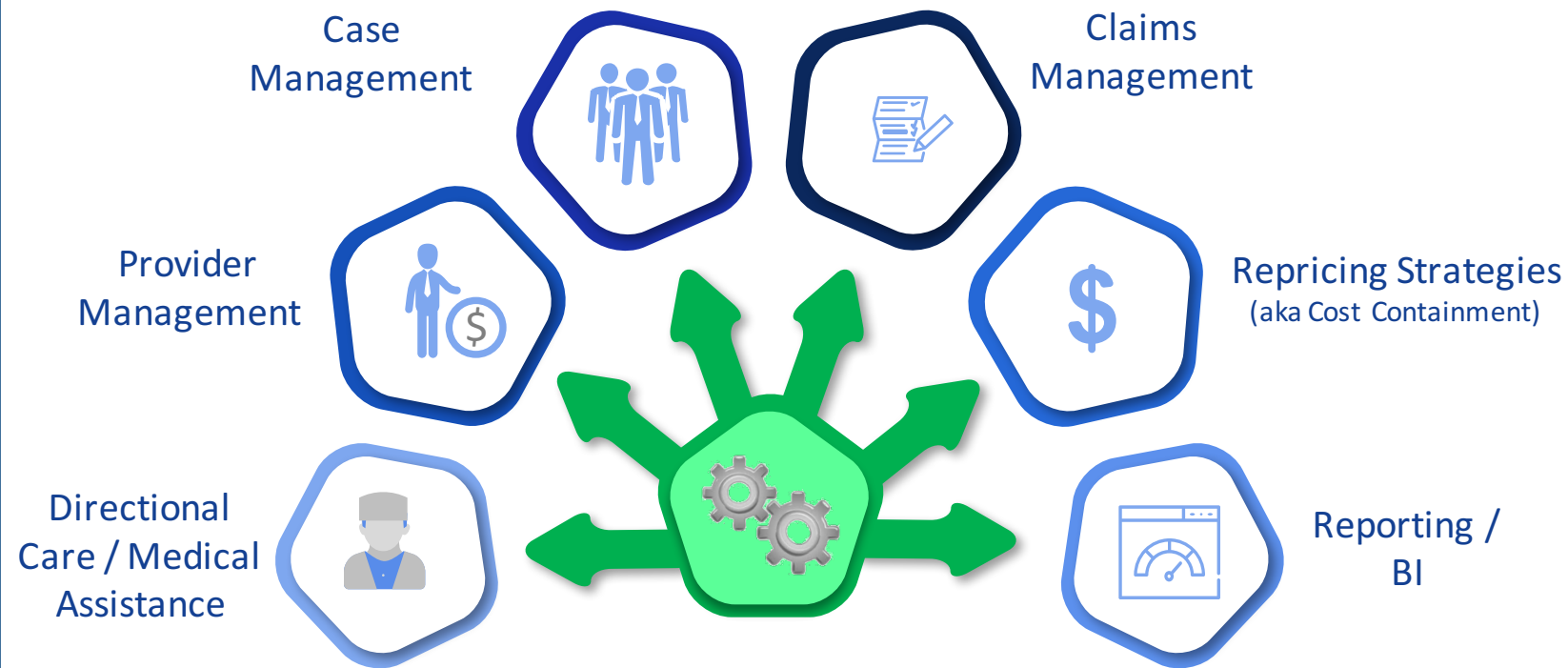
Who, What, Where, When, Why & How



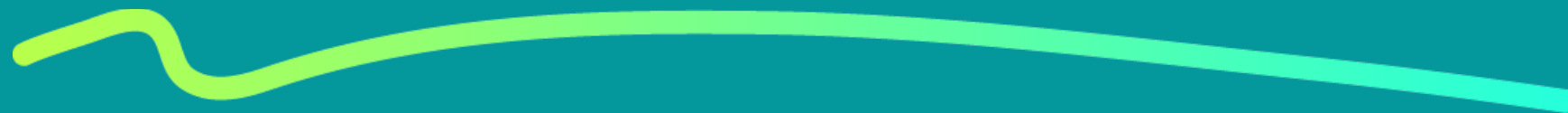
How

5Ws & 1H

Who, What, Where, When, Why & How



Our Reality – the USA



U.S. healthcare IS very different

It's unique in the world



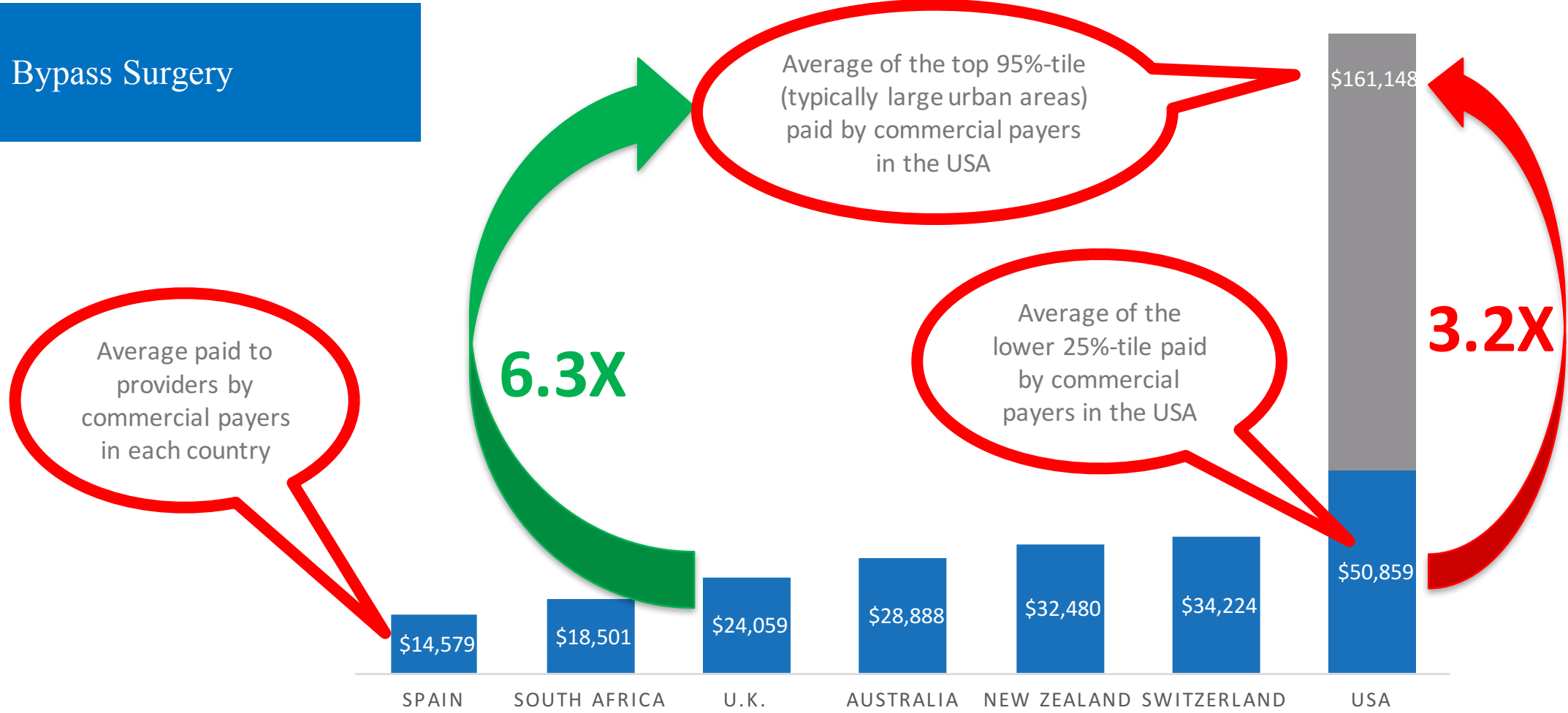
Primarily private healthcare system
Same bill produced regardless of payer
Can be very expensive
'Almost' every bill is discounted
Costs Unregulated
No universal coverage
Vast number of payers: Medicare / Medicaid (pays the lowest dollar amounts), HMOs, PPOs, indemnity insurance, etc.
Size of US Healthcare will be \$3.3T USD in 2017

Primarily public healthcare systems (often supplemented with a second 'private' tier)
Higher/different pricing bill for international patients
Not always 'very' expensive BUT costs are increasing quickly
Discounts possible but not common
A times strongly regulated
Universal coverage
Often single or very limited multi-payer systems
Small compared to the USA

Healthcare Costs Around the World

U.S. Healthcare is Simply More Expensive

Bypass Surgery

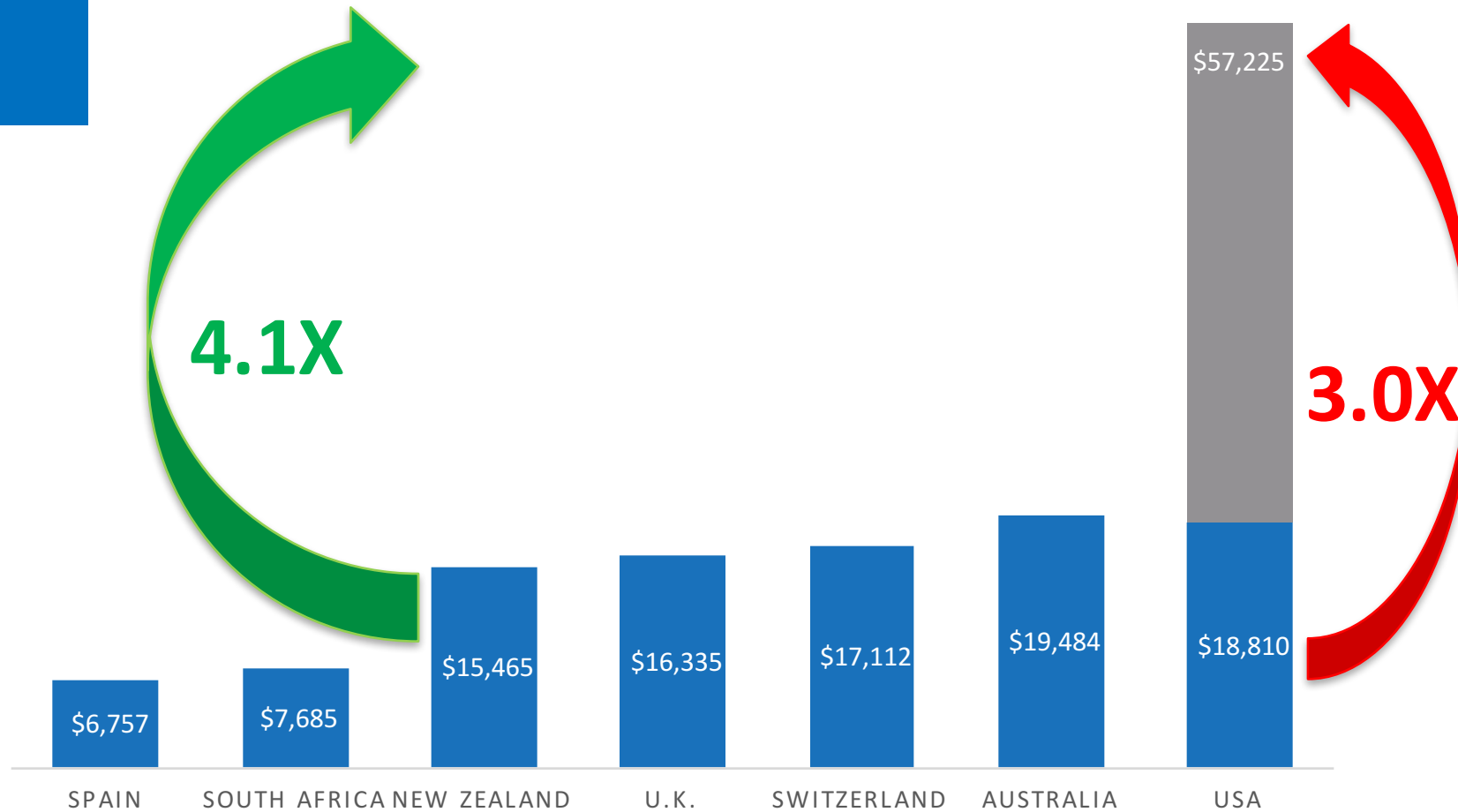


Source: IFHP 2016 Hospital and Physician Costs – Commercial Payers

Healthcare Costs Around the World

U.S. Healthcare is Simply More Expensive

Hip Replacement

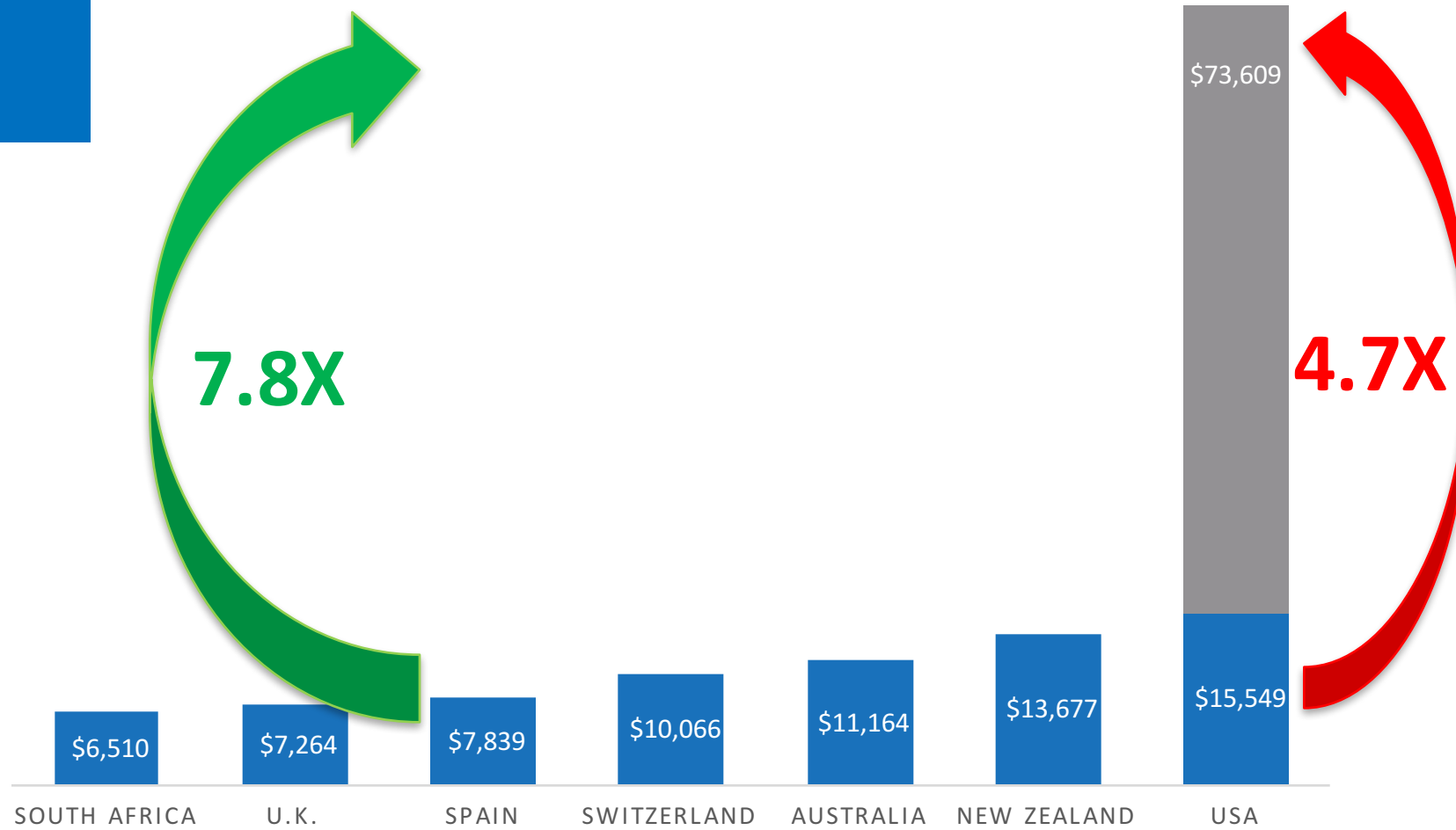


Source: IFHP 2016 Hospital and Physician Costs – Commercial Payers

Healthcare Costs Around the World

U.S. Healthcare is Simply More Expensive

Angioplasty

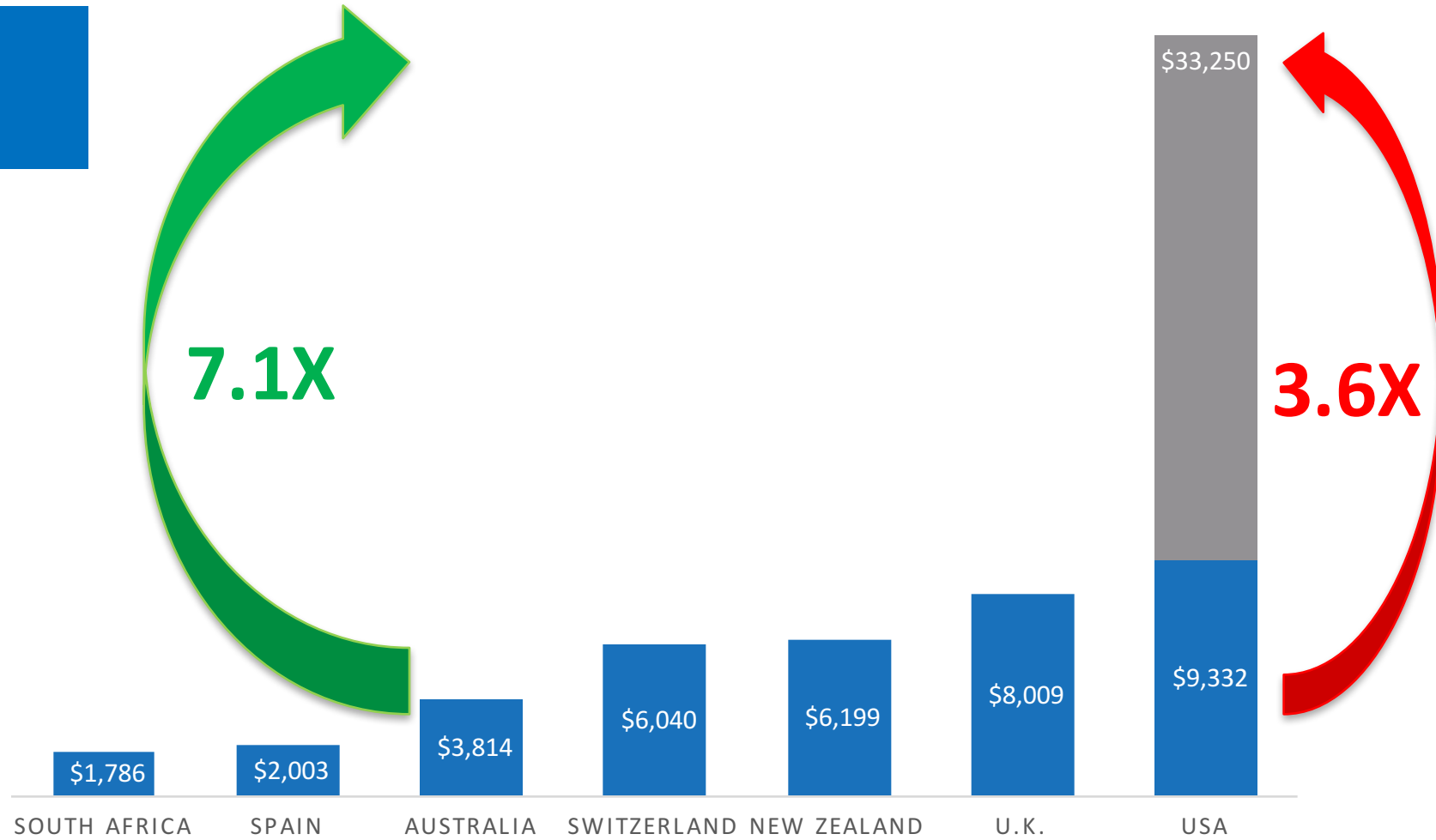


Source: IFHP 2016 Hospital and Physician Costs – Commercial Payers

Healthcare Costs Around the World

U.S. Healthcare is Simply More Expensive

Appendectomy

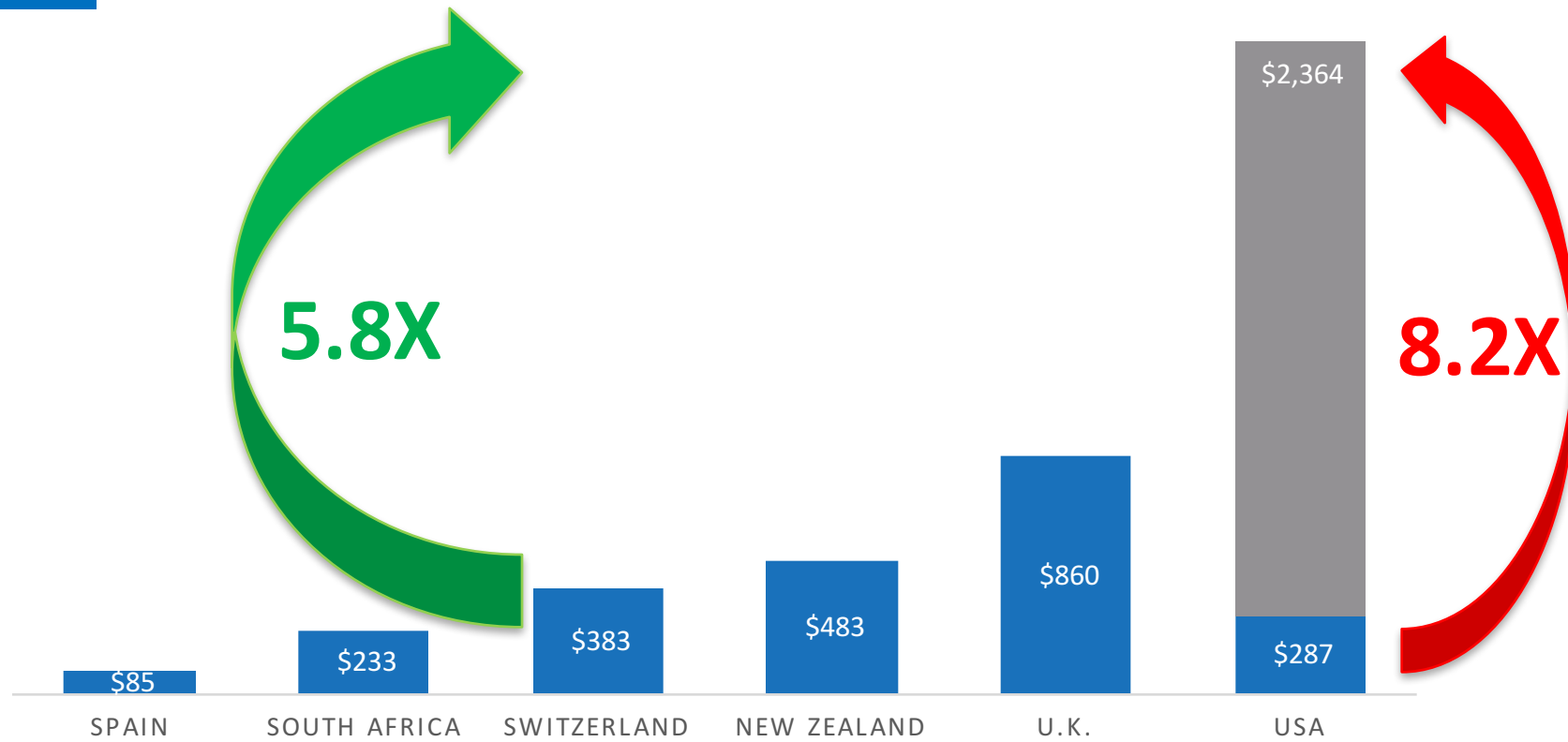


Source: IFHP 2016 Hospital and Physician Costs – Commercial Payers

Healthcare Costs Around the World

U.S. Healthcare is Simply More Expensive

CT Scan Abdomen

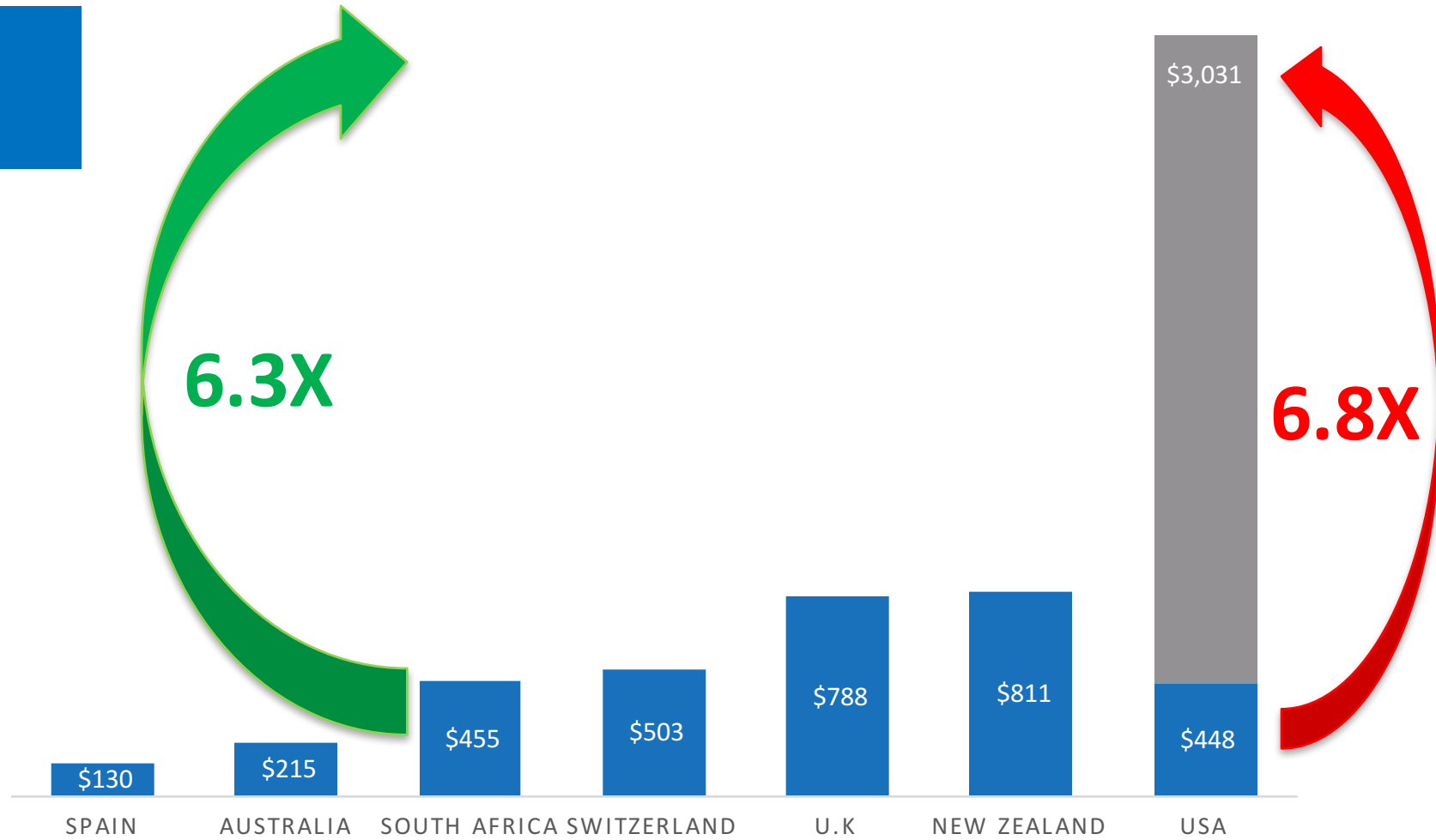


Source: IFHP 2016 Hospital and Physician Costs – Commercial Payers

Healthcare Costs Around the World

U.S. Healthcare is Simply More Expensive

MRI

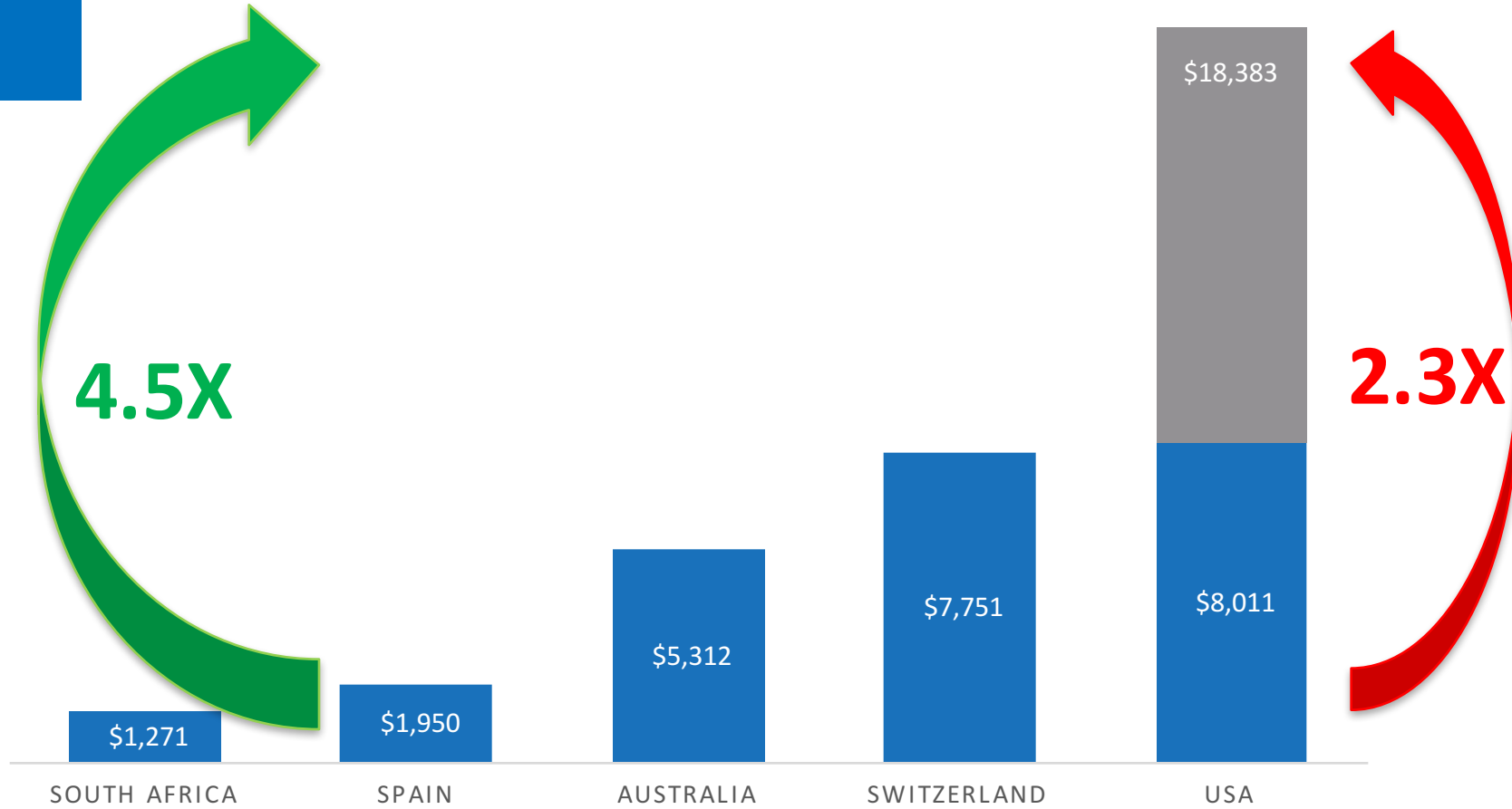


Source: IFHP 2016 Hospital and Physician Costs – Commercial Payers

Healthcare Costs Around the World

U.S. Healthcare is Simply More Expensive

Normal Delivery

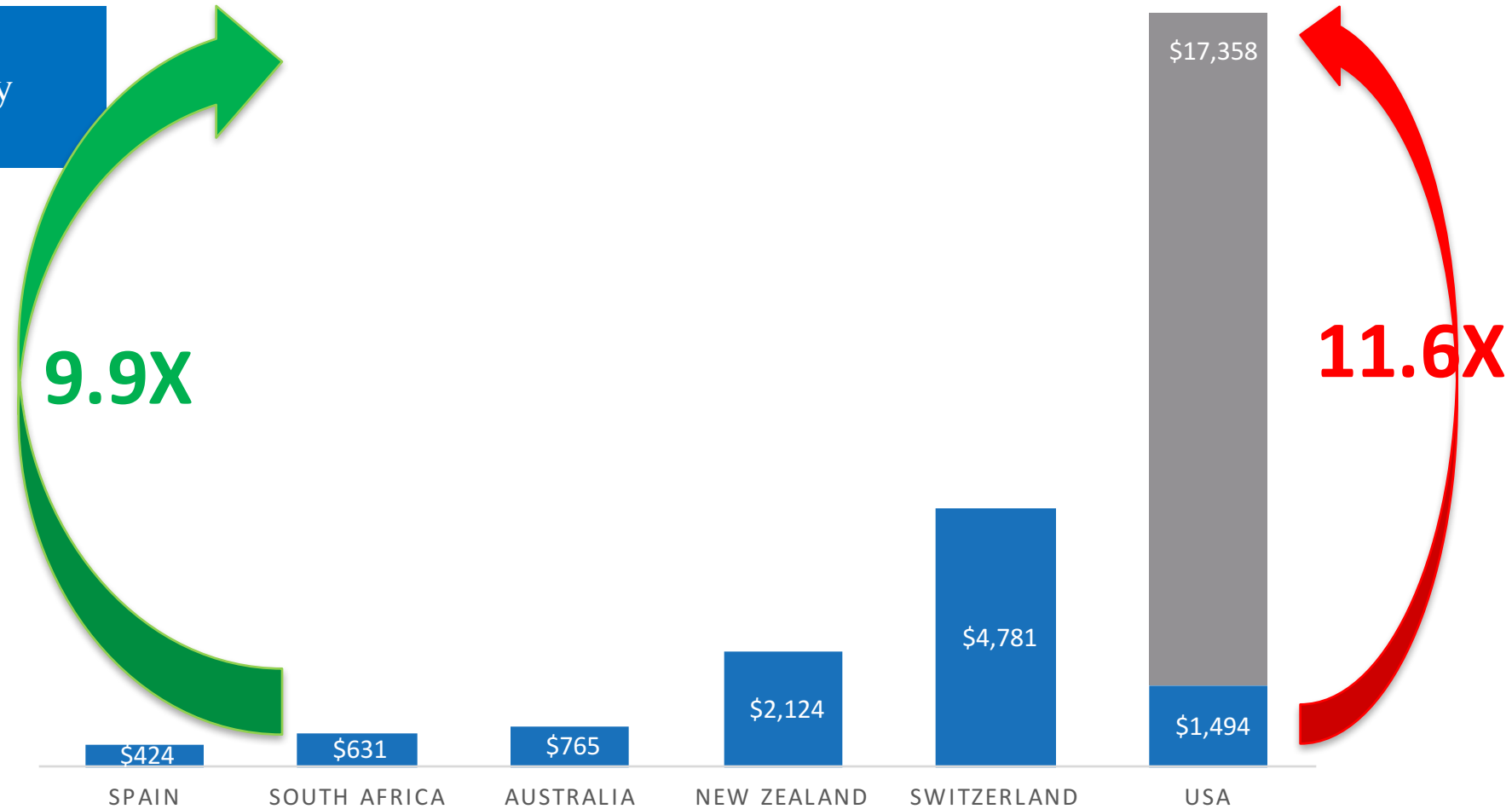


Source: IFHP 2016 Hospital and Physician Costs – Commercial Payers

Healthcare Costs Around the World

U.S. Healthcare is Simply More Expensive

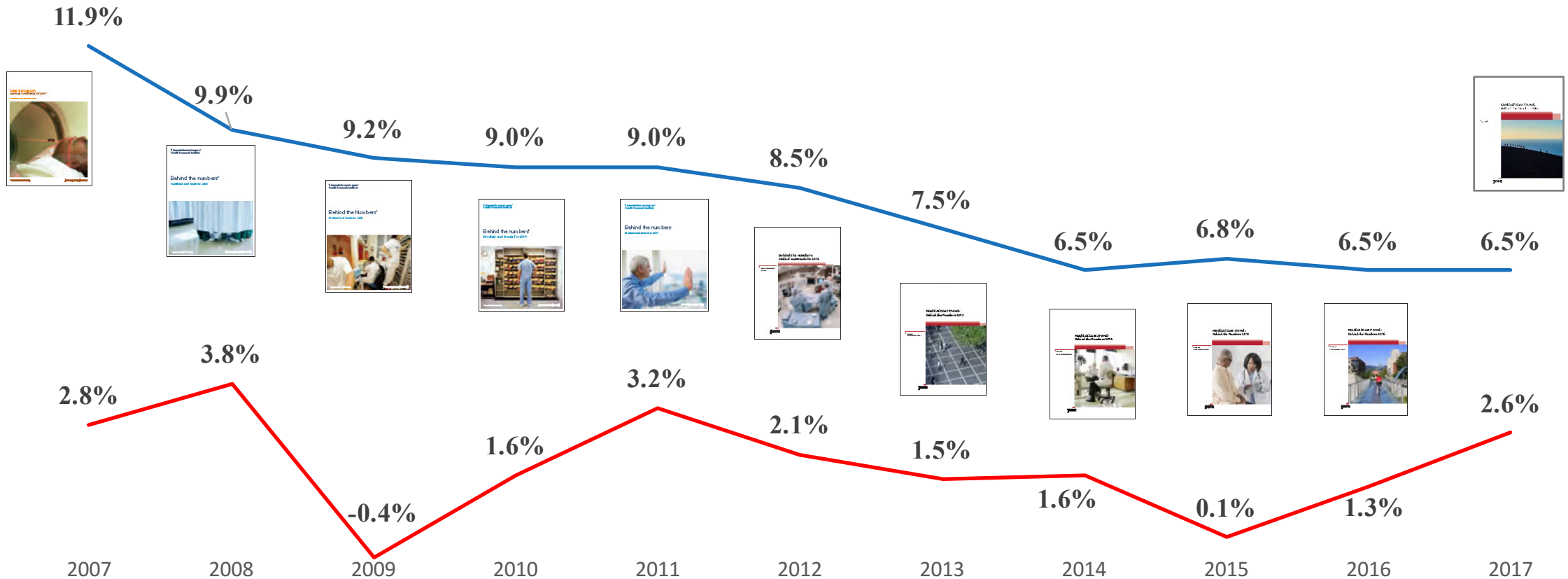
Hospital Costs Per Day



Source: IFHP 2016 Hospital and Physician Costs – Commercial Payers

USA Healthcare Inflation Rates

A decline followed by stability, but still well above domestic inflation rates



The Use of Technology in Medicine is Increasing

It's EXPENSIVE and often there is little proof that the clinical outcomes are actually better

PER Scanners



INUMAC MRIs



Robot Surgeons

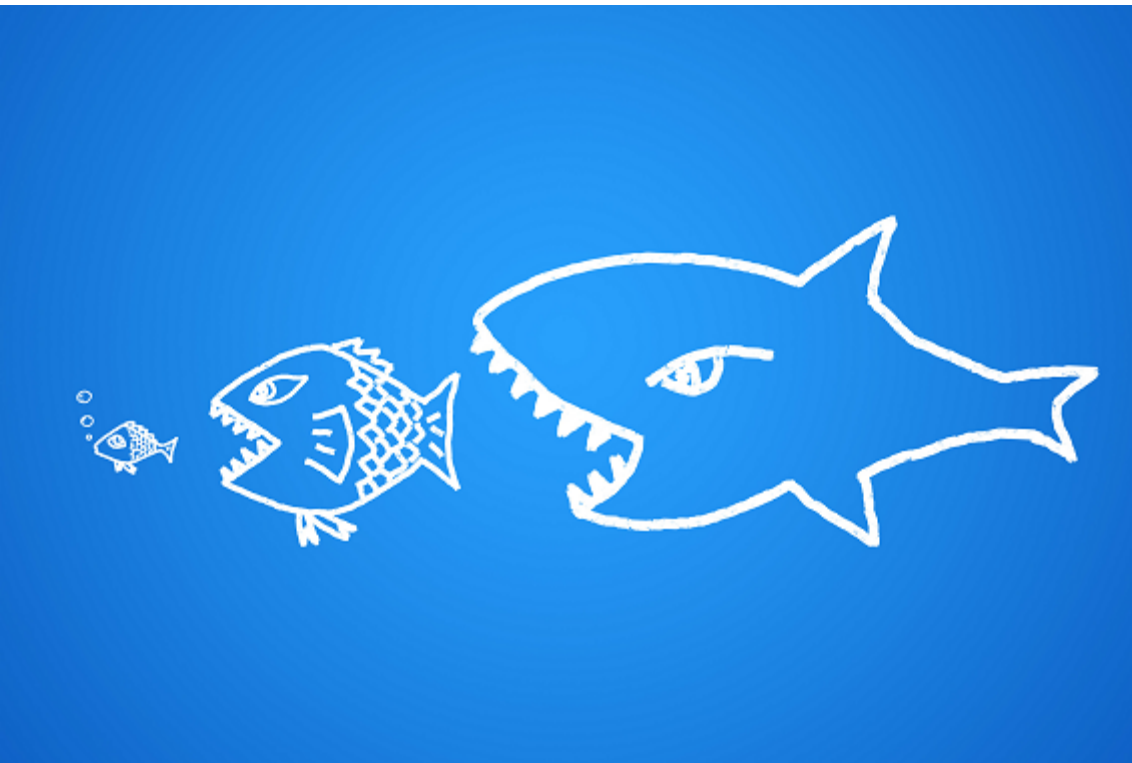


Super Hi-Res
CT Scanners

Proton Beam Therapy

Industry Consolidation Drives Higher Prices

In 2017 we've had 705 acquisitions worth \$75.9B USD in the US healthcare sector!!!!



Pharmaceutical Prices in the USA are Increasing

Pharma costs in the USA are the highest in the world



Valeant

- Isuprel: +718%
- Nitropress: +310%



Turing Pharmaceuticals

- Daraprim: +5455%



Mylan N.V.

- EpiPen: +548%

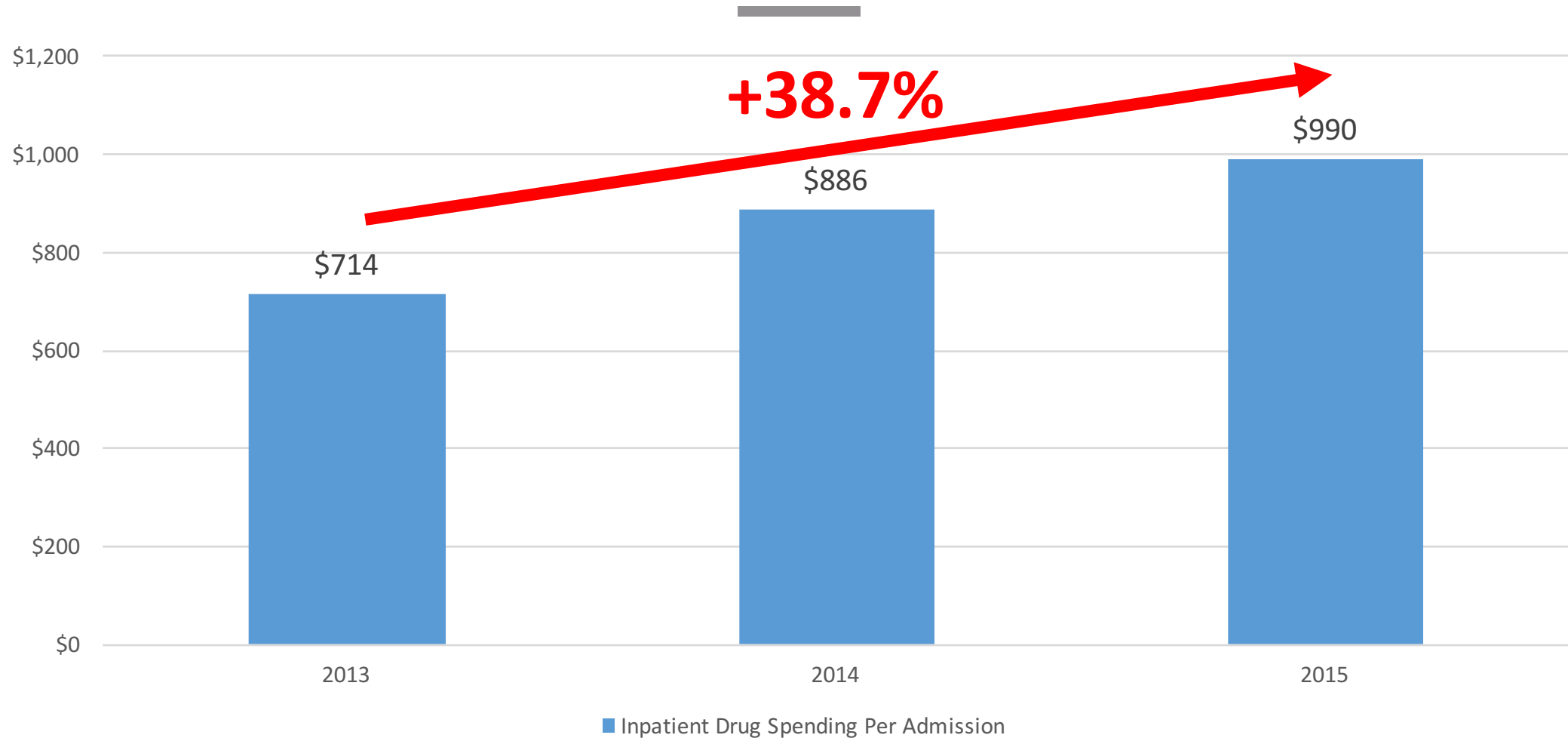


Gilead

- Sovaldi: \$84,000 per cycle
- Harvoni: \$96,000 per cycle

Inpatient Pharmaceutical Costs in the USA are Increasing

And billing errors are rampant



Source: 2015 NORC analysis of AHA-FAH Drug Survey and 2012-2014 AHA Annual Survey

Obamacare vs Trumpcare

No one knows!!!!



Obamacare Impact

- More Americans now have healthcare coverage
- Children are covered up until 26 years old
- No more denials based on a pre-existing condition
- Lifetime and annual limits eliminated
- Gender equality
- All policies must offer “minimum essential coverage”
- More options available through the exchanges
- Premium increases are now regulated
- Medicaid has been expanded
- Medicare has been improved

Obamacare vs Trumpcare

Right now its VERY complicated!!!!



Our Future – the Rest of the World














Country Rankings

U.S. Healthcare is Simply More Expensive...but it's not necessarily better

COUNTRY RANKINGS

Top 2*
Middle
Bottom 2*

											
	AUS	CAN	FRA	GER	NETH	NZ	NOR	SWE	SWIZ	UK	US
OVERALL RANKING (2013)	4	10	9	5	5	7	7	3	2	1	11
Quality Care	2	9	8	7	5	4	11	10	3	1	5
Effective Care	4	7	9	6	5	2	11	10	8	1	3
Safe Care	3	10	2	6	7	9	11	5	4	1	7
Coordinated Care	4	8	9	10	5	2	7	11	3	1	6
Patient-Centered Care	5	8	10	7	3	6	11	9	2	1	4
Access	8	9	11	2	4	7	6	4	2	1	9
Cost-Related Problem	9	5	10	4	8	6	3	1	7	1	11
Timeliness of Care	6	11	10	4	2	7	8	9	1	3	5
Efficiency	4	10	8	9	7	3	4	2	6	1	11
Equity	5	9	7	4	8	10	6	1	2	2	11
Healthy Lives	4	8	1	7	5	9	6	2	3	10	11
Health Expenditures/Capita, 2011**	\$3,800	\$4,522	\$4,118	\$4,495	\$5,099	\$3,182	\$5,669	\$3,925	\$5,643	\$3,405	\$8,508

Notes: * Includes ties. ** Expenditures shown in \$US PPP (purchasing power parity); Australian \$ data are from 2010.

Source: Calculated by The Commonwealth Fund based on 2011 International Health Policy Survey of Sicker Adults; 2012 International Health Policy Survey of Primary Care Physicians; 2013 International Health Policy Survey; Commonwealth Fund *National Scorecard 2011*; World Health Organization; and Organization for Economic Cooperation and Development, *OECD Health Data, 2013* (Paris: OECD, Nov. 2013).

Global Healthcare Inflation Trends

The world is catching up...but they're starting from a lower base

	2015	2016	2017
Global	7.5%	7.3%	7.8%
Latin America*	12.5%	12.4%	11.5%
Asia Pacific	7.5%	7.3%	8.6%
Europe	5.0%	4.3%	4.5%
Middle East / Africa	9.0%	9.0%	9.8%
Canada	8.2%	8.4%	9.4%
USA	8.8%	7.8%	7.5%

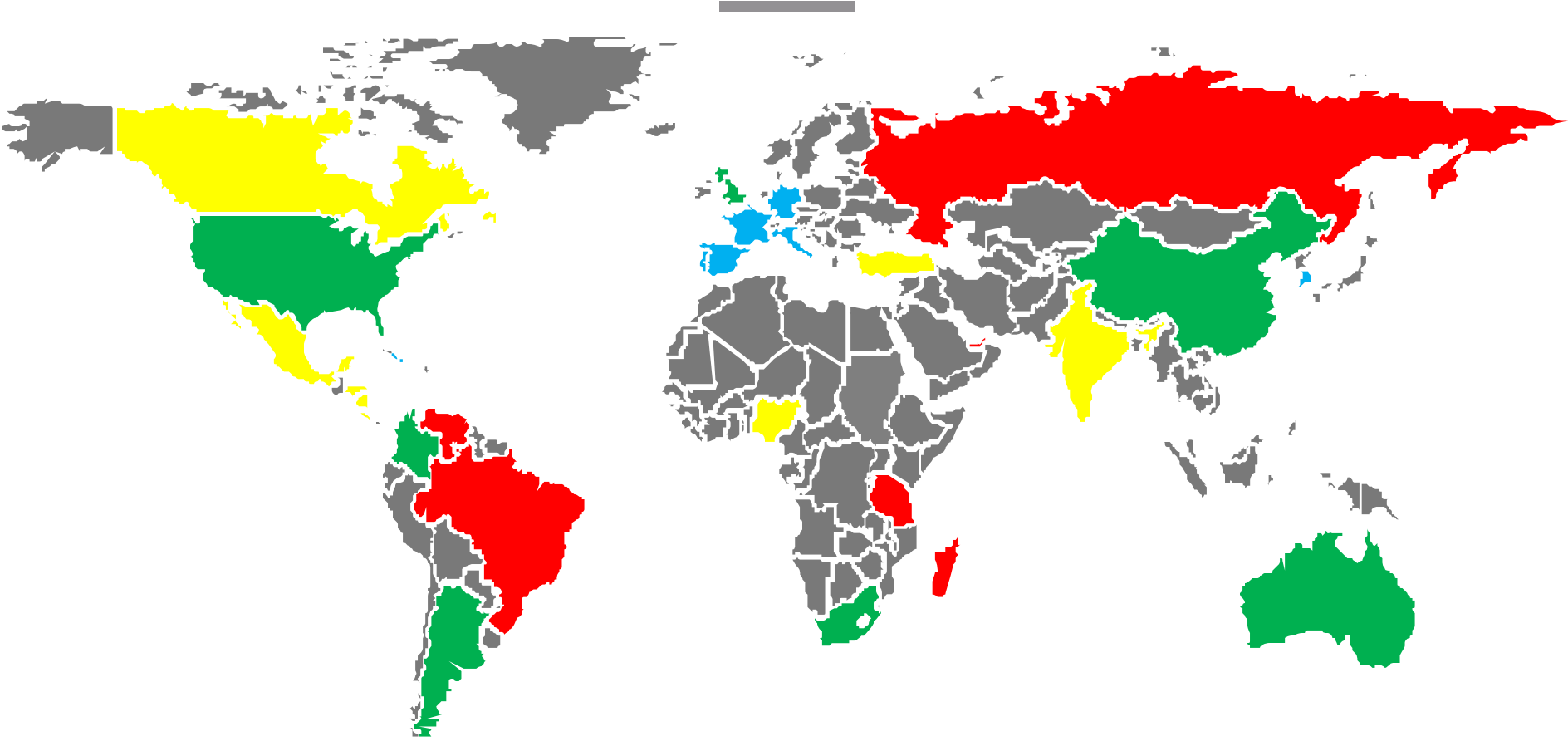
* Does not include the Venezuela

Source: Willis Towers Watson – 2017 Global Medical Trends Survey



Global Healthcare Inflation Trends

Global heat map – Inflation rates around the world



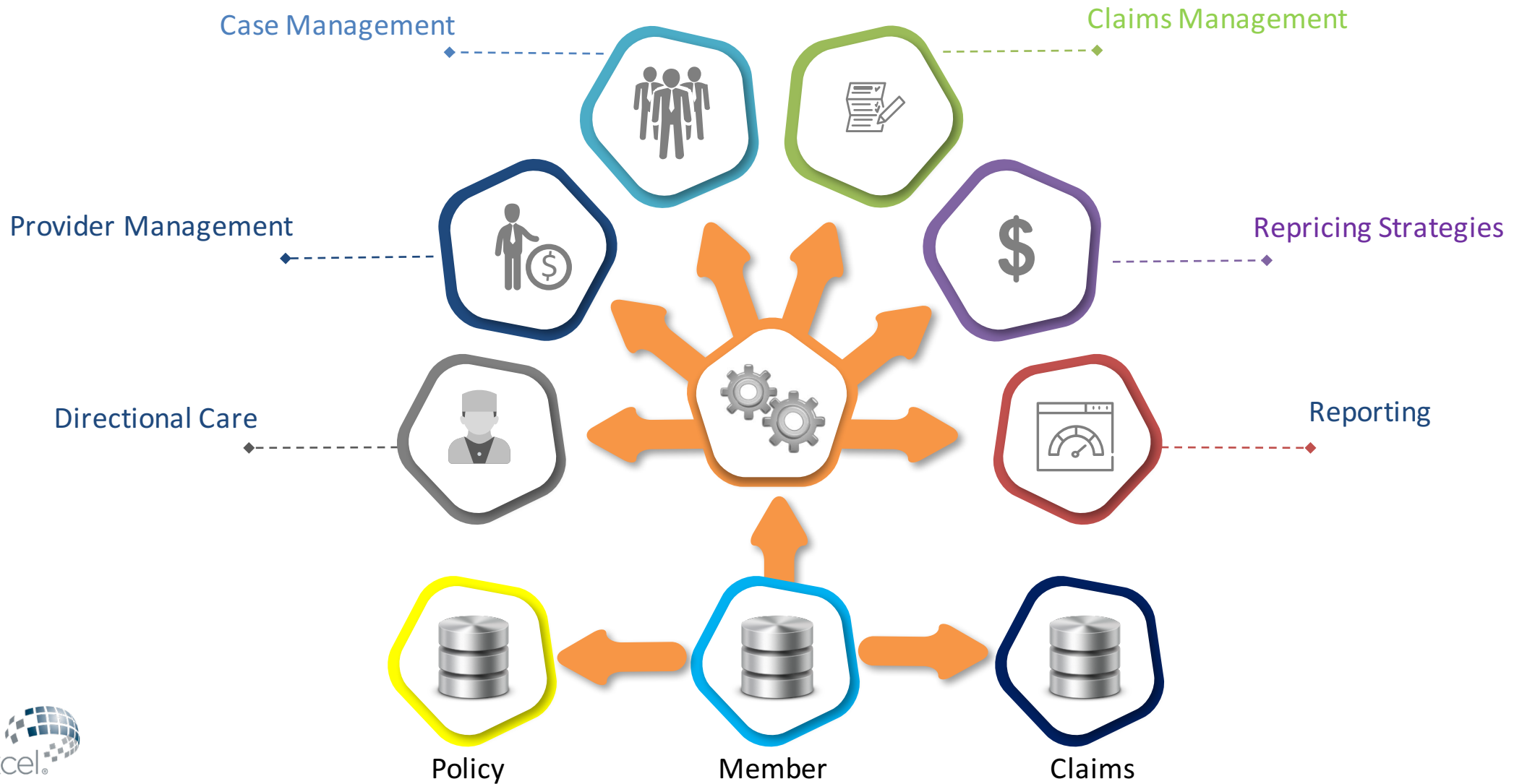
0% - 5% ● ● 5% - 10% ● ● 10% - 15% ● ● +15% ● ●

Source: Willis Towers Watson – 2016 Global Medical Trends Survey

Our Solution- Technology



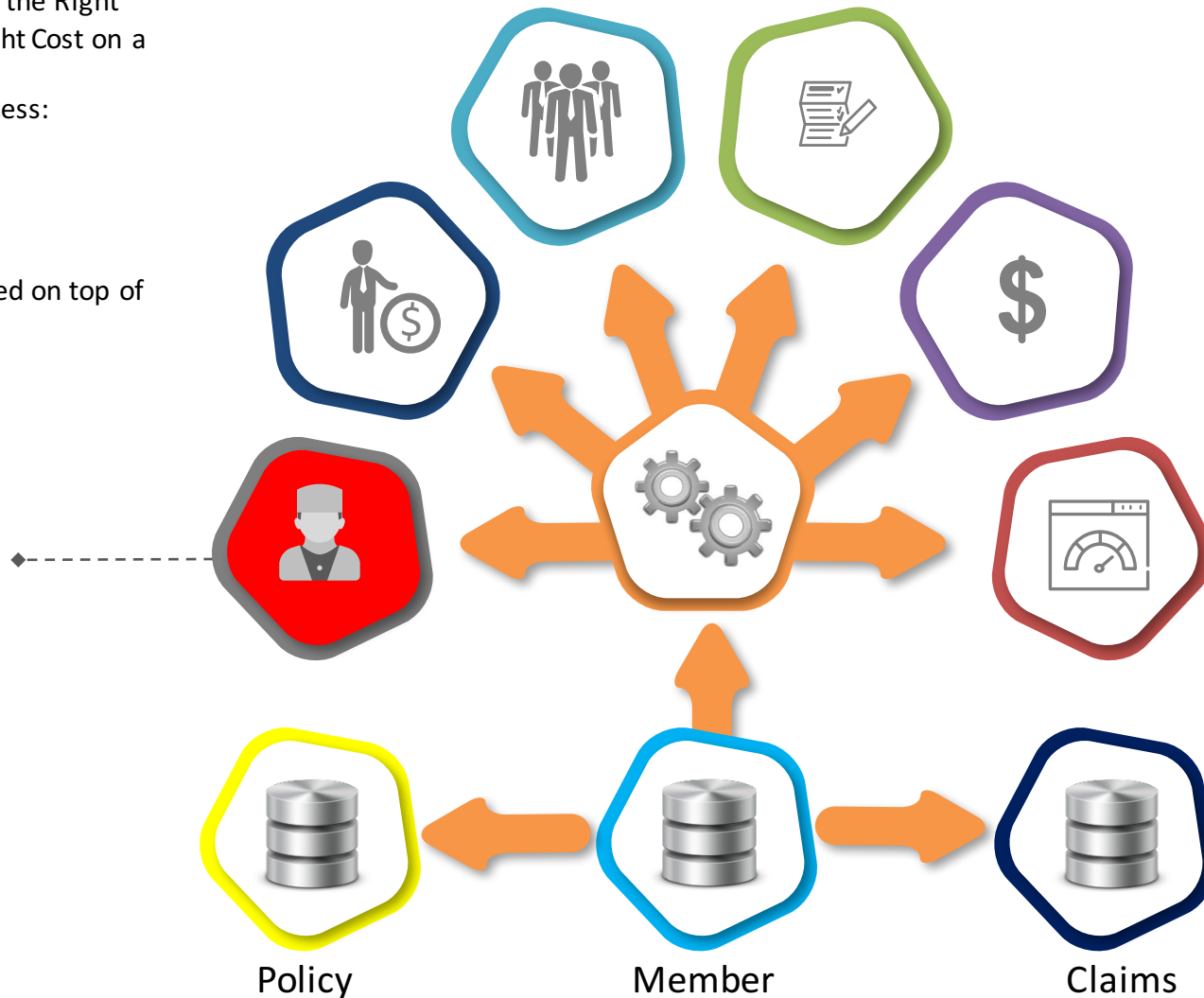
Our Solution - Technology



Our Solution - Technology

Directional Care

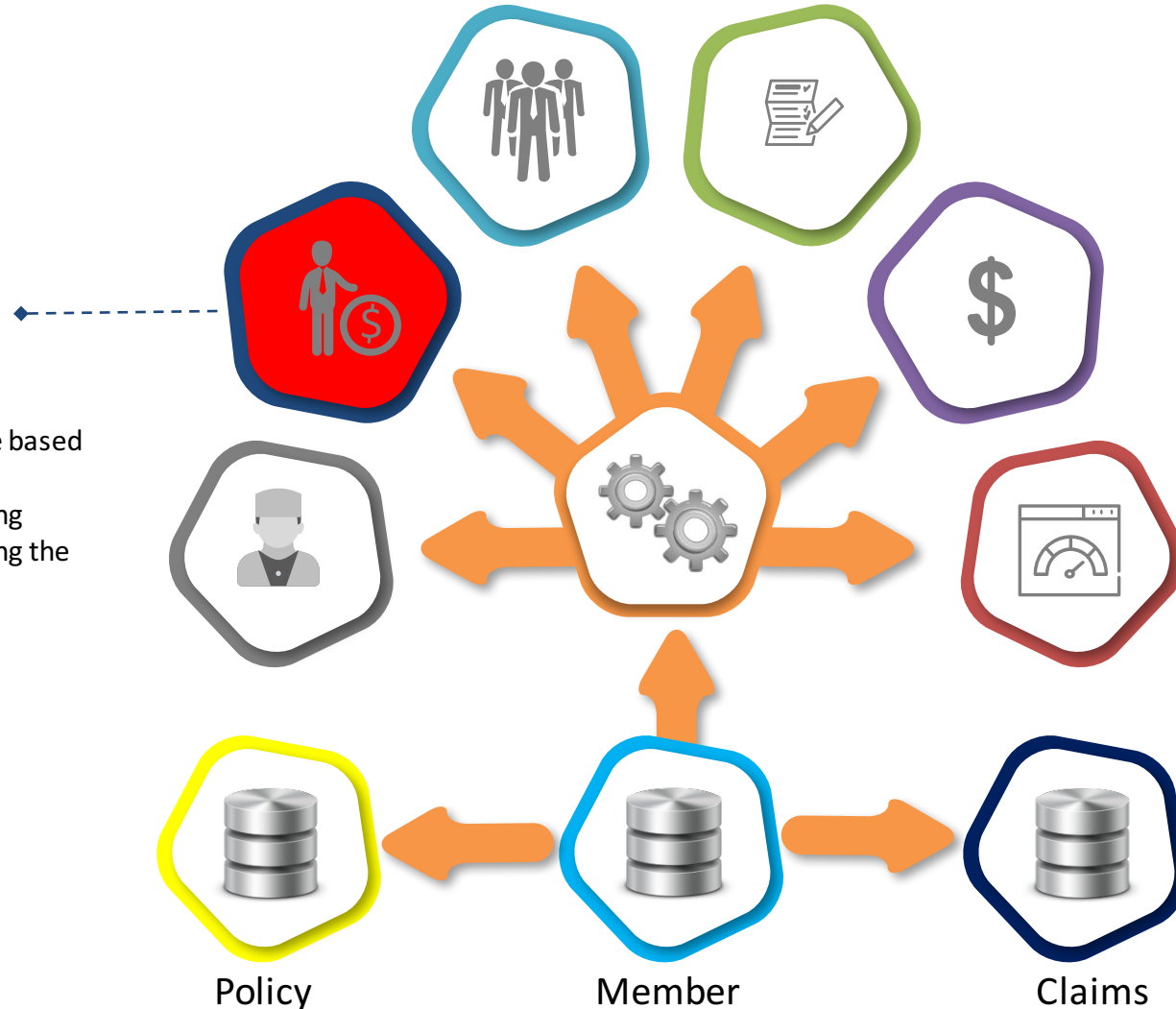
- Our mission: Providing access to the Right care, Right place, Right time, Right Cost on a Worldwide Basis
- StandbyMD – 4 stage triage process:
 - Telemedicine
 - Visiting Doctors
 - Clinics
 - ER
- Driven by GEMMobile and layered on top of out FairChex technology



Our Solution - Technology

Provider Management

- Mapping provider profiles based on:
 - Location
 - Services
 - Quality
 - Cost
 - Cost to Charge Ratios
 - Invoicing Risk
 - Medicare benchmarking
 - Discounting methodology
 - Payment structures
 - Historical claims data
 - Etc.
- Generates a dynamic ranking profile based on a number of different factors
- Ranking profiles are used for directing patients and for dynamically changing the insurance card to maximize savings

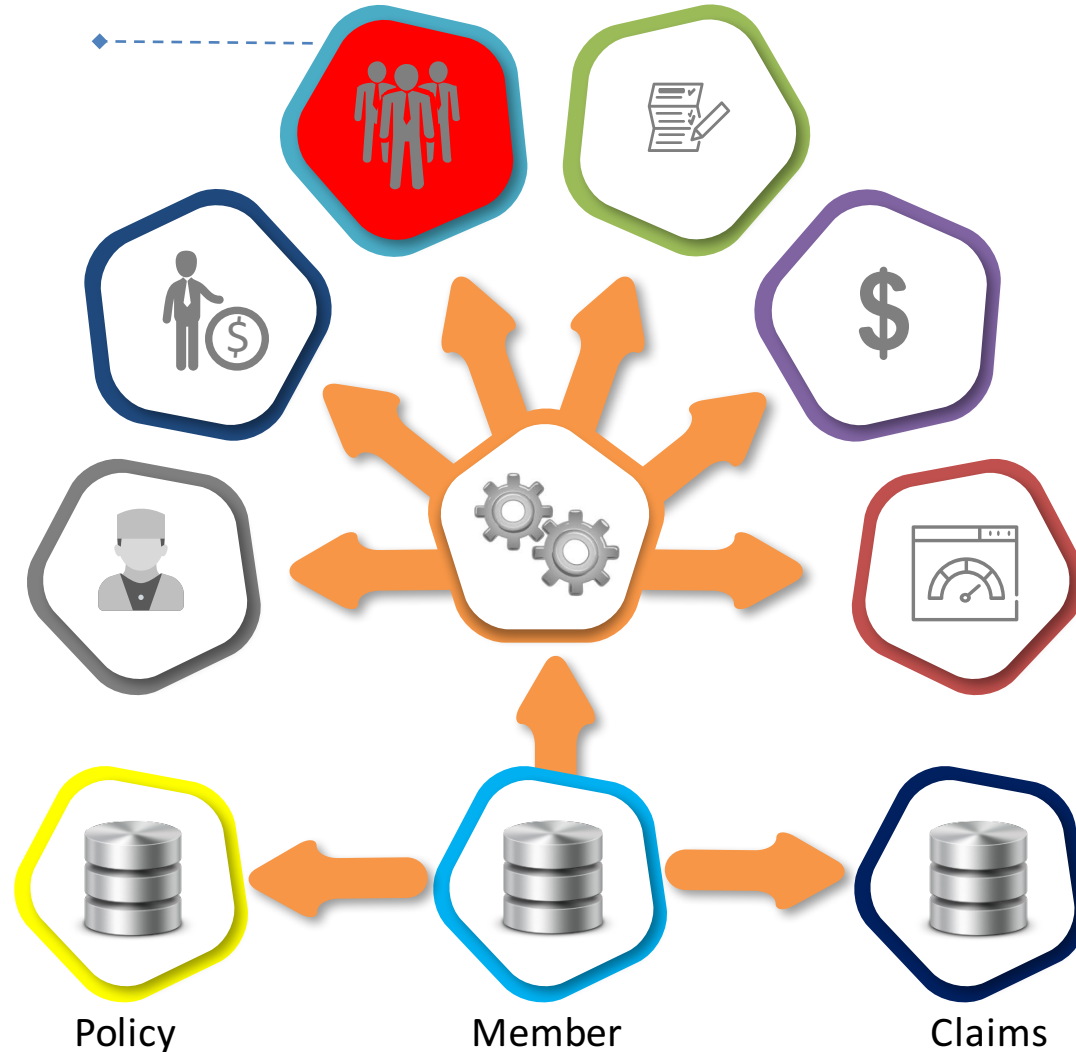


Our Solution - Technology

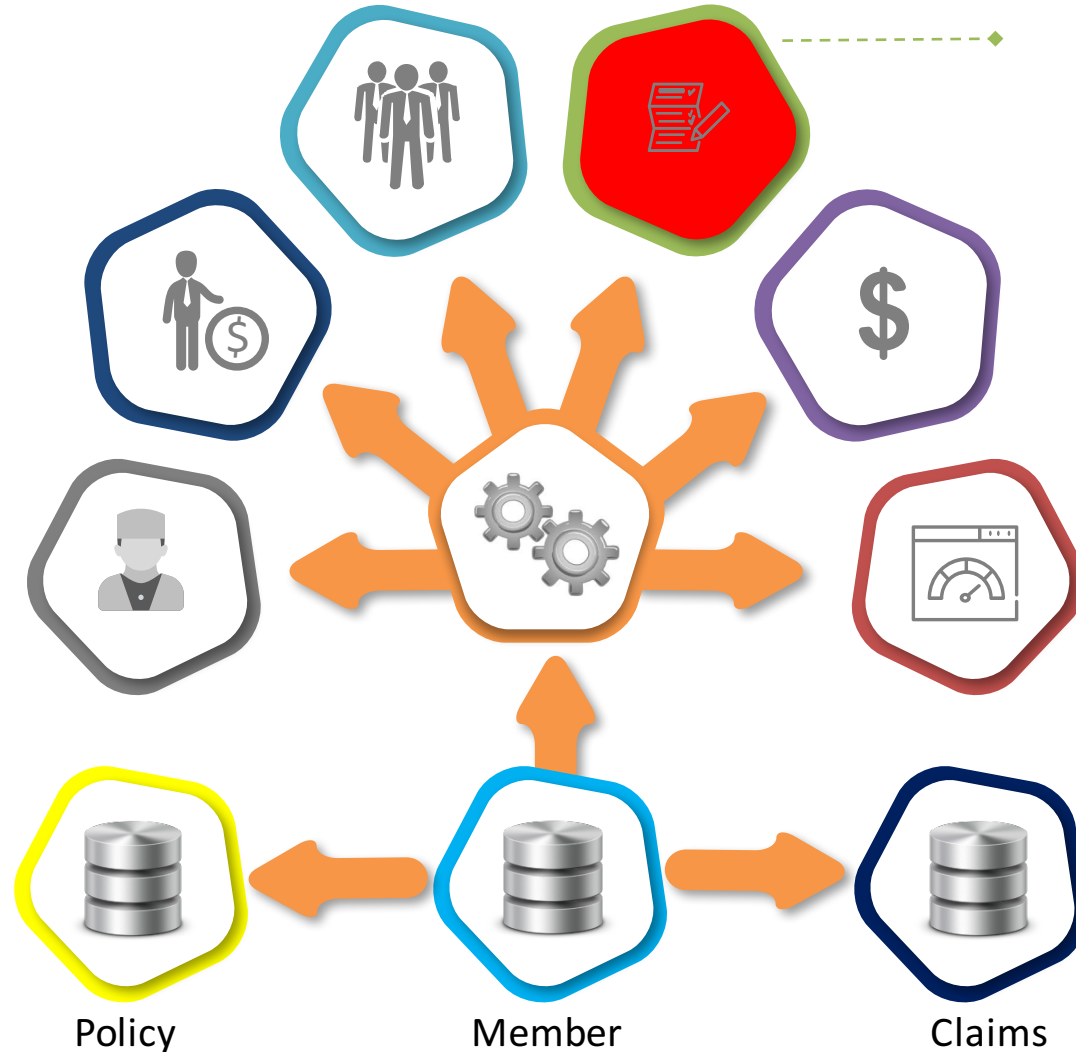
Case Management

- RiskAssessment Technology (RAT) used to assess the potential 'risk' of a medical incident
- Based on a number of different factors:
 - Complaint
 - Patient age
 - Sex
 - Location
 - Medical Declaration
 - Policy wording
 - Time of day
 - Etc.
- Risk profile used to manage the case
 - Medical case management
 - GEMClinical
 - Treatment path
 - Rehab/Repat strategy

		Potential Severity Rating			
		Minor	Moderate	Significant	Catastrophic
Likelihood severity occurs	Very Likely	Moderate	High	Extreme	Extreme
	Likely	Low	Moderate	High	Extreme
	Unlikely	Very Low	Low	Moderate	High
	Rare	Very Low	Very Low	Low	Moderate

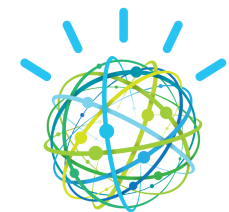


Our Solution - Technology

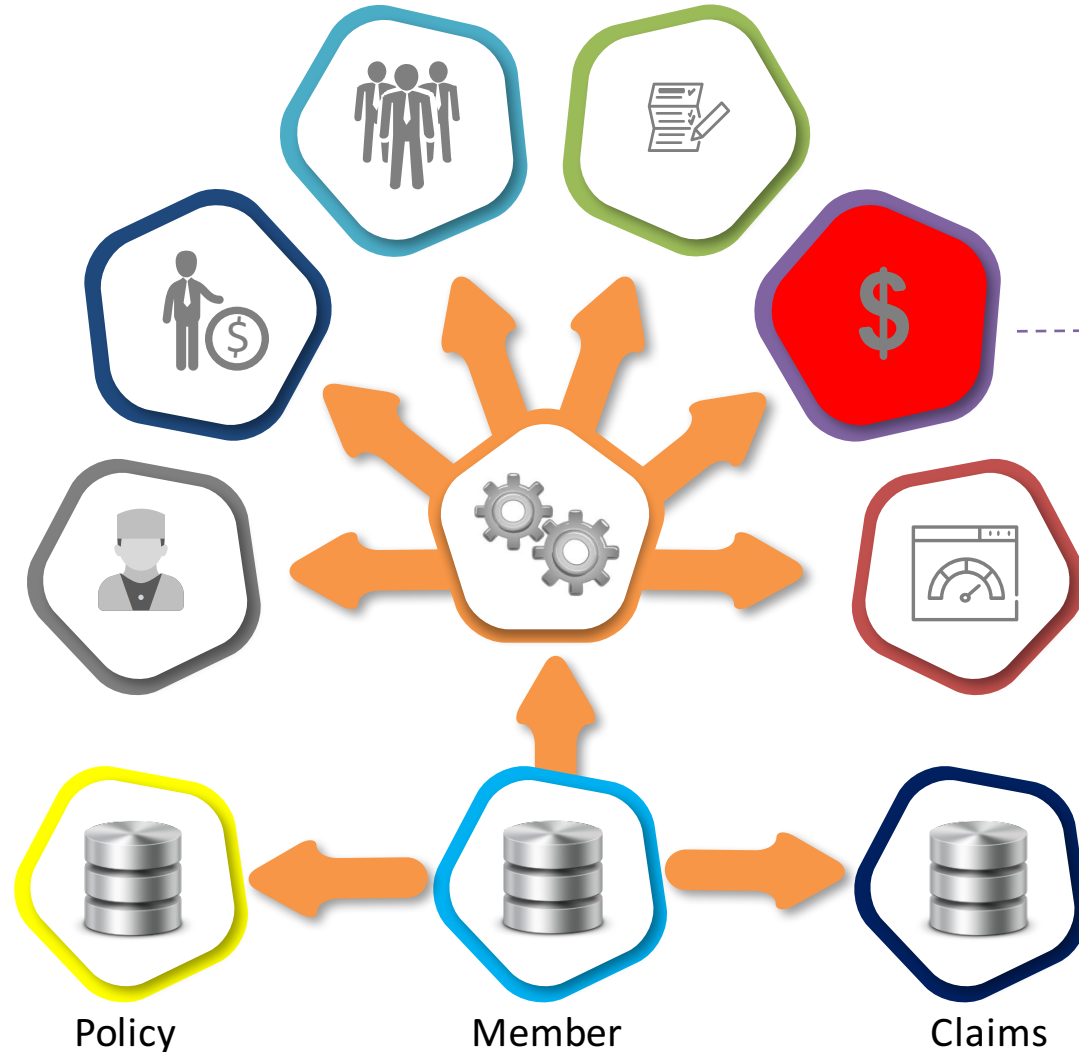


Claims Management

- Auto adjudication based on claim logic and claim risk assessment
- Looks at a number of factors including:
 - Upcoding
 - Medical necessity/appropriateness
 - Unbundling/Rebundling
 - Mutually exclusive services
 - Validation of procedure modifiers
 - Multiple procedure reductions
 - Validity of surgical assistance
 - Maximum frequency-per-day
- Use of twenty years and +\$7B of US claims data to 'learn' (IBM Watson technology)
- Accesses Policy, Member and Claims data
- Accesses external databases for claim information, do not pay lists, fraudulent provider lists, etc.
- In the future we'll use 'voice analysis' profiles to provider an assessment if the insured is providing truthful responses



Our Solution - Technology

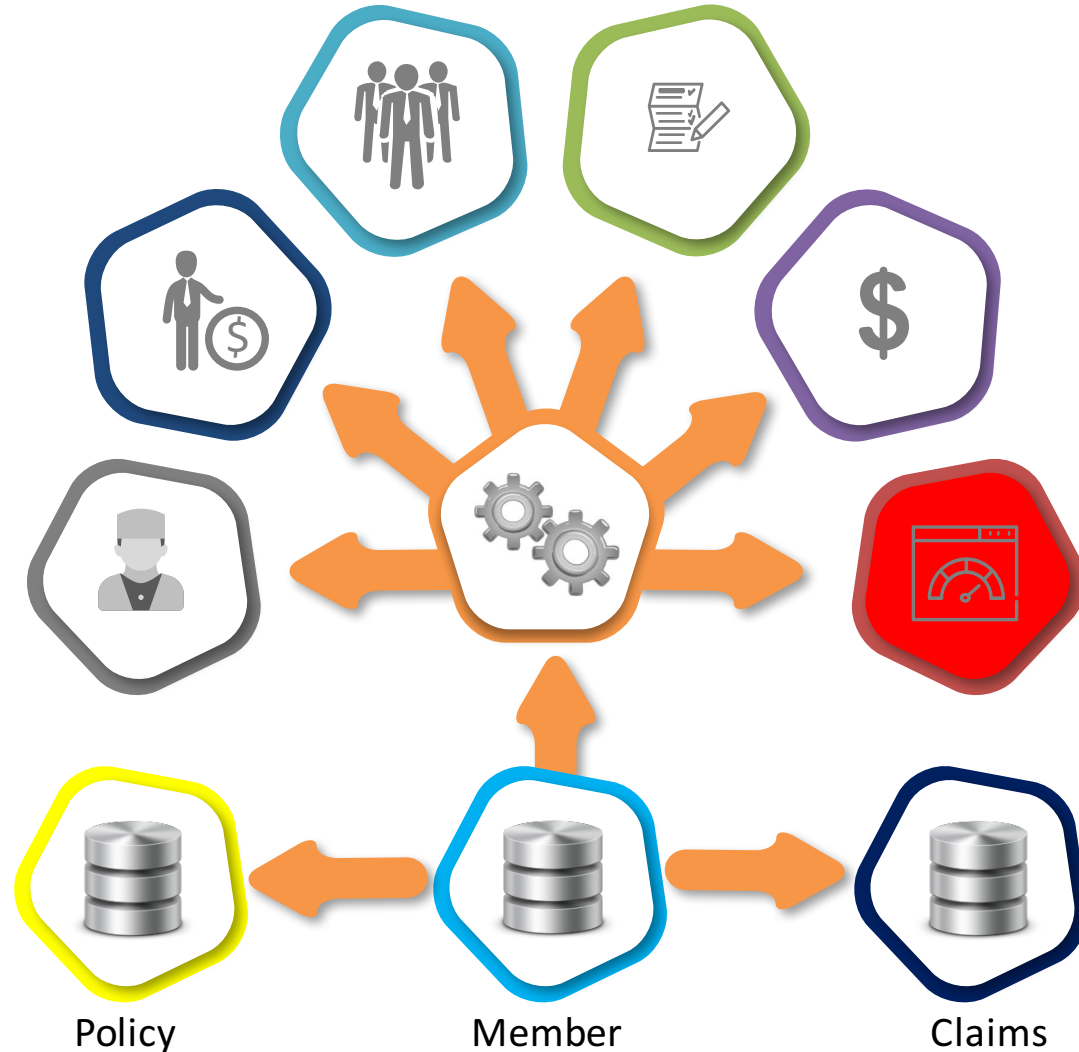


Repricing Strategies

- X-Routing
- Assigns a risk profile to each bill which is based on a number of different factors including:
 - Comparison to different benchmarks (i.e. Medicare in the USA)
 - Drug, lab or implant components
 - Hospital acquired conditions
 - Legal issues
 - High Cost Acute Conditions
 - Experimental conditions
 - Coding errors
 - Etc.
- Based on the risk profile AND the client risk profile the bill is routed to:
 - Negotiation
 - PPOs
 - HMOs
 - Contracted facility
 - Complex Claims Unit



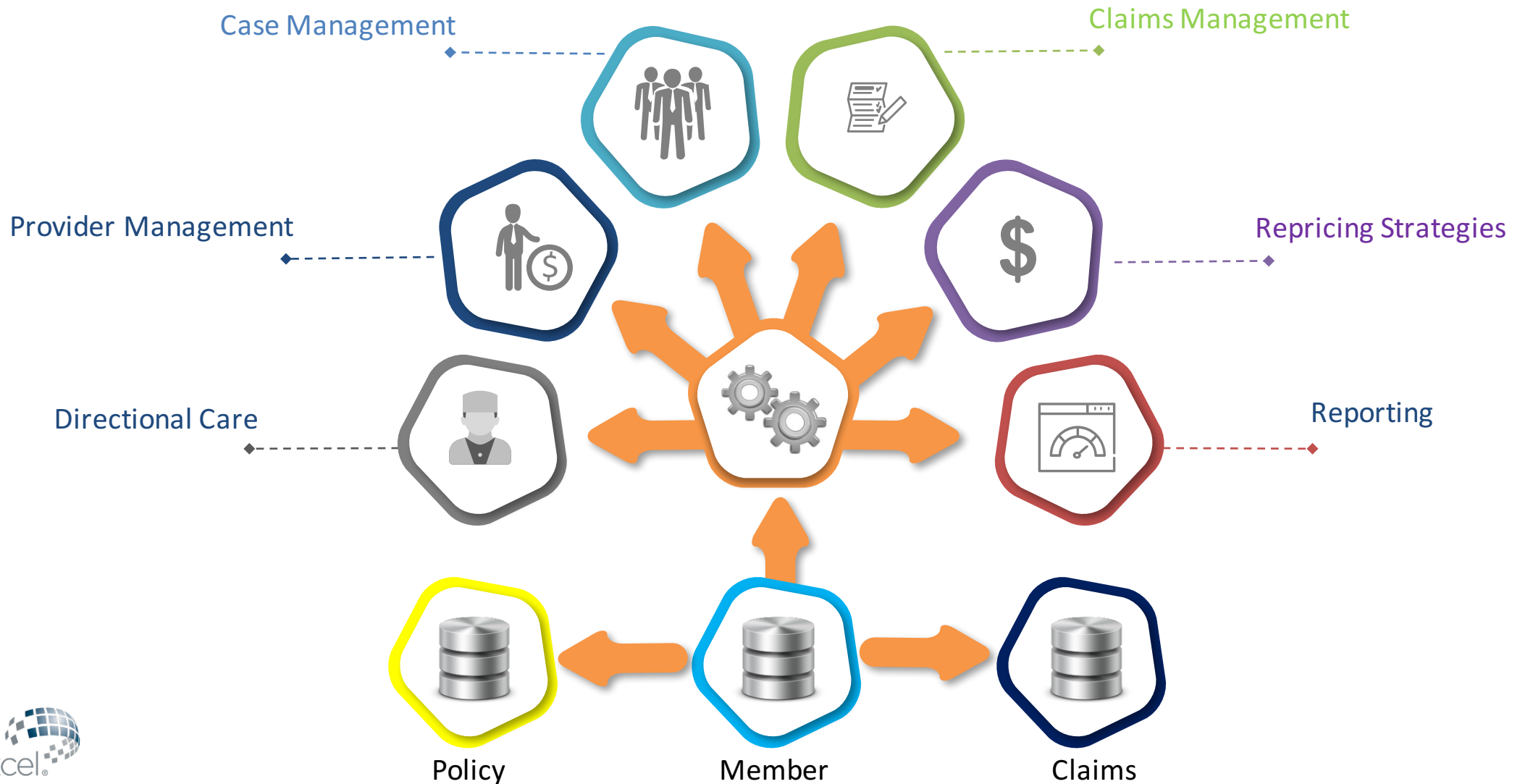
Our Solution - Technology



Reporting

- Completing the loop
- Linking claims costs directly to specific policy benefits/exclusions/etc.
- Providing useful BI for future policy design and wording
- Benchmarking against industry standards
- Market comparisons
- Annual/Quarterly Reports
- All reporting and claims data (including all scanned documentation) available “real time” through a highly secure 24/7Online Portal
- Our goal is to provide useable intelligence rather than just a data dump

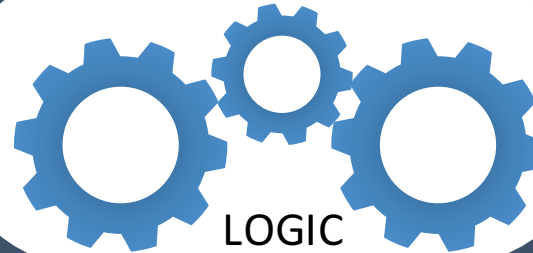
Our Solution – The Risk Assessment Engine



Risk Assessment Engine



- Policy covers X
- 62 Year old male from CAN
- Fainted
- History of diabetes
- Miami
- 3 am



- Risk score 2.1
- Emergency Room Referral
- Prepayment offered



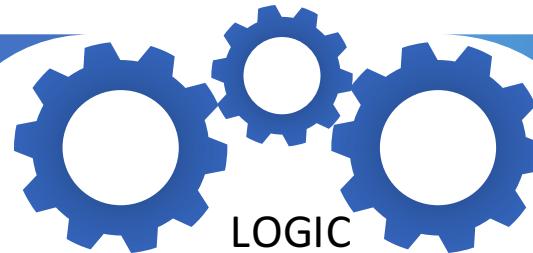
- Diagnosis X
- Avg LOS 8 days
- Reserve is \$90K
- Policy max is \$100K



- Risk score is 2.5
- Assigned to Case Coordinator
- FU required same day
- Get AA Quotes



- Foreign hospital XYZ
- No contract
- Upfront history of negotiation



- Call for upfront
- DRG deal is reached
- Rush payment
- Risk score is 1.4

Technology **IS** the future but...
there will always have to be a human element!!

