Healthcare at a Turning Point

CEO Forum

April 2023, Athens

Discussion Forum Summaries

ifhp.com linkedin.com/ifhp1 hello@ifhp.com

Introduction

As an industry we have never faced such times of challenge. Short term factors such as global insecurity, rising inflation and exiting a pandemic are blending with increasing longevity, rising chronic disease and labour shortages. Yet we are also witnessing advances in technology only dreamt of a few years ago.

As a result, we are seeing accelerated shifts across the many ways that healthcare is delivered, but how do we harness these shifts and turn them into better health outcomes for our customer populations across the world?

From a human perspective, the healthcare sector is motivated to serve our populations by improving health. From a business perspective, each organisation must take care of its financial security. From a social perspective, citizens, health providers, government and insurers want our finite resources to be distributed as equitably and impactfully as possible.

During the course of the Forum our discussions reached into many social, economic and political problems that are beyond the scope of our industry alone to resolve.

Yet we left more resolved than ever to answer the question: how can every stakeholder needed to create the kinds of incentives that will drive bigger change, work together for the benefit of all?

Christopher Watney
CEO International Federation of Health Plans

> If we are successful then all boats will rise with the tide

The Global Economic & Political Outlook

Speaker: Jérôme Jean Haegeli, Group Chief Economist | Swiss Re

CEO Forum 2023 convenes at one of the most difficult political and economic moments of the past three decades. While health systems continue to struggle to fully recover from the pandemic, a global storm of economic and political instability is creating a fresh stream of challenges for governments and businesses alike. What are the critical influences that Boards and executive teams must keep in mind as they steer their businesses through the storm towards sustainable growth?

Projections by Swiss Re suggest the Life and Health sector will see only 1.2% real growth in the next two years. Not that we expected a rosy outlook, but Jerome advised that "no soft landing is possible". While global headline inflation is flattening, core CPI will stay sticky. Insurers (and all sectors) will feel the bite of impending inflationary recessions (calculated likelihood of 50-70%).

Priorities: Health insurers should focus their attention on short term solvency and liquidity. In sum, the balance sheets must be in order. See slides 21 and 22 from Jerome's presentation for detail on different scenarios, risk factors and top signposts.

Opportunities: the gap in public health provision is widening due to populations living longer and stretched public finances. Those insurers who find ways to supplement public health provision (and ultimately improve population health) are likely to come out strongest.

> "Insurers (and all sectors) will feel the bite of impending inflationary recessions

Sustainability

Speaker: Hannah Pathak, International Managing Director | Forum for the Future

How do you navigate the complexity of evermore demanding sustainability regulations while also being part of a wider network of stakeholders in the health ecosystem? When do we know we are doing enough as leaders and how are you measuring up to your competitors anyway? In this critical session we unpack where the sustainability debate has got to in health, and where must we focus in the future as we deliver on the demands of a sustainable world?

The healthcare sector is responsible for 4.4% of global net carbon emissions. And payers won't find it easy to avoid the spotlight, even if their focus is on Scope 3 emissions.

All businesses can expect more sustainability regulations (observe the CSRD, the EU's Corporate Sustainability Reporting Directive, coming into effect in 2024) and greater calls for transparency (e.g. TCFD – the Taskforce on Climate-Related Financial Disclosures).

For a list of recommendations for the healthcare sector, see slide 33 of Hannah's presentation. They overlap significantly with other discussion topics at the Forum including: value-based healthcare, new collaboration models (e.g. to address Scope 3 carbon emissions); digitisation and use of big data.

The discussion centred on the challenges of:

- Significant upfront costs of making changes;
- Political and social backlash against companies pushing for more sustainable practices;
- Effectively measuring outcomes, especially longitudinal ones;
- the burden of climate mitigations alongside sanitation improvements in South Africa.

Members broadly agree that by acting collectively they have greater influence. Collective goals may include negotiating stronger government mandates and defining standards for measuring carbon emissions.

In support of collective action, iFHP launched its Sustainability Member Network at the Forum. Members are invited to propose individuals from their organisations to get involved, please contact the iFHP team for more information.

> The UK's NHS and the airline industry each account for a similar amount of UK greenhouse gas emissions.

Digital Security

Speakers: **Evangelos Ouzounis**, The European Agency for Cybersecurity (ENISA)
David Koczkar, CEO | Medibank

Cyber attacks and other digital security breaches are rarely out of the news. The sensitive nature of these incidents, plus the speed with which the technology and tactics behind the attacks changes makes being adequately prepared both critically important and incredibly challenging. How is the threat landscape changing and what are the best prepared organisations doing to protect their businesses and customers from the effects of an attack?

According to ENISA's Evangolos Ouzounis, private sector spending on cyber security doesn't come close to matching the threat. Is this overly pessimistic? Probably not: according to David Koczkar, Medibank's cyber security spending was already above the benchmark before the November 2022 ransomware attack. David shared what he learned in dealing with the much publicised attack. He stressed the importance of recognising that customers are the victims (not the organisation). He also remarked that being transparent has been painful, but it has allowed Medibank to rebuild trust.

ENISA's Threat Landscape 2022 Report outlines the many different types of attack, showing ransomware and attacks against availability (e.g. Denial of Service) were the most frequent from July 2021 to July 2022.

Top emerging cyber security threats include:

- Complex IT supply chains, where many software products are used each with different vulnerabilities.
- The exploitation of legacy systems and human error (through employees).

The agency also advises ransom demands should not be paid, because paying significantly increases the profitability of stealing the data.

> "Even with the greatest teams we're all still vulnerable [to cyber attacks]. The biggest risk is ignoring how vulnerable you are.

iFHP's Digital Security Member Network exists to support sharing of resources and best practice in this challenging area, please contact iFHP to join.

Population Health

Speakers: **Pedro Delgado**, Vice President | Institute for Healthcare Improvement
Charlotte Mbewu, Principal Officer | Discovery Health Medical Scheme
Sneh Khemka, Non-Executive Director & CEO

People are living longer, technology is evolving rapidly, and the costs associated with a lack of proactive, concerted actions to prevent and manage non-communicable diseases have the potential to bankrupt healthcare systems. Certainly, the answer lies in many different entities working more effectively together – be they state-owned or privately funded. So, what role can insurers play to help improve the health of the populations they serve – as well as those they don't?

Why pay attention to population health? The big incentive for health insurers is to increase their financial stability with targeted preventative measures that reduce the burden of healthcare costs. However, because outcomes are realised over many years it's hard to make a business case, especially in markets where switching policies each year is standard.

There is a business case to be made, but it's not about profit and loss. Population health management (PHM) will allow health insurers to gather more data about their cohorts and re-position themselves as much more than the 'bill payer', for better customer engagement.

Discussion points included:

- Pre-requisites and barriers to bringing clinicians, other health providers and patients together.
- What is the optimum involvement of physicians and what levels of risk are they prepared or asked to accept?
- How do we act when private healthcare cannot assume full responsibility?

Making PHM work requires a radical mindset shift. The discussion was on redefining how we collaborate with patients and providers and how we push for change. And why do this? The environment is changing rapidly around us: those who are agile will have an advantage.

> "Be ready for the fact that population health management won't directly affect your P&L

Diabetes management case study: Discovery Health Medical Scheme

DHMS take a strategic approach where 25% of members, accounting for 60% of costs, are targeted for PHM programmes. Diabetes management is one of the programmes.

Big data from claims, clinical metrics, pre-authorisation, remote monitoring and members surveys is used to develop effective interventions.

The results achieved:

- 15,200 members identified as likely to be admitted to hospital within 6 months
- ~7-8% financial saving (mostly reductions in hospital admissions)
- 3% more patients remained stable or improved
- (see slide 5 from Charlotte's presentation for more results)

Genomics and the future of cancer care

Speakers: **Thomas Szucs**, Professor of Pharmaceutical Medicine | University of Basel
Nuala Close, Vice President – Cancer | HCA
Timothy Woodman, Medical Director, Policy & Cancer Services | Bupa

Genomics is transforming our ability to target drugs and therapies, and there are few applications more exciting than in the treatment of cancer. How will improved accuracy translate into increased efficacy and cost efficiencies? How can we use diagnostic tools to triage better? How will pathways change and how do we engage patients to trust the pathways into which they are being directed?

> Knowledge of treating cancer is doubling every 54 days

By covering genomics tests and targeted therapies, payers can incentivise healthcare providers to incorporate genomics into cancer care and make services more accessible to patients

Personalised medicine has great potential, but it is costly. Making use of AI along with smarter use of genomic testing will open up new business models. The upside is we are using only 20% of the possibilities of personalised medicine in clinical practice.

There is a "wild west" for genomic testing and developing the right governance pathways is painful (See slides 2-4 from Timothy and Nuala's presentation). Benefits include cost control and better patient outcomes. For example, genomic tests can avoid unnecessary chemotherapy.

Time is also crucial: using genomic tests to get to the right treatment, faster, reduces recovery time and save lives.

In the discussion, Polygenic Risk Scores (PRS) were suggested as low-hanging fruit for health insurers. Consumers, however, don't want premiums based on their individual risk. Genetics isn't the whole picture: environment and lifestyle affect risk and insurers should look at modifiable risk factors.

DNA is a proposal, not a destiny: treat genomic data as a blueprint and combine with genetic data that can be extracted from phenotyping or MRI scans. This will shift assumptions around predicting risk and move us towards personalised treatment as the standard for care.

Link with value-based healthcare

Get patients, providers and payers around the table to manage expectations around evidence, coverage and outcomes. Building those collaborative pathways is challenging, but essential.

New Models of Collaboration

Speakers: **Lili Brillstein**, Chief Executive Officer | BCollaborative
Donna Finale, Sustainability Lead | UCB
Matthew Koce, CEO | Members Health Alliance

Value-based healthcare has yet to deliver the much-promised shift from provider-focused fee-for-service, to patient-centred, fee-for-quality care at scale. And as health becomes ever more complex and the stakes grow higher, the various participants in the healthcare ecosystem are increasingly reliant on each other to deliver value for patients. Where are the new models for collaboration originating, and what are some of the successful cases where unlikely partnerships are leading to greater value for all?

What really has an impact on individuals' outcomes? Hint: it's not just health-plan defined covered services.

A shift in mindset is needed to realise the opportunities and benefits of value-based healthcare.

- Start with desired outcomes and work backwards.
- Bring in diverse perspectives from payers, providers, patients, community health workers and others to uncover root causes and co-design the path (see Lupus example, slide 15).
- Build trust by addressing stakeholder perceptions around risk and loss of control.

Co-creation adds diverse perspectives, which allow us to identify the problem.

A case study on Lupus treatment identified the root cause of high cost and poor patient outcomes. Lupus is a leading cause of death in young black women, who die 13-15 years earlier than their white counterparts. This study found the mortality risk isn't caused by Lupus itself, but by the treatments chosen for black patients. Perspectives and data from patients, providers and insurers were brought to the table to understand the problem and co-create a better solution.

Forum Chair, Tom Wilkinson, recommended that members review the papers listed in the Appendix of Lili and Donna's presentation.

> "It's like a peloton: collaboration between funds is much more efficient and gives better outcomes for consumers.

Long-term collaboration is already a feature of Australia's mutual private health insurance sector. Why does it work? Health insurance is community rated, therefore health insurers have a long-term interest. The not-for-profit/member owned funds collaborate to achieve scale and remain competitive against bigger insurers. They attract more members through close connection to regional communities or key industries.

Mental Health

Speakers: **Jeffry Greene,** Vice President, Health Plans | Headspace Health
Simon Miller, International Partnerships Lead | Headspace Health
Thembelihle Mloyi, Managing Director | Bonvie
Chris Tomkins, Head of Wellbeing Propositions | AXA Health

People are living longer, technology is evolving rapidly, and the costs associated with a lack of proactive, concerted actions to prevent and manage non-communicable diseases have the potential to bankrupt healthcare systems. Certainly, the answer lies in many different entities working more effectively together – be they state-owned or privately funded. So, what role can insurers play to help improve the health of the populations they serve – as well as those they don't?

Employers across the globe are, rightly, taking more interest in the mental health of their employees and its effects on both productivity and wellbeing. If people, especially younger people, are talking more openly about anxiety, depression and burnout, what impact will this have on claims on corporate health insurance policies? What does affordable and accessible care for our workforces look like and how is it delivered?

"Not everyone needs therapy, but everyone needs care."

Headspace Health shared their continuum of mental healthcare. Results include treating 100% of employees seeking mental health support. This is at lower cost than a therapy-only model, which treats only 40% of those seeking help. (See slide 5 of Simon & Jeff's presentation for detail).

> Is it possible that a significant number of the world's challenges emanate from a failure to adequately address mental health issues?

"Good work design and good mind health go together"

The AXA Global Mind Health Study 2023 ***(See the slides for 6 factors to promote flourishing at work).***

- People are 3 times more likely to be 'Flourishing' (top of the scale for mental health) if they receive support at work
- Employees stay with the same employer for longer if they receive mental health support

Health in Zimbabwe: there is a crisis in accessibility of care. How has Bonvie created better mental health services for its corporate policy holders and their employees?

- **Smart partnership** to create interconnected services creates big impact
- **Use technology** to provide telecare and lower costs
- **Use big data** to map co-morbidities and move towards preventative solutions
- **Benefits for all** (insurer, payer, health provider, corporate policy holder and patient)

> Africa has only 1.4 mental health workers per 100,000 people

Human Capital

Speakers: **Steven Capps**, Partner EMEIA Financial Services Advisory | EY
Drossia Kardasi, Head of Human Resources | Interamerican
Anthony Cabrelli, Managing Director | Bupa Global

Digital transformation has created a huge shift in demand for new skillsets and is changing how organisations think about their human capital. What should today's organisations do to ensure their workforce is optimally productive? In an era of burnout and "the great resignation", how do we protect the enduring value of work and make the workforce feel valued and productive?

"For CEOs and leadership teams, the proportion of time you need to spend on change is a minimum of 50%"

Themes raised by attendees:

- Burnout
- Empowerment
- Cross functional working
- Creating purpose for GenZ
- Building culture in hybrid workplaces

As a collective, we continue to create space to discuss and share best practice on these and other emerging challenges.

Data and big tech can genuinely transform how we operate, as has been highlighted throughout the previous discussions. Yet, there's risk associated with any change and there are numerous examples of organisations getting it wrong. Success is underpinned by your people: ensuring you have the right skillsets, the right behaviours and the right culture.

Why make the investment in change? Interamerican's recent transformation programme – guided by the three principles of Customer Focus, Way of Working and Leverage Technology – moved the business to a future-proof organisation, creating annual savings of £3.6 million and improving employee retention to 96% (Drossia Kardasi, see her slides for more details on how they achieved it and lessons learned).

Anthony Cabrelli shared Bupa's ambitious targets for change. Complete transparency, including a weekly progress review for the big metrics, means employees can relate to the overall strategy and are aligned. It's a key differentiator in attracting talent, especially from Generation Z.

A rigorous approach is needed to drive real change and agile is described as "the most disciplined way of working." The dividends include transparency and alignment across the organisation and for most employees, once they get it they love it.

> "Be brave, stand out in the eyes of your customers, be caring and be responsible for your own actions.

iFHP CEO Forum 2023 - Athens

April 2023, Athens

© 2023 International Federation of Health Plans.
All Rights Reserved. ifhp.com.