

The Future of Health Insurance - Is Health Insurance Dead?

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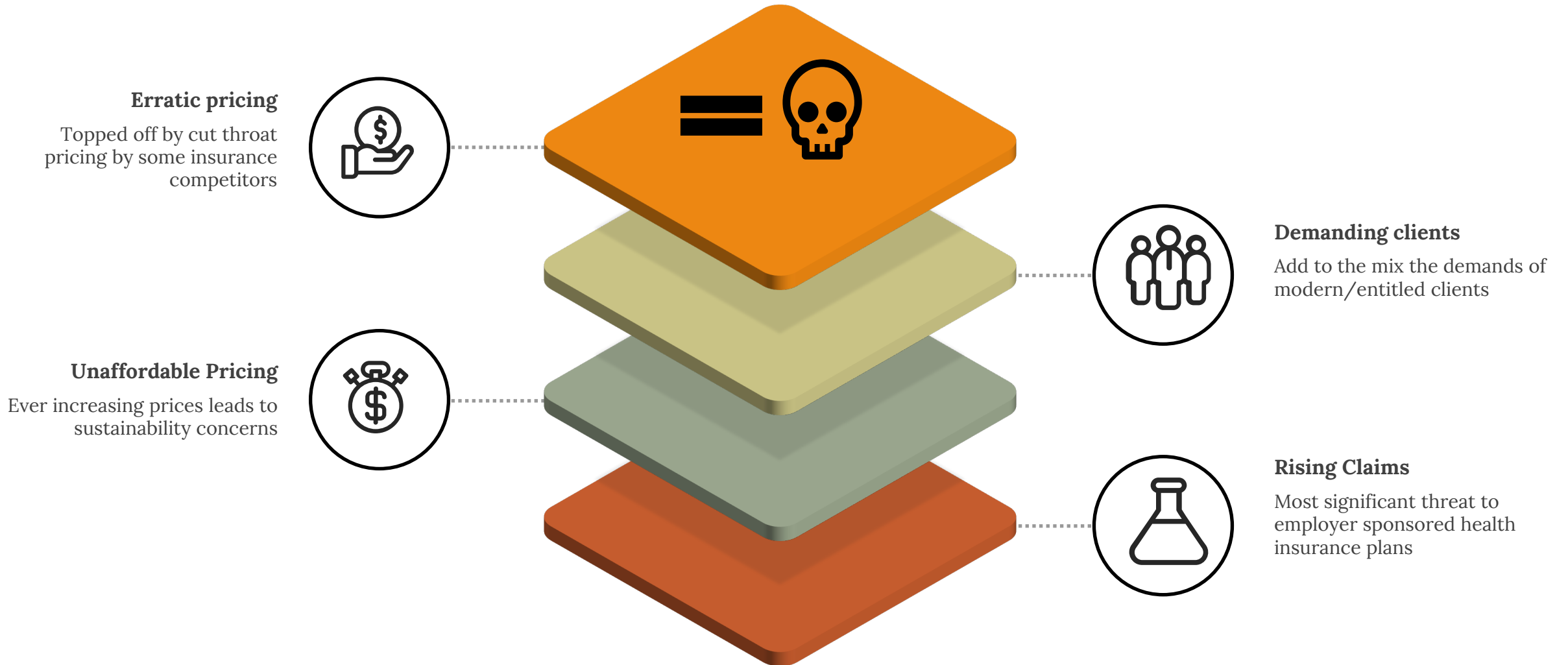
Survey 1

How many of you think that the future of private health insurance (as we know it) will cease?

Future of health insurance...

- Plays a crucial role in providing financial protection and access to healthcare services for individuals and families
- Vital tool in managing healthcare costs and ensuring access to necessary medical care
- The cost of health insurance is easily the second or third highest expense after salaries
- TRANSFORMATION is needed
- What are the challenges?

Current Challenges



World's costliest healthcare

- Many insureds prefer to access care in South Florida
- Studies showed that in 2016, the United States spent approximately twice as much as other high-income countries on medical care
- However, utilization rates in the United States were largely similar to those in other nations

World's costliest healthcare

Health consumption expenditures per capita, U.S. dollars, PPP adjusted, 2021 or nearest year



Notes: U.S. value obtained from National Health Expenditure data. Data from Australia, Belgium, Japan and Switzerland are from 2020. Data for Austria, Canada, France, Germany, Netherlands, Sweden, and the United Kingdom are provisional. Data from Canada represents a difference in methodology from the prior year. Health consumption does not include investments in structures, equipment, or research.

Source: KFF analysis of [National Health Expenditure \(NHE\)](#) and [OECD data](#) • [Get the data](#) • [PNG](#)

Factors contributing to high cost of healthcare in US

- US healthcare system is complex. Administrative burden contributes to higher costs
- More expensive procedures and products due to new, innovative healthcare technology
- Increasing drug prices and doctor salaries (labor and goods)
- Mergers of hospitals and health systems leading to higher instead of lower prices
- Existence of third-party administrators/middle men
- Lack of transparency in pricing at hospitals

Regional outlook

- Drug prices
- Increase in chronic conditions
- Cancer and other needs with new solutions at high prices
- High-cost single claims

Alternatives to traditional health insurance

- Options popular in the US:
 - Care Membership – monthly fee for basic healthcare
 - Cost Sharing programs – pay a monthly fee into a fund
 - Discount cards

- National insurance / state funded plans

What can we do?

Keep our eye on the ball (medical costs)!



What can we do?

- We must continue to seek the best interest of our clients
- We are the gatekeeper for the price of our insurance product
- We have to manage the overseas network more closely. If we are unable to achieve deeper discounts, we will be forced to remove more facilities from network
- Manage our local claims carefully and determine whether there are cases better managed overseas
- Significant emphasis on Case management

What can we do?

➤ Education

- Helping insureds to make more informed decisions regarding health care – eg. Effective use of generic drugs, provider selection, understanding plan,
- Monitor overseas charges by facility and service
- Encourage promotion of more competitively priced providers locally and overseas. Negotiate prices where possible
- Implement wellness programs – monitoring higher risk employees

What can we do?

- Incorporate telemedicine services – allows employees to consult remotely and reduce need for in-person visits. Also allows early detection in some cases.
- Self – funded plan
- Information sharing in local market between insurers can help improve the industry by negotiating better rates, etc.
- Remove the middle man – no more TPAs
- Change the typical plan design – Higher deductible and OOP plans; steer towards plans with higher cost sharing for insured, cap benefits

What can we do?

- Navigate out of the US market and promote other countries
- PPP – private and Government collaboration where they take on more of the catastrophic claims

Closing comments
