Healthcare Payor Digital Services 2022–2023 RadarView – Report Excerpt

Pulling digital levers to reduce cost and improve quality of care

January 2022

Table of contents

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Executive summary

Key recommendations for healthcare payors

Expand focus on preventive healthcare to manage costs and the quality of care	• Increase direct and real-time connection with members through apps and health monitoring devices to intervene proactively and facilitate home-based care. • Leverage population health analytics to identify high-risk patients with chronic diseases for developing targeted campaigns, spreading awareness, and providing personalized services.
Increase member outreach by targeting underprivileged and aging population	• Integrate analysis of Social Determinants of Health (SDOH) to provide differentiated healthcare-related services (such as targeted screenings and postpartum care) to underprivileged population. • Target potential members under Medicare and Medicaid plans by developing targeted products such as Medicare+ or acquiring/partnering with companies with strong presence in this space.
Accelerate investments in interoperability to comply with regulations and enhance care delivery	• Assess evolving regulatory mandates, cybersecurity, and broader digital transformation requirements to facilitate secure exchange of health information within the healthcare ecosystem. • Develop digital platforms, frameworks, and application program interfaces (APIs) in-house or in partnership with major healthcare platforms such as EPIC to expedite interoperability adoption.
Prioritize investments in IA, AI, and analytics to manage claims, providers, and members	• Integrate IA into core processes (such as auto fills for pre-authorization in claims, answering member queries, and extracting and validating provider data) for streamlining processes. • Scale-up investments in AI and analytics to accelerate shift to value-based care and provide price transparency and provider reviews for enhancing member experience.
Gain competitive advantage in the healthcare ecosystem through acquisitions, investments, and partnerships	• Acquire or partner with other players in the ecosystem to broaden product portfolio, expand the presence in emerging opportunity areas, and extend home-based care to members. • Evaluate partnerships and investments in niche healthcare companies to acquire specialized digital capabilities for focusing on interoperability, preventive care, and member engagement.

Avasant has recognized 21 top-tier service providers supporting healthcare payors in digital transformation

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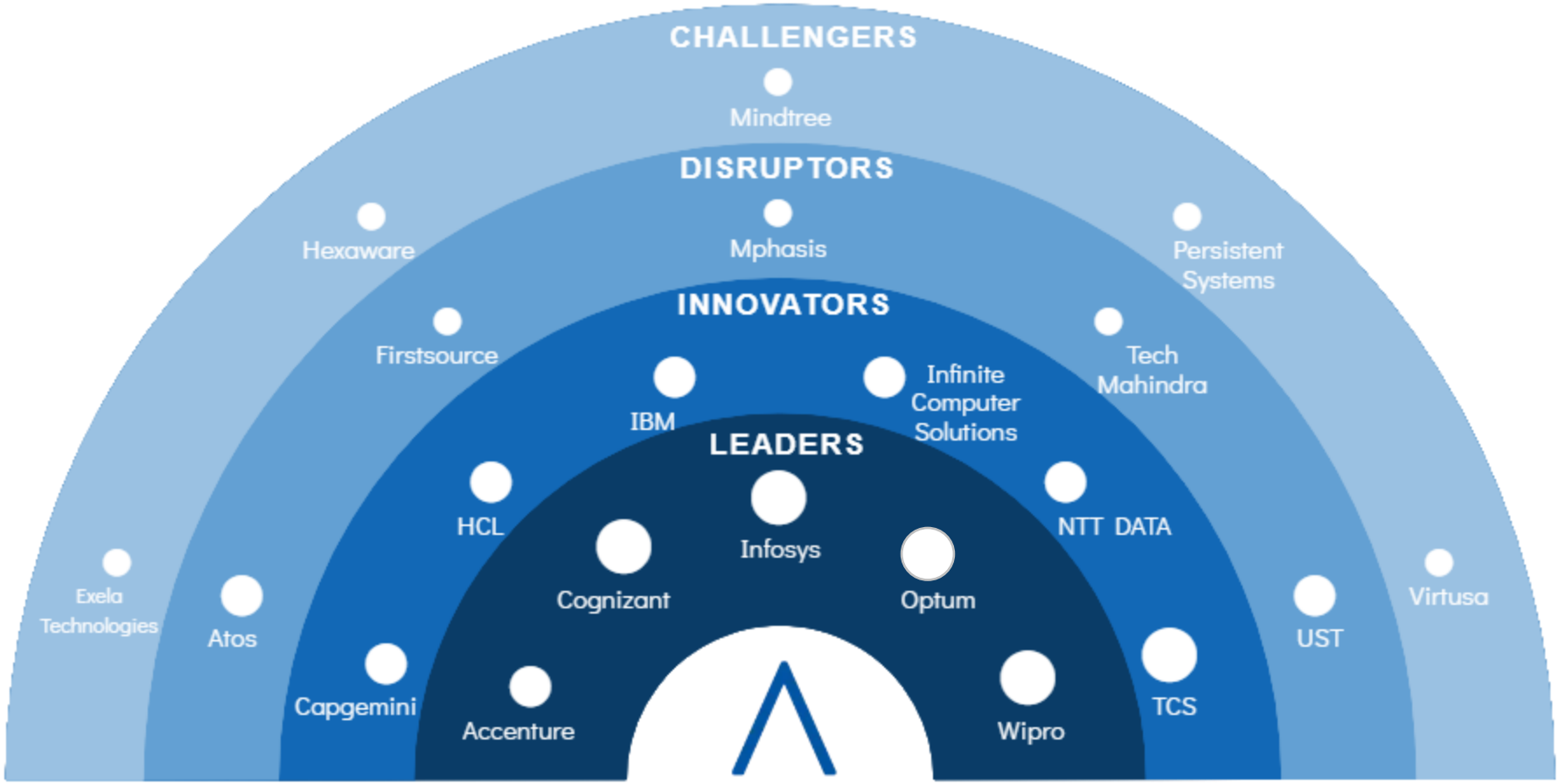
Practice maturity



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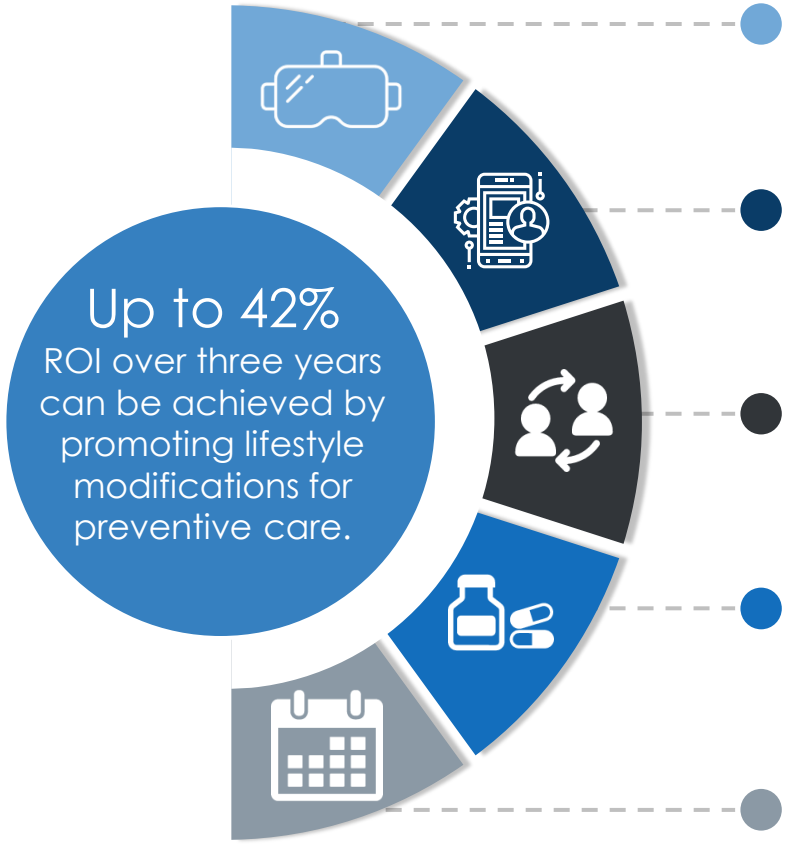
Sample report pages

Investments in preventive care are essential to reduce cost and improve the quality of care



Multiple preventive care initiatives taken by payors:

Launching an app	AVIVA	Launched DigiCare+ health and well-being app, enabling its members to prevent, detect, and manage health-related problems.
Building digital health platform	AXA	Partnered with Microsoft to build a platform providing a self-assessment tool, teleconsultation, and a medical concierge to its members.
Partnering with healthcare companies for health information exchange (HIE)	Anthem	Partnered with Epic to facilitate secure and bidirectional exchange of information between providers and affiliated health plans to enable data-driven decision-making.
Shipping curated care kits for self-care	aetna	Shipped over-the-counter (OTC) care kits to its Medicare Advantage members for promoting self-care at home during the flu season.
Promoting value-based care model	Humana	Executed Medicare Advantage value-based care to improve hospitalization rates, as the members under this model had 245K fewer days in the hospital than other members.

Increase in adoption of emerging technologies is shifting the focus to proactive and preventive care. This assists payors in containing costs and improving care quality for patients.

Sources: Avasant Research, AMA

Payors are including SDOH-related data to predict patient health and reduce disparities

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Five critical sets of SDOH are:

Healthcare payors are executing different strategies to focus on specific aspects impacting the health of their members:

Forging partnerships with prominent players in the healthcare ecosystem	Anthem	Launched the "Take Action for Health" initiative with National Urban League, City of Hope, and Pfizer for improving breast cancer care for communities with high incidence.
	UPMC Health Plan	Partnered with Pittsburgh-based Community Human Services to provide care coordination for homeless individuals.
Leveraging advanced analytical offerings	Kaiser Permanente	Developed a "Total Health" framework to address SDOH in neighborhoods by screening members for unmet social needs.
	Health Net	Leveraged digital offerings for analyzing geospatial data to reduce postpartum care disparities by 40%.
Committing to ongoing investments	Molina Healthcare	Launched a Social Determinants Innovation Center in Ohio to develop and scale SDOH-supported, advanced health programs.
	L.A. Care Health Plan	Planned to invest USD 20M over five years to fund initiatives serving homeless people in Los Angeles County.

To improve the overall care quality for members and reduce disparities, it is crucial for healthcare payors to evaluate holistic patient cases including social determinants.

Sources: Avasant Research, CDC

Pursue acquisitions for horizontal and vertical integration of healthcare businesses

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Secure acquisitions to achieve strategic goals:

Illustrative examples:

Secure acquisitions to achieve strategic goals:	Enterprise	Acquired company	Summary
Strengthen position in government and federal healthcare business	MOLINA HEALTHCARE	Affinity Health Plan	Acquired Affinity Health Plan, a managed Medicaid organization for USD 380M in 2021, for competing against other competitors in this space.
Increase revenue by expanding product portfolio	Humana	Kindred at Home	Acquired Kindred at Home for USD 5.7B in 2021 to integrate its home health services and clinical expertise with Humana's CareWell BU.
Optimize costs and streamline processes through synergy	United Healthcare	CHANGE HEALTHCARE	Agreed to acquire Change Healthcare for USD 13B in early 2022 to integrate its technological expertise for simplifying core, administrative, and payment processes.
Increase market share by acquiring complementary offerings	CENTENE® Corporation	Magellan HEALTH	Acquired Magellan Health for USD 2.2B in 2021 for launching behavioral health platform and building capabilities in behavioral health, specialty healthcare, and pharmacy management.
Enhance customer experience by offering home-based care	Anthem	myNEXUS	Acquired myNexus in 2021 for offering comprehensive home-based nursing management to Medicare Advantage beneficiaries across 20 states.

Mergers and acquisitions act as a catalyst for increasing revenues, offering whole-health services, enhancing member experience, and reducing costs.

Source: Avasant Research

Explore investments and partnerships with other players in the ecosystem to facilitate preventive and home-based care

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Progressive payors are using varied strategy for introducing new models, enhancing member experience, and reducing care costs.

Technology companies	Healthcare providers	Pharmacies	Digitally native companies
United Healthcare, Apple	KAISER PERMANENTE, MAYO CLINIC	CENTENE Corporation, RxAdvance Runs on Collaborative PBM Cloud, Walgreens	Humana, heal
Partnered with Apple to provide free access to Apple Fitness+, a fitness service built around Apple Watch. This was rolled out to 3M commercial members.	Partnered with Mayo Clinic to ~~together~~ invest USD 100M in a technology company, Medically Home Group, to launch new delivery model that focusses on "advanced care" at home.	Partnered with Walgreens and RxAdvance to launch an innovative model for pharmacy management for increasing transparency, enhancing customer experience, and optimizing care costs.	Invested USD 100M in Heal, a telehealth startup, for delivering in-home primary care services to members, including aging members with multiple chronic diseases.

Alliances and investments with other players in the ecosystem have become crucial for integrating specializations to deliver quality care and enhance member experience.

Source: Avasant Research

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