THE NUMEROF 2018 US HEALTH INSURANCE OUTLOOK

Key Action Steps

- Collaborate with providers to improve outcomes, reduce cost and increase value
- Identify providers that can assume accountability and risk
- Develop analytic and influence capabilities required for success in risk-based models
- Demonstrate value tangibly to plan sponsors and members, with a focus on total cost of care
- Engage with consumers differently to reduce membership churn and gain share in new markets

Health Insurance

New Market Entrants

New competitors, models ***obviating need for traditional health insurance***. Increased employer ***direct contracting***, providers ***offering insurance.***

Pharma

Continued tension over ***drug pricing.*** Accelerated ***approval*** of new drugs. New ***formulary and pricing approaches*** (risk-based and indication-specific). More focus and FDA guidance on **RWE and outcomes.**

Devices

New potential for ***risk based pricing*** and ***collaboration*** on outcomes. Emergence of ***direct purchase*** models, ***lower cost product*** versions.

Post-Acute

Growing reliance by providers on ***defined networks*** and ***service level agreements*** for standard protocols, data sharing, outcomes and process alignment. Opportunity for ***innovative care models.***

Physician

More ***regulatory demands, burnout,*** and ***reimbursement hurdles***. More IDN employment, plus wider use of care paths, communication, financial incentives to ***align physician interests***.

Hospitals Systems IDNs

More and new forms of ***consolidation***. Greater ***physician/hospital alignment***. Growing openness to ***new payment models, risk assumption, narrow networks and alliances*** with payers, employers. More interest in data sharing and outcomes, but still challenged to manage variation.

Employer

More ***direct contracting.*** Pressure for ***greater transparency*** for employees. Pressure for ***new, lower cost models delivering outcomes that matter***.

Consumer

More consumers with higher deductibles will seek ***greater transparency***, ***competitive prices***. More focus on ***consumer as customer***. Emerging opportunities in individual market.

State & Federal Agencies

Political and legislative uncertainty creates risk and opportunity. Growth in narrow networks focuses attention on ***network adequacy. Price, quality transparency rules*** create pressure for ***greater value***

NUMEROF & Associates