

DistilINFO **HEALTHPLAN**

Right Info | Right Audience | Right Time

# Market Intelligence Report

*November 2020*

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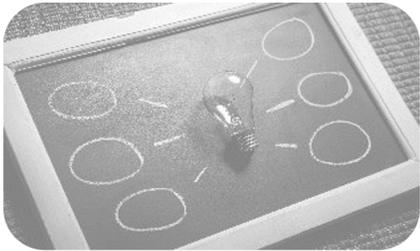
**COVID-19  
Impact**



What Topics did  
**100,000+** Subscribers  
of our Publications Read?



**Technology  
Strategy**



**Money Matters**



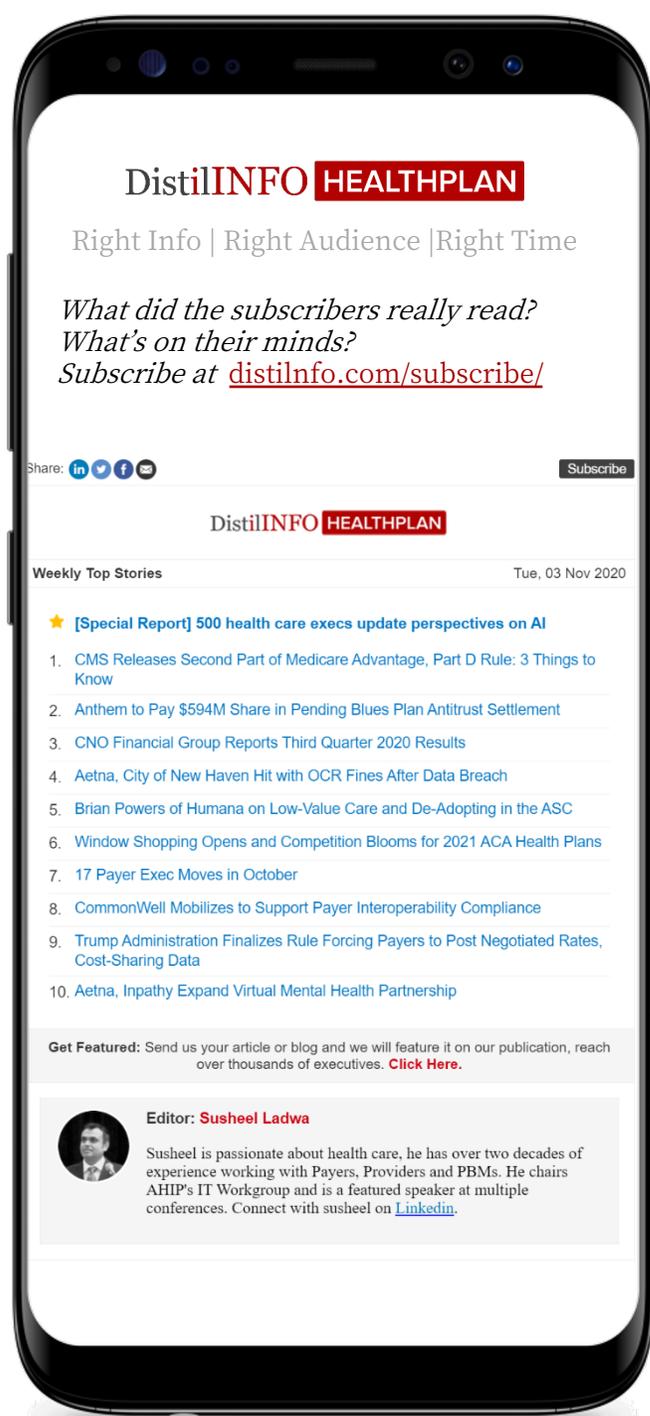
**Rise of  
Competitors**



We studied and analyzed  
**reader interest**  
across Health Plan Industry  
for this report..

DistilINFO **HEALTHPLAN**

Top 10 Most Read articles in  
**October 2020** in Health Plan Newsletter



9,000+  
CxO Level  
Readers



13,000+  
VP Level  
Readers



1,800+  
Retail and Affiliated  
Organizations



31,000+  
Director Level  
Readers



1. [Medicare Advantage Startup Clover to Go Public in \\$3.7B Deal](#)
2. [BCBS Tentatively Agrees to \\$2.7 Billion Anti-Trust Settlement](#)
3. [Decoding 2020 Gartner Hype Cycle for Health Plans/Payers](#)
4. [Health Insurer Financial Performance Amid the Coronavirus Pandemic](#)
5. [22 Payer Exec Moves in September](#)
6. [Loss of the Affordable Care Act Would Widen Racial Disparities in Health Coverage](#)
7. [Walmart Health COO Outlines Health Insurance Business: 5 Things to Know](#)
8. [Health Insurance Hike for Small Business OKD, But Full Impact of COVID-19 Unknown](#)
9. [6 Recent Payer-Provider Contract Agreements, Conflicts](#)
10. [Open Enrollment 2020 Marks Shift Toward Virtual Member Engagement](#)



## DistilINFO HEALTHPLAN

Here is what are **CxO, VP, Director Level** health plan audience is interested in..



### CxO, VP Level Audience

- **Equity and Equality:** How to maintain diversity and eliminate discrimination amongst customers and employees?
- **New Competition:** Where is the additional competition coming from? How does it impact my share of pie?



Manager

34,437

Director

23,392

VP

13,957

C-Level

9,294

President

4,195

### Investors and CFOs

- **COVID Impact:** How is COVID pandemic impacting the topline and bottom line?
- **Money Matters:** What is the focus of investments currently?

### Overall Business Audience

- **Technology:** What are the key components of my technology strategy?
- **Human Capital:** What happening in the executive talent pipeline space?



# COVID-19 Impact



Gross margins (per member) for Medicare Advantage Plans rose by **41%** in first half of 2020



01.

Health Plans' administrative costs are unchanged. Rise in profits is fueled by declining loss ratio, owing to cancellation of elective procedures.



02.

End consumers want to engage more with their payers and understand the right plan for their needs. Virtual engagement is the way forward!



03.

Insurers requested an average rate increase of 11% in small group market. New York State regulators approved only 4.2%.



04.

Average gross margins per member per month declined by 3% in 2020 in individual market.

How is COVID pandemic impacting the topline and bottom line?

[Health Insurer Financial Performance Amid the Coronavirus Pandemic](#)



[Health Insurance Hike for Small Business OKD, But Full Impact of COVID-19 Unknown](#)



[Open Enrollment 2020 Marks Shift Toward Virtual Member Engagement](#)



# Technology Strategy

What are the key components of my technology strategy?



Chatbot technologies will have **95%** penetration in health insurance industry **by 2025**



01.

The top priority for the executives is to develop an Artificial Intelligence strategy to guide the developments in the coming 3-5 years.



02.

Large tech firms have all the components of the recipe to challenge the traditional insurance players.



03.

Insure-Tech partnerships are essential for every payer. Payers with strong tech competencies would survive in the future.



04.

Invest in developing platforms to provide seamless user experience couple with health data interoperability.

[Decoding 2020 Gartner Hype Cycle for Health Plans/Payers](#)



[5 indemnity Technology Trends Transforming the Industry in 2020](#)



[Here's how Google, Amazon, Facebook and Apple are targeting the health insurance market](#)



# Money Matters

+

Blue Cross loses **\$2.7 billion** to Microsoft, General Motors, and Walmart in anti-trust settlement.

01.

In next 5 years, Desjardins to expand investment portfolio by 50% to \$100 billion in Canada.

02.

Venture Capital firms are willing to invest in startups that can challenge the *status quo* in health insurance industry.

03.

Costs in healthcare sector are artificially inflated. Investors are betting the money on the firms that can “break” (not just bend) the cost curve.

04.

Insurance companies are investing in start-ups that provide vertically integrated services (e.g. homecare) to better engage with customers.

What is the focus of investments currently?

BCBS Tentatively Agrees to \$2.7 Billion Anti-Trust Settlement



DGAM targets \$100-billion AUM in ambitious growth plan



Venture capitalists willing to fund insurance startups who try to crawl over 'wall'



# Rise of Competitors

+

Walmart backed Clover Health is worth **\$3.7 billion** and the memberships **grew by 37% in 2019.**



01.

The competition for the existing payers is coming from new start-ups backed by large technology firms and venture capital funds.



02.

The membership growth rate of new insurance players is multifold higher than the industry average.



03.

The newer entrants are providing better product and services at a competitive rate. The existing payers have a lot to lose to their complacency.



04.

The existing large payers may end up like Nokia or Blockbuster if the right investments are not made and attitudes are not flipped.

Where is the additional competition coming from? How does it impact my share of pie?

[Medicare Advantage Startup Clover to Go Public in \\$3.7B Deal](#)



[Walmart Health COO Outlines Health Insurance Business: 5 Things to Know](#)



[How Bind Benefits' CEO will use \\$105M to upend the health insurance market](#)



# Key Takeaways

Disti**INFO** HEALTHPLAN

Monthly Intelligence Report

November 2020



## No payer is “too big to Fail”

- Healthcare industry is over inflated. Work on a strategy to smash the cost curves.
- Collaborate with start-ups and tech firms from outside the industry to get some fresh ideas.
- Failing to accept change might plunge the business, RAPIDLY. Read more about [Netflix vs Blockbuster](#).

**Do not get comfortable in *status quo*. Change is coming!**



## Competition is coming from outside

- The capital investment firms and tech giants have sniffed the supra normal profits in health plan market. They are eyeing a larger share of the pie.
- The start-ups are successfully facilitating a near future paradigm shift in the payer space.

**Imagine playing Pokémon Go to locate the curbside pickup!!!**



## COVID shocks ripple into long term

- The current profit surge is temporary and the savings would be wiped next year with backlog clear up.
- Pandemics are becoming the norm.
- People are experiencing long term financial, physical and mental impact of pandemic.

**The long-term strategies for the payers need a revisit.**



## Technology is the King Maker

- Declutter the hype from the real value of the tech advancements.
- Technology is like a fruit, harvest it at the ripe moment.
- There exists no version of future where payers can survive without pivoting into a digital transformation.

**Make technology the core competency of your firm.**

# Executive Interview Series



## Technology Questions “Old Ways” in Healthcare! Here is the Answer

October 1, 2020

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### TECHNOLOGY QUESTIONS “OLD WAYS” IN HEALTHCARE!

Here is the answer!

An interview with **Randy McCleese**,

- \* Healthcare CIO
- \* HIT Consultant
- \* Advisor at Starbridge Advisors



Interviewed by  
**SUSHEEL LADWA**  
Editor - DistillINFO Publication  
www.distillinfo.com



## Healthcare Digital Transformation: What is the Missing Link?

October 20, 2020

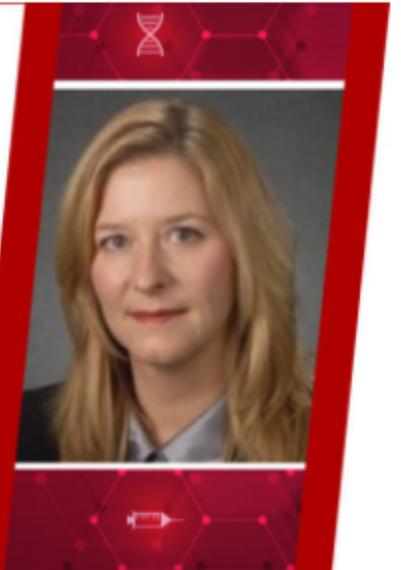
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### HEALTHCARE DIGITAL TRANSFORMATION: WHAT IS THE MISSING LINK?

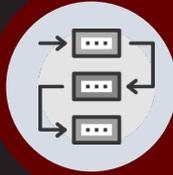
An interview with **Dana Richardson**,  
CEO at Wisconsin Health Information  
Organization (WHIO)



Interviewed by  
**SUSHEEL LADWA**  
Editor - DistillINFO Publication  
www.distillinfo.com



# Insights from **Executives**



A vertical integration between health plans and hospitals is the key to survive pandemics.



Economies of scale are going to be more advantageous than ever.



Price transparency is the need of the hour. It is probably the right thing to do!



Health systems are preparing for the value based care to provide better quality care at lower cost.

## **Pam Kehaly**

President and CEO of Blue Cross Blue Shield of Arizona

"It's time for the government, payers and hospitals to work together on the future of healthcare during the pandemic and onward"

## **Deep Banerjee**

Analyst with S&P Global Ratings.

"The rule shifts would likely hold advantages for larger Blue companies, such as Anthem, which might be better positioned to win national accounts than smaller Blue plans because of its scale and lower costs"

## **Alex Azar**

Department of Health and Human Services Secretary

"For too long, American patients have been at the mercy of a shadowy system that hides crucial information"

## **Rob Broomfield**

CEO of UnitedHealthcare of Kansas

"Savings will come from directing members to "high-performing" health systems, which have lower healthcare costs and better quality"

## Our Publications Your Lead Gen Platform

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Publication	Reach	eNewsletter Frequency	Ad Options	Impact
DistilINFO <b>HEALTHPLAN</b>	100,000+	Every Tuesday & Thursday	Banner Ad	Visibility
DistilINFO <b>HOSPITAL IT</b>	60,000+	Every Monday	eBlast	MQL
DistilINFO <b>POPHEALTH</b>	11,000+	Alternative Fridays	Static Banner	Visibility
DistilINFO <b>GOVHEALTH</b>	35,000+	Alternative Wednesdays	Interview Ad	MQL
DistilINFO <b>LIFE SCIENCES</b>	42,000+	Every Monday & Tuesday	Content Ad	Visibility
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			Linkedin Ads	Visibility

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Promote your brand to  
**100,000+ Health Plan**  
focused decision makers..

### Typical Results

Visibility	In a Week..	In a Month..
CxO Level	~75+	~150+
VP Level	~200+	~300+
Director Level	~400+	~600+
Others	~500+	~800+

### Marketing Qualified Leads

MQL's	~20 to ~50	~50+
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### Contact Us



**Susheel Ladwa**

Editor  
[susheel@distilinfo.com](mailto:susheel@distilinfo.com)  
+1.952.484.6873  
[www.distilinfo.com](http://www.distilinfo.com)



**Dr. Rahul Garg MD MBA**

Associate Editor  
[Rahul@distilinfo.com](mailto:Rahul@distilinfo.com)  
+1.905.484.4040  
[LinkedIn](#)