TREND OF HOSPITALS AND HEALTH SYSTEMS DEVELOPING HEALTH PLAN CAPABILITIES IS EXPECTED TO CONTINUE

A 2015 Modern Healthcare survey of 58 hospital CEOs found that more than seven out of 10 foresee the trend of providers becoming payers progressing unabated. Nearly three in 10 say the number of providers entering the insurance business will “accelerate,” while 43% indicate it will lead to “more fully-integrated delivery networks.”

SUCCESS FACTORS

- Scalability: Plans with larger enrollments perform better than plans with lower enrollments: in general, small enrollments correlate to operating losses, high administrative costs, and poor financial performance.
- Lines of Business Matter: Variability in performance among PSHPs is significantly impacted by the lines of business pursued and market conditions.
- Markets Matter: The relative scale (enrollment) of non-PSHPs in markets where PSHPs compete is a major determinant of the success of the PSHP.

IMPLICATIONS

INTEGRATED DELIVERY SYSTEMS WILL BECOME INTEGRATED SYSTEMS OF HEALTH

Navigant has the expertise to help health plans understand their market position relative to their competitors, from the competitive landscape to medical and administrative expenses, that will allow health plans to develop a competitive, viable, and effective long-term strategic vision.