

We Unpack

How health insurers are
reshaping healthcare
through vertical integration

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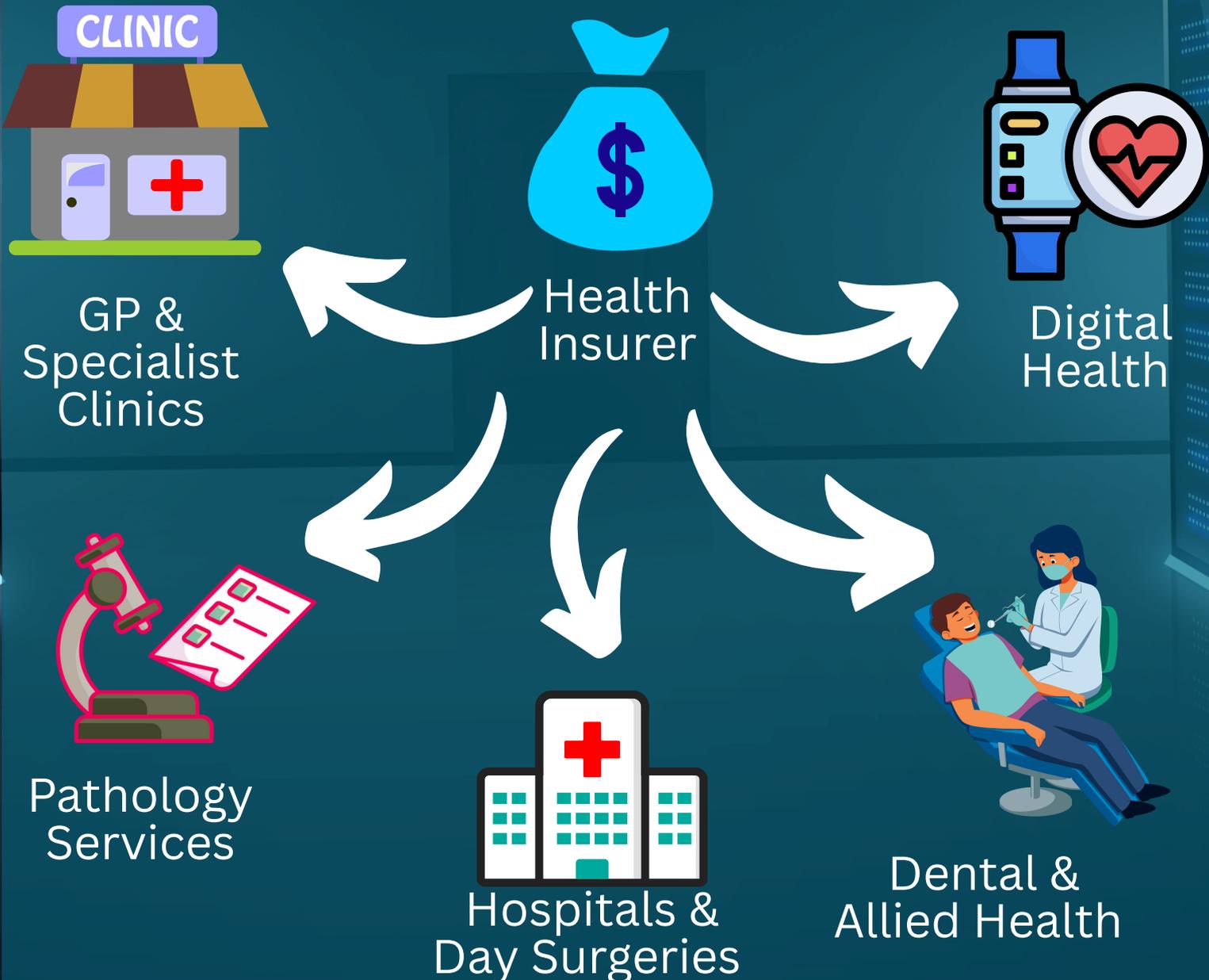
What are the risks?

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What exactly is vertical integration?

When a health insurer expands beyond just reimbursing the costs to delivering care itself, by partnering with:



Why are insurers doing this?

01

TO CONTROL COSTS FROM
REDUCING CLAIM VOLATILITY

02

TO BETTER COORDINATE CARE
VIA INTEGRATED SERVICES

03

TO PROVIDE A 'ONE-STOP-
SHOP' PATIENT EXPERIENCE

04

TO INCREASE REVENUE & DATA
INSIGHTS FROM MULTIPLE
CARE TOUCHPOINTS

Key examples from the major players

Bupa

Owns a network of dental & optical clinics, aged care facilities & telehealth services.

Medi bank

Invests in short-stay surgical centres through partnerships with surgeon groups.

nib

Provides preventative care via digital tools & promoting wellness over treatment.

HCF

Acquired control of more than 100 dental clinics.

Who benefits, and how?

INSURERS

Better cost control

Increased brand loyalty

Visibility of care provided

Coordination & continuity

Lower out of pocket costs

Access & Convenience

PATIENTS

What are the risks?

Reduced
provider
choice for
patients

COIs between
quality care
& cost
reduction

Greater market
power over
smaller
providers

Regulatory
oversight over
anti-competitive
behaviour

Breaking down the big picture

Health insurers are reshaping future of healthcare by shifting from passive to more active players within the industry.

Industry Analysis. Simplified.



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