

The Future of the Small Health Plan

The Healthcare industry is rapidly approaching a crossroads of innovation, regulations, and systematic changes in delivering care. With this, health plans across the United States are creating new strategies to adapt to the ever changing healthcare environment. What determines and impacts these strategies? What power do consumers have in the industry? How can health plans predict and adapt to rapid change? This Seven Insights addresses these topics and shifts thinking from past operating systems to what consumers and small health plans can expect in the future.

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Government Impact. The industry is being propelled and perhaps even whip-lashed by local and federal government regulations, requiring healthcare organizations to constantly change and adapt to remain viable. With an uncertain future, small health plans are doing their best to create strategies to remain financially stable while, at the same time, building a change management infrastructure to absorb these changes.

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Market Innovation. Regardless of what industry, innovation is an integral part of market viability and disruption. However the way the consumer interacts with their stand-alone health insurance has not drastically changed in the past 40 years. Health plans such as Oscar, Opal, and others offer smart phone-based apps that will handle scheduling, copay payment, medical results, pharmaceuticals and patient medical history.

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Member Feedback. As with a majority of business, overall success can be defined by customer satisfaction. The use of Consumer Assessment of Healthcare Providers and Systems (CAHPS) surveys has always been the key source of feedback the health plan receives. However, is that enough? As health plans innovate and start to focus more on the member's overall satisfaction and health, the member outreach via current and future social media platforms can be expected to grow.

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Provider Network. The way health plans interact with providers has always been an evolving process. In our smartphone culture, we want immediate care and immediate results. Companies such as Oscar and Nomad are shifting the control from health plans to the member.

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Market Forces. The government impacts the decision of health plans as well as the desire to innovate. In addition, social factors such as local governments, community standards, and location play into the strategy health plans create to maximize profits and member satisfaction.

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Health Plan Operations. The way the health plan operates is also changing to reflect our society. The decision of centralized vs. decentralized operations is one that can define a health plan. In the near future, you can expect productivity metrics, geographically-driven costs and reduced cross-state restrictions to drive the decision for health plans to allow a decentralized operation.

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Future Consolidation. To remain competitive and profitable in the current healthcare market, many healthcare organizations, both vertically and horizontally, are entering into strategic partnerships or being acquired. This trend is likely to continue and we will see the massive industry leaders continue to buy market share and absorb smaller health plans.

About the Author

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