



SURVEY REPORT

Voice of the Market Survey Series

Market Pressures Shifting Priorities for Health Plan Executives

With increasing demands to grow membership, improve customer satisfaction and strengthen provider relationships, market pressures are driving notable change in the way health plans operate.

HealthEdge, in partnership with San Francisco-based, independent market research firm Upwave, recently completed a study of more than 220 health insurance executives across the country to capture their voices and perspectives regarding current challenges and priorities in this rapidly evolving landscape.

External Pressures Driving Behaviors

Health plan executives responded that competitive pressures (38.7%), lack of alignment between IT and the business (38.7%), followed by member satisfaction and managing costs (36.9%), are the top three challenges facing their organizations today. This is a notable shift from a [2018 executive survey](#), previously conducted by Upwave, where lack of alignment between IT and the business ranked at the bottom (21.9%). Payers are waking up to the fact they must meet consumer demands to remain competitive, and IT must actively participate in achieving these business goals.

Increasing member satisfaction (19.4%) has remained the top organizational goal [since 2018](#). However, in 2018 the second most important goal was lowering costs, whereas today, only 12.6% of executives surveyed agree. Improving provider relationships (18.9%) and increasing membership (18%) took over the second and third spots for top goals this year.

While managing costs and saving money will always be top-of-mind for health plans, three out of the top four challenges as well as the top three organizational goals reported are tied to external business conditions, demonstrating that competitive pressures and business opportunities are driving decisions.



“We can’t get to these numbers with just claims or just IT. Everyone needs to work together, identifying how we’re going to get there, and [within] the timeline we want to achieve it. The key thing is to be in lockstep. If you have a partnership, you will get there. Without a partnership, you will struggle.”

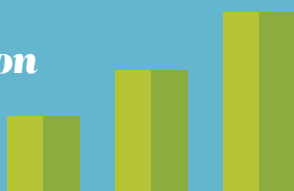
JOHN CHURCH
VICE PRESIDENT AND CHIEF INFORMATION OFFICER
NEUGEN

Reallocating Resources for Improvements and Expansion

When asked what steps health plan executives plan to take to achieve their organizational goals, modernizing technology (58.9%) ranked at the top [in 2018](#) and remains important today (48.9%). However, today’s health plan executives have placed more emphasis on engagement strategies (53.4%), up from 43.8% in 2018. The biggest jump, by more than double the response rate, is regarding payers’ plans

to make a significant investment in innovation, 50.2% vs. 19.2% in 2018. The difference in priorities over recent years represents a massive transformation in the overall market outlook.

50.2% of executives plan to make a significant investment in innovation



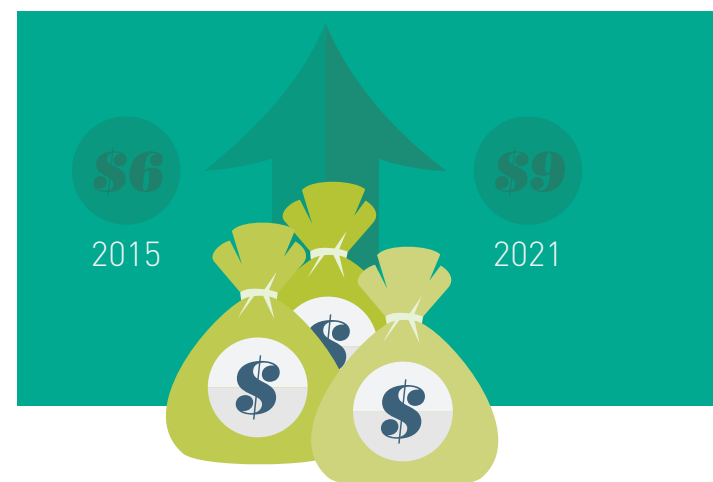
Health plans are changing their entire view of where to invest the resources made available from lowering costs and increasing efficiencies. 24.8% of health plan executives would consider new partnerships or acquisitions, and 21.6% would invest in a new geography or line of business. In 2018, go straight to the bottom line was the top response (37%), while only 17.1% would put savings straight to the bottom line today. In fact, 30.4% of executives responsible for their health plans' finances would prioritize a new partnership or acquisition over an increase to the bottom line. This substantial shift from the past demonstrates how health plans today want to take advantage of all available resources to expand in the current landscape, whether by new geography, line of business, or through acquisitions and partnerships.

50.4% of executives responsible for health plan finances would prioritize a new partnership or acquisition over an increase to the bottom line.

More Emphasis on Payment Accuracy With Administrative Costs Rising

As health plans have become much more business-minded, they're increasingly focused on factors outside of their own operations. Executives said the lack of access to real-time data and information sharing (24.3%) and overpayment/underpayment/delays in payment (23.9%) have the greatest negative impact on provider relations. Surprise billing/difficult transactions (23.9%) have the greatest negative impact on customer satisfaction. Accurate payments to providers and accurate billing to members are essential for provider and member satisfaction.

Payment accuracy also directly impacts savings that can be reallocated for business priorities. In a 2015 survey of health insurance executives, 30% responded that it cost less than \$6 to manually adjudicate a claim; that percentage has dropped to 5.9% in 2021. Now, 41.4% say it costs \$9 or more to manually adjudicate a claim.



Administrative costs are increasing, and it's more crucial than ever to find ways to keep costs low. When asked what would help reduce administrative costs at their organizations,

51.8% cited accuracy of claims payments, and 56.8% said increase interoperability across the health plan ecosystem. Claims accuracy with access to crucial data are now top of mind for payer executives.

Modern Technology Required to Achieve Business Goals

For today's health insurance executives, reacting to regulatory changes, new care delivery provisions, and payment rules (18.5%) create the greatest need for real-time data. So, it's not surprising that when it comes to health plans' biggest workflow and data communications challenge, real-time data sharing (23%) tops the list, along with compliance with CMS mandates (23.4%).

Access to real-time data directly impacts a health plan's ability to keep up with regulatory changes. And with nearly 65% of respondents offering at least one government line of business, reacting to regulatory changes and CMS compliance is critical.

Technology and infrastructure that can't keep up (28.4%) is still cited as the top challenge for health plans that need to stay compliant with CMS's frequent changes to quality standards and payment rules. Even if a health plan utilizes policy experts and resources to keep up with the rules changes, outdated technology can hold them back.

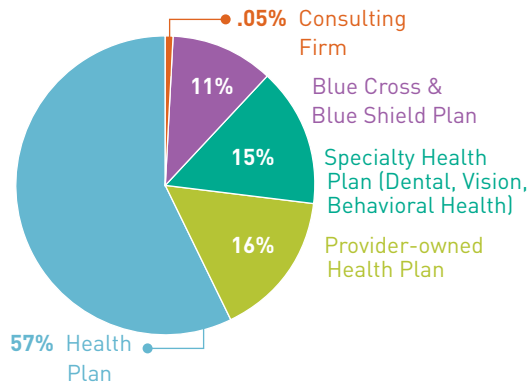
HealthEdge customer, Elderplan, is a Brooklyn -based not-for-profit health plan serving vulnerable populations with Medicare, Medicaid and Duals coverage. The COVID-19 pandemic hit New York particularly hard from the onset. With next-generation technology, Elderplan could configure and re-configure impacted benefit plans in about two weeks to meet regulatory requirements and remain focused on their members' well-being.

For health plans that need to change and are looking to invest in technology, ease of doing business and modern technology tied (30.6%) for the top priority when evaluating a technology vendor.

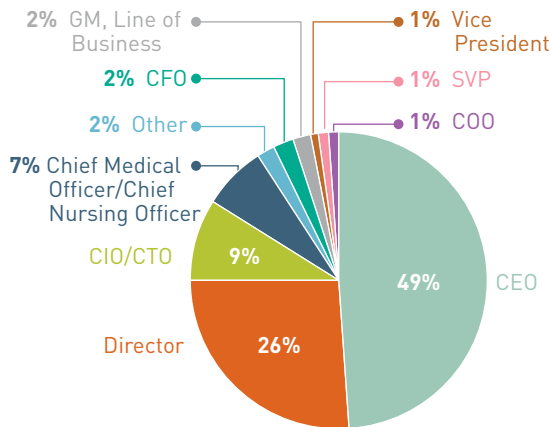
It all comes back to next-generation technology. Modern technology enables interoperability, real-time data sharing, payment accuracy and compliance, which leads to lower administrative costs and allows health plans to invest in innovation and respond to customer demands, evolving market dynamics, and business priorities.

Survey Results

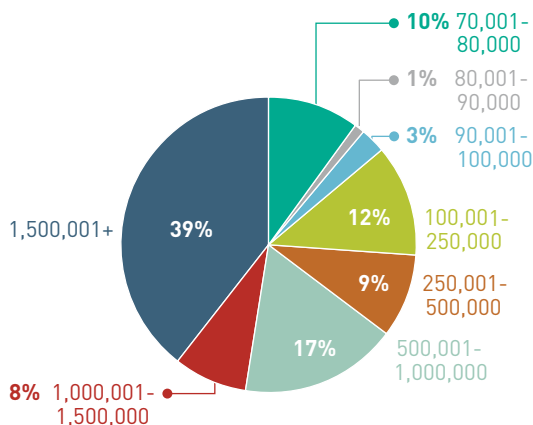
1) Which type of company best describes your employer?



2) Which of the following most closely matches your job level?

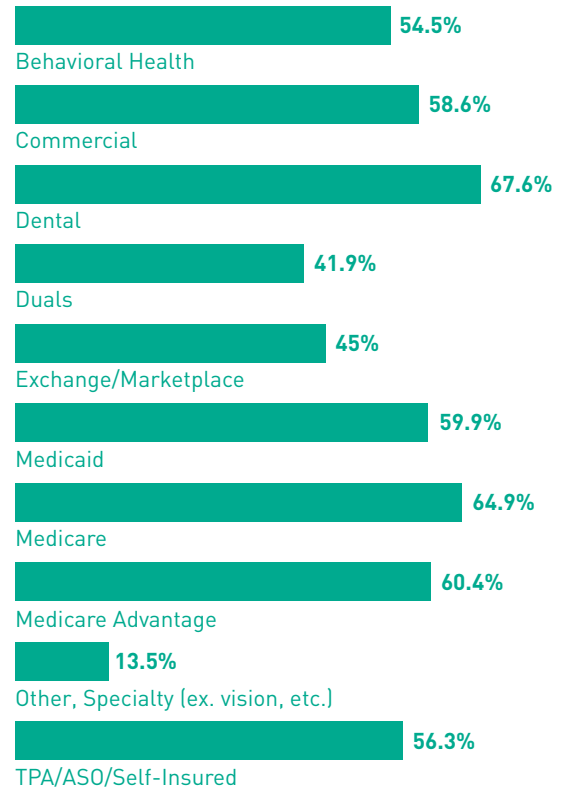


3) How many covered lives does your health plan have enrolled?

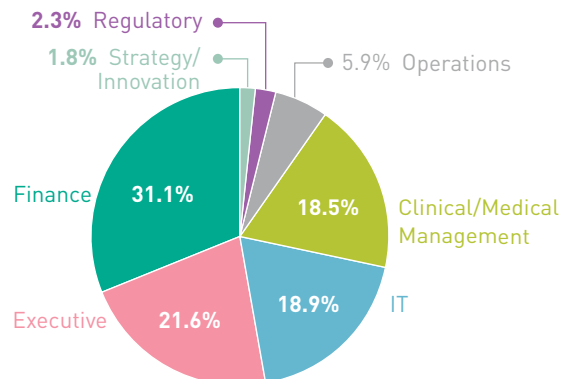


4) What lines of business does your organization currently offer?

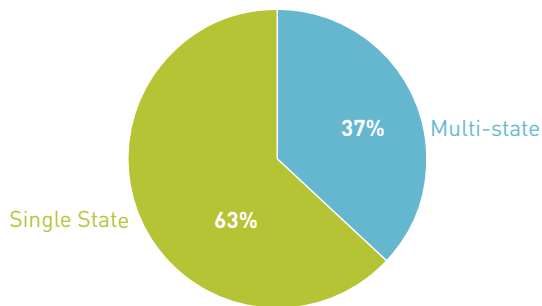
Select all that apply.



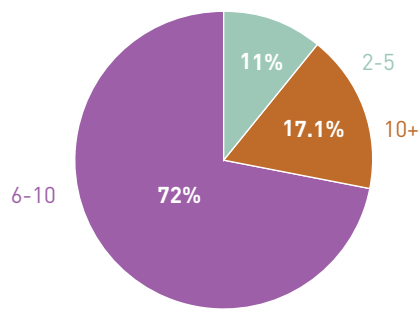
5) What functional team are you apart of?



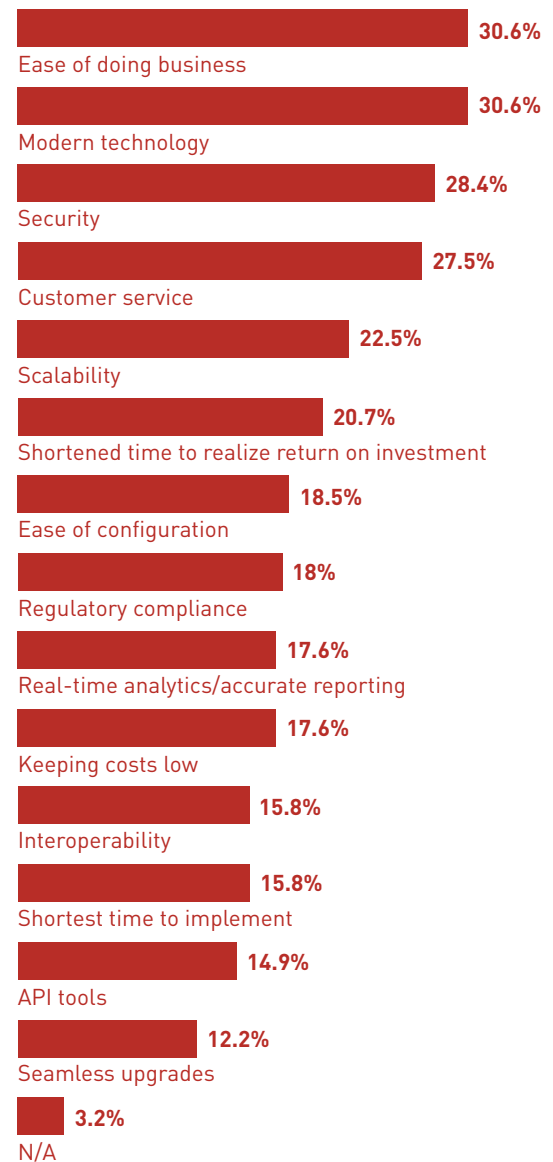
6) Is your plan:



7) For multi-state plans, in how many states does your plan operate?



8) What are your top priorities when evaluating a healthcare technology vendor? Select top 3.



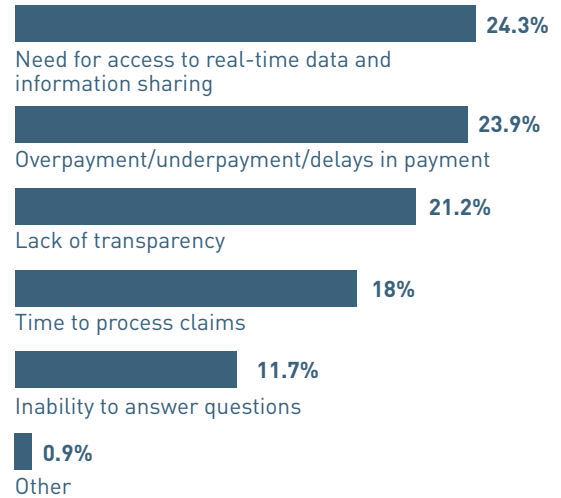
9) What are the top three significant challenges currently facing your organization? Select 3.



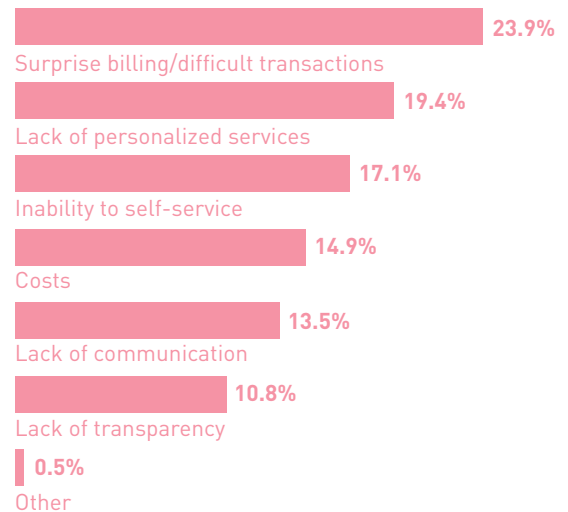
10) What is the biggest challenge to acquiring new members?



11) What has the greatest negative impact on provider relations?

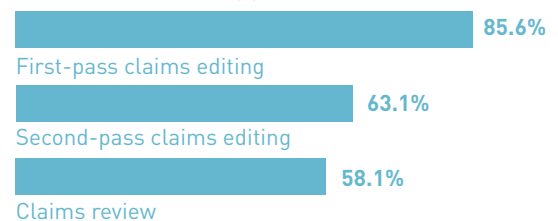


12) What has the greatest negative impact to your customer satisfaction?

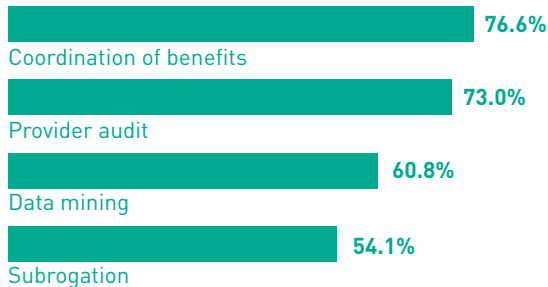


13) What prospective payment integrity practices do you currently use?

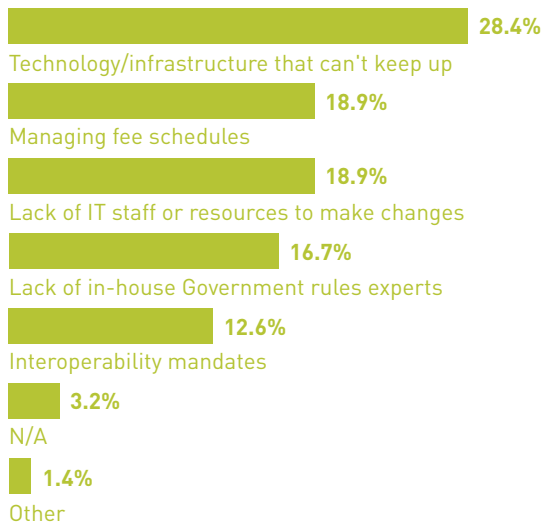
Select all that apply.



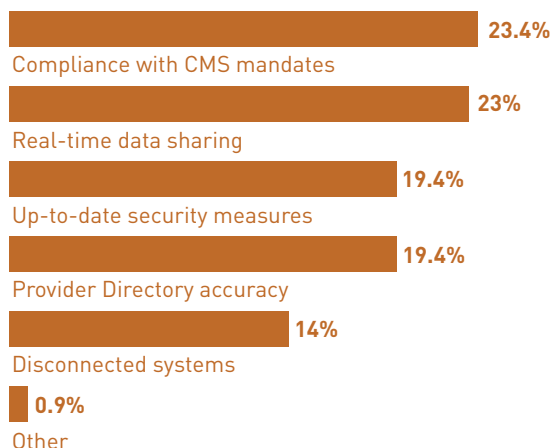
14) What post-pay payment integrity practices do you currently use? Select all that apply.



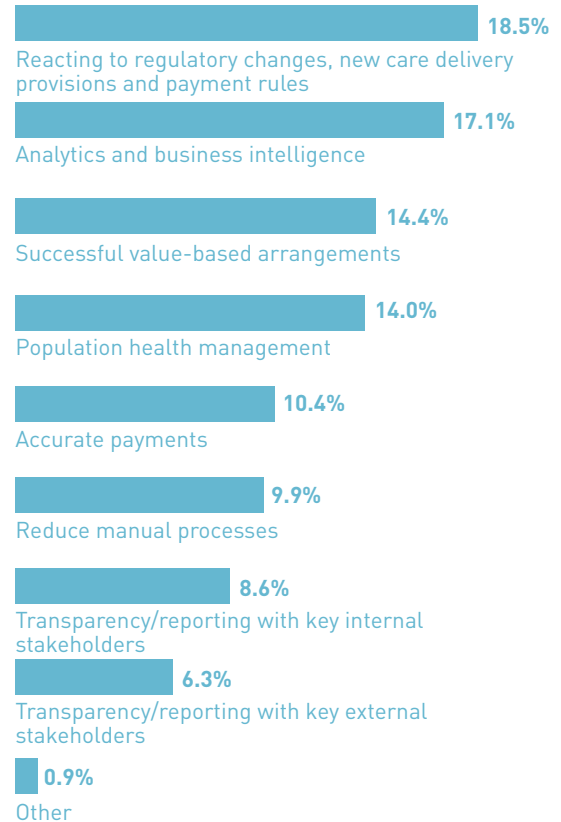
15) What is your organization's biggest challenge to staying compliant with CMS's frequent changes to quality standards and payment rules?



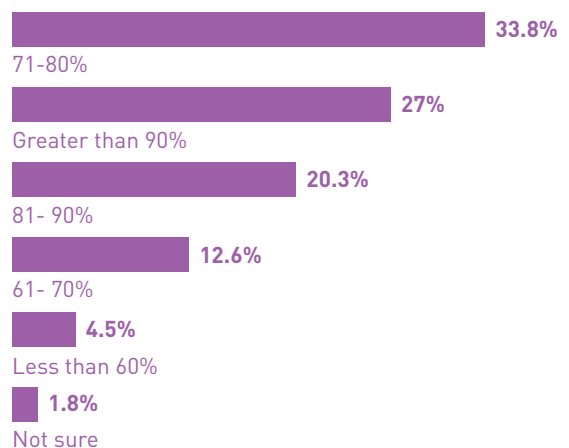
16) Regarding interoperability, what is your biggest workflow and data communications challenge?



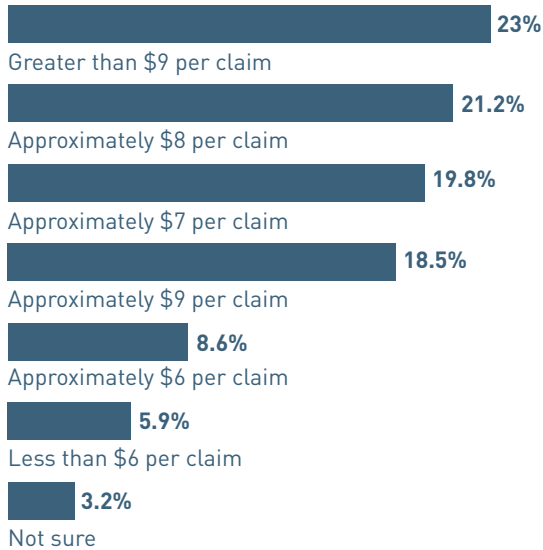
17) What is your organization's greatest need for real-time data?



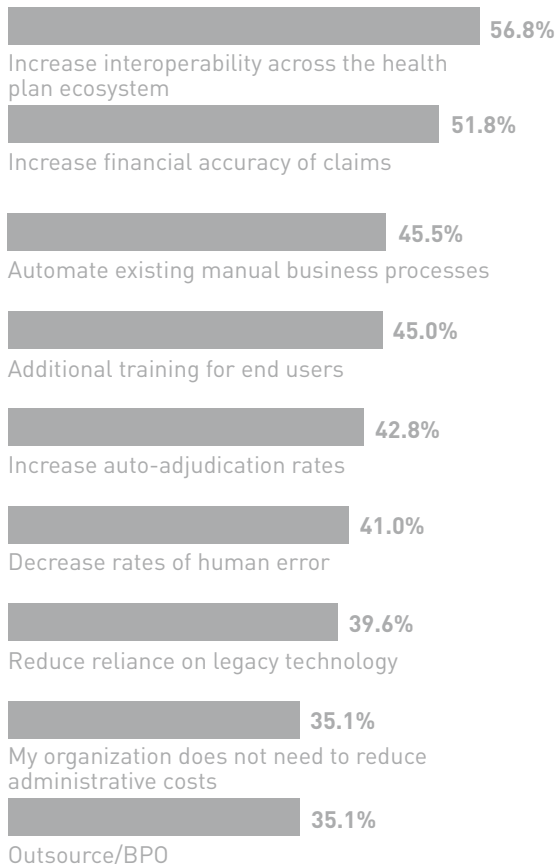
18) What percent of your claims are currently adjudicated automatically?



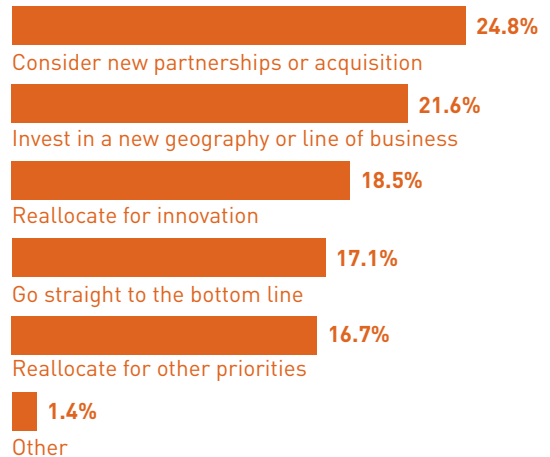
19) What is the approximate cost of adjudicating a claim manually at your organization?



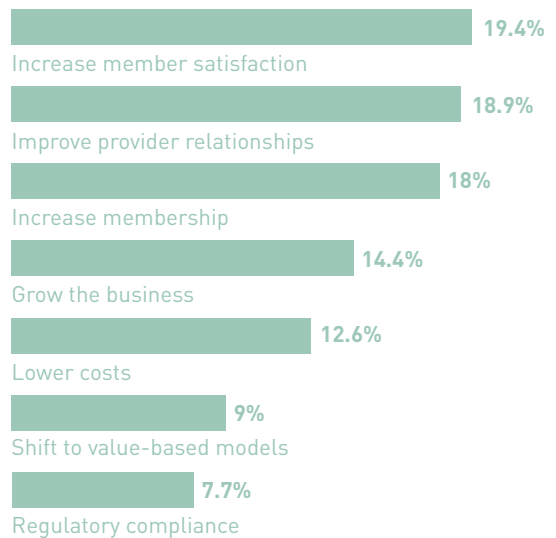
20) Which of the following factors would help reduce administrative costs at your organization? Select all that apply.



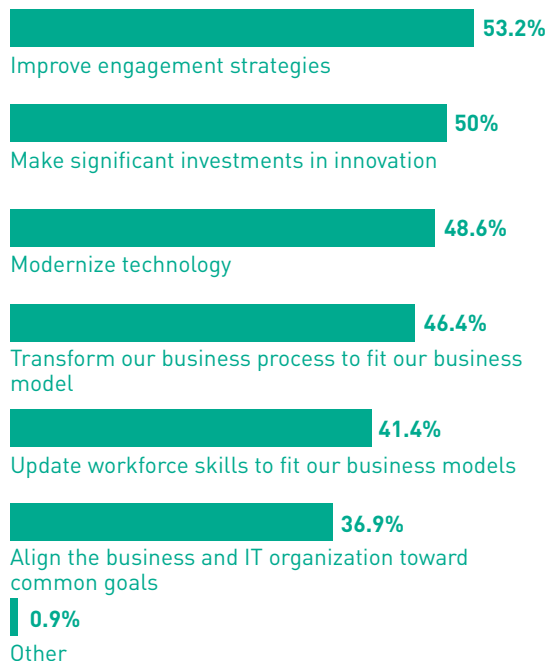
21) What would be the first thing your organization would do with the resources saved by lowering costs and increasing operational efficiency?



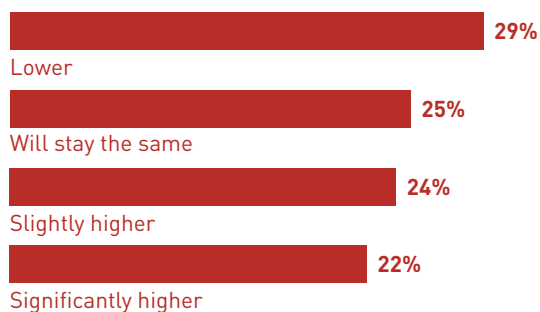
22) What is the most important organizational goal you have for 2021?



23) What steps are you planning to take to achieve your organizational goals? Select 3.



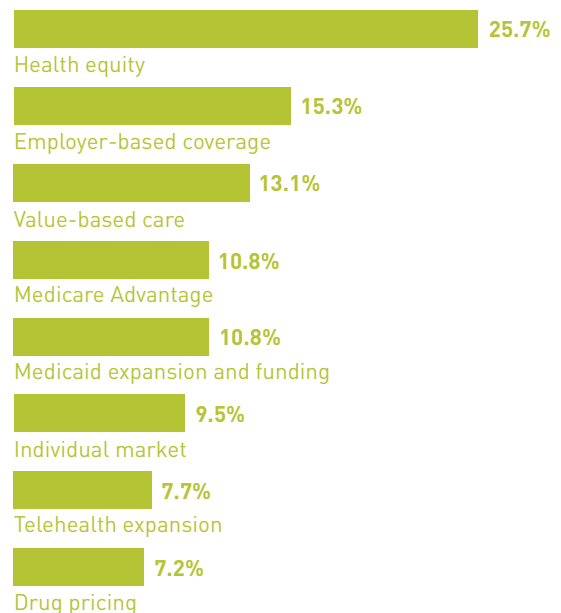
24) How do you think COVID-19 will impact health insurance premiums?



METHODOLOGY DETAILS

Upwave, the brand intelligence platform based in San Francisco, studied 222 consumers between March 08, 2021 and April 01, 2021. Through Upwave's Digital Network, consumers are interviewed in exchange for access to content or a service, such as free Wi-Fi. Consumers received no monetary payment for their participation.

25) With a new administration in Washington, DC, where do you expect the greatest disruption?



About HealthEdge

HealthEdge provides modern, disruptive healthcare IT solutions that health insurers use to leverage new business models, improve outcomes, drastically reduce administrative costs, and connect everyone in the healthcare delivery cycle. Its next-generation enterprise solution suite is built on modern, patented technology and is delivered to customers via the HealthEdge Cloud or onsite deployment. In 2020, HealthEdge was acquired by Blackstone. HealthEdge's product portfolio includes HealthRules Payor,[®] Altruista Health's GuidingCare,[®] and Burgess Source.[®]

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