



Capgemini Financial Services Top Trends 2025 Health Insurance

January 2025



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Top Trends 2025](#)

The Capgemini FS Top Trends 2025 span three broad themes

Customer First

Transforming **customer experience** focusing on **omnichannel interactions** and the value of **products and services**

Enterprise Management

Revamping processes, teams, solutions, and operations to run enterprises with greater **agility and operational efficiency** to optimize the **cost of doing business**

Intelligent Industry

Leveraging the **most modern solutions** to deliver an **end-to-end digital experience** that transforms the value chain – from design to delivery of **intelligent products and services**

The Capgemini FS Top Trends in the Insurance sector by sub-domain (1/2)



P&C Insurance

Customer centricity: Carriers rebuild experiences, journeys, and offers around customers, to maximize win rates, cross-sell, and up-sell

A focus on policies in force: Personal line leaders prioritize growing policies in force, versus past efforts to “re-underwrite the book”

Underwriting workbenches: Commercial line insurers invest in cutting-edge, robust underwriting platforms for a competitive edge

High-speed pricing: Insurers build capabilities for high-speed recalibration of risk models and pricing to keep up with market changes

Cost take-out: Insurers shift operating models and technology strategies to enable scaled efficiencies

Broker and agent engagement: Carriers drive distribution partner engagement and loyalty through simple, fast, and easy experiences

Process revolution: Artificial intelligence and Gen AI streamline processes across the value chain

Strengthened security: Insurers invest in security capabilities to protect themselves from massive breaches

Value from data: Data estate renovations make the right information available where and when needed, across the value chain

Niche market innovation: Carriers explore unique offers in cyber, pet, parametric, and other small markets with potential

Health Insurance

Personalization through partnerships: Collaborations with hospitals, healthcare providers, and technology companies help insurers develop personalized care plans

Customer centricity: Product development lifecycle management enables custom, configurable, and accurate benefits administration to differentiate customer experience

Expanded coverage: Alternative care delivery widens to include behavioral, virtual, specialty, and home health

Risk management: Cloud-based service architecture augments insurers’ risk mitigation and data-breach protection

Legacy modernization: Rising healthcare costs drive insurers to digitize the core to unlock accessibility, affordability, and transparency

Benefits advisory capabilities: As digital transactions increase member touchpoints, employers, brokers, and payers transform into health-benefit advisors

Enhanced security: Integrated and interoperable ecosystems require robust security for highly regulated health data

Focus on value: Enhanced payer/provider collaboration, and improved provider data management and analytics help value-based care gain continued traction

Responsible AI and governance: Gen AI pilots pick up, especially in core operations and IT, but the greatest focus remains on governance and responsible AI

Regulatory compliance: The evolving regulatory landscape continues to drive change and shape insurers’ financial success

Customer First

Enterprise Management

Intelligent Industry

The Capgemini FS Top Trends in the Insurance sector by sub-domain (2/2)



Life Insurance

Modern experiences: Insurers revamp experiences, journeys, and processes for customers with modern capabilities to increase engagement, win rates, and retention

Customer centricity: Consolidated view of existing and new customers enables cross-sell and up-sell strategies

Non-insurance services: Value-added services designed for the silver economy enhance customer lifetime value and capitalize on global aging demographics

Opening the youth segment: Carriers design new, flexible, life goal-based, and engagement-driven products for younger consumers to drive the next wave of revenue

Advisory capabilities: Intelligent technologies help agents/brokers assess clients and personalize recommendations

Simplified onboarding: Insurers leverage a foundation of AI, Gen AI, automated risk assessments, and third-party data for low-touch and personalized onboarding through intelligent underwriting

Legacy modernization: Core system modernizations through cloud for cost savings, speed-to-market gains, sustainability impacts, and enhanced customer experiences

Retention as a strategy: Insurers seek to retain capital through customer engagement strategies in response to changing customer behavior and an evolving economic landscape

Fortified security: With third-party integration and data breaches on the rise, insurers fortify security to protect clients and build trust

Claims as a growth tool: Investments in empathetic and intelligent claims processes enhance the beneficiary experience and encourage reinvestment with the insurer

Sustainability

Sustainable product opportunities: Growth in innovative and eco-friendly debt instruments and insurance products

Sustainability service opportunities: Financial institutions support their end-clients beyond financing to accelerate their net zero transition and resiliency

ESG risk criteria: Financial institutions increasingly incorporate ESG risk factors into their investment strategies and risk management processes

Increased regulation: Enhanced regulatory frameworks and reporting reshapes corporate accountability through rigorous ESG standards by 2025

Industrialized climate risk modeling: Financial institutions are intensifying efforts to assess, manage, and disclose climate related risks to stakeholders

Greenwashing and greenhushing: Financial Institutions face scrutiny from customers and activists and possible penalties from regulators, consumers and activists

Decarbonization of portfolios: Stakeholders increasingly prioritize low-carbon investments to reduce carbon footprints and align with climate goals

Sustainability as corporate DNA: Enterprise-wide sustainability with integration into operations, products and services and supply chain

Gen AI aiding sustainability: The advent of Gen AI has made financial services look at more innovative ways of implementing Sustainability

Going beyond carbon emissions: Financial services broaden focus beyond carbon emissions to include social and biodiversity factors in ESG strategies

Customer First

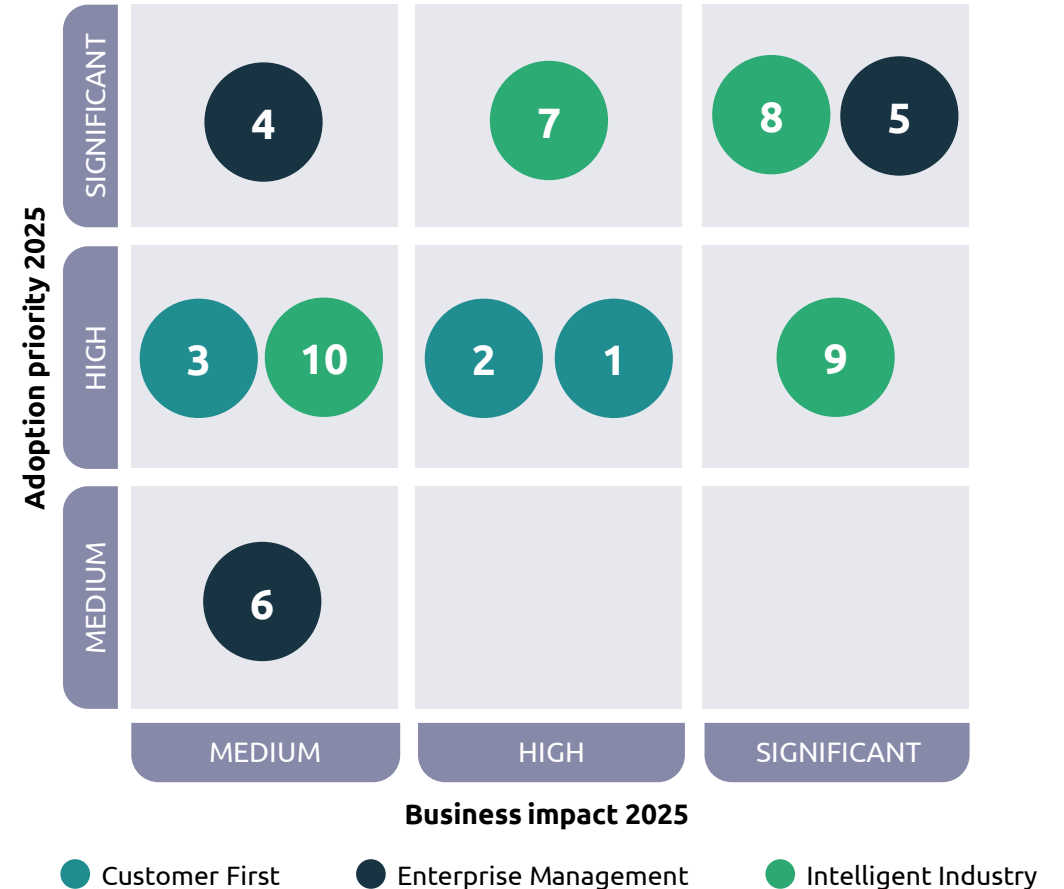
Enterprise Management

Intelligent Industry



Health Insurance Top Trends 2025 – Priority Matrix

- 1 **Personalization through partnerships:** Collaborations with hospitals, healthcare providers, and technology companies help insurers develop personalized care plans
- 2 **Customer centricity:** Product development lifecycle management enables custom, configurable, and accurate benefits administration to differentiate customer experience
- 3 **Expanded coverage:** Alternative care delivery widens to include behavioral, virtual, specialty, and home health
- 4 **Risk management:** Cloud-based service architecture augments insurers' risk mitigation and data-breach protection
- 5 **Legacy modernization:** Rising healthcare costs drive insurers to digitize the core to unlock accessibility, affordability, and transparency
- 6 **Benefits advisory capabilities:** As digital transactions increase member touchpoints, employers, brokers, and payers transform into health-benefit advisors
- 7 **Enhanced security:** Integrated and interoperable ecosystems requires robust security for highly regulated health data
- 8 **Focus on value:** Enhanced payer/provider collaboration, and improved provider data management and analytics help value-based care gain continued traction
- 9 **Responsible AI and governance:** Gen AI pilots pick up, especially in core operations and IT, but the greatest focus remains on governance and responsible AI
- 10 **Regulatory compliance:** The evolving regulatory landscape continues to drive change and shape insurers' financial success



Capgemini's **Priority Matrix** outlines our assessment of the impact of 2025 trends on operating environments facing:

- Softening inflation and high interest rates, coupled with stagflation trends
- Geopolitical instability
- Dynamic regulatory activity
- Intense competition and increased focus on customer centricity due to the impact of new-age players
- Operational cost overruns and high capital lock-in

- **Adoption priority:** The criticality of a 2025 trend to value creation because of its sector importance.
- **Business impact:** Each trend's effect on 2025 sector business as it relates to customer experience (CX), operational excellence, regulatory compliance, or profitability. Circumstances will vary for each firm depending on business priorities, geographic location, and other factors. For more information, contact us at insurance@capgemini.com.

Trend 1

Personalization through partnerships

Collaborations with hospitals, healthcare providers, and technology companies help insurers develop personalized care plans

4	7	8 5
3 10	2 1	9
6		



Background



- Rising healthcare costs pose significant financial challenges to health insurers. With projected expenditures in the US and UK reaching **USD 7.6 trillion** and **USD 516.5 billion**, respectively, by 2032, and a **43% increase in health claims** in the US from 2020 to 2023, health insurers must manage premiums and maintain profitability. Partnership and collaboration offer potential solutions.^{1, 2}
- Compounding the challenge is growing policyholder demand for insurers to be **familiar with their medical history** to support their **coverage configuration**. To **enhance customer experience**, health insurers are prioritizing personalization.³
- Resourceful insurers are making **collaboration through partnerships** a competitive strategy as they transform value propositions via **hyper-personalized engagement** and **enhancing customer journeys**.⁴

Impact



- Strategic partnerships focused on personalized care can give insurers a **sustainable competitive advantage** through differentiators such as **tailored solutions** and **enhanced customer experiences**.
- Collaboration with hospitals, healthcare providers, and technology companies enables access to **specialized expertise, shared data, and innovative technologies**, allowing health insurers to **integrate new data, adopt best practices, and adapt nimbly to emerging trends**.
- It also enables health insurers to **scale solutions** to efficiently expand service offerings. The end game includes **optimized process automation, improved risk management, reduced medical loss ratios, and streamlined claims processing**.

Source: 1. [NHS](#); 2. [NAIC](#); 3. [The US Health Insurers Customer Experience Index Rankings, 2024, Forrester Research, Inc., 17 June 2024](#); 4. [Capgemini World Life and Health Insurance Report 2022](#); Capgemini Research Institute for Financial Services analysis, 2024

Trend 1

Personalization through partnerships

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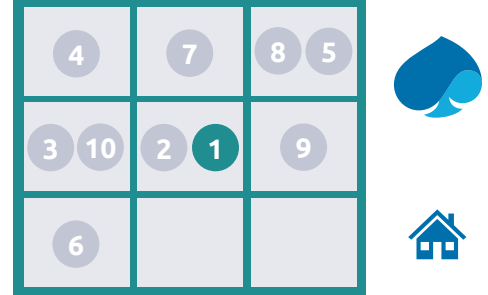
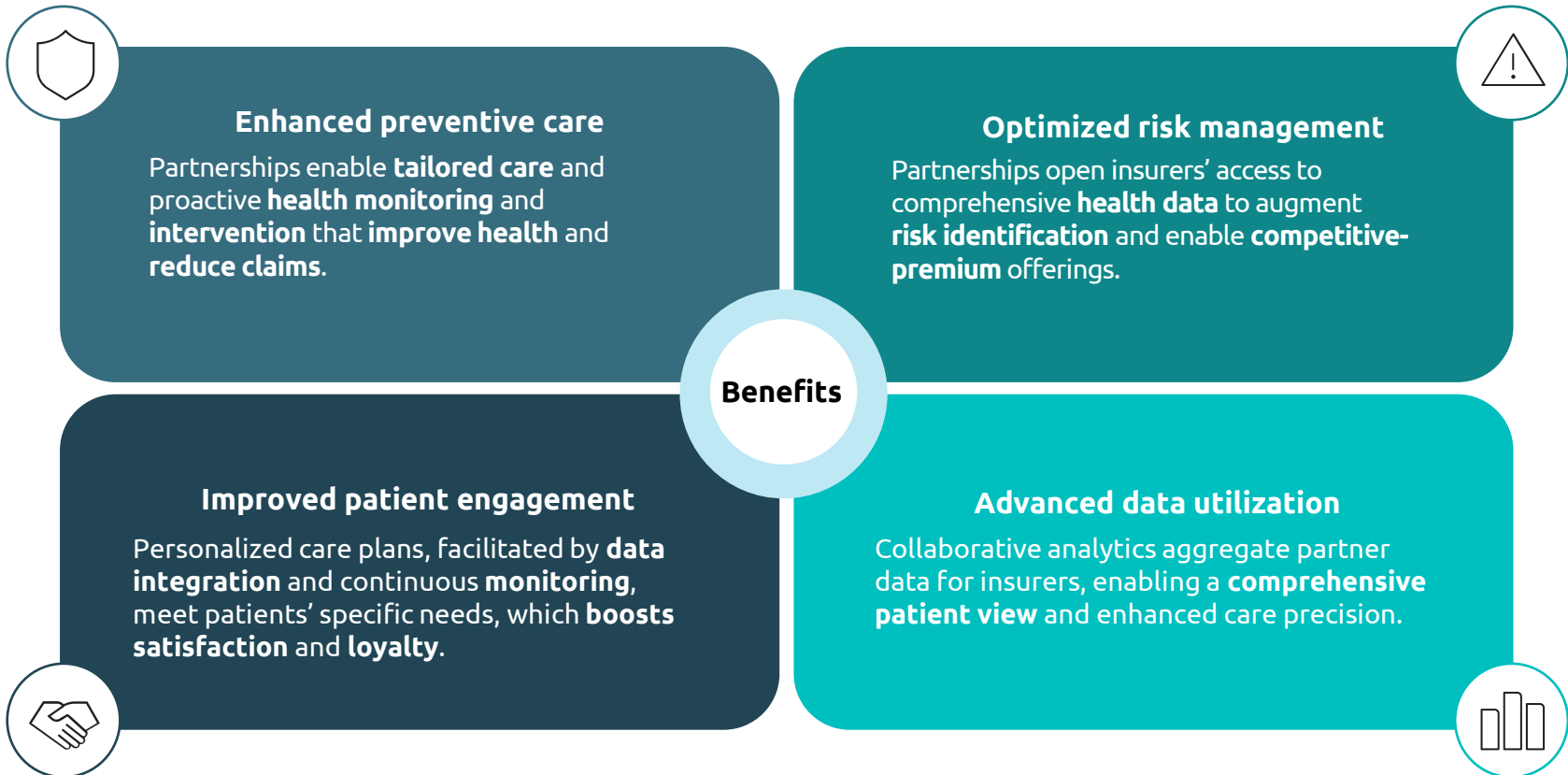


Figure 1: Perceived benefits of personalization through partnerships



Humana



Humana US partnered with Google to invest in cloud and Gen AI technologies to improve **operational efficiency, clinical insights,** and **personalized care** to co-develop solutions.¹

Aditya Birla Health Insurance Co. Ltd.



Aditya Birla Health Insurance India partnered with eldercare brand **Emoha** to offer advanced eldercare solutions to its corporate clients and group Mediclaim policyholders, **boosting personalized services for seniors.**²

Source: 1. [Humana](#); 2. [Business-Standard](#); Capgemini Research Institute for Financial Services analysis, 2024

Trend 2

Customer centricity

Product development lifecycle management enables custom, configurable, and accurate benefits administration to differentiate customer experience

4	7	8 5
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6		



Background



- The health insurance industry is experiencing a **decline in the average customer experience index score**, dropping from 70.2 in 2021 to 66.6 in 2024 in the US. Not surprisingly, insurers are **rethinking CX strategies**.¹
- The demand for customized health policies is growing – with **80% of policyholders seeking customized health plans** in developing markets like India. This growing preference for customization is mirrored in developed markets like the US, where health insurers have **expanded Medicare Advantage plan options by 84%**, from 24 in 2019 to 44 in 2023.^{2,3}
- **Product development lifecycle management** helps health insurers stay ahead of changing customer needs. By incorporating **real-time feedback**, insurers develop **health plans that are more relevant and customized**.

Impact



- Leveraging Product Development Lifecycle Management to design highly tailored health plans can significantly **boost customer satisfaction** by **aligning coverage with specific needs, preferences, and budgets**.
- By harnessing real-time analytics and iterative feedback, health insurers can refine health plans based on **market shifts** and **customer demands**.
- Consequently, it drives accurate benefit administration by **streamlining workflows, ensuring consistency, and enabling precise customization**; this optimizes resources, reduces errors, and enhances **productivity**, leading to **lower cost overheads** during plan development.

Source: 1. [The US Health Insurers Customer Experience Index Rankings, 2024, Forrester Research, Inc., 17 June 2024](#); 2. [Future Generali](#); 3. [Chartis](#); Capgemini Research Institute for Financial Services analysis, 2024

Note: 1. According to Forrester, a 1-point change in the average customer experience index score can mean huge revenue gains or losses for a brand.

Trend 2

Customer centricity

Product development lifecycle management enables custom, configurable, and accurate benefits administration to differentiate customer experience

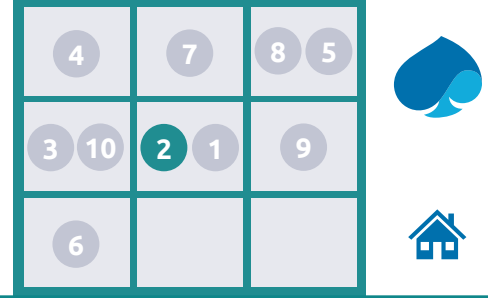
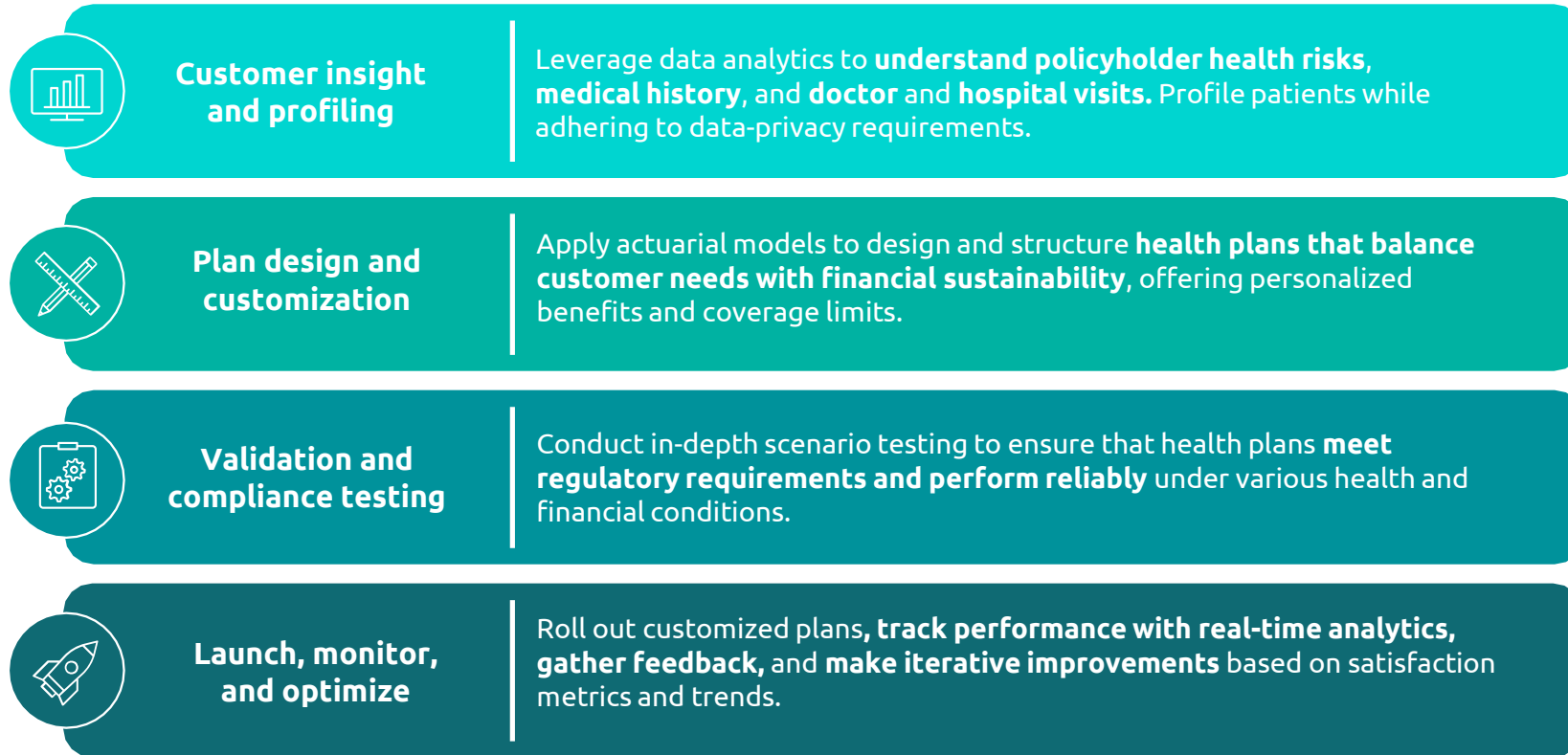


Figure 2: A phased approach to Product Development Lifecycle Management



Aetna



Aetna US announced its 2024 Medicare plan with a focus on meeting consumer demand through **customized care**—including dental, vision, and hearing benefits, reducing prescription costs, and **enhancing flexible benefit options** tailored to individual needs and budgets.¹

AXA Health



UK-based AXA Global HealthCare adopted an incremental approach to optimize service delivery, **integrating customer feedback** to make continuous improvements. Their efforts culminated in the launch of a **virtual healthcare payment card**, streamlining claims processing and **enhancing customer satisfaction**.²

Source: 1. [PR Newswire](#); 2. [Insurtech Insights](#); Capgemini Research Institute for Financial Services analysis, 2024

Trend 3

Expanded coverage

Alternative care delivery widens to include behavioral, virtual, specialty, and home health

4	7	8 5
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Background



- The increasing prevalence of **chronic diseases**, a **looming shortage** of **10 million health workers globally** by 2030, and **longer wait times** are stressing the healthcare system and heightening **consumer frustrations**.¹
- In response to the growing demand for **flexible and accessible care** options, providers are **rapidly adopting alternative models** such as virtual, home, and specialty care.
- Insurers are adapting to these shifts by expanding their coverage; in 2023, **40% of insurers worldwide** added **telehealth services**, reflecting a strategic focus on **enhancing care coverage** and aligning with evolving consumer expectations.²

Impact



- Addressing evolving needs and expanding coverage boosts **customer loyalty** and **trust** while attracting **new customers** seeking more **comprehensive** and **adaptable healthcare** options.
- Comprehensive plans justify **premium increases** and attract a diverse customer base, **pooling risk** and **reducing the impact of claims** on the insurer.
- Leveraging alternative care providers improves **patient access to care**, **enables timely intervention**, streamlines **data integration**, and enhances **overall efficiency**, leading to a more cohesive and cost-effective healthcare ecosystem.

Source: 1. [WHO](#); 2. [WTW 2024 Global Medical Trends Survey](#); Capgemini Research Institute for Financial Services analysis, 2024

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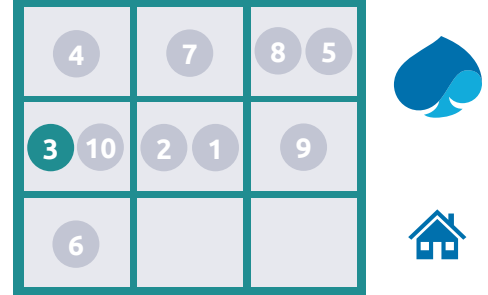
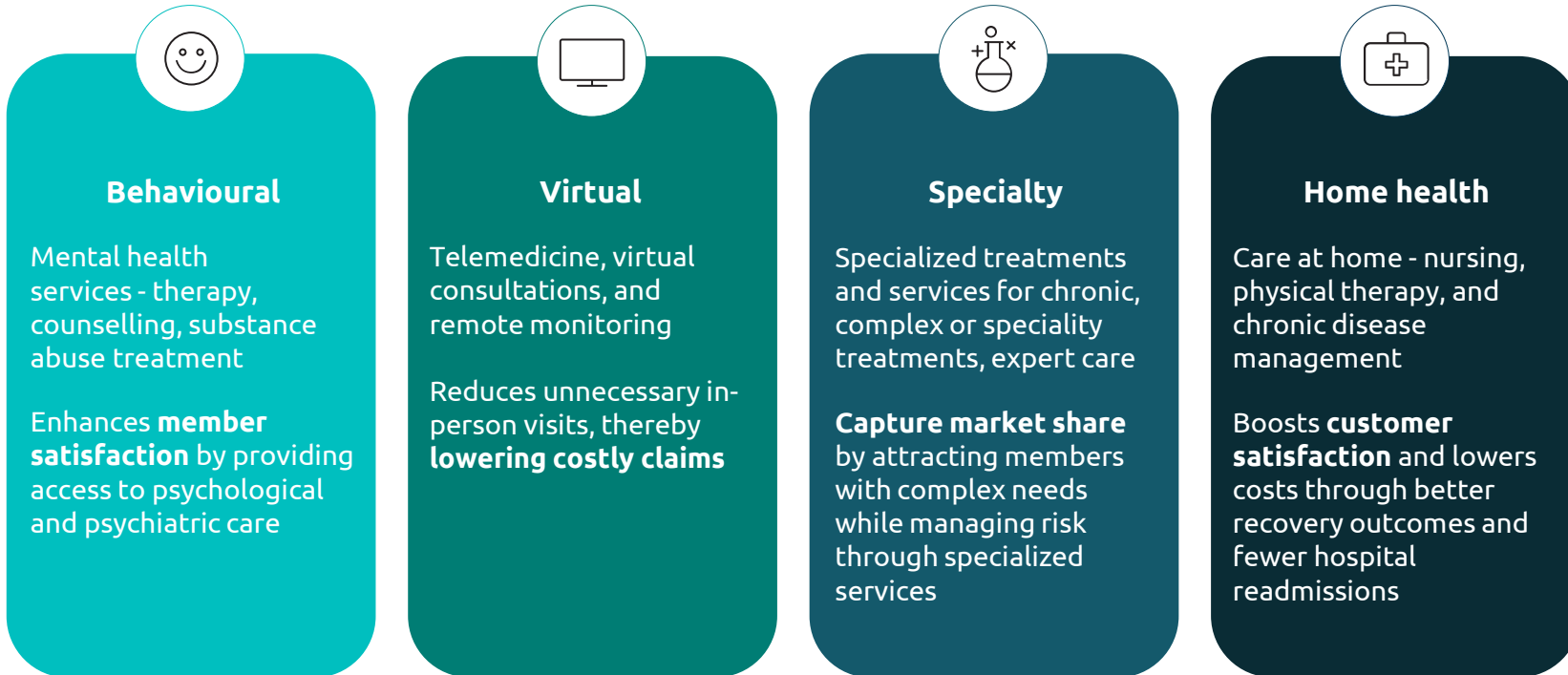


Figure 3: Broadening horizons: New avenues in care



Blue Cross Blue Shield

Blue Cross Blue Shield of Massachusetts expanded coverage to include a **gender-affirming care program for LGBTQIA+ members** boosting customer satisfaction, reinforcing inclusivity, and broadening its customer base.¹

Bupa

Bupa Hong Kong expanded its Bupa Hero VHIS Plan to cover **pre-existing conditions, 24/7 mental health services, and traditional Chinese medicine**. The move meets **evolving policyholder needs** with comprehensive solutions that enrich **customer loyalty**.²

Source: 1. [PR Newswire](#); 2. [Laotian Times](#); Capgemini Research Institute for Financial Services analysis, 2024

Risk Management

Cloud-based service architecture augments insurers' risk mitigation and data-breach protection

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Background



- Among global industries, healthcare experienced the **highest data breach costs** for the 13th straight year in 2023, **averaging USD 10.93 million per breach** – nearly **double** that of the financial sector. The critical need to bolster protection of sensitive health data is clear.¹
- Cloud-based architecture addresses this need with advanced features to **mitigate data breach risks**, offering a **more secure environment** than traditional on-premises systems.
- Insurers are increasingly interested in cloud, with a **33.42% increase in mentions of cloud-related terms** in the annual reports of the **top-12 insurance firms** (worldwide) from 2020 to 2023.²

Impact



- Cloud platforms **unify various data sources** such as electronic health records and claims data for **real-time analysis**, allowing insurers to swiftly detect and address **fraudulent claims** and **high-cost cases**, leading to **more precise assessments** and **lower loss ratios**.
- **Cloud-based encryption**, access controls, and **continuous monitoring** safeguard sensitive health information, **reducing breaches and cyberattacks** while building customer **trust, loyalty**, and enhancing the **insurer's reputation**.
- Cloud-based architecture enables insurers to **scale services rapidly**, adapt to regulatory changes, and **innovate efficiently**, enhancing their **competitive edge** and attracting **new customers**.

Source: 1. [World Economic Forum](#); 2. [Capgemini World Cloud Report - Financial Services 2025](#); Capgemini Research Institute for Financial Services analysis, 2024

Trend 4

Risk Management

Cloud-based service architecture augments insurers' risk mitigation and data-breach protection

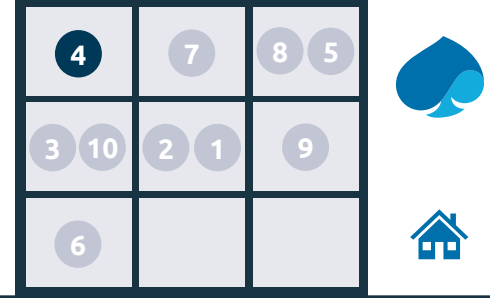







Figure 4: Health Data Protection : Cloud solutions versus traditional methods

	Cloud	On-premises
 Patient data encryption	Advanced, end-to-end patient data encryption and regular updates	Limited patient data encryption or requires manual updates and management
 Threat detection	Automated real-time threat monitoring through AI tools and continuous updates to health data	Less sophisticated monitoring of health data and slower response
 Scalable protection	Scales easily to safeguard expanding health information	Requires significant investment and resources to handle increasing health data
 Patch management	Regular automatic updates address vulnerabilities and safeguard sensitive health data	Manual updates and patch management to safeguard sensitive health data
 Regulatory compliance	Built-in features meet industry standards, including HIPAA, GDPR , etc.	May require additional resources to meet health insurance industry standards

UnitedHealth Group



American health insurer UnitedHealth Group faced a **significant data breach** in February 2024 through its subsidiary, Change Healthcare. Subsequently, UnitedHealth **rebuilt** Change Healthcare's **technology infrastructure**, leveraging **cloud solutions** for improved **threat detection** and **risk management**.¹

Nib



Australian health insurer Nib **migrated 95% of its workloads** to the **AWS cloud** and closed its final seven data centers in Q1 2024. By embracing **microservices** and **serverless computing**, Nib enhanced scalability, **resilience**, and leveraged cloud's inherent and continually advancing security features to strengthen **data protection**.²

Source: 1. [CSO](#); 2. [FSTmedia](#); Capgemini Research Institute for Financial Services analysis, 2024

Trend 5

Legacy modernization

Rising healthcare costs drive insurers to digitize the core to unlock accessibility, affordability, and transparency

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Background



- Approximately **60% of health insurers** globally expect the cost of healthcare services to increase over the next three years, **necessitating cost reductions** and **operational efficiency** improvements through advanced technology.¹
- **Maintaining outdated legacy systems** consumes over **40%** of life and health insurers' **IT budgets** in Europe, the Middle East & Africa, and Latin America – **restricting investment** in new technologies.^{2,3}
- With **65% of customers** saying they prefer insurers that offer **cutting-edge solutions** and **AI-powered tools, modernized core systems** with advanced data analytics and AI capabilities have become essential for competitiveness.⁴

Impact



- Modernized core systems help health insurers enhance **operational efficiency** and **reduce long-term maintenance costs** associated with outdated systems, enabling **reinvestment in innovation** and overall process improvement.
- Future-ready platforms enable **integration with healthcare providers and InsurTechs**, improving transparency through **real-time health data access**, and increasing accessibility via **multiple engagement channels**. Ultimately, operational efficiency increases customer satisfaction and retention.
- Modern platforms offer the **scalability** to manage **increasing volumes of health data and customer interactions**, fostering business growth. Digitalization also helps carriers remain competitive by swiftly launching affordable products in a rapidly-evolving market.

Source: 1. [WTW 2024 Global Medical Trends Survey](#); 2 [Dimensions: Life & Health Insurance IT Pressures & Priorities: EMEA Edition, Celent, 26 February 2024](#); 3. [Dimensions: Life & Health Insurance IT Pressures & Priorities: LATAM Edition, Celent, 29 August 2024](#); 4. [Healthedge](#); Capgemini Research Institute for Financial Services analysis, 2024

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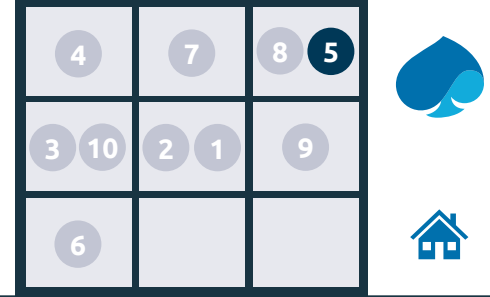


Figure 5: Transforming critical processes through modernization



Underwriting

By modernizing legacy systems, insurers can integrate AI tools to process real-time health data, **enabling accurate risk assessments, streamlined operations, and fairer pricing.**



Policy administration

Digital core technologies empower payers to create flexible policies that **adapt to real-time health data, tailoring premiums and coverage for greater affordability.**



Claims processing

Modernized, AI-powered cores **enable automated health claims processing** for faster, more accurate analysis **with transparency ensured throughout** the claims process.



Customer Service

Digital platforms with modern infrastructure enable real-time interactions and easy access to policy information, **offering personalized support and instant self-service options.**

Group Medical Services (GMS)



Canadian Health Insurer Group Medical Services (GMS) partnered with **no-code** Insurance SaaS platform CoverGo to develop a **modular core insurance platform** focused on employee benefits. GMS aims to **accelerate digital transformation** and bolster customer experience.¹

BHSF



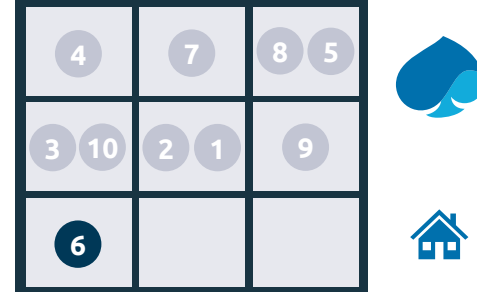
UK based Birmingham Hospitality Saturday Fund (BHSF) leveraged an Insurance software solutions to **transform their legacy mainframe application** to provide **greater agility and speed to market.** The partnership enables hyper-personalization and **improved operational efficiencies** through automation.²

Source: 1. [ITIJ](#); 2. [Fintech Global](#); Capgemini Research Institute for Financial Services analysis, 2024

Trend 6

Benefits advisory capabilities

As digital transactions increase member touchpoints, employers, brokers, and payers transform into health-benefit advisors



Background



- The demand for **transparency** and **targeted education** about health coverage is higher than ever, with 68% of insured Americans experiencing **confusion over their benefits** and **out-of-pocket claim costs**.¹
- With **50% of HR leaders** worldwide saying their organization invests in **benefits** that **support physical and mental health**, clear and concise **benefit education** is critical to ensure employee understanding and engagement.²
- As digital touchpoints expand, health insurers, employers, and brokers may all assume the role of **trusted advisor**, leveraging digital platforms to **guide members through complex benefit** options and deliver personalized, **data-driven support** based on medical history to enhance **understanding and use of benefits**.

Impact



- Benefit advisory allows insurers to leverage digital interactions and analytics for **deeper insights into member needs**, driving **product innovation** and **adaptation to market demands**.
- By guiding members in understanding and using their benefits, insurers **promote better health choices** and **care management**, potentially leading to **improved outcomes** and **reduced healthcare costs**.
- Embracing the role of advisor allows insurers, employers, and brokers to add **significant value** and **create a win-win environment**. Insurers build **trust and credibility** through personalized support, employers **enhance employee satisfaction** with targeted assistance, and brokers **strengthen client relationships**, facilitating upselling opportunities.

Source: 1. [JP Morgan](#); 2. [Mercer](#); Capgemini Research Institute for Financial Services analysis, 2024

Trend 6

Benefits advisory capabilities

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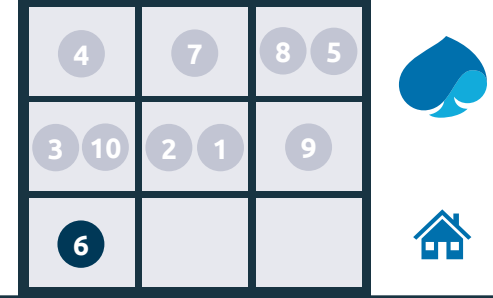
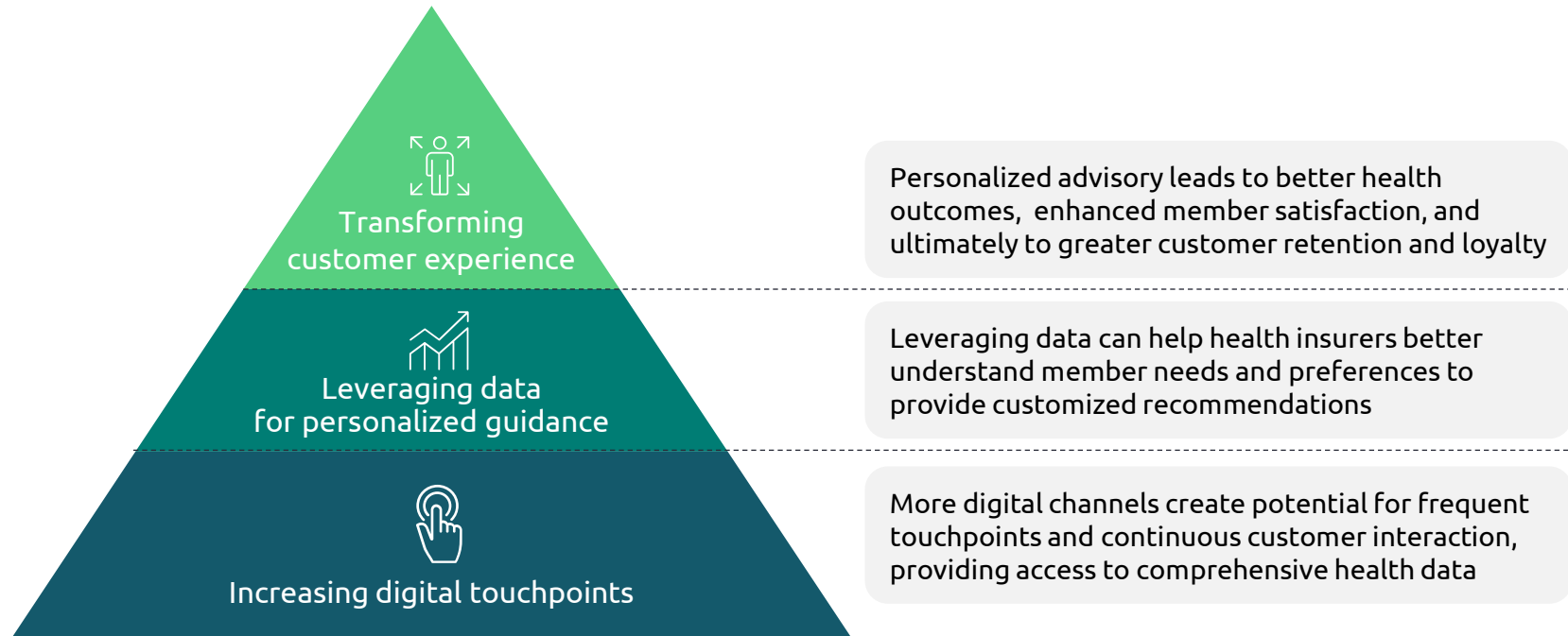


Figure 6: Health benefits advisory: Delivering impact and what it requires



MetLife



US-based MetLife **expanded its connected benefits program** that uses technology to screen claims and user activity for **personalized benefit education**. This approach boosts employee engagement, making them **1.3 times more likely to feel loyal**, and helps retain employers as **committed clients**.¹

Vitality

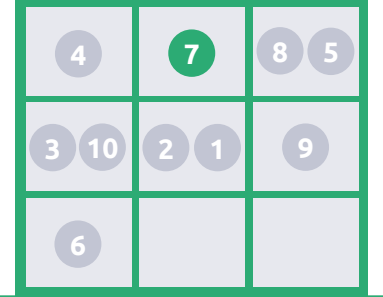


UK-based Vitality partnered with Kota to **enhance its benefits software**, providing companies and employees with tools to **manage healthcare plans**, access a **range of health and well-being support** and obtain healthcare when needed.²

Source: 1. [Yahoo Finance](#); 2. [Tech EU](#); Capgemini Research Institute for Financial Services analysis, 2024

Enhanced security

Integrated and interoperable ecosystems requires robust security for highly regulated health data



Background



- In 2023, global healthcare was the target of **35% of all third-party security compromises** across industries. And of all security breaches, **36% involved third-party vendors**, highlighting significant security challenges.¹
- Managing **third-party vendor risks** is a critical healthcare concern, with 60% of US healthcare organizations reporting that their **existing vendor risk management processes are inefficient and ineffective**.²
- A **global shortage of 4.8 million cybersecurity specialists**, coupled with acknowledgement by 74% of insurance organizations that talent shortage fuels **operational strain**, calls for strategic action to securely protect sensitive health data.^{3, 4}

Impact



- Proactive data security strategies help health insurers **adhere to HIPAA and GDPR regulations** while avoiding breaches and **minimizing legal fees, regulatory penalties, and recovery costs**, ultimately **boosting profitability and financial resilience**.
- Strengthened risk management practices allow health insurers to facilitate **secure data exchange** between healthcare providers, patients, and third-party vendors, paving the way for a **seamlessly integrated, interoperable health ecosystem** and **improved care coordination**.
- Carriers generate trust and loyalty when policyholders know their **sensitive health data is protected**, fostering **long-term engagement** and promoting a positive reputation for the insurer in terms of data safety and reliability.

Source: 1. [SecurityScorecard report](#); 2. [Health3PT](#); 3. [ISC2](#); 4. [GIMAR Cyber report](#); Capgemini Research Institute for Financial Services analysis, 2024

Note: HIPAA refers to 'Health Insurance Portability and Accountability Act'; GDPR refers to 'General Data Protection Regulation'

Trend 7

Enhanced security

Integrated and interoperable ecosystems requires robust security for highly regulated health data

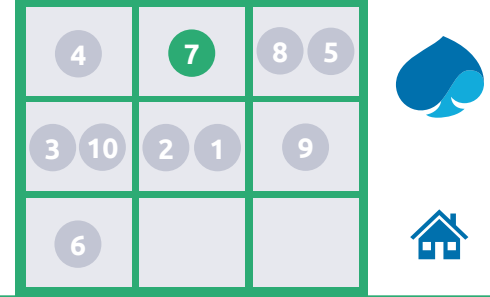
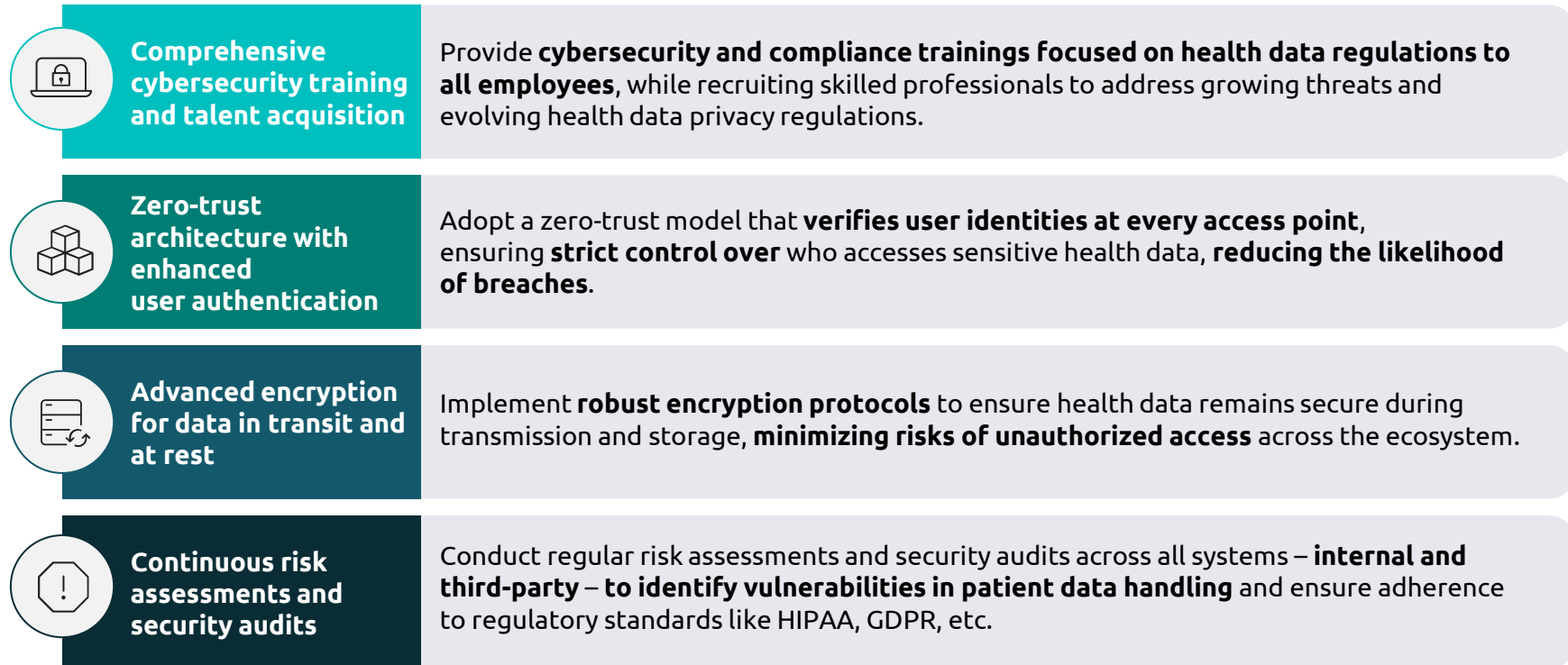


Figure 7: Building resilience through robust data security measures



Oscar Health



US-based Oscar Health implemented a cybersecurity strategy in 2023 to mitigate risks to security systems and health data. The plan included **risk assessments, third-party testing, employee training, security controls, and incident response protocol** to ensure robust threat protection.¹

AIA Group

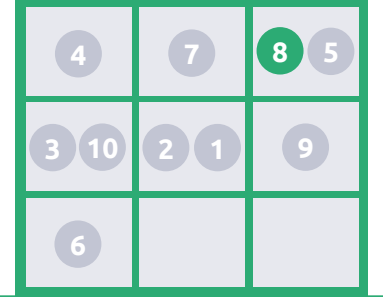


Hong Kong based AIA's 2023 cybersecurity strategy prioritized health data **by maintaining ISO 27001 certification and SOC ISAE 3000 compliance**. The pan-Asian insurer **upgraded defenses, enhanced identity access and cloud security, and invested in automation** and advanced data protection technologies.²

Source: 1. [Oscar Health](#); 2. [AIA Group](#); Capgemini Research Institute for Financial Services analysis, 2024

Focus on value

Enhanced payer/provider collaboration, and improved provider data management and analytics help value-based care gain continued traction



Background



- **Value-based care** is gaining traction with **advanced payment models accounting for 41.3% of all payer payments** in 2022. In the United States, the Centers for Medicare & Medicaid Services (CMS) Innovation center aim to drive accountable care to all Medicare beneficiaries and to most Medicaid beneficiaries by 2030.^{1,2}
- Fee-based care models that prioritize quantity over service quality can **fragment care. Overtreatment and overdiagnosis** often result – issues that **+80% of physicians view as major problems**, according to a multinational survey.³
- Addressing these challenges requires a shift to **coordinated, patient-centered, outcome-driven** care. Enhanced **payer/provider collaboration**, including **shared risk models** and **predictive analytics**, is essential for improving **data management, care coordination, and patient outcomes**.

Impact



- Focusing on value-based care **emphasizes coordinated care**, reducing disjointed services and unnecessary procedures, which **lowers costs** and enhances insurers' **market position** while boosting **patient satisfaction**.
- Collaboration with providers strives for prevention through **data-driven insights** and **proactive care**. The likelihood of costly intervention is reduced, creating more **predictable financial outcomes**, and **efficient risk management** for insurers.
- Value-based practices meet **policyholder expectations** for **accountability**, and they **build trust** through **transparent reporting** and **clear metrics** that demonstrate insurer commitment to **high-quality care**.

Source: 1. [HCPLAN](#); 2. [CMS.org](#); 3. [BMC Primary Care](#); Capgemini Research Institute for Financial Services analysis, 2024

Note: 1. Value-based care is a healthcare delivery model where providers are compensated based on the quality and outcomes of care they deliver, rather than the volume of services provided.; Advanced Payment Models (APMs) include bundled payments, capitation, shared savings, and pay-for-performance systems encouraging value-based care by incentivizing quality, efficiency, and patient outcomes.

Trend 8

Focus on value

Enhanced payer/provider collaboration, and improved provider data management and analytics help value-based care gain continued traction

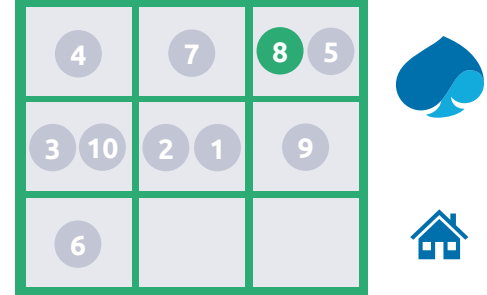
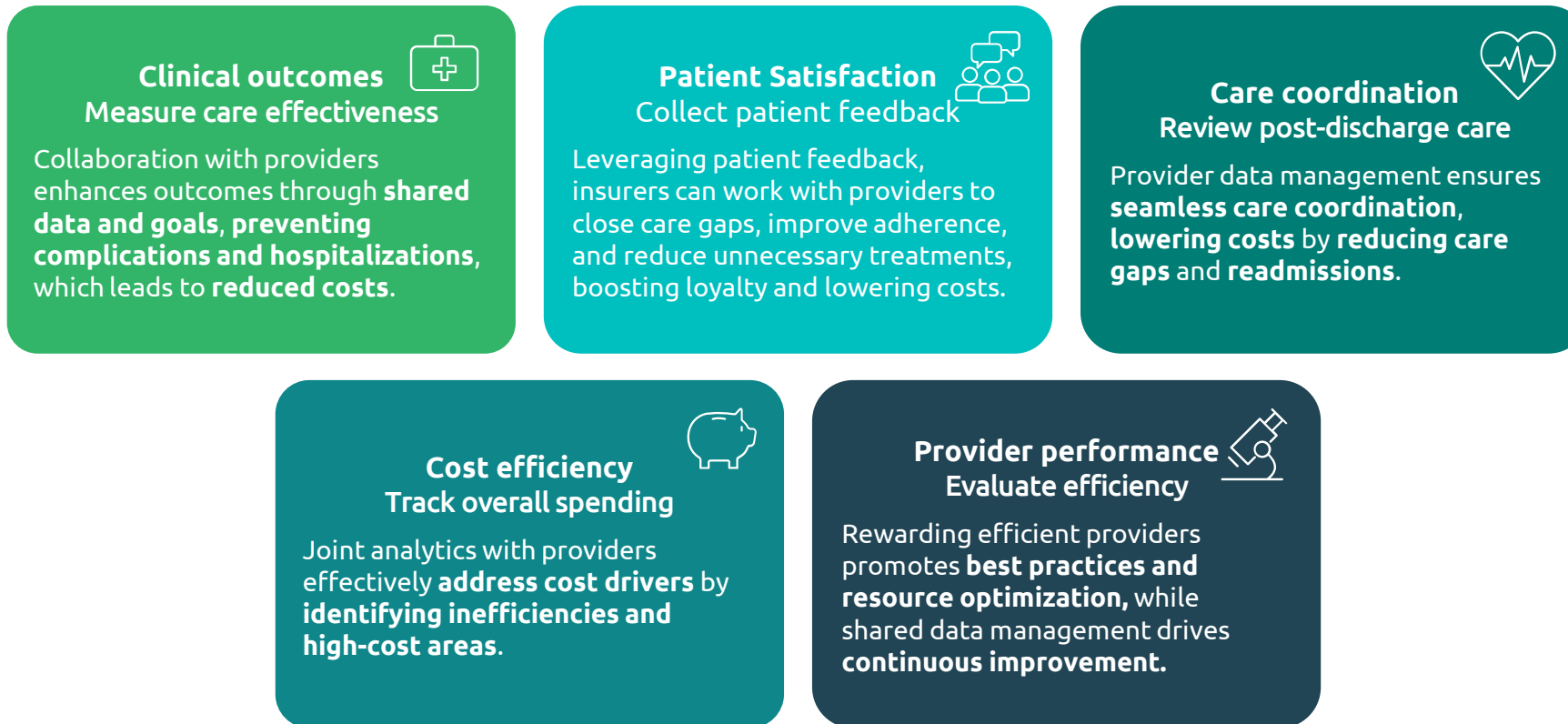


Figure 8: Essential metrics for success in value-based care



Wellcare

US-based Wellcare, Centene's Medicare brand, has teamed up with tech firm Pearl Health to advance **value-based care**. The partnership gives Wellcare primary care providers access to **data insights, financial tools, and practice enablement technology** to **boost quality and clinical outcomes**.¹

Humana

US health insurer Humana expanded its partnership with kidney-care specialist Strive to enhance renal care through **data-driven insights, high-touch care, and prevention**. The move supports Humana's **value-based care model** and led to a **+30% decrease in inpatient admissions** in 2022, **preventing 214,000 admissions**.^{2,3}

Source: 1. [PR newswire](#); 2. [Businesswire](#); 3. [Humana](#); Capgemini Research Institute for Financial Services analysis, 2024

Responsible AI and governance

Gen AI pilots pick up, especially in core operations and IT, but the greatest focus remains on governance and responsible AI

4	7	8 5
3 10	2 1	9
6		



Background



- A significant 85% of global healthcare leaders are **already investing** or **plan to invest in Gen AI within the next 3 years**, recognizing its transformative potential. However, 87% are apprehensive about AI's risks and its potential to widen disparities in health outcomes.¹
- In response, health insurers are increasingly aligning with broader industry initiatives such as the **Coalition for Health AI** to advance responsible AI, focusing on the **development of ethical frameworks** and the **safe integration of AI** to **promote transparency** and **protect trust and safety**.²
- Collaborative efforts among governments, industry, academia, and regulators in developed nations are driving the integration of AI, with the **FDA in the US** and the **NHS AI Lab in the UK** leading initiatives to uphold stringent patient safety and data privacy standards.^{3,4}

Impact



- Responsible AI governance in health insurance **enhances compliance** by embedding ethical guidelines and regulatory standards into AI-driven processes, **minimizing legal risks** and **protecting insurers' reputations**.
- Implementing AI governance frameworks enhances **underwriting fairness** and **claims accuracy** by reducing biases and detecting anomalies. This leads to more **equitable pricing**, **improved risk management**, and **better financial predictability** for health insurers.
- A steadfast commitment to responsible AI elevates **consumer trust** in health insurance by ensuring **transparent practices** and **safeguarding data**, which fosters **stronger customer relationships** and **deepens customer confidence**.

Source: 1. [Philips Future Health Index 2024](#); 2. [CHAI.org](#); 3. [GreenbergTraurig](#); 4. [NHS](#); Capgemini Research Institute for Financial Services analysis, 2024

Trend 9

Responsible AI and governance

Gen AI pilots pick up, especially in core operations and IT, but the greatest focus remains on governance and responsible AI

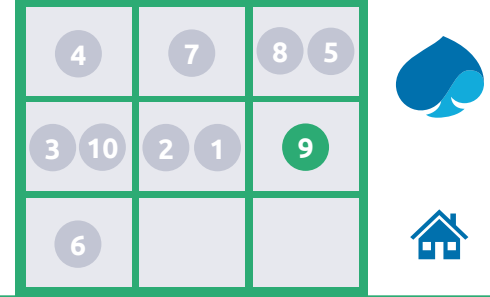
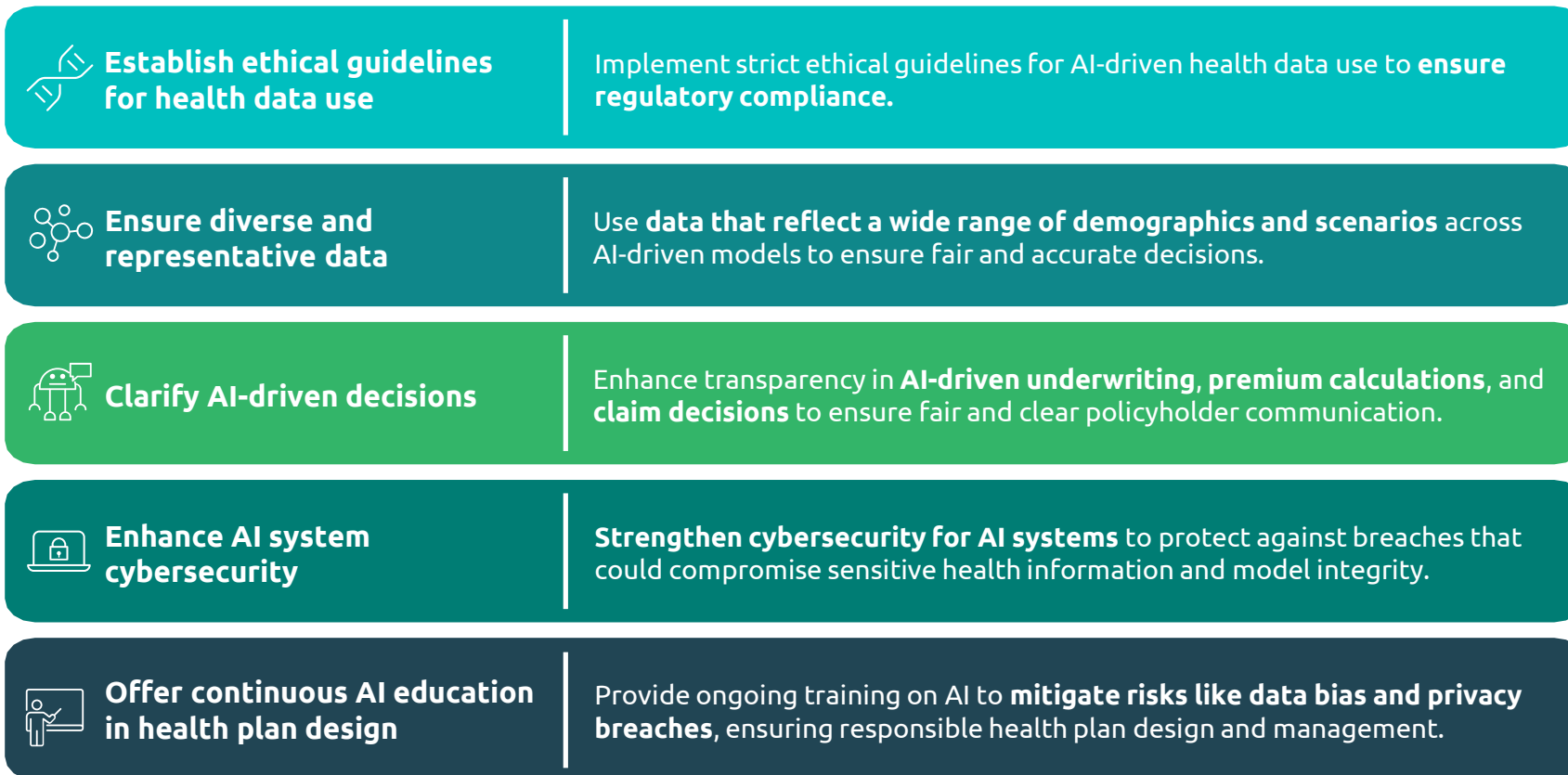


Figure 9: How to mitigate potential risks associated with AI



Elevance Health



US-based Elevance Health uses Gen AI built on a **responsible AI** framework. The health insurer prioritizes **privacy, security, accountability, transparency, and health equity** to mitigate biases and fortify patient trust through ethical and explainable AI practices.¹

Australian Unity



Australian Unity was in production in Q3 2024 with seven AI use cases, including one that **scans for sensitive data**, such as health data, across its environment to ensure **regulatory compliance** and demonstrate **secure AI** practices.²

Source: 1. [Fiercehealthcare](#); 2. [Itnews](#); Capgemini Research Institute for Financial Services analysis, 2024

Trend 10

Regulatory compliance

The evolving regulatory landscape continues to drive change and shape insurers' financial success

4	7	8 5
3 10	2 1	9
6		



Background



- Given the staggering amount of **healthcare fraud** – costing US consumers **USD 105 billion** and **UK's National Health Service (NHS) USD 1.5 billion** – and 74% of US adults saying they are concerned about **unexpected medical bills**, implementing robust compliance and regulatory frameworks is crucial.^{1,2,3}
- Increasing regulatory pressures and penalties compound concerns. In the United States in 2024, **complaints** to the **Centers for Medicare & Medicaid Services (CMS) rose 41%** (to 16,073) **regarding No Surprises Act violations**. In Europe in 2024, **General Data Protection Regulation (GDPR) fines rose 78%** across industries totaling USD 5.49 billion. Non-compliance impacts health insurers through severe financial repercussions.^{4,5}
- As **regulatory scrutiny intensifies** along with **rising compliance costs**, more health insurers recognize compliance as central to operations; this is driving significant investments by firms in infrastructure, processes, and governance.

Impact



- Short-term compliance costs are a worthwhile investment for health insurers, resulting in **long-term regulatory adherence** that outweighs the expenses by strategically positioning them as leaders who **adapt to regulatory changes** and are **better equipped to navigate evolving market demands**.
- Proactive alignment with evolving regulations requires health insurers to **leverage technology for real-time compliance monitoring** and **invest in compliance training**, resulting in **timely compliance, penalty avoidance**, and **minimal litigation costs**.
- Enhanced compliance **can boost an insurer's reputation and build customer trust**, leading to improved customer retention through personalized offerings and more efficient resource utilization, ultimately **driving operational efficiency**.

Source: 1. [Forbes](#); 2. [GOV.UK](#); 3. [KFF](#); 4. [CMS](#); 5. [GDPR Tracker](#); Capgemini Research Institute for Financial Services analysis, 2024

Note: No Surprises Act violation occurs when insurers or providers fail to prevent unexpected out-of-network charges, resulting in surprise patient bills; GDPR - General Data Protection Regulation

Trend 10

Regulatory compliance

The evolving regulatory landscape continues to drive change and shape insurers' financial success

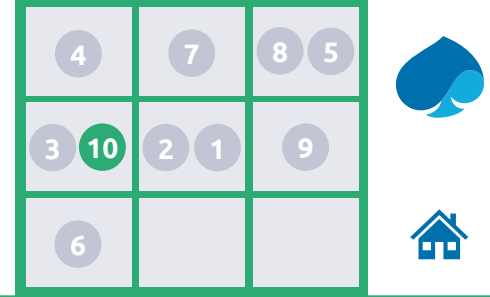
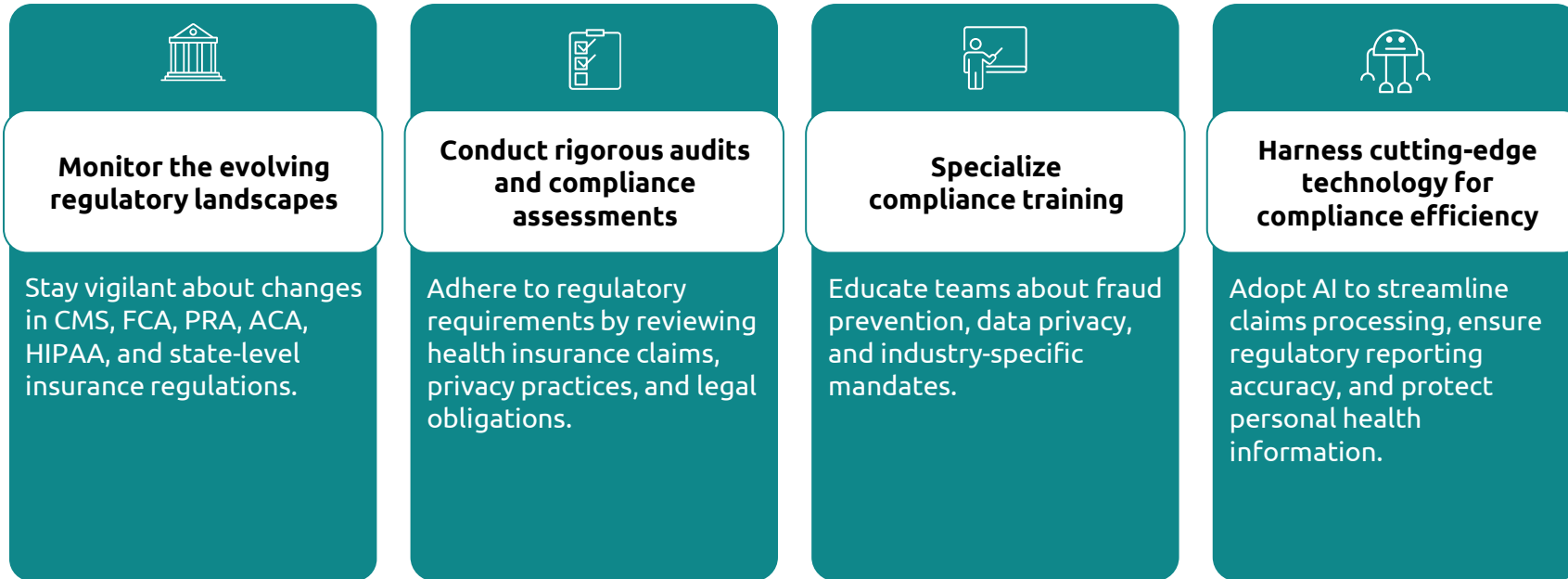


Figure 10: Health insurers can transform mandatory compliance costs into business efficiency drivers



UnitedHealthcare



US's 2020 No Surprises Act and 2022 Transparency in Coverage rule aim to reduce **unexpected medical bills** and **improve price transparency**. UnitedHealthcare's Surest[®] plan enables members to compare care and costs before visiting a provider and saves **out-of-pocket costs by 54%, saving \$400 in annual claims cost per member** while improving customer experience.¹

National Insurance Co.



India-based National Insurance Co. complied with IRDAI's mandate to **cover consumables** and **private nursing services** while also raising premiums by 5-9%. Expanded coverage **reduces out-of-pocket costs** and **improves claims processes**, to boost **policyholder protection**.²

Source: 1. [UHC](#); 2. [Timesofindia](#); Capgemini Research Institute for Financial Services analysis, 2024
 Note: CMS: Centers for Medicare & Medicaid Services, FCA: Financial Conduct Authority, PRA: Prudential Regulation Authority, ACA: Affordable Care Act, HIPAA: Health Insurance Portability and Accountability Act, IRDAI: Insurance Regulatory and Development Authority of India

Partner with Capgemini



AI-Assisted Legacy Migration

Migrate legacy with AI-first tools and frameworks:

Leveraging AI-first tools and Gen AI can modernize legacy health insurance systems, extracting processing logic and rules for efficient cloud migration. This cost-effective approach enhances timelines and quality, enabling insurers to digitize the core, streamline operations and effectively address rising healthcare costs. By unlocking accessibility, affordability, and transparency, Capgemini redesign service processes and optimize workforce capabilities, ensuring a seamless transition to a modern, customer-centric health insurance ecosystem.

Intelligent Customer Operations

Next generation contact center:

Surveys have been showing persistent dissatisfaction of health insurance customers with contact centers due to long wait times, issue resolution difficulties, lack of personalization, and poor communication across channels. Capgemini is the ideal partner to address these issues with a unified communication platform, advanced analytics, automation, AI, wearable integration, health apps, and telehealth services, ensuring strong security and compliance while providing personalized and empathetic service.

Intelligent Finance and Accounting Operations

Intelligent F&A operations:

In today's evolving health industry landscape, Capgemini Intelligent Finance and Accounting Operations offer transformative solutions by combining advanced technology with best-in-class operating models. Our services enable health insurers to build an efficient, adaptable, and scalable finance function across critical areas such as premium collection, claims payment, financial reporting, and budgeting and forecasting. With enhanced insights and business collaboration we help drive cost efficiencies, ensuring compliance and transparency to support sustainable growth.

Intelligent HR Operations

Intelligent HR operations for exceptional people experience:

In the fast-paced health insurance landscape, HR Excellence for People Experience redefines how insurers attract, engage, and retain skilled professionals. By integrating advanced HR technologies and data-driven insights, our approach enhances employee satisfaction, improving overall organizational performance. We streamline HR processes to fit the unique needs of health insurance professionals, personalize their experiences, and develop a culture aligned to the insurer's goals. With our expertise, health insurers can increase employee engagement, reduce turnover, and build a resilient, high-performing team.



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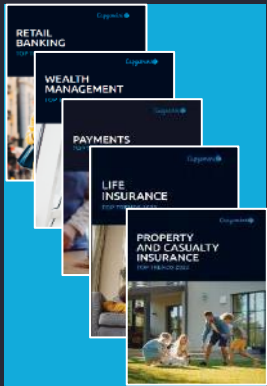
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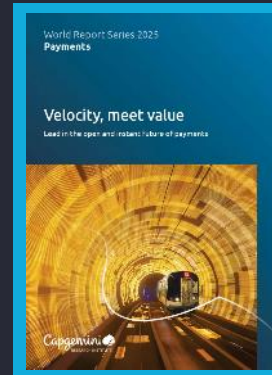
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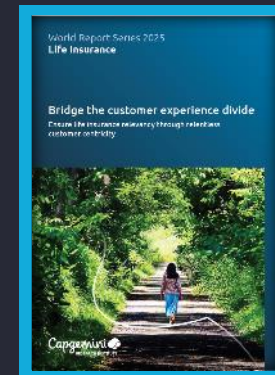
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