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The Impact of COVID-19 & the Future of Healthcare

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Overview

EXECUTIVE SUMMARY

COVID-19 has forever changed the healthcare landscape, including the habits and expectations of patients and plan members.

Using **our cumulative 100+ years of healthcare experience** and expertise with health insurers and providers across the nation, we reflect back on the past year and examine the pandemic's impact and subsequent trends, analyzing what they mean for the future of healthcare and business.



Digital Transformation of the Healthcare Ecosystem



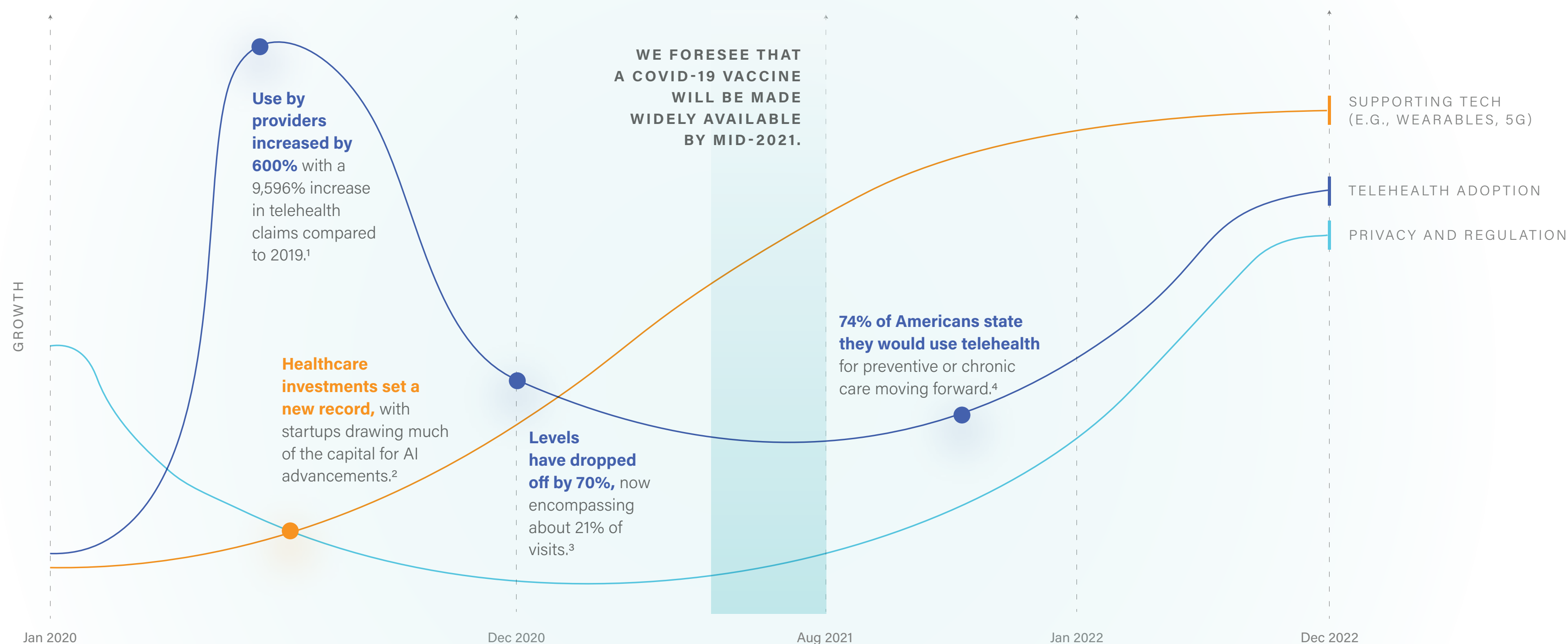
COVID-19 has considerably impacted the healthcare ecosystem, with many changes having staying power

With continued concerns about contagion, **patients** have delayed significant amounts of urgent and emergent treatment in addition to non-acute care, elective procedures and preventive health measures and screenings.



The pandemic has accelerated patient-focused healthcare technology and adoption by 10+ years

ADOPTION OF TELEHEALTH POST-COVID-19



TRAFFIK PREDICTS

Advances in remote monitoring and online-offline integration will create alternatives to less urgent hospital visits, inpatient stays and ICU care, **expanding into home and remote care.**

Successful plans and providers of the future will be proactive in communications about telehealth offerings and privacy reassurance to retain and attract patients or plan members.

Changes in Models of Care



While stay-at-home orders slowed the advance of COVID-19, millions of people confined to their homes were faced with new stressors

COVID-19, combined with ensuing economic decline, home schooling, and other conditions, has made social determinants of health more apparent than ever, with mental health conditions especially exacerbated among seniors and those earning less than \$40,000/year.⁸



PHYSICAL RAMIFICATIONS

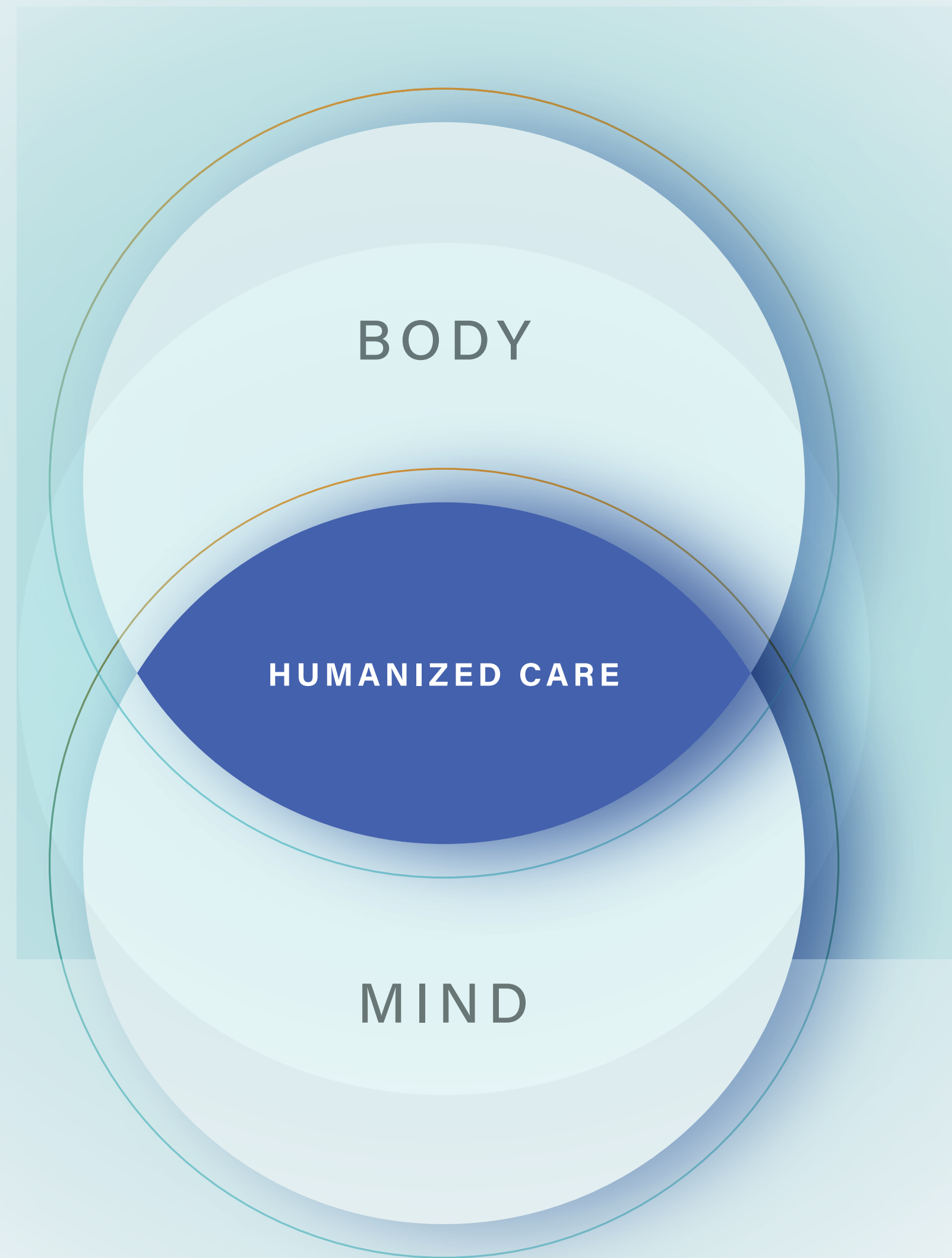
Millions of Americans have been **delaying care, with 34% of this year's 300,000+ nationwide excess deaths** - those beyond the expected number - attributed to illnesses and conditions not related to COVID-19.⁵ Beyond delayed care, 36% of Americans gained weight since the start of the pandemic.⁶



MENTAL RAMIFICATIONS

Mental health conditions kill 800,000 people worldwide every year.⁷ **As a result of worry and stress over the coronavirus, 53% of adults in the United States reported that their mental health has been negatively impacted** - including greater anxiety, depression, stress, loneliness, and even substance abuse.^{8,9} This was accompanied by a rise in physical abuse and will undoubtedly affect physical health in other ways in years to come.

COVID-19 is forcing the healthcare industry to put an increasing emphasis on holistic care to create better health outcomes

**TRAFFIK PREDICTS**

Sought-after and effective plans will bridge body and mind care through technology and policy change—whether at the federal/statutory level or the plan level—to deliver access and improve health outcomes.

These health plans will apply this integrated mindset to their procurement, vendor, and contractor prowess, partnering with providers that can help them fulfill their mind-body focus. Along the same vein, plans that do the above will not be kept out of these partnerships.

Overcoming Inequities in Healthcare



COVID-19 has further exposed existing inequities in the healthcare system



GENDER INEQUITIES

Mothers are being forced back into traditional gender roles of family care as the pandemic has taken away their external support systems. Women have held ~60% of all lost jobs and 1 in 4 are considering voluntarily leaving the workforce or reducing hours to care for their family.^{10, 11}

Their role as the key family healthcare decision maker has become even more emphasized.



RACIAL AND ETHNIC INEQUITIES

Similar to most other healthcare issues, **COVID-19 has disproportionately affected minorities, with Black and Hispanic Americans facing the highest risk.**

A combination of social determinants of health place them in lower income levels and service industry jobs at the front lines of contagion, and make them less likely to be insured. While racial disparities in healthcare are widely known, COVID-19 revealed the depth of this disparity on a national stage.

TRAFFIK PREDICTS

As more women are forced into traditional roles of family care, they will become even **more influential to healthcare decisions.**

TRAFFIK PREDICTS

Increased scrutiny and awareness of social determinants of health will **pressure plans and providers to address inequities in healthcare.**

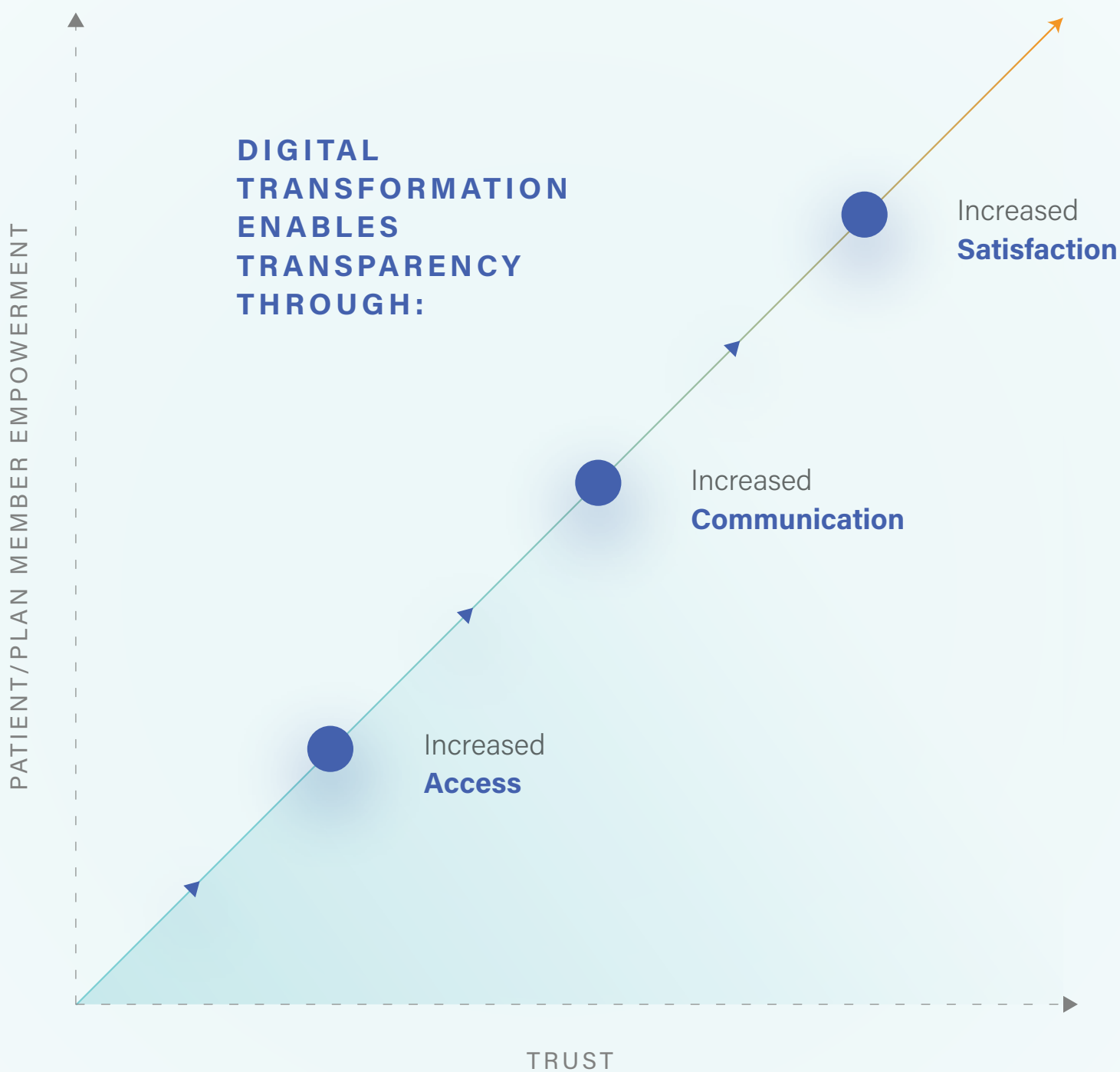
Effective plans and providers will endeavor to promote justice within their organizations and the healthcare ecosystem as a whole





Increasing Trust and Transparency

COVID-19 has highlighted the need for trust and transparency in healthcare; these will be prerequisites to gain and retain patients/members



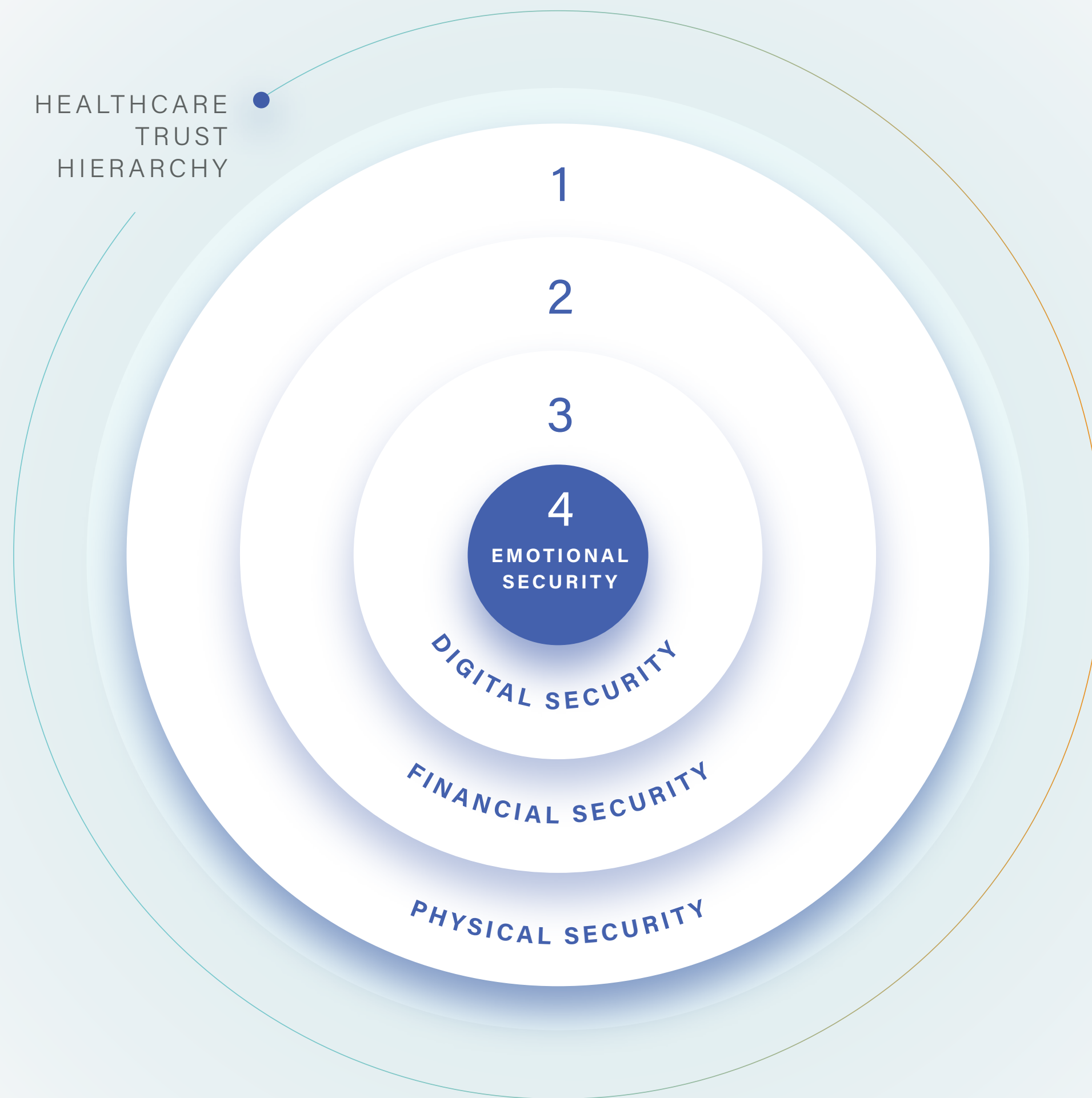
Though health is a subject that requires trust, healthcare is one of the sectors that is in need of the most improvement to garnering it. It is not enough to put one’s best foot forward in caring about the entire population; the key to trust is transparency, both across stakeholders (providers and insurers) and patients, and within organizations.

Digital transformation has allowed for improved communication, with new tools empowering patients and plan members to have more active roles in their healthcare. **We foresee this having a large impact on Net Promoter Scores (NPS) and STAR ratings in the future.** In 2019, the average health insurer in 2019 was 14, but in 2020—even with the disruption of COVID-19—it increased by 36% to 19%.^{12, 13}

TRAFFIK PREDICTS

Health insurers that **prioritize transparency will gain the trust of their members and provider partners,** thereby increasing member satisfaction, including NPS scores and STAR ratings.

Providers and insurers will need to understand patients' and plan members' various needs to tailor messaging and gain trust



OBTAINING TRUST BY ADDRESSING THE POST-PANDEMIC PINNACLE OF NEEDS

1. How and where can we let our patients/members know about the steps we are taking to keep them **safe and healthy** to encourage them to take advantage of our services?
2. How can we **best get ahead** of various patients'/members' financial concerns in obtaining our services at this time?
3. How do we **reassure privacy** and ensure patients/members take advantage of digital tools to maximize their use of our services and their health?
4. How can we **be proactive** about giving our patients/members the information and treatment they need?

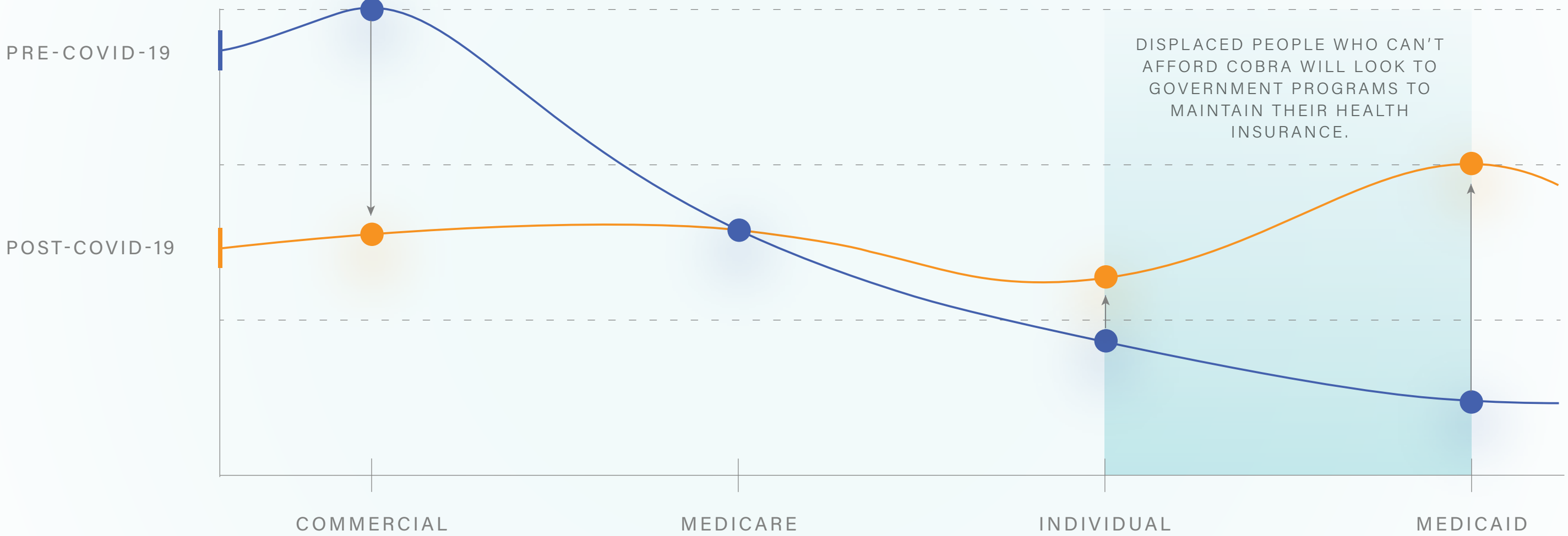
A photograph of four business professionals in a modern office with large windows. In the foreground, a man in a dark suit is seen from the back, sitting in a black office chair. To his right, a woman with short brown hair, wearing a dark patterned top, is seated and gesturing with her hand while speaking. Further right, a man with a beard and glasses, wearing a dark suit, is seated and looking towards the woman. In the background, another man in a suit is partially visible, sitting at a desk. The office has large windows that let in bright light, and the overall atmosphere is professional and collaborative.

Political Impact on Healthcare

Pandemic aftermath, coupled with the changing political environment, will cause a shift in health insurers' revenue streams

The pandemic has caused unprecedented unemployment, forcing many Americans into poverty. As many as 14 million Americans are estimated to lose their health insurance due to job loss.¹⁴ Displaced people who can't afford COBRA will look to government programs to maintain their health insurance.

HEALTH INSURANCE BUSINESS MIX BEFORE AND AFTER COVID-19



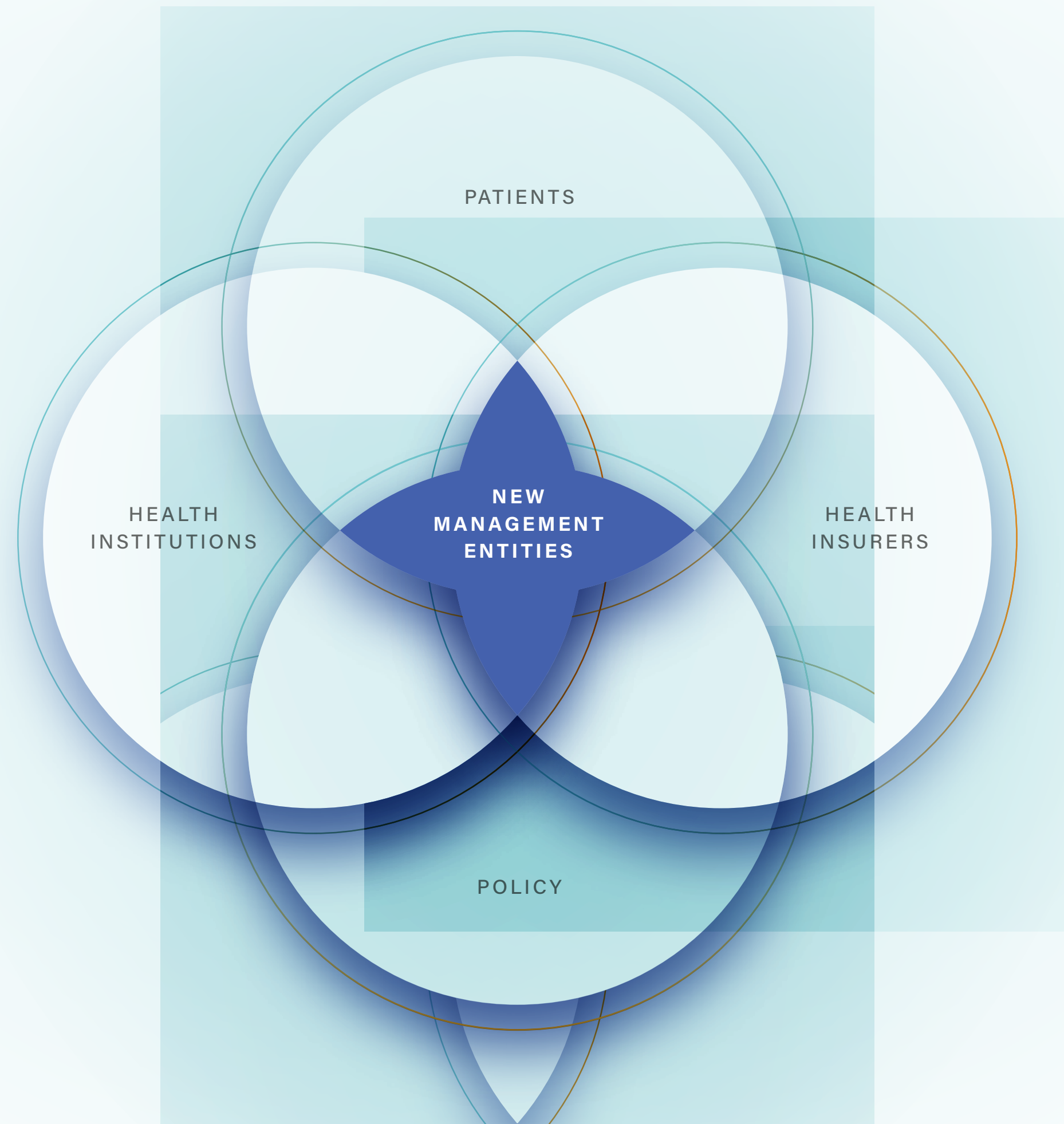
TRAFFIK PREDICTS

While people will initially stay in government plans out of necessity, we expect that these necessary shifts, coupled with increased confidence in healthcare quality following President-elect Biden's win, will cause people to stay within government programs.

Health insurers will need to get better at individual and family as well as Medicaid insurance, better catering to members' increased expectations, and developing relationships with the government to increase their individual, family, and Medicaid market shares.

New management entities will arise to create better health outcomes and support efficiencies across the ecosystem

Covid-19 has accelerated the push from fee-for-service to value-based care. While many of President-elect Biden's other healthcare reform aspirations will likely be met with congressional gridlock, we anticipate that this is just the beginning of what will be a lengthy and large transformation in healthcare.



TRAFFIK PREDICTS

As giant corporations continue to struggle to serve everyone, additional tech-based healthcare startups will enter the market to serve niche audiences - likely with governmental backing. Providers and the government will all need to work together, which will lead to the **formation of new management entities**—whether created by public or private organizations—**aiming to solve the challenge of bridging all stakeholders across the ecosystem.** This will create better processes and healthcare delivery focusing on population health and resource management.

Shifts in Communication Needs



COVID-19 has lasting effects on patients' expectations of their providers and communication platforms

People are looking for their insurers and providers to be more reliable, understanding, and anticipatory of their needs than ever. Digital platforms need to acknowledge users' desires for belonging and connection, while providing the services they need.



Members and patients are spending considerably more time on devices. There have been significant increases of device use and digital consumption across the board, from Gen Z to Baby Boomers, with many changes here to stay, particularly in online video and streaming.



Personalization and omnichannel integration are necessary. As members and patients use their devices more and replace physical activities with virtual ones, it is important for insurers and providers to have personable, customized contact at each digital touchpoint.



With increased digital use since the beginning of the pandemic, have come higher digital expectations. This has highlighted the need for niche, culturally relevant communications in order to reach the intended audiences.

Effective marketing tips to balance short-term and long-term KPIs

- 1

GET PERSONAL
Segment the market into niche audiences with varied asset creation and messaging that resonates with specific segments.
- 2

BE HELPFUL
Provide educational outreach related to specific needs and focus on preventive actions—not just risk or illness mitigation.
- 3

MAKE IT EASY
Reach new and prospective members and patients across multiple touchpoints on the channels they visit.
- 4

BE STRATEGIC
Build a strong measurement strategy to determine which tactics have the highest ROI.
- 5

OPTIMIZE
Use dynamic creative to test tailored content and identify the most effective communications and versioning across channels.

VALUABLE KEY POINTS

As more companies prioritize tactics and channels that shorten the consumer conversion funnel during the pandemic, use your long-term KPIs as your north star.

Know your audiences and monitor your metrics, especially those that can be predictive of long-term health or lack thereof. Share of search may give an early indication of potential losses or gains in market share.

TRAFFIK PREDICTS

Successful providers and insurers will create a communications strategy that bridges new digital habits and expectations.



Conclusion

The future is now. Health providers and plans need to proactively respond to these ecosystem changes and new patient expectations now to get ahead of competition and gain and retain members.

These are uncertain times and complex challenges. We would love to discuss each of these trends in more detail with you and what they could mean for your business.

WE LOOK FORWARD TO HEARING FROM YOU!

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Thank you