

Reimagining group underwriting

Leveraging intelligence and technology to improve precision, competitiveness and efficiency





A major shift is underway

For decades, health insurance underwriting has changed very little. Aside from the introduction of risk adjusters in the 1990s, the tools and approaches that most plans use today are quite similar to those used many years ago. But now, the industry is poised for a major leap. The evolution of artificial intelligence and machine learning, combined with new intelligence and data sources, is driving a radical change in health care underwriting that infuses data and technology into everyday decision-making, allowing you to take a more sophisticated and strategic approach to managing your business.

It's time to consider how your health plan can leverage the most advanced underwriting technology to modernize your operation.

To compete, you must commit

The time is now for adopting advanced analytics in your underwriting. Likely, you've considered where in your health plan to allocate innovation resources. A strategic place to start is underwriting because of the competitive financial advantage it will offer.

It can be tempting to take a back seat to technology advancements and wait for others to make the first move. This is different. Your competitors are already investing in a new wave of modern risk predictors. And when your competitors can predict risk better than you, they will be able to identify and attract the most profitable businesses.



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A solution highly customized to your health plan

To advance health care underwriting, we are building on the industry-leading platform Optum® StepWise®, a fully customizable central hub that supports complex rate calculations, workflows, quoting user experiences and proposal-generation capabilities.

Extending StepWise with an intelligence processing engine allows your health plan data to drive smarter underwriting decisions. StepWise continues to be completely customizable to the needs of your health plan so you can combine the best of what you do with the best that Optum has to offer.

This industry-changing, predictive analysis tool incorporates:

- **Machine learning cost predictors** trained against some of the largest data sets in the industry to predict individual and group costs
- **New algorithmic approaches** that reimagine traditional underwriting, credibility blending, large-claim pooling and stop-loss pricing
- **New data sources to improve risk prediction**, including social determinants of health and outside payers' pharmacy and health care data
- **True attribution of costs** to accurately account for non-claims-based costs — such as value-based contract payments or other provider settlements — and allocate them appropriately to groups
- **Dynamic visualization** via dashboards to prioritize issues to be addressed by the underwriter, eliminating the need to work sequentially through daunting, multi-page spreadsheets and allowing the underwriter to refocus on what really matters
- **Portfolio optimization** using group behavior models to optimize underwriting decision-making across a portfolio of groups to maximize retention and profitability
- **Benefit customization and pricing capabilities** with refined user experiences and real-time benefit pricing to streamline plan customization for large groups

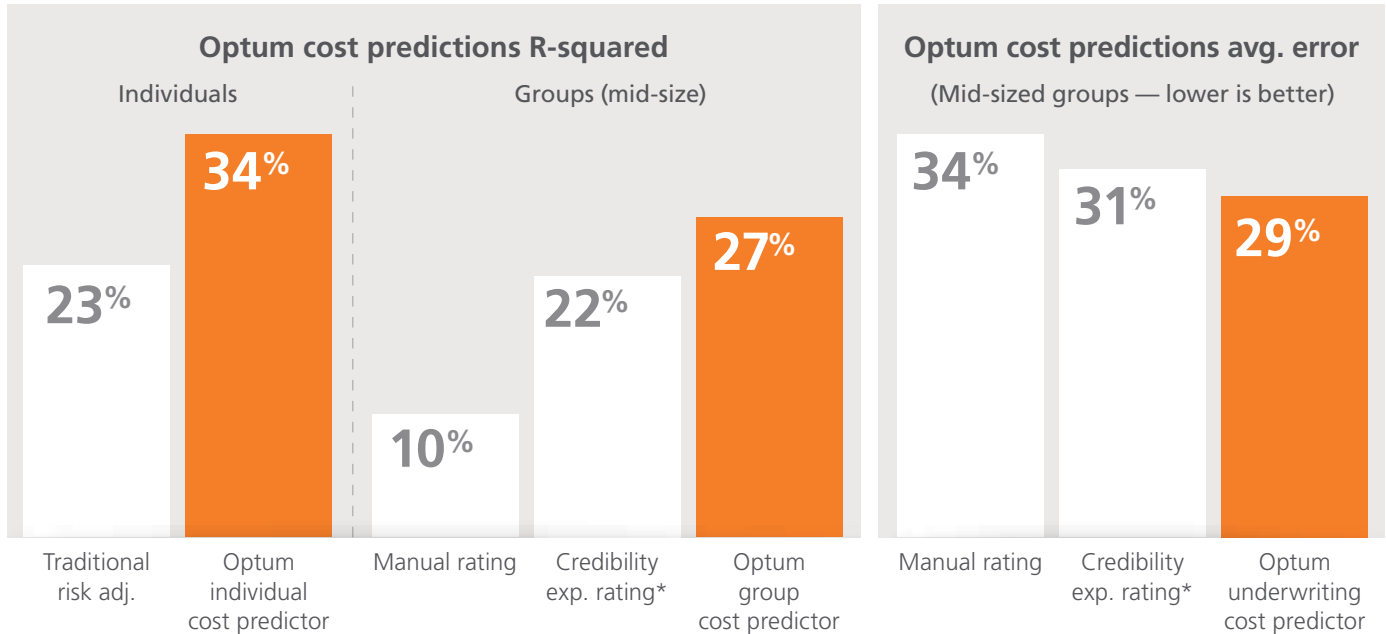
With next-generation underwriting:

- Your actuaries and underwriters can leverage a platform to perform rating and underwriting more effectively and efficiently — and with better financial outcomes — than ever before.
- You can expect improved turnaround times, greater efficiency and reduced underwriting overhead.
- Risk prediction, medical loss ratio and profit margins improve, boosting your industry competitiveness.
- Group and member retention increase.
- Underwriters can demonstrate the value your health plan brings to an employer group by linking health metrics to show closed gaps in care, compliance rates, trends in evidence-based medicine measures and more.

The solution is fully customizable to where your health plan is today, and to where you plan to be tomorrow.

Designed to improve performance

Next-generation underwriting helps advance your health plan's performance with improved predictions and overall error reduction as compared to traditional underwriting and manual rating.



*With traditional risk adjustment.

Source: 2019 Optum and Society of Actuaries research

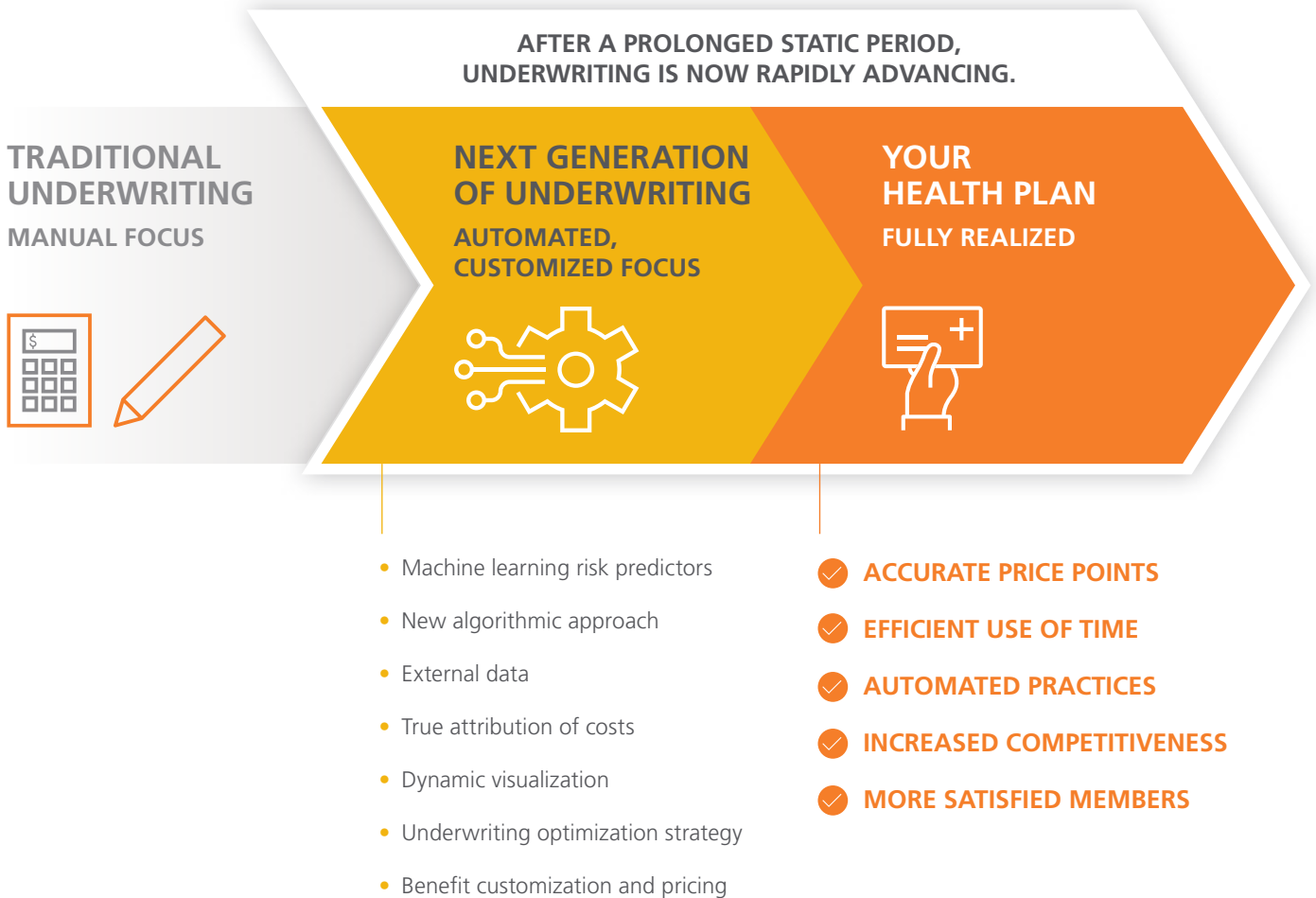


Optum is uniquely qualified to help evolve your underwriting

Deciding where to start with advanced analytics and technology can be overwhelming. For 15 years, Optum has implemented rating and underwriting solutions for the largest health plans in the United States. During that time, we've observed and implemented best practices. We share our learnings with you and help you harness the potential of data and technology to transform your underwriting function.

When you partner with Optum, you benefit from deep analytical capabilities, secure health IT solutions, industry-leading health status data, proven health plan underwriting best practices and the innovative StepWise platform. You also have access to Optum Advisory Services for guidance and practical strategies.

Together, these capabilities help Optum design a custom solution to meet your health plan's needs and modernize your underwriting processes.





Now is the time to take the next step

Next-generation underwriting brings your health plan...

- Predictive algorithms for laser-sharp cost estimation and pricing
- Automation to enhance efficiency and shorten turn times
- Deep data analytics and new intelligence to improve financial outcomes
- An operating model that leverages automation so your organization can operate on a more sophisticated, strategic level (e.g., scenario building, modeling competitor reactions)
- The ability to track effectiveness and the impact of prior block rating decisions to help inform the next cycle
- Insight underwriters need to partner with actuaries to strategically price blocks of business, model scenarios between retention and growth, and find assumptions necessary for portfolio optimization

About Optum

Optum is a leading information and technology-enabled health services business dedicated to helping make the health system work better for everyone. We deliver integrated solutions infused with OptumIQ™, our unique combination of data, analytics and health care expertise, to help modernize the health system and improve overall population health.

Find out how the next generation of underwriting automation and predictive analysis can improve your health plan's pricing, efficiency and competitiveness.

Contact Optum Advisory Services at:



[Learn more](#)

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