

Medibank's healthcare strategy

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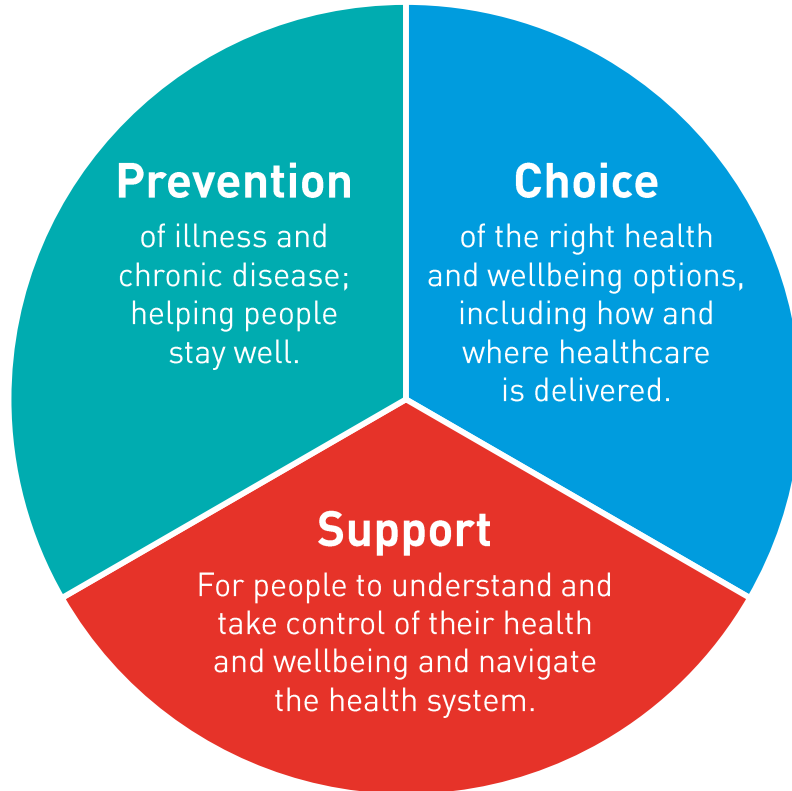
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Better Health for Better Lives

Staying true to our purpose



We aim to play an active role in helping our customers take control of their health and wellbeing

Achieving the triple aim of healthcare

Recognised international paradigm for health reform

Improve health outcomes

Improving the health of populations



Enhance patient experience

Improving the experience (quality & satisfaction) of care



Reduce costs

Reducing the per capita cost of healthcare



Reference: Institute for Healthcare Improvement

Medibank strategy & FY18 priorities

Strategy & FY18 priorities

Reinvesting in our customer offer, improving market share & growing our health services business

Strategic pillar	Deliver enhanced products and services for customers	Continue to improve healthcare value for customers	Expand the offering for customers and grow the business
FY18 priorities	<ul style="list-style-type: none">• More proactive and personalised communication• Continue digital enablement as part of channel strategy• Expand breadth and reach of health and wellbeing advice• Enhance offering to recognise and reward membership	<ul style="list-style-type: none">• Expand payment integrity program to parts of the claims portfolio historically less of a focus• Focus on reducing low value care and improving customer health outcomes• Lead health system reform	<ul style="list-style-type: none">• Further distribution partnerships• Grow non-resident business• Expand diversified insurance offer• Health service expansion
Enablers	Drive simplicity and productivity Further leverage data Accountability		

Continue to improve
healthcare value for
customers

Improve healthcare value for customers

Strong agenda enabled by Medibank's data analytics

Value focus to
healthcare
purchasing



Reviewing cost
and reducing
waste



Active role in
health system
reform



Enablers

Drive simplicity and productivity | Further leverage data | Accountability

Value focus to healthcare purchasing

Partnering with providers to improve quality, experience & affordability



Hospitals

- Expanding the focus from price and volume to also recognise quality and outcomes.
- Measuring **standard set of clinical indicators** for 11 most common procedures – covering 40% of all surgeries and 50% of Medibank outlays.
- **Sharing information (i.e. benchmarking reports) and working with providers** to address variation.
- Introducing **patient reported experience measures (PREMS)** to better understand customers' experience in hospital.

Specialists

- **Improving surgeons' access to information** on clinical measures and price variation.
- Sharing insights and engaging with health stakeholders – colleges, societies and consumer groups.



Value-based contracts – all major hospital groups



Clinical indicators for 11 most common procedures



23,000 completed PREMS surveys

“We have appreciated Medibank’s initiative in wanting to meet with us quarterly so we can discuss what’s working and what’s not. We’re looking at the bigger picture on how we can collaboratively move the system forward.” Dr Michael Stanford, former CEO, St John of God Hospitals




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Reviewing cost and reducing waste

Improving healthcare outcomes, experience and affordability



- Reducing low value care, where evidence suggests there is little benefit to patients.
- Working with healthcare stakeholders to deliver best practice healthcare – hernia initiative.
- Reducing HACS and unplanned, related readmissions.
- Reducing the likelihood of out-of-pocket costs - ease of access to Medibank's GapCover scheme.
- Minimising unexpected out-of-pocket costs for our customers (e.g. Medibank's procedure cost estimator).

	Targeting 5 areas
	24,000 GapCover participants
	Average out-of-pocket costs for 45 common procedures

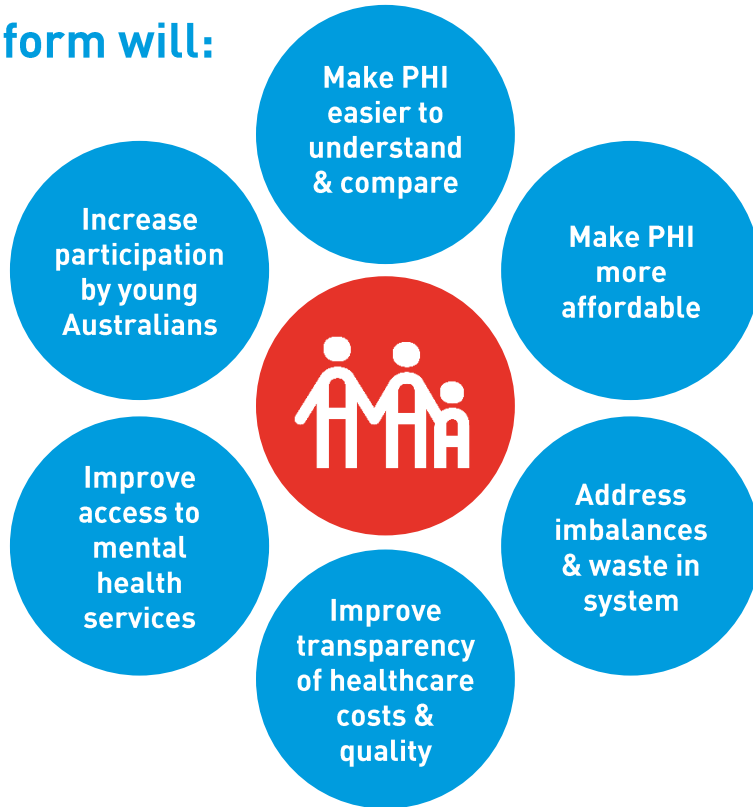
“The collaboration between RACS and Medibank combines the perspective of specialty experts with the skills of a data custodian...Credible data is a powerful motivator of clinician behaviour.” Prof John McNeil, Monash University, in RACS Surgical Variance Report Foreword

Health system reform

Advocating for greater transparency, affordability and value in healthcare



PHI reform will:



Broader regulatory landscape



- Medicare Benefits Schedule Review
- Prostheses List Advisory Committee
- Private Health Ministerial Advisory Committee
- Out-of-Pocket Costs Committee
- Improved Models of Care Working Group

**Expand the offering
for customers and
grow the business**

Expand offering for customers & grow the business

Transforming into a broader health services company

Design and deliver evidence-based, targeted health programs and services that:

Prevent and
manage chronic
conditions



Provide increased choice
over how and where
healthcare is delivered



Support customer to
understand and take
control of their health



Enablers




Drive simplicity and productivity | Further leverage data | Accountability

Prevention

Supporting our customers to prevent and manage chronic conditions



- Developing **health profiles** of our membership base to understand, anticipate and support the health needs of our customers.
- **CareComplete** is delivering positive patient outcomes – reduced readmission rates, improved clinical indicators, and greater survival rates than matched controls.

CareComplete:	
	15,000+ patients enrolled
	4,600 GPs enrolled
	9 additional funders

“Whenever friends ask us about how we made our lifestyle changes, we tell them about the program and Medibank. So happy with Medibank.”

“I have, as a result, decided to make these changes permanent as I have begun to experience the benefits of a healthy lifestyle.”

CareFirst participants

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Choice

Providing increased choice over how and where healthcare is delivered



- **Medibank at Home** has the potential to reduce healthcare costs, improve healthcare, and lead to higher patient and carer experience.
- **Rehabilitation at Home** – available to Medibank customers following a hip or knee replacement surgery, where clinically appropriate.
- Integration of **HealthStrong** acquisition proceeding in line with expectations.
- Trialing **chemotherapy and palliative care at home** using experienced providers of community-based care.



Rehab at Home
on track for
750 participants
in FY18

“I got terrific service...they looked after me very well. I got exactly the same treatment at home as I had in hospital, I really did.”

Rehabilitation at Home participant

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Support

Empowering customers to take control of their health



- **Health Concierge**, Medibank's outbound telephonic service that provides personalised preventative health assistance, has been extended to pregnancy and supporting our customers over 75.
- Medibank **Health Advice Line** offers health advice, triage and referral 24 hours a day, 365 days a year



18,000+
customers
supported by
Health Concierge



500 customers
supported a
week by Health
Advice Line

"The Health Concierge was so kind and considerate...wouldn't go anywhere else but Medibank now."

"We'd rather eat the wallpaper off the wall than be without Medibank ."

Health Concierge participants

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Conclusion

Delivering on our healthcare strategy

- 2018 marks a step change for our company.
- Medibank is now positioned for growth.
- The focus of the executive is beginning to shift – we are now leveraging our scale to grow the core and transform into a broader health services company.
- We are taking steps to deliver better and more personalised value for our customers.



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Lives**

Questions