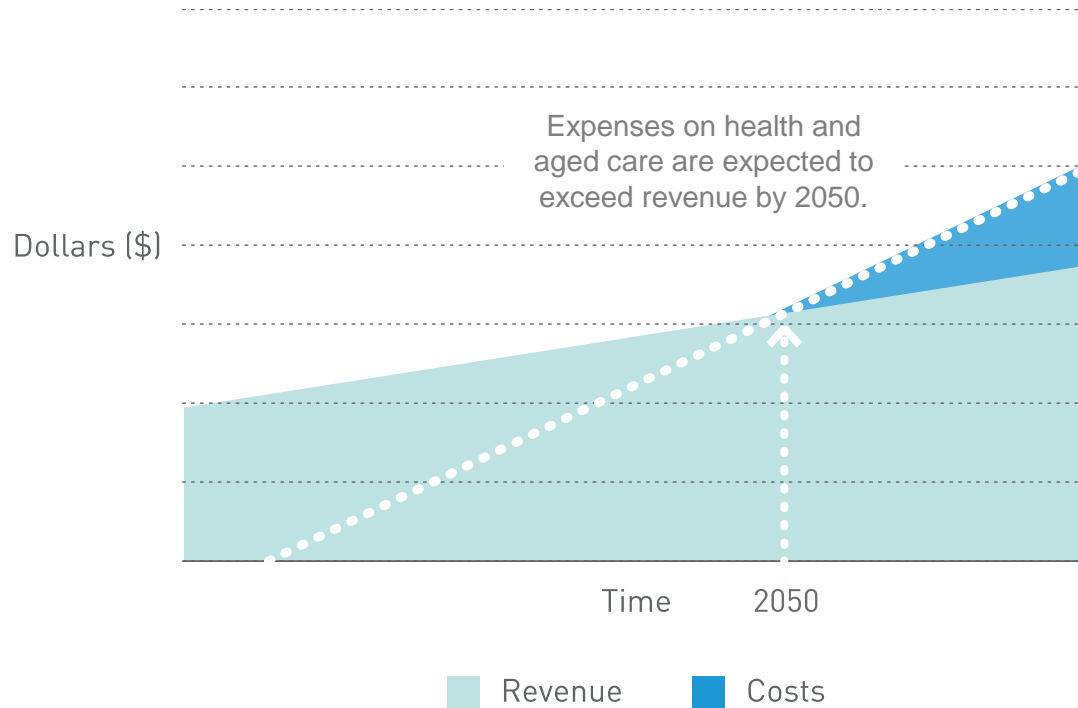


The **medibank** Effect



The healthcare challenge



Three major trends driving this change

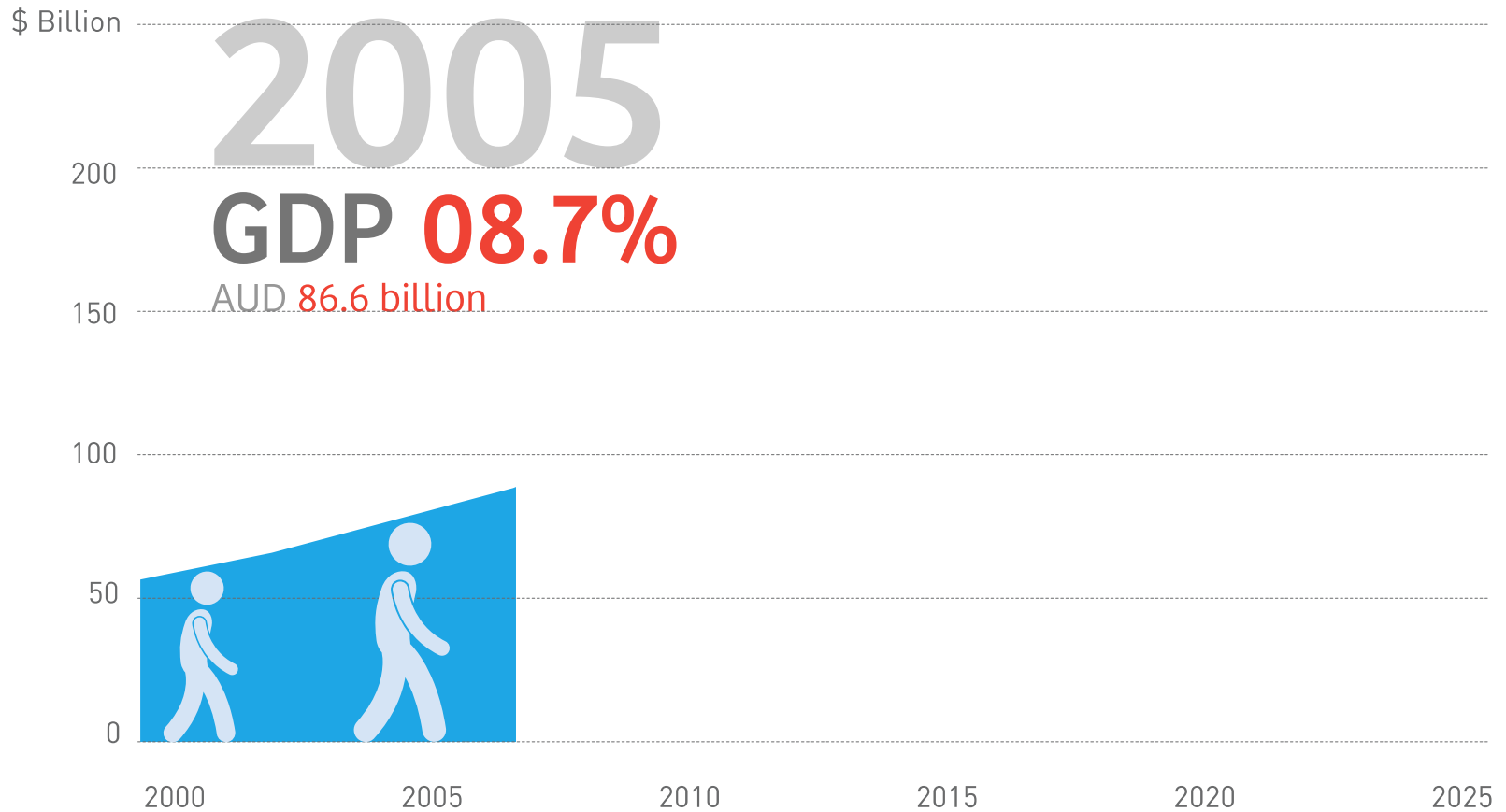
1. Our growing, ageing population is living longer

2. Increasing need and costs for chronic disease treatment

3. New technology driving costs up

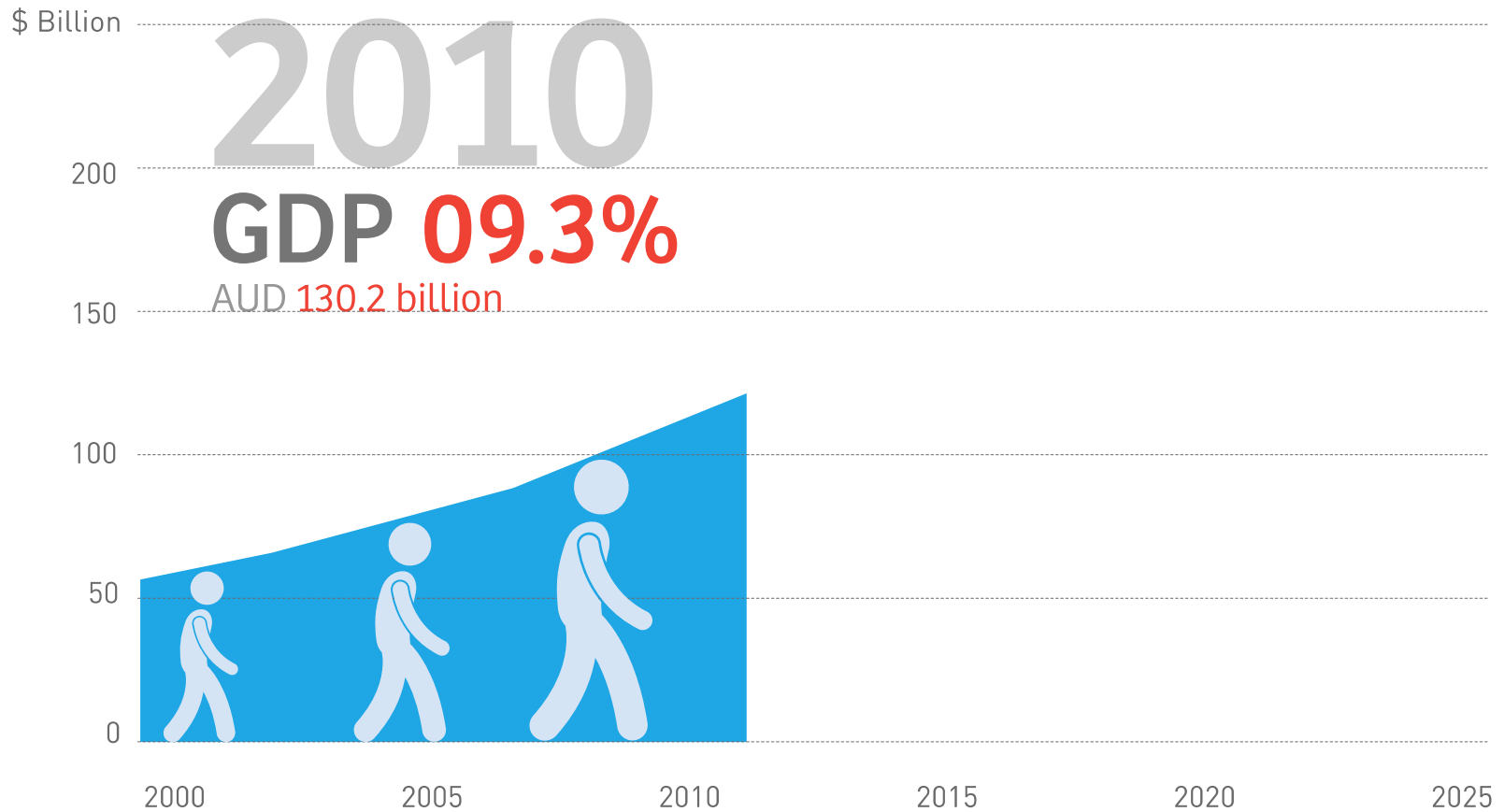
Medibank forecast of Australian health expenditure

Medibank forecast of Australian health expenditure



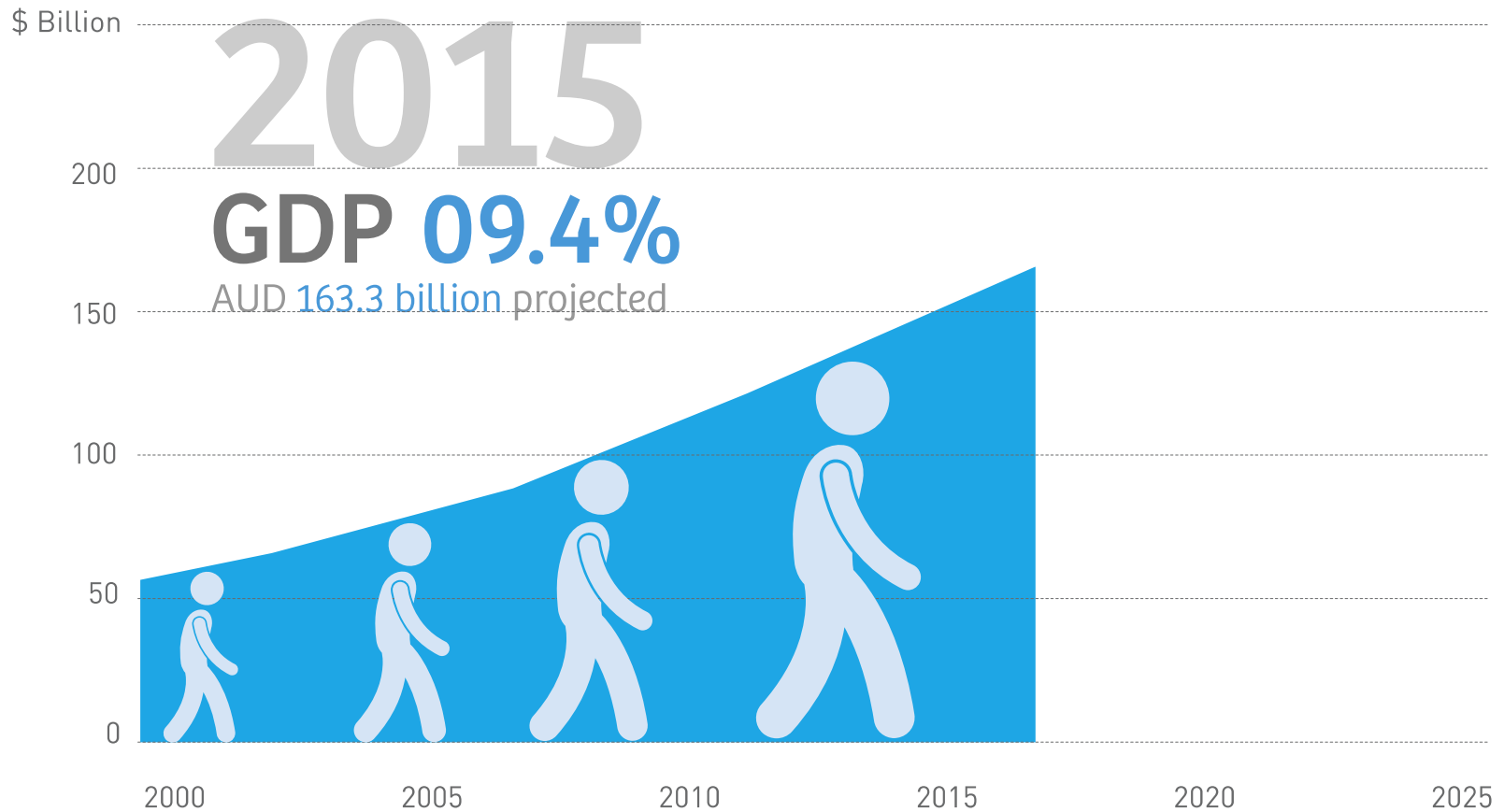
Medibank forecast of health expenditure to 2025

Medibank forecast of Australian health expenditure



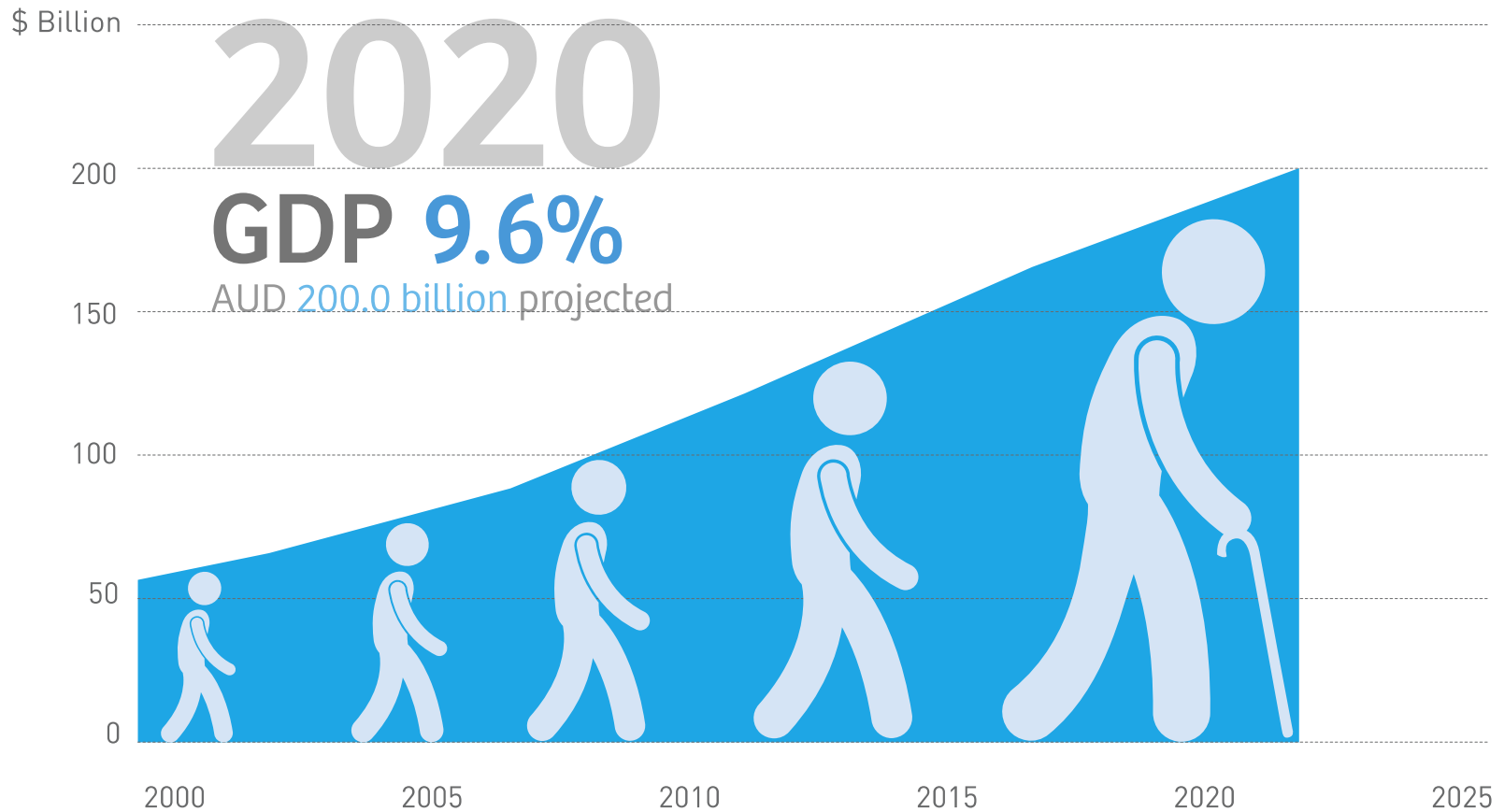
Medibank forecast of health expenditure to 2025

Medibank forecast of Australian health expenditure



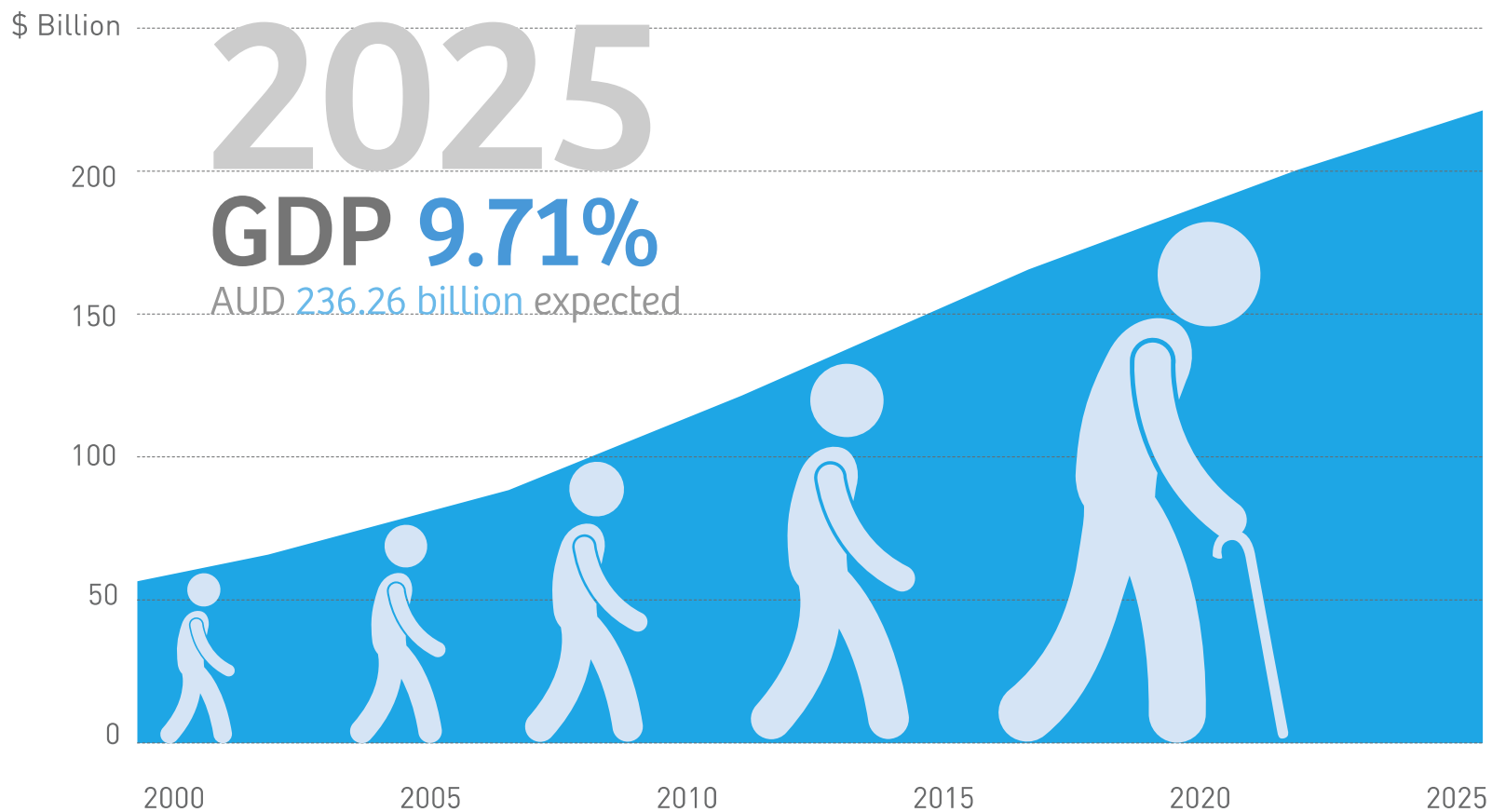
Medibank forecast of health expenditure to 2025

Medibank forecast of Australian health expenditure



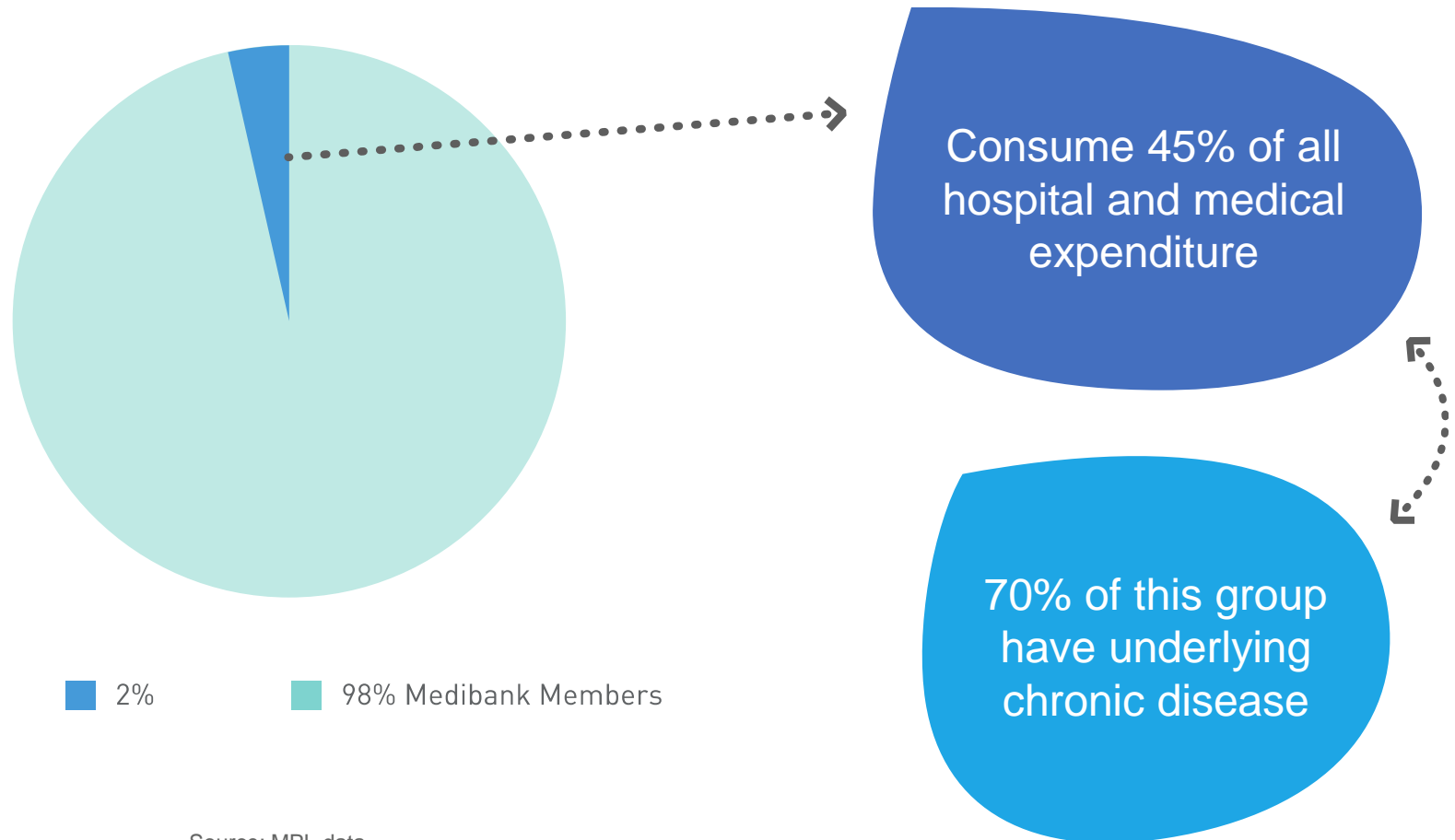
Medibank forecast of health expenditure to 2025

Medibank forecast of Australian health expenditure



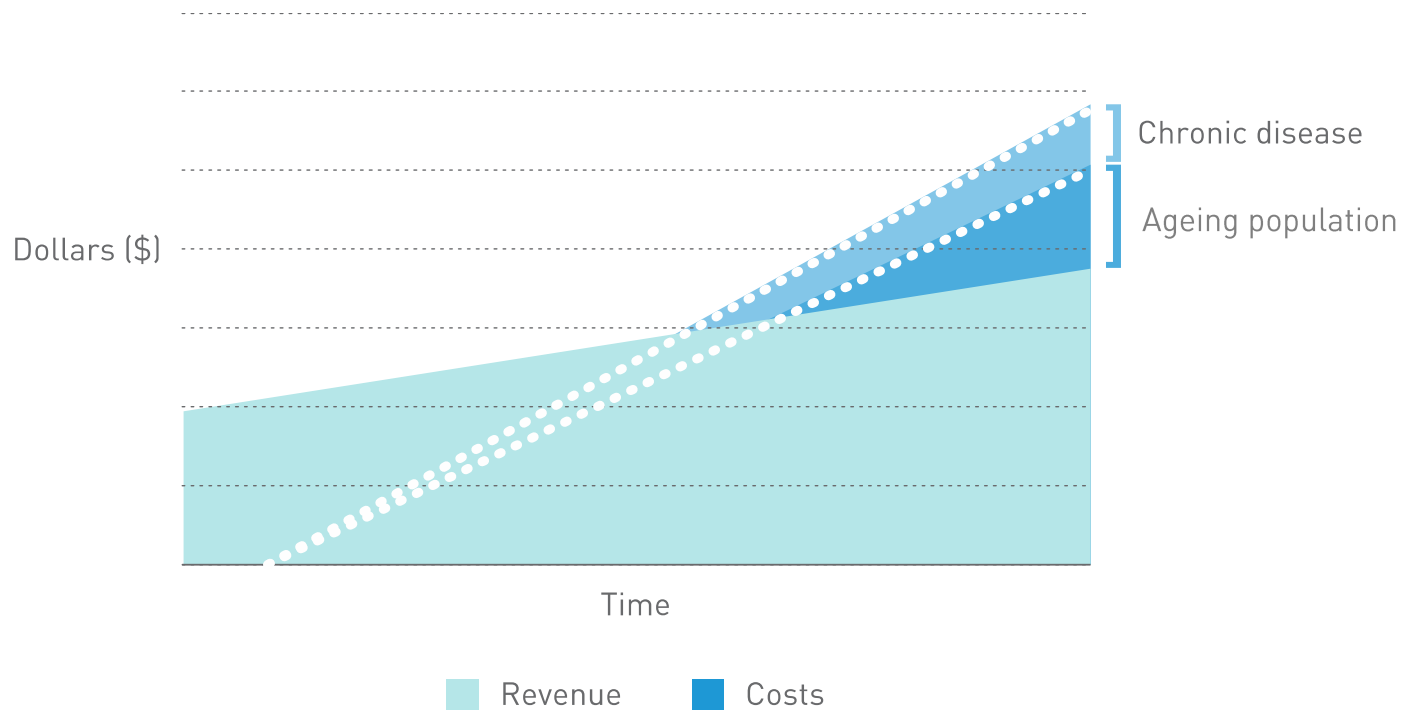
Medibank forecast of health expenditure to 2025

2. Chronic disease is driving health costs



Source: MPL data

The healthcare challenge



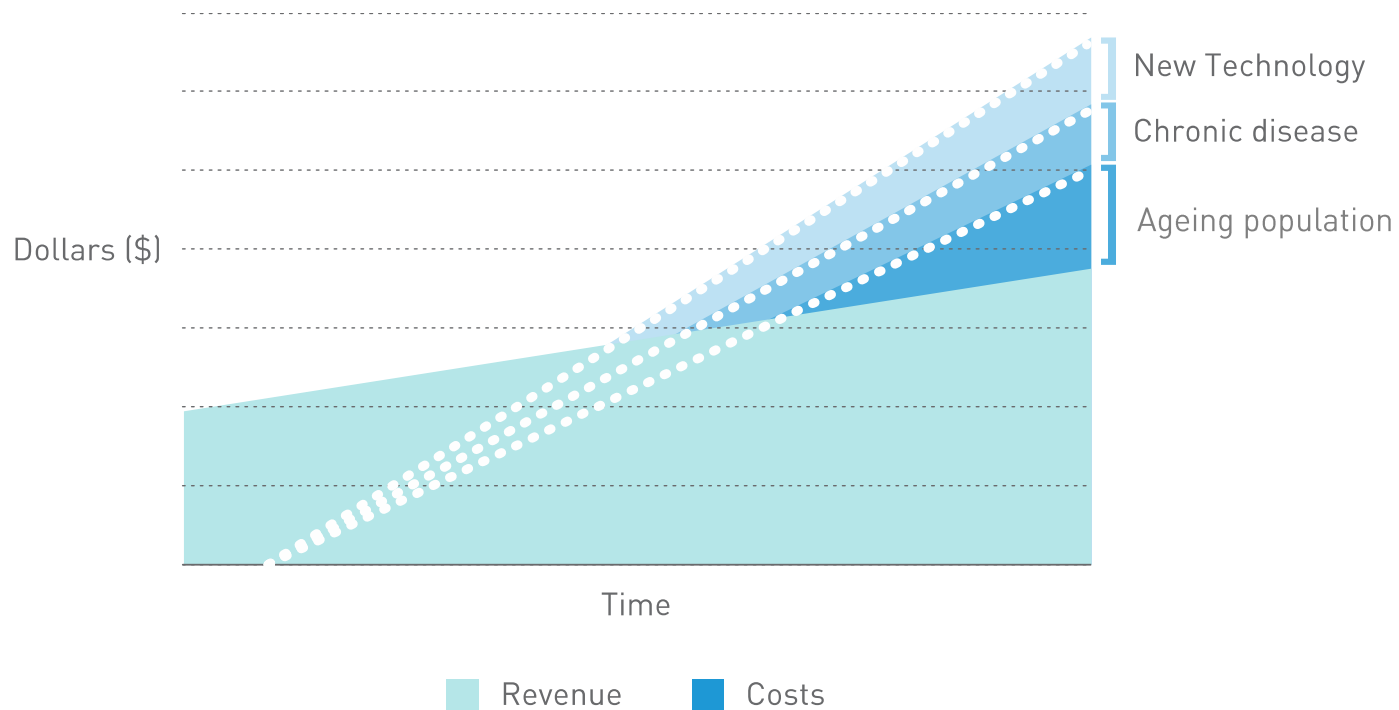
3. Health technology is now more than 10% of health costs, and growing...

Top 5 procedures 2010*

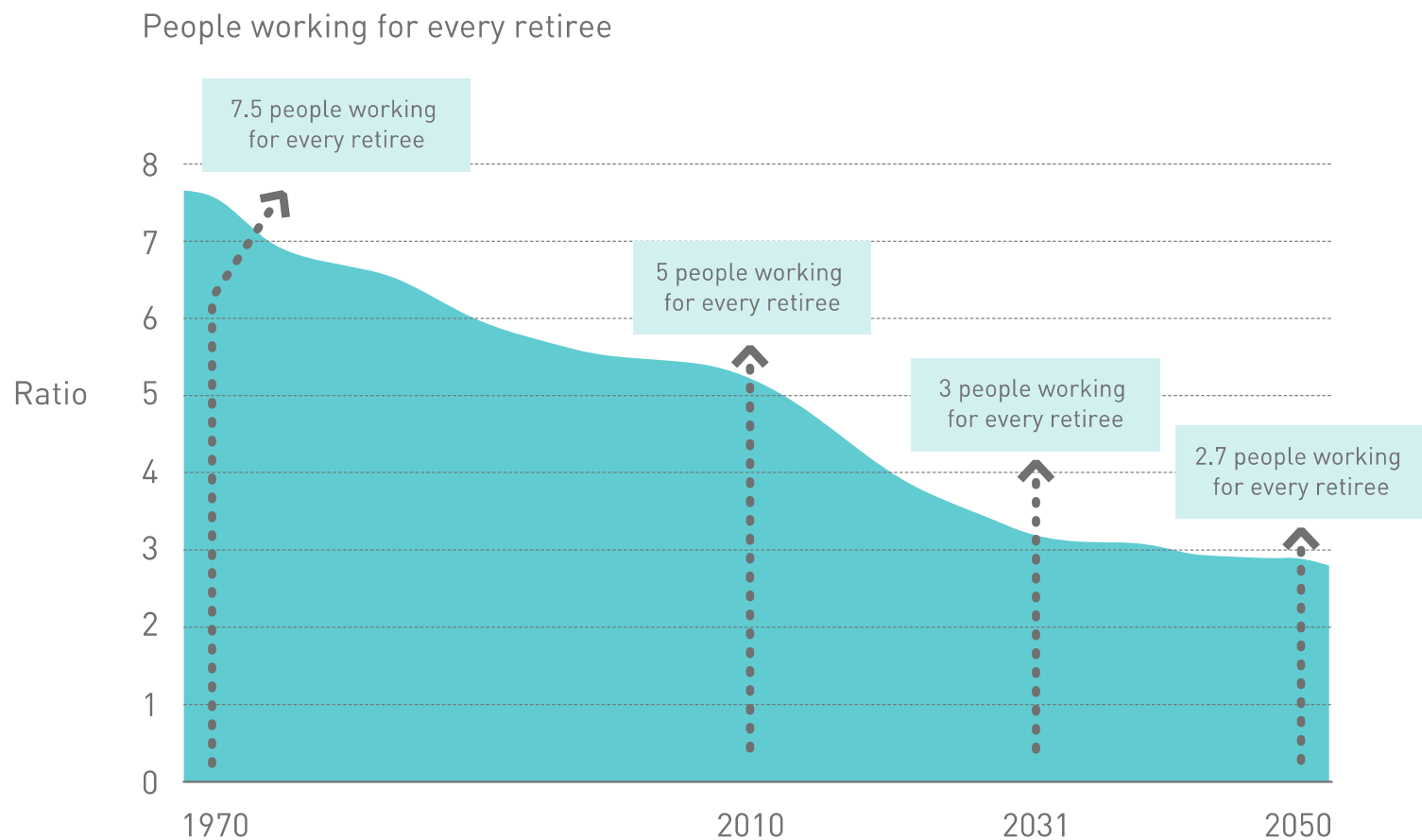
Prosthesis	Usage	Total cost	Average Cost per Tx
Hip replacement	4,486	\$46,802,438	\$10,433
Knee replacement	5,814	\$46,738,746	\$8,039
Cardiac defibrillator	533	\$27,660,035	\$51,895
Spinal Fusion	1,548	\$23,997,096	\$15,502
Cardiac Pacemaker	1,830	\$22,997,610	\$12,567
Total	14,211	\$168,195,925	\$98,436

Source: Medibank Private Health Benefits Report 2010

The healthcare challenge



...while our ability to pay is reducing

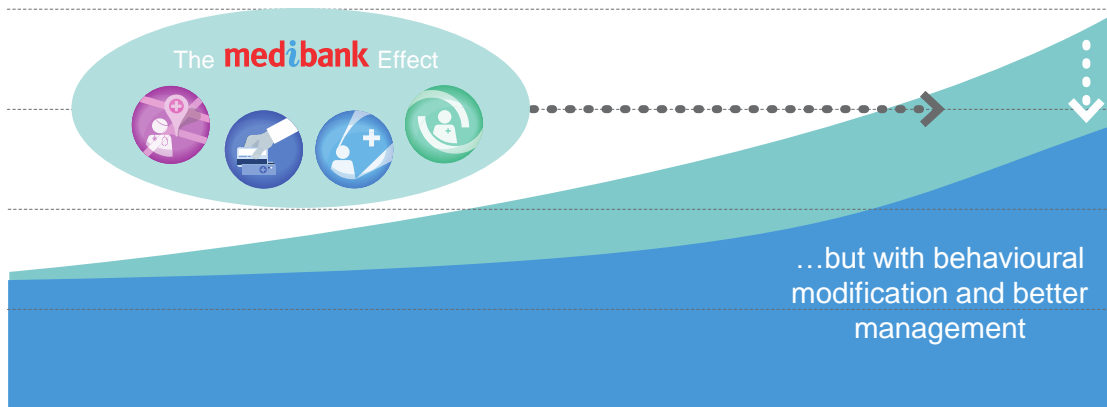


Source: IGR2010

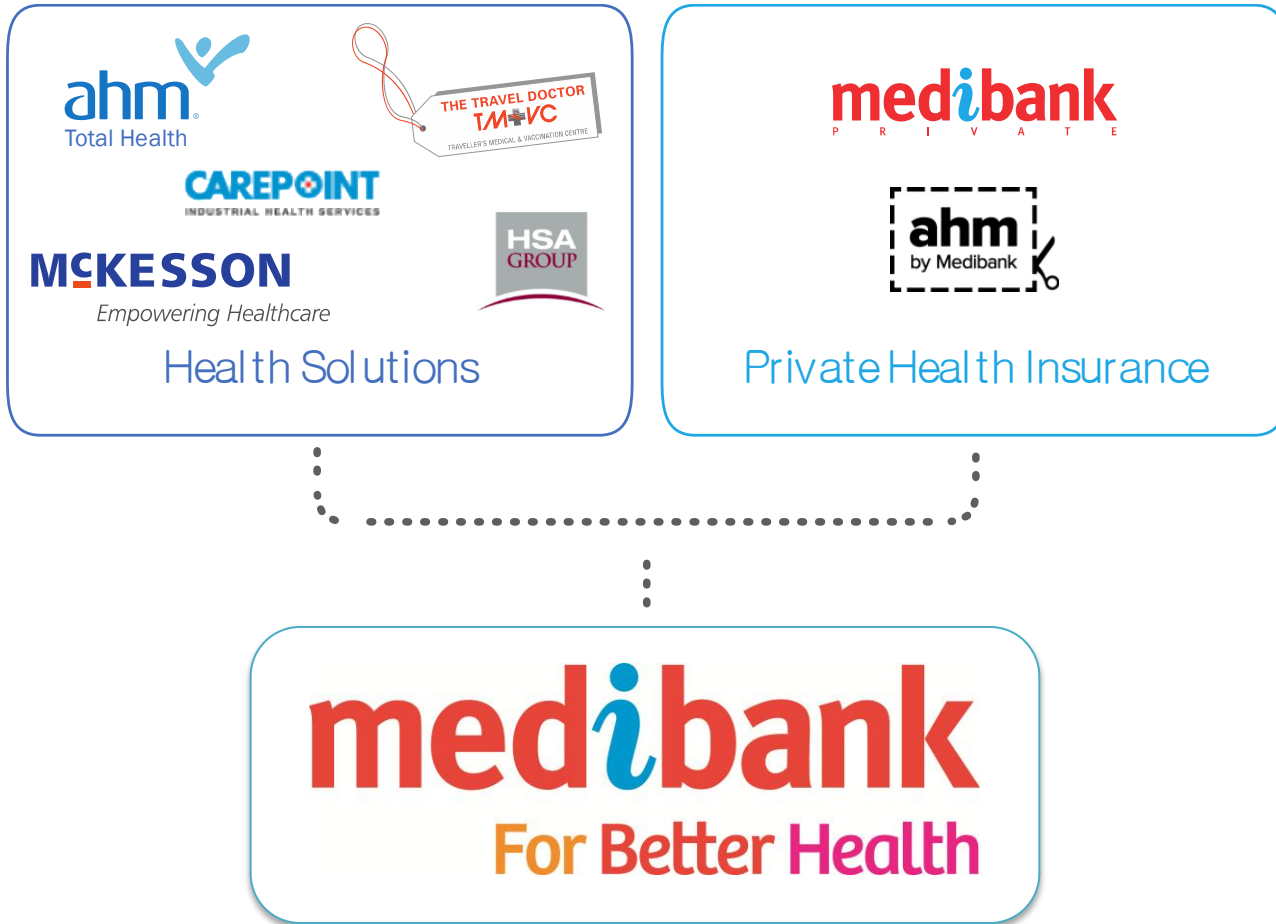
Significant change possible through better intervention...

Cost at current health system trajectory

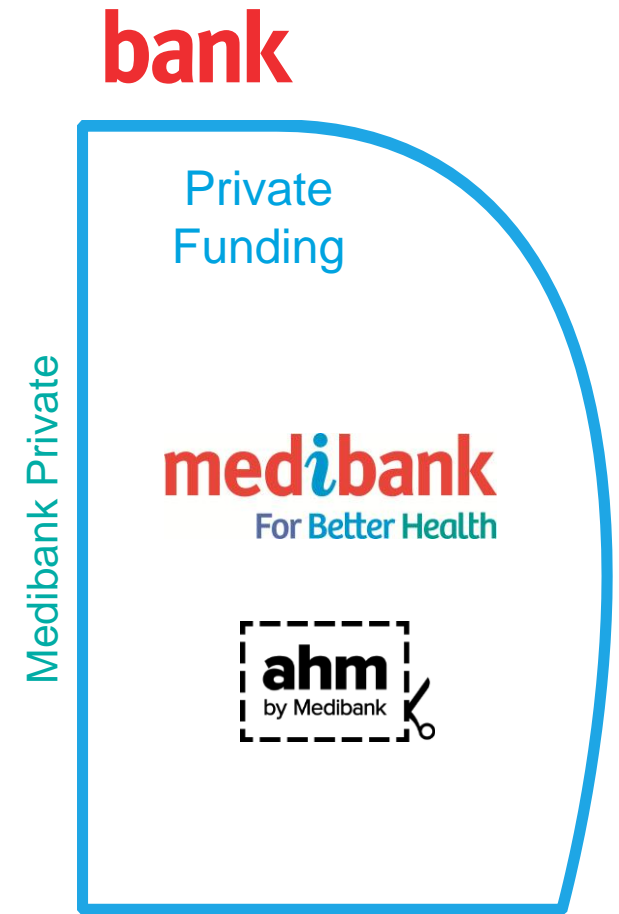
Healthy and productive population



...so changing Medibank's purpose from health insurance to health assurance



Building an integrated health business structure 'The Medibank Effect'



Building an integrated health business structure 'The Medibank Effect'

med

Public
Funding



McKESSON

Empowering Healthcare



Medibank Health Solutions

bank

Private
Funding

medibank
For Better Health



Medibank Private

Building an integrated health business structure 'The Medibank Effect'

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Public
Funding



McKESSON

Empowering Healthcare



Medibank Health Solutions



A network of
trusted providers



Building new gateways



New healthcare platforms



New models of care

Medibank Private

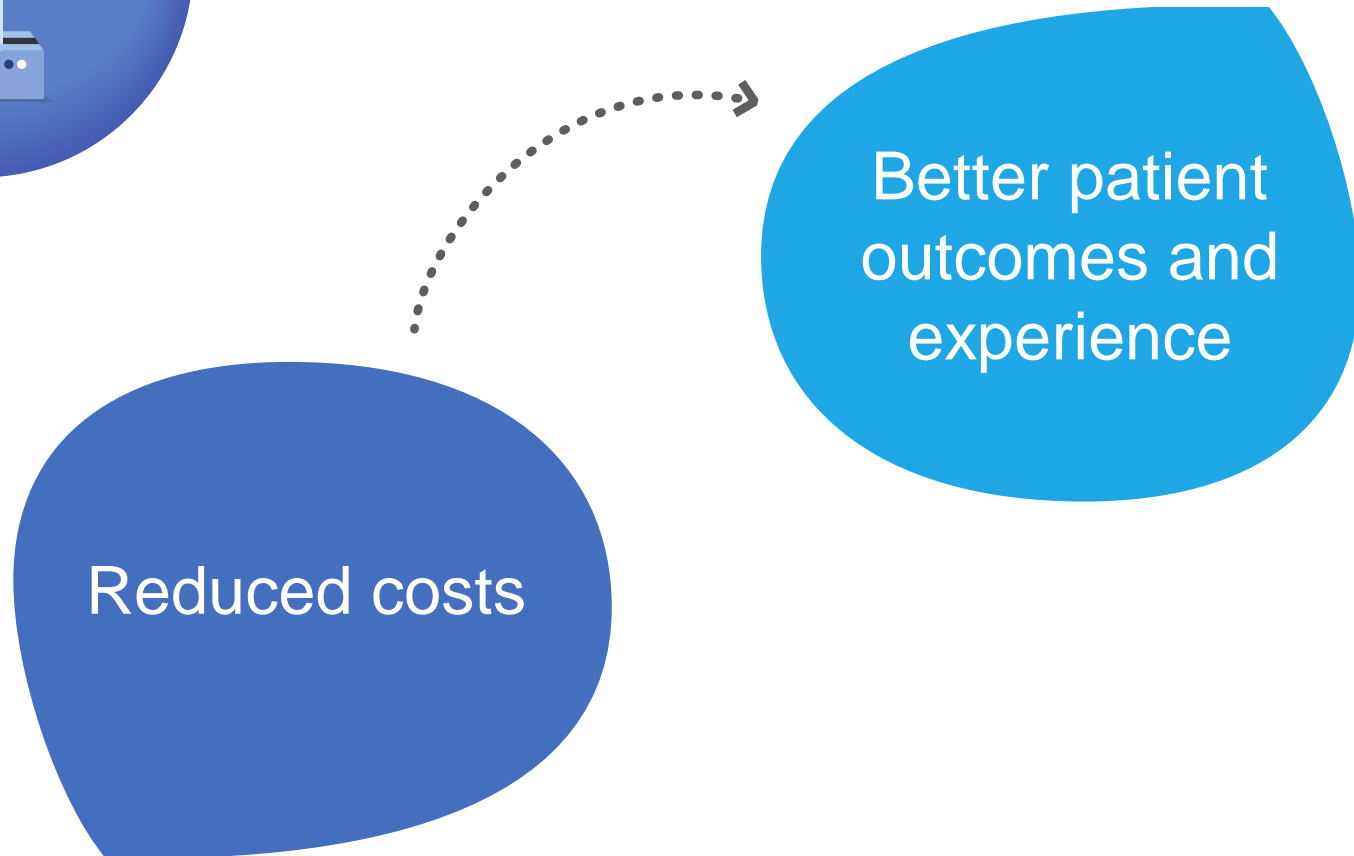
Private
Funding

medibank
For Better Health





Contracted Provider Networks



Gateway Navigation and Referral



The first customer expression of purpose...

mi health

24/7 Health Advice Line



Health Hub



Hospital Support



Mobile Apps



A new service; a change in how we interact with our members.

The first integration exercise - insurance and health solutions.



New Healthcare platforms ... Anywhere Healthcare

**anywhere >
< healthcare**
medibank health solutions

Today is
suddenly a
much better
place





Integrated care co-ordination... A more efficient process

1. Continuity of care
across secondary
and primary sectors

2. Continuity of
patient information
and support

3. Co-ordination
of providers
“Care Team”

Self navigating the system



GP



X-ray



Private
Hospital



Dental



Optical



Insurer



Physio

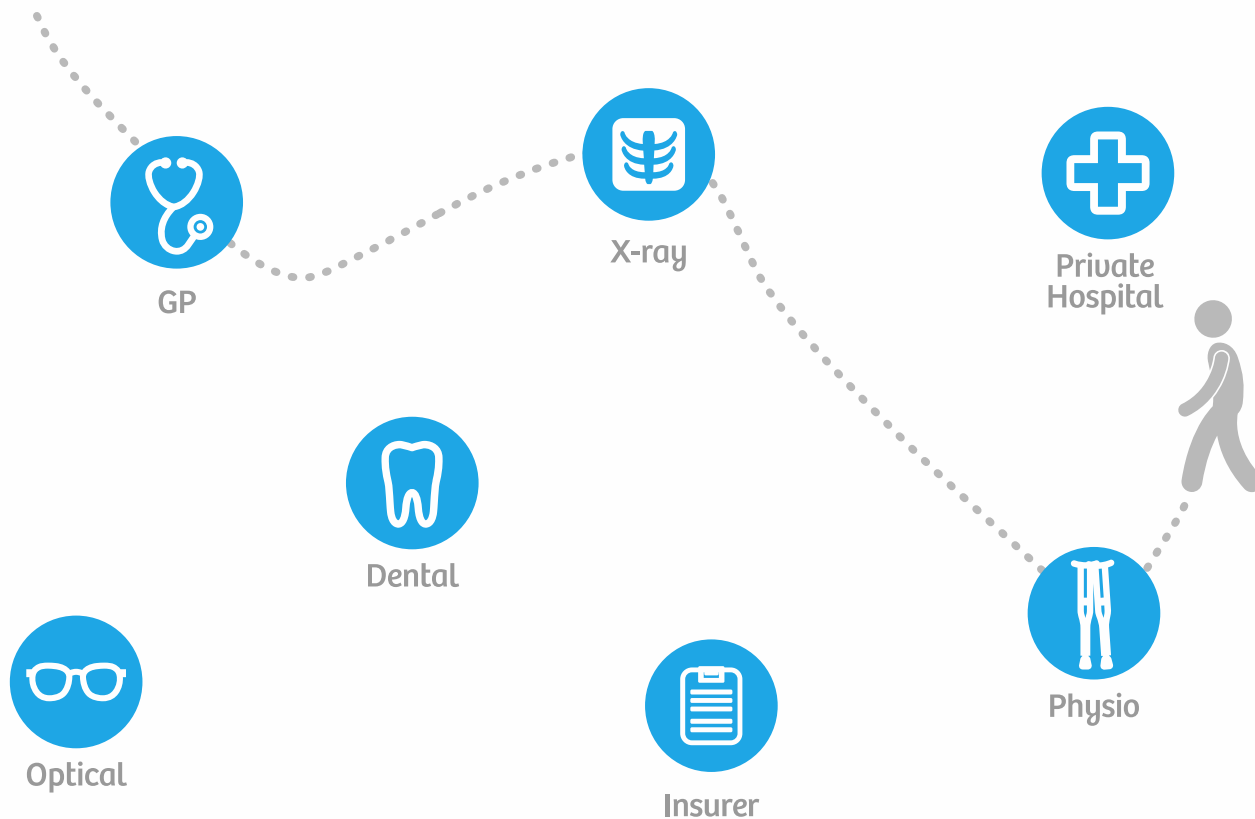
Self navigating the system



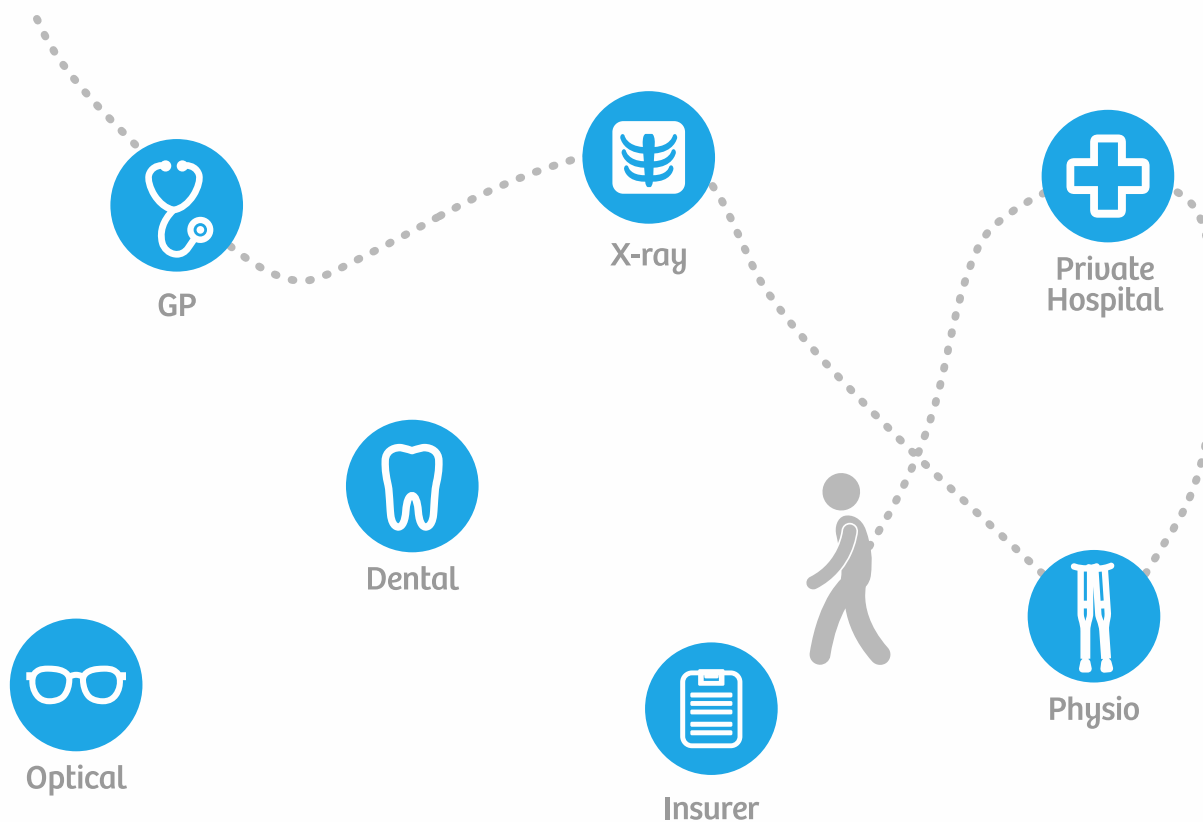
Self navigating the system



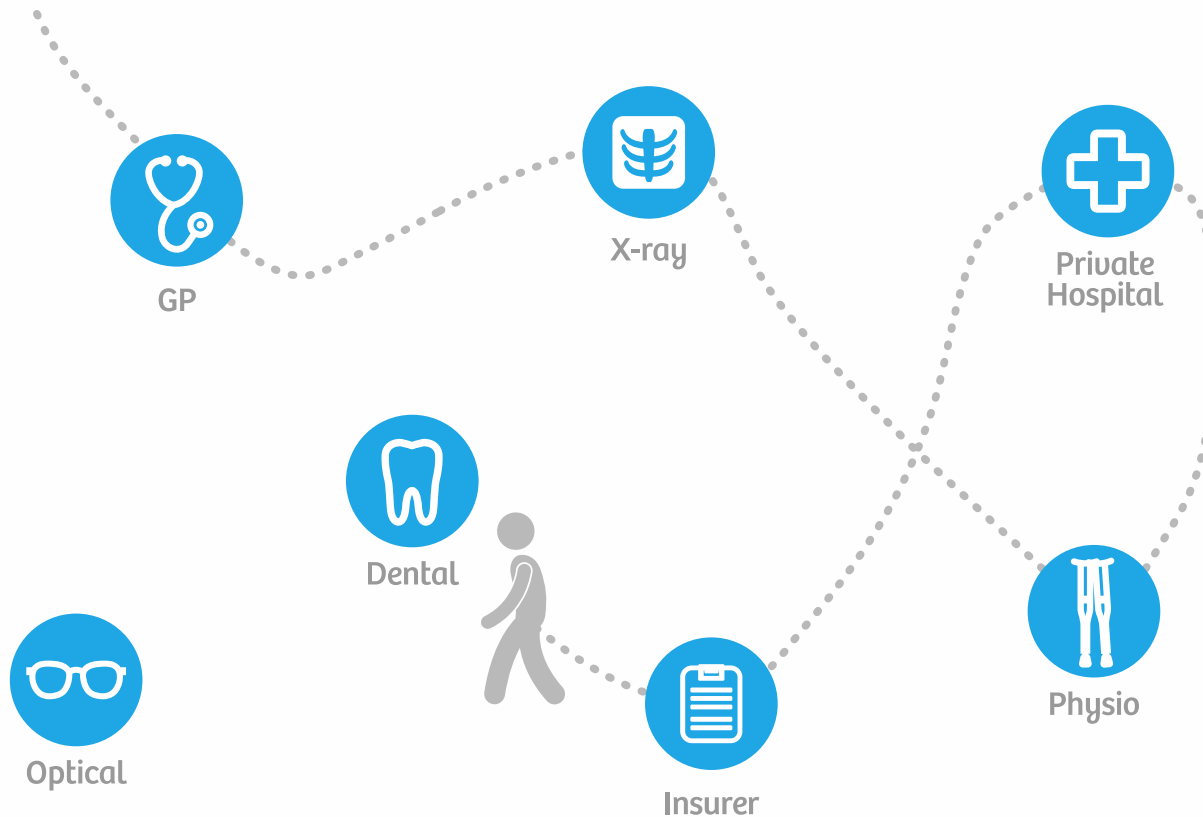
Self navigating the system



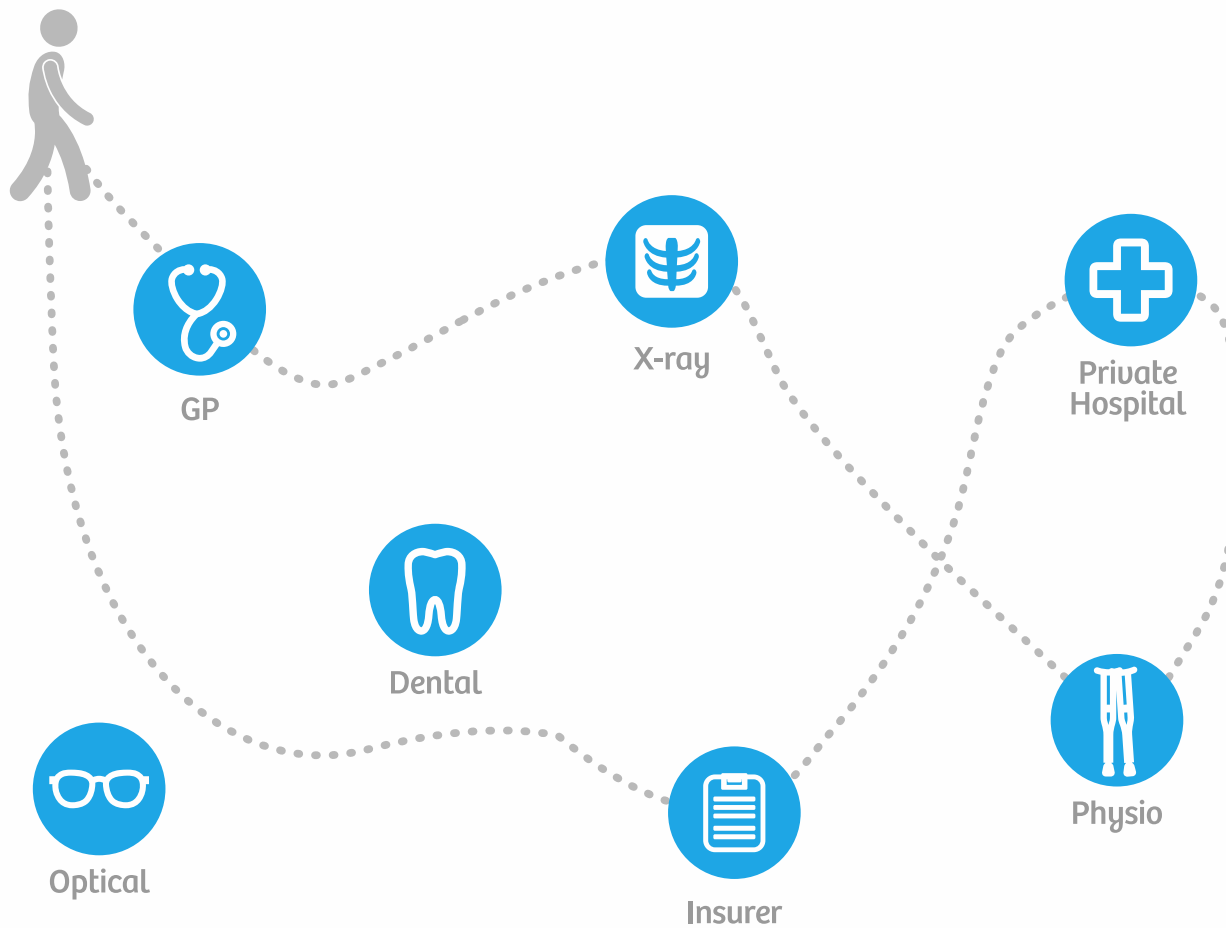
Self navigating the system



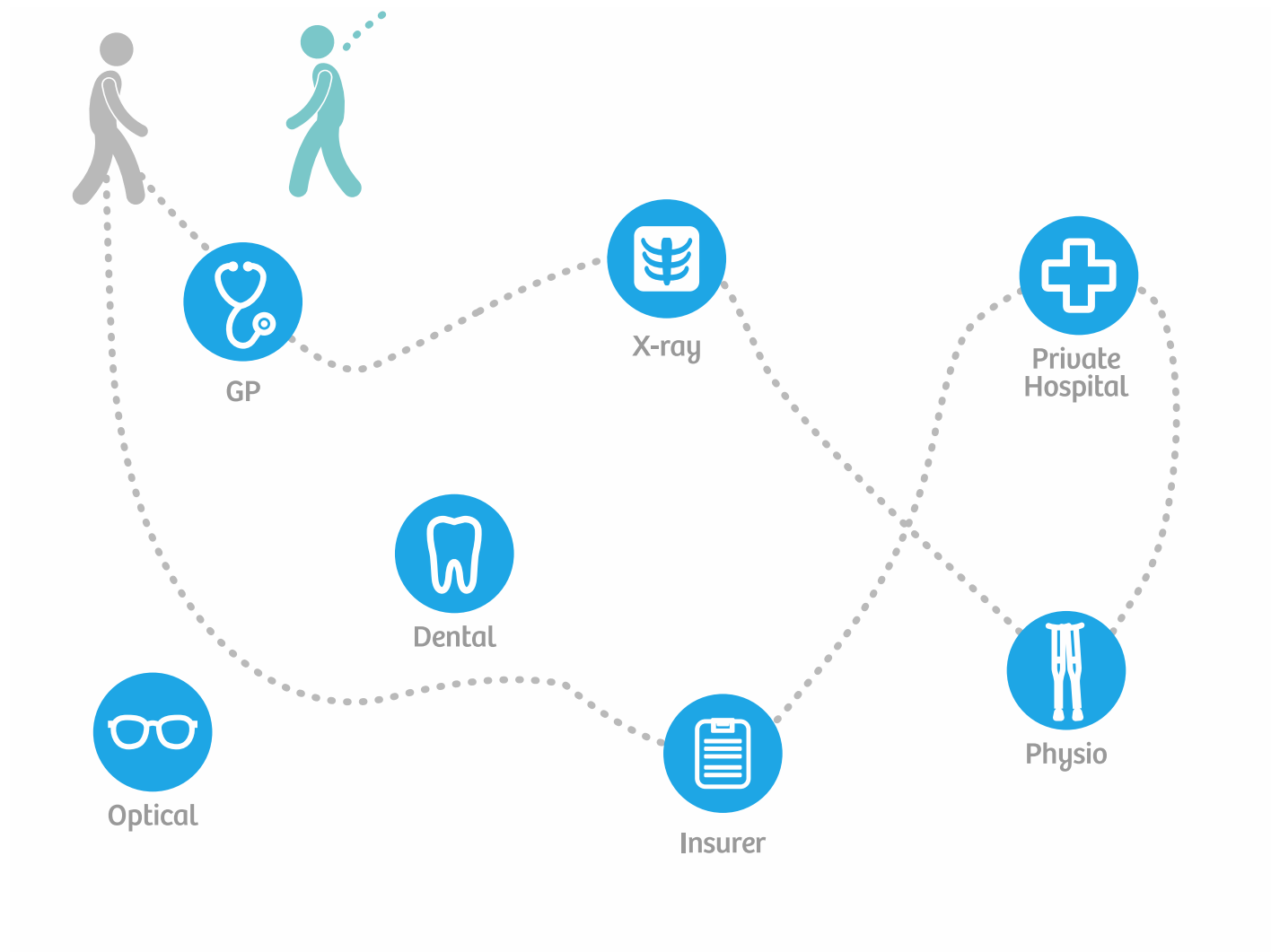
Self navigating the system



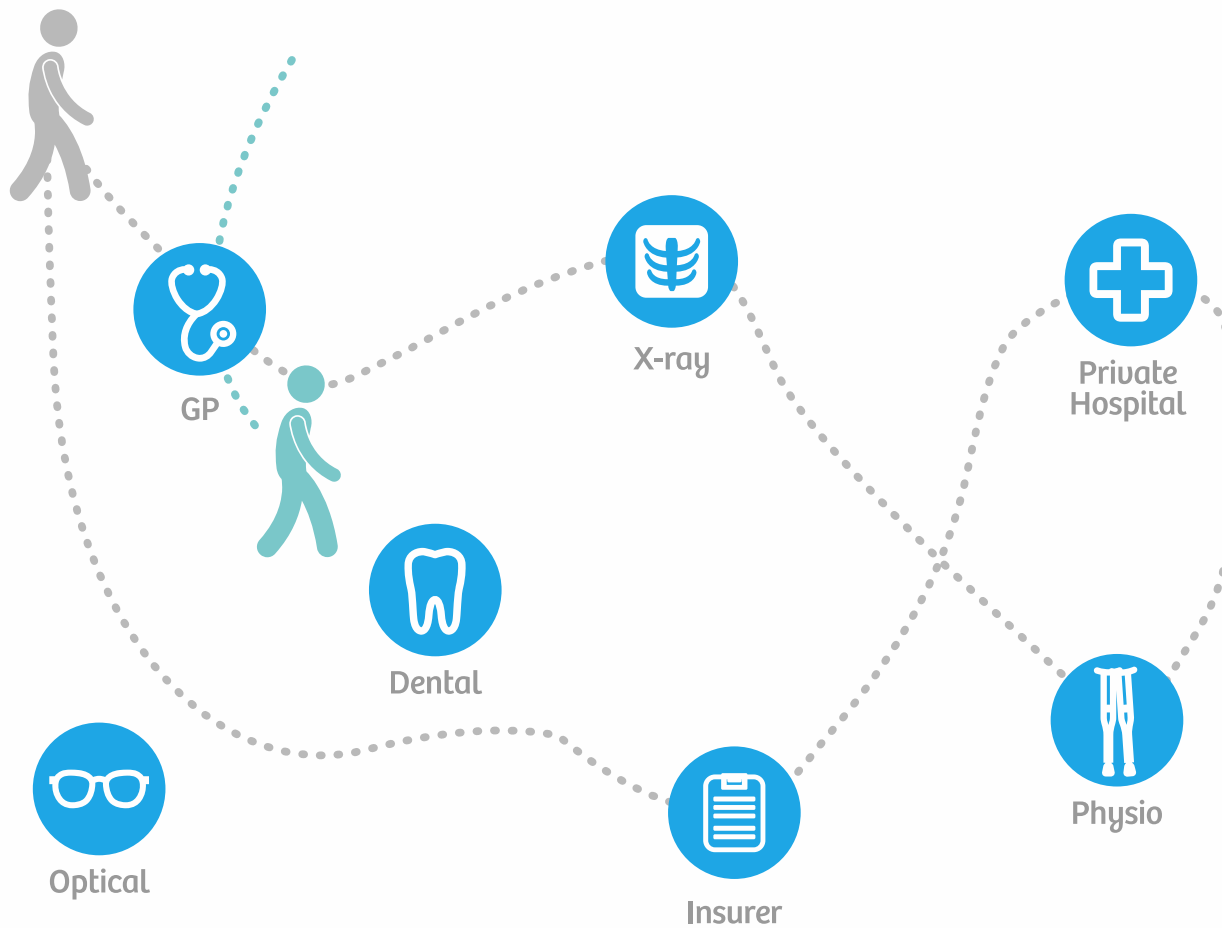
Self navigating the system



Self navigating the system



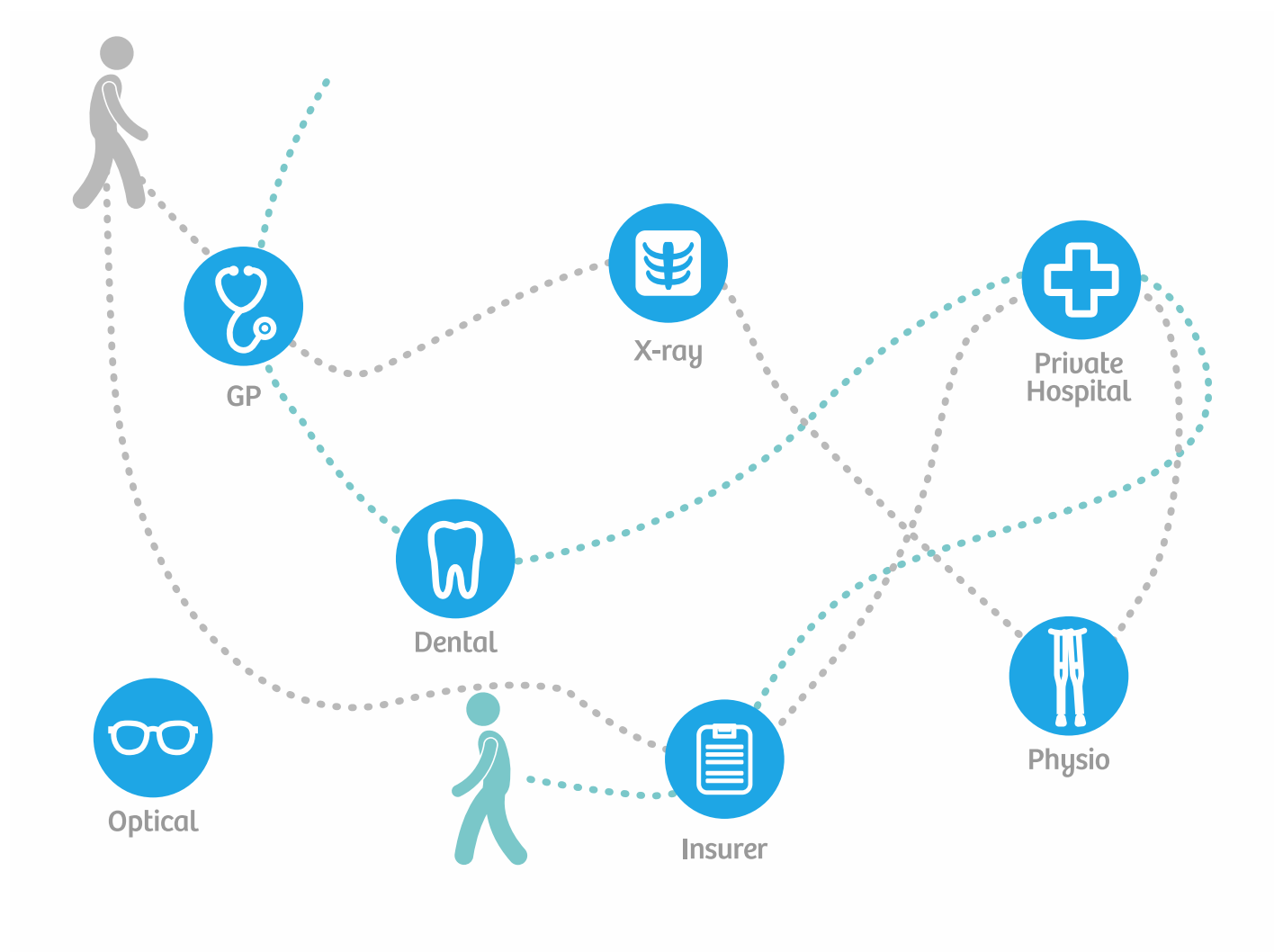
Self navigating the system



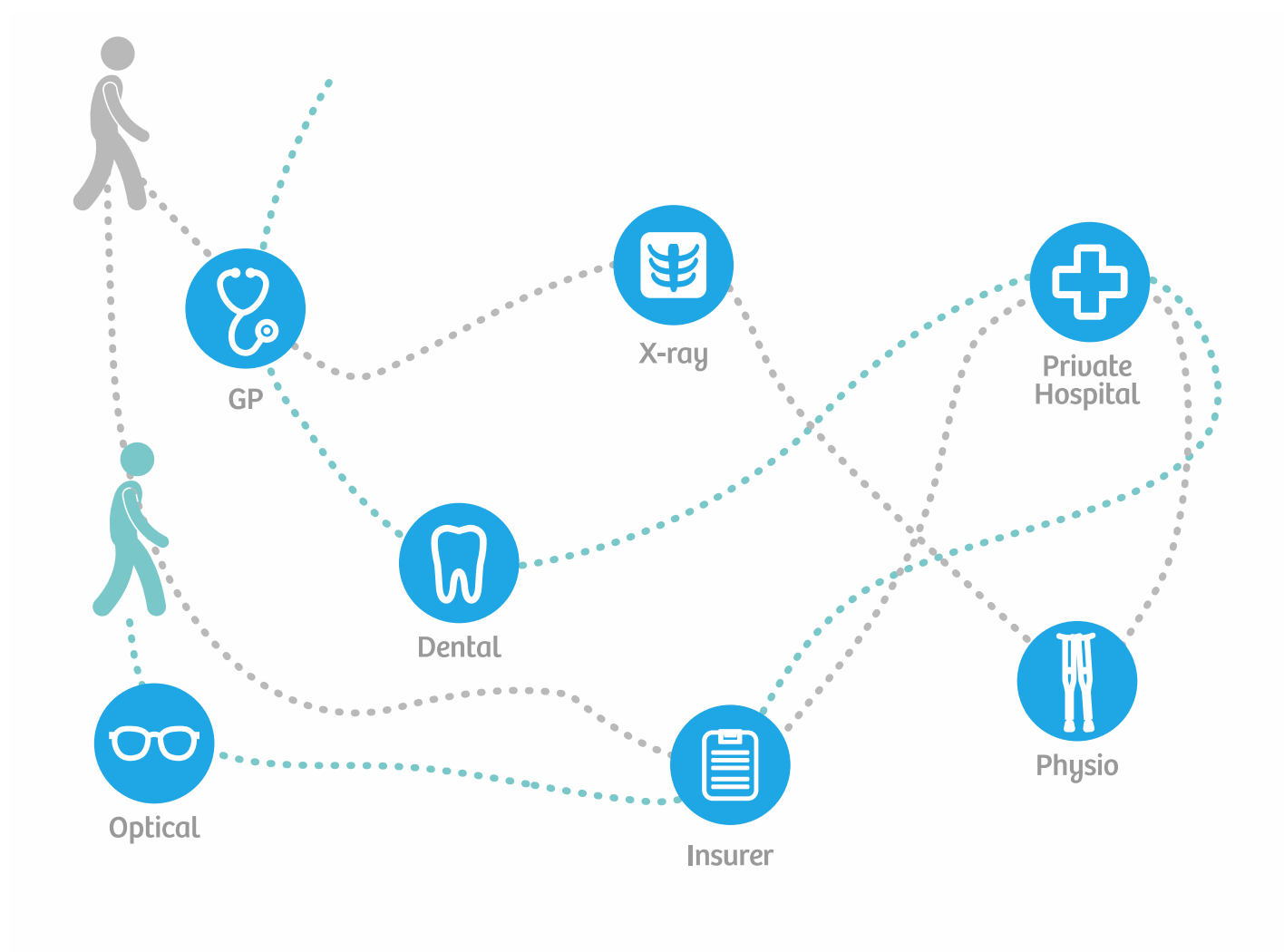
The diagram illustrates a patient's journey through various healthcare services. It features a central figure of a person walking, surrounded by several circular icons representing different services: GP (General Practitioner), X-ray, Private Hospital, Physio, Insurer, Optical, and Dental. Dotted lines connect these services, showing a path that starts at the GP, goes to X-ray, then to Private Hospital, Physio, Insurer, Optical, and finally to Dental, before returning to the GP. The path is represented by a series of connected dots, with a solid line segment connecting the GP and the Dental services.

The diagram illustrates a patient's journey through various healthcare services. The journey starts with a patient icon, moves through GP, Optical, Dental, X-ray, Insurer, Physio, and Private Hospital, and ends with a patient icon. The path is represented by a dotted line connecting icons in blue circles.

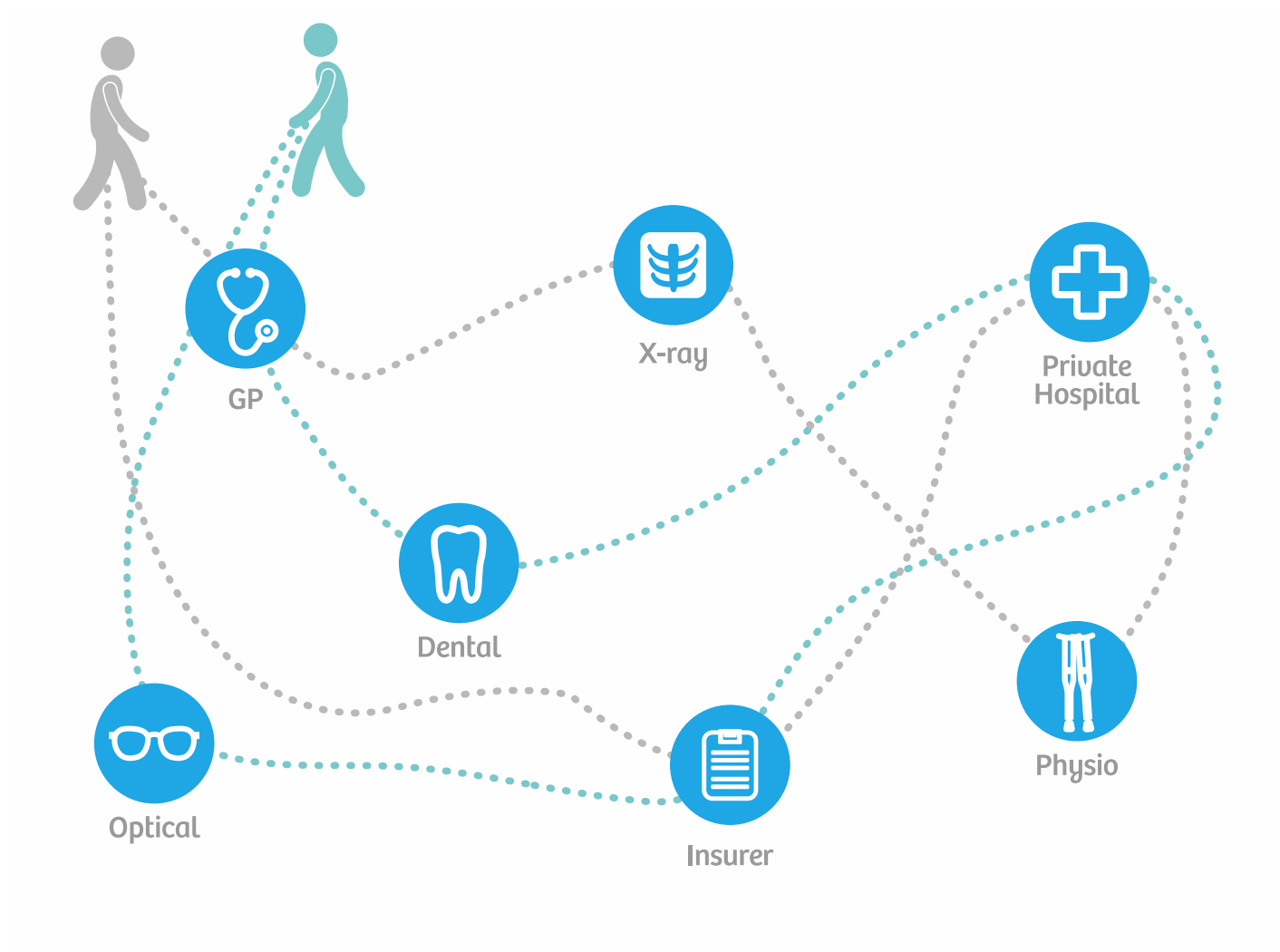
Self navigating the system



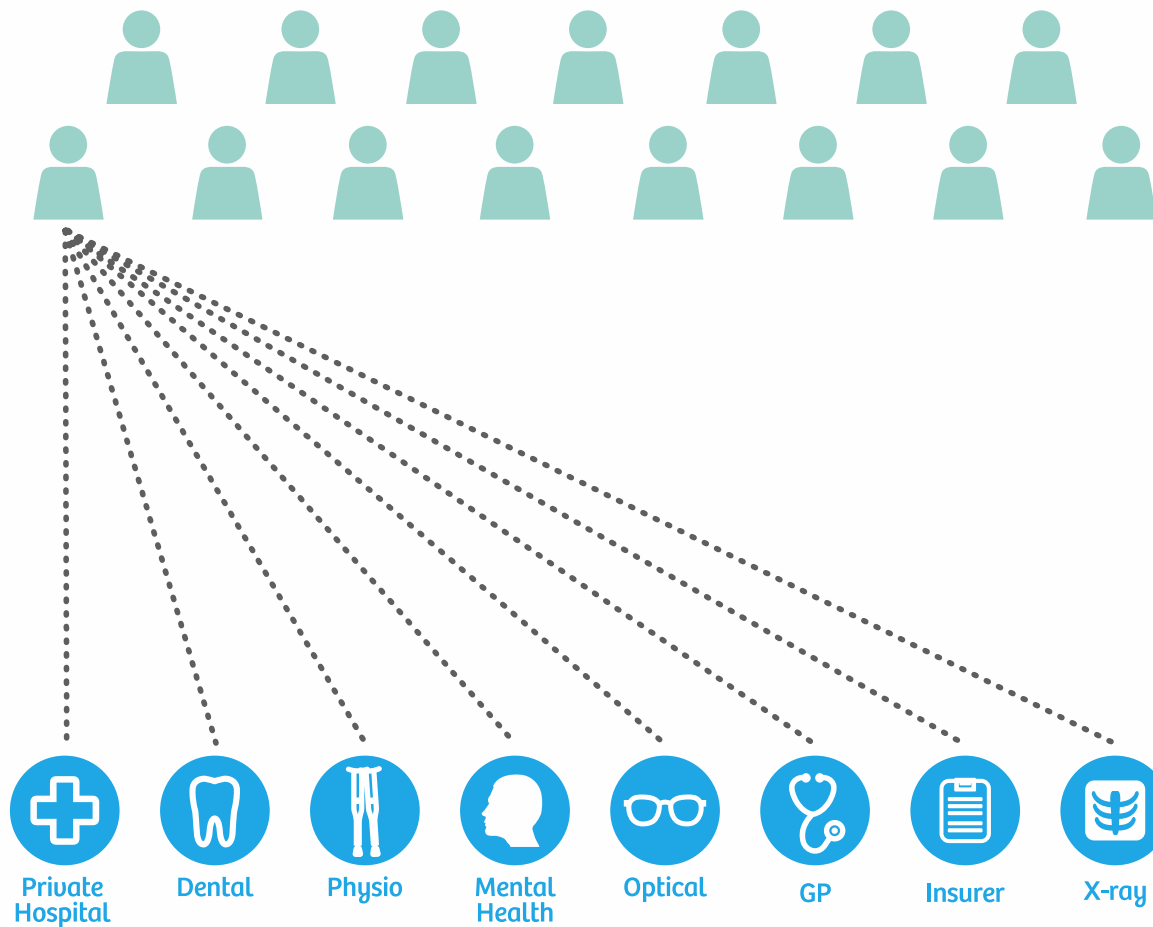
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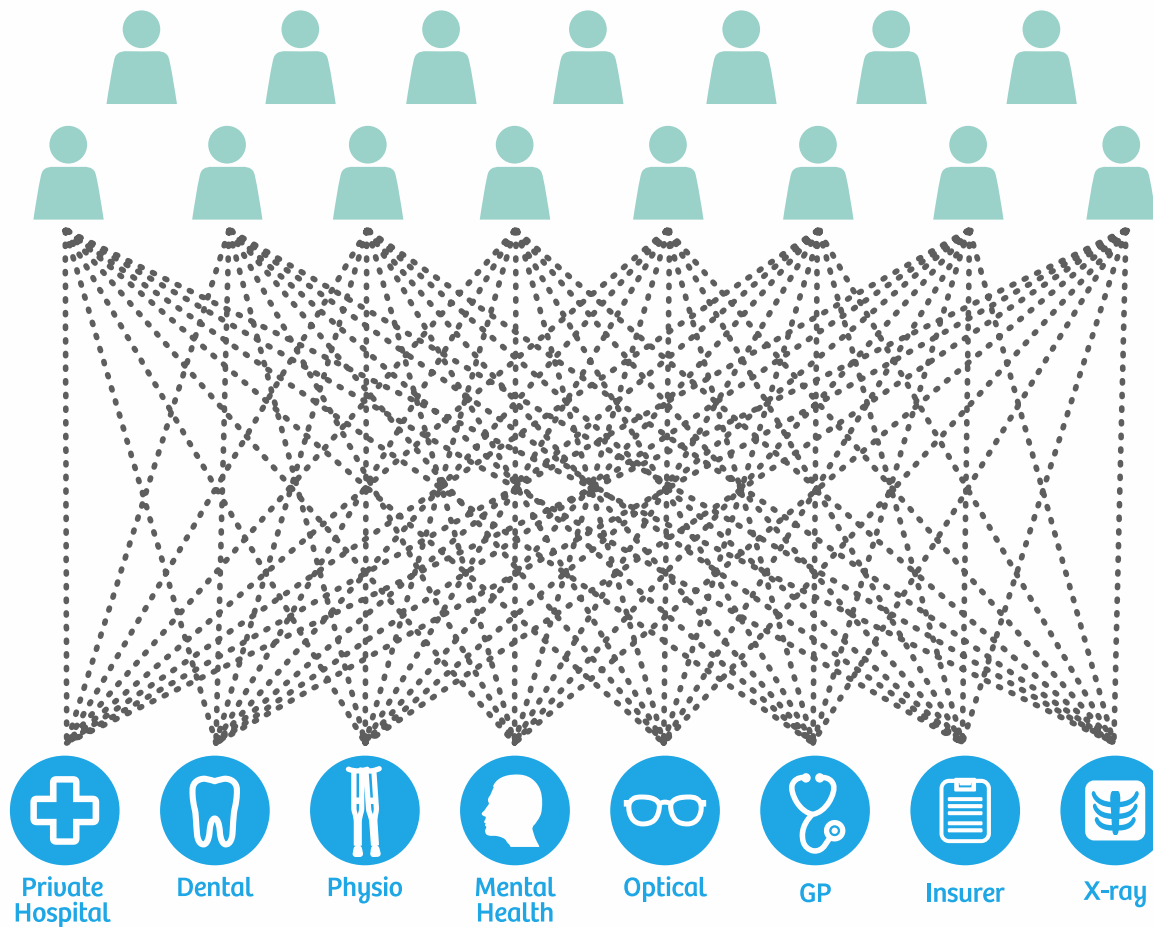
Self navigating the system



Random care



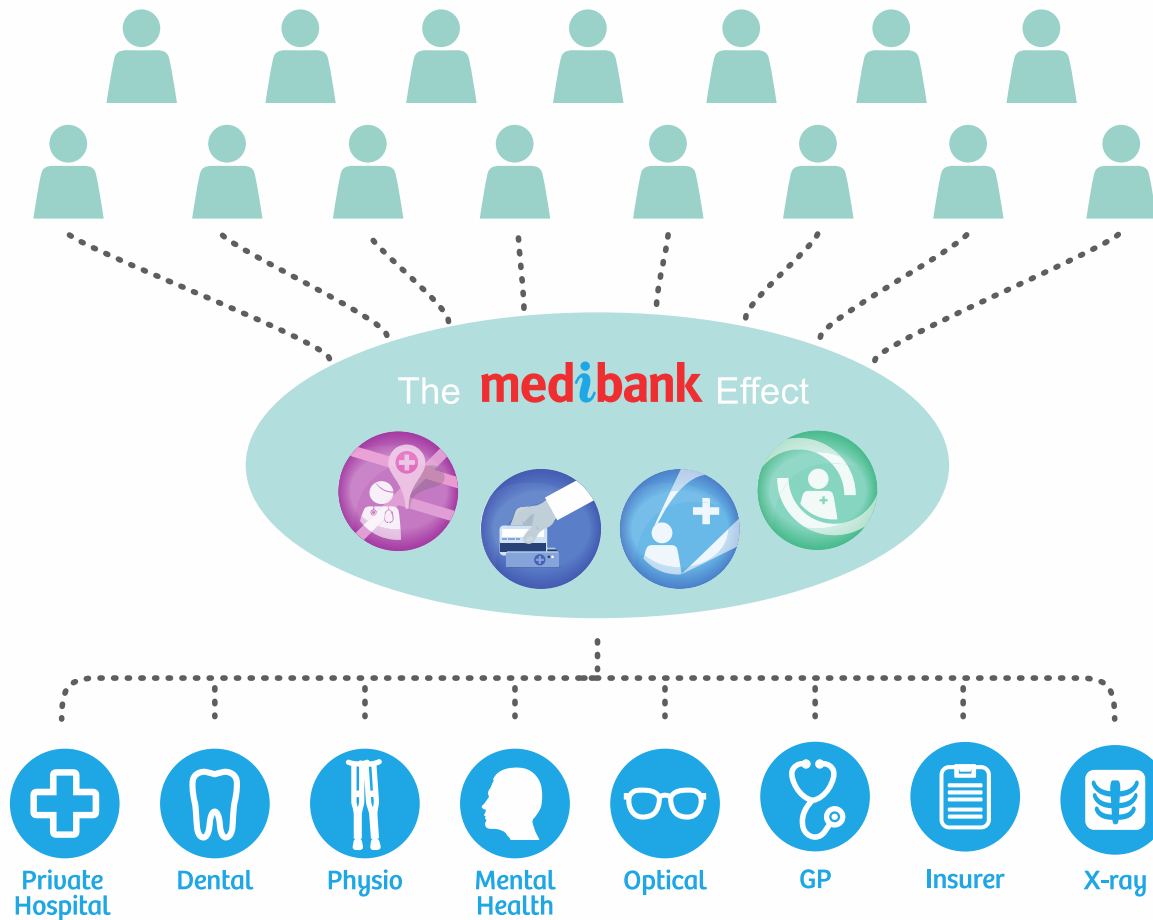
Random care



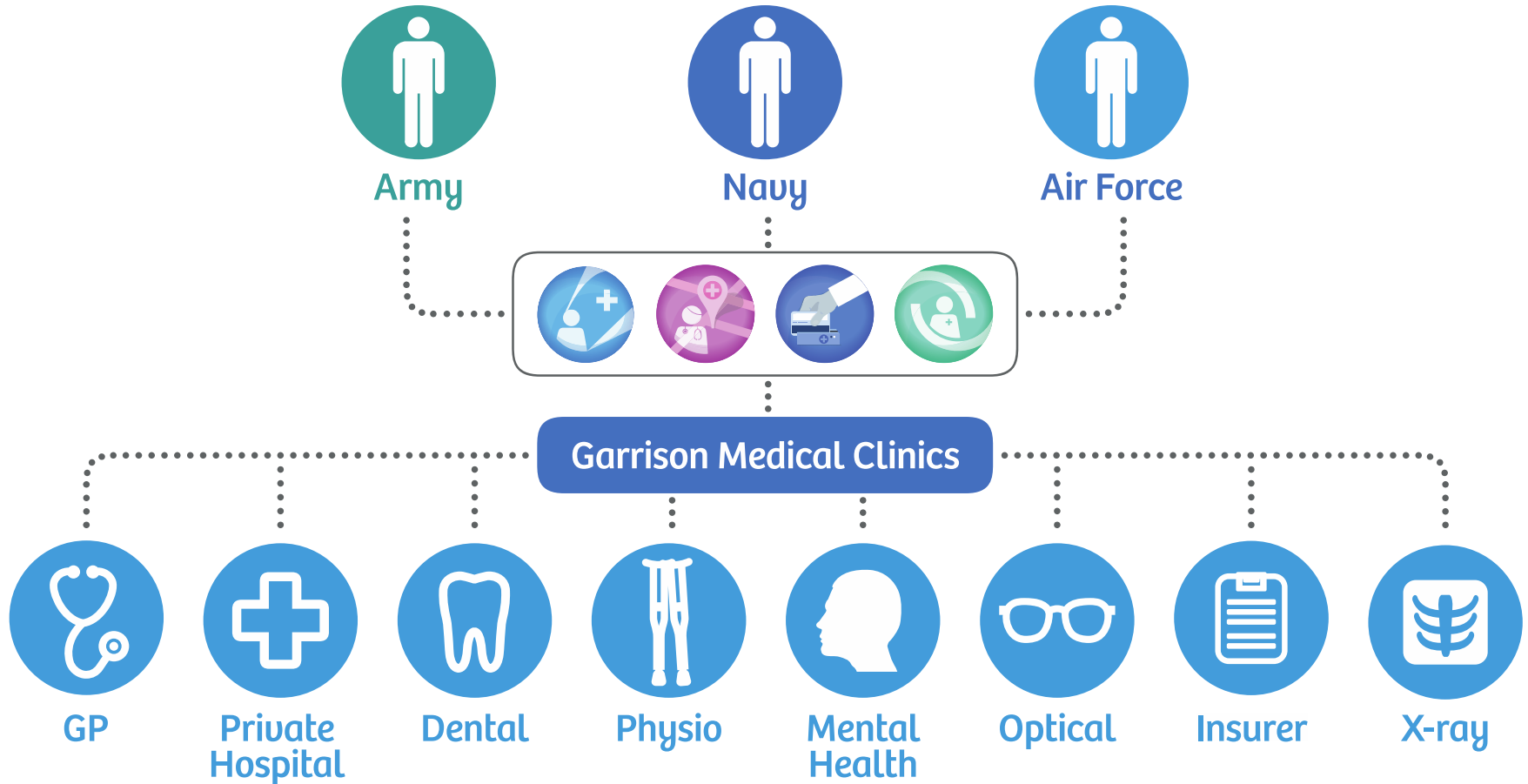
Coordinated care



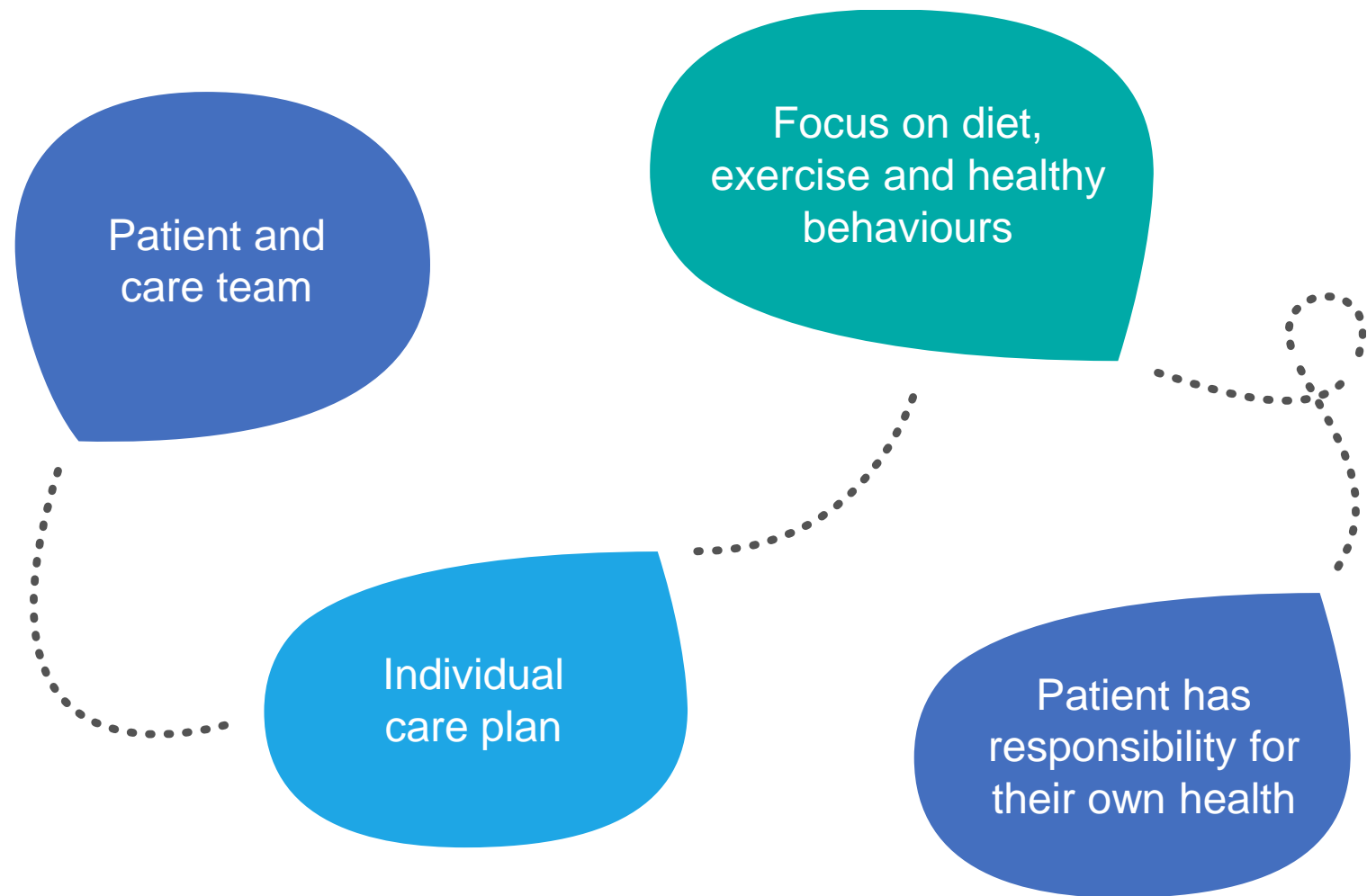
Coordinated care



Future: Integrated health system (eg ADF)

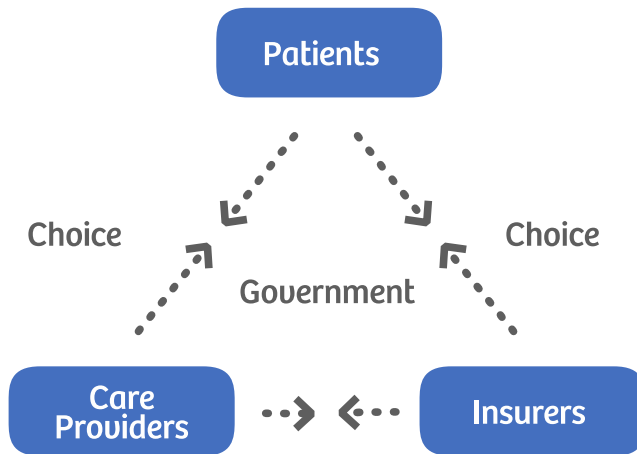


A healthcare system for the future

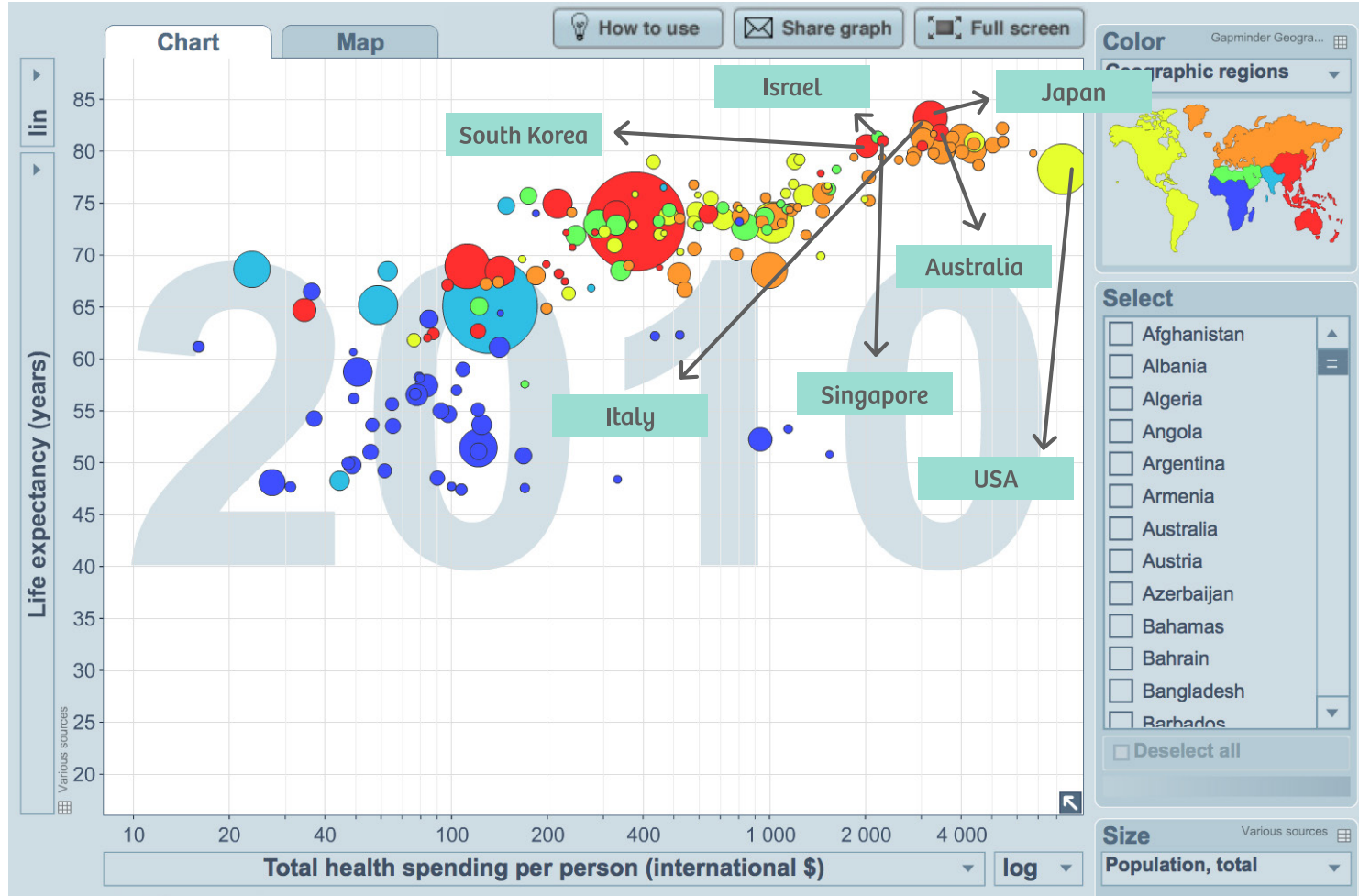


Other countries are tackling these issues ... the Netherlands...

The Netherlands and Germany Health Care



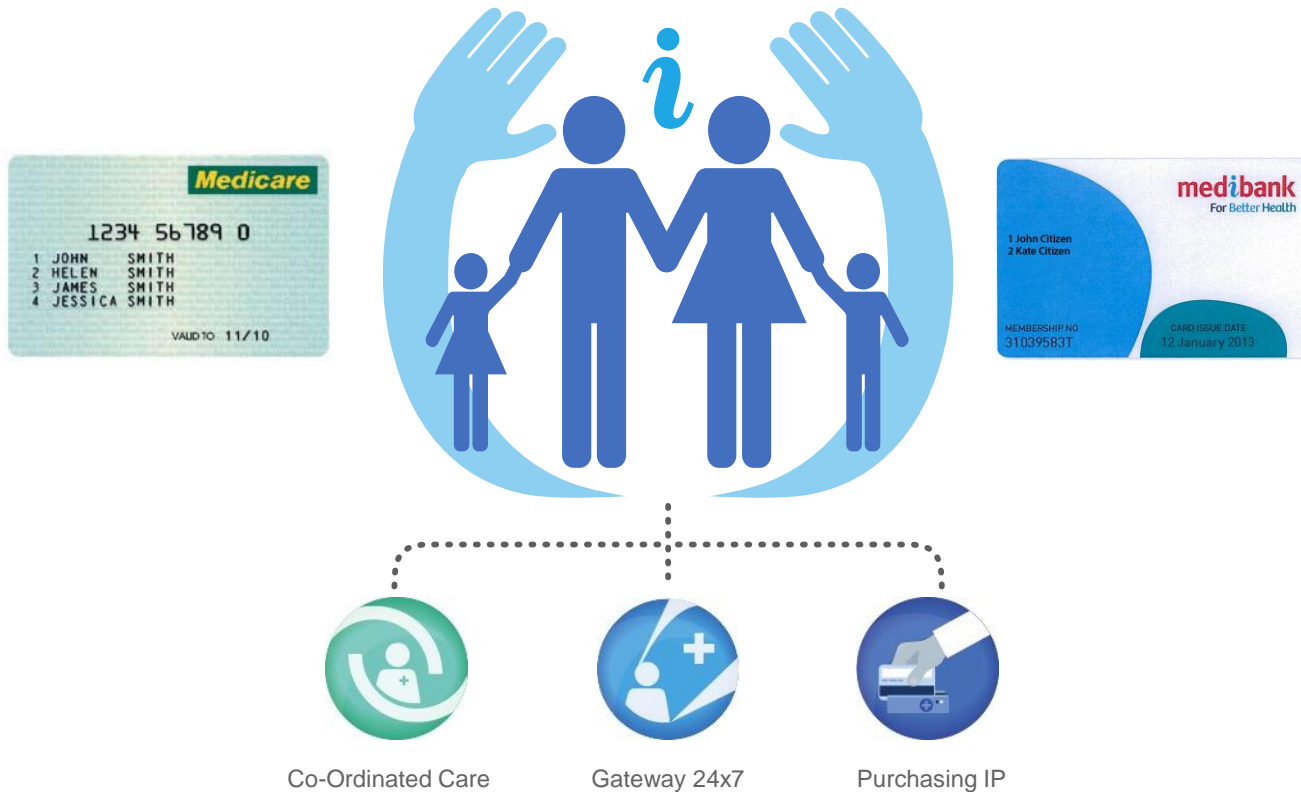
Some countries are doing it better than others...



Gapminder – health costs by life expectancy www.bit.ly/Xnks7

Our Vision

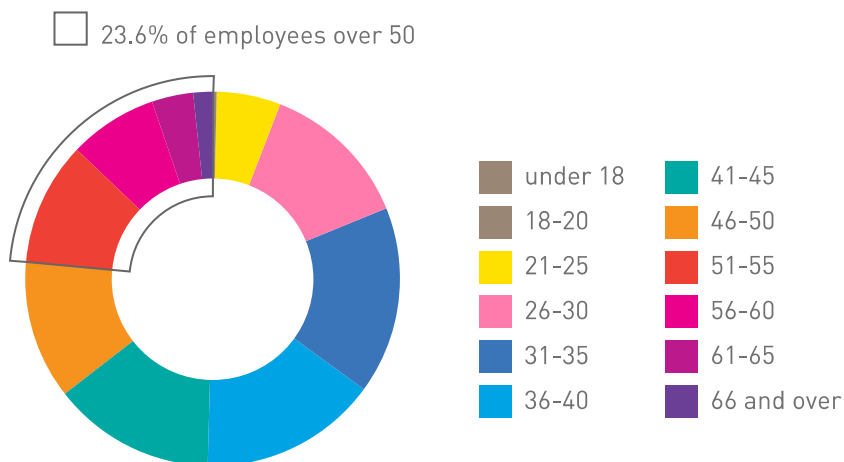
Medicare Select Model



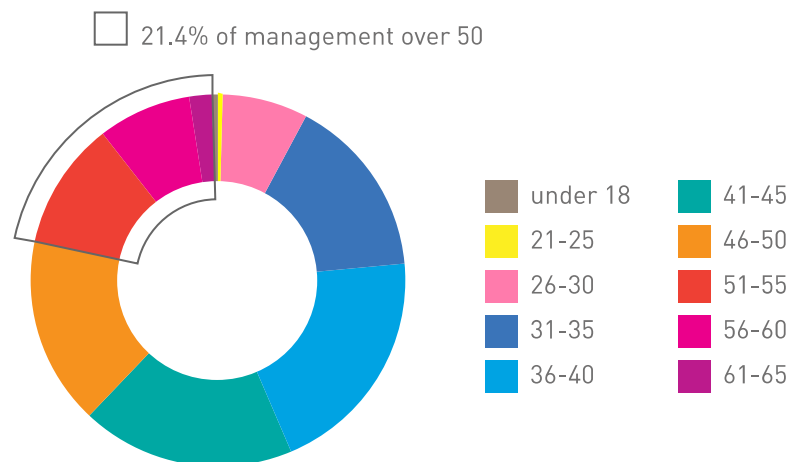
Medicare Select is our ideal model for a reformed health system
that enables us to deliver on our purpose, For Better Health

An ageing population also impacts Medibank as an employer

All employees at Medibank by age group

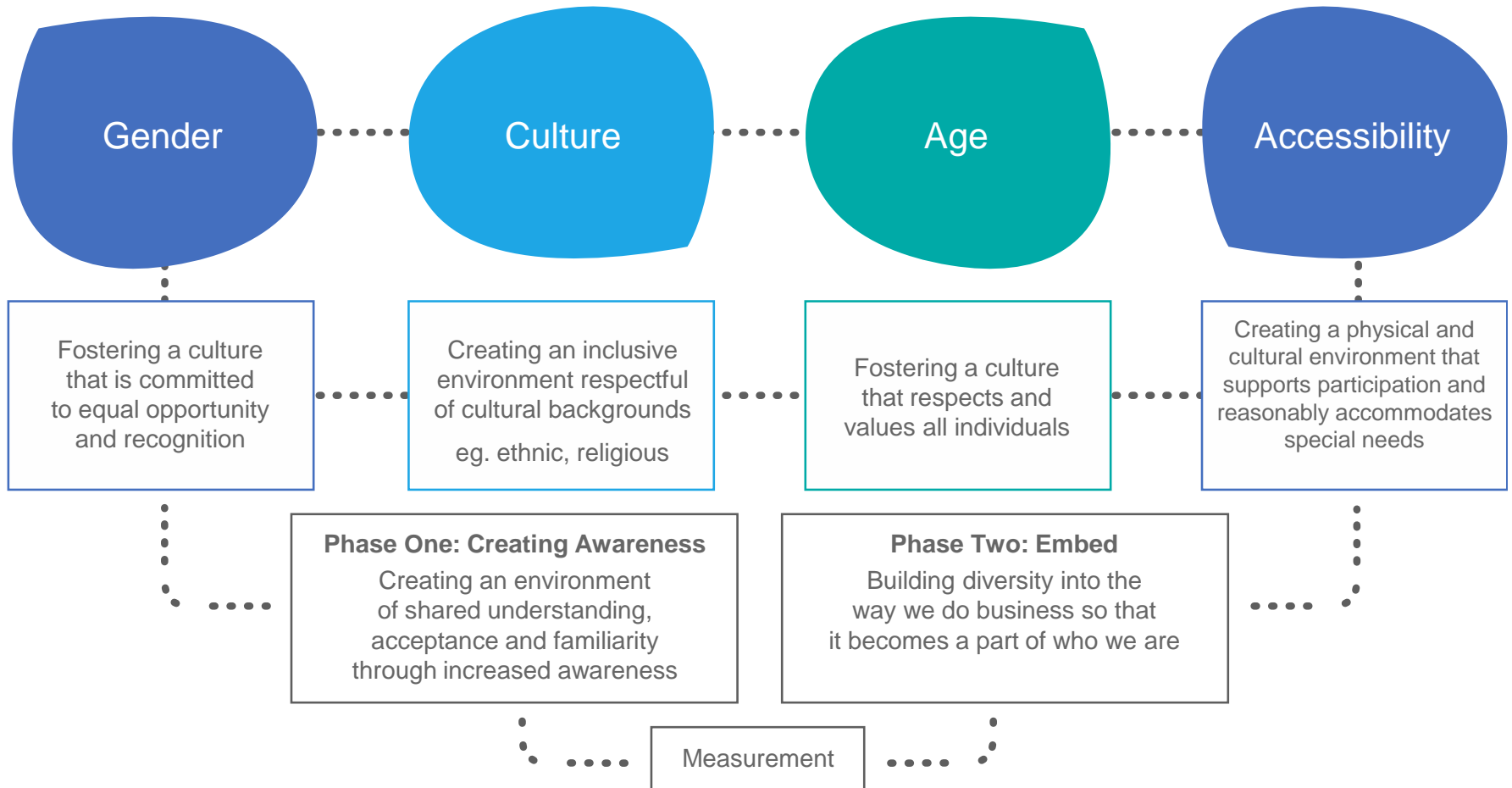


Managers at Medibank by age group



At Medibank, we now have a significant proportion of both our employees and management who are over 50.

Medibank's Approach to Diversity & Inclusion



Helping our older workers

At Medibank, more than 23% of our employees are over 50 and yet there is a **low level** of awareness of issues which face our older employees.

We are working on a series of initiatives to raise awareness and embed business processes:

Awareness

- ✓ Review of best practice
- ✓ Workshops re managing generational differences

Embed

- ✓ Continue our leading flexible work practices
- ✓ Review of policies relating to Flexible Work Options, Phased Retirement, and Career Breaks
- ✓ Return to work programs
- ✓ Coaching & mentoring program
- ✓ Provide leadership training
- ✓ Review training to support new hires
- ✓ Ensure recruitment practices are free from bias and discrimination



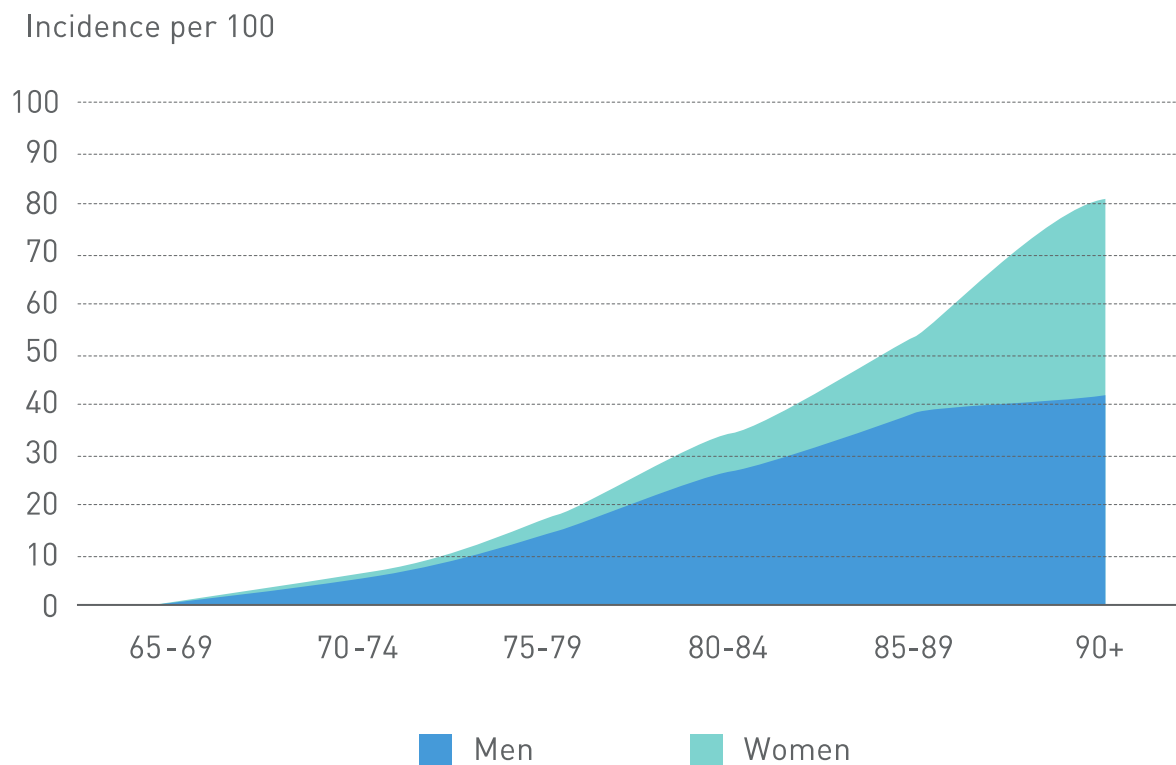
Diversity
and Inclusion

Medibank... leading the way in telework



The time for change is now...

Incidence of Dementia



Pooled incidence rates of dementia by sex. Based on Fratiglioni *et al.*⁶

Thank you.
Any questions?