



medibank

# Morgan Stanley Australia Private Health Virtual Forum

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# Evolution of Medibank Health

Expanding our network, enhancing healthcare access, quality, and affordability



## Meeting changing customer needs through partnering and investing in solutions led by health professionals



### Health and wellbeing

- **Live Better:** promoting health and wellbeing to all Australians through digital content, events and rewards
- **Preventative health:** accessible, evidence-based programs to address specific health risks



### Short stay and community care

- **No gap short stay:** across multiple surgical modalities, giving patients more affordability and choice in how their care is delivered when clinically appropriate
- **Community care:** supporting customers' choice in where healthcare is delivered through programs such as Medibank at Home and CareComplete



### Virtual and primary care

- **Virtual health:** More sophisticated remote patient technologies supporting diagnosis and treatment across multiple disciplines, e.g. joint venture with Calvary or investment in Medinet
- **Primary care:** Myhealth supports GPs in playing a greater role in patient-centred, coordinated care

## Scaling profitable health businesses that strengthen Medibank's customer proposition of value, choice and control and catalyse system change

## Challenges



### Health and wellbeing

- Increasing incidence of chronic disease
- Almost 1 in 2 Australians live with a chronic condition<sup>1</sup>
- High hospitalisation rate of preventable disease
- c. 10% of all bed days were potentially preventable<sup>2</sup>



### Short stay and community care

- Changing customer attitudes towards care in the home
- 4 in 5 people now consider receiving care at home<sup>5</sup>
- More doctors considering shorter stay models
- Following the suspension of elective surgery requiring >23 hours in hospital in January 2022



### Virtual and primary care

- More adoption of telehealth, virtual and in-home care
- 100m+ telehealth services have been delivered in Australia since COVID<sup>3</sup>
- Increasing demand for mental health support
- c. 10% more 10-29 year olds being admitted to hospital for mental health related treatment in 2021 according to Medibank's claims data

## Opportunities

- Preventative health spend expected to increase from <2% of Australia's total health expenditure to 5% by 2030<sup>3</sup>
- More than \$38b per year spent on care for people with chronic health conditions<sup>4</sup>
- Reduction in hospital stay length eases pressure on the health system and reduces cost
- Australia lagging other advanced OECD countries in alternative care adoption<sup>6</sup>
- Medibank's surgical knee and hip replacement claims (c. \$200m) among top annual claims categories
- Telehealth is a permanent part of the Australian health system with usage expected to exponentially increase over the next 5 years<sup>8</sup>
- Mental health related services cost \$11b in 2019-20<sup>9</sup>
- Medibank mental health claims c. \$200m in FY21

1 Australian Institute of Health and Welfare - Chronic disease. Updated May 2021

2 Australian Institute of Health and Welfare - Disparities in potentially preventable hospitalisations across Australia, 2012-13 to 2017-18. Updated 2020

3 National Preventive Health Strategy 2021-2030. Updated December 2021

4 Productivity Commission - Targeted texts and peer support: how smarter health care can cut costs and help Australians with chronic conditions. Updated April 2021

5 Data from Medibank survey of 1,353 Australians (April 2020 - January 2021) conducted by Pureprofile

6 OECD statistics across inguinal hernia, cholecystectomy, tonsils and adenoids, septoplasty. Updated February 2022

7 The Hon Greg Hunt MP Media Release. Updated March 2022

8 Deloitte. Technology, Media and Telecommunications Predictions 202. Updated March 2021

9 Australian Institute of Health and Welfare. Mental health services in Australia. Updated Feb 2022

# Leading change in how consumers receive healthcare

Digitally enabling primary care and triage

## Customer needs



- Greater access to doctors with flexibility between in-person and virtual consultations
- Coordinated and integrated care
- Accessible and personalised preventative healthcare

## How we respond



### Virtual care centre platform through Calvary-Medibank joint venture

- Deliver My Home Hospital, a Wellbeing SA service, enabling hospital care in the home
- Launched COVID at Home services, using AI and remote monitoring to support c. 160k patients so far

### Medinet investment supports the growing role and importance of virtual health

- Medinet's MyPractice digital platform connects patients to their GPs

### Connect healthcare

- Mature and expand the virtual care centre platform and explore growth in other markets
- Support Medinet to embed MyPractice into Myhealth's expanding GP network
- Medinet platform integrated in Medibank and ahm overseas student apps, enabling access to GP consultations in a variety of languages

### Customers

- Access, flexibility, convenience and choice
- Improve equity of access to healthcare

### Medibank

- Aligned to our strategy to deliver leading experiences, focusing growth in prevention and integrated care models
- Create shareholder value through benefits back to our core business

### Health system

- Potentially avoid hospitalisation and re-admission
- Increase system efficiency and direct resources more effectively

## Benefits



### Customer experience example

#### MyPractice app



Make appointment and connect with GPs virtually



Access scripts, referrals, medical certificates electronically



Pick up medication from local pharmacy

# Leading change in how consumers receive healthcare

## Virtual allied health network

### Customer needs

- Timely, accessible and affordable access to health support and care
- The right care for customers' health needs

### How we respond

#### Amplar's virtual allied health network – first phase

- Focus on providing mental health support
- Utilising MyPractice platform by Medinet
- Used by Myhealth GPs and Amplar's network of psychologists and social workers with mental health accreditation

#### Learn, scale and expand

- Opportunities to scale to a national network
- Expand to other allied health services such as dietetics

### Benefits

#### Customers

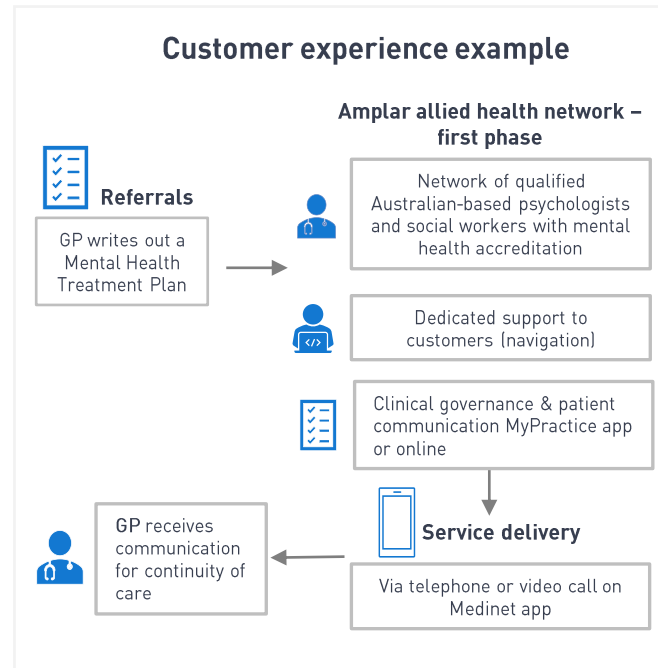
- Timely and accessible care
- Support navigating mental and allied health services
- Rural and regional access – increasing value of PHI for customers outside metropolitan areas

#### Medibank

- Enhances Medibank's value proposition
- Potential hospital avoidance / reduces benefit outlays

#### Health system

- Potentially avoid hospitalisation with the right and timely care
- Virtual care enables support from anywhere to anywhere in Australia



# Leading change in how consumers receive healthcare

## No gap short stay model

### Customer needs



- Choice of care
- Transparency, reduction and elimination of out-of-pocket costs
- Reduction in hospital stays where clinically appropriate

### How we respond



- Partnership with specialists and hospitals
- Integrated into a wide range of hospital covers
- Joint replacement program is locally available to 730k+ customers
- Program expanded to include endoscopy and general surgery

### Customers

- Value and choice where clinically appropriate
- Better customer experience through shorter hospital stays and no gap offering

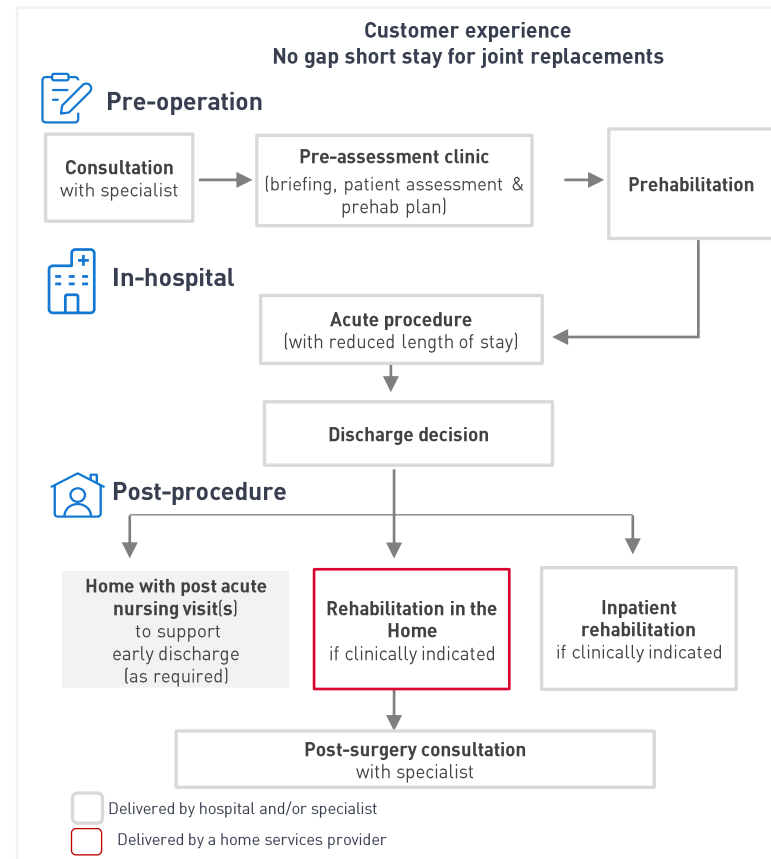
### Medibank

- Reduces benefit outlays - halved the number of bed days per episode
- Supports retention through better customer experiences

### Health system

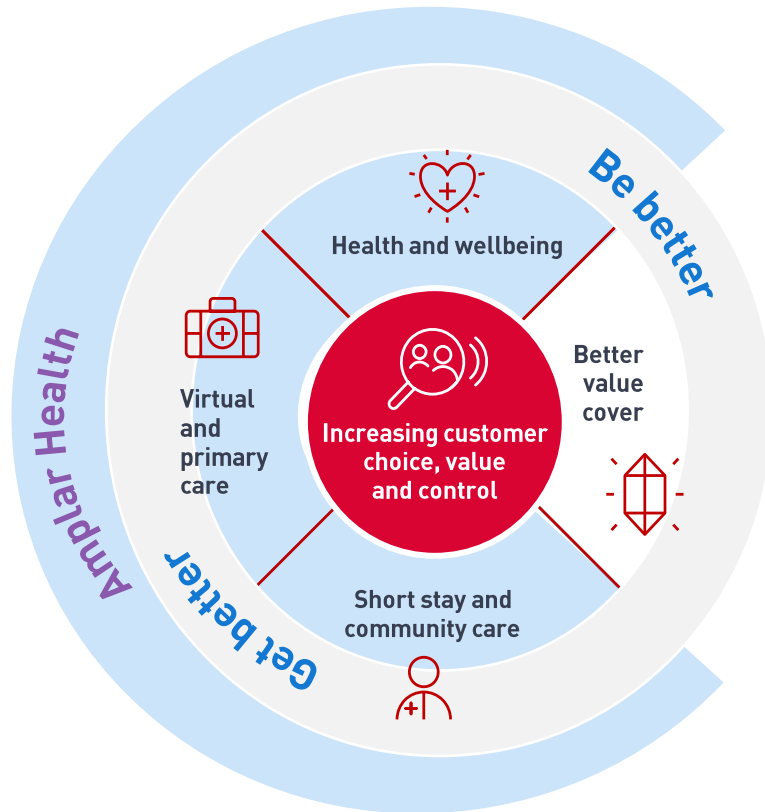
- Frees up resources for more acute needs
- More affordable care supports overall participation

### Benefits



# Amplar Health – repositioned for growth

Bringing together Medibank's customer connection, our capability in health and a network of providers



## Provide a patient centric approach to health

- Create more access, choice and control for patients
- Deliver digitally enabled, personalised and connected health care
- Simplify health navigation

## Leverage Medibank's network and capabilities

- Collaborate and co-design with our health partners
- Prioritise services to Medibank customers
- Deliver services to other public and private patients

## Expand in health

- Focus growth on prevention and integrated care models
- Scale and connect our health businesses
- Bring benefits back to our core