

FULD + COMPANY

COMPETITIVE STRATEGY CONSULTANCY

STRATEGY BRIEF

Are You Ready for the Restructuring of the Healthcare Industry?

Fuld + Company worked with eight Blue Cross Blue Shield affiliate plans to develop a future-proof strategy to manage uncertainty and prosper in an increasingly disruptive US healthcare market.

Industry:

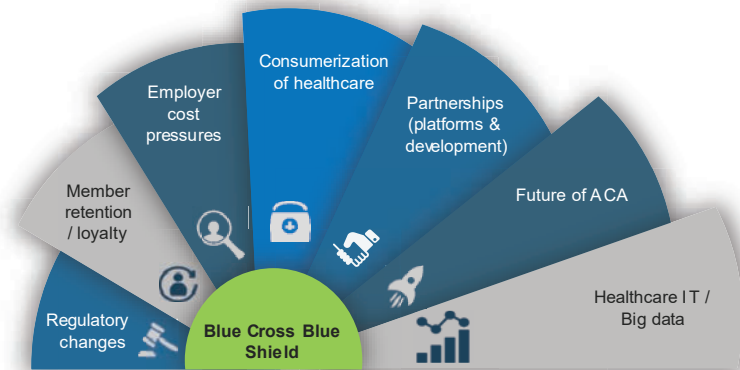
- Healthcare

Sector:

- Health Insurance

Methodologies:

- Strategic Planning
- Competitive Intelligence



Disruptive Convergence

Driven by many forces – especially cost, demographics and technology – disruption is upending industry structures and reshaping healthcare in the US.

Insurers have attempted to deal with disruption through consolidation – Aetna and Anthem sought to acquire Humana and Cigna respectively – to no avail. Health carriers continue to face disruption and search for reliable strategies to manage current and future risks.

After analyzing several plausible and diverse future scenarios, Fuld + Company and the affiliate plans crafted several core strategies that are key across all potential futures and contingent strategies that are specific to certain scenarios. Key indicators were identified to monitor which future is unfolding.

Analyzing the Various Scenarios for the Future is Imperative.

With the ground seemingly shifting under their feet, how can insurers stay relevant? Fuld + Company has helped payer and provider organizations navigate the dynamic healthcare industry through the use of scenario planning, a strategic planning method that makes no attempt to predict the future but prepares companies for the unpredictable. Through the development of strategies that are effective across differing plausible future scenarios, payers can be prepared for any contingency.

The structured techniques employed in scenario planning result in a vision for client companies in which they are well positioned in any plausible future state, and prepared to nimbly respond to emerging threats and opportunities. From this vision, clients can guide the execution of their strategy and avoid being reactive to future developments.

The Future is Now

The restructuring of the healthcare industry has already impacted the payer segment.

- CVS Health is acquiring Aetna and optimizing its retail infrastructure to leverage the insurance business.
- Cigna looks to acquire Express Scripts. The [Wall Street Journal](#) reported: "Cigna Deal Shows Being a Health Insurer Isn't Enough Anymore."
- Squeezed by online competition, Walmart seeks demographically-driven growth through the Humana acquisition, the country's largest Medicare Advantage plan.

The new entrant to the industry – Amazon, Berkshire Hathaway and JP Morgan – excludes an insurer but has deep pockets and risk management expertise.