

## Risk protection for U.S. healthcare providers

The healthcare system in the U.S. is moving away from compensating providers for the quantity of services being provided in favour of a value-based care model, which advocates providing better-quality care at a lower cost to achieve better health outcomes. Under the Medicare Shared Savings Program (MSSP) provider organisations that succeed in delivering high-quality care at lower costs to the patients they serve not only share in the savings they achieve, but also receive bonus payments for delivering exceptional care. On the other hand, providers that deliver care that causes patients to incur higher costs become financially responsible for those costs in excess of a stated benchmark – a severe financial risk.

### Concept

In light of risks being shifted from traditional healthcare insurers to healthcare providers, we offer aggregate excess of loss protection that is designed to limit the providers' exposure to financial loss: By capping the aggregate amount of losses that healthcare providers are responsible for, reinsurance mitigates financial risk significantly and enables more predictable cash flows, profits and earnings.

### Value proposition

As a risk partner, we are invested in providers' success and deliver the assurance they need so that their downside risk is adequately protected. We take into account that the type and level of financial risk that provider organisations assume vary considerably based on numerous factors like demography, composition and geography. When designing reinsurance programs, we analyse these factors in detail to develop structures and solutions tailored to providers' unique risks.

Our team of actuaries, risk managers, and analysts have significant expertise on governmental medical/health programs and understand U.S. provider organisations' challenges as well as the opportunities associated with emerging risk-bearing arrangements.



U.S. healthcare providers are being financially incentivised to focus on delivering higher quality care. However, they have to assume financial risk related to patient outcomes in order to become eligible to receive these incentives.

### Hannover Re's contribution

- Healthcare system expertise
- Risk management know-how
- Consultative services
- Tailor-made solutions

We offer expert solutions and experience in risk management/assessment to ensure our clients' success. Our innovative risk management solutions enable U.S. healthcare providers to focus on their core business with confidence and deliver quality care to the patients they serve.