



**2017 Predictive
Analytics in
Healthcare
Trend Forecast**



**SOCIETY OF
ACTUARIES®**



Predictive Analytics in Healthcare Trend Forecast

The Society of Actuaries conducted a survey of 223 health payer and provider executives from February 15 - 20, 2017 to reveal insights about future predictive analytics trends in the healthcare industry. The survey found:



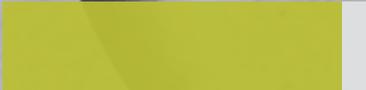
57%

of executives forecast **predictive analytics will save their organization** 15% or more over the next 5 years, with 26% forecasting saving 25% or more over the next 5 years*



47%

of **providers** currently use predictive analytics



93%

say predictive analytics is **important to the future** of their business



89%

of **providers** currently use predictive analytics or plan to begin in the next 5 years

* Among respondents whose organization currently uses predictive analytics

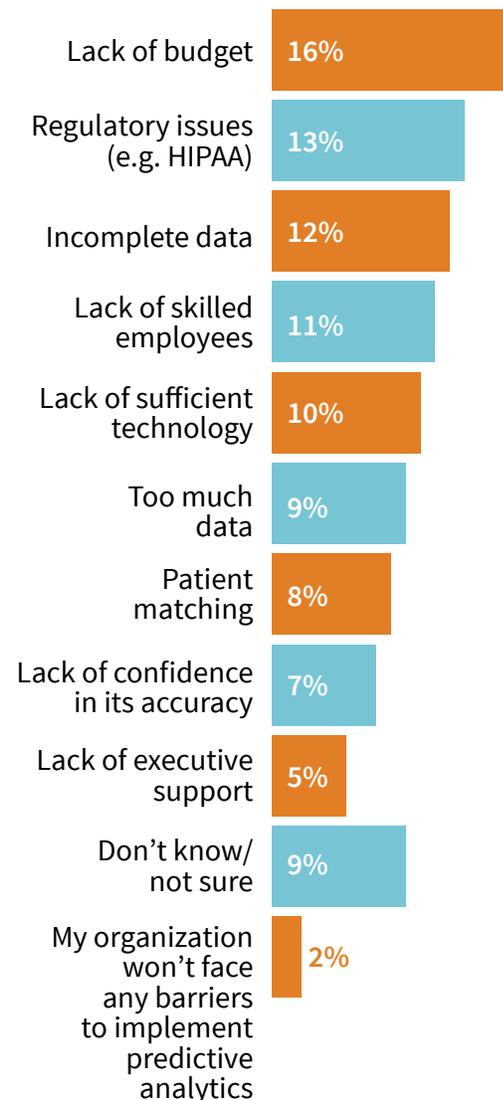


Biggest challenge to implementing predictive analytics in organization over the next five years



Healthcare executives forecast notable budget savings from predictive analytics over the next five years.

More than half of healthcare executives at organizations currently using predictive analytics (57 percent) expect to save 15 percent or more of their total budget – with 26 percent forecasting saving 25 percent or more – over the next five years by using predictive analytics processes. However, despite the financial benefits from predictive analytics, 16 percent of healthcare executives still indicate a lack of budget is the biggest challenge to implementation within their organization.



> Among Total Respondents



Current predictive analytics use is widespread, and generates valuable insight into financial and patient outcomes.

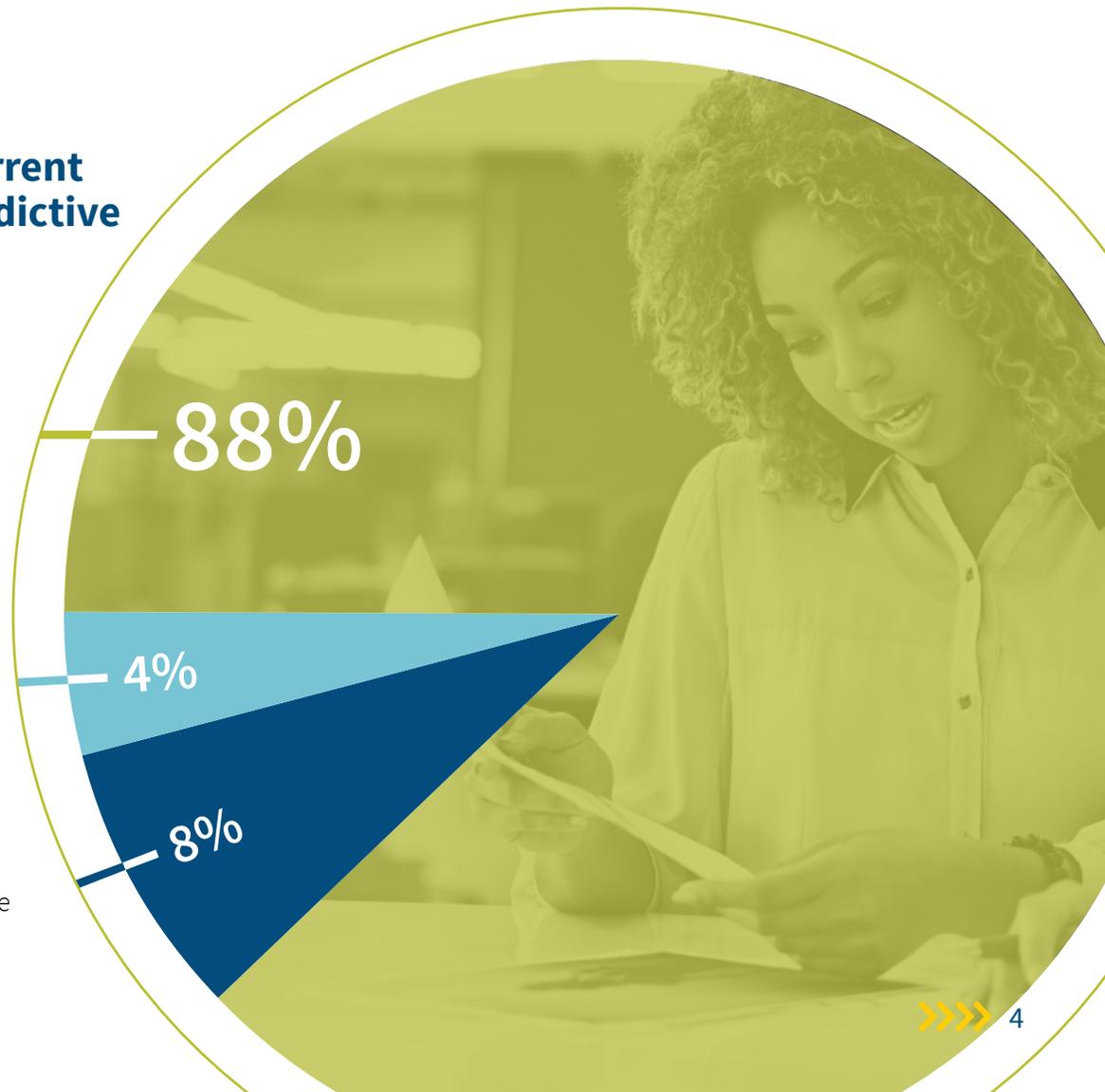
A majority of health executives are part of an organization that is either currently using predictive analytics, or has plans to use it in the next five years. Not only is use widespread, but executives believe it's important to the future of their business, according to 93 percent of surveyed executives.

Organizations' current and projected predictive analytics use

Those that use predictive analytics or plan to begin using predictive analytics in the next five years

Those that have no plans to use predictive analytics in the future

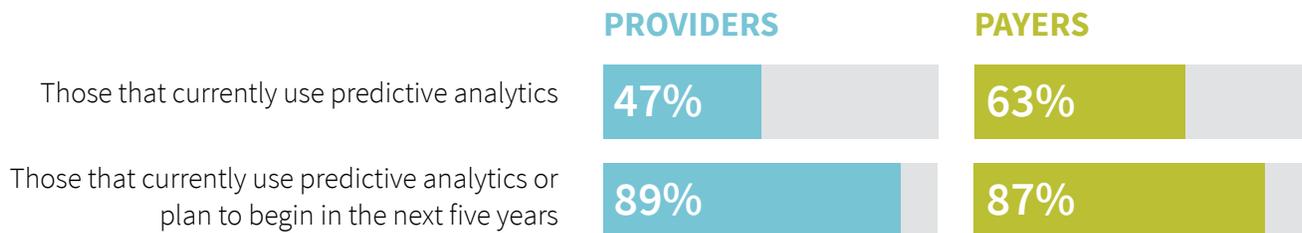
Those that are unsure as to whether or not they will use predictive analytics in the future



> Among Total Respondents

Fewer providers than payers are part of an organization that is currently using predictive analytics. However, the portion of providers and payers that currently use or have plans to begin using predictive analytics in the next five years is comparable.

Current and projected predictive analytics use among providers versus payers



> Among Providers and Payers



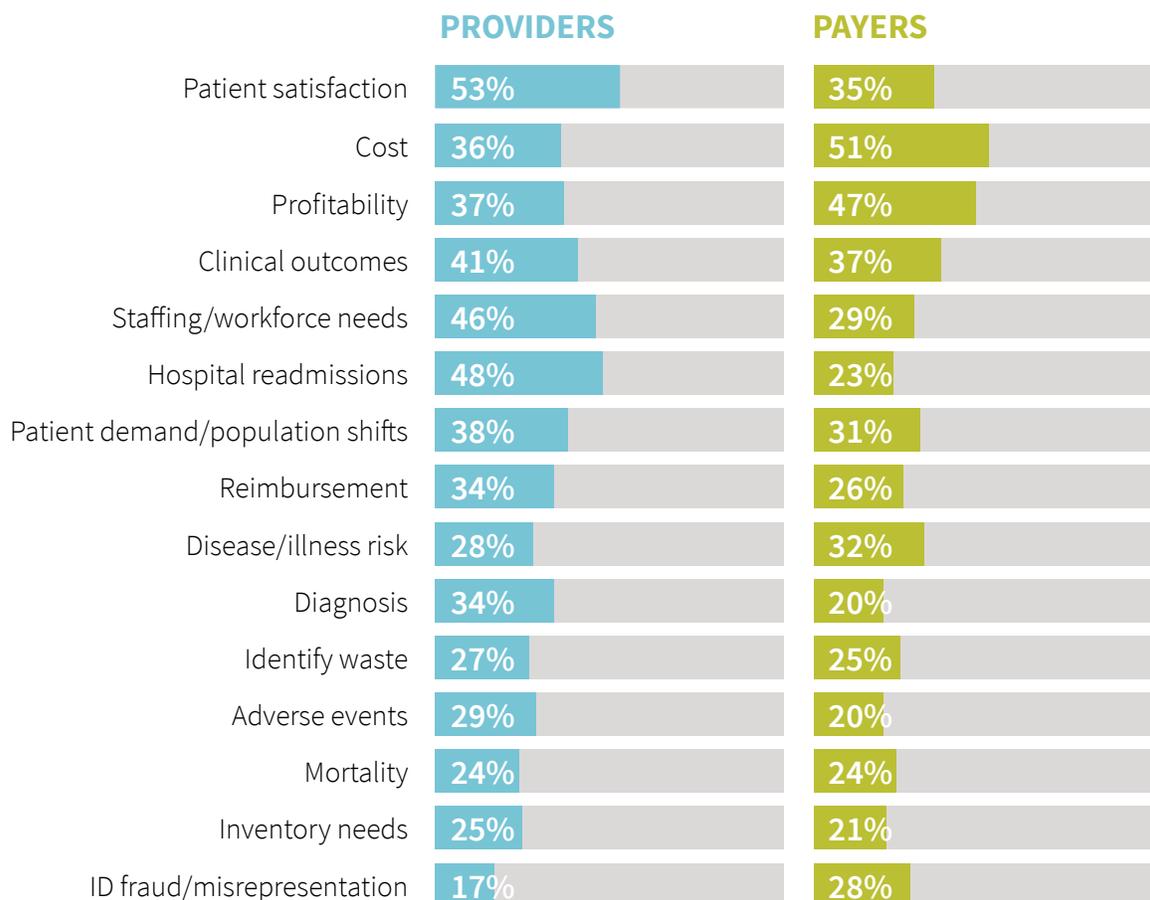
This data underscores the value executives place on predictive analytics across both payer and provider organizations. As value-based care gains prominence, smart organizations are leveraging predictive analytics to forecast health and clinical outcomes to help achieve the Triple Aim.”

- Ian Duncan
FSA FIA FCIA FCA MAAA



The most valuable outcomes to predict using predictive analytics vary among providers and payers. Patient satisfaction was selected most among providers, while cost was selected most among payers.

Outcomes most valuable to predict using predictive analytics among providers versus payers

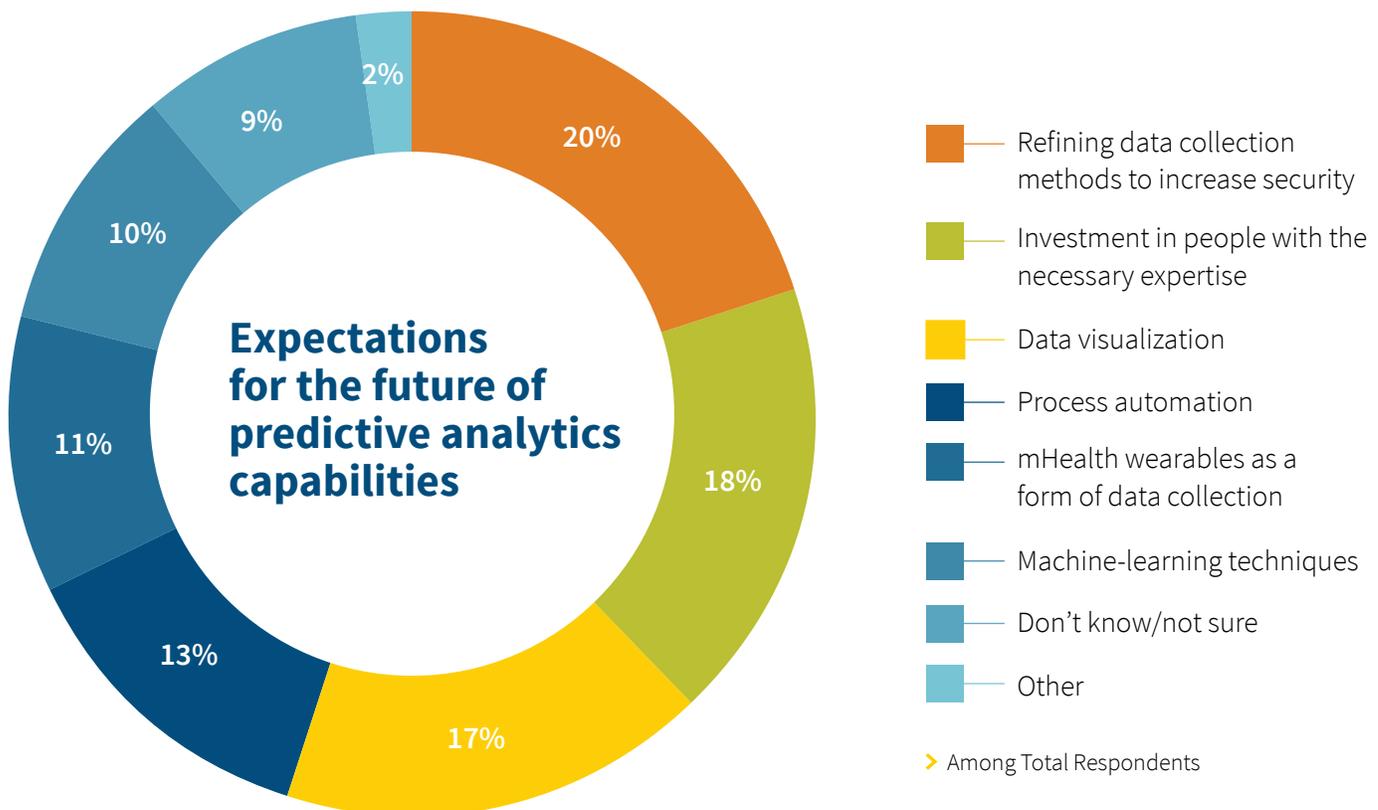




Expectations for future predictive analytics capabilities are varied, but investment in people with the necessary expertise ranks highly among executives.

According to executives, the future is:

- refining data collection methods to increase security (20 percent)
- investment in people with the necessary expertise (18 percent)
- data visualization (17 percent)





Actuaries are uniquely qualified to help health executives maximize results over the next five years by translating the science of predictive analytics into practical applications to solve complex business problems. The actuarial skillset emphasizes converting complex data sets into insights, providing the expertise to achieve future goals of enhanced data visualization, data collection and predictive capabilities.”

- Ian Duncan
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For additional information, please visit:
<https://www.soa.org/healthcare-analytics/>

About the survey

These are some of the findings from an online survey conducted from February 15 - 20, 2017. 223 total health payer and provider executives were interviewed. 45 percent of total respondents were health payer executives and 55 percent of total respondents were health provider executives. The survey’s purpose was to reveal insights about future predictive analytics trends in the healthcare industry including usage, valuable outcomes to predict and challenges to implementation.



About SOA

With roots dating back to 1889, the Society of Actuaries (SOA) is the world’s largest actuarial professional organization with 28,000 actuaries as members. Through research and education, the SOA’s mission is to advance actuarial knowledge and to enhance the ability of actuaries to provide expert advice and relevant solutions for financial, business and societal challenges. The SOA’s vision is for actuaries to be the leading professionals in the measurement and management of risk. www.SOA.org